Final

Competent Person's Report of Yinman Project in Inner Mongolia, China

Yinman Silver Polymetallic Project, Inner Mongolia, People's Republic of China

Inner Mongolia Xinye Silver & Tin Mining Co., Ltd.



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Appendices

Appendix A Mining License
Appendix B JORC Code Table 1

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	percent
‰	per thousand
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
AAS	Atomic absorption spectrophotometry
ARD	Acid rock drainage
asl	above sea level
Ag	the element symbol of silver
AIG	Australian Institute of Geoscientists
ARD	Acid rock drainage
AusIMM	Australasian Institute of Mining and Metallurgy
BQ	Basic quality index (rock mass)
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold
CGCS2000	China Geodetic Coordinate System 2000
CIP	Carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions
CIT	corporate income tax
cm	centimetres
CMF	Consensus Market Forecasts
CNY	Chinese Yuan
COG	cut-off grade
Cu	the element symbol of copper
CPR	Competent Person's Report
CRM	Certified reference material
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
ENFI	China ENFI Engineering Co., Ltd.
EPMP	Environmental Protection and Management Plan
EqAg	Equivalent silver grade
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the

Term / Abbreviation	Meaning / Definition
	time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
GNSS	Global Navigation Satellite System
g/t	gram per tonne
ha	hectare(s)
HGD	High-Grade Domain
HKEx	Hong Kong Exchanges and Clearing Ltd.
IDW	Inverse distance weighted
IFC	International Finance Corporation
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
IRR	Internal rate of return
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
LGD	Low-Grade Domain
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres

Term / Abbreviation	Meaning / Definition
MAIG	Member of the Australian Institute of Geoscientists
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
mL	megalitres (million metres)
ML	Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
MSO	Mineable Shape Optimizer
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
Opex	operating expenditure(s)/ cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
oz	troy ounce (for precious metals)
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
Pb	element symbol of Lead
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/ quality control

Term / Abbreviation	Meaning / Definition
RC	reverse circulation
RL	Reduced level (elevation above sea level)
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
RTK	Real Time Kinematic
S	South, also the element symbol of sulphur
SABC	Semi-autogenous grinding + ball milling + crushing
Sb	element symbol of Antimony
Sn	element symbol of Tin
SG	specific gravity
SRK	SRK Consulting China Ltd.
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
TDS	Total dissolved solids
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
UG	Underground
US$	United States dollar
US$/oz	United States dollars per troy ounce
US$/t	United States dollars per tonne
USc/lb	United States cents per pound
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets
WRD	waste rock dump
VAT	value-added tax
Xingye Silver &Tin	Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. (兴业银锡)
Yinman	Yinman Silver Polymetallic Project
"Yinman Mining" or "Yinman Mine"	West Ujimqin Banner Yinman Mining Co., Ltd. (西乌珠穆沁旗银漫矿业有限责任公司)
Zn	element symbol of Zinc

Executive Summary

Introduction

SRK Consulting China Ltd. ("SRK") was commissioned by Inner Mongolia Xinye Silver & Tin Mining Co., Ltd. ("Xingye Silver & Tin" or the "Company") to undertake an independent assessment of all relevant technical aspects of the Yinman Silver Polymetallic Project ("Yinman Project" or the "Project") which is located in Inner Mongolia and operated by West Ujimqin Banner Yinman Mining Co., Ltd. ("Yinman Mining" or "Yinman Mine"), a subsidiary company of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("CPR", or this "Report") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "Stock Exchange"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver & Tin, together with potential equity investors and future shareholders of the Company, with an independent technical assessment of the Project, based on all available technical data, including the geology and exploration status, Mineral Resources and Ore Reserves, proposed mining methods, processing and metallurgical technologies, and environmental and social aspects It is understood that the aim of this Report will be used by the Company for the proposed listing on the Main Board of the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- a review of the dataset provided by Xingye Silver & Tin, and preparation of a data verification plan which was to be conducted during the site visit.
- a site visit in April 2026, to the Yinman Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("TSF"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- a review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("EIA") reports, mineral processing technology and mining methods, capital expenditures ("Capex") and operating expenses ("Opex"), etc.
- discussion with Yinman Mining and Xingye Silver & Tin management and technical personnel.

- the preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- the submission of the draft report to Yinman Mining and Xingye Silver & Tin and the related third party for comments and finalisation of the Report based on the feedback.

Results

Overall

The Yinman Project is located 90 kilometres ("km") west of Balagaer Gaole Town, West Ujimqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region, and administratively falls under Jirengaole Town, West Ujimqin Banner. The project area is about 10 km north of Provincial Highway G207, 120 km from Xilinhot Railway Station, and 90 km from the banner government seat at Balagaer Gaole Town. The mining area is connected to Provincial Highway S307 by a paved (cement) road, and access is relatively convenient.

Operational Licences and Permits

The Project holds a mining licence issued by the former Xilin Gol League Land and Resources Bureau for the Baiyinchagan Dongshan copper-lead-tin-silver-zinc deposit. The mining licence ID is C1500002015013210136961, valid from 20 January 2015 to 20 January 2028, with an approved production capacity of 1.65 million tonnes per annum ("Mtpa") and elevation limit from 1,015 metre ("m") above sea level（"asl "）~ -144m asl.

Geology and Mineralogy

The project is situated within the Xilinhot–Huolinguole metallogenic sub-belt in the south-central part of the Greater Xing'an Range. Regionally, it lies in the Central Asian–Mongolian geosynclinal-fold belt, within the central Inner Mongolia geosynclinal-fold system and, more specifically, in the Late Variscan West Ujimqin geosynclinal-fold belt of the Greater Xing'an Range. The area constitutes an integral part of the Pacific Rim giant polymetallic metallogenic belt.

The region has experienced strong tectonic deformation, with well-developed folds and faults. The dominant structural features are northeast ("NE")- and north-northeast ("NNE")-trending belts, interpreted as relatively late, second-order tectonic zones that control the distribution of mountain ranges and basins.

Magmatic rocks are well developed and widely distributed in the area, with an overall NE-trending outcrop pattern. The assemblage is relatively simple and consists predominantly of felsic intrusive rocks of Yanshanian age. Dyke swarms are also common and are clearly controlled by the regional structural grain, striking mainly NE. Dyke lithologies include siliceous veins and gabbroic dykes, among others.

The Yinman Project deposit is a fault-controlled, medium- to low-temperature hydrothermal Cu–Pb–Sn–Ag–Zn deposit and was divided into three main mineralised zones; Zone 1 , Zone 3 and Zone 4. All mineralisation bodies are hosted within fault zones controlled by near east–west-trending transgressional faults, and their attitude is essentially consistent with that of the main fault planes.

- Zone 1 is dominated by Pb–Ag–Zn mineralisation, with Pb, Ag , Zn and Sb occurring as coexisting commodities. The mineralisation is hosted in pyrite–sericite–quartz-altered Ag–Pb–Zn mineralised breccia. Wall rocks are mainly breccia, argillaceous tuffaceous siltstone, rhyolite and andesitic basalt. The ore mineral assemblage is relatively simple: metallic minerals are dominated by sphalerite, pyrite, boulangerite and galena, with subordinate tetrahedrite, chalcopyrite and marcasite; metallic minerals account for about 9% by volume. Gangue minerals are principally quartz, chlorite and sericite, with minor dolomite, biotite and kaolinite.
- Zone 3 is dominated by Cu–Sn–Ag–Zn mineralisation, with Cu, Sn, Ag and Zn occurring as coexisting commodities. The mineralisation is hosted in pyrite–sericite–quartz-altered Cu–Sn–Ag–Zn mineralised breccia, and the wall rock is predominantly breccia. The ore mineral assemblage is again relatively simple: metallic minerals are dominated by sphalerite, chalcopyrite, pyrite, boulangerite, cassiterite and galena, with subordinate tetrahedrite and marcasite; metallic minerals account for about 5% by volume. Gangue minerals are mainly quartz, chlorite and sericite, with minor dolomite, biotite and kaolinite.
- The Mineralisation in Zone 4 is similar to that of Zone 3, with the exception that the level of exploration remains relatively low. Current geophysical surveys and limited drilling have yielded promising mineralisation indicators.

The mineralised bodies show clear and systematic litho-structural controls. Strongly deformed tectonite zones composed of breccia, cataclasite and mylonite host the main mineralised bodies, whereas weaker zones of fractured and altered rock host subordinate mineralised bodies. Within the mineralised bodies, polymetallic mineralisation is clearly dependent on the development and superposition of the main mineralising stages; zones where polymetallic sulphides are well developed or overlapping represent the principal sites of high-grade mineralisation.

Exploration and quality assurance and quality control ("QA/QC")

Exploration and geological investigation in the Yinman Project area have progressed through several stages since the 1970s.

From 1975 to 1977, Sub team No. 7 of the Inner Mongolia Regional Geological Survey Team ("Inner Mongolia Geological Team 7#") conducted 1:200,000-scale regional geological mapping, carrying out systematic stratigraphic, structural, magmatic and metamorphic subdivision and establishing the preliminary geological and structural framework of the district.

In 1979, the Inner Mongolia No. 1 Geophysical Prospecting Team ("Inner Mongolia Geophysical Team 1#") undertook 1:50,000-scale aeromagnetic surveying in the Junmachang–Qianzhanpu East area.

From 1993 to 1995, the First Integrated Geophysical Prospecting Brigade of the former Ministry of Geology and Mineral Resources ("Inner Mongolia Geophysical Team 1#") carried out 1:200,000-scale regional geochemical surveys, limited 1:50,000-scale regional geological mapping, and 1:50,000-scale infill geochemical surveys in the West Ujimqin Banner area, delineating multiple composite anomalies.

Between 2007 and 2012, Yinman Mining commissioned the No. 6# Geological Brigade of the Shandong Provincial Bureau of Geology and Mineral Resources Exploration and Development ("Shandong No. 6# Geological Brigade") to conduct exploration within the licence area. A total of 131

drillholes were completed, including eight shallow holes and 123 mechanically drilled core holes, for an aggregate drilled length of 51,494.71 m.

From November 2012 to September 2014, infill and extension drilling was undertaken by Shandong No. 6# Geological Brigade. Totally 283 drillholes for a total depth of 153,379.95 m, including one shallow hole and 282 mechanically drilled core holes were drilled.

From 2013, systematic infrastructure and production exploration is conducted utilising a combined approach of adit exploration, surface drilling and underground drilling.

The tunnel exploration projects are being constructed by Henan Jinyuan Mine Construction Engineering Co., Ltd. ("Henan Jinyuan") and Henan Sanyi Mine Construction Engineering Co., Ltd. ("Sanyi Mine Construction"), who are responsible for the practical operations related to underground production. The typical cross-section where the drifts intersect the veins is approximately 1.8 m (height) × 2.0 m (width). Most of these workings provide adequate exposure for mineralised bodies delineation and control. The geological exploration department of Yinman Mining is responsible for the exploration plans, exploration designs, and conducting routine inspection and dynamic supervision of exploration quality.

From 2023 to 2025, the production-geology work has been undertaken by Hebei Huakan Geological Exploration Co., Ltd. ("Huakan"). Underground diamond drilling has been adopted, with a total of 93,452m was drilled.

The QA/QC protocol adopted historically for the Yinman Project included the insertion of laboratory duplicates (internal check control) and inter-laboratory checks (external check control).

Check assays consist of submitting pulps that were assayed to a different laboratory and re-analysing them by using the same analytical procedures. This is done primarily to improve the assessment of bias in addition to the submission of certified reference materials ("CRMs") and in-house control samples submitted to the original laboratory. Reference materials are also inserted with samples submitted to the secondary laboratory to evaluate if the secondary laboratory is potentially biased.

Based on SRK's site visit, review of the previous and ongoing exploration datasets and the QA/QC program, communication with the Yinman's technical personnel and consideration of the mineralisation characteristics of the Yinman Project deposit, SRK is satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.

The SRK team including geologists, mining engineer, processing engineer and environmental consultant, visited the Yinman Project in April 2026. The SRK team conducted site verification, including the inspection of several mining stopes underground which show the exposure of the mineralised, visited the drill core shed and inspected mineralised cores.

Based on historical exploration data review and site inspections, SRK selected 906 verification pulp samples, which were prepared and analysed by SGS Tianjin, an internationally accredited mining laboratory. Most sample pairs deviated within ±20%, indicating reasonable analytical repeatability. A small number of low grade outliers did not compromise data robustness, which supports the subsequent Mineral Resource estimation.

Mineral Resource Estimation

Based on SRK's site visit, review of the exploration datasets, communications with the Yinman's technical personnel and consideration of the mineralisation characteristics of the Yinman Project deposit, SRK is satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.

The Yinman Project deposit is a fault-controlled, medium- to high-temperature hydrothermal Cu–Pb–Sn–Ag–Zn deposit and was divided into two main mineralised zones： Zone 1 and Zone 3. All mineralisation bodies are hosted within fault zones controlled by near east–west-trending transgressional faults, and their attitude is essentially consistent with that of the main fault planes.

A cut-off of approximately 20 g/t silver equivalent ("AgEq") was used to define the broad Low-Grade Domains ("LGD") for Zone 1 and Zone 3. And the High-Grade Domains ("HGD") were generated within the LGD corresponding to the current production mineralisation by Xingye Silver & Tin and reviewed by SRK. These domains form the basis for Mineral Resource estimation.

The grade interpolation for all variables was undertaken by SRK in 2026 using conventional three-dimensional ("3D") block modelling and Ordinary Kriging ("OK") within the HGD and LGD of each zone. Mineral Resources are reported at a cut-off grades of 64 g/t AgEq for Zone 1 and 61 g/t AgEq for Zone 3, which are considered that the Yinman Project is amenable for underground mining to satisfy the Reasonable Prospects for Eventual Economic Extraction ("RPEEE") requirement. The cut-off date for mining depletion in the Mineral Resource Statement is 31 December 2025.

Table ES-1, Table ES-2 and Table ES-3 present a summary of the estimated Mineral Resources for the Yinman Mine (Zone 1 and Zone 3) as of 31 December 2025.

Table ES-1: Mineral Resource Statement[1] for the Zone 1, as of 31 December 2025

Domain	Resource Category	Tonnage	Average Value			Metal Contained		
			Ag	Pb	Zn	Ag	Pb	Zn
		Mt	g/t	%	%	t	kt	kt
HGD	Measured	3.72	114.30	1.07	2.46	426	40	91
	Indicated	3.00	79.42	1.27	1.99	238	38	60
	Inferred	3.15	66.40	2.40	1.19	209	75	38
LGD	Measured	6.08	67.25	0.55	1.14	409	34	69
	Indicated	12.60	63.00	0.64	1.15	794	81	145
	Inferred	18.60	75.58	1.18	0.83	1,406	220	154
Total	**Measured**	**9.80**	**85.13**	**0.75**	**1.64**	**834**	**74**	**160**
	Indicated	**15.60**	**66.16**	**0.76**	**1.31**	**1,032**	**119**	**204**
	Measured + Indicated	**25.39**	**73.48**	**0.76**	**1.44**	**1,866**	**193**	**365**
	Inferred	**21.75**	**74.25**	**1.36**	**0.88**	**1,615**	**296**	**192**

Source: SRK

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Ms. Yanfang Zhao who are full-time employees of SRK Consulting China Ltd. Mr. Liu is the member of Australian Institute of Geoscientists ("AIG") and Ms. Zhao is also a member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). They 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 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. Mr. Liu and Ms. Zhao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 64 g/t AgEq, AgEq = Ag+14.51*Pb+25.28*Zn+32.49*Sb, based on the price of Ag 42.25 US$/oz, Pb 2,600 US$/t, Zn 3,650 US$/t and Sb 11,268 US$/t, the recoveries of Ag 75.31% for lead concentrate and 12.71% for zinc concentrate, Pb 68.05 % and Zn 80.87%, the payable of Ag 90.5% for lead concentrate and 40% for zinc concentrate, Pb -479 US$/metal contained, Zn -21 US$/metal contained, Sb 50 % contained.

[4] Depletion for previously mined-out material has been applied in the reported Mineral Resources.

Table ES-2: Antimony Mineral Resource Statement[1] for Zone 1, as of 31 December 2025

Mineralised Zone/Block	Resource Category	Tonnage	Sb Grade	Sb Metal Contained
			%	kt
Zone 1	Inferred	47.15	0.26	122

Source: SRK

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Ms. Yanfang Zhao who are full-time employees of SRK Consulting China Ltd. Mr. Liu is the member of AIG and Ms. Zhao is also a member of the AusIMM. They 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 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. Mr. Liu and Ms. Zhao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 64 g/t AgEq, AgEq = Ag+14.51*Pb+25.28*Zn+32.49*Sb, based on the price of Ag 42.25 US$/oz, Pb 2,600 US$/t, Zn 3,650 US$/t and Sb 11,268 US$/t, the recoveries of Ag 75.31% for lead concentrate and 12.71% for zinc concentrate, Pb 68.05 % and Zn 80.87%,the payable of Ag 90.5% for lead concentrate and 40% for zinc concentrate, Pb -479 US$/metal contained, Zn -21 US$/metal contained, Sb 50 % contained.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

Table ES-3: Mineral Resource Statement[1] for Zone 3, as of 31 December 2025

Domain	Resource Category	Tonnage	Average Value				Metal Contained			
			Ag	Cu	Sn	Zn	Ag	Cu	Sn	Zn
		Mt	g/t	%	%	%	t	kt	kt	kt
HGD	Measured	3.77	137.25	0.26	1.02	0.74	518	10	39	28
	Indicated	3.99	112.60	0.20	0.93	0.70	449	8	37	28
	Inferred	2.83	136.48	0.20	0.58	0.77	386	6	16	22
LGD	Measured	12.62	92.86	0.10	0.21	0.47	1,172	13	27	60
	Indicated	18.69	93.39	0.10	0.20	0.51	1,745	19	37	96
	Inferred	33.26	91.60	0.09	0.20	0.73	3,047	29	68	244
Total	**Measured**	**16.39**	**103.08**	**0.14**	**0.40**	**0.54**	**1,690**	**23**	**66**	**88**
	Indicated	**22.68**	**96.77**	**0.12**	**0.33**	**0.55**	**2,195**	**27**	**74**	**124**
	Measured + Indicated	**39.07**	**99.42**	**0.13**	**0.36**	**0.54**	**3,884**	**50**	**140**	**212**
	Inferred	**36.09**	**95.12**	**0.10**	**0.23**	**0.74**	**3,433**	**35**	**84**	**266**

Source: SRK

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Ms. Yanfang Zhao who are full-time employees of SRK Consulting China Ltd. Mr. Liu is the member of AIG and Ms. Zhao is also a member of the AusIMM. They 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 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. Mr. Liu and Ms. Zhao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 61 g/t AgEq, AgEq =Ag + 90.71 * Sn + 54.53 * Cu+ 11.38 * Zn , based on the price of Ag 42.25 US$/oz, Sn 35,900 US$/t, Zn 3,650 US$/t and Cu 12,600 US$/t, the recoveries of Ag 83.64% for

cooper concentrate and 2.73% for zinc concentrate, Zn 30.72 %, Cu 82.16% and Sn 44.04%,the payable of Ag 93% for copper concentrate and 40% for zinc concentrate, Cu 80% contained, Zn -77 US$/metal contained, Sn 92.5 % contained.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

Exploration Potential

The Yinman mine is currently in production, and current drilling and underground development indicate that the main mineralisation is still open along strike or at depth, in Zone 1 and Zone 3. The Mineralised intercepts at or near marginal cut-off grades encountered along the flanks and at depth indicate significant potential for down-dip and along-strike extensions, as well as the presence of echelon or subsidiary mineralised zones. These targets warrant further delineation via systematic underground diamond drilling and strategic on-reef and cross-cut development, integrated within the current operational framework.

It is recommended that staged infill and step out exploration drilling be integrated with ongoing mining operations to refine the Mineral Resource model and support middle- long term mine planning.

SRK acknowledge that Yinman Mining has conducted geophysical surveys and some drilling in Zone 4, which indicates significant Mineral Resource potential in the area. Yinman Mining plans to commit substantial exploration investment to verify this potential. Further geophysical surveys are scheduled for 2026, together with 24,000 m of drilling to be carried out in Zone4.

Mining and Ore Reserves

SRK has estimated the Ore Reserves for the Yinman Mine in accordance with the guidelines outlined in the JORC Code. These Ore Reserve estimates are supported by Modifying Factors derived from technical studies and ongoing operational records, which are considered to meet the confidence level of a Pre-Feasibility Study ("PFS").

Key factors applied in the estimation process include stope design, mining losses, and dilution. Additional factors, such as processing capabilities, market conditions, environmental considerations, legal and political constraints, and other elements that may influence the quantity and classification of the Ore Reserves, were also taken into account.

The portions of Measured and Indicated Mineral Resources within the designed underground stopes, inclusive of diluting materials and allowances for losses, have been classified as Proved Ore Reserves and Probable Ore Reserves, respectively. The Ore Reserve statement is shown in Table ES-4.

Table ES-4: Ore Reserves Statement for the Yinman Mine, as of 31 December 2025

Mineralised Zone	Category	Tonnage	Average Grade					Metal Contained				
			Ag	Pb	Zn	Cu	Sn	Ag	Pb	Zn	Cu	Sn
		Mt	g/t	%	%	%	%	t	kt	kt	kt	kt
Mine Zone 1	Proved	4.96	98.54	0.86	1.85	-	-	489	42	92	-	-
	Probable	6.97	80.99	0.83	1.51	-	-	565	58	105	-	-
	Total	11.93	88.29	0.84	1.65	-	-	1,053	100	197	-	-
Mine Zone 3	Proved	10.69	105.50	-	0.51	0.14	0.40	1,128	-	55	15	43
	Probable	12.86	106.25	-	0.54	0.13	0.38	1,367	-	69	17	49

Mineralised Zone	Category	Tonnage	Average Grade					Metal Contained				
			Ag	Pb	Zn	Cu	Sn	Ag	Pb	Zn	Cu	Sn
		Mt	g/t	%	%	%	%	t	kt	kt	kt	kt
	Total	23.55	105.91	-	0.53	0.14	0.39	2,495	-	124	32	92

Source: SRK

Note:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Donghao Luo, Mr. Erwei Lu and Mr. Falong Hu, who are full-time employees of SRK Consulting China Ltd. Mr. Erwei Lu is a Member of AusIMM and Mr. Falong Hu is a Fellow of AusIMM. Mr. Erwei Lu and Mr. Falong Hu have sufficient experience which is relevant to the style of mining methods and mine layout designs under consideration and to the activity which they are undertaking to qualify as the 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. Mr. Erwei Lu and Mr. Falong Hu consents to the reporting of this information in the form and context in which it appears.

[2] Ore Reserves are constrained with in an underground design that uses the following assumption: a sliver price of CNY 7.42/g; sliver recoveries 83% in Mine Zone I and 84% in Mine Zone III; G&S costs of CNY 74/t ore processed

[3] Underground Ore Reserves are estimated at a cut-off grade 82.74 g/t EqAg for Mine Zone I and 79.56 g/t EqAg for Mine Zone III.

[4] The Ore Reserves also include by product ore, with a cut-off-grade of 41.2 g/t EqAg for Mine Zone I and 39.62 g/t EqAg for Mine Zone III

[5] The calculated AgEq is calculated as; AgEq =Ag + 90.71 * Sn + 54.53 * Cu+ 11.38 * Zn , based on the price of Ag 42.25 US$/oz, Sn 35,900 US$/t, Zn 3,650 US$/t and Cu 12,600 US$/t, the recoveries of Ag 83.64% for cooper concentrate and 2.73% for zinc concentrate, Zn 30.72 %, Cu 82.16% and Sn 44.04%,the payable of Ag 93% for copper concentrate and 40% for zinc concentrate, Cu 80% contained, Zn -77 US$/metal contained, Sn 92.5 % contained.

[6] Mining Stope includes the by-product ore from Cross cut

[7] The minable shapes optimisation excludes the mined-out area

[8] Numbers have been rounded and may not sum precisely.

[9] For Mine Zone I, the mining dilution rate is 12.3%. Mining loss rate is 6.5%.

[10] For Mine Zone III, the mining dilution rate is 11.3%. Mining loss rate is 7.7%.

[11] Mine Zone I hosts Ag, Pb and Zn mineralisation, while Mine Zone III contains Ag, Zn, Cu and Sn mineralisation; therefore, the combined grades for Pb, Cu, Sn have not been included in the overall summary.

Mining Assessment

Yinman Mine is divided into two mining zones: Mine Zone I and Mine Zone III, each with its own processing system.

Yinman Mine proposed to implement capacity expansion, with Construction period extending from 2026 to 2029 and is followed by production, which is anticipated to continue by 2039. Production capacity will ramp up from 1,650 thousand tonnes per annum ("ktpa") during the construction period to 2,970 ktpa.

Yinman Mine employs modified sublevel stoping with delayed backfill, overhand horizontal cut-and-fill stoping and shrinkage stoping with delayed backfill method to achieve a production rate of 9,000 tonnes per day ("tpd"). The sublevel stoping with delayed backfill and overhand horizontal cut-and-fill stoping have the stope with length up to 20 m, width is orebody thickness and stope height 60 m, subdivided into 20 m sublevels. The shrinkage stoping with delayed backfill method have the stope length 50 m (45 m stope + 5 m pillar), width is horizontal ore thickness; height is level interval (60 m) and 5 m crown pillar is left.

Ore and waste from 830 m, 770 m and 710 m asl levels are hauled by 12 tonne ("t") underground trucks to stope ore passes and discharged to the 810 m and 690 m levels. At these levels, a 3 t Load-Haul-Dump ("LHD") vehicle, loads the material into 35 t underground trucks, which are then hauled

via the main decline to surface. In the deeper levels, trucks haul the material to the ore passes, where ore is dumped and discharged to the 450 m and 330 m rail haulage levels.

Mining dilution is accounted for at 12.3% at Mine Zone I and 11.3% at Mine Zone III for Yinman Mine. Mining loss is considered at 6.5% at Mine Zone I and 7.7% at Mine Zone III for Yinman Mine.

Mineral Processing

The ores at Yinman Mine are broadly classified into lead-zinc ores system and copper-tin ores system. Both types have been the subject of numerous detailed process mineralogical studies and beneficiation trials, providing valuable support for the design of the processing plant.

The valuable metals in lead-zinc ores are silver, lead, antimony and zinc. These ores contain a wide range of valuable mineral components, which are finely disseminated. After the ore is finely ground, a flotation process of "lead preferential flotation followed by zinc flotation" is employed, producing a mixed silver-lead-antimony concentrate and a silver-zinc concentrate.

The copper-tin ore contains a wide range of valuable metals, including silver, copper, lead, zinc, sulphur and tin. It comprises numerous mineral components, with a single mineral often containing multiple metal constituents, resulting in a lengthy and complex beneficiation process. A combined process flow comprising "copper-lead bulk flotation– zinc-sulphide bulk flotation followed by separation flotation – coarse tin gravity separation – fine tin flotation" is employed, yielding silver-copper concentrate, zinc concentrate, sulphide concentrate, tin concentrate and secondary tin concentrate.

A mineral processing plant with a capacity of 5,000 tpd has been constructed, comprising a 2,500 tpd lead-zinc line and a 2,500 tpd copper-tin line, which process lead-zinc ore and copper-tin ore respectively. Following several technical upgrades, both lines are now capable of processing both lead-zinc ore and copper-tin ore. Due to the complex intergrowth relationships between minerals, it is common for a single mineral to contain multiple valuable metals. The high mutual content of metals within the various concentrate products results in lower grades for metals other than silver, thereby affecting the selling price of metals in the concentrates. The silver grade is relatively high in both types of ore, and the recovery rate of silver in the concentrates is also high, making it the primary contributor to sales revenue.

Plans are in place to construct a new 4,000 tpd processing plant to process copper-tin ore, thereby expanding the total ore processing capacity to 9,000 tpd. Based on an effective operating time of 330 days per year, the annual ore processing capacity will be 2.97 million tonnes ("Mt").

Based on records of actual concentrate tonnages stored in the lead, zinc, copper, tin, sub-tin and low-grade tin concentrate bins, as provided by the Company's finance department, the contained metal quantities have been calculated and are summarised in Table ES-5. Sulphur recovered as a by-product has also been included in the concentrate sales reporting.

Table ES-5: Historical Production Performance from Production and Sales Reports

Actual Recovered Metal	Unit	2023	2024	2025
Pb	kt	1.52	1.76	2.46
Sb	kt	1.02	1.35	1.63

Actual Recovered Metal	Unit	2023	2024	2025
Cu	kt	2.23	2.46	1.77
Zn	kt	8.36	8.37	8.79
Sn	kt	7.77	8.90	6.68
Ag	t	129.37	158.82	142.68
Actual By Product Metal	**Unit**	**2023**	**2024**	**2025**
S	kt	2.91	0.52	

Source: Production and Sales Reports from the finacial department

Workforce Assessment

The project is located in a sparsely populated area, with most labour sourced from Xilinhot City and surrounding areas within Inner Mongolia. The Company has been in production for many years and has built up a strong team of experienced technical and management personnel, providing robust technical support for the proposed expansion project. The Company currently has 13 departments, with 349 employees and 1,471 contracted personnel.

Production workers follow a continuous working system (330 days/ year, 3 shifts/ day, 8 hours/ shift), while other roles operate intermittently based on demand. The working system includes the mining, processing and auxiliary workshops. Staffing and scheduling are periodically adjusted to align with production requirements and operational conditions.

The laboratory facilities and the mechanical workshop and underground maintenance stations follow different shift basis, of which the Laboratory is on one 8-hour shift per day for 330 days per year, while the mechanical workshop and underground maintenance stations operate 330 days per year, on a two-shift basis, eight hours per shift and four workers per shift.

Project Infrastructure

The Yinman mine has a long-established external infrastructure, with transport, power and water supply in place.

Process water is sourced mainly from underground dewatering, supplemented by a backup production water source in the downstream Bagajilinguole River alluvial plain; domestic water is supplied from dedicated potable wells in the upstream reach of the same river. Power is provided from the Wujianfang 220 kilovolts ("kV") substation via a 35/10 kV main substation at the processing plant and a 10 kV substation at the auxiliary shaft industrial site. Heating for the existing processing plant and facilities is supplied by China Resources Power Xilingol Power Plant, while the planned new processing plant and associated facilities will use waste heat from the Jinneng (Xilingol) Power Generation Co., Ltd. All required raw materials can be sourced locally.

Environmental and Social Impacts

The EIAS cover the main production facilities including mine site, processing plant, TSF and other auxiliary facilities. The EIA report has assessed the environmental baseline of the Project area, and

predicted potential impacts including air, water, solid waste, and noise pollution, and have proposed a series of management measures.

The baseline study did not identify any rare or endangered plant and wildlife species within the assessment area, and no nationally protected animal species have been recorded in the Project area. The EIA report concluded that the Project's operations are expected to have limited impacts on surrounding vegetation communities and wildlife.

The Project has established a "General Industrial Solid Waste Management Register", which accurately records the generation, storage, utilisation, and treatment/ disposal of solid waste. Daily records are kept for the generation and use/ disposal of waste rock and tailings. The waste rock and tailings are classified as Class I general industrial solid waste.

Public participation was carried out during the EIA for the Project's mining, mineral processing, and TSF. During the public disclosure and consultation of the draft reports, neither the project proponent nor the EIA consultant received any public feedback.

Capital Expenditures and Operating Expenses

Capital Expenditure

Future Capex is estimated based on historical expenditure and the life-of-mine ("LoM") production schedule. The total projected Future Capex is CNY 3036.23 million. The summary of LoM Capex is presented in Table ES-6.

Table ES-6: Summary of Capex for Yinman

CAPEX	Unit	LOM
Initial Capex		**2,384.87**
Infrastructure	Million CNY	2,384.87
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		**351.84**
Land Use Rights	Million CNY	30.44
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	81.29
Buildings	Million CNY	147.18
Underground Development	Million CNY	86.86
Others	Million CNY	**6.07**
Closure Cost	Million CNY	299.52
Total Capex	Million CNY	**3,036.23**

Source: summarised by SRK

Operating Expenditure

The Opex is shown in Table ES-6, which provides a summary of the unit costs in years 2023 to 2025. SRK considers the historical three-year weighted average cost to be reasonable and uses it for future economic evaluations. The annual cash Opex projection over the LoM is shown in Figure ES- 1.

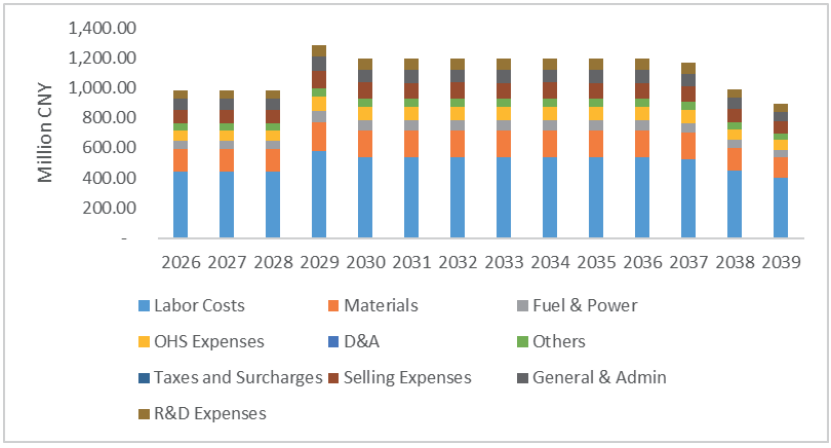
Annual Opex increases in 2029 to align with the production ramp-up and decreases in 2037 as production ramps down.

Table ES-7: Summary of Opex Historical & Forecasted for Yinman

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/ Average
Mined	kt	1,487.21	1,796.86	1,629.90	4,913.96
Milled	kt	1,428.09	1,650.29	1,682.49	4,760.88
Operating Cost					
Labor Costs	CNY/t	311.90	214.64	281.85	267.56
Materials	CNY/t	108.72	76.06	89.60	90.64
Fuel & Power	CNY/t	43.07	23.01	33.42	32.71
Occupation, Health and Safety Expenses	CNY/t	45.00	32.85	54.02	43.98
D&A	CNY/t	-	-	-	-
Others	CNY/t	31.62	14.11	37.55	27.64
Taxes and Surcharges	CNY/t	83.26	82.05	97.32	87.81
Selling Expenses	CNY/t	52.68	49.85	58.67	53.82
General & Admin	CNY/t	47.69	44.42	41.01	44.19
Research & Development Expenses	CNY/t	35.60	31.72	38.88	35.41
Total OPEX	CNY/t	759.53	568.70	732.33	**683.77**

Source: summarised by SRK

Figure ES- 1: Opex Plan over LoM (in Million CNY)



Source: summarizsd by SRK

Economic Analysis

The net present values ("NPVs") with various discount rates were estimated by SRK through discounted cash flow ("DCF") model, presented in Table ES-8.

Table ES-8: Estimated NPVs at Various Discount Rates(in Million CNY)

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	10,308	9,687	9,121	8,604	8,131	7,698	7,301	6,936	6,600	6,290	6,004

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors most significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range.

The changes in metal prices have the greatest impact on the Project's NPV, while Opex and Capex have less effects.

To clarify the effects of prices on the Yinman Mine's NPV, SRK estimated that at 8% discount rate, the Yinman Mine NPV remains positive even under a 30% decrease in price.

Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Yinman Project in relation to their likelihood of occurrence within the LoM and consequence.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Yinman Project is an operating project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Yinman Project. SRK's final Risk Assessment is presented in the Table ES-9.

Table ES-9: Risk Assessment for Yinman Project

Risk	Likelihood	Consequence	Rating
Mineral Resource and Ore Reserve			
low-density drilling for deep resource exploration[1]	Unlikely	Moderate[2]	Low
Poor historical samples management[3]	Likely	Minor	Medium[4]
Insufficient density tests[5]	Possible	Moderate	Medium[6]
Insufficient Sb assays[7]	Possible	Minor	Low[8]
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Minor	Low
Pumping System Adequacy	Unlikely	Minor	Low
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Minor	Low

Risk	Likelihood	Consequence	Rating
Processing			
Recycled water affects the recovery rate of the target minerals. [9]	Possible	Moderate	Medium[10]
Changes in ore properties have led to a decrease in concentrate recovery rates	Possible	Moderate	Medium
The high failure rate and low operation rate of the equipment may prevent the processing plant from reaching the designed processing capacity. [11]	Likely	Moderate	High[12]
TSF			
Capacity Deficit	Likely	Moderate	Low
Backfill Dependency	Likely	Moderate	Low
Environment and Social			
The impact on flora and fauna[13]	Unlikely	Minor	Low[14]
Water abstraction, surface water and groundwater pollution due to the mining and processing activities[15]	Possible	Moderate	Medium[16]
The community's opposition to the project[17]	Unlikely	Moderate	Low[18]
Capex and Opex			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low

Note:

1. Low-density drilling has been carried out for deep resource exploration; the confidence level of the existing exploration data is insufficient to support a continuous and consistent estimation of Indicated Resources.
2. To address this, the production drilling program is underway to increase the density of exploration data for deep resources.
3. Historical core and channel samples have not been well organised and preserved, and pulp samples were only stored in laboratories for a short period. It is difficult for third parties to conduct a reasonable verification for the historical exploration work.
4. A comprehensive core shed is under construction, and a full re-organisation of existing cores and channel samples is recommended.
5. The number of density samples across various depths, rock types, and domains is significantly lower. Additionally, the interval information for the density samples has not been well-documented currently.
6. It is recommended to conduct additional density tests across varying depths, rock types, and domains to improve data coverage.
7. The number of Sb samples is lower and has not covered all domains. As a result, the estimation of Sb Mineral Resources has been conducted with low confidence.
8. To improve the reliability of Mineral Resource estimation, it is recommended to perform additional assaying for Sb to ensure broader coverage.
9. PH, metal ions and residual reagents of the recycled water can affect the mutual separation of copper, lead, and zinc, thereby reducing their recovery rates.
10. By improving the reagent regime, the recycled water impact on the process can be minimised to an acceptable level.
11. The mineral processing process is outdated and involves numerous pieces of equipment, which inevitably leads to a high failure rate making it difficult to ensure effective operation time, thereby affecting the processing capacity of the processing plant.
12. The Company can employ sufficient maintenance personnel, enhance the capacity for equipment inspection, maintenance and repair, and ensure the equipment operation rate.

13. The construction and operation of the project have impacts on biodiversity within the project area and its surrounding regions.
14. Carry out revegetation and land reclamation, and minimise disturbance to the land.
15. The water intake of the project has an impact on the surrounding users. Indiscriminate discharge of untreated production and domestic wastewater will have negative impacts on surface and groundwater.
16. All process wastewater is fully recycled and not discharged. A comprehensive groundwater monitoring plan should be developed, covering both upstream and downstream areas of the project.
17. The community has complaints or objections regarding the development of the project.
18. Develop a stakeholder engagement plan and a grievance mechanism to promptly understand the concerns of nearby herders and effectively manage social risks.

Conclusions and Recommendations

Conclusions

The Yinman Project deposit is a fault-controlled, medium- to low-temperature hydrothermal vein-type Cu–Pb–Sn–Ag–Zn deposit. The mineralised bodies show clear and systematic litho-structural controls. Strongly deformed tectonite zones composed of breccia, cataclasite and mylonite host the main mineralised bodies, whereas weaker zones of fractured and altered rock host subordinate mineralised bodies.

The drilling, sampling, sample preparation, analyses, security, and data verification meet industry standards and are appropriate for Mineral Resource estimation.

Underground operations at Yinman began in 2026 and are expected to continue till 2039. Yinman employs a modified sublevel open stoping with delay backfill, overhand horizontal cut-and-fill stoping and Shrinkage stoping with delayed backfill to maintain geotechnical stability and achieve a production rate of 9,000 tpd.

The ores at Yinman Mine are broadly classified into lead-zinc ores and copper-tin ores. Both types have been the subject of numerous detailed process mineralogical studies and beneficiation trials, providing valuable support for the design of the processing plant.

The valuable metals in lead-zinc ores are silver, lead, antimony and zinc. These ores contain a wide range of valuable mineral components, which are finely disseminated. After the ore is finely ground, a flotation process of "lead-first flotation followed by zinc recovery" is employed, producing a mixed silver-lead-antimony concentrate and a silver-zinc concentrate.

A mineral processing plant with a capacity of 5,000 tpd has been constructed, comprising a 2,500 tpd lead-zinc line and a 2,500 tpd copper-tin line, which process lead-zinc ore and copper-tin ore respectively. Following several technical upgrades, both lines are now capable of copper-tin ore. Due to the complex intergrowth relationships between minerals, it is common for a single mineral to contain multiple valuable metals. The high mutual content of metals within the various concentrate products results in lower grades for metals other than silver, thereby affecting the selling price of metals in the concentrates. The silver grade is relatively high in both types of ore, and the recovery rate of silver in the concentrates is also high, making it the primary contributor to sales revenue.

The EIA covers the Project's main facilities and assesses baseline environmental conditions, predicting impacts on air, water, waste, and noise, with corresponding mitigation measures proposed. No rare or protected species were identified, and impacts on local vegetation and wildlife are expected to be limited. The Project has established a solid waste management system with detailed

records, classifying waste rock and tailings as Class I general industrial solid waste. Public participation was conducted during the EIA process, with no feedback received during disclosure and consultation.

Recommendations

As reviewed by SRK from the geology, exploration, data management and Mineral Resource estimation, the Competent Persons recommendations for the Yinman Mine are indicated below:

- SRK recommended Yinman Project collect the accurate production tonnages and grades for each mine area, including estimated tonnages mined based on surveys of individual stope. This data should be reviewed against the Mineral Resource models before subsequent updates, as they are valuable for Mineral Resource classification and the evaluation of outlier strategies.
- Inserting field duplicates, coarse duplicates, CRMs, and blanks into the exploration samples in the following exploration stage, which is an essential part of ensuring the reliability and integrity of exploration data. Field and coarse duplicates are used to assess the precision of sampling and sample preparation, helping to identify potential variability introduced during collection or crushing. CRMs are inserted to verify the accuracy of analytical results and detect any systematic bias in laboratory performance. Blanks, on the other hand, are used to monitor contamination throughout the preparation and analysis process. Together, these quality control samples provide a means to evaluate both the precision and accuracy of the assay results, ensuring that the analytical data are representative, consistent, and trustworthy.
- Increase the number of specific gravity measurements to cover various mineralisation domains and grade within the project area, thereby improving the representativeness of the data.
- Strengthen preservation and management of core samples.
- Ensuring that all drilling and underground samples records should be well-preserved and marked as the correct date.
- The lead-zinc system at the processing plant is designed to process 2,500 tpd. It employs a lead-first flotation followed by zinc flotation process to treat lead-zinc ore, producing a mixed lead-antimony-silver concentrate and a zinc concentrate. Over the past three years, the recovery rates for the lead-antimony-silver mixed concentrate have been 68.9% for lead, 59.6% for antimony and 76.2% for silver, whilst the recovery rates for the zinc concentrate have been 80.6% for zinc and 12.7% for silver. As the recovery rates for all metals are lower than the results obtained in trials, SRK recommends conducting a process review to analyse the various operating parameters, optimise operations and improve recovery rates.
- The copper-zinc system at the processing plant has a processing capacity of 2,500 tpd; when processing copper-tin ore, the products are silver-copper concentrate and zinc concentrate. Tin is recovered from the copper-zinc tailings via gravity separation, yielding tin concentrate. Over the past three years, the copper grade of the silver-copper concentrate has been relatively low at only 8.7%, although the silver grade has been high, exceeding 4,000 g/t, with a copper recovery rate of 82.2% and a silver recovery rate of 84.8%. The zinc grade of the zinc concentrate has also been relatively low, averaging 36.9%, with an average zinc recovery rate of 31.6%. SRK recommends reviewing the process, analysing operating parameters, identifying the causes of low concentrate grades and recovery rates, optimising operations, and improving the beneficiation indicators for the copper-zinc ore.
- It is recommended to develop a stakeholder engagement plan and a grievance mechanism to promptly understand the concerns of nearby herders and effectively manage social risks.

1 Introduction and Scope of Report

SRK Consulting China Limited ("Ltd.") ("SRK") was commissioned by Inner Mongolia Xinye Silver & Tin Mining Co., Ltd. ("Xingye Silver & Tin" or the "Company") to undertake an independent assessment of all relevant technical aspects of the Yinman Silver Polymetallic Project ("Yinman Project" or the "Project") which is located in Inner, Mongolia and operated by West Ujimqin Banner Yinman Mining Co., Ltd. ("Yinman Mining" or "Yinman Mine"), a subsidiary company of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("CPR", or this "Report") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "Stock Exchange"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Yinman Mining was established in November 2005 and was invested and constructed by Inner Mongolia Xingye Group Co., Ltd. ("Xingye Group"). In 2016, it was incorporated into the Chinese A-share listed company Xingye Silver & Tin.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver & Tin to support the proposed listing on the Main Board on the Stock Exchange and the HKEx. The SRK report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "Valmin Code"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and/ or the Australian Institute of Geoscientists ("AIG").

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

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is set to be 31 December 2025 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK. Rather than routine production, SRK is not aware of any material changes to the Mineral Resources and Ore Reserves post the statement.

2.5 Work Program

- review of dataset provided by Xingye Silver & Tin, and preparation of data verification plan which was conducted during the site visit.
- a site visit in April 2026, to the Yinman Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("TSF"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("EIA") reports, mineral processing technology and mining methods, capital expenditures ("Capex") and operating expenses ("Opex"), etc.
- discussion with Yinman Mining and Xingye Silver & Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft report to Xingye Silver & Tin and the related third party for comments and finalise the report based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

Formed in 1974 in Johannesburg, South Africa, SRK Consulting now employs more than 1,800 professionals internationally in over 45 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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Ltd. (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Ltd.	2005	IPO Listing on the HKEx
Yue Da Holdings Ltd. (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd. (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Ltd.	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd.	2007	IPO Listing on the HKEx
Kiu Hung International Holding Ltd.	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Ltd.	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd.	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd.	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Ltd.	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Ltd.	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd.	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd.	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd.	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Ltd.	2010	IPO Listing on the HKEx
Citic Dameng Holdings Ltd.	2010	IPO Listing on the HKEx
China Hanking Holdings Ltd.	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Ltd.	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Ltd.	2012	IPO Listing on the HKEx
Hengshi Mining Investments Ltd.	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Ltd.	2014	IPO Listing on the HKEx
King Stone Energy Group Ltd.	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 Ltd.	2016	IPO Listing on the HKEx
Pizu Investment Co. Ltd.	2020	Acquisition of Shareholding in a polymetallic project in China
China Qinfa Group Ltd.	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Ltd.	2022	IPO Listing on the HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd.	2023	IPO Listing on HKEx

Company	Year	Nature of Transaction
Chifeng Jilong Gold Mining Co., Ltd.	2025	IPO Listing on HKEx
Zijin Gold International Company Ltd.	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Yanfang (Bonnie) Zhao	Principal Consultant (Geology)	Project Manager
Zhuanjian (Leo) Liu	Principal Consultant (Geology)	Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	Data Validation
Kun Cao	Consultant (Geology)	Data process
Zimeng Li	Assistant Consultant (Geology)	Data process
Hui Bai	Consultant (GIS)	Maps and drawings
Falong Hu	Principal Consultant (Mining)	Mining and Ore Reserve Estimation
Erwei Lu	Senior Consultant (Mining)	Mining and Ore Reserve Estimation
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Economic Analysis
Donghao Luo	Consultant (Mining)	Assist in Mining and Ore Reserve Estimation
Shen Rui	Assistant Consultant (Mining)	Assist in Mining and Ore Reserve Estimation
Huang Xu	Assistant Consultant (Mining	Assist in Mining and Ore Reserve Estimation
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Chao Ding	Consultant (Processing)	Assist in Processing and Metallurgical Review
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Ting (Mia) Qiu	Project Coordinator	Project Coordination and Translation
Yonglian Sun	Corporate Consultant (Geotech)	Peer Review and Quality Control
Alexander (Alex) Thin	Corporate Consultant (Mining and Project Evaluation)	Peer Review and Quality Control

Yanfang Zhao (Bonnie), *M.Eng, MAusIMM*; is a Principal Consultant at SRK China, she has 17 years of experience geological modelling, mineral resource estimations, technical reporting, gap analysis and due diligence studies. As a consulting geoscientist, she has been active in over 150 mineral projects including due diligence reviews, exploration design, data verification, resource estimation and preparing Qualified Person Report in in China, Mongolia, Africa, South America, Southeast and Central Asia with minerals including Au, Ag, Cu, Fe, Pb, Zn, Mo, Sn, Co, Cr, Li, U, bauxite and Coal. She is proficient in using mining software, including Surpac, Minex, Leapfrog, Arcgis, and AutoCAD etc.

Zhuanjian (Leo) Liu, *B.Eng, MAIG*, Chinese Certified Mine Constructor, is a Principal Consultant (Geology). He obtained his bachelor's degree in geological engineering from China University of Mining and Technology. Before joining SRK, he worked as an engineer at Salim Group where he focussed on overseas mining project due diligence, mergers and acquisitions, and project management for years. Leo joined SRK China in 2012, and ever since he has been involved in more than 50 projects in the aspect of gap analysis, due diligence, QA/QC, resource/reserve estimation, and Competent Person Reporting, he participated in many large-scale coal enterprise projects, such as Peabody Energy, Shenhua Group, Shaanxi Investment Energy Group, Kinetic Group, Agritrade Resources, Qinfa Group, etc. He is proficient in using multiple modelling software including Surpac, Minex, Leapfrog, etc.

Frank Li, *B.Eng, M.Sc, FAusIMM*, is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, etc. He has a deep understanding of analysis and mineral resource reporting conversions between of Chinese and JORC Code standards and has abundant experience in exploration management and quality control.

Kun Cao, *B.Eng,* a Consultant (Geology) at SRK China. He graduated from North China Institute of Science and Technology in 2021. From 2021 to 2023, he worked at Huaibei Mining Group Co., Ltd., where he gained experience in coal mine geology, coalfield exploration, and underground coal mine production processes. He joined SRK in 2024 and is primarily engaged in coalfield geology, responsible for drafting, data processing, and geological modelling. He is proficient in Origin and AutoCAD, and has practical experience with software such as ArcGIS, Global Mapper, GEOVIA Minex, and Leapfrog.

Hui Bai, *B.Eng*, is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Zimeng Li, *M.Sc,* Assistant Consultant (Geology). She holds bachelor's and master's degrees in Mineral Resource Engineering and Geology from University of Science and Technology Beijing. Her academic background covers core courses in mining engineering, mineralogy and petrology, as well as geochemistry.

Falong Hu, *MBA, B.Eng, FAusIMM*, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Chinese Certified Consulting Engineer (Investment), is a Principal Consultant (Mining). He obtained his Bachelor's degree in mining engineering from Central South University and Master of Business Administration (MBA) in China University of Geosciences (Beijing). Before joining SRK he worked as an on-site and head office mining engineer in 2 different international mining companies which were called Sino Gold Mining Limited (later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground and open pit mines' production systems and has been involved in mining engineering and development design, scheduling, long-hole blasting and

production operation, rock mechanics, ventilation, back-fill; and cost accounting. After take part in SRK, he accumulated extensive experience in ore reserve estimation, economic analysis, project valuation, mining assessment, scoping/pre-feasibility/feasibility studies and so on. Minerals include gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, bentonite and so on. He is a modeler on both technical and economic and also proficient in digital modelling by using Surpac, Whittle, Minesched, Datamine and AutoCAD.

Erwei Lu, *M.Eng*., *MAusIMM*, Senior Consultant (Mining) at SRK China, he obtained his bachelor's degree and master's degree in mining engineering from Central South University. He has over five years of practice of underground operation, and about one year's mineral project evaluation experience. He worked as an on-site mining engineer in Zambia for China Nonferrous Metal Mining (Group) Co., Ltd. after graduation in 2017. He also worked for an autonomous driving application and mineral project investment companies since 2022. He is familiar with large scale underground mobile equipment operation and training, long-hole blasting, mine design and scheduling, and production management, as well as autonomous driving application in open pit mine, and project evaluation.

TzuHsuan (Shan) Chuang, *M.Eng., MAusIMM*, is a Senior Consultant (Mining). She has extensive experience in on-site production and consulting, with expertise in technical studies and project evaluations for both open-pit and underground mines. She is capable of independently conducting stope and pit optimisation, mine design, long-term planning, ore reserve modelling, and technical-economic analysis. Her project experience spans Asia, Australia, Africa, Europe, and South America. She is proficient in various industry-standard software, including Deswik, Whittle, and Surpac.

Donghao Luo, *B.Eng*, Consultant (Mining) at SRK China. He obtained his bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

Shen Rui, *B.Eng*, is an Assistant Consultant (Mining) at SRK China. He obtained his bachelor's degree in mining engineering from Central South University, demonstrating outstanding academic performance along with solid professional knowledge and skills during his studies. After graduation, he joined SRK, where he has participated in various projects, including technical due diligence for the Indonesian laterite nickel project and the Shanxi coal mine project. He possesses expertise in both underground and open-pit mining research, reflecting his versatility and deep professional knowledge in the mining field. His strong capabilities in both underground and open-pit mining further underscore his proficiency in the profession.

Huang Xu, *M.Eng*, 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.

Lanliang Niu, *B.Eng, MAusIMM*, is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals projects. With SRK, he has

been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

Chao Ding, *M.Eng*., Consultant (Mineral Processing) at SRK China. Prior to joining SRK, he worked for Weihai Haiwang Cyclone Co., Ltd. And Ramu NiCo Management Co., Ltd. He has accumulated certain experience in mineral dressing test research, and has a certain understanding and mastery of plant design; in addition, he has accumulated rich experience in production and management of hydrometallurgy of nickel laterite ore.

Nan Xue, *M.Sc, MAusIMM,* is a Principal Environmental Consultant with SRK Consulting China Ltd. He holds a master's degree in environmental sciences from Nankai University in Tianjin. He has four years' experience in environmental impact assessment, environmental planning, and environmental management. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC, as well as the environmental planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculations, and impact predictions. In recent years after he joined SRK, Nan Xue has been involved in a number of due diligence projects, such as the Fuguiniao Mining project in China.

Ting (Mia)Qiu, *BA*, is a Marketing and Business Development Assistant at SRK China. After graduation, she worked for Jiangxi Geological Engineering Co., Ltd, mainly dealing with issues of administration and project coordination. She then spent a short period of time at a project site in Tanzania, East Africa, where she was responsible for the interface and coordination between the project owner and the local authorities, thus gaining some experience in working on overseas projects. Since joining SRK, she has mainly assisted project managers with coordination, management and technical translation. So far she has worked on the projects including: Due Diligence Report for a uranium mine project in Kazakhstan, Competent Person's Report for a copper mine project in Serbia, and an independent technical review for a copper mine in DRC, Competent Person's Report and Valuation for Makola-Ouest Potash Project in Congo, Competent Person's Report for Coal Project in Indonesia, Qualified Person's Report for Gold Project in China, Laos and Ghana.

Dr Yonglian Sun, *B.Eng, PhD, FAusIMM, FIEAust, CPEng,* is a Corporate Consultant (Geotech) with over 30 years' experience in geotechnical and mining engineering in five countries across four continents. He has extensive international mining experience with an emphasis on site investigation, analysis, and modelling of geotechnical issues in open pits, underground mines, and civil tunnels. He also possesses considerable experience in evaluating mining projects. In recent years, Yonglian has coordinated and led dozens of due diligence projects, most of which have been successfully financed or listed in the Stock Exchange of Hong Kong Limited.

Alexander (Alex) Thin, *B.Eng, FAusIMM, FIMMM, FSAIMM*, Corporate Consultant (Mining and Project Evaluation) at SRK, he is an experienced mining professional with over 30 years' experience. His strategy and leadership experience spans feasibility studies, mineral asset audits and evaluations, independent technical reports, techno-economic studies, capital raising, merger and acquisitions, managing joint ventures, local and international stock exchange compliance, business development and investor/ stakeholder relations. Alex's industry experience spans operational (underground and open pit), technical, consulting and corporate within the metalliferous resources sector, covering precious metals, base metals and bulk commodities.

2.8 Warranties

Xingye Silver & Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver & Tin 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 Xingye Silver & Tin or to Xingye Silver & Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Zhuanjian Liu, a Member of Australian Institute of Geoscientists ("MAIG") and reviewed by Ms. Yanfang Zhao, MAusIMM., Both are full-time employees of SRK. Mr. Zhuanjian Liu and Ms. Zhao have 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 Competent Persons as defined in the JORC Code". Mr. Zhuanjian Liu and Ms. Yanfang Zhao consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report which relates to Ore Reserve is based on information compiled by Mr. Donghao Luo , Mr. Erwei Lu and Mr. Falong Hu, who are full-time employees of SRK Consulting China Ltd. Mr. Erwei Lu is a Member of AusIMM and Mr Falong Hu is a Fellow of AusIMM. Mr. Erwei Lu and Mr. Falong Hu have sufficient experience which is relevant to the style of mining methods and mine layout designs under consideration and to the activity which they are undertaking to qualify as the 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. Mr. Erwei Lu and Mr. Falong Hu consents to the reporting of this information in the form and context in which it appears.

This Report is a Competent Person's Report in line with the Listing Rules of HKEx. It is understood that the Mineral Resource and Ore Reserve reporting is a teamwork. Besides the Competent Persons aforementioned, other contributing Competent Persons with relevant areas of expertise are listed below, including

- Mr. Lanliang Niu, MAusIMM, Principal Consultant (Processing); and
- Mr. Nan Xue, MAusIMM, Principal Consultant (Environmental)

Peer review and quality control of the Report were conducted by Dr. Yonglian Sun, FAusIMM, FIEAust, CPEng, is a Corporate Consultant (Geotech) and Mr. Alexander Thin, B.Eng, FAusIMM, FIMMM, FSAIMM, a Corporate Consultant (Mining and Project Evaluation) at SRK.

2.11 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 Xingye Silver & Tin or employees of Xingye Silver & Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver & Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Reginal Description

3.1 Property Location

The Yinman Project is located 90 kilometres ("km") west of Balagaer Gaole Town, West Ujimqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region, and administratively falls under Jirengaole Town, West Ujimqin Banner (Figure 3-1:).

Figure 3-1: Location Map of Yinman Project



Source: SRK

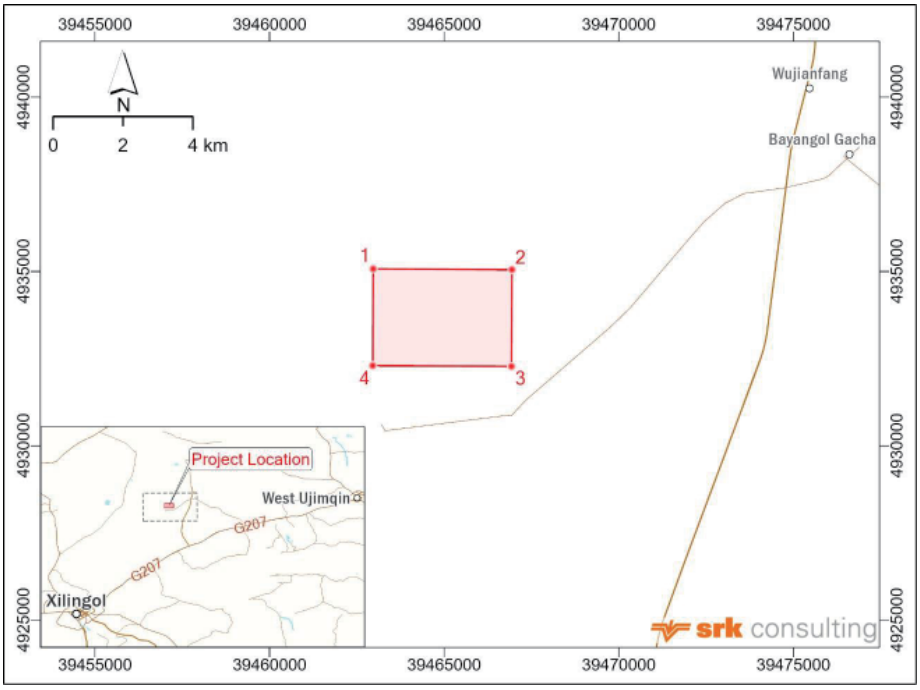
3.2 Mining Tenure

SRK relies on the information provided by Xingye Silver & Tin, and SRK did not conduct a legal due diligence review of the Yinman Project as such work is outside the scope of SRK's technical review.

The Yinman Project holds a mining licence issued by the former Xilin Gol League Land and Resources Bureau for the Baiyinchagan Dongshan copper-lead-tin-silver-zinc deposit. The licence area located at the junction between the Xilin Gol Plateau and the West Ujimqin Banner Basin (Figure 3-2:). The detailed information is presented in Table 3-1. The corner coordinates in the China Geodetic Coordinate System 2000 (CGCS2000) grid system of the Yinman Project are listed in Table 3-2.Source: Yinman

Table 3-2

Figure 3-2: Mineral Tenure Map



Source: SRK

Table 3-1: Mining License

Project/ Company	Mining License	Issued To	Issued By	Issue Date	Expiry Date	Area (km^2)	Mining Method
Yinman	C15000020 1501321013 6961	Xi Ujumqin Banner Yinman Mining Co., Ltd.	Inner Mongolia Autonomous Region Department of Natural Resources, Xilin Gol League Natural Resources Bureau	20 Jan 2015	20 Jan 2028	11.0193	UG Mining

Source: Yinman

Table 3-2: Corner Points of Mining Licence – Yinman Project

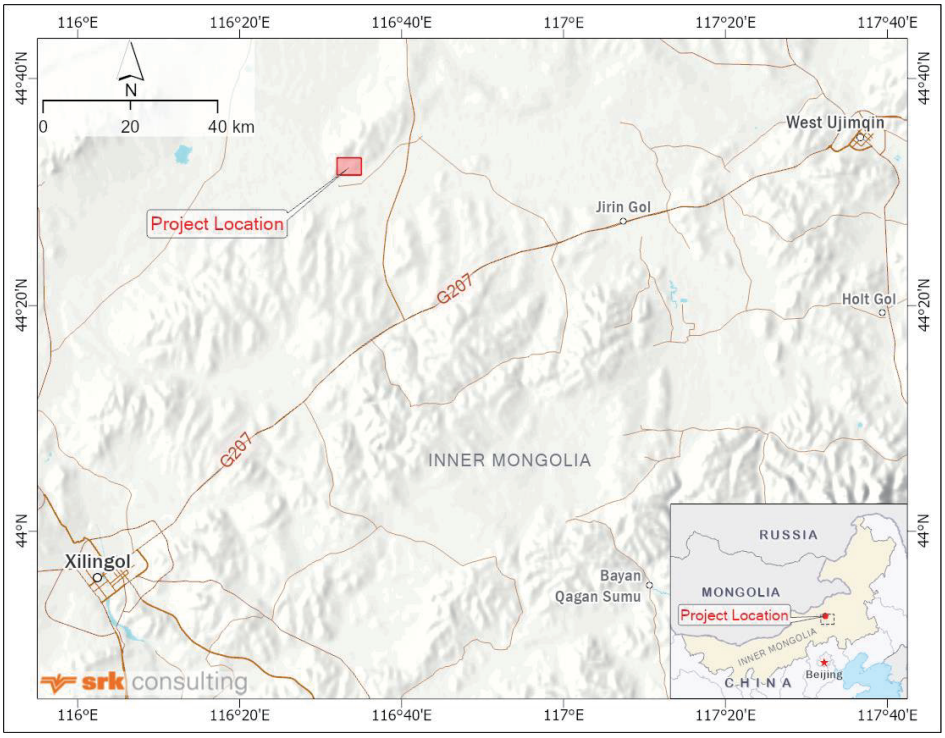
Corner Point ID	Northing(m)	Easting(m)
1	4935074.4379	39462970.0154
2	4935052.9527	39466941.9969
3	4932279.0254	39466927.8398
4	4932300.4906	39462955.1582

Source: Yinman

3.3 Accessibility

The project area is about 10 km north of Provincial Highway G207, 120 km from Xilinhot Railway Station, and 90 km from the banner government seat at Balagaer Gaole Town. The mining area is connected to Provincial Highway S307 by a paved (cement) road, and access is relatively convenient (Figure 3-3).

Figure 3-3: Access Map of Yinman Project



Source: SRK

3.4 Local Resources and Infrastructure

The mine is situated in a predominantly pastoral region with extensive rangeland, low population density and limited industrial and agricultural development. The local population is mainly ethnic Mongolian engaged in animal husbandry. Local labour resources are insufficient, so most of the workforce and supplies required for both operations and daily life are sourced from outside the area.

Quaternary aquifers of moderate yield occur south and west of the mining area, with shallow groundwater levels. Production water demand can be met by constructing large-diameter wells to increase abstraction. In recent years, continued mineral development has led to significant infrastructure improvements. A 10 kilovolts ("kV") high-voltage power line (the Dongshan Line of the East Ujimqin Banner Power Supply Bureau, from Wuheiyastai Town through the mine area to Chaobuleng) has been commissioned, and a complete on-site power supply and distribution system is in place, adequate for current mining needs. Furthermore, the China Resources Power Xilingol Power Plant, located approximately 12 km northeast of the mine, can fully meet the heating requirements of the existing Yinman processing plant and associated facilities.

3.5 Climate

The project area is characterised by a north-temperate, semi-arid continental climate with frequent strong winds, low precipitation and generally low temperatures. The freezing period is significantly longer than the thawing period. Meteorological records from East and West Ujimqin Banner indicate extreme temperatures ranging from −37.5 degrees Celsius ("°C") to 40°C, with a mean annual temperature of approximately 0.8–2.5°C. The freezing season typically extends from September to May. Long-term average annual precipitation is about 350 millimetres ("mm"), with the majority of rainfall occurring between July and September.

3.6 Physiography

The project is situated in the east-central Inner Mongolia Plateau, in the south-central Greater Xing'an Range, at the junction between the Xilin Gol Plateau and the West Ujimqin Basin, within a low-mountain, dissected plateau setting Elevations range from 1,127 metres above sea level ("m asl") at Budunwula Mountain (the highest point) to about 950 m asl along the Yihejilinguole River in the northwest. Relief generally decreases from south to north, with moderately to weakly dissected topography and a poorly developed drainage system.

The landscape is dominated by residual hills and a quasi-planation grassland surface (Figure 3-4)., with relatively dense vegetation cover, largely pasture. The main watercourses are the Yihejilinguole and Bagajilinguole rivers. The Yihejilinguole River flows from southeast to northwest across the southern part of the project area and then northwards into Jilin Salt Lake; the Bagajilinguole River flows east–west through the area and joins the Yihejilinguole River south of the project. Both are seasonal streams. The water level of Ejinaoer Salt Lake represents the local erosional base level.

Figure 3-4: Typical Landscape in the Yinman Project



Source: SRK

4 Geological Setting and Mineralisation

The contents of this section are mainly sourced from the Supplementary Exploration Report on the Copper-Lead-Tin-Silver-Zinc Deposit in the Baiyinchagan East Mountain Mining Area, West Ujimqin Banner, Inner Mongolia Autonomous Region by No6# Geological Brigade of the Shandong Provincial Bureau of Geology and Mineral Resources Exploration and Development ("Shandong No. 6# Geological Brigade") in, November 2014 and the information about production exploration of Yinman *project provided by Xingye Silver & Tin in 2026.*

4.1 Regional Geology

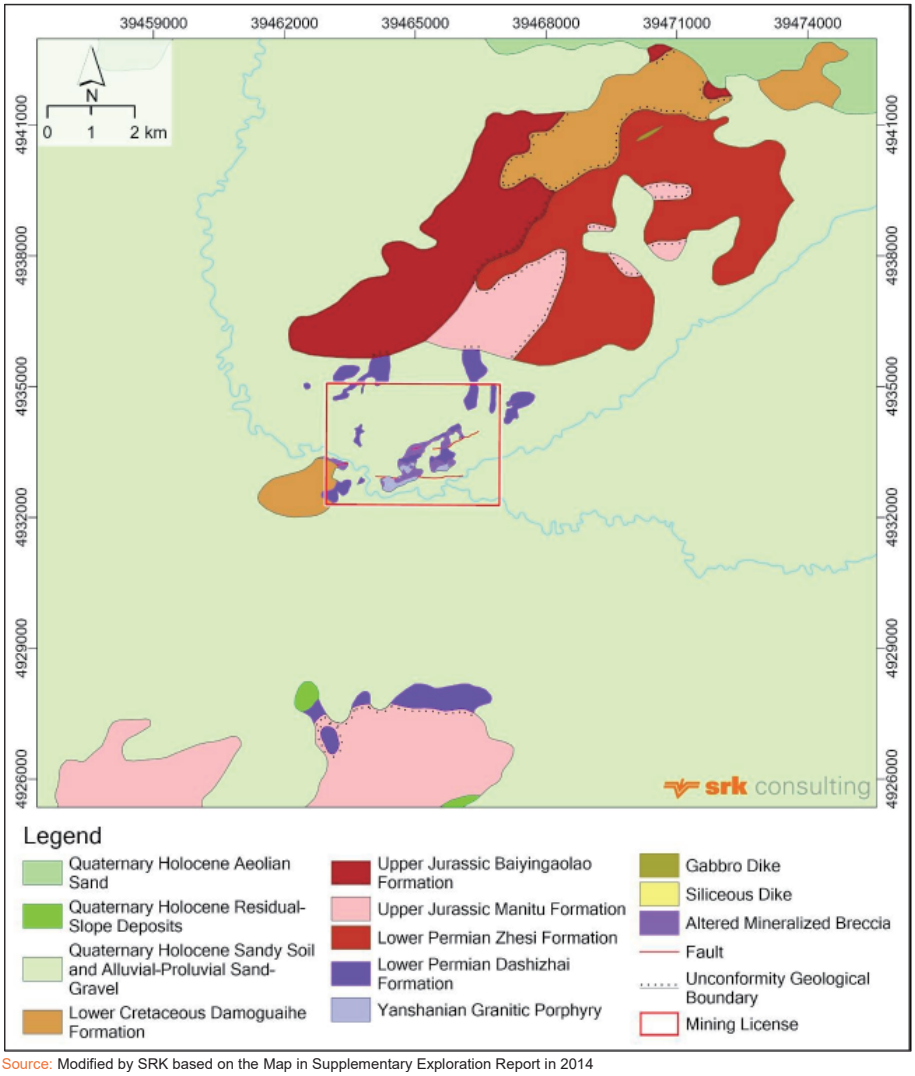
The project is situated within the Xilinhot–Huolinguole metallogenic sub-belt in the south-central part of the Greater Xing'an Range. Regionally, it lies in the Central Asian–Mongolian geosynclinal-fold belt, within the central Inner Mongolia geosynclinal-fold system and, more specifically, in the Late Variscan West Ujimqin geosynclinal-fold belt of the Greater Xing'an Range. The area constitutes an integral part of the Pacific Rim giant polymetallic metallogenic belt (Figure 4-1).

In the project area, the Palaeozoic succession belongs to the North China stratigraphic region, Inner Mongolia Grassland stratigraphic province, Xilinhot–Panshi stratigraphic subregion. The Mesozoic–Cenozoic succession falls within the Circum-Pacific stratigraphic region, Daxing'anling–Yanshan stratigraphic subregion, Wulanhaote–Chifeng stratigraphic district. Exposed units comprise the Upper Palaeozoic Lower Permian Dashizhai Formation and Zhesi Formation; the Mesozoic Upper Jurassic Manitu Formation and Baiyingaolao Formation; the Lower Cretaceous Damoguaihe Formation; and the Cenozoic Quaternary Holocene.

The region has experienced strong tectonic deformation, with well-developed folds and faults. The dominant structural features are northeast ("NE")- and north-northeast ("NNE")-trending belts, interpreted as relatively late, second-order tectonic zones that control the distribution of mountain ranges and basins. Basement structures are mainly tight, linear, composite anticlines trending NE to east-northeast ("ENE"), whereas folds in the sedimentary cover inherit the earlier structural grain but are more open in style. Faulting is dominated by NE-trending compressional faults, followed by NNE-, northwest ("NW")- and near-eastwest ("EW")-trending compressional, extensional and transpressional faults. A subset of these faults shows clear inheritance and evidence of multiphase reactivation.

Magmatic rocks are well developed and widely distributed in the area, with an overall NE-trending outcrop pattern. The assemblage is relatively simple and consists predominantly of felsic intrusive rocks of Yanshanian age. Dyke swarms are also common and are clearly controlled by the regional structural grain, striking mainly NE. Dyke lithologies include siliceous veins and gabbroic dykes, among others.

Figure 4-1: Regional Geology Setting of Yinman Project

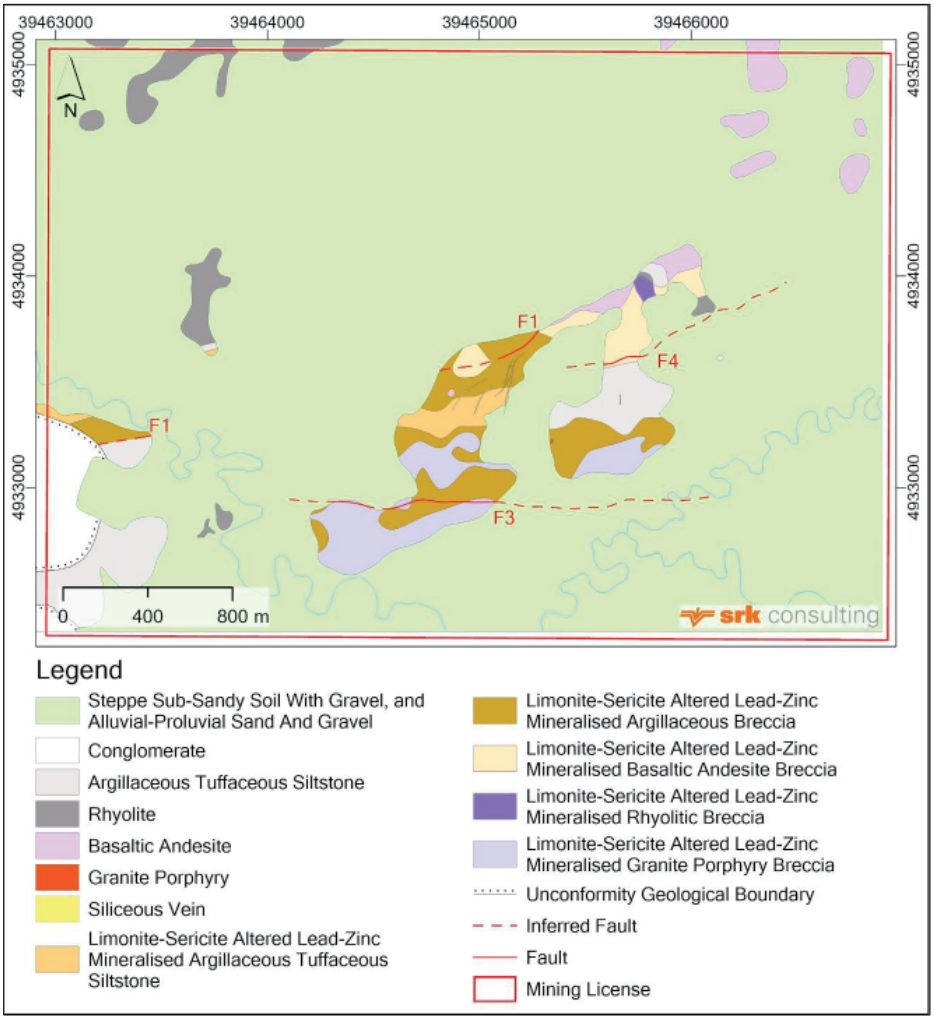


Source: Modified by SRK based on the Map in Supplementary Exploration Report in 2014

4.2 Property Geology

The project is located on the western slope of the southern end of the Greater Xing'an Range, within the Inner Mongolia Greater Xing'an Palaeozoic–Mesozoic polymetallic metallogenic belt. Figure 4-2 illustrates the property geology.

Figure 4-2: Local Geology Setting of Yinman Project



Source: Modified by SRK based on the Map in Supplementary Exploration Report in 2014

4.2.1 Stata

Exposed strata in the project area, from oldest to youngest, comprise the Lower Permian Dashizhai Formation of the Upper Palaeozoic, the Lower Cretaceous Damoguaihe Formation, and Quaternary Holocene deposits:

The Lower Permian Dashizhai Formation

Widely distributed across most of the licence area and forms the principal ore-hosting sequence. It consists of an intermediate–acid volcanic and volcaniclastic package dominated by tuffaceous siltstone, andesitic tuff and rhyolitic tuff, locally interbedded with andesite, basalt and rhyolite. The succession records multiple eruption–sedimentation cycles deposited in a shallow-marine to shoreline environment. The formation strikes NE and dips NW at 40–70 degrees ("°"), with a cumulative thickness of >856.5 m, and is in angular unconformable contact with the overlying Damoguaihe Formation. Within the mining area it is strongly affected by faulting; the rocks are generally fractured, altered and mineralised. All currently defined economic orebodies are hosted within this formation, predominantly in tuff, tuffaceous siltstone and tectonic breccias developed along fault zones.

The Lower Cretaceous Damoguaihe Formation

Exposed mainly in the southwest of the mining area, around the Baiyinchagan Aobao area. It comprises a continental clastic succession dominated by conglomerate and sandstone, with a total thickness of about 300 m, resting in angular unconformity on the Dashizhai Formation. The conglomerates are typically purplish-brown and composed mainly of rhyolitic tuff clasts with minor sandstone and slate fragments; clasts are angular to sub-angular with poor roundness, indicative of proximal sedimentary sources. The sandstones are mostly light grey-green, coarse-grained, with well-developed bedding and clear sedimentary rhythms, locally interbedded with thin conglomerate layers; plant fossils or impressions are locally observed. In the project area, the Damoguaihe Formation functions mainly as a cover and seal and does not host significant economic mineralisation.

Quaternary Holocene deposits

Widespread and comprise predominantly alluvial–lacustrine and residual slope–aeolian sediments. The alluvial–lacustrine occurs mainly in river valleys in the southern part of the mining area as belt-like bodies of sand–gravel, silt and lacustrine deposits, with thicknesses of approximately 6–90 m, typically 30–40 m. The residual slope–aeolian is developed mainly in the central and western parts of the area and consists of steppe semi-sand soils and sand–gravel layers, with thicknesses ranging from 0 to 46 m.

4.2.2 Structure

Strata exposed in the project area comprise tuffaceous siltstone, tuff, basalt, andesite and rhyolite of the Lower Permian Dashizhai Formation of the Palaeozoic, together with conglomerate and sandstone of the Lower Cretaceous Damoguaihe Formation. These units form a monocline striking ENE (60–90°) and dipping NNW at angles generally between 65° and 80°.

Fault structures in the project area can be classified, according to their relative timing and relationship to mineralisation, into mineralisation-controlling/ mineralisation-hosting faults and post-mineralisation faults.

Mineralisation-Controlling and Mineralisation-Hosting Faults

The mineralisation-controlling and mineralisation-hosting faults formed during the early Yanshanian and are predominantly near east–west trending. Faults F1, F3 and F4 control the distribution of fault - related alteration zones and mineralisation bodies and constitute the key mineralisation -controlling structures in the project area.

- **Fault Zone F1**

  F1 is located in the central part of the mining area, with a strike length of approximately 2,400 m and a maximum down-dip extent of 750 m (to the +250 m ASL). The fault strikes approximately east–west (around 75–80°) and dips moderately to steeply to the northwest at about 60–70°.In plan and section the zone shows a gently undulating, wave-like geometry and is hosted by andesitic tuff, rhyolitic tuff and tuffaceous siltstone of the Lower Permian Dashizhai Formation. A relatively continuous principal slip surface is developed in the lower part of the zone and locally contains 5–30 centimetre ("cm") of grey fault gouge. Above and below this surface, a 420–540 m wide damage zone is developed, consisting of mylonite, breccia, cataclasite and intensely fractured rock forming a belt-like structural zone. Together with subparallel secondary faults and fractures, this zone defines a tectonite belt that is pervasively affected by hydrothermal alteration and Zn–Pb–Ag mineralisation.

- **Fault Zone F3**

  F3 occurs in the south-central part of the mining area, with a strike length of about 2,240 m and a maximum down-dip extent of 650 m. The fault strikes approximately east–west to ENE–west-southwest ("WSW") (around 80–90°) and dips moderately to steeply to the northwest at about 55–60°.In plan and section the fault zone is gently sinuous and is developed within andesite, rhyolite, andesitic tuff and tuffaceous siltstone of the Dashizhai Formation. A relatively continuous principal slip surface occurs in the lower part of the zone with 10–20 cm of grey-white fault gouge. A 320–500 m wide fracture zone above and below this surface comprises mylonite, cataclasite and fractured rock forming a continuous belt. On the basis of fault-plane features and associated secondary fractures, F3 is interpreted as a transpressional fault. The fault and its subsidiary fractures exert strong control on the distribution of polymetallic mineralisation bodies.

- **Fault Zone F4**

  F4 is located in the east-central part of the mining area, with a strike length of about 1,120 m and a maximum down-dip extent of 540 m. The overall strike is 70°, and the dip is 56–58°, averaging 57°. The zone shows a wave-like geometry along both strike and dip and is hosted by andesite and tuffaceous siltstone of the Dashizhai Formation. A discontinuous principal slip surface is developed in the hanging wall of the fracture zone and contains 2–5 cm of grey fault gouge. A 300–680 m wide fracture zone above and below the main surface consists of breccia, cataclasite and fractured rock, forming an approximately symmetrical belt. Based on the characteristics of the principal fault surface and associated fractures, F4 is interpreted as a transpressional fault, with Zn–Pb–Ag mineralisation bodies hosted in dilational openings within the fault zone.

  F1 and F3 are considered the principal mineralisation -controlling and mineralisation -hosting faults in the mining area.

Post-Mineralisation Faults

The post-mineralisation faulting in the Yinman Project area can be subdivided into two types:

- **Transpressional reactivation along ore-controlling faults**

  This deformation is essentially confined to the pre-existing mineralisation -controlling structures and maintains the same orientation as the primary faults. It has generated 2–5 cm thick zones of white fault gouge, locally containing quartz–galena clasts. No displacement of mineralisation bodies has been observed along these reactivated structures, and their impact on mineralisation is considered negligible.

- **NW- and NNE-trending faults**

  These structures are developed in the central and northeastern parts of the mining area, with individual lengths of approximately 125–340 m and widths of 0.5–5 m. They consist of fractured host rocks, altered rocks and siliceous veins, with strikes of 300–345° and 22°, and are near vertical. In the central part of the area, a NW-trending fault is observed cutting siliceous veins and alteration zones, indicating right-lateral transtensional movement, with the hanging wall displaced to the NW and a horizontal offset of up to 5 m. There is no evidence that these later faults have materially disrupted or offset the mineralisation bodies.

4.2.3 Igneous Rocks

Magmatism in the mining area is predominantly of Yanshanian age and relatively intense, comprising a volcanic–intrusive cycle. Second-stage Early Yanshanian granitic porphyry is mainly developed in the southern part of the mining area, where it occurs as stocks and apophyses intruding the Lower Permian Dashizhai Formation. The intrusive body is in turn overlain by the Lower Cretaceous Damoguaihe Formation.

The granitic porphyry is light grey, porphyritic, with a microcrystalline groundmass and a massive fabric. Phenocrysts are dominated by feldspar and quartz; feldspar constitutes approximately 60% of the rock and occurs both as phenocrysts and within the matrix. Both generations are pervasively altered to sericite and tourmaline, and primary feldspar relicts are not preserved. Locally, the porphyry is developed within fault-controlled alteration zones and is strongly fractured, altered and mineralised. It is interpreted to pre-date the main mineralising event.

4.2.4 Dykes and Veins

Dyke and vein rocks are poorly developed in the mining area and are of limited scale. They occur mainly in the central part of the area and are predominantly NE-trending siliceous veins. Diabase dykes are recorded in a few drillholes, but their scale and attitude are not well constrained. There is no evidence that these dykes or veins have materially affected or disrupted the orebodies.

4.2.5 Metamorphism

Metamorphism in the Yinman Project area is relatively intense and comprises three main types: regional metamorphism, dynamic (tectonic) metamorphism and hydrothermal alteration:

- **Regional Metamorphism**

  Regional metamorphism is expressed by a pervasive metamorphic overprint on the older stratigraphic units, resulting in the development of regionally metamorphosed rocks throughout the older succession.

- **Dynamic Metamorphism**

  Dynamic metamorphism is strongly developed. Compressional, transpressional and extensional faults have generated a suite of tectonites, including fault breccia, cataclasite and minor mylonite. Deformation is dominated by brittle strain, with ductile strain being poorly developed. Tectonic breccia, fault gouge, vein material and ore minerals are observed cementing and infilling fault zones, indicating that mineralisation is not closely related to plastic flow during the regional metamorphic event.

- **Hydrothermal Alteration**

  Hydrothermal alteration is localised along ore-controlling fault zones and is associated with the ingress of mineralising fluids. Alteration is developed mainly within the ore-hosting faults and in the wall rocks of both the hanging wall and footwall. The cores of the alteration zones are characterised by pyrite–sericite–quartz alteration and silicification, grading outward into carbonate alteration and chloritisation.

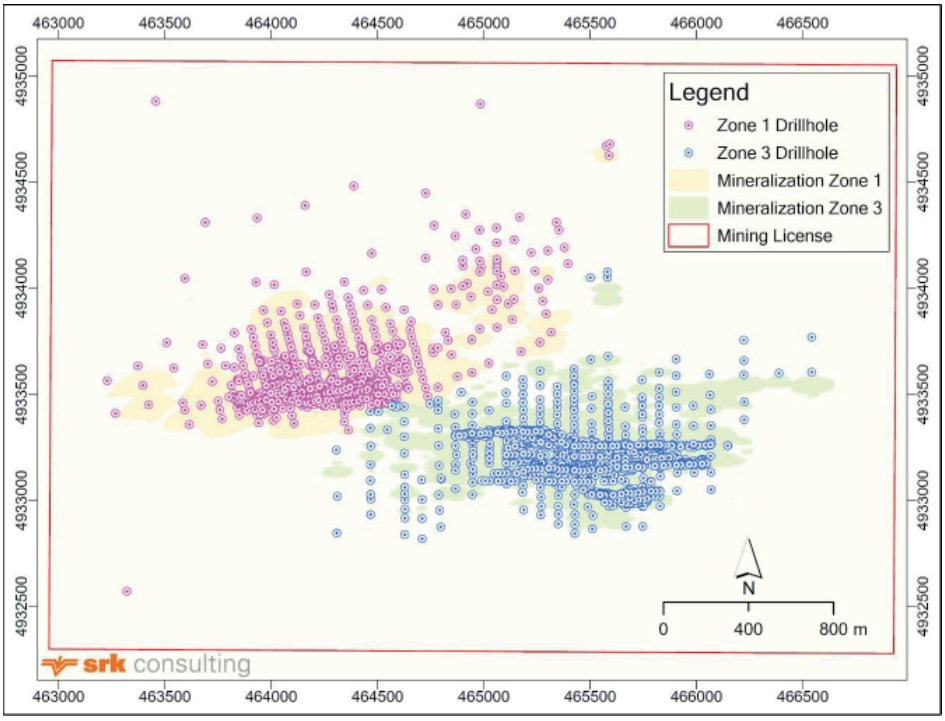
4.3 Mineralisation

The mineralisation at Yinman Project is divided into two main mineralised zones; Zone 1 and Zone 3 (Figure 4-3). All mineralisation bodies are hosted within fault zones controlled by near east–west-trending transpressional faults, and their attitude is essentially consistent with that of the main fault planes.

Zone 1 is dominated by Pb–Ag–Zn mineralisation, with Pb, Ag, Zn and Sb occurring as coexisting commodities. The mineralisation is hosted in pyrite–sericite–quartz-altered Ag–Pb–Zn mineralised breccia. Wall rocks are mainly breccia, argillaceous tuffaceous siltstone, rhyolite and andesitic basalt. The ore mineral assemblage is relatively simple: metallic minerals are dominated by sphalerite, pyrite, boulangerite and galena, with subordinate tetrahedrite, chalcopyrite and marcasite; metallic minerals account for about 9% by volume. Gangue minerals are principally quartz, chlorite and sericite, with minor dolomite, biotite and kaolinite.

Zone 3 is dominated by Cu–Sn–Ag–Zn mineralisation, with Cu, Sn, Ag and Zn occurring as coexisting commodities. The mineralisation is hosted in pyrite–sericite–quartz-altered Cu–Sn–Ag–Zn mineralised breccia, and the wall rock is predominantly breccia. The ore mineral assemblage is again relatively simple: metallic minerals are dominated by sphalerite, chalcopyrite, pyrite, boulangerite, cassiterite and galena, with subordinate tetrahedrite and marcasite; metallic minerals account for about 5% by volume. Gangue minerals are mainly quartz, chlorite and sericite, with minor dolomite, biotite and kaolinite.

Figure 4-3: Plan Map of Mineralised Zones at Yinman Project



Source: SRK

4.4 Deposit Types

The Yinman Project deposit is a fault-controlled, medium- to high-temperature hydrothermal vein-type Cu–Pb–Sn–Ag–Zn deposit.

The mineralised bodies show clear and systematic litho-structural controls. Strongly deformed tectonite zones composed of breccia, cataclasite and mylonite host the main mineralised bodies, whereas weaker zones of fractured and altered rock host subordinate mineralised bodies. Within the mineralised bodies, polymetallic mineralisation is clearly dependent on the development and superposition of the main mineralising stages; zones where polymetallic sulphides are well developed or overlapping represent the principal sites of high-grade mineralisation.

5 Exploration

5.1 Exploration History

Exploration and geological investigation in the Yinman Project area have progressed through several stages since the 1970s.

From 1975 to 1977, Sub team No. 7 of the Inner Mongolia Regional Geological Survey Team ("Inner Mongolia Geological Team 7#") conducted 1:200,000-scale regional geological mapping, carrying out systematic stratigraphic, structural, magmatic and metamorphic subdivision and establishing the preliminary geological and structural framework of the district.

In 1979, the Inner Mongolia No. 1 Geophysical Prospecting Team ("Inner Mongolia Geophysical Team 1#") undertook 1:50,000-scale aeromagnetic surveying in the Junmachang–Qianzhanpu East area.

From 1993 to 1995, the First Integrated Geophysical Prospecting Brigade of the former Ministry of Geology and Mineral Resources ("Inner Mongolia Geophysical Team 1#") carried out 1:200,000-scale regional geochemical surveys, limited 1:50,000-scale regional geological mapping, and 1:50,000-scale infill geochemical surveys in the West Ujimqin Banner area, delineating multiple composite anomalies.

Between 2007 and 2012, Yinman Mining commissioned the No. 6# Geological Brigade of the Shandong Provincial Bureau of Geology and Mineral Resources Exploration and Development ("Shandong No 6# Geological Brigade") to conduct detailed geological exploration within the licence area. Field work was carried out from June 2007 to September 2012 and summited the "Exploration Report on the Copper-Lead-Tin-Silver-Zinc Deposit in the Baiyinchagan Dongshan Mining Area, West Ujimqin Banner, Inner Mongolia Autonomous Region" in October 2012.

From 2013, systematic infrastructure and production exploration is conducted utilising a combined approach of adit exploration, surface drilling and underground drilling.

The tunnel exploration projects are being constructed by Henan Jinyuan Mine Construction Engineering Co., Ltd. ("Henan Jinyuan") and Henan Sanyi Mine Construction Engineering Co., Ltd. (" Sanyi Mine Construction"), who are responsible for the practical operations related to underground production. The typical cross-section where the drifts intersect the veins is approximately 1.8 m (height) × 2.0 m (width). Most of these workings provide adequate exposure for mineralised bodies delineation and control. The geological exploration department of Yinman Mining is responsible for the exploration plans, exploration designs, and conducting routine inspection and dynamic supervision of exploration quality.

The geologists of Yinman Mining perform timely and standardised in-situ geological logging. All logging is conducted through on-site measurements, on-site mapping, and descriptive notes to systematically record lithology, mineralisation, and structural information. The data processing and office-based compilation are completed on the same day, followed by the organisation of geological sampling.

From 2023 to 2025, systematic mine-development and production-geology work have been undertaken by Hebei Huakan Geological Exploration Co., Ltd. ("Huakan"). A combined approach of

exploratory drifting and underground diamond drilling has been adopted, following the principle of integrating exploration with mining, and exploration drifts have been aligned, as far as practicable, for subsequent use as production workings (Table 5-1).

Table 5-1: Geology Work Summary from 2023 to 2025

Work Item	Unit	2023	2024	2025	Total
1:2000 topographic surveying	km²		3		3
Survey of exploration line profiles	km	2			2.17
Mechanical core drilling	m	57,616	21,871	13,965	93,452
Samples primary analysis of rock	pcs	21,983	12,391	12,789	47,163
Semi-quantitative X-ray fluorescence spectrometry ("XRF")	pcs			193	193
Petrographic/ mineral identification (thin sections)	pcs	11	17	18	46
Engineering survey	sites	72	21	12	105
Geological logging of boreholes	m	57,616	21,871	1,397	80,884
Geological logging of tunnels/ adits	m³	967		2,202	3,169

Source: statistic by SRK based on the data provided by client

5.2 Trenching and Tunnelling Exploration

From 2013, systematic infrastructure and production exploration is conducted utilising a combined approach of adit exploration.

The geological exploration department of Yinman Mining is responsible for the exploration plans, exploration designs, and conducting routine inspection and dynamic supervision of exploration quality.

The tunnel exploration projects have been constructed by Henan Jinyuan Mine Construction Engineering Co., Ltd. ("Henan Jinyuan") and Henan Sanyi Mine Construction Engineering Co., Ltd. (" Sanyi Mine Construction"), who are responsible for the practical operations related to underground production. The typical cross-section where the drifts intersect the veins is approximately 1.8 m (height) × 2.0 m (width). Most of these workings provide adequate exposure for mineralised bodies delineation and control.

The geologists of Yinman Mining perform timely and standardised in-situ geological logging. All logging is conducted through on-site measurements, on-site mapping, and descriptive notes to systematically record lithology, mineralisation, and structural information. The data processing and office-based compilation are completed on the same day, followed by the organisation of geological sampling.

Surveying and setting-out are the responsibility of the contractors, utilising a combined positioning system of Total Station and Real Time Kinematic ("RTK"). Surveying specialists from Yinman Mining inspect and perform secondary calibrations of the contractors' setting-out work. Additionally, they utilise Total Stations, Unmanned aerial vehicle ("UAVs") (drones), and three-dimension ("3D") scanners to conduct final surveys and measurements of the drifts.

5.3 Drilling Exploration

Shandong No. 6# Geological Brigade Drilling (2007-2012)

Between June 2007 and September 2012, A total of 131 drillholes were completed, including eight shallow holes and 123 mechanically drilled core holes, for an aggregate drilled length of 51,494.71 m. Of these, 27 are vertical holes and 104 are inclined holes. Wireline diamond core drilling was employed, with a collar diameter of 91 mm, reducing to 75 mm at end-of-hole, producing NW-size core with a diameter of 48 mm.

Geological survey measurements were carried out using M500 dual-frequency Global Navigation Satellite System ("GNSS") receivers manufactured by Shanghai Huace Navigation Technology Co., Ltd. ("Shanghai Huace"). RTK technology was employed with multiple repeat observations.

On-site logging was completed for every drillhole. The original logs record, for each run, the drilled interval, drilling depth, core length and calculated core recovery, the number of core pieces, core descriptions, and the dip angle of mineralisation bodies and marker horizons. Rig-site geologists were also responsible for checking daily drill reports, core layout, downhole deviation and final depth verification, simple hydrogeological observations, and signing off in the relevant sections of the shift reports.

Shandong No. 6# Geological Brigade Drilling (2012 – 2014)

From November 2012 to September 2014, infill and extension drilling was undertaken, comprising 283 drillholes for a total depth of 153,379.95 m, including one shallow hole and 282 mechanically drilled core holes (two vertical and 280 inclined). Wireline diamond core drilling was used, with a collar diameter of 91 mm, reducing to 75 mm at end-of-hole, producing small-diameter core of 48 mm.

The collar positions were located using M500 dual-frequency GNSS receivers manufactured by Shanghai Huace. RTK techniques have been double-checked to ensure accurate positioning. The mean positional error relative to nearby control points was ±0.021 m in plan and ±0.017 m in elevation.

Downhole deviation was measured using TXY-2 and XJL-42 survey instruments manufactured by Liaoning Diamond Factory. For vertical holes, surveys were taken at 100 m intervals, for inclined holes, at 50 m intervals.

All 283 drillholes were subject to end-of-hole depth verification, with final depth discrepancies of 0.01–0.52 m. After completion, holes were washed and fully sealed with cement, and a cement marker post was installed and fixed at the collar centre. The collar positions have been clearly flagged, displaying the hole number, depth, and the date.

The core boxes were covered and safely stacked at the back of a suitable vehicle before being transported to the core shed. Upon arrival at the core shed, the geological technician removed any excess drilling mud from the core and thoroughly cleaned both the core and the core boxes. The core boxes have been arranged based on depth and core box number, from top on the left to bottom on the right.

Drill core was logged by geologists for various geological and geotechnical attributes, including lithology, alteration, mineralisation, structural features. The core was digitally photographed and then

marked for sampling by geologists. Sample lengths generally ranged from 1.0 m to 1.5 m, respecting lithological contacts.

The core recovery ranged from 83% to 99%, and ore-interval recovery from 93% to 100%.

Yinman Infrastructure and Production Drilling

From 2013, the production drilling exploration was conducted utilising underground drilling and surface drilling.

The underground drilling was carried out by an exploration crew organised by Sanyi Mine Construction. The geology and exploration department of Yinman Mining was responsible for the relevant exploration work, including drillhole design, quality supervision, logging, sampling, and acceptance of the works.

The drilling operations utilised KY-800 and KY-500 core drills, primarily employing wireline coring technology. Both the starting and final borehole diameters ("Φ") are Φ75 mm. The ore core recovery rate (including the rock core within a 5 m range of the roof and floor) was no less than 85%, while the rock core recovery rate was no less than 75%.

Borehole deviation is monitored using an electronic inclinometer combined with non-magnetic drill rods. Five non-magnetic rods are used, each measuring 2 m in length. The specific device employed is the KXP-4QZT omnidirectional compass inclinometer. During measurement, the inclinometer is positioned in the centre of the non-magnetic rod string to mitigate interference from the complex underground environment.

The drilling azimuth and inclination are measured at depths of 25 m and 50 m after collaring, and subsequently at 50 m intervals. The deviation between the actual drilling azimuth and the design azimuth must not exceed 2° per 100 m. For inclined holes, the dip deviation is restricted to 3° per 100 m. Hole depth is verified every 50 m, with a maximum allowable depth error of 1‰.

The surface drilling operations are carried out by an exploration team from Shaanxi Huaxin Mine Engineering Co., Ltd. ("Huaxin Mining"). Huakan is responsible for the exploration design, quality supervision, logging, and sampling. The geology and exploration department of Yinman Mining implemented the dynamic monitoring over the entire exploration process.

The drilling equipment included XY-44A, XY-5, and XY-8 core drills, primarily employing wireline coring technology. The starting borehole diameter is Φ89 mm, and the final diameter is Φ75 mm. The ore core recovery rate (including rock core within 5 m of the roof and floor) is no less than 85%, and the overall rock core recovery rate is no less than 75% (Figure 5-1).

Borehole deviation is monitored segmentally using an electronic inclinometer. Inclination and azimuth are measured at depths of 25 m and 50 m after collaring, and subsequently at 50 m intervals. The azimuth deviation is no more than 2° per 100 m of drilling.

The hole depth is verified every 50 m, with a maximum depth error of 1‰.

Figure 5-1: Drill Core

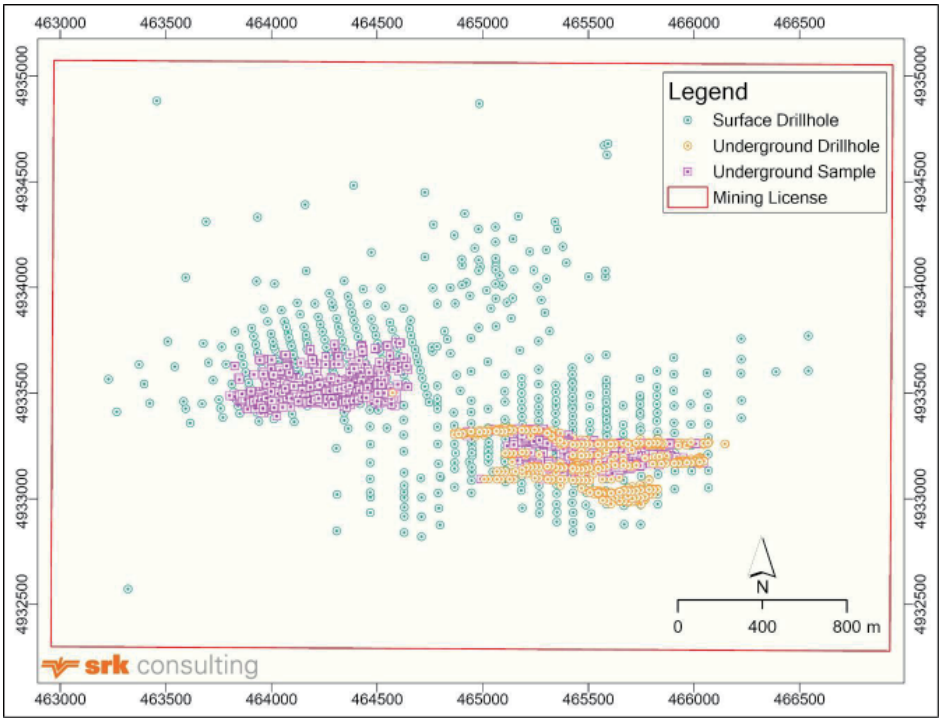


Source: 2026 SRK Site visit

From 2023 to 2025, the production-geology work has been undertaken by Huakan. Underground diamond drilling has been adopted. A total of 93,452 m was drilled.

The drillholes and underground sample's location was shown in Figure 5-2.

Figure 5-2: Drillholes Location Map



Source: SRK

5.4 Sampling, Sample Preparation and Analyses

5.4.1 Sampling

Shandong No. 6# Geological Brigade Drilling (2007-2012)

Between June 2007 and September 2012, Underground sampling and core sampling followed the procedure prepared by the Shandong No. 6# Geological Brigade.

The underground samples were selected based on geology, veining, and sulphide mineralisation. The sampling trench was rectangular, with dimensions of 10 × 3 cm (width × depth). The sample length was determined according to the characteristics of mineralisation, generally ranging from 1.0 to 1.2 m.

Diamond core samples were cut in half using a diamond saw and submitted for analysis and the remaining half retained as a reference. Sample intervals range from of 1.0 m to1.2 m and respect lithological contacts.

The Special gravity ("SG") measurements were collected from different rock types. A total of 88 samples were taken during the exploration period, including 50 from the Pb–Ag–Zn mineralisation and 38 from the Cu–Sn–Ag–Zn mineralisation.

Shandong No. 6# Geological Brigade Drilling (2012 – 2014)

From November 2012 to September 2014, the underground channel samples were taken along drifts, the channel sample lengths are generally 1.0 m and do not exceed 1.50 m, with a channel cross-section of 10 × 3 cm. At the top and bottom contacts of the mineralisation bodies, an additional 1.0 m of wall-rock is sampled on each side, using the channel (groove) sampling method.

Core was split using a mechanical splitter along the core axis into two halves. Depending on the uniformity of mineralisation, the split is made as symmetrical as possible so that both halves are comparably mineralised. One half was submitted for assay and the other retained as a duplicate, stored in the core boxes. Core sample intervals are generally 1.0 m and do not exceed 1.5 m. At mineralisation contacts, an additional 1.0 m of wall-rock is sampled in both hanging-wall and footwall.

Yinman Infrastructure and Production Drilling

Same as historical exploration stage, the sampling for drilling works (including surface and underground drilling) is carried out continuously along the core axis into two halves. Depending on the uniformity of mineralisation, the split is made as symmetrical as possible so that both halves are comparably mineralised. Core sample intervals are generally 1.0 m and do not exceed 1.50 m.

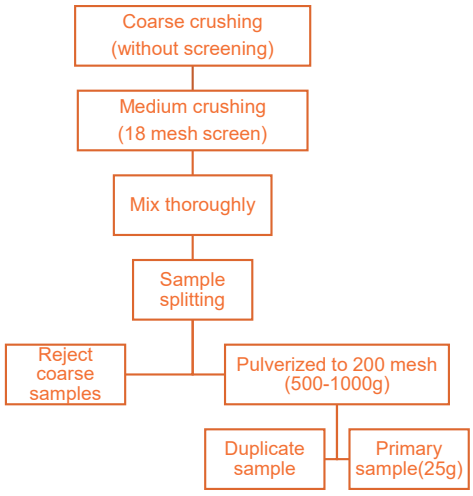
5.4.2 Sample Preparation and Analyses

Shandong No. 6# Geological Brigade Drilling (2007-2012)

During June 2007 to September 2012, the sample preparation and analysis for the Yinman Project was undertaken by the Testing Centres of No 3# Institute of Geology and Mineral Exploration & Development of Inner Mongolia Autonomous Region ("Inner Mongolia Institute 3# Testing Centres"), Testing Centres 9# of Geology and Mineral Exploration & Development of Inner Mongolia Autonomous Region ("Inner Mongolia Institute Testing Centres 9#"), and the Laboratory of Xilin Gol League Longwang Geological Testing Co., Ltd. ("Longwang Testing"). All laboratories have obtained China Metrology Accreditation (" CMA") accreditation.

Upon receiving the samples, the laboratories strictly followed the requirements of the Chinese standard Regulations for the *Preparation of Rock and Mineral Analysis Samples*. After confirmation and registration of the received samples, sample preparation was conducted. The entire sample was crushed to the required particle size before sample splitting. Prior to crushing, all equipment was thoroughly cleaned to prevent contamination. The sample preparation workflow is shown in Figure 5-3.

Figure 5-3: Sample preparation flowchart



Source: SRK

The Ag was analysed using atomic absorption spectrophotometry ("AAS"), Cu by AAS and iodometric titration; Pb and Zn by polarography and EDTA complexometric titration; Sn by spectrophotometry and iodometric titration; and Sb by atomic fluorescence spectrophotometry and AAS.

Shandong No. 6# Geological Brigade Drilling (2012 – 2014)

For the November 2012 to September 2014 drilling programme, the sample preparation and analysis for the Yinman Project was undertaken by the Chifeng Institute of Geology and Mineral Exploration & Development of Inner Mongolia ("Chifeng Institute") and Longwang Testing.

For Zone 1 Pb–Ag–Zn mineralisation, the primary analytes were Zn, Pb and Ag; for Zone 3 Cu–Sn–Ag–Zn mineralisation, Zn, Ag, Cu and Sn were determined. Analytical methods followed DZG93-01 to DZG93-12 "*Procedures for the Chemical Analysis of Rocks and Ores*": Ag by AAS; Cu by AAS and iodometric titration; Pb and Zn by polarography and ethylenediamine tetraacetic acid ("EDTA") complexometric titration; Sn by spectrophotometry and iodometric titration.

Multi-element analyses was undertaken by Longwang Testing. For Zone 1 Pb–Ag–Zn mineralisation, In, Cd and Sb were analysed; for Zone 3 Cu–Sn–Ag–Zn mineralisation, In, Cd, Sb and Pb were determined. The methods adopted were: Pb by polarography and EDTA complexometric titration; Sb by atomic fluorescence spectrophotometry and AAS; In by extraction–separation spectrophotometry; Cd by polarography.

Routine sample preparation and analysis was carried out under a defined quality assurance and quality control ("QA/QC") framework. Re-preparation was required if sample loss during crushing exceeded 5%, if the sample-splitting weight error exceeded 3%, or if discrepancies were identified between the original, duplicate and analytical splits. In addition to routine determinations, 30–50% of

samples were selected at regular intervals for check assays; where discrepancies exceeded allowable limits, a third-party re-check analysis was commissioned.

Yinman Infrastructure and Production Drilling

Since 2013, the samples from underground drilling were sent to the site laboratory of Yinman Mining ("Yinman Lab") for preparation and test, while the samples from surface drilling were sent to North China Nonferrous (Sanhe) Yanjiao Central Laboratory Co., Ltd. ("Sanhe Lab").

SRK understands that the Sanhe Lab have obtained CMA accreditation and followed the Specifications for Geological and Mineral Laboratory Testing DZ/T 0130 while the Yinman Lab has no accreditation or certifications.

According to geological exploration specifications, manual sample preparation consists of six stages: drying, crushing, mixing, splitting, grinding, and packing for assay.

The field samples are first dried to remove moisture and stabilise their weight (for samples containing volatile or easily oxidised components, low-temperature drying or air-drying is used as required), and then crushed with either a jaw or hammer crusher to the specified particle size, generally less than 5–10 mm.

The crushed material is thoroughly mixed on a clean canvas or in stainless-steel trays by repeated shovelling and overturning to eliminate segregation and subsequently reduced to the required mass by quartering or using a riffle splitter while maintaining representativeness.

The reduced sample is then ground in a disc mill, vibration mill, or similar device until the required fineness is achieved (for example, at least 75% passing 200 mesh (75 micron ("μm")), or as otherwise specified by the relevant standard).

After grinding, the pulp is homogenised, weighed, and sealed in properly labelled sample bags or bottles, together with the necessary quality-control samples, and is finally dispatched to the Laboratory for analysis.

The Yinman Lab used the following analytical methods and detection limits:

- Pb, Zn, and Cu at low grades are determined by AAS with a detection limit of 0.001%, while high-grade Pb is analysed by lead sulphate precipitation followed by EDTA titration with a detection limit of 10%, and high-grade Zn and Cu are determined by EDTA titration with detection limits of 10% and 0.5%, respectively.
- Ag and Sb are analysed by AAS with detection limits of 0.5 mg/mL for Ag and 0.001% for Sb.
- Sn at low grades is determined by the salicylic fluorescence method with a detection limit of 0.01%, and high-grade Sn by the aluminium-plate reduction iodometric method with a detection limit of 0.3%.
- sulphur is analysed using a carbon– sulphur analyser with a detection limit of 0.001%.

For quality control, the laboratory employs certified reference materials ("CRMs") as following：

- GBW07163 (GSO-2) for low-grade Pb, Zn, Cu, and Ag;
- ZBK 408 for high-grade Pb;
- ZBK 400 for high-grade Zn;
- ZBK 339A for high-grade Cu;

- YTR 9401 for low-grade Sn; and
- GBW07231 for high-grade Sn.

5.4.3 Specific Gravity Data

SG was determined by the wax- sealing water displacement method, and moisture content by oven-drying. For moisture determination, samples were crushed to pass a 20-mesh sieve (0.85 mm); a 10 g sub-sample was dried at 105°C for two hours and the weight loss used to calculate moisture content.

From 2007 to 2012, a total of 88 SG measurements were collected during the exploration stage, mainly from exploration workings of the major mineralisation bodies.

During the exploration phase from 2012 to 2014, 142 SG measurements were taken covering different rocktypes, different mineralisation zone and different grade distributions.

5.5 Quality Assurance and Quality Control Programs

The QA/QC protocol adopted historically for the Yinman Project included the insertion of laboratory duplicates (internal check control) and inter-laboratory checks (external check control). SRK considers the proportion of duplicate assays across the batches to be reasonable.

No field duplicates, coarse duplicates, CRMs, or blanks were inserted in the Yinman Project samples. CRMs and blanks are only used in the laboratory as part of internal quality control procedures with an insert ratio of 10%.

5.5.1 Internal checks

The internal checks between 2007 and 2014 were sent to Inner Mongolia Institute 3# Testing Centres , Inner Mongolia Institute 9# Testing Centres and Longwang Testing.

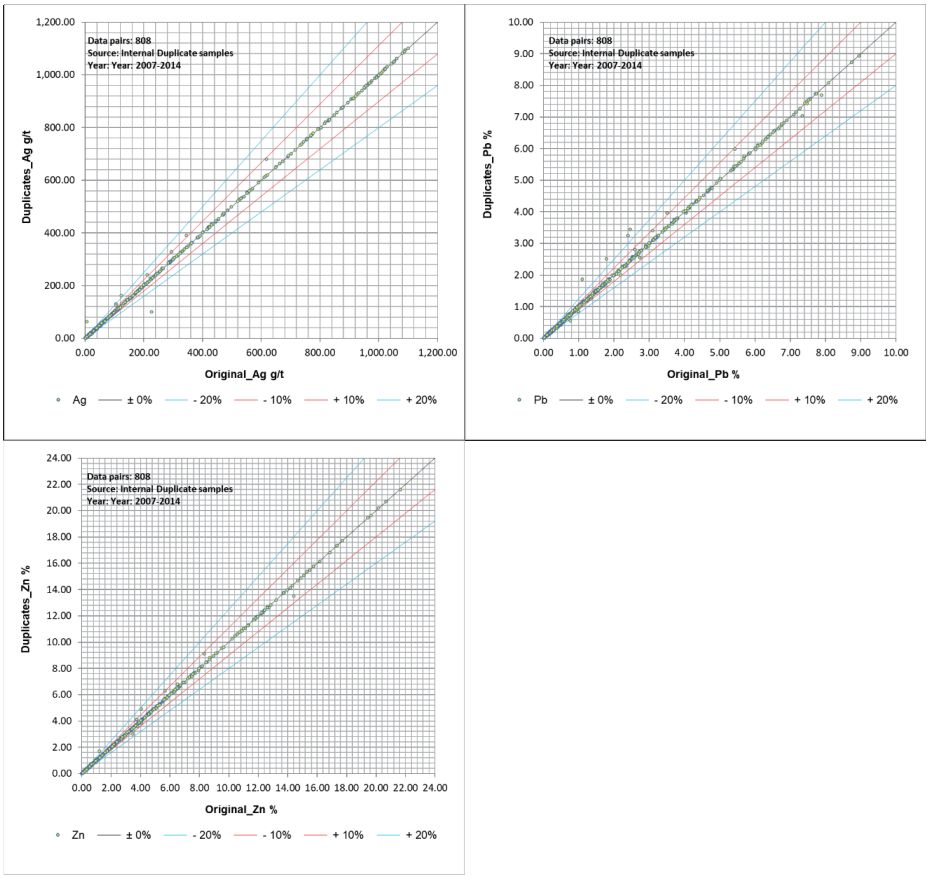
The performance of the internal checks are presented in Table 5-2 , Table 5-3,Figure 5-4, and Figure 5-5.

Table 5-2: Performance of Internal Checks Statistics for Zone 1 Between 2007 and 2014

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Ag	808	727	90%	47	6%	34	4%
Pb	808	626	77%	60	7%	20	2%
Zn	808	640	79%	58	7%	8	1%

Source: Statistics by SRK based on the data provided by client

Figure 5-4: Scatter plot for Internal Checks for Zone 1 Between 2007 and 2014



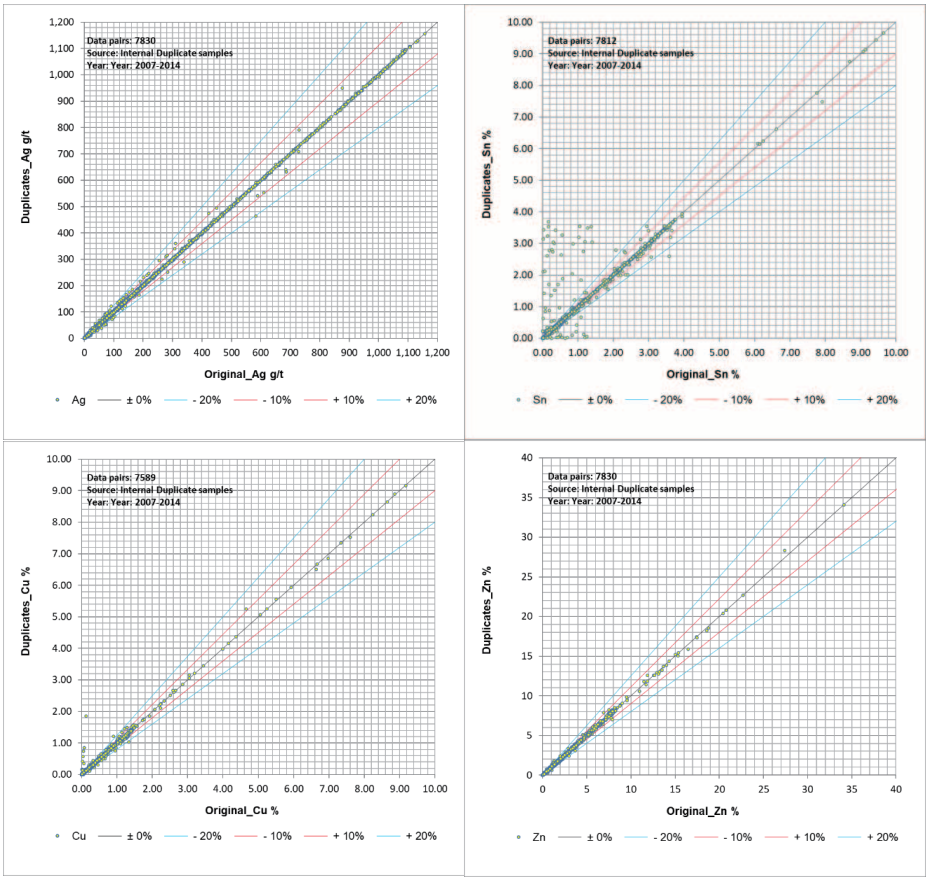
Source: Statistics by SRK based on the data provided by client

Table 5-3: Performance of Internal Checks Statistics for Zone 1 Between 2007 and 2014

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Ag	7,830	6,735	86%	649	8%	446	6%
Sn	7,812	5,250	67%	1,446	19%	1,116	14%
Cu	7,589	4,562	60%	1,586	21%	1,441	19%
Zn	7,830	5,530	71%	1,735	22%	565	7%

Source: Statistics by SRK based on the data provided by client

Figure 5-5: Scatter plot for Internal Checks for Zone 3 Between 2007 and 2014



Source: Statistics by SRK based on the data provided by client

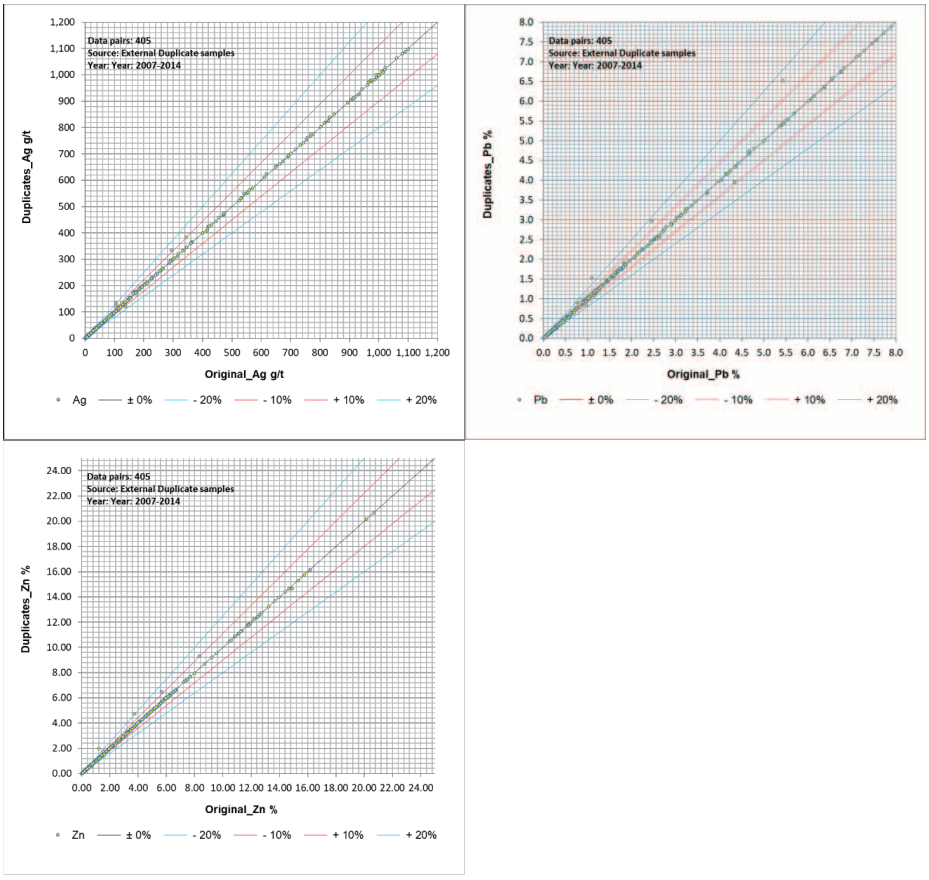
5.5.2 External checks

The external check assays consist of submitting pulps that were assayed by one laboratory to a different laboratory and re-analysing them by using the same analytical procedures. This is done primarily to improve the assessment of bias in addition to the submission of reference materials and in-house control samples submitted to the original laboratory. Reference materials are also inserted with samples submitted to the secondary laboratory to evaluate if the secondary laboratory is potentially biased.

The external check samples between 2007 and 2014 of the Yinman Project were sent to the Test center of No. 514 Geological team of the North China Geological Exploration Bureau (Class-A qualification for geological laboratory testing, certificate No. 01201111100191; metrological

accreditation certificate No. 2012030659G) and The performance are presented in Table 5-4 , Table 5-5, Figure 5-6 and Figure 5-7.

Figure 5-6: Scatter plot for External Checks for Zone 1 Between 2007 and 2014



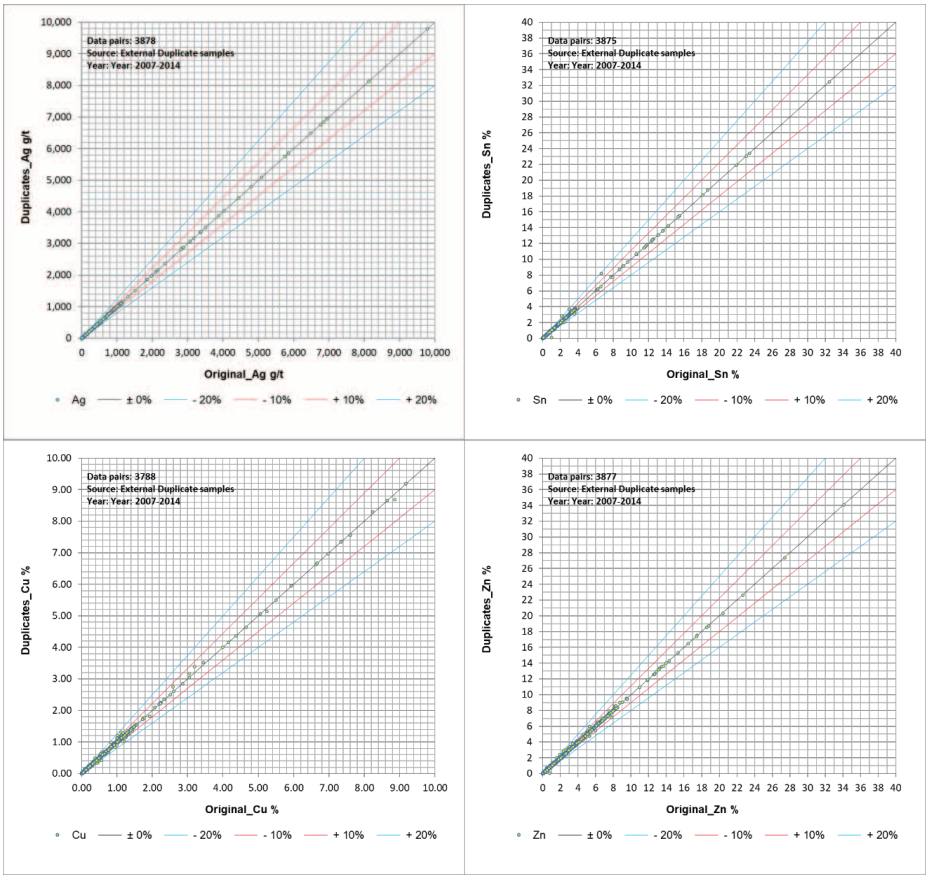
Source: Statistics by SRK based on the data provided by client

Table 5-4: Performance of External Checks Statistics for Zone 1 Between 2007 and 2014

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Ag	405	348	86%	32	8%	25	6%
Pb	405	365	90%	33	8%	7	2%
Zn	405	369	91%	30	7%	6	1%

Source: Statistics by SRK based on the data provided by client

Figure 5-7: Scatter plot for External Checks for Zone 3 Between 2007 and 2014



Source: Statistics by SRK based on the data provided by client

Table 5-5: Performance of External Checks Statistics for Zone 3 Between 2007 and 2014

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Ag	3,878	3,391	87%	284	7%	203	5%
Sn	3,875	3,033	78%	481	12%	361	9%
Cu	3,788	2,574	68%	653	17%	561	15%
Zn	3,877	2,922	75%	703	18%	252	6%

Source: Statistics by SRK based on the data provided by client

From 2023 to 2025, the samples for production drilling were sent to the Laboratory of China Railway Resources ("Sanhe Lab") for external check. and the results are presented in Figure 5-8 and Table 5-6.

Table 5-6: Results of External Checks Statistics Between 2023 and 2025

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Ag	81	68	84%	6	7%	7	9%
Pb	128	72	56%	31	24%	25	20%
Zn	129	104	81%	18	14%	7	5%
Cu	65	22	34%	24	37%	19	29%
Sn	65	41	63%	15	23%	9	14%
Sb	65	37	57%	13	20%	15	23%

Source: Statistics by SRK based on the data provided by client

Figure 5-8: Scatter plot for External Checks Between 2023 and 2025

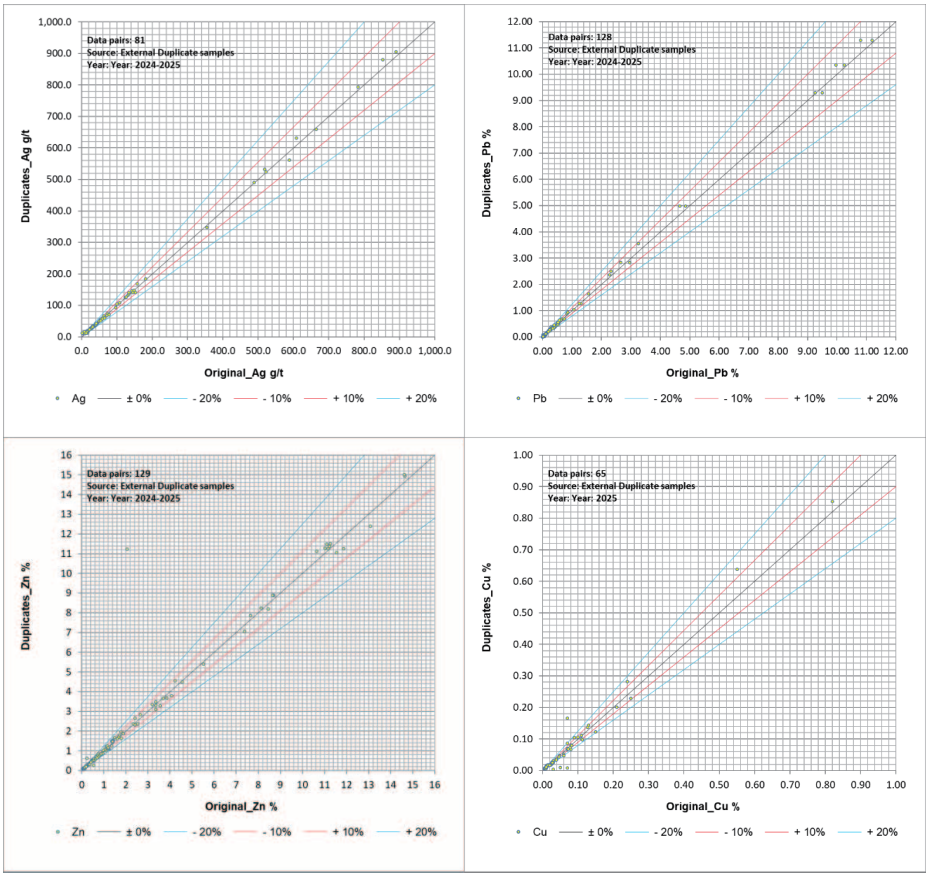
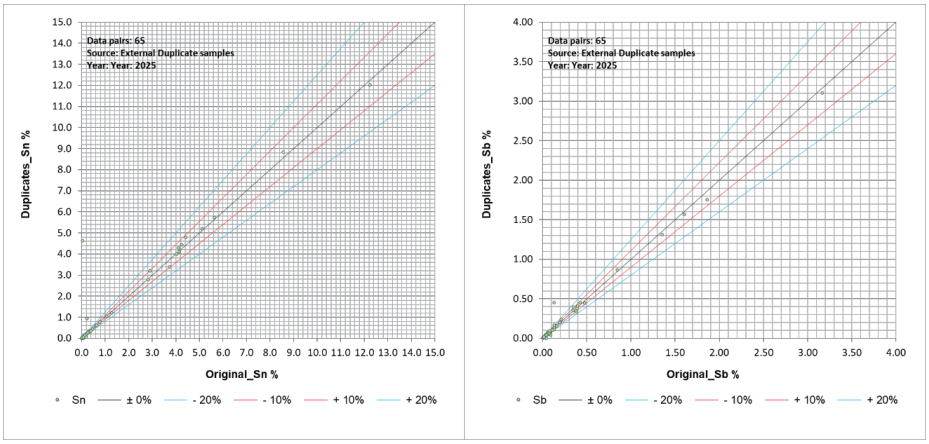


Figure 5-8: Scatter plot for External Checks Between 2023 and 2025



Source: Statistics by SRK based on the data provided by client

5.6 SRK Data Verification

5.6.1 Site Visit

SRK visited the Yinman Project site between 7 and 8 April 2026 and conducted the following verification procedures:

- Discussed with the Company's geologists and engineers who were involved in the geological exploration campaign.
- SRK understand that the Yinman's primary core storage facility is centrally managed by Xingye Silver & Tin in Chifeng. During the visit, SRK only inspected the temporary core shed and observed mineralised cores, which primarily houses core samples from production exploration drilling (Figure 5-9).
- Inspected a number of mining stopes underground and the sampling location at the Yinman Project which showed the exposure of the typical mineralisation (Figure 5-10).
- Checked the exploration drill site locations (11),
- Visit the sample preparation facility and Yinman Lab (Figure 5-12).

Figure 5-9: Temporary Core Shed and Core Logging Facility



Source: SRK 2026 site visit

Figure 5-10: Typical Mineralisation and underground Sampling



Source: SRK 2026 site visit

Figure 5-11: Drill Site Locations



Source: SRK 2026 site visit

Figure 5-12: Sample Preparation Facility and Yinman Lab



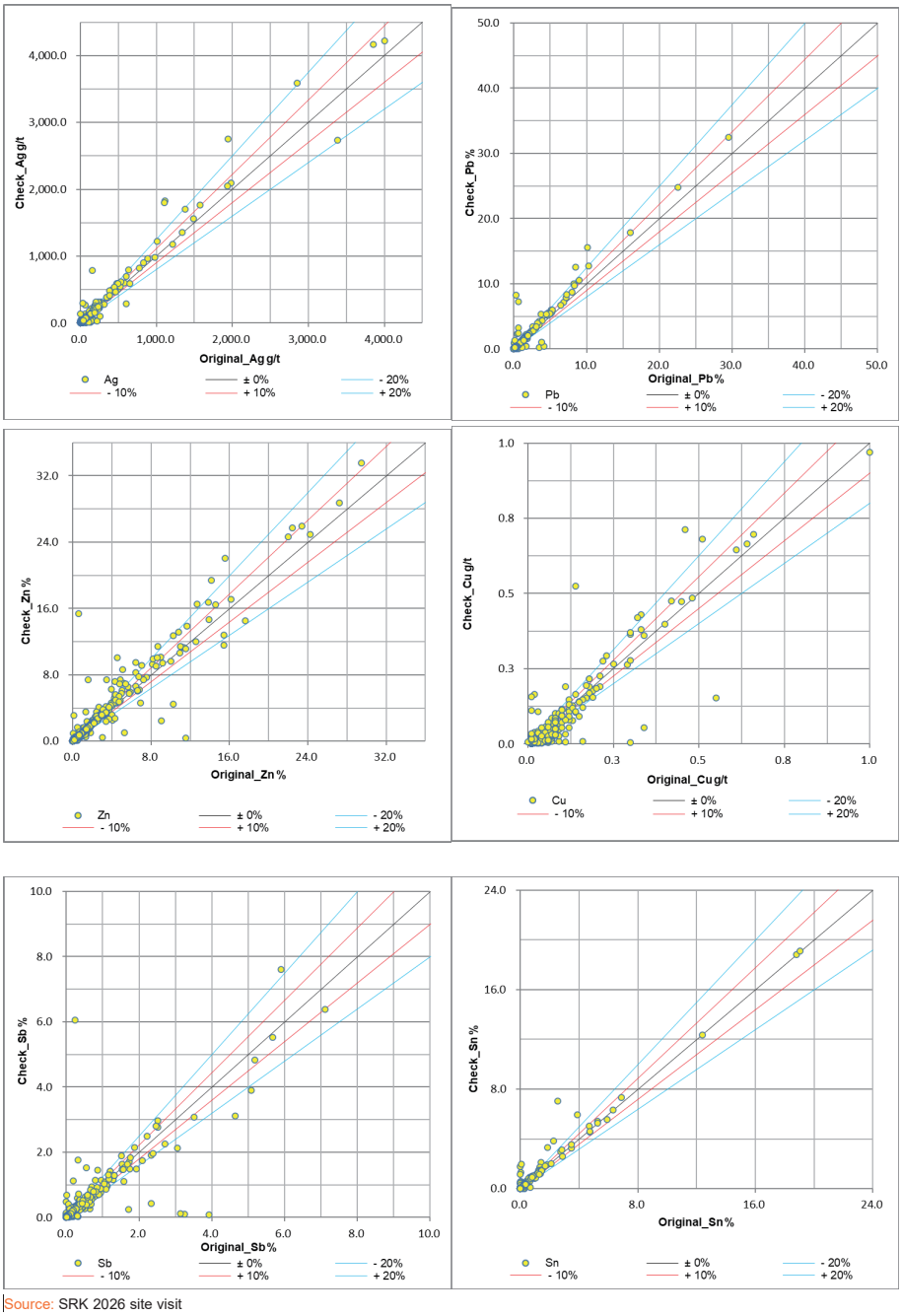
Source: SRK 2026 site visit

5.6.2 Assay Verification

Based on the review of historical exploration datasets and on-site inspections, SRK selected a total of 906 verification samples available as pulp samples. All samples were sent to the SGS Laboratory, based in Tianjin, China for preparation and analysis. The SGS Laboratory is an internationally recognised laboratory in key mining regions around the world.

The performance of the verification samples is plotted in the Figure 5-13 below. Overall, the majority of sample pairs exhibit a deviation within ±20%, demonstrating repeatability of the analytical results. While a limited number of outliers exist in the low-grade domain, such instances do not undermine the overall data quality, which remains sufficiently robust to support the subsequent Mineral Resource estimation.

Figure 5-13: Verification Samples Performance



Source: SRK 2026 site visit

5.6.3 SRK Comments

Based on SRK's site inspections, comprehensive review of exploration datasets and the existing QA/QC program, discussions with Yinman's technical team, and detailed assessment of the mineralisation characteristics of the Yinman Project deposit, SRK confirms its satisfaction with the quality and outcomes of sample preparation and assaying performed by the relevant analytical laboratories. The analytical procedures align with generally accepted industry best practices, and the primary assay results are therefore deemed sufficiently reliable for use in Mineral Resource estimation.

SRK makes the following recommendations to further strengthen data integrity and project robustness:

- Implement a comprehensive QA/QC sample suite in future exploration programs, including field duplicates, coarse crush duplicates, CRMs, and blanks. This is a critical requirement to ensure the reliability and integrity of exploration data:
    i. Field and coarse duplicates are deployed to assess the precision of sampling and sample preparation, enabling identification of potential variability introduced during sample collection or crushing.
    ii. CRMs are inserted to verify the accuracy of analytical results and detect any systematic bias in laboratory performance.
    iii. Blanks are used to monitor contamination throughout the sample preparation and analytical workflow.

Collectively, these quality control samples provide a robust framework to evaluate both the precision and accuracy of assay results, ensuring analytical data is representative, consistent, and fit-for-purpose.

- **Expand the scope of specific gravity measurements** to cover all mineralisation domains and grade ranges across the project area, thereby enhancing the representativeness of the dataset for resource estimation.
- **Strengthen the preservation and management of core samples** to ensure long-term integrity and accessibility for future verification or re-assay.
- **Ensure complete, accurate, and time-stamped documentation** for all drilling and underground sampling activities, with all records properly archived and clearly marked with the correct collection dates.

6 Mineral Resource Estimates

6.1 Introduction

This section introduces the Mineral Resource modelling and estimation for the Yinman Project. The Mineral Resource estimate has incorporated the boreholes and database of underground samples derived from Yinman Project to 2025. SRK is of the opinion that the current sample information can be used to interpret the boundaries of the Yinman silver polymetallic mineralisation and that the assay data can support Mineral Resource estimation.

Leapfrog Edge 2025.3 software was used by SRK to generate the grade shells, prepare assay data for statistical analysis, establish the block model, estimate grades, and tabulate the Mineral Resources.

In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global Mineral Resources defined for the Project at the current level of exploration. The Mineral Resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Ore Reserves Best Practices" guidelines and are reported in accordance with the JORC Code.

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve without a Pre-Feasibility study ("PFS") of the Project. SRK considers the Ore Reserve estimate needs to be supported by a minimum of a PFS, which can be undertaken by an accredited institute.

6.2 Mineral Resource Estimation Procedures

The Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Geological interpretation for estimation domain review;
- Data preparation (compositing and capping) and Variogram;
- Block model and grade interpolation review;
- Mining depletion;
- Mineral Resource classification review;
- Model validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("RPEEE") and selection of appropriate cut-off grades ("COG"); and
- Preparation of the Mineral Resource statement.

6.3 Mineral Resource Database

SRK has reviewed the database provided by Yinman Mining in Excel format and conducted the database validation. The Mineral Resource database for Zone 1 consists of 1,100 drillholes and underground samples with 86,490 assay intervals, while the database for Zone 3 comprises 1,526

drillholes and underground samples with 222,986 assay intervals. All database and 3D wireframes are in the CGCS2000 grid coordinates system.

The drillholes and underground samples location is shown in Sources: summarised by SRK based on the database provided by client

Note:

1 Hole_Type codes are defined as follows: DBZ – surface diamond drillholes; KC – channel samples collected in tunnels; KNZ – underground diamond drillholes in tunnels; YM – channel samples collected along ore drives; DK – grab channel samples collected in underground workings.

Within the database, approximately 9% of the samples used in the Zone 1 and about 1.5% of those in Zone 3 are grab channel samples, as opposed to mechanically cut channel samples. Grab channel sampling is recognised as being more prone to non-uniform sample support and potential preferential collection of more mineralised material and therefore carries a higher risk of sampling bias and reduced representivity. This is regarded as a legacy issue arising from historical sampling practice. Despite these limitations, the grab channel samples have been retained in the current Mineral Resource estimate because they constitute a relatively small proportion of the database (approximately 9% in Zone 1 and 1.5% in Zone 3) and, in some local areas, represent the only available information on grade continuity; complete exclusion would leave parts of the mineralisation unsupported by data. Pending replacement by higher-quality data, the grab channel samples are treated as lower-confidence information and their impact has been constrained through appropriate grade capping, interpolation parameters and resource classification. As underground development progresses, the Yinman Mining plans to undertake systematic mechanical channel sampling along the relevant headings to progressively replace the existing grab channel data and thereby reduce the associated sampling risk.

Figure 6-1 and Figure 6-2, and the summary of the database is presented in Table 6-1.

Table 6-1: Summary of the Database Yinman Mine

Zone	Hole_Type[1]	Number of Holes	Total Length (m)	Total Length of Samples (m)	Number of Samples
1	DBZ	263	130,458	61,028	60,561
	DK	275	11,168	10,884	7,501
	KC	452	20,651	17,747	17,851
	KNZ	2	86.5	86	64
	YM	108	524	523	513
	Total	**1,100**	**162,888**	**90,269**	**86,490**
3	DBZ	316	189,5228	118,792	109,466
	DK	46	4,975	4,845	3,305
	KC	473	15,660	15,183	14,687
	KNZ	662	100,208	104,223	95,332
	YM	29	194	194	196
	Total	**1,526**	**310,559**	**243,238**	**222,986**

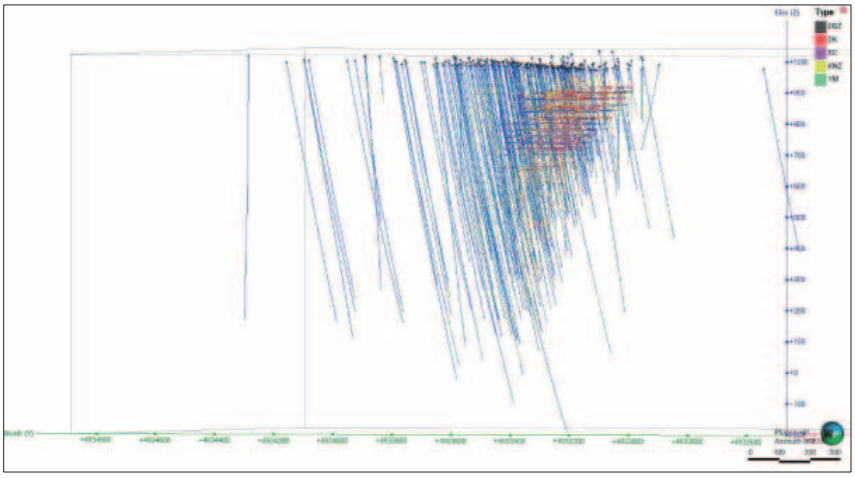
Sources: summarised by SRK based on the database provided by client

Note:

1 Hole_Type codes are defined as follows: DBZ – surface diamond drillholes; KC – channel samples collected in tunnels; KNZ – underground diamond drillholes in tunnels; YM – channel samples collected along ore drives; DK – grab channel samples collected in underground workings.

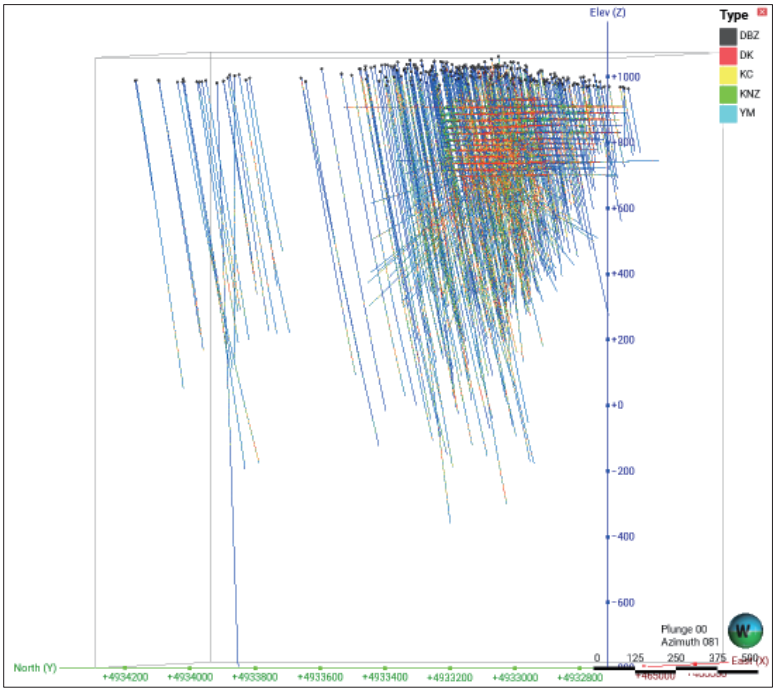
Within the database, approximately 9% of the samples used in the Zone 1 and about 1.5% of those in Zone 3 are grab channel samples, as opposed to mechanically cut channel samples. Grab channel sampling is recognised as being more prone to non-uniform sample support and potential preferential collection of more mineralised material and therefore carries a higher risk of sampling bias and reduced representivity. This is regarded as a legacy issue arising from historical sampling practice. Despite these limitations, the grab channel samples have been retained in the current Mineral Resource estimate because they constitute a relatively small proportion of the database (approximately 9% in Zone 1 and 1.5% in Zone 3) and, in some local areas, represent the only available information on grade continuity; complete exclusion would leave parts of the mineralisation unsupported by data. Pending replacement by higher-quality data, the grab channel samples are treated as lower-confidence information and their impact has been constrained through appropriate grade capping, interpolation parameters and resource classification. As underground development progresses, the Yinman Mining plans to undertake systematic mechanical channel sampling along the relevant headings to progressively replace the existing grab channel data and thereby reduce the associated sampling risk.

Figure 6-1: Drilling Hole and Underground Samples Location in Zone 1



Sources: SRK

Figure 6-2: Drilling Hole and Underground Samples in Zone 3



Sources: SRK

6.4 Domain Modelling

The Yinman Project deposit is a fault-controlled, low-to-moderate temperature hydrothermal Cu-Pb-Sn-Ag-Zn deposit. It is hosted within structural alteration zones controlled by east-west ("E-W") trending compressive-shear faults, which originated from NE-trending compressive faults during the Early Yanshanian period. The mineralisation is hosted within fault zones governed by these E-W compressive-shear structures and were divided into two main mineralised zones： Zone 1 and Zone 3. The morphology of the mineralisation is generally consistent with the principal fault planes, exhibiting a distinct ENE plunge.

A cut-off of approximately 20 g/t silver equivalent ("AgEq") was adopted to generate the mineralisation grade shells. It should be noted that this value serves as a geological mineralisation threshold rather than a final economic cut-off grade. The selection of this threshold was based on the analysis of the overall AgEq distribution, the mineralisation-controlling geological features. By applying the 20 g/t AgEq criteria, the resulting shells effectively encompass the primary metallic mineralisation within the project area while excluding obvious background values. This approach provides a robust and operational framework for subsequent wireframing and Mineral Resource estimation.

Building upon this approach, a continuous low-grade mineralisation envelope was first delineated based on the AgEq grade shells. This envelope represents the overall spatial distribution

characteristics of the Ag–Pb–Zn and Ag–Sn–Cu–Zn polymetallic mineralisation for Zone 1 and Zone 3 respectively within the Yinman Project area.

Simultaneously, data from existing development headings and channel sampling within the active mine indicate that the mineralisation currently being exploited exhibit grades significantly higher than the average of the aforementioned AgEq grade shells. This observation confirms the development of several continuous, high-grade zones characterised by marked grade enrichment within the broader mineralisation envelope.

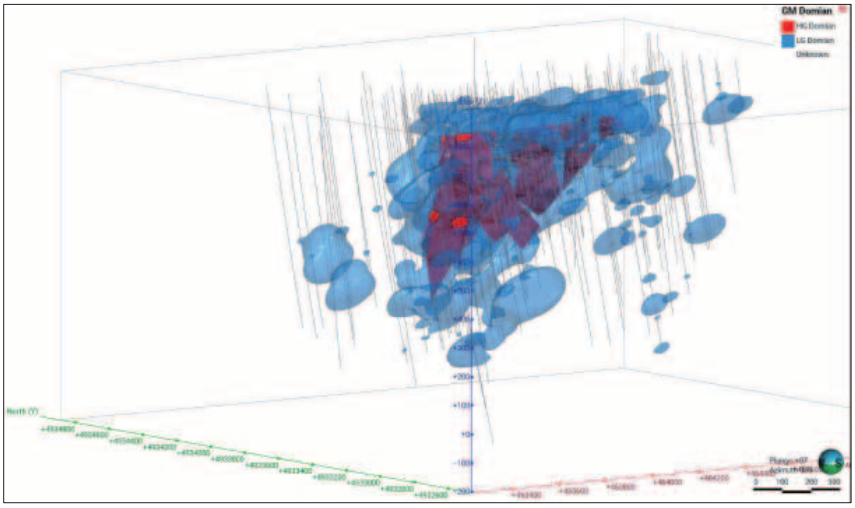
Based on this understanding, the mineralisation at the Yinman Project has been defined into two domains for geological modelling and Mineral Resource estimation for both Zone 1 and Zone 3:

High-Grade Domain ("HGD"): Corresponding to the active production orebodies delineated by underground development and channel sampling.

Low-Grade Domain ("LGD"): Corresponding to the global mineralisation envelope defined by the AgEq grade shells, which encompasses the high-grade domains and the peripheral low-grade mineralisation.

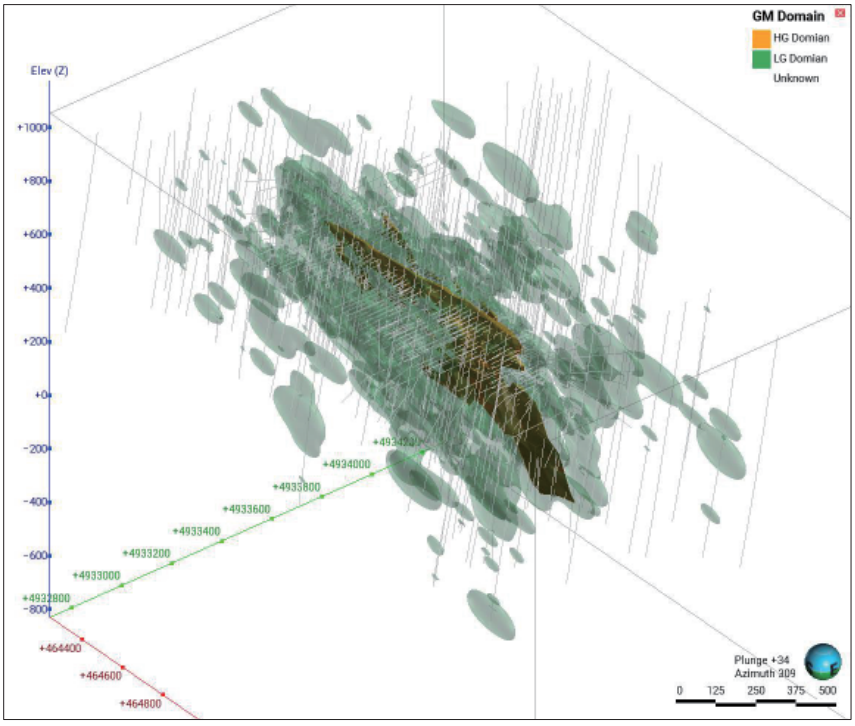
This dual-domain approach provides an objective representation of the overall mineralised continuity and Mineral Resource potential of the Yinman Project deposit. The spatial morphology of the mineralisation domains is illustrated in Figure 6-3 and Figure 6-4.

Figure 6-3: Mineralisation Domains of Zone 1



Sources: SRK

Figure 6-4: Mineralisation Domains of Zone 3



Sources: SRK

6.5 Bulk Density

SRK was provided only the SG data from the Shandong No. 6# Geological Brigade Drilling (2012 – 2014). During the 2012-2014 supplemental exploration program at Yinman Project deposit, SG measurements were carried out from different mineralisation. A total of 50 SG samples were collected from the Pb-Zn-Ag mineralisation, and 103 SG samples were collected from the Cu-Sn-Ag-Zn mineralisation.

SRK conducted a statistical analysis of the SG value and the grade which identified strong correlations between density and Pb, Zn and Sn grade. Within the Pb-Zn-Ag mineralisation of Zone 1, density ("ρ" or "t/m³") shows a relationship with the combined Pb+Zn grade (x, %), Figure 6-5, described by the regression equation:

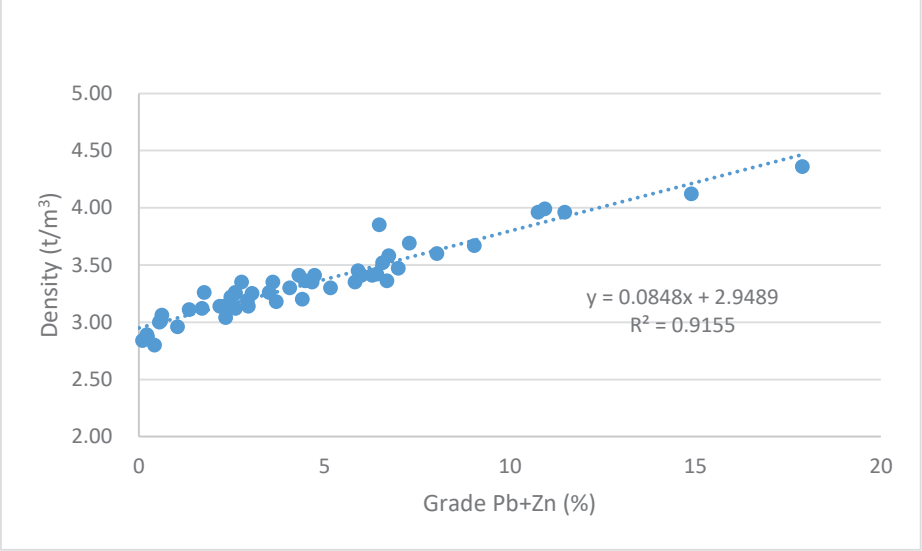
- $\rho=0.0848\times x+2.9489 (R^2=0.9155)$

Within the Cu-Sn-Ag-Zn mineralisation of Zone 3, density shows a strong linear relationship with the combined Sn+Zn grade (x, %), Figure 6-6 described by the regression equation:

- $\rho=0.0842\times x+2.9574 (R^2=0.7254)$

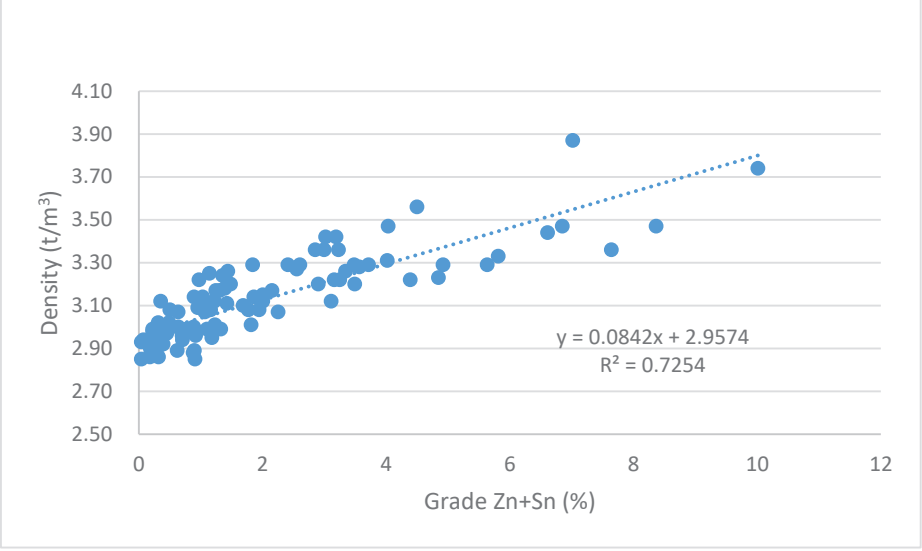
SRK applied the above regression equations for the density estimation in the Mineral Resource estimation.

Figure 6-5: Density vs Combined Pb+Zn Grade for Pb–Zn–Ag Orebodies



Sources: SRK

Figure 6-6: Density vs Combined Zn+Sn Grade for Cu–Sn–Ag–Zn Orebodies



Sources: SRK

6.6 Compositing

Sample intervals for the individual deposit are variable due to different drilling and underground techniques. Before performing statistical analysis, samples were composited to equal lengths to ensure consistency in sample weighting.

Most diamond core and tunnel cutting were sampled at 1.0 m intervals, while shorter intervals of less than 1.0 m were generally derived from diamond core.

The statistical analysis of sample lengths in the mineralisation domains indicates that the majority of samples have a length of 1 m, as shown in Table 6-2 and Sources: SRK

Figure 6-7.

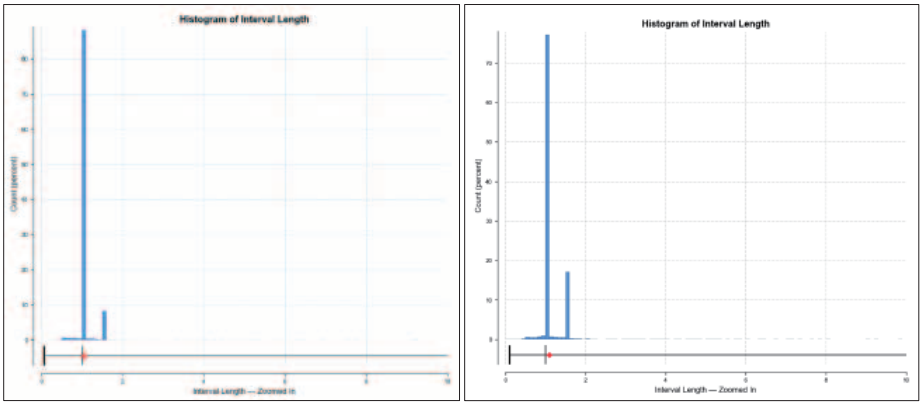
A 1.0 m downhole composite was applied across all mineralised domains to reduce the variability inherent in raw sample intervals.

Table 6-2: Summary of the sample length of Yinman

Mineralisation Zone	Samples	Minimum value	Maximum value	Mean	Median	Standard deviation
Zone 1	86,490	0.06	101.7	1.04	1.0	0.48
Zone 3	222,986	0.10	65	1.09	1.0	0.39

Sources: SRK

Figure 6-7: Histogram of Sample Length (Left: Zone 1 Right: Zone 3)



Sources: SRK

SRK performed statistical analysis on the composites based on various mineralisation domains separately, and the comparison results between raw samples and composites of Ag, Zn, Pb, Sb, Cu and Sn within Zone 1 and Zone 3 are shown in Table 6-3 and Table 6-4.

Table 6-3: Raw Sample and Composite Sample Statistics Within Zone 1

Domain	Item	Raw Samples				Composites			
		Ag	Zn	Pb	Sb	Ag	Zn	Pb	Sb
HGD	Number of samples	6,831	6,831	6,831	6,831	7,535	7,535	7,535	7,535
	Minimum value	-	-	-	-	-	-	-	-
	Maximum value	6,128	38.82	40.10	14.73	6,128	37.04	29.48	14.23
	Mean	105.99	1.94	1.24	0.52	103.59	1.91	1.22	0.51
	Variance	72,221	11.55	5.08	1.10	60,803	10.09	4.31	0.96
	Standard Deviation	268.74	3.39	2.25	1.05	246.58	3.18	2.08	0.98
	Coefficient of variation	2.53	1.75	1.81	2.00	2.38	1.67	1.69	1.90
LGD	Number of samples	35,250	35,250	35,250	35,250	46,758	46,758	46,758	46,758
	Minimum value	-	-	-	-	-	-	-	-
	Maximum value	11,744	46.58	39.38	15.51	11,647	46.58	39.33	15.51
	Mean	26.96	0.45	0.48	0.09	25.56	0.43	0.46	0.08
	Variance	16,194	1.34	1.86	0.12	12,831	1.09	1.48	0.09
	Standard Deviation	127.26	1.16	1.36	0.34	113.27	1.04	1.22	0.31
	Coefficient of variation	4.72	2.56	2.86	3.92	4.43	2.42	2.68	3.68

Sources: SRK

Table 6-4: Raw Sample and Composite Sample Statistics Within Zone 3

Domain	Item	Raw Samples				Composites			
		Ag	Zn	Cu	Sn	Ag	Zn	Cu	Sn
HGD	Number of samples	10,885	10,885	10,885	10,885	11,582	11,582	11,582	11,582
	Minimum value	0	0	0	0	0	0	0	0
	Maximum value	14,850	31.62	26	49	8,547	26.35	18.99	49
	Mean	129.95	0.71	0.24	0.93	127.57	0.71	0.24	0.93
	Variance	197,755	2.72	0.53	4.63	153,415	2.30	0.43	4.02
	Standard Deviation	444.69	1.65	0.73	2.15	391.68	1.52	0.65	2.00
	Coefficient of variation	3.42	2.31	3.01	2.33	3.07	2.14	2.71	2.16
LGD	Number of samples	72,204	72,204	72,204	72,204	87,233	87,233	87,233	87,233
	Minimum value	0	0	0	0	0	0	0	0
	Maximum value	13,365	40.34	32	35.61	10,754	40.34	32	35.61
	Mean	40.22	0.35	0.06	0.10	39.60	0.35	0.06	0.10
	Variance	45,593	1.11	0.14	0.37	35,119	0.92	0.11	0.30
	Standard Deviation	213.53	1.06	0.37	0.61	187.40	0.96	0.33	0.55
	Coefficient of variation	5.31	2.99	6.41	5.99	4.73	2.75	5.86	5.49

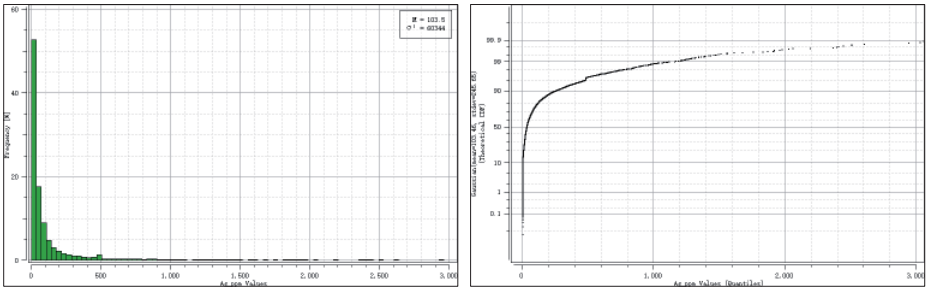
Sources: SRK

6.7 Evaluation of Outliers

The statistics for Domain HGD and LGD in Zone 1 and Zone 3 were viewed, and key univariate statistical indicators was used for each domain. Each of the population of the composite data from the Yinman mineralised domains was positively skewed and showed number of high-grade outliers, which is typical of silver-lead-zinc-antimony and silver-tin-copper-zinc polymetallic deposits.

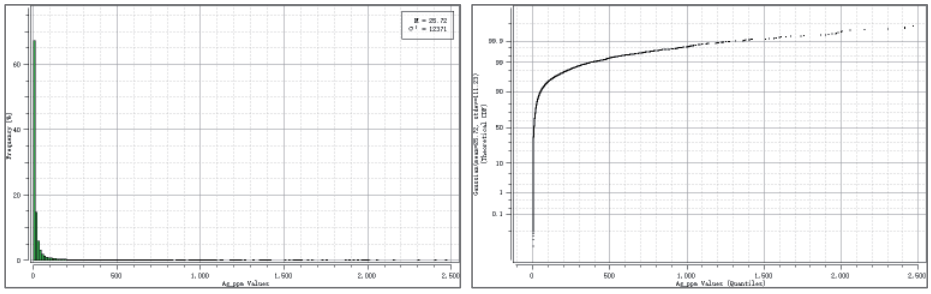
Given that each mineralization zone is subdivided into separate high-grade and low-grade domains and that multiple metallic commodities are present, SRK restricted the detailed outlier analysis and graphical presentation to a subset of key metals. For each mineralization zone, two principal variables were selected and analysed separately within the corresponding high-grade and low-grade domains. The histograms and probability plots for the selected variables and domains are presented in Figure 6-8 to Figure 6-15, and the summary statistics of the applied capping values are listed between Table 6-5 and Table 6-10.

Figure 6-8: Histograms and Probability Plot of Ag in High-Grade Domian of the Yinman Mining Area 1



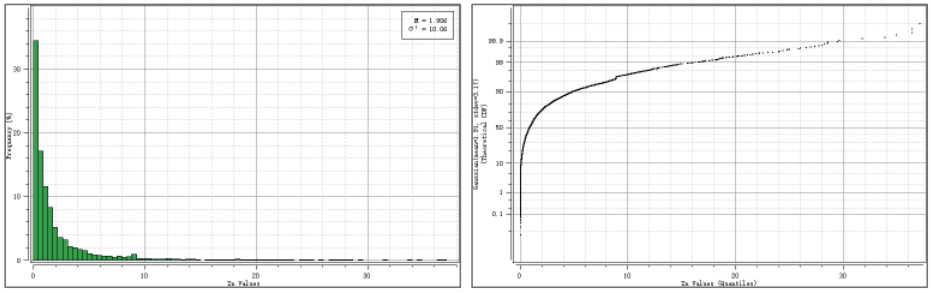
Sources: SRK

Figure 6-9: Histograms and Probability Plot of Ag in Low-Grade Domian of the Yinman Mining Area 1



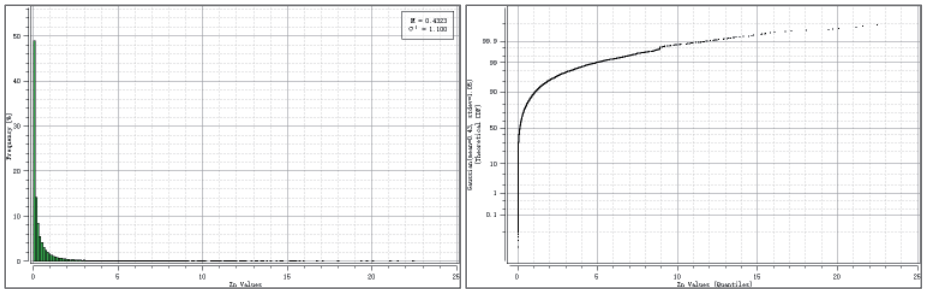
Sources: SRK

Figure 6-10: Histograms and Probability Plot of Zn in High-Grade Domian of the Yinman Mining Area 1



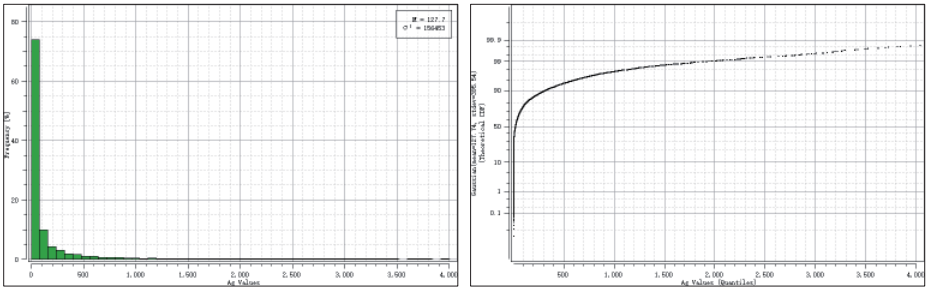
Sources: SRK

Figure 6-11: Histograms and Probability Plot of Zn in Low-Grade Domian of the Yinman Mining Area 1



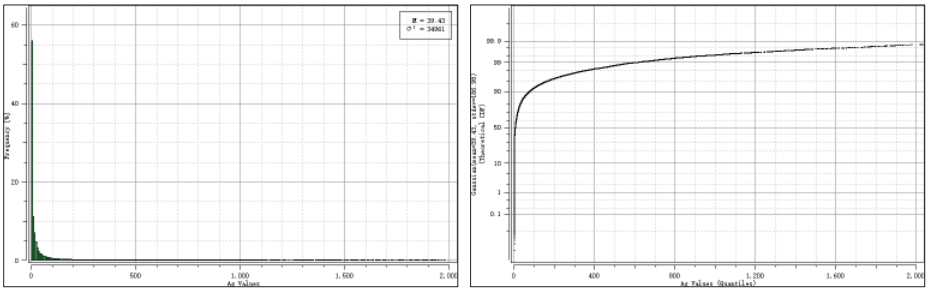
Sources: SRK

Figure 6-12: Histograms and Probability Plot of Ag in High-Grade Domian of the Yinman Mining Area 3



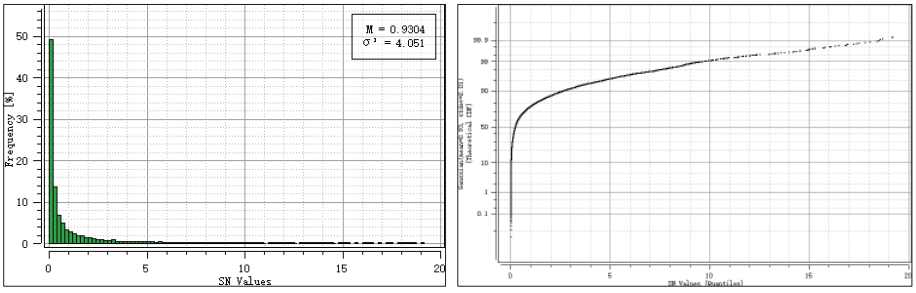
Sources: SRK

Figure 6-13: Histograms and Probability Plot of Ag in Low-Grade Domian of the Yinman Mining Area 3



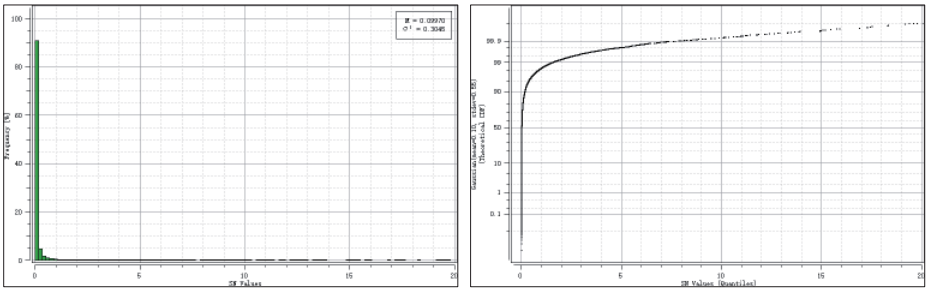
Sources: SRK

Figure 6-14: Histograms and Probability Plot of Sn in High-Grade Domian of the Yinman Mining Area 3



Sources: SRK

Figure 6-15: Histograms and Probability Plot of Sn in Low-Grade Domian of the Yinman Mining Area 3



Sources: SRK

Table 6-5: Pb Capping Statistics

Domain	Assay Cap	Pb Mean (%)

Mineralisation Zone		Pb (%)	Number of Replaced Samples	Capped Ratio (%)	Before Capping	After Capping
Zone 1	HGD	12	46	0.61	1.22	1.19
	LGD	8.4	198	0.43	0.46	0.44

Sources: SRK

Table 6-6: Sb Capping Statistics

Mineralisation Zone	Domain	Assay Cap Sb (%)	Number of Replaced Samples	Capped Ratio (%)	Sb Mean (%) Before Capping	Sb Mean (%) After Capping
Zone 1	HGD	5.5	54	0.72	0.51	0.50
	LGD	2.6	121	0.26	0.08	0.08

Sources: SRK

Table 6-7: Ag Capping Statistics

Mineralisation Zone	Domain	Assay Cap Ag (g/t)	Number of Replaced Samples	Capped Ratio (%)	Ag Mean (g/t) Before Capping	Ag Mean (g/t) After Capping
Zone 1	HGD	1500	35	0.46	103.59	98.74
	LGD	845	120	0.26	25.56	24.13
Zone 3	HGD	1850	117	1.01	127.57	114.39
	LGD	1180	316	0.36	39.6	35.29

Sources: SRK

Table 6-8: Zn Capping Statistics

Mineralisation Zone	Domain	Assay Cap Zn (%)	Number of Replaced Samples	Capped Ratio (%)	Zn Mean (%) Before Capping	Zn Mean (%) After Capping
Zone 1	HGD	15	81	1.07	1.91	1.83
	LGD	9.1	83	0.18	0.43	0.42
Zone 3	HGD	7.6	122	1.05	0.71	0.67
	LGD	6.2	449	0.51	0.35	0.33

Sources: SRK

Table 6-9: Sn Capping Statistics

Mineralisation Zone	Domain	Assay Cap Sn (%)	Number of Replaced Samples	Capped Ratio (%)	Sn Mean (%) Before Capping	Sn Mean (%) After Capping
Zone 3	HGD	11	77	0.66	0.93	0.90
	LGD	7	99	0.11	0.10	0.09

Sources: SRK

Table 6-10: Cu Capping Statistics

Mineralisation Zone	Domain	Assay Cap Cu (%)	Number of Replaced Samples	Capped Ratio (%)	Cu Mean (%) Before Capping	Cu Mean (%) After Capping
Zone 3	HGD	5.7	26	0.22	0.24	0.24
	LGD	3.6	116	0.13	0.06	0.05

Sources: SRK

6.8 Statistical Analysis and Variography

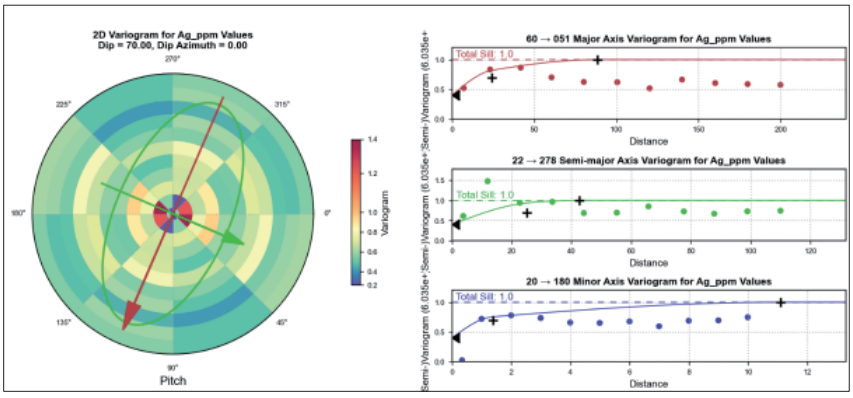
The variography model was used to characterise the spatial continuity of grades within the mineralised domains and to derive parameters for the Mineral Resource estimation. Experimental variograms were calculated from 1 m length-weighted composites after applying domain-specific top cuts, with priority given to domains containing the largest data populations. High-grade and low-grade mineralised domains were treated separately, and individual models were constructed for each. Within every domain, experimental variograms were generated and modelled for all estimated elements (Ag, Pb, Zn, Cu, Sb and Sn) using the same 1 m top-cut composites.

Spatial continuity was analysed in three orthogonal directions. Omnidirectional variograms were first used to characterised short-range variability and to estimate the nugget effect. Directional variograms were then modelled along planes of maximum continuity; the structure displaying the lowest relative nugget, slowest rise and longest range was interpreted as the principal continuity axis, generally corresponding to the strike of mineralisation. Downhole variograms were used primarily to quantify the nugget effect, and ranges and search neighbourhoods were defined mainly along the principal and secondary continuity directions.

In order to obtain robust structures for the Mineral Resource estimation, models were fitted to the composite data for each domain and element. In some domains and for certain elements, however, the experimental variograms exhibited weak or inconsistent spatial structure and were not considered sufficiently reliable for independent modelling. In these cases, SRK adopted the variogram model form and orientation defined for Ag within the same domain, adjusting only the sill and, where appropriate, the ranges to provide reasonable parameters for interpolation of the secondary elements.

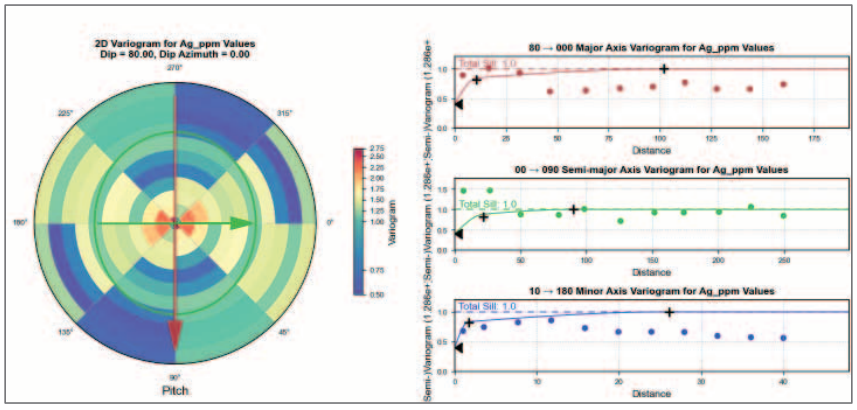
The example of variogram models for Ag are illustrated in Figure 6-16 to Figure 6-19. The variogram structure for each domain of the Yinman Mine are summarised in Table 6-11 and Table 6-12.

Figure 6-16: Ag Variogram Models for HGD of Zone 1



Sources: SRK

Figure 6-17: Ag Variogram Models for LGD of Zone 1



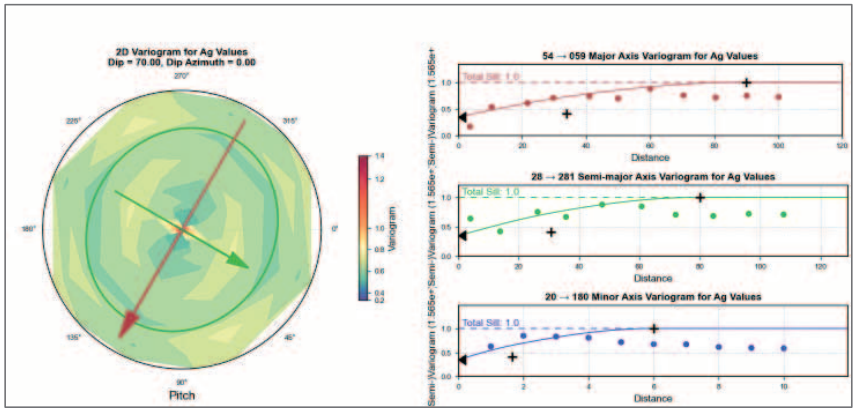
Sources: SRK

Table 6-11: Variogram Modelling Structures for Zone 1

Element	Domain	No Structures	Dip	Dip Az	Pitch	Major/ Semi	Major/ Minor	Nugget	Sill	Range
Ag	HG	2	70	0	113	2.09	8	0.4	0.6	88
	LG	2	80	0	90	1.12	3.88	0.4	0.6	101
Zn	HG	2	50	0	75	6.4	9.6	0.23	0.77	77
	LG	2	90	0	70	3.75	15	0.3	0.7	60
Pb	HG	2	50	0	100	1.66	8	0.2	0.8	40
	LG	2	50	0	100	1.02	7.1	0.2	0.8	100
Sb	HG	2	60	310	118	1.2	1.5	0.3	0.7	70
	LG	2	60	310	100	1.75	7	0.25	0.75	102

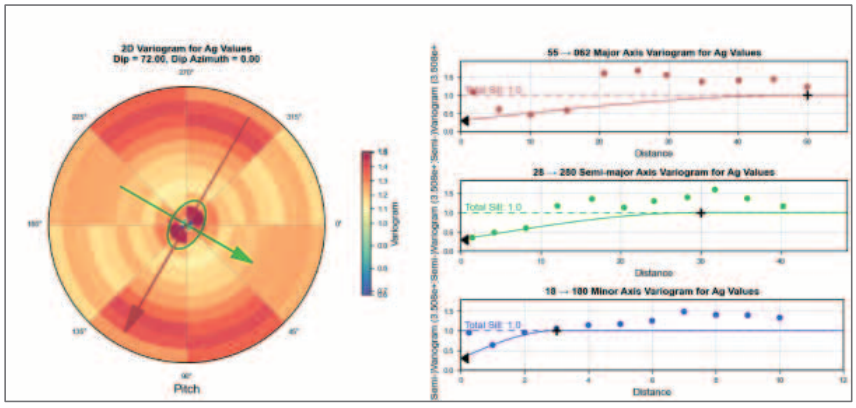
Sources: SRK

Figure 6-18: Ag Variogram Models for HGD of Zone 3



Sources: SRK

Figure 6-19: Ag Variogram Models for LGD of Zone 3



Sources: SRK

Table 6-12: Variogram Modelling Structures for Zone 3

Element	Domain	Dip	Dip Az	Pitch	Major/ Semi	Major/ Minor	Nugget	Sill	Range
Ag	HG	70	0	120	1.13	15	0.35	0.65	90
	LG	70	0	120	1.67	16.6	0.3	0.7	85
Zn	HG	90	0	105	3.75	11.25	0.25	0.75	90
	LG	60	0	120	1.5	10.2	0.2	0.8	75
Cu	HG	70	0	120	1.4	11.6	0.2	0.8	70
	LG	70	0	120	1.11	3.84	0.2	0.8	100
Sn	HG	70	0	80	1.15	5	0.2	0.8	30
	LG	70	0	80	1.15	5	0.2	0.8	30

Sources: SRK

6.9 Block Model and Grade Estimation

The block model sizes of the Yinman Mine chosen by SRK to compromise between sample spacing and orientation of mineralisation were with dimensions of 20 m × 10 m × 5 m (Easting × Northing × Elevation), with sub celling to 2 mE × 2 mN × 1 mZ, see Table 6-13.

Table 6-13: Block Model Parameters for Yinman Mine

Mineralisation Zone	Coordinate	Min	Max	Block Size	Sub Block Size	Rotation
Zone 1	Easting (X)	463100	465220	20	2	0
	Northing (Y)	4932595	4934475	10	2	0
	RL (Z)	-140	1100	5	1	0
Zone 3	Easting (X)	463930	466890	20	2	0
	Northing (Y)	4932450	4934620	10	2	0

	RL (Z)	-1050	1350	5	1	0

Sources: SRK

Grades for Ag, Pb, Zn, Cu, Sb and Sn were estimated into the Yinman 3D block model using Ordinary Kriging ("OK") as the primary interpolation method. An inverse distance squared estimate was generated as a check model and, in some cases.

The estimation was based on 1 m length-weighted, top-cut composites coded by mineralisation domain. High-grade and low-grade LGD domains were estimated separately, with all elements interpolated independently within each domain using a consistent domain framework.

The search strategy for all variables was controlled through minimum and maximum numbers of composites within each grade domain, to both manage estimation quality and provide input to Mineral Resource classification. This approach ensured that only the nearest samples were used in areas of high data density, while still allowing estimation in sparsely drilled zones.

Search ellipses for each element were aligned with the principal mineralised trend and oriented to reflect the direction of maximum continuity within the plane of mineralisation. Ranges and anisotropy ratios were derived from the variogram models. A second and, where required, a third search pass were applied, progressively reducing the minimum composite requirement and extending the search distances by approximately 2 to 4 times the initial range to capture lower-density areas.

For domains and elements with robust variogram models, OK interpolation used the element-specific variogram parameters. Where the variable in each domain lacked an unstable variogram, the variogram model form, orientation and anisotropy of the associated Ag model within that domain were adopted, with only the sill and, where appropriate, ranges adjusted to provide reasonable parameters for interpolation. Search parameters applied to the multielement grade estimation are summarised in Table 6-14 and Table 6-15.

Table 6-14: Search Parameters of Each Domain for Zone 1

Variable and Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
Ag_HGD	1	44	6	16	3	70	0	113
	2	88	4	20	3			
	3	150	2	24	3			
AG_LGD	1	51	6	16	4	80	0	90
	2	102	4	20	4			
	3	160	2	24	4			
Pb_HGD	1	44	6	16	3	50	0	100
	2	88	4	20	3			
	3	150	2	20	3			
Pb_LGD	1	51	6	16	4	50	0	100
	2	102	4	20	4			
	3	160	2	24	4			
Zn_HGD	1	44	6	12	3	50	0	75
	2	88	4	16	3			

Variable and Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
	3	150	2	20	3			
	1	51	6	12	4			
Zn_LGD	2	102	4	16	4	90	0	70
	3	160	2	20	4			
	1	44	6	16	3			
Sb_HGD	2	88	4	20	3	60	310	118
	3	150	2	24	3			
	1	51	6	12	4			
Sb_LGD	2	102	4	16	4	60	310	100
	3	160	2	20	4			

Sources: SRK

Table 6-15: Search Parameters of Each Domain for Zone 3

Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
	1	45	6	16	3			
Ag_HGD	2	90	4	20	3	70	0	113
	3	140	2	24	3			
	1	60	6	16	4			
AG_LGD	2	100	4	20	4	80	0	90
	3	150	2	24	4			
	1	30	6	20	4			
Pb_HGD	2	85	4	20	4	50	0	100
	3	120	2	24	4			
	1	35	6	16	4			
Pb_LGD	2	90	4	20	4	50	0	100
	3	150	2	24	4			
	1	70	6	18	3			
Zn_HGD	2	100	4	20	3	50	0	75
	3	150	2	24	3			
	1	60	6	16	4			
Zn_LGD	2	110	4	20	4	90	0	70
	3	160	2	24	4			
	1	50	6	16	4			
Sb_HGD	2	85	4	16	4	60	310	118
	3	120	2	20	4			
	1	80	6	20	4			
Sb_LGD	2	120	4	20	4	60	310	100
	3	200	2	24	4			

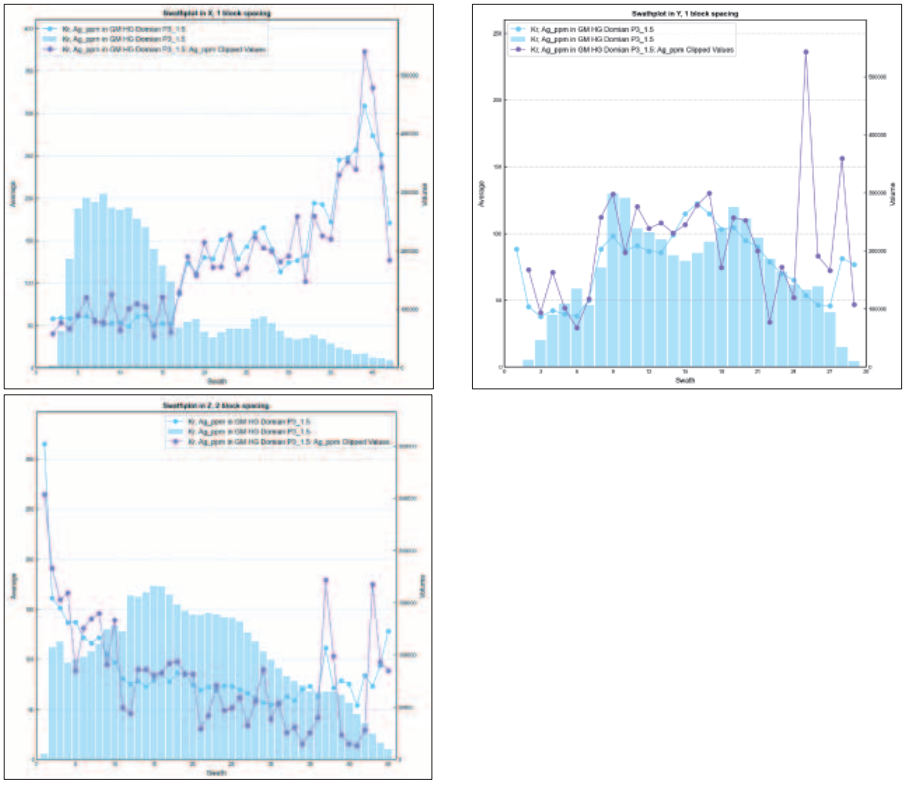
Sources: SRK

6.10 Model Validation

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selectivity assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

Swath plots were created by SRK in three orthogonal directions and elevation in particular slice thicknesses in each direction to validate the resultant block models. The swath plots are shown From Figure 6-20 to Figure 6-27. The block models and composites match reasonably well in all orthogonal directions.

Figure 6-20: Domain HGD Ag Swath Plots of the Zone 1



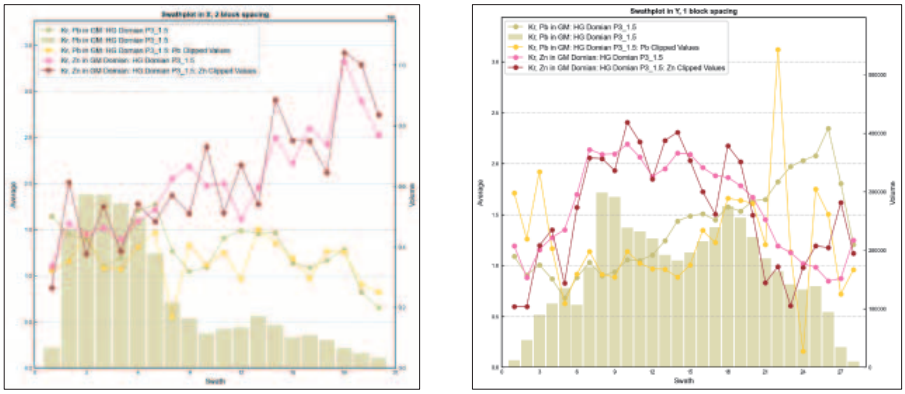
Sources: SRK

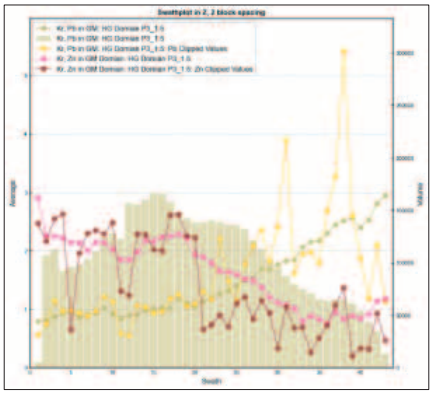
Figure 6-21: Domain LGD Ag Swath Plots of the Zone 1



Sources: SRK

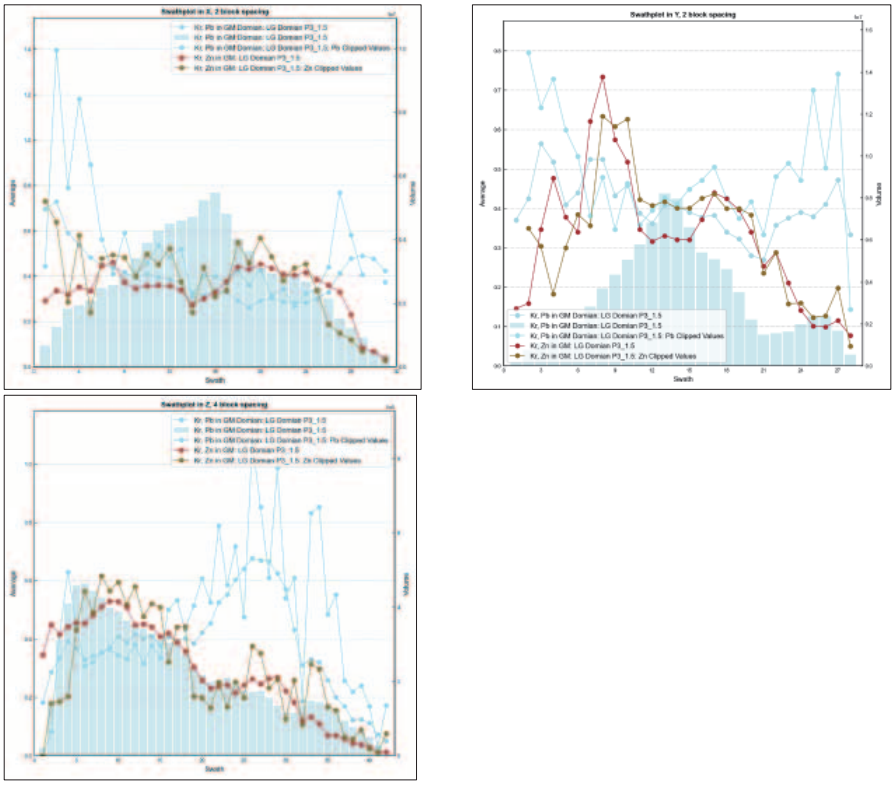
Figure 6-22: Domain HGD Pb and Zn Swath Plots of the Zone 1





Sources: SRK

Figure 6-23: Domain LGD Pb and Zn Swath Plots of the Zone 1



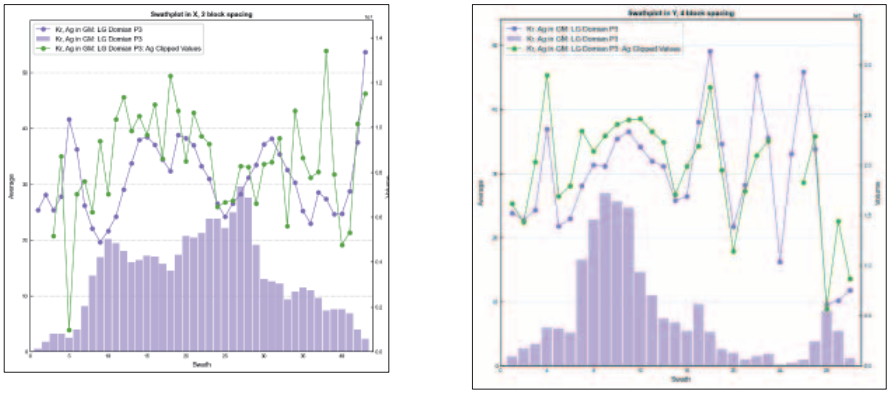
Sources: SRK

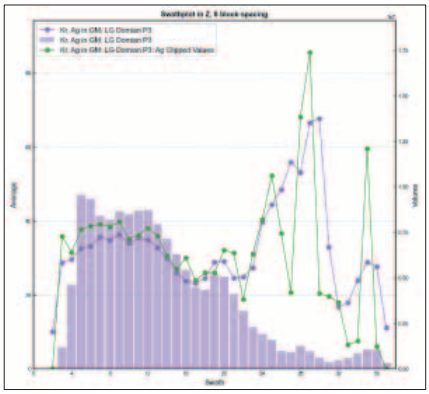
Figure 6-24: Domain HGD Ag Swath Plots of the Zone 3



Sources: SRK

Figure 6-25: Domain LGD Ag Swath Plots of the Zone 3





Sources: SRK

Figure 6-26: Domain HGD Pb-Zn-Sn Swath Plots of the Zone 3



Sources: SRK

Figure 6-27: Domain LGD Pb-Zn-Sn Swath Plots of the Zone 3



Sources: SRK

6.11 Mineral Resource Classification

Mineral Resource classification is typically a subjective concept, industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support Mineral Resource evaluation.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, the Yinman Project deposit with

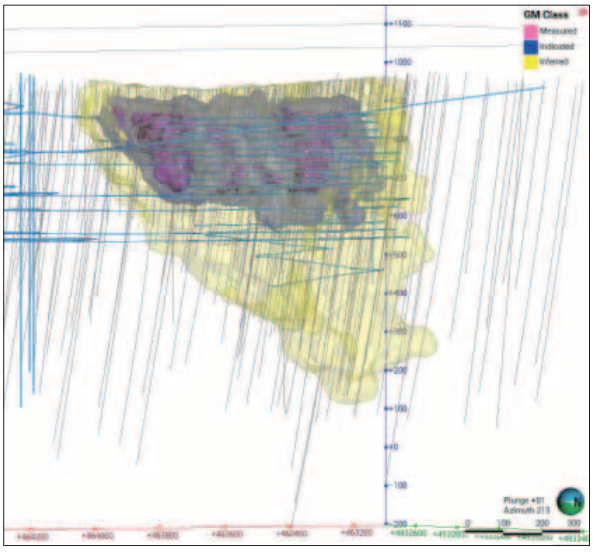
individual block classification being assigned using statistical methods and visually taking into account the following factors:

- Drill spacing and drill data quality
- Geological continuity and volume
- Estimation properties including search strategy, number of informing composites, average distance of composites
- Risk or uncertainty present in the estimated grades

The Mineral Resource classification criteria is summarised in Table 6-16. And the distribution of Mineral Resource classification is presented in 3D view in

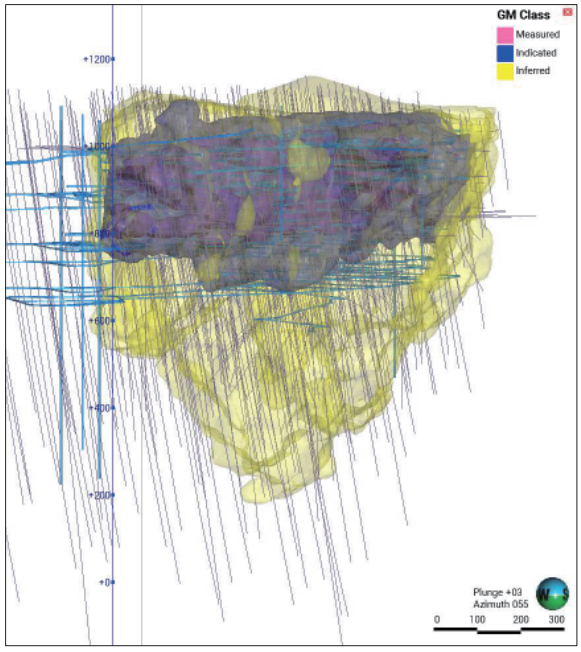
Figure 6-28 and Figure 6-29.

Figure 6-28: Mineral Resource Classification for Zone 1



Sources: SRK

Figure 6-29: Mineral Resource Classification for Zone 3



Sources: SRK

Table 6-16: Mineral Resource Classification Criteria used in the Estimation

Category	Mineral Resource Classification Criteria
Measured (Rescat=1)	Defined by drill spacing and Underground samples is <40 m × 40 m, with good continuity of mineralisation.
Indicated (Rescat=2)	Defined nominally up to 80 m × 80 m drill spacing. Underground samples have confirmed continuity of the mineralisation. Includes remnant zones within stoped areas, although future reviews may sterilise some of these zones.
Inferred (Rescat=3)	Defined by drill spacing < 160 m × 160 m, with sufficient confidence that geological and mineralisation continuity can be projected along strike, down dip and/or down plunge from known mineralisation

6.12 Mineral Resource Statement

The JORC Code defines a Mineral Resource as:

"a concentration or occurrence of material of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological

evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories."

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that the Yinman Project is amenable for underground mining. The assumptions made to determine the cut-offs for the Yinman Mine are shown in Table 6-17.

Table 6-17: RPEEE Assumptions for Yinman Project

Item	Unit	Parameter	
		Zone 1	Zone 3
Mining			
Mining Cost	CNY/t ore	232	232
Processing			
Processing Cost	CNY/t ore	156	156
Silver Recovery Rate	%	83	84
Other			
G&A Cost + Sell cost	CNY/t ore	74	74
Oz to gram	oz: gram	31.1035	31.1035
Revenue			
Silver CMF Price	US$/oz	42.25	42.25
Exchange Rate	US$: CNY	7.10	7.10
Silver Price	CNY/g	9.64	9.64
Payable-Ag in Conc.	%	90.5	93
REV	CNY/g	7.24	7.53
Cash Cost	CNY/t ore	461	461
COGs	g/t	64	61

Note:
1. The price refers to the long-term prediction published by Consensus Market Forecasts ("CMF") in December 2025

As of 31 December 2025, and using cut-off grades of 64 g/t AgEq for Mineralised Zone 1, there are 9.80 million tonnes ("Mt") of Measured Mineral Resources at an average grade of 85.13 g/t Ag, 15.60 Mt of Indicated Mineral Resources with an average grade of 66.16 g/t Ag, and 21.75 Mt of Inferred Mineral Resources with an average grade of 74.25 g/t Ag, the results are detailed in Table 6-18.

Table 6-18: Mineral Resource Statement[1], Zone 1, SRK Consulting China Ltd, 31 December 2025[2]

Domain	Resource Category	Tonnage	Average Value			Metal Contained		
			Ag	Pb	Zn	Ag	Pb	Zn
		Mt	g/t	%	%	t	kt	kt
HGD	Measured	3.72	114.30	1.07	2.46	426	40	91
	Indicated	3.00	79.42	1.27	1.99	238	38	60
	Inferred	3.15	66.40	2.40	1.19	209	75	38
LGD	Measured	6.08	67.25	0.55	1.14	409	34	69

Domain	Resource Category	Tonnage	Average Value			Metal Contained		
			Ag	Pb	Zn	Ag	Pb	Zn
		Mt	g/t	%	%	t	kt	kt
	Indicated	12.60	63.00	0.64	1.15	794	81	145
	Inferred	18.60	75.58	1.18	0.83	1,406	220	154
	Measured	**9.80**	**85.13**	**0.75**	**1.64**	**834**	**74**	**160**
Total	**Indicated**	**15.60**	**66.16**	**0.76**	**1.31**	**1,032**	**119**	**204**
	Measured + Indicated	**25.39**	**73.48**	**0.76**	**1.44**	**1,866**	**193**	**365**
	Inferred	**21.75**	**74.25**	**1.36**	**0.88**	**1,615**	**296**	**192**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Ms. Yanfang Zhao who are full-time employees of SRK Consulting China Ltd. Mr. Liu is the member of AIG and Ms. Zhao is also a member of the AusIMM. They 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 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. Mr. Liu and Ms. Zhao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 64 g/t AgEq, AgEq = Ag+14.51*Pb+25.28*Zn+32.49*Sb, based on the price of Ag 42.25 US$/oz, Pb 2,600 US$/t, Zn 3,650 US$/t and Sb 11,268 US$/t, the recoveries of Ag 75.31% for lead concentrate and 12.71% for zinc concentrate, Pb 68.05 % and Zn 80.87%,the payable of Ag 90.5% for lead concentrate and 40% for zinc concentrate, Pb -479 US$/metal contained, Zn -21 US$/metal contained, Sb 50 % contained.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

In addition, Sb mineralisation is associated with the Ag-Pb-Zn mineralised domains in Mineralised Zone 1. Based on SRK's estimates, these domains contain Sb at an average grade of 0.26%, corresponding to approximately 122 kt of contained Sb metal. Details are shown in Table 6-19.

Table 6-19: Sb Mineral Resource Statement[1] Zone 1, as of 31 December 2025

Mineralised Zone/ Block	Resource Category	Tonnage	Sb Grade	Sb Metal Contained
			%	kt
Zone 1#	**Inferred**	**47.15**	**0.26**	**122**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Ms. Yanfang Zhao who are full-time employees of SRK Consulting China Ltd. Mr. Liu is the member of AIG and Ms. Zhao is also a member of the AusIMM. They 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 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. Mr. Liu and Ms. Zhao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 64 g/t AgEq, AgEq = Ag+14.51*Pb+25.28*Zn+32.49*Sb, based on the price of Ag 42.25 US$/oz, Pb 2,600 US$/t, Zn 3,650 US$/t and Sb 11,268 US$/t, the recoveries of Ag 75.31% for lead concentrate and 12.71% for zinc concentrate, Pb 68.05 % and Zn 80.87%,the payable of Ag 90.5% for lead concentrate and 40% for zinc concentrate, Pb -479 US$/metal contained, Zn -21 US$/metal contained, Sb 50 % contained.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

As at 31 December 2025, Mineral Resources for Yinman Zone 3, reported at a cut-off grade of 61 g/t AgEq, comprise 16.39 Mt of Measured Mineral Resources at an average grade of 103.08 g/t Ag, 22.68 Mt of Indicated Mineral Resources at an average grade of 96.77 g/t Ag, and 36.09 Mt of

Inferred Mineral Resources at an average grade of 95.12 g/t Ag. These estimates are summarised in Table 6-20.

Table 6-20: Mineral Resource Statement[1], Zone 3, SRK Consulting China Ltd, 31 December 2025[2]

Domain	Resource Category	Tonnage	Average Value				Metal Contained			
			Ag	Cu	Sn	Zn	Ag	Cu	Sn	Zn
		Mt	g/t	%	%	%	t	kt	kt	kt
HGD	Measured	3.77	137.25	0.26	1.02	0.74	518	10	39	28
	Indicated	3.99	112.60	0.20	0.93	0.70	449	8	37	28
	Inferred	2.83	136.48	0.20	0.58	0.77	386	6	16	22
LGD	Measured	12.62	92.86	0.10	0.21	0.47	1,172	13	27	60
	Indicated	18.69	93.39	0.10	0.20	0.51	1,745	19	37	96
	Inferred	33.26	91.60	0.09	0.20	0.73	3,047	29	68	244
Total	**Measured**	**16.39**	**103.08**	**0.14**	**0.40**	**0.54**	**1,690**	**23**	**66**	**88**
	Indicated	**22.68**	**96.77**	**0.12**	**0.33**	**0.55**	**2,195**	**27**	**74**	**124**
	Measured + Indicated	**39.07**	**99.42**	**0.13**	**0.36**	**0.54**	**3,884**	**50**	**140**	**212**
	Inferred	**36.09**	**95.12**	**0.10**	**0.23**	**0.74**	**3,433**	**35**	**84**	**266**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Ms. Yanfang Zhao who are full-time employees of SRK Consulting China Ltd. Mr. Liu is the member of AIG and Ms. Zhao is also a member of the AusIMM. They 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 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. Mr. Liu and Ms. Zhao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 61 g/t AgEq, AgEq =Ag + 90.71 * Sn + 54.53 * Cu+ 11.38 * Zn , based on the price of Ag 42.25 US$/oz, Sn 35,900 US$/t, Zn 3,650 US$/t and Cu 12,600 US$/t, the recoveries of Ag 83.64% for cooper concentrate and 2.73% for zinc concentrate, Zn 30.72 %, Cu 82.16% and Sn 44.04%,the payable of Ag 93% for copper concentrate and 40% for zinc concentrate, Cu 80% contained, Zn -77 US$/metal contained, Sn 92.5 % contained.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

6.13 Grade Sensitivity Analysis

The Mineral Resources of the Yinman Mine are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the block model quantities and grade estimates used to constrain the Mineral Resources are presented in Table 6-21 and Table 6-22 at various equivalent silver cut-off grades. The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. Figure 6-30 and Figure 6-31 presents this sensitivity as grade tonnage curves.

Table 6-21: Block Model Quantities and Grade Estimates[1], Zone 1 at Various cut-off Grades.

Cut-off	Tonnes	AgEq	Ag	Pb	Zn
AgEq (g/t)	Mt	g/t	g/t	%	%
50	63.62	108.81	61.92	0.93	1.04
52	60.85	111.45	63.63	0.94	1.06
54	58.1	114.21	65.41	0.96	1.08

Cut-off	Tonnes	AgEq	Ag	Pb	Zn
AgEq (g/t)	Mt	g/t	g/t	%	%
56	55.67	116.8	67.08	0.97	1.1
58	53.47	119.26	68.7	0.99	1.12
60	51.14	122.01	70.51	1.01	1.14
62	49.13	124.51	72.13	1.02	1.16
64	47.15	127.1	73.84	1.04	1.18
66	45.21	129.76	75.62	1.05	1.2
68	43.37	132.42	77.37	1.07	1.22
70	41.63	135.07	79.13	1.08	1.24
72	39.96	137.75	80.88	1.1	1.26
74	38.44	140.31	82.56	1.11	1.28
76	36.98	142.88	84.28	1.12	1.3
78	35.59	145.45	85.94	1.14	1.32
80	34.37	147.82	87.85	1.15	1.33

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 6-30: Grade-Tonnage Curve of Zone 1

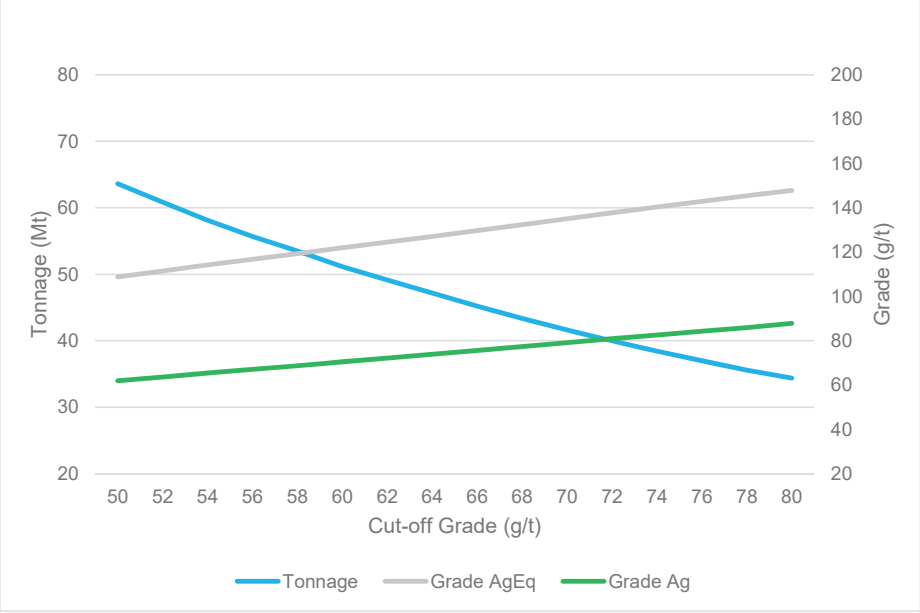


Table 6-22: Block Model Quantities and Grade Estimates[1], Zone 3 at Various Cut-off Grades.

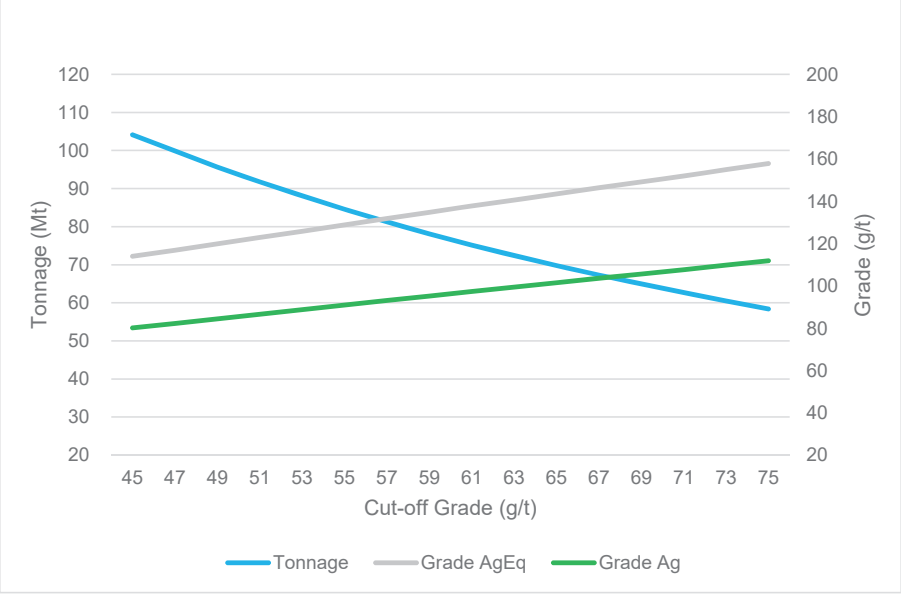
Cut-off	Tonnes	AgEq	Ag	Cu	Sn	Zn
AgEq (g/t)	Mt	g/t	g/t	%	%	%
45	104.12	113.99	80.15	0.09	0.24	0.58

Cut-off	Tonnes	AgEq	Ag	Cu	Sn	Zn
AgEq (g/t)	Mt	g/t	g/t	%	%	%
47	99.90	116.87	82.24	0.10	0.25	0.59
49	95.67	119.91	84.45	0.10	0.26	0.60
51	91.76	122.89	86.62	0.10	0.26	0.60
53	88.10	125.84	88.75	0.10	0.27	0.61
55	84.53	128.87	90.93	0.11	0.28	0.62
57	81.23	131.83	93.08	0.11	0.28	0.62
59	78.11	134.78	95.23	0.11	0.29	0.63
61	75.16	137.72	97.35	0.11	0.30	0.64
63	72.43	140.56	99.43	0.11	0.30	0.64
65	69.79	143.47	101.50	0.12	0.31	0.65
67	67.29	146.34	103.61	0.12	0.32	0.65
69	64.99	149.12	105.60	0.12	0.32	0.66
71	62.72	151.98	107.67	0.12	0.33	0.66
73	60.46	154.97	109.84	0.13	0.34	0.67
75	58.38	157.84	111.88	0.13	0.34	0.67

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 6-31: Grade-Tonnage Curve of Zone 3



6.14 Exploration Potential and Recommendations

The Yinman mine is currently in production; however, based on the available drilling and underground information, the mineralisation of Zone 1 and Zone 3 is still open along strike or at depth. The mineralised intercepts at or near marginal cut-off grades encountered along the flanks and at depth indicate significant potential for down-dip and along-strike extensions, as well as the presence of echelon or subsidiary mineralised zones. These targets warrant further delineation through systematic underground diamond drilling and strategic on-reef and cross-cut development, integrated within the existing operational framework.

In the current Mineral Resource models for Zone 1 and Zone 3, many lodes terminate where drill or underground development coverage ceases rather than against clearly defined geological boundaries. Some secondary and smaller lodes are constrained by relatively sparse data, in some cases by only one or a few drillholes or underground workings, and their geometry and continuity remain uncertain in places. Overall, there is room to improve geological control and understanding of lode geometry and continuity, which may support refinement of the existing Mineral Resource models and improve knowledge of the deposit's spatial extents.

SRK acknowledges that Yinman Mining has conducted geophysical surveys and some drilling in Zone 4, which indicates significant Mineral Resource potential in the area. Yinman Mining plans to commit substantial exploration investment to verify this potential. Further geophysical surveys are scheduled for 2026, together with 24,000 m of drilling to be carried out in Zone 4.

Given that the mine is operating, any additional work can be planned in conjunction with production and mine development, with a focus on the main Ag-Pb-Zn-Sb mineralised structures. The following types of work could be considered:

- Underground drilling from existing and planned development to test along-strike and down-dip continuity in priority mining areas and to refine local grade and thickness estimates for resource and reserve evaluation and mine planning for Zone 1 and Zone 3.
- On-reef and cross-reef development (along-vein drives and short crosscuts) in selected areas to improve control on vein continuity, thickness variation and structural features, and to obtain closer-spaced geological and sampling data to better constrain and, where appropriate, update the resource models for Zone 1 and Zone 3.
- Step-out drilling on the margins and at depth to further investigate the presence or absence of potentially parallel or splay structures adjacent to the known lodes and to better define the limits of the mineralised system for Zone 1 and Zone 3.
- Continue the geophysics and drilling programs in Zone 4 to verify the exploration potential.

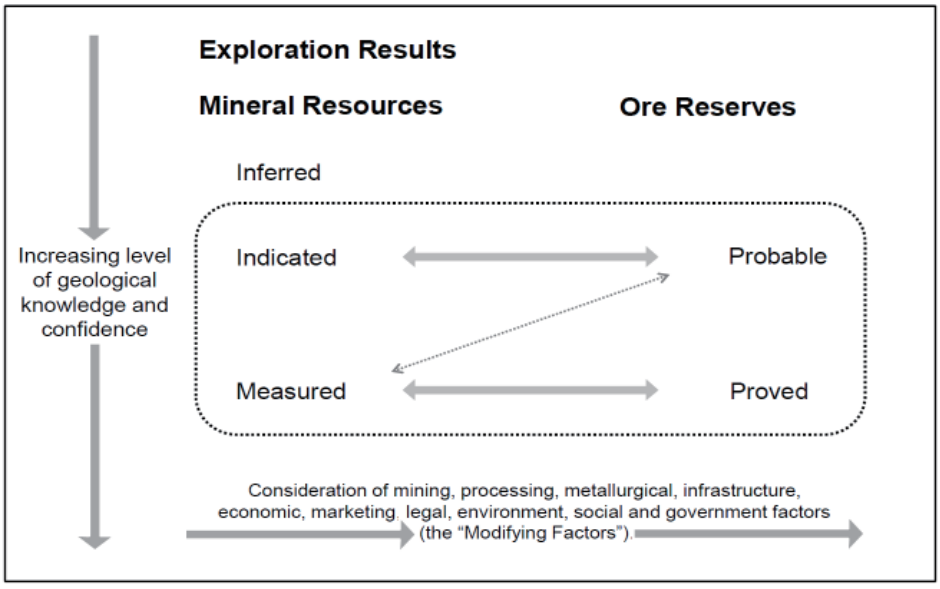
7 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the JORC Code is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 7-1.

Figure 7-1: General relationship between Mineral Resources and Ore Reserves



Sources: JORC Code (2012)

Yinman Mine contains several lodes, with ongoing or planned operations utilising underground mining methods. The Ore Reserves for these mine areas were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies (minimum PFS standard) together with ongoing operation and have been adjusted to meet a PFS standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore Reserve estimation methodology and summarises the key assumptions considered. In the opinion of SRK, the Ore Reserve estimation reported are in accordance with the JORC Code guidelines.

Yinman Mine is divided into two mining zone: Mine Zone I and Mine Zone III, each with its own processing system.

Both mine zones have historically been in production, with all development system completed during that time. Current mining activities are focused on the residual mining areas, so only essential development is required to support ongoing production.

7.1 Technical Studies

SRK has received the following technical studies:

- Updated Design Report on the Yinman Mine, conducted by Gocom Engineering Design Co., Ltd. ("Gocom") In September 2025 (YM 2025)
- Mining Method Feasibility Study on the Yinman Mine, conducted by China ENFI Engineering Co., Ltd. ("ENFI") in August 2021 (YM 2021)

7.2 Cut-off Grade

The cut-off grades for the Yinman Mine are presented in Table 7-1. Key considerations include:

- Price: The commodity prices are dynamic and are derived from CMF provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/administrative ("G&A") are based on average historical three-year cost. Yinman's cost included cement backfill cost.
- The COG has been calculated on a silver equivalent basis.

The marginal COG in the run-of-mine ("ROM") feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{P * P_a * P_r * (1 - R_t)}$$

The parameters used in estimating the COG are detailed in the Table 7-1. The preferred COG value is rounded up to the nearest 0.1 for practical application.

Table 7-1: Underground Ore Reserves Cut-Off Grade

Item	Parameters	Unit	Mine Zone I	By Product	Mine Zone III	By Product
	Sliver Price	US$/oz	32.50	32.50	32.50	32.50
	Exchange Rate	US$: CNY	7.1	7.1	7.1	7.1
P	Sliver Price	CNY/g	7.42	7.42	7.42	7.42
Pa	Payable	%	90.50	90.50	93.00	93.00
Pr	Processing Recovery	%	83.00	83.00	84.00	84.00
Rt	Royalties	%	-	-	-	-
Cm	Mining Cost	CNY/t ore	231.50	-	231.50	-
Cp	Processing Cost	CNY/t ore	155.60	155.60	155.60	155.60
Cg	G&A Cost	CNY/t ore	74.00	74.00	74.00	74.00
A	COG	g/t	82.74	41.20	79.56	39.62

Source: SRK
Note:

[1] The COG for by-products is calculated using the breakeven cut-off grade method, which takes mining costs out of estimation. This COG is specifically used to determine the material excavated during development.

7.3 Modifying Factors

7.3.1 Stope Optimisation

The mineable stope shapes were designed and evaluated as follows:

- Geotechnical design criteria:
  - Modified Sublevel open stoping with delayed backfill
    - Application: Ore zones with thickness ≥ 5 m, dip ≥ 50°, and weak or unstable ore/ host rock (5 – 20 m thick).
    - Layout: Stopes and pillars arranged alternately along strike.
    - Typical dimensions: stope length ~20 m; pillar length 20–40 m; width = orebody thickness; stope height 60 m, subdivided into 20 m sublevels.
    - No crown or sill pillars are left within the stope.
  - Overhand horizontal cut-and-fill stoping
    - Application: Groups of parallel orebodies < 5 m thick, or ore zones with dip < 50°.
    - Layout: Stopes along strike on both sides of sublevel crosscuts; typical stope length ~60 m; width = total width of the orebody group; height = level interval (60 m).
    - Each level is divided into three sublevels of 20 m; each sublevel drift mines five 4 m-high slices.
    - The first slice has 5 m initial void, is backfilled to 4 m leaving 1 m void for blasting relief; subsequent slices work with a 4 m void.
  - Shrinkage stoping with delayed backfill
    - Application: Single orebodies < 5 m thick with dip > 50°.
    - Layout: Stopes along strike; total stope length 50 m (45 m stope + 5 m pillar).
    - Dimensions: width = horizontal ore thickness; height = level interval (60 m).
    - A 5 m crown pillar is left; no sill pillar is left at the stope bottom.
- Stope block definition and evaluation:
  - Geological mineralisation wireframes were intersected with the stope design envelopes to generate mineable stope blocks.
  - Boolean operations were performed with the end-of-year surveyed stope voids to confirm mined versus remaining material.
  - The resulting stope blocks were interrogated against the grade (block) model to obtain key parameters, including Mineral Resource classification, grade, thickness, and other relevant attributes.

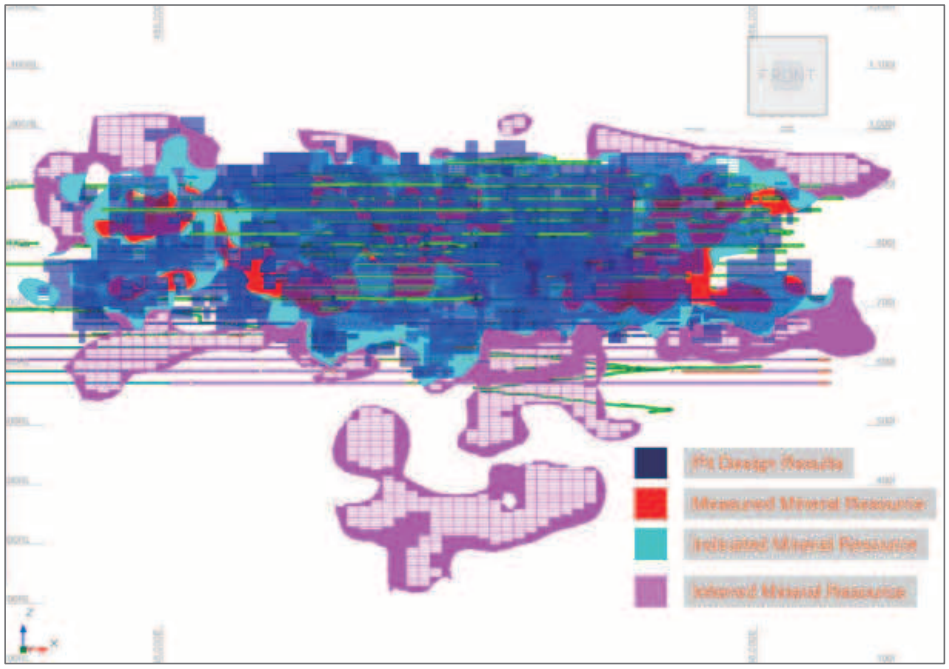
The input parameters used in the Deswik® stope optimisation software ("Deswik.SO") are summarised in Table 7-2. The Mineable Shape Optimizer ("MSO") results are provided in Figure 7-2 and Figure 7-3

Table 7-2: Deswik.SO Parameters for Underground Mining

Parameters	Units	YM-I	YM-III
Default Density	g/t	3	3
COG	g/t	83	80
Default Dip	°	90	70
Strike azimuth	°	0	0
Sub-blocking		yes	yes
Minimal mining width	M	4	2
Mining height	M	20	10
Mining length	M	10~50	5~50
HW dilution	M	0.3	0.1
FW dilution	M	0.3	0.1
Maximum strike change	°	5	30
Stope maximum side-length ratio	°	10	30

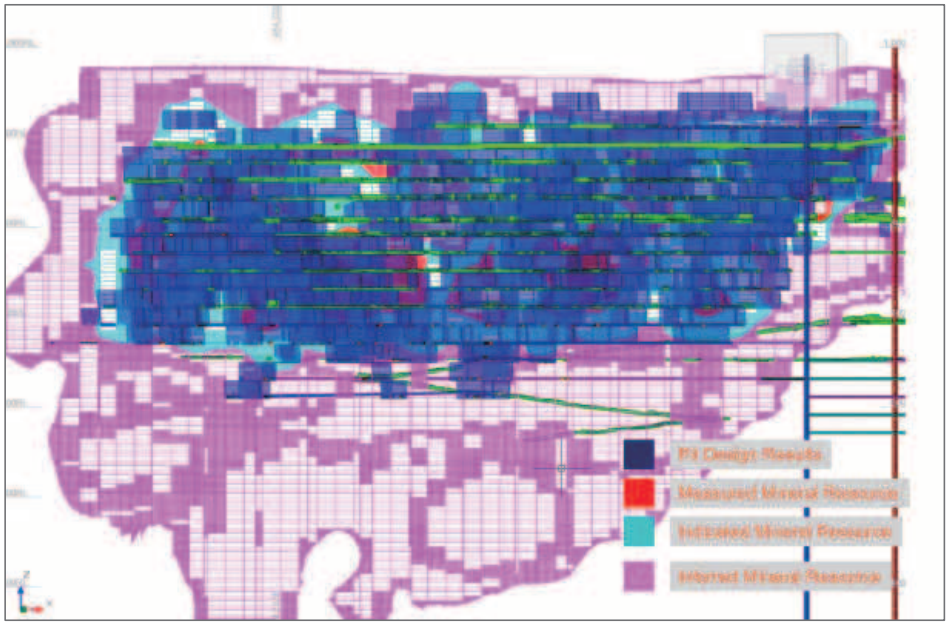
Source: SRK

Figure 7-2: Deswik.SO Results for Mine Zone I at Yinman Mine (Looking from South)



Source: SRK

Figure 7-3: Deswik.SO Results for Mine Zone III at Yinman Mine (Looking from South)



Source: SRK

7.3.2 Dilution and Loss

Stope dilution includes both planned and unplanned dilution. Mining at the Yinman Mine is carried out using sublevel open stoping with delayed backfill, overhand horizontal cut-and-fill, and shrinkage stoping with delayed backfill. Based on historical production data for the Yinman Mine, the mining loss rate is 6.5% and the dilution rate is 12.3% in Mine Zone I, the mining loss rate is 7.7% and the dilution rate is 11.3% in Mine Zone III.

7.4 Ore Reserve Estimation

The operation is an operating underground mine developed by a combination of main decline and vertical shafts. Existing access and ventilation infrastructure includes a main decline, auxiliary decline, service shaft, return air shaft #2 and an East return air shaft. The deposit is divided into Mine Zone I and Mine Zone III, which share a common access and infrastructure system.

Above the 690 m asl elevation, complete systems for hoisting/haulage, dewatering, ventilation, water supply, compressed air, backfill and refuge/ safety are in place and operating satisfactorily. Mining is currently confined to stopes above the 690 m asl level, with both stoping and development carried out by contractors. Below 690 m, portions of the decline and return air raises have been developed.

The mine is planned on 60 m vertical level spacing, with levels at 890, 830, 770, 710, 650, 590, 530, 470, 410, 350, 290, 230 and 170 m asl elevations. The current mining methods are sublevel open stoping with delayed backfill, overhand horizontal cut-and-fill, and shrinkage stoping with delayed backfill.

The estimated process details are provided in Table 7-3, with the corresponding waterfall charts illustrated in Table 7-4 and Table 7-5.

The equivalent factor for Pb and Zn against Ag is estimated for Mine Zone I, taking into account the differences in metal prices, recovery rates and payable factors and Zn, Cu and Sn against Ag is estimated for Mine Zone III, taking into account the differences in metal prices, recovery rates and payable factors. The estimates are presented in Figure 7-4 and Figure 7-5 below.

Table 7-3: Estimation for Equivalent Factors of Pb and Zn to Ag for Mine I

	Pb	Zn	Ag
Equivalent Factors against Ag	13.5259	25.6814	1.0000

Source: SRK

Table 7-4: Estimation for Equivalent Factors of Cu, Sn and Zn to Ag for Mine III

	Cu	Sn	Zn	Ag
Equivalent Factors against Ag	54.5759	89.396	11.4985	1.0000

Source: SRK

Approximately 29% of tonnage and 33% of metal have been converted from Mineral Resources to Ore Reserves. One key negative factor impacting this conversion is the presence of Inferred Mineral Resources.

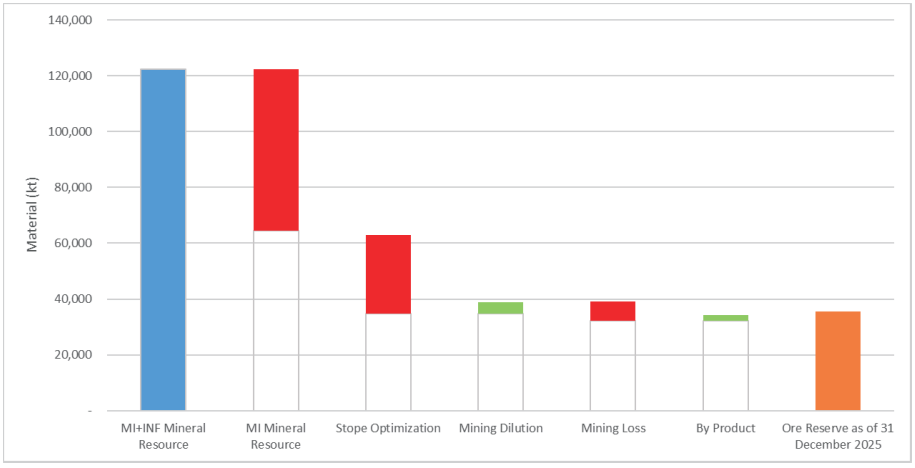
Table 7-5: Estimate Process Summary for Yinman Mine

Description	Material Tonne (kt)	Contained EqAg Metal (t)
MI+INF Mineral Resource	122,310	16,342
MI Mineral Resource	-57,850	-7,365
Stope Optimisation	-28,316	-3,171
Mining Dilution	4,209	-
Mining Loss	-6,842	-424
By Product	1,973	92
Ore Reserve as of 31 December 2025	35,484	5,474

Source: SRK

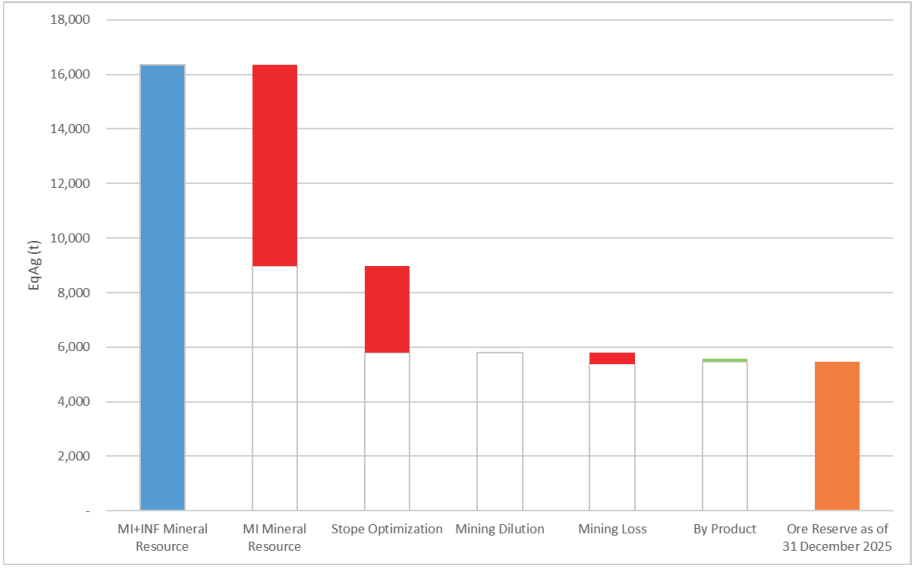
Note: The equivalent Ag grade ("EqAg") is calculated as: EqAg = Ag grade + 13.53 × Pb grade + 25.68 ×Zn grade in Mine Zone I and EqAg = Ag grade + 11.5 × Zn grade + 54.58 ×Cu grade + 89.4 × Sn grade In Mine Zone III.

Figure 7-4: Estimates Process for Yinman Mine - Change in Contained Material Tonnes



Sources: SRK

Figure 7-5: Estimates Process for Yinman Mine - Change in Contained EqAg Metal



Sources: SRK

7.5 Ore Reserve Statement

SRK has estimated the underground Ore Reserves for the Yinman Project deposit in accordance with the JORC Code guidelines. The Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a PFS.

The economically mineable portions of Measured and Indicated Mineral Resources within the designed underground stopes have been classified as Proved and Probable Ore Reserves, respectively, including allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code guidelines.

As of 31 December 2025, Ore Reserves for the Yinman Mine Zone 1is estimated at 11.93 Mt, with an average grade of 88.29 g/t Ag, 0.84% Pb, 1.65% Zn, containing 1,053 t of Ag, 100 kt Pb, 197 kt Zn.

As of 31 December 2025, Ore Reserves for the Yinman Mine Zone 3 is estimated at 23.55 Mt, with an average grade of 105.91 g/t Ag, 0.53% Zn, 0.14% Cu, 0.39% Sn, containing 2,495 t of Ag, 124 kt Zn, 32 kt Cu, 92 kt Sn.

The Ore Reserves are summarised by deposit in Table 7-6.

Table 7-6: Ore Reserves Estimate of the Yinman Mining Zone 1 and Zone 3 Deposit as of 31 December 2025

Mineralised Zone	Category	Tonnage	Average Grade					Metal Contained				
			Ag	Pb	Zn	Cu	Sn	Ag	Pb	Zn	Cu	Sn
		Mt	g/t	%	%	%	%	t	kt	kt	kt	kt
Mine Zone 1	Proved	4.96	98.54	0.86	1.85	-	-	489	42	92	-	-
	Probable	6.97	80.99	0.83	1.51	-	-	565	58	105	-	-
	Total	11.93	88.29	0.84	1.65	-	-	1,053	100	197	-	-
Mine Zone 3	Proved	10.69	105.50	-	0.51	0.14	0.40	1,128	-	55	15	43
	Probable	12.86	106.25	-	0.54	0.13	0.38	1,367	-	69	17	49
	Total	23.55	105.91	-	0.53	0.14	0.39	2,495	-	124	32	92

Source: SRK

Note:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Donghao Luo , Mr. Erwei Lu and Mr. Falong Hu, who are full-time employees of SRK Consulting China Ltd. Mr. Erwei Lu is a Member of AusIMM and Mr. Falong Hu is a Fellow of AusIMM. Mr. Erwei Lu and Mr. Falong Hu have sufficient experience which is relevant to the style of mining methods and mine layout designs under consideration and to the activity which they are undertaking to qualify as the 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. Mr. Erwei Lu and Mr. Falong Hu consents to the reporting of this information in the form and context in which it appears.

[2] Ore Reserves are constrained with in an underground design that uses the following assumption: a sliver price of CNY 7.42/g; sliver recoveries 83% in Mine Zone 1 and 84% in Mine Zone 3; G&S costs of CNY 74/t ore processed

[3] Underground Ore Reserves are estimated at a cut-off grade 82.74 g/t EqAg for Mine Zone 1 and 79.56 g/t EqAg for Mine Zone 3.

[4] The Ore Reserves also includes by product ore, with a cut-off-grade of 41.2 g/t EqAg for Mine Zone I and 39.62 g/t EqAg for Mine Zone III

[5] Mining Stopes include the by-product ore from Cross cut

[6] The minable shapes optimisation excludes the mined-out areas

[7] Numbers have been rounded and may not sum precisely.

[8] For Mine Zone I, the mining dilution rate is 12.3%. Mining loss rate is 6.5%.

[9] For Mine Zone III, the mining dilution rate is 11.3%. Mining loss rate is 7.7%.

[10] Mine Zone I hosts Ag, Pb and Zn mineralisation, while Mine Zone III contains Ag, Zn, Cu and Sn mineralisation; therefore, the combined grades for Pb, Cu, Sn have not been included in the overall summary.

8 Mining Assessment

8.1 Mine Operating Status

The Baiyin Chagan Dongshan Cu–Pb–Sn–Ag–Zn deposit (Yinman Project deposit) is owned and operated by Yinman Mining. The mining licence was granted in 2015. On this basis, ENFI designed and constructed an underground mine with a planned production capacity of 1.65 Mt of ore per annum. The main decline, level development and surface infrastructure were substantially completed by July 2017, allowing the project to transition from construction to operations, and commercial production commenced on 1 August 2017.

The mine has since obtained approval for a Mineral Resources Development and Utilisation Plan at an expanded capacity of 2.97 Mtpa. Production data for the last three years are summarised in Table 8-1.

Table 8-1: Yinman Mine Historical Production

Type	Unit	2023	2024	2025
Ore Mined	kt	1,487	1,797	1,630
Waste Mined	kt	417	765	667
Ag Grade	g/t	102	111	96
Pb Grade	%	0.26	0.28	0.25
Zn Grade	%	0.97	0.92	0.85
Cu Grade	%	0.19	0.20	0.15
Sn Grade	%	1.16	1.14	0.92
Ag Metal	kg	151,381	199,491	155,875
Pb Metal	t	3,875	5,061	4,048
Zn Metal	t	14,389	16,545	13,776
Cu Metal	t	2,893	3,566	2,385
Sn Metal	t	17,248	20,422	15,003
Total Mined	kt	1,904	2,561	2,297

Source: Yinman Mining

8.2 Hydrogeology

Surface water in the mining area consists of two seasonal streams, Baga Jilinggoule and Yihe Jilinggoule, which converge south of the Yinman Project deposit. These channels are dry in the low-flow season and only flow during periods of intense rainfall. The closest river is approximately 29.4 m outside the projected surface rock-movement zone and is not considered to influence underground mine inflows.

Groundwater is recharged mainly by infiltration of atmospheric precipitation. Parts of the Quaternary aquifer and the bedrock fracture aquifer are exposed at surface and receive direct recharge. Under natural conditions, groundwater runoff and discharge are limited. In the southern and western parts of the area, groundwater flow in the Quaternary deposits coincides with surface drainage; in the northern hilly area, flow directions are controlled by topography and are generally towards the south

and southwest, discharging to the rivers. Regional groundwater discharge occurs by surface runoff, subsurface outflow beyond the area and natural evaporation.

The orebody lies below the regional erosion base and is hosted predominantly within the bedrock fracture aquifer. A laterally continuous silty-clay layer at the base of the Quaternary deposits forms an effective aquitard between the Quaternary aquifer and the underlying weakly water-bearing fracture aquifer in bedrock. As a result, there is no significant hydraulic connection between atmospheric/ surface water, the moderately water-bearing Quaternary aquifer and the bedrock fracture aquifer that hosts the orebody. Mine inflows show no clear correlation with seasonal rainfall, and the primary direct source of inflow is the weakly water-bearing bedrock fracture aquifer.

Faults F1, F3 and F4 within the mine area are compressive–shear faults that act mainly as barrier (water-tight) structures rather than significant water conduits. Bedrock groundwater is stored mainly in small fractures, and inflows occur primarily through fracture seepage; overall aquifer productivity is low.

Mine inflows were forecast using an analogy method based on available dewatering data, applying the relationship:

$$Q = Q_0^{0.77}\sqrt{\frac{S}{S_0}}$$

Notes:

- Q - the predicted dewatering rate (cubic metre per day ("m³/d"));
- Q_0- the known average dewatering rate (m³/d);
- S - the design drawdown from the static water level to the stope crown (m); and
- S_0 - the known drawdown (m).

The detailed calculation results are presented in the accompanying Table 8-2.

Table 8-2: Water Inflow in Yinman Mine

Zone	Level (masl)	Average Inflow（m³/d）	Maximum Inflow（m³/d）
1	330	7,295	9,732
3	330	2,972	4,711
Sub-total	330	10,267	14,443
3	170	4,007	6,351

Source: YM 2025

In summary, the deposit is hosted in an altered structural zone within a weakly water-bearing bedrock fracture aquifer, which is the only significant direct source of mine inflow. Surface water is confined to the plain's south of the deposit and, together with the Quaternary aquifer, has no material impact on mine dewatering requirements. Hydrogeological conditions are therefore considered favourable for underground mining, with low to moderate inflow rates that can be managed by conventional pumping systems.

8.3 Geotechnical Condition

The mining area lies in the central–southern Great Xing'an Range within the Xilinhot–Huolinguole metallogenic sub-belt and structurally belongs to the late Wulate (West Ujimqin) Variscan geosynclinal–fold belt of the Inner Mongolia Great Xing'an geosynclinal–fold zone, forming part of the Central Asian–Mongolian fold system and a significant segment of the circum-Pacific polymetallic metallogenic belt.

8.3.1 Rock Mass Physical and Mechanical Properties

In mining method PFS (YM 2021), the physical and mechanical properties of the ore and principal hanging wall and footwall rocks were tested. The test programme comprised seven main items: rock density, Brazilian tensile strength, uniaxial compressive strength and deformation, saturated uniaxial compressive strength, triaxial compressive strength and deformation, and shear strength of structural planes. The detailed test results are presented in Table 8-3.

Based on the geotechnical information from YM 021, the hardness of the main rock types has been qualitatively classified in accordance with the relevant standards. The results are summarised in Table 8-4.

Using the measured rock hardness and rock mass integrity indices, the basic quality of each rock unit was classified (Table 8-5). The ore units are classified as hard rock with relatively intact rock mass; the sandstones as moderately hard rock with relatively intact rock mass; and the porphyry as hard rock with an intact rock mass.

The basic quality index ("BQ") for each rock mass was then adjusted for the effects of groundwater, structural discontinuity orientation (including its relationship to excavation axis) and in situ stress conditions to derive the engineering rock mass class. The adjustment parameters and corrected BQ values are summarised in Table 8-6 and Table 8-7.

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Table 8-3: Physical and Mechanical Properties of Ore and Host Rock

Rock Type	Natural Dry Density ρ (t/m³)	Tensile Strength σT (MPa)	Uniaxial Compressive Strength σc (MPa)	Elastic Modulus E (GPa)	Poisson's Ratio μ	Cohesion c (MPa)	Friction Angle φ (°)	Joint Cohesion (kPa)	Joint Friction Angle (°)
Zone III Orebody	2.87	17.13	169.25	61.68	0.231	28.81	53.51	60.56	34.71
Zone III Orebody	2.64	14.67	143.8	46.93	0.198	21.22	54.34	36.13	35.5
Zone I Orebody	2.92	33.46	150.24	62.96	0.163	21.72	55.1	44.16	32.7
Zone III Orebody hanging-wall sandstone	2.69	10.12	97.13	34.98	0.211	14.42	54.52	24.07	30.22
Zone III Orebody 17 footwall porphyry	2.62	21.95	158.34	58.72	0.228	18.13	58.55	37.19	29.75
Zone I sandstone	2.541	6.08	20.93	21.44	0.21	4.07	38.94	10.6	17.99

Source: YM 2025

Table 8-4: Rock Hardness Assessment

Lithology	Orebody	Sandstone	Porphyry
Uniaxial compressive strength σ_c range (MPa)	(138.24–226.56)	(79.09–109.33)	(123.66–188.64)
Uniaxial compressive strength σ_c representative (MPa)	169.25	97.13	158.34
Softening coefficient	0.72	0.65	0.72
Equivalent hardness Rc range (MPa)	(99.53–163.12)	(51.41–71.06)	(89.04–135.82)
Equivalent hardness Rc representative (MPa)	121.86	63.13	114
Hardness class	Hard rock	Moderately hard–hard rock	Hard rock

Source: YM 2025

Table 8-5: Rock Mass Integrity Assessment

Lithology	Orebody	Sandstone	Porphyry
Average Joint Frequency (joints/m)	7	6	4
Volumetric Joint Count Jv	11.9	10.2	6.8
Rock Mass Integrity Index Kv	0.51	0.55	0.64
Qualitative Integrity	Fairly fractured	Fairly fractured	Relatively intact

Source: YM 2025

Table 8-6: Basic Rock Mass Quality Classification Results

Lithology	Basic Quality Index BQ	Rock Mass Basic Class	Qualitative Description
Orebody	456	II	Hard rock with relatively intact rock mass
Sandstone	426 (range 391–450)	III	Moderately hard rock with relatively intact rock mass
Porphyry	523	II	Hard rock with relatively intact rock mass

Source: YM 2025

Table 8-7: Engineering Rock Mass Quality Classification Results

Lithology	Groundwater Adjustment Factor K1	Discontinuity Orientation Factor K2	Stress State Factor K3	Corrected Basic Quality Index [BQ]	Engineering Rock Mass Class	Qualitative Description
Orebody	0	0.5	0.5	356	III	Hard rock with relatively fractured rock mass
Sandstone	0	0.5	0.5	326 (range 291–350)	IV	Moderately hard rock with relatively fractured rock mass
Porphyry	0	0.3	0.5	443	III	Hard rock with relatively fractured rock mass

Source: YM 2025

8.3.2 Shaft Stability Analysis

Based on the orebody geometry, mining conditions and planned production rate, the development strategy for the construction period adopts a new main shaft and a new fresh air shaft, deepening of the existing service shaft, and continued use of the existing East return air shaft and return air shaft #2 for exhaust. All shafts are 5.0–5.5 m in diameter with depths of approximately 260–870 m, and a 50 m thick shaft protection pillar is left around each shaft.

FLAC3D (software) numerical modelling was undertaken to assess the stability of the rock mass around the shafts during and after stoping. The calculated maximum horizontal displacements after stoping are 2.38 cm at return air shaft #2, 4.74 cm at the new main shaft, 5.05 cm at the service shaft, 5.31 cm at the fresh air shaft and 6.16 cm at the East return air shaft. Plastic zones are absent around return air shaft #2 and limited, non-through, localised plasticity occurs only near the upper parts of the fresh air and East return air shafts. In all cases the surrounding rock mass remains predominantly in the elastic deformation range. Overall, the modelling indicates that, with the planned 50 m shaft pillars, the shafts will remain geotechnically stable under the proposed mining sequence.

8.3.3 Study of Stope Crown Pillar

Stability assessment of underground voids is inherently complex and must consider both intrinsic and external factors. Intrinsic factors include roof thickness, span and geometry, rock type, stratification, jointing and fracturing, and the physical–mechanical properties of the rock mass; external factors include imposed loads and mining-induced stress changes. In practice, roof behaviour is primarily controlled by four parameters: degree of roof continuity, roof geometry (flat or arched), roof thickness, and stope span. For analysis, the roof was idealised as either an intact roof (unfractured or well cemented) or a non-intact roof, and calculations were carried out for the intact case, calibrated against actual exposed orebody widths.

Several methods were applied to estimate the required safe roof (crown pillar) thickness, including:

- Thickness–span ratio (h/l > 0.5 for a crown pillar);

$$\frac{H}{K * W} \geq 0.5$$

Notes:

- H – safe separation (crown) thickness (m)
- W – stope or void span (m)
- K – safety factor

The result are summarised in Table 8-8.

Table 8-8: Crown Pillar Calculation Using the Thickness–Span Ratio Method

Stope Span (m)	Safe Roof Thickness (m) K=1.0	Safe Roof Thickness (m) K=1.3	Safe Roof Thickness (m) K=1.5	Safe Roof Thickness (m) K=1.8
20	10	13	15	18

Source: YM 2025

- Load transfer–line intersection method (assuming load dispersion at 30–35° and checking whether load paths intercept competent walls);

$$h = \frac{L_n}{2tan\beta}$$

Notes:

- L_n – stope (void) span (m)
- h – calculated pillar thickness (m)
- β - denotes the angle between the load transfer line and the vertical line through the center of the top slab.

The result are summarised in Table 8-9.

Table 8-9: Crown Pillar Calculation Using the Load Transfer–Line Intersection Method

Stope Span (m)	Safe Roof Thickness (m) β=30°	Safe Roof Thickness (m) β=32°	Safe Roof Thickness (m) β=35°	Remarks
20	17.32	16	14.28	For β = 35° the safety factor is 1.0. For β = 32° the safety factor is 1.1. For β = 30° the safety factor is 1.2.

Source: YM 2025

- Beam/ plate structural analysis using bending tensile strength as the controlling criterion

  The calculated minimum safe roof thickness for a span of 20 m is 15.74 m.

- Empirical analogy to similar operations.

Using these approaches in combination, the safe roof thickness for the stopes was determined to be in the range of 10–18 m.

8.4 Mine Design

8.4.1 Current Operations

The mine is an underground operation accessed by a combination of main decline and vertical shafts. Existing infrastructure comprises a main decline, auxiliary decline, service shaft, return air shaft #2 and East return air shaft, with Zones 1 and 3 developed on a common access system. Above the 690 m asl elevation, complete systems for hoisting and haulage, dewatering, ventilation, water supply, compressed air, backfilling and refuge/ safety have been installed and are operating effectively. Mining is currently confined to stopes above the 690 m asl level, with both stoping and development undertaken by contractors, while below 690 m only parts of the decline and internal return air raises have been developed. The current production rate is approximately 1.65 Mt per annum. Zone 1 is mined primarily for lead–silver–zinc ore, and Zone 3 for copper–tin–silver–zinc ore, using mainly modified sublevel open stope with delayed backfill mining method and overhand cut-and-fill mining method.

The main decline serves as the primary haulage route for ore, waste, materials, equipment and personnel, and also functions as a fresh airway. The auxiliary decline provides additional access for

personnel, materials and equipment, and also serves as a fresh airway. The service shaft is used for hoisting and lowering part of the personnel, materials and equipment, also acting as a fresh airway; it is equipped with a ladderway and is designated as the principal emergency escapeway. The East return air shaft and return air shaft #2 are fitted with ladderways and serve both as return airways and as secondary emergency escape routes.

8.4.2 Planned Future Development

On the basis of the existing mining system, Yinman Mining plans to expand its production capacity from 1.65 Mtpa to 2.97 Mtpa. The expansion has been designed by Gocom and will be implemented in two stages.

Phase I capital works, scheduled for around years 2 of the mine life, include deepening of the main shaft and service shaft, construction of a new fresh air shaft, deepening of the existing blind return air raises in Zones 1 and 3, extension of the auxiliary declines in both zones, new development on the 690 m, 590 m, 570 m, 470 m and 450 m horizons, installation of a drainage and power substation system at the 170 m level, and construction of new ore pass and crushing facilities, fine-ore recovery system, underground chambers and stope access (slot) development. Based on planned development advance rates, the Phase I construction period is estimated at three years.

Phase II capital works, scheduled for around years 10–11 of the mine life, will focus on deepening Zone 3. The main items include a depth extension of the Zone 3 main decline, a second blind return air raise in Zone 3, new sublevel development on the 290 m, 230 m and 170 m levels in Zone III, and associated chamber and stope access development. The Phase II construction period is estimated at approximately two years.

8.5 Mining Methods

Based on orebody geometry and surrounding conditions, Modified sublevel open stope mining method is applied where the orebody thickness exceeds 5 m, and shrinkage stope mining method is applied where the orebody thickness is less than 5 m. Within a given orebody, mining proceeds in a retreating sequence along strike, from the extremity of the orebody back towards the ore haulage access.

8.5.1 Modified Sublevel Open Stoping with Delayed Backfill

- Application: Ore zones with thickness ≥ 5 m, dip ≥ 50°, and weak or unstable ore/host rock (5 – 20 m thick).
- Layout: Stopes and pillars arranged alternately along strike.
- Typical dimensions: stope length ~20 m; pillar length 20–40 m; width = orebody thickness; stope height 60 m, subdivided into 20 m sublevels.
- No crown or sill pillars are left within the stope.

8.5.2 Overhand horizontal cut-and-fill stoping

- Application: Groups of parallel orebodies < 5 m thick, or ore zones with dip < 50°.

- Layout: Stopes along strike on both sides of sublevel crosscuts; typical stope length ~60 m; width = total width of the orebody group; height = level interval (60 m).
- Each level is divided into three sublevels of 20 m; each sublevel drift mines five 4 m-high slices.
- The first slice has 5 m initial void, is backfilled to 4 m leaving 1 m void for blasting relief; subsequent slices work with a 4 m void.

8.5.3 Shrinkage stoping with delayed backfill

- Application: Single orebodies < 5 m thick with dip > 50°.
- Layout: Stopes along strike; total stope length 50 m (45 m stope + 5 m pillar).
- Dimensions: width = horizontal ore thickness; height = level interval (60 m).
- A 5 m crown pillar is left; no sill pillar is left at the stope bottom.

8.6 Development

8.6.1 Current Operations

The mine is an underground operation developed by a combination of main decline and vertical shafts, including a main decline, auxiliary decline, service shaft, East return air shaft and return air shaft #2.

- Main decline:
  - Primary haulage route for the current 1.65 Mtpa of ore and waste.
  - Also used for transporting materials, equipment and personnel.
  - Functions as a main fresh airway.
- Auxiliary decline:
  - Additional access for personnel, materials and equipment.
  - Also serves as a fresh airway.
- Service shaft:
  - Used to hoist and additional access for personnel, materials and equipment.
  - Serves as a fresh airway.
  - Equipped with a ladderway and designated as the principal emergency escapeway.
- East return air shaft and return air shaft #2:
  - Equipped with ladderways and serve as secondary emergency escapeways.
  - Act as the main return airways for the mine.

8.6.2 Planned Future Development

Geotechnical investigations during shaft engineering identified a thick, highly fractured zone in the planned blind fresh air shaft area, implying difficult construction and elevated safety risk. As the

existing service shaft surface facilities are complete and suitable for continued use, and following consultation with the Yinman Mining, the access strategy has been revised to a new main shaft, deepening of the existing service shaft, a new fresh air shaft and a new deep main decline below the 330 m asl level. Once this revised development system is in place, the existing main decline will be reallocated as an auxiliary decline, underground ore and waste will be handled via a centralised rail haulage system, and the overall access system will be constructed in two phases.The isometric view of Yinman Mine is shown in Figure 8-1

Phase I works

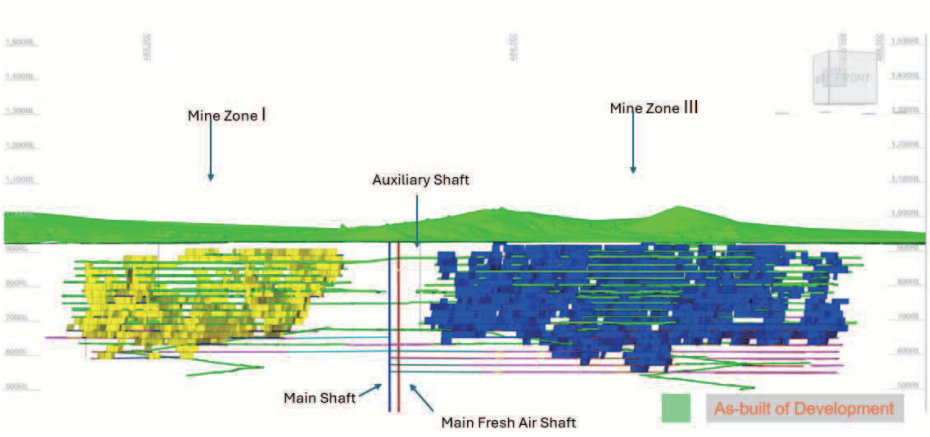
- Construct a new main shaft to handle hoisting of the full 2.97 Mtpa ore production.
- Deepen and upgrade the existing service shaft to hoist personnel, materials and equipment, to recover fine ore from the main shaft system, and to serve as the primary emergency escapeway.
- Construct a new fresh air shaft to provide the main fresh-air supply.
- Use the existing East return air shaft and return air shaft #2, and re-use the under-construction blind return raises in Zones 1 and 3 as blind return air shafts to relay return air and provide additional emergency escapeways.
- Re-designate the existing main decline as the 'original main decline' and re-use the under-construction original declines below the 690 m elevation in Zones 1 and 3 as auxiliary declines. These declines will carry equipment, materials, some remnant ore, all waste rock, and some personnel, provide part of the fresh airflow and act as emergency escapeways.
- The existing auxiliary decline will temporarily provide additional fresh air during Phase I construction and will be sealed and taken out of service after Phase I is completed.
- Construct a new manway incline on the fresh air side to connect the various sublevels for personnel access.
- Construct a new manway decline between the surface camp and the production area to improve personnel access.

Phase II works

- Re-use the Phase I main shaft, service shaft and fresh air shaft.
- Construct a deep main decline in Zone 3 below the 350 m elevation to haul ore, waste, materials and trackless equipment, and to provide additional fresh air and emergency escape.
- Construct a second blind return air shaft in Zone 3 to work in series with the existing Zone 3 blind return air shaft and the East return air shaft to handle return air.
- Deep main decline (Phase II)
  - From 350 m to 170 m elevation, with a nominal straight-section cross-section of 4.8 m × 4.5 m.
  - Straight gradients of 12%, curve gradients of 5%, with 3% gradient, 20 m long easing sections approximately every 200 m; average overall gradient about 10%.
  - Curve radius about 30 m; 300 mm reinforced concrete floor.

  - Duties: haulage of ore and waste below 350 m in Zone 3, transport of personnel, materials and trackless equipment, partial fresh air route, and emergency escapeway.
- Zone 3 second blind return air shaft (Phase II)
  - New blind return air shaft in Zone III, designed to connect the 330 m, 290 m, 230 m and 170 m levels via side stations.
  - Equipped with a ladderway to provide an emergency escapeway for levels below 330 m and to relay return air with the existing Zone III blind return air shaft and East return air shaft.

Figure 8-1: Isometric view of Yinman Mine



Source: SRK

8.7 Mining Service

8.7.1 Material Handling

Current Operations

Current mining area is concentrated in Zones I and III on the 830 m, 770 m and 710 m levels. Ore and waste from each sublevel are hauled by UQ-12 underground trucks to stope ore passes and discharged to the 810 m and 690 m levels. At these levels, a 3 t LHDs load the material into UQ-35 underground trucks, which then haul via the main decline to the surface.

Planned Future Development

- Phase I ore haulage
  - Ore from Phase I stopes is loaded by LHDs at the stope draw points and loaded into 20 t underground trucks.

  - Trucks haul to the stope ore passes, where ore is dumped and discharged to the 450 m and 330 m rail haulage levels.
  - At the 450 m and 330 m levels, vibrating feeders load ore into rail cars for centralised rail haulage:
    - Zone 1: vibrating feeders load 2 m³ side-dump cars, hauled by single 12 t battery locomotives to the main shaft loading station, where ore is tipped to the lead–zinc ore pass, crushed underground and hoisted to surface via the main shaft.
    - Zone 3: vibrating feeders load 6 m³ bottom/ side-dump cars, hauled by double-headed 12 t battery locomotives to the main shaft loading station, where ore is tipped to the copper–tin ore pass, crushed underground and hoisted to surface.
  - Typical fleet: approximately five 20 t underground trucks for the 770 m and 710 m levels; at peak, up to six locomotive trains on the 450 m rail level and two trains on the 330 m rail level.
  - Remnant ore in some areas is loaded by LHD into 35 t underground trucks and hauled via the original main decline to surface for crushing in the original plant.
- Phase II ore haulage
  - Ore from Phase II stopes is loaded by LHDs into 20 t trucks at the production levels.
  - Trucks haul via the deep main decline to the 350 m level and dump into the central ore pass system (350–330 m).
  - At the 330 m central rail level, vibrating feeders load 2 m³ side-dump cars, hauled by single 12 t battery locomotives to the main shaft loading station, where ore is tipped to the copper–tin ore pass, crushed underground and hoisted to surface.
  - Phase II production requires approximately five 20 t trucks and three locomotive trains on the 330 m rail level.
- Waste rock haulage and backfill supply
  - Development waste is loaded by LHDs into 12 t underground trucks.
  - Waste is hauled via the deep main decline, Zone 1 and Zone 3 auxiliary declines, 810–690 m access declines and the original main decline to backfill horizons, where it is placed into stopes as fill; surplus waste is hauled via the original main decline to surface for processing and secondary use.
- Fine ore recovery and ventilation via the service shaft
  - The service shaft connects to the 290 m crusher level, 250 m conveyor level and 170 m fines-recovery level.
  - It provides ventilation intake and serves as an emergency escapeway for these levels and is used to recover spillage from the main shaft hoisting system.
  - A fines-recovery chamber is located on the 170 m level, equipped with a 1 m³ diesel LHD to collect spilled fines from the main shaft skip discharge area.
  - Recovered fines are hoisted in the service shaft to the 290 m level and discharged into the finished-ore silo.

8.7.2 Power

Current Operations

The mine is serviced by an established power supply and distribution system. The primary supply is taken from the 35 kV busbar of the Wujianfang 220 kV substation, located approximately 3 km from the Yinman Project, via a single-tower double-circuit LGJ-3×185 overhead line. Near the processing plant there is an existing 35/10 kV main step-down substation with two transformers (20 megawatts ("MW") and 25 MW), distributing power at 10 kV to the mine workings, processing plant and associated surface facilities.

At the service shaft, a 10 kV substation supplies power to underground mining operations, the service shaft hoist and the shaft collar compressor station.

Planned Future Development

A new 110 kV substation will be constructed near the new fresh air shaft industrial site and will serve as the central power supply point for the mine. The substation will use outdoor Gas-Insulated Switchgear (GIS) equipment on the 110 kV side, with transformers installed outdoors and 35 kV / 10 kV switchgear indoors. Two 63 megavolt-ampere ("MVA") three-winding, oil-immersed, on-load tap-changing transformers (110±8×1.25%/37/10.5 kV, vector group YN,yn0,d11) are installed. The 110 kV side uses a single busbar (non-sectionalised), while the 35 kV and 10 kV sides use sectionalised single busbar arrangements. Under normal operation, both transformers run in parallel; in the event of failure of one transformer, the remaining unit is sized to supply all Category I and Category II loads. The 110 kV neutral is solidly grounded, and the 35 kV and 10 kV neutrals are grounded through arc-suppression coils.

An existing 35/10.5 kV main step-down substation is located near the processing plant, with two transformers rated at 20 MVA and 25 MVA and 10 kV outgoing feeders. The 35 kV supply has historically been provided by two LGJ-185 overhead lines from the Wujianfang 220 kV substation. In the current design, all primary and secondary equipment of this 35 kV substation will be retained, but the former two LGJ-185 feeders from Wujianfang will be decommissioned. The 35 kV supply will instead be taken from the 35 kV bus of the new 110 kV substation.

Yinman Mining has constructed a 19.9 MW wind power plant comprising two 6.7 MW and one 6.5 MW wind turbine generators. This plant is connected to the mine's 35/10.5 kV substation and to the Inner Mongolia grid via a short (approx. 50 m) ZR-YJY23-26/35-3×240 cable. Under the grid-connection agreement with Inner Mongolia Power (Group) Co., Ltd., the wind farm operates on a 'self-generation for own use, surplus power exported to grid' basis.

Two existing 1,600 kilowatt ("kW") diesel generator sets are already connected to the 10 kV busbar of the 35 kV substation and provide emergency supply for Category I loads. Based on updated load calculations, one additional 1,600 kW diesel generator set will be installed and operated in parallel with the two existing units. All three sets will be connected to the 10 kV busbar of the 35/10.5 kV main substation and will together constitute the emergency power supply for the mine's critical loads.

8.7.3 Maintenance

Current Operations

An existing surface workshop and repair facility is in place, responsible for maintenance and repair of trackless mining equipment and processing plant equipment.

Planned Future Development

A dedicated workshop for rail equipment will be established on the 450 m rail haulage level during the construction phase to provide routine maintenance for underground locomotives, mine cars and related equipment.

For trackless equipment, a maintenance chamber will be constructed on the 590 m level during the construction phase, with a second workshop added on the 290 m level in production years 10–11 (Phase II). These facilities will provide daily servicing and minor repairs for underground trackless mining equipment.

8.7.1 Refuge Station

A fire-resistant refuge chamber has already been constructed on the 690 m asl level and will continue to be used. In this design, an additional standard refuge chamber will be developed on the 170 m level during the construction phase. It is designed to accommodate 50 people, with a length of 20 m and an effective floor area of approximately 300 m². The underground compressed-air self-rescue, water supply, communications, power supply and monitoring systems (including video surveillance) will be connected into the refuge chamber. All service pipes and cables entering the chamber will be provided with appropriate sealing and protective measures.

8.7.2 Compressed Air

The existing compressor air facility is located near the service shaft collar and is currently equipped with five screw compressors. In this design, three existing units (each 43 cubic metre per minute ("m³/min"), 250 kW) in good condition will be retained, while one obsolete 43 m³/min, 250 kW unit and one 21 m³/min, 120 kW unit will be replaced by one 40 m³/min, 200 kW air-cooled compressor and one 100 m³/min, 500 kW air-cooled compressor. Under normal operating conditions, the new 500 kW compressor will be kept on standby and the other four units will operate in service. The main compressed-air trunk remains as a φ245×6 mm seamless steel pipeline, with both Phase I and Phase II main airlines routed down the service shaft to all production levels; level distribution lines are φ194×6 mm seamless steel pipes.

8.7.3 Backfill

Current Operations

The current backfill aggregate is plant tailings, delivered by pipeline from the processing plant to the backfill plant, with a cementitious binder (cementitious powder) used as the cementing agent.

The existing backfill plant comprises two deep-cone thickeners (diameter 11 m) and three full-tailings paste backfill systems, each with a mixing and feed capacity of 60 cubic metres per hour ("m³/h"). Backfill slurry is delivered underground through three dedicated boreholes. Borehole and level pipelines use bimetallic steel composite pipe with an internal diameter of 167 mm and an external diameter of 219 mm; stope distribution lines use resin pipe compatible with the main pipeline diameter.

The primary backfill borehole extends from surface to the 890 m level, and the secondary borehole from the 890 m to the 810 m level. In Zone 1, tertiary backfill lines are installed along backfill raises between 890 m and 790 m. In Zone 3, tertiary lines run from the 810 m borehole crosscut to the 13-1 line backfill raise and down to the 770 m off-reef along-strike drift, supplying backfill to stopes between the 770 m and 710 m levels.

Planned Future Development

The design includes construction of a new binder plant and an additional backfill mixing station to support the expanded mining rate.

A new binder plant will be built to produce approximately 200,000 tpa of cementitious binder (胶固粉) on a single production line. In parallel, a new backfill mixing station will be constructed north of the existing gravity separation plant, equipped with one 20 m diameter deep-cone thickener, a 350 m³ cement silo, one binder weigh feeder and one horizontal mixer with associated auxiliaries. The mixer will have a slurry preparation capacity of 80–100 m³/h.

The three existing mixing lines in the current backfill plant will continue to operate on three shifts per day, and the new mixing line will be available as standby. During operation, thickener underflow is pumped to the mixing facility, where binder is metered from the cement silo via the weigh feeder and added to the underflow. Water is added in the mixer to achieve the required slurry density and rheology.

For levels below the 530 m horizon in Zones 1 and 3, calculated filling line ratios (2.0–5.3) allow gravity flow of the backfill slurry. For levels above 530 m (filling line 5.1–12.6) and for the surface pipeline from the new backfill plant to the boreholes, slurry transport requires pressure pumping. The existing backfill plant is already equipped with three high-pressure pumps, each rated at 60 m³/h, 12 mega pascals ("Mpa") and 2 × 200 kW; these will remain as duty pumps, and one additional pump of the same specification will be installed as standby.

There are currently three backfill pipelines installed along the existing boreholes. Borehole and level lines are bimetallic steel composite pipes with 167 mm internal diameter and 219 mm external diameter, while stope distribution lines are resin pipes of matching size. The new backfill plant will be connected to the mine via a fourth backfill borehole (300 mm diameter) located immediately north of the plant; three boreholes will be used in service, and one kept in reserve. Downpipes in the new borehole will use the same pipe specifications and materials as the existing backfill lines.

8.7.4 Dewatering

Current Operations

Dewatering is currently handled on the 690 m level, where the main pump station is equipped with four MD155-67×6(P) multistage centrifugal pumps. Two φ245×8 mm seamless steel discharge pipelines are installed along the service shaft. The 690 m asl sump comprises two independent drift systems: an inner sump with an effective capacity of 550 m³ and an outer sump with 1,200 m³ capacity.

Sediment from the settling pond is removed using a filter press. The dewatered sludge is loaded into mine trucks and hauled to surface via the decline.

Planned Future Development

For Phase I, underground inflows are estimated at 10,267 m³/d under normal conditions and 14,443 m³/d under peak conditions, with an additional 2,100 m³/d of process return water. For Phase II, normal inflows are 4,007 m³/d and peak inflows 6,351 m³/d, with 630 m³/d of process return water. A centralised, single-stage dewatering system is adopted, with all underground water pumped directly to a surface process water tank from the 170 m level. The existing dewatering installation on the 690 m level does not meet the new capacity requirements and will be decommissioned.

A new main pump station will be constructed on the 170 m level near the service shaft bottom station. The station will house four MD360-95×10 centrifugal pumps, each rated at 360 m³/h, 950 m head and 1,400 kW motor power. In Phase I normal inflow conditions, two pumps operate, one is on standby and one under maintenance, giving a daily pumping time of 17.2 h; under peak inflow conditions, three pumps operate and one is under maintenance, with a daily pumping time of 15.3 h. In Phase II, one pump operates, one is on standby and two are under maintenance under normal inflow (12.9 h/d pumping time), and two pumps operate with two under maintenance under peak inflow (9.7 h/d pumping time).

Three φ299×14 mm seamless steel discharge pipelines are installed along the service shaft. In Phase I, two lines operate under normal inflow and all three under peak inflow. In Phase II, one line operates under normal inflow and two lines under peak inflow.

A new sump will be constructed adjacent to the 170 m pump station, comprising two independent drifts (inner and outer sumps) with a clear cross-section of 3.6 m × 3.2 m (10.61 m²). The inner sump is 120 m long with an effective capacity of 891 m³ (about 1.7 hours ("hr") of Phase I normal inflow), and the outer sump is 180 m long with an effective capacity of 1,337 m³ (about 2.6 hr of Phase I normal inflow). The total effective sump capacity (2,228 m³) provides storage for approximately 4.3 hr of underground inflow.

Sludge removal system

Sediment in the underground settling ponds will be removed mechanically. The desludging system comprises an MQCY-30/75YL bunker cleaner, a YA20.60 sand–sludge separator and an XMZ250/1250 plate-and-frame hydraulic filter press. Filtered sludge is loaded into underground dump trucks and either placed into backfilled stopes as fill material or hauled to surface for disposal.

8.7.5 Ventilation

Current Operations

The mine uses a diagonal exhaust ventilation system, with fresh air entering through the service shaft, main decline and auxiliary decline, and return air exhausted via the East return air shaft and return air shaft #2. A DK-12 main fan (2 × 250 kW) is installed at the return air shaft #2 collar, and a DK-12 main fan (2 × 400 kW) is installed at the East return air shaft collar. The equipment list is shown in table 8-10.

Table 8-10: Current Ventilation Equipment List

Equipment Name	Model	Supplier	Quantity
Mine main fan	DK-12-400 kW 10 kV		1
Mine main fan	DK-12 N032 250 kW		1
Axial fan	DK40-6 160 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1
Axial fan	FKZ-22 kW	Shandong Hengyang Automation Technology Co., Ltd.	1

Source: Yinman Mining

Planned Future Development

The expansion retains a diagonal exhaust ventilation system.

In Phase I, the fresh air is supplied mainly via the shaft #7 and the service shaft, with the original main decline providing auxiliary shaft. Return air from Zone 3 is handled in series by the East return air shaft and the Zone 3 first blind return air raise; return air from Zone 1 is handled in series by the return air shaft #2 and the Zone 1 first and second blind return air raises. The main shaft provides supplementary return capacity.

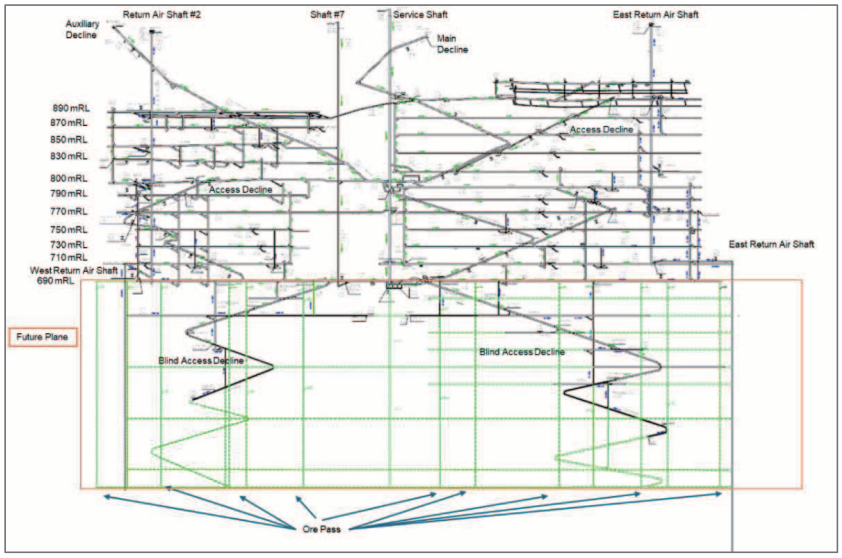
In Phase II, the fresh air configuration remains unchanged (shaft #7 and service shaft as primary fresh air, original main decline as auxiliary fresh air shaft). Return air is handled in series by the East return air shaft and the Zone 3 first- and second-blind return air raises, with the main shaft again providing auxiliary return air capacity.

The principal airflow path in the production areas is:

Fresh air from surface via the shaft #7/ service shaft/ original main decline → fresh air crosscuts and decline connections → Zone 1 and Zone 3 fresh air raises → level and sublevel along-reef drifts → crosscuts through the ore → stopes → upper-level return air drifts → return air connection → Zone 1 or Zone 3 second blind return air raises → Zone 1 or Zone 3 first blind return air raises → return air shaft #2 and/or East return air shaft → surface.

At the crusher, conveyor and fines-recovery levels, fresh air enters via the service shaft; contaminated air is collected by auxiliary fans and discharged directly into the main shaft, which exhausts it to surface. The view of the ventilation system is shown in figure 8-2.

Figure 8-2: Overall Planned View Ventilation System



Source: YM 2024

8.7.6 Mining Equipment

Planned Future Development

Following completion of the expansion, the mine life is estimated at 14 years. Ramp-up from commissioning to full production (2.97 Mtpa) is expected to take one year, followed by approximately 10 years at steady-state production and a further four years at reduced output. After expansion, the number of active stopes and development faces will increase, requiring a corresponding increase in mining, haulage, development, mucking and auxiliary equipment.

For modified sublevel open stoping with delayed backfill, the primary drilling equipment will be Simba 1254 or CYTC70 medium/ long-hole jumbo drill rigs ("jumbos"). For overhand horizontal cut-and-fill stoping, Boomer 281 jumbos will be used for short-hole drilling, while shrinkage stoping with delayed backfill will use YT28 hand-held short-hole drills.

In Zone I, all stope mucking will be undertaken with 2 m³ diesel LHDs. In Zone III, stopes above the 650 m level will be loaded with 4 m³ and 3.5 m³ diesel LHDs, and stopes below 650 m with 4 m³ electric LHDs.

Development drilling will be carried out using Boomer 281 and Boomer K111 jumbos, supplemented by YT28 and YSP45 hand-held drills.

Mucking on development and slot-cut faces will use 2 m³ diesel LHDs in Zone 1 and 3.5 m³ diesel LHDs in Zone 3.

The total planned underground mining equipment fleet is summarised in Table 8-11.

Table 8-11: Planned Underground Mining Equipment Fleet

Category	Equipment Type	Model	Existing Qty	New Qty	Total Qty	Installed Power (kW)
Stoping	Drill jumbo	Simba1254	1	0	1	55
Stoping	Drill jumbo	CYTC70	3	2	5	62
Stoping	Drill jumbo	Boomer281	4	0	4	63
Stoping	Hand-held rock drill	YT28	0	14	14	
Stoping	Diesel LHD	WJ-4	1	0	1	
Stoping	Electric LHD	WJD-4	0	3	3	132
Stoping	Diesel LHD	WJ-3.5(A)	3	0	3	
Stoping	Diesel LHD	WJ-3	2	0	2	
Stoping	Diesel LHD	WJ-2	2	0	2	
Stoping	Underground truck	UQ-20	11	0	11	
Stoping	Charge rig	BQF-100	5	0	5	
Development	Drill jumbo	Boomer281	2	0	2	63
Development	Drill jumbo	Boomer K111	5	0	5	63
Development	Hand-held rock drill	YT28	0	8	8	
Development	Hand-held rock drill	YSP45	0	8	8	
Development	Diesel LHD	WJ-3.5(A)	2	0	2	
Development	Diesel LHD	WJ-2	2	0	2	
Development	Underground truck	UQ-12	10	0	10	
Auxiliary	Scaling rig	CYTM41/2	3	0	3	63
Auxiliary	Bolting jumbo	XMPYT-74/500	1	1	2	
Auxiliary	Wet shotcrete machine	JSLT7-L	0	6	6	11
Auxiliary	Raise borer	AT-1000L	1	0	1	90
Auxiliary	Auxiliary fan	FKN№4.0	0	69	69	3
Auxiliary	Auxiliary fan	FKN№4.5	0	38	38	11
Auxiliary	Explosives truck	FCB-5	1	0	1	
Auxiliary	Explosives truck	FCB-2.5	1	0	1	
Auxiliary	Small diesel LHD	WJ-1(A)	0	1	1	
Auxiliary	Multi-service vehicle	KJC-4(C)	3	0	3	
Auxiliary	Multi-service vehicle	FCB-2.5	1	0	1	
Auxiliary	Fuel truck	CY-5000	0	1	1	
Auxiliary	Fuel truck	CY-2000	1	0	1	
Auxiliary	Bolting jumbo	CYTM41/2	1	1	2	63

Category	Equipment Type	Model	Existing Qty	New Qty	Total Qty	Installed Power (kW)
Auxiliary	Shotcrete truck	UPS-20ZT(C)	1	0	1	90
Auxiliary	Mobile breaker	UPT-125/2800	0	1	1	
Auxiliary	Materials truck	FL-1	1	0	1	
Auxiliary	Materials truck	FL-1.5	1	0	1	
Auxiliary	Personnel carrier	RU-18	4	4	8	
Auxiliary	Personnel carrier	RU-5	1	0	1	

Source: YM 2025

8.8 Mine Production Plan

8.8.1 Operating Schedule and Production Capacity

The schedule is organised on an annual basis, and the following key assumptions were applied during production planning:

- Only blocks classified as Measured and Indicated Mineral Resources, with an overall stope EqAg grade exceeding 82.74 g/t for the Yinman Mine Zone 1 and 79.56 g/t for the Mine Zone 3, were considered as ROM.
- Blocks classified as Inferred Mineral Resources or those located outside the defined stope areas were categorised as waste material (zero grade).
- The maximum annual production rate is limited to 2,970 thousand tonnes per annum ("ktpa").

8.8.2 Production Plan and LoM

The results of the mining scheduling are shown in Table 8-12 to Table 8-13 and Figure 8-3 to Figure 8-6. The LoM is 14 years and start in January 2026. The total ROM amount is 35,484 kt, with average grades of 99.99 g/t sliver, 0.90% zinc, containing 3,548 t of sliver and 321 kt zinc. The total ROM for Yinman Mine Zone 1 is 11,931 kt, with average grades of 0.84% lead, containing 100 kt lead. The total ROM for Yinman Mine Zone 3 is 23,553 kt, with average grades of 0.14% copper and 0.39% tin, containing 32 kt copper and 92kt tin.

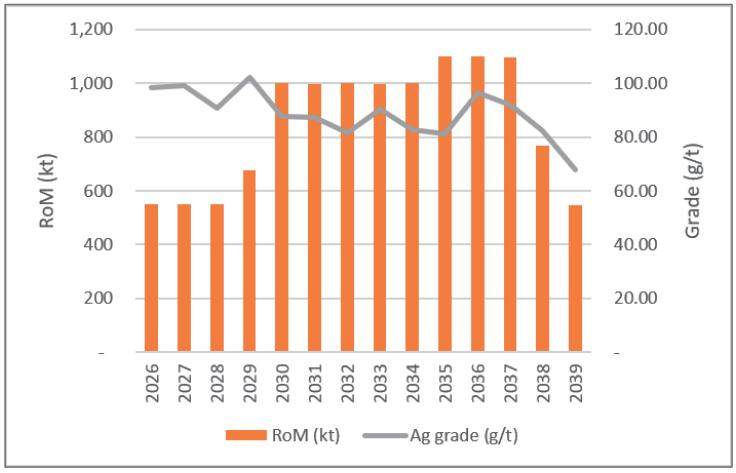
Table 8-12: Yinman Mine Zone 1 Production Schedule

Yinman Mine Zone 1	ROM	Ag grade	Pb grade	Zn grade	Ag Metal	Pb Metal	Zn Metal
Unit	kt	g/t	%	%	t	kt	kt
Sub-total	11,931	88.29	0.84	1.65	1,053	100	197
2026	550	98.31	0.75	1.42	54	4	8
2027	550	98.98	0.51	1.10	54	3	6
2028	550	90.59	0.60	1.25	50	3	7
2029	675	102.19	0.66	1.37	69	4	9
2030	1,000	87.56	0.56	1.29	88	6	13
2031	997	87.16	0.62	1.65	87	6	16

Yinman Mine Zone 1	ROM	Ag grade	Pb grade	Zn grade	Ag Metal	Pb Metal	Zn Metal
2032	1,000	81.75	0.80	1.68	82	8	17
2033	999	90.32	0.86	1.93	90	9	19
2034	1,000	82.64	1.05	1.80	83	10	18
2035	1,099	81.37	0.92	1.83	89	10	20
2036	1,099	96.57	1.08	2.06	106	12	23
2037	1,098	91.98	0.87	1.75	101	10	19
2038	769	82.42	1.14	1.71	63	9	13
2039	546	68.00	1.22	1.52	37	7	8

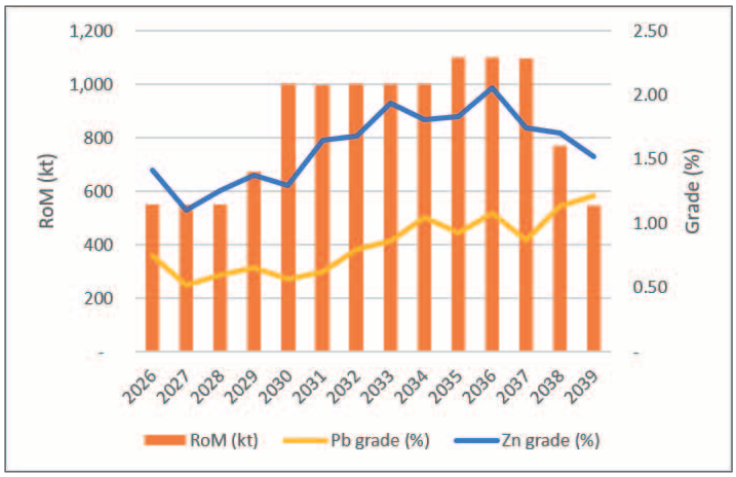
Source: SRK

Figure 8-3: Yinman Mine Zone 3 Annual Production Schedule for Ag



Source: SRK

Figure 8-4: Yinman Mine Zone 1 Annual Mining Production Schedule for Pb and Zn



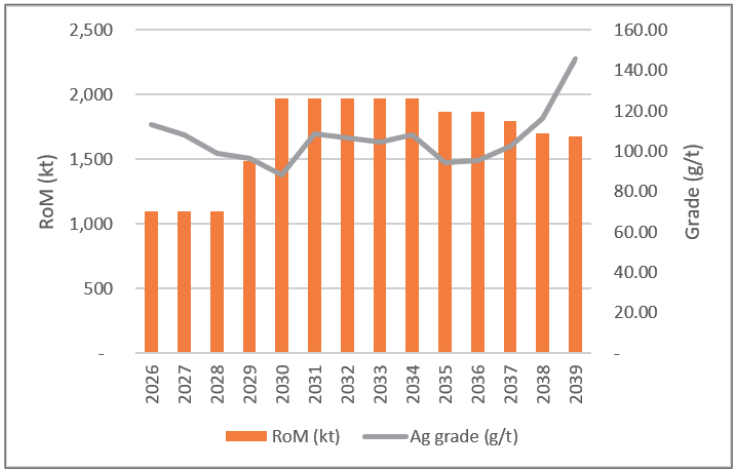
Source: SRK

Table 8-13: Yinman Mine Zone 3 Annual Production Schedule

Yinman Zone III	Mine	ROM	Ag grade	Zn grade	Cu grade	Sn grade	Ag Metal	Zn Metal	Cu Metal	Sn Metal
Unit		kt	g/t	%	%	%	t	kt	kt	kt
Sub-total		23,553	105.91	0.53	0.14	0.39	2,495	124	32	92
2026		1,100	113.09	0.64	0.19	0.82	124	7	2	9
2027		1,100	107.93	0.50	0.20	0.84	119	5	2	9
2028		1,100	99.11	0.56	0.14	0.84	109	6	2	9
2029		1,485	96.52	0.44	0.14	0.67	143	7	2	10
2030		1,970	88.32	0.58	0.12	0.51	174	11	2	10
2031		1,970	108.86	0.60	0.19	0.31	214	12	4	6
2032		1,970	106.59	0.65	0.17	0.28	210	13	3	5
2033		1,970	104.74	0.57	0.14	0.25	206	11	3	5
2034		1,970	108.12	0.49	0.15	0.28	213	10	3	6
2035		1,870	94.41	0.52	0.11	0.27	177	10	2	5
2036		1,870	95.59	0.47	0.11	0.38	179	9	2	7
2037		1,800	102.32	0.45	0.10	0.21	184	8	2	4
2038		1,700	116.17	0.42	0.09	0.15	197	7	2	3
2039		1,679	145.61	0.48	0.08	0.21	244	8	1	4

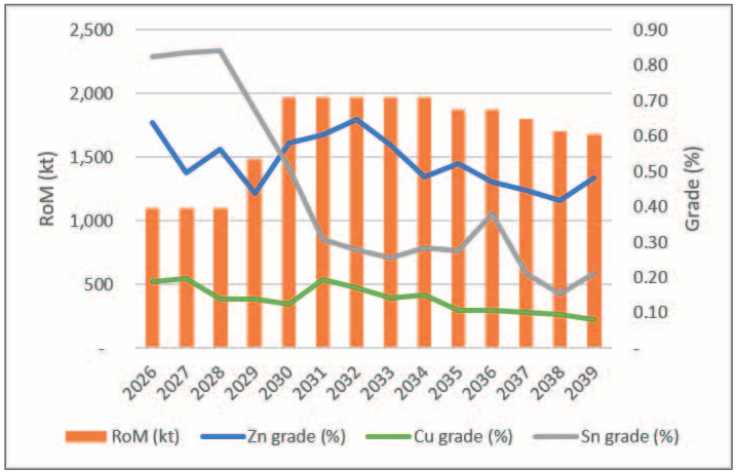
Source: SRK

Figure 8-5: Yinman Mine Zone 3 Annual Production Schedule for Ag



Source: SRK

Figure 8-6: Yinman Mine Zone 3 Annual Production Schedule for Zn, Cu and Sn



Source: SRK

9 Mineral Processing Assessment

9.1 Introduction

The Yinman Project deposit, features two types of mineralisation: silver-lead-zinc polymetallic mineralisation and silver-copper-tin polymetallic mineralisation. Historically, numerous laboratory processing tests have been conducted on composite samples of these two mineralisation types, yielding extensive experimental results. Supported by these findings, ENFI completed the project's mining and processing feasibility study in August 2013 and finalised the mining and processing engineering design in June 2014.

According to ENFI's design, the processing plant comprises two processing lines: a lead-zinc line and a copper-tin line. The two lines operate independently, each with a processing capacity of 825 ktpa, giving a combined capacity of 1.65 Mtpa (Phase I), with provision for future expansion of the lead-zinc system. In September 2025, Jinjian Engineering Design Co., Ltd. ("Jinjian Engineering") completed the engineering design for the expansion to 2.97 Mtpa (Phase II). Phase I of the processing plant was completed and commissioned in the end of 2016, with Phase II scheduled to commence construction in 2026 and be completed for trial production in 2028 and commence formal production in 2029. The total processing capacity will increase to 2.97 Mtpa by then.

9.2 Processing Mineralogy

9.2.1 Mineral Composition of Lead-Zinc Ore

The Mineral composition of Lead-Zinc Ore is as follows：

- Lead minerals: Predominantly boulangerite and galena, followed by jamesonite, with minor amounts of bournonite and freieslebenite.
- Zinc minerals: Primarily sphalerite and marmatite.
- Silver minerals: Predominantly freibergite, followed by pyrargyrite and freieslebenite, with occasional occurrences of stromeverite.
- Arsenic minerals: Primarily arsenopyrite, with minor amounts of tennantite.
- Copper minerals: Primarily consisting of chalcopyrite, tetrahedrite, freibergite, tennantite, with minor amounts of bournonite, stannite, and chalcostibite.
- Tin minerals: Primarily cassiterite, followed by stannite.
- Other metallic sulphide minerals: Primarily pyrite and marcasite, with minor amounts of stibnite, pyrrhotite, etc.
- Other metallic oxide minerals: primarily rutile, limonite, magnetite, etc.
- Gangue minerals: Primarily quartz, followed by chlorite and muscovite, with minor amounts of siderite, dolomite, biotite, kaolinite and other clay minerals, alongside trace amounts of amorphous carbon, potassium feldspar, apatite, fluorite and similar constituents.

The mineral composition of lead-zinc ore is shown in Table 9-1.

Table 9-1: Mineral Composition of Lead-Zinc Ore

Minerals	Content (%)	Minerals	Content (%)
Sphalerite, marmatite	2.82	Quartz	45.67

Minerals	Content (%)	Minerals	Content (%)
Galena	0.51	Chlorite	19.43
Boulangerite, jamesonite, etc.	0.61	Muscovite, biotite	14.71
Chalcopyrite	0.022	Kaolinite	3.43
Freibergite, tetrahedrite, etc.	0.023	Siderite, carbonate minerals	3.82
Pyrite, marcasite	3.76	Rutile	0.43
Arsenopyrite	0.20	Feldspar	0.34
Stannite	0.006	Apatite	0.19
Cassiterite	0.063	Amorphous carbon	0.14
Limonite, magnetite	0.95	Other minerals	2.876
Subtotal	8.96	Subtotal	91.04

Source: Preliminary Design for the Baiyin Chagan Zinc Polymetallic Mine Extraction and Processing Project, ENFI, June 2014

9.2.2 Embedding Characteristics of Primary Minerals in Lead-Zinc Ore

Boulangerite and Jamesonite

Boulangerite and stibnite constitute the predominant lead minerals within the ore. Boulangerite typically occurs as radiating, fibrous, hairy, columnar, or granular aggregates. The occurrence characteristics of galena and stibnite are relatively complex, exhibiting extremely uneven grain sizes. Fine-grained gangue inclusions are occasionally visible within coarse-grained aggregates, while fibrous or hair-like aggregates form intricate contact boundaries with the gangue. with portions of galena and stibnite occurring as fine-grained, micro-fine-grained, or columnar inclusions within the gangue.

Boulangerite and jamesonite and sphalerite are most closely associated with galena, followed by pyrite and marcasite. Minor quantities exhibit complex associations with chalcopyrite, chalcocite, and other minerals.

The coexistence boundaries between boulangerite, jamesonite and sphalerite are partly well-defined, while others are highly complex, manifesting as mutual encapsulation between boulangerite, jamesonite and sphalerite; The boundaries between most boulangerite, jamesonite and pyrite, magnetite, or arsenopyrite are relatively simple. A small quantity of boulangerite and jamesonite are closely associated with fine-grained, well-formed pyrite and arsenopyrite grains. The boundaries between boulangerite, jamesonite and chalcopyrite, freibergite are often jagged and irregular. Coarse-grained boulangerite and jamesonite occasionally contain fine-grained or micro-grained freibergite inclusions, while fine-grained and ultrafine boulangerite and jamesonite inclusions embedded within coarser-grainedtetrahedrite.

The grain size of boulangerite and jamesonite aggregates generally ranges from 0.020 to 0.833 mm.

Galena

Galena is the second most abundant lead mineral in ores after boulangerite and serves as one of the primary host minerals for silver. It typically occurs as irregular, granular aggregates.

Galena exhibits complex occurrence characteristics, with uneven grain size distribution. It typically occurs as medium-to-fine-grained irregular inclusions within gangue, featuring irregular boundaries.

Portions are closely associated with boulangerite and jamesonite, while minor amounts occur as fine-grained inclusions within gangue.

Galena exhibits the closest association with boulangerite, jamesonite, and sphalerite, occurring in simple association in some instances, interpenetrating with sphalerite in others, or appearing as fine-grained inclusions within sphalerite; Some galena occurs as fine or minute veins filling pyrite and magnetite fractures, or simply associates with fine-grained, euhedral to subhedral crystals of pyrite and arsenopyrite; Minor quantities of galena form close associations with minerals such as chalcopyrite, freibergite, and pyrargyrite. Freibergite frequently occurs as fine-grained, irregular inclusions along galena margins or as fine-grained inclusions within galena.

The grain size distribution of galena is generally 0.020–0.833 mm.

Freibergite

The primary silver mineral in the ore is freibergite, followed by pyrargyrite and freieslebenite, with occasional occurrences of stromeyerite.

The freibergite primarily occurs as irregularly shaped fine-grained disseminations, closely associated with chalcopyrite, galena, sphalerite, boulangerite. It is frequently found either alone or closely associated with chalcopyrite, interbedded within the grains of sphalerite, boulangerite, galena, and gangue minerals, or as a fine-grained inclusion within these.

The contact boundaries between freibergite and other sulphide minerals are relatively complex, making it difficult to achieve complete liberation during grinding. Particularly, the fine-grained freibergite partially embedded within galena, sphalerite, and boulangerite is exceptionally challenging to liberate individually.

Freibergite exhibits only a loose association with pyrite, marcasite, and arsenopyrite, featuring relatively well-defined contact margins that readily permit mutual separation.

Freibergite (where freibergite and chalcopyrite occur as a single aggregate particle) generally exhibits a grain size distribution of 0.015 to 0.147 mm.

Sphalerite and Marmatite

Sphalerite and marmatite are the primary zinc minerals in the ore, typically occurring as irregular, granular aggregates with relatively coarse grain sizes.

The contact boundaries between coarse-grained sphalerite and gangue are generally well-defined, though irregularly shaped fine-grained gangue inclusions are commonly observed. Some medium- to fine-grained sphalerite exhibits highly irregular intergrowths with gangue minerals or occurs as fine-grained inclusions embedded within the gangue. A small quantity of coarse-grained sphalerite displays a crushed texture, while occasional instances of sphalerite occur as a colloidal inclusion within the gangue.

Sphalerite frequently occurs in close association with boulangerite, jamesonite, and galena, exhibiting both simple and complex associations. This is manifested by well-formed crystals of boulangerite and jamesonite appearing as fine-grained, hair-like inclusions within sphalerite; Occasionally, galena appears as irregularly shaped or fine-grained inclusions within sphalerite;

sparse or dense droplet-shaped chalcopyrite inclusions are visible within some sphalerite grains, with most droplet-shaped chalcopyrite inclusions measuring less than 0.005mm in grain size; Occasionally, chalcopyrite appears as fine veins within sphalerite; some sphalerite closely associates with boulangerite, with irregular boulangerite distributed along sphalerite edges or encapsulating it; sphalerite also frequently forms close associations with pyrite, marcasite, and arsenopyrite, with relatively regular boundary demarcations; Occasionally, fine-grained inclusions of stannite, cassiterite, and bournonite may be observed within sphalerite.

Sphalerite grain size generally ranges from 0.043 to 0.833 mm.

9.2.3 Mineral Composition of Copper-Tin Ore

The Mineral composition of Copper-Tin Ore is as follows：

- Copper minerals: Primarily tetrahedrite, freibergite, and chalcopyrite. Minor occurrences include bournonite, stannite, and chalcostibite, with trace amounts of covellite and chalcocite.
- Silver minerals: Primarily silver-bearing freibergite, followed by freieslebenite and pyrargyrite. Galena and jamesonite also contain minor amounts of silver.
- Zinc minerals: Primarily sphlerite and marmatite.
- Tin minerals: Primarily cassiterite, followed by stannite.
- Antimony minerals: Primarily comprising boulangerite and jamesonite, followed by tetrahedrite, freieslebenite, bournonite, stibnite, and chalcosibite. Trace amounts of native antimony, pyrargyrite, freieslebenite, and bismuth-bearing geocronite.
- Arsenic minerals : Primarily arsenopyrite.
- Other metallic sulphide minerals: pyrite, marcasite, pyrrhotite, molybdenite, and trace amounts of greenockite, among others.
- Other metallic oxide minerals: magnetite, limonite, etc.
- Gangue minerals: Predominantly quartz, followed by muscovite, biotite, chlorite, tourmaline, kaolinite, with minor amounts of potassium feldspar, plagioclase, siderite, dolomite, rutile, calcite, fluorite, apatite, sericite, pyroxene, garnet, etc.

The mineral composition of copper-tin ore is shown in Table 9-2.

Table 9-2: **Mineral Composition of Copper-Tin Ore**

Minerals	Content (%)	Minerals	Content (%)
Freibergite	0.108	Quartz	49.158
Acanthite	microscale	Feldspar	3.107
Miargyrite	microscale	Sericite	11.014
Freieslebenite	microscale	Biotite	0.078
Terrywallaceite	0.001	Sahlite acmite	0.025
Andorite	0.001	Actinolite	0.021
Rhombohedral galena	0.001	Epidote	0.033
Silver-bearing terahedrite	0.276	Tourmaline	23.668
Chalcopyrite	0.095	Essonite	0.105
Stannite	0.217	Olivine	0.001
Cassiterite	0.549	Chlorite	1.19
Pyrite, marcasite	3.331	Kaolinite	1.747
Sphalerite	2.031	Fluorite	0.184

Minerals	Content (%)	Minerals	Content (%)
Galena	0.123	Calcite	0.032
Cerusite	0.006	Dolomite	0.006
Boulangerite	0.171	Siderite	0.573
Bournonite	0.059	Hematite	0.054
Stibnite	0.005	Ilmenite	0.006
Stibian bismuthinite	0.001	Rutile	0.249
Ullmanite	0.001	Sphene	0.008
Valentinite	0.002	Zircon	0.322
Arsenopyrite	0.824	Apatite	0.04
		Abukumalite	0.005
		Fiber-phosphorus calcium aluminite	0.021
		Florencite	0.038
		Schadeite	0.082
		Bastnaesite	0.014
		Prosopite	0.007
		Jarosite	0.01
		Other	0.403
Subtotal	7.80	**Subtotal**	92.20

Source: Research Report on Processing of Tin-Silver-Copper-Zinc Polymetallic Ore in Xiwu Banner, Inner Mongolia (Small-scale Experiment), Guangzhou Nonferrous Metals Research Institute, April 2014

9.2.4 Embedding Characteristics of Primary Minerals in Copper-Tin Ore

Cassiterite

Cassiterite in ore typically occurs as grains or granular aggregates, with a hardness of 6–7 and a specific gravity of 6.8–7.1 gram per cubic centimetre ("g/cm³"). It commonly contains iron, silicon and aluminium, with occasional occurrences of tungsten. Single-mineral analysis indicates cassiterite contains 77.04% Sn and 0.40% Fe.

In the ore deposits, cassiterite exhibits multi-stage mineralisation characteristics with highly complex distribution patterns and markedly uneven distribution within the ore body. Cassiterite predominantly occurs in three distinct forms, exhibiting significant variation in grain size:

1. Within fractured zones, it forms tensile fine veins or microveins that have undergone multiple episodes of activity, with vein widths ranging from 0.1 to 30 mm. Kaolinite filling is occasionally visible within these veins. Cassiterite occurs as single crystals or aggregates distributed along the gangue, frequently associated with quartz, arsenopyrite, and rock clasts. Crystallisation occurs on vein walls or within the vein itself, with localised replacement by stannoidite filling. Additionally, entire veins may be filled almost entirely by fine-grained cassiterite aggregates, containing only minor quartz. The cassiterite crystals distributed along the vein exhibit relatively complete crystal forms, with grain sizes varying considerably, typically ranging from 0.001 to 0.06 mm. They frequently aggregate into coarser-grained cassiterite aggregates, with aggregate grain sizes of 0.01 to 0.5 mm. However, the embedding relationship of these cassiterite grains is extremely loose. During thin section preparation, it was observed that these grains detach very easily, leaving behind empty veins.

2. Within the brecciation zone, cassiterite is also observed filling and replacing the interstitial spaces between fragmented particles of sphalerite, pyrite, and tetrahedrite, occurring as allomorphic grains. The association between cassiterite and minerals such as sphalerite and pyrite is loose, with cavities frequently visible in thin sections where minerals have detached. Additionally, some cassiterite grains contain numerous fine tourmaline crystal inclusions.
3. Within the quartz and tourmaline host rocks of the ore deposit, cassiterite frequently occurs in association with anatase, exhibiting an interlocking crystal distribution where the two minerals are closely intergrown. Cassiterite grains in this context are typically very fine, generally measuring 1–10 micrometre ("μm"), while the cassiterite-anatase aggregates range in size from 0.02–0.05 mm. No detachment phenomena were observed in this embedded form of cassiterite, which constitutes only a very small proportion of occurrences.

Stannite

Sphalerite and chalcopyrite are frequently present as fine inclusions within stannite, often resulting in the presence of zinc and silver within the mineral's composition. Stannite exhibits widespread distribution within the ores, with complex embedding relationships. Principal occurrences:

1. Within fractured ore in breccia zones, galena commonly replaces sphalerite and tetrahedrite; it may also fill fractures, with some specimens associated with cassiterite.
2. Stannite fills and replaces interstitial spaces between pyrite and arsenopyrite grains, often occurring with tetrahedrite, sphalerite, and galena.
3. Within quartz veins containing cassiterite, stannite may replace cassiterite, encircle cassiterite grains, or enclose residual cassiterite crystals.

Tetrahedrite

Tetrahedrite constitutes the most abundant copper mineral in this ore and serves as the host mineral for silver. Within tetrahedrite's chemical composition, a complete solid solution exists between antimony and arsenic, whilst silver, zinc, and iron may also partially substitute for copper. Within the tetrahedrite of this ore, isomorphous substitution occurs with silver, zinc, and iron, resulting in silver-bearing tetrahedrite and zinc-bearing tetrahedrite respectively, with a ratio of approximately 1:2. The silver-bearing tetrahedrite contains silver at levels ranging from 5.49% to 14.72%, with an average silver content of 10.07%. The zinc-bearing tetrahedrite also contains silver, with silver levels ranging from 0.27% to 3.21%, averaging 1.06%.

The intergrowth of tetrahedrite within the ore is relatively complex, with tetrahedrite or freibergite commonly replacing sphalerite, chalcopyrite, galena, and other minerals. Secondly, tetrahedrite or freibergite is often replaced by stannite, and these minerals frequently occur in association with sulphides such as sphalerite, chalcopyrite, pyrite, galena, and stannite, forming complex intergrowth relationships with these minerals. Additionally, tetrahedrite occurs as a fragmentary distribution within quartz veins.

Chalcopyrite

Apart from tetrahedrite, the ore also contains minor amounts of chalcopyrite. Chalcopyrite generally contains trace amounts of silicon, with some specimens exhibiting impurities such as tin, zinc, and

aluminium. The chalcopyrite content within the ore is relatively low, exhibiting two primary modes of occurrence:

1. Chalcopyrite fills fractures within the ore in the brecciation zone, distributed in micro-veins, often containing rock fragments or fragments of sphalerite.
2. Chalcopyrite is frequently altered by tetrahedrite.

Sphalerite

Sphalerite is one of the primary recoverable minerals in this ore body, exhibiting three distinct modes of occurrence:

1. Sphalerite filling pyrite, forming bay-like or island-like intergrowths with pyrite.
2. Zinc blende frequently occurs as fragmented grains, often distributed alongside fragmented pyrite and arsenopyrite within fractured joints.
3. Within the quartz-tourmaline host rock, fine-grained zinc blende exhibits disseminated distribution.

Galena

Lead occurs as a secondary metal in this ore body, present in modest quantities, with galena being one of the principal lead minerals. Galena occurs only locally within this ore body, appearing as fine veins filling the fissures within sulphide mineral aggregates. Some galena has undergone oxidation and alteration to form galenite, while it is occasionally found associated with boulangerite, both of which are embedded within sphalerite.

Jamesonite

Jamesonite, also known as feather ore, is one of the primary lead minerals in this ore. Its crystals exhibit elongated prismatic, short prismatic, acicular, or hair-like forms, with aggregates commonly appearing feathery, radiating, or comb-like. The jamesonite in this ore contains minor impurities of iron, copper, zinc, and aluminium, with average composition of Pb 39.86%, Sb 36.29%, Fe 3.16%, and S 19.74%.

The occurrence of jamesonite within the ore is rather complex. It may be observed filling and replacing fractures in broken rock or appearing as columnar crystals enclosed within sphalerite and pyrite. Additionally, jamesonite may be found as feather-like inclusions within acicular tourmaline. In summary, jamesonite forms complex intergrowth relationships with galena, pyrite, arsenopyrite, tourmaline, and other minerals.

Silver Minerals

In addition to silver content in the tetrahedrite, the ore also contains multiple silver minerals, including trace amounts of terrywallaceite (a rare silver-bearing lead-antimony-bismuth sulphide mineral), freieslebenite, freibergite, stephanite, and acanthite. Bismuthinite also contains minor amounts of silver.

Terrywallaceite in the ore contains on average 9.56% silver, 20.20% antimony, 20.82% lead, 30.40% bismuth, and 18.39% sulphur. Terrywallaceite occurs in the ore as a solid solution with tetrahedrite,

filling pyrite fractures alongside it. It may also appear as fine-grained inclusions within pyrite, or as disseminations within tourmaline. The first two modes of occurrence may be carried into copper or sulphide concentrates with their host minerals, whereas the latter, being finely grained, is difficult to grind and liberate, and is prone to loss in tailings.

Freieslebenite contains average 9.14% silver and 19.64% lead. it exhibits an extremely fine grain size, typically ranging from 0.001 to 0.02 mm. It occurs as disseminations within tourmaline-quartzite, proving difficult to grind and liberate, and is prone to loss in tailings.

Stromeverite contains an average silver of 61.42%. It forms a solid solution with chalcopyrite, being incorporated within the chalcopyrite grains and filling pyrite fractures alongside it. Consequently, it readily enters the copper concentrate.

Stephanite contains an average of 31.79% silver.

Acanthite contains an average of 79.73% silver. The acanthite grains are extremely fine, typically measuring only 0.002 to 0.005 mm. Consequently, the ultrafine acanthite is embedded within minerals such as sphalerite, chalcopyrite, and stannite, presenting a complex mineral processing challenge.

Pyrite and Marcasite

Pyrite and marcasite are polymorphs of the same chemical composition. Within this ore, pyrite predominantly occurs as fragmented grains within fractured zones, with minor amounts forming euhedral to subhedral crystals embedded in the gangue. Marcasite appears as fibrous, radiating aggregates distributed throughout the gangue, occasionally replaced by jamesonite or stannite, and sometimes containing fine-grained cassiterite inclusions.

Arsenopyrite

Arsenopyrite serves as one of the host minerals for arsenic, the toxic element within this ore, containing trace amounts of antimony and silicon, with occasional zinc content. It exhibits magnetic properties. Within this ore, arsenopyrite forms well-developed crystals, predominantly occurring as rhombohedral crystals distributed along quartz veins, with a small number of arsenopyrite crystals scattered sporadically within the gangue.

Gangue Minerals

The primary gangue minerals in this ore body are quartz and tourmaline, which together constitute over 72% of the total mineral content. Both minerals exhibit extremely fine crystalline grain sizes. Tourmaline occurs as minute columnar aggregates, frequently interwoven with quartz. The typical tourmaline grain size ranges from 1 to 5 μm, though localised tourmaline veins contain grains reaching 20 μm in size. Quartz occurs as anorthocrysts filling tourmaline fissures, exhibiting an extremely fine grain size, generally ranging from 3 to 50 μm. The remaining gangue minerals comprise minor amounts of sericite, chlorite, and sodium feldspar.

The mineral composition of copper-tin ores is highly complex, featuring a multitude of useful minerals. It is common for multiple valuable elements to occur within the same mineral, such as in boulangerite ($Pb_4FeSb_6S_{14}$), bournonite ($PbCuSbS_3$), freibergite$(Cu,Ag,Zn)_{12}Sb_4S_{13}$, and stannite ($Cu_2FeSnS_4$).

The associations between copper, silver, and zinc minerals are intricate. Most tetrahedrite and freibergite occur in complex associations with chalcopyrite and sphalerite, sometimes interpenetrating each other. This makes complete liberation of copper, silver, and zinc minerals within economically viable grinding fineness ranges challenging. Consideration should be given to employing bulk flotation processes to enhance the recovery rates of copper, silver, and zinc metals. Furthermore, the overall fine grain size distribution of cassiterite is a primary factor affecting its recovery rate.

9.3 Mineral Processing Tests

9.3.1 Lead-zinc Ore

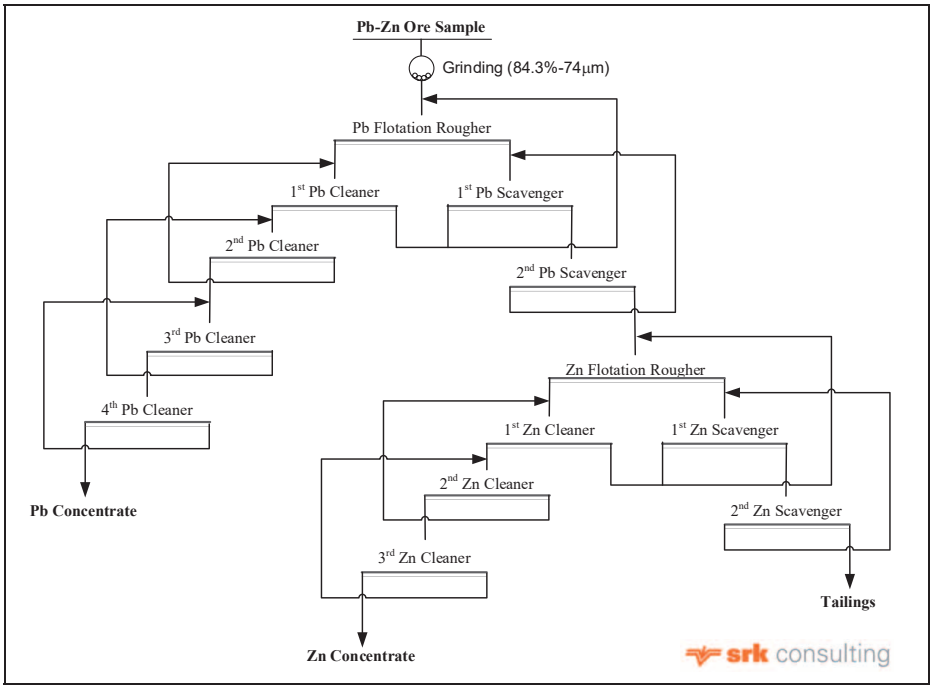
Following a series of condition optimisation tests and open-circuit process trials, the circuit shown in Table 9-3 was ultimately employed for closed-circuit testing. The results, presented in Table 9-3, yielded marketable lead concentrate and zinc concentrate. The lead concentrate exhibited a relatively low grade but contained enriched silver and antimony, with harmful impurity arsenic at 0.24%. The zinc concentrate exhibited a moderate grade with 0.50% arsenic content. The results indicate that the fine grain size distribution of lead-zinc minerals hinders thorough liberation, thereby complicating their separation.

Table 9-3: Results of Mineral Processing Tests on Lead-Zinc Ore

Product	Yield (%)	Grade (%)				Recovery Rate (%)			
		Pb	Zn	Ag (g/t)	Sb	Pb	Zn	Ag	Sb
Lead concentrate	1.88	32.40	4.66	1,653	11.80	86.73	5.02	63.55	85.32
Zinc concentrate	3.09	0.55	49.58	210		2.42	87.89	13.28	
Tailings	95.03	0.08	0.13	11.90		10.85	7.09	23.17	
Feed	100.00	0.70	1.74	48.82	0.26	100.00	100.00	100.00	100.00

Source: Study on the Processability of the Baiyin Chagan I District Lead-Zinc Deposit, BGRIMM, May 2011

Figure 9-1: Lead-Zinc Ore Processing Test Flowsheet



Source: Study on the Processability of the Baiyin Chagan I District Lead-Zinc Deposit, BGRIMM, May 2011

9.3.2 Copper-tin Ore

The Mineral Processing Research Report on the Tin-Silver-Copper-Zinc Polymetallic Ore in West Ujimqin Banner, Inner Mongolia (Small-Scale Trial), completed by the Guangzhou Research Institute of Nonferrous Metals ("GRINM") in April 2014 ("GRINM Apr14"), addressed the recovery of silver, copper, zinc, lead, antimony and sulphur within the copper-tin system. The process involved: antimony and sulphur in the copper-tin system. The sulphide ore flotation process employed copper-silver priority flotation, followed by separation of copper-silver from sulphur-zinc-lead-antimony, separation of lead-antimony from zinc-sulphur, combined flotation of zinc-sulphur, and final separation of zinc-sulphur. This yielded copper-silver concentrate, lead-antimony concentrate, zinc concentrate, and sulphur concentrate. Tin ore was recovered from the flotation tailings of sulphide ores using a spiral classifier. The coarse fraction underwent gravity separation to produce tin concentrate, while the fine fraction employed a combined gravity-flotation process yielding secondary tin concentrate. The samples in the GRINM Apr14 report were highly representative, and the research was comprehensive. The final recommended process flow serves as the basis for continuous scale-up trials.

The "Experimental Research Report on the Tin-Silver and Zinc Polymetallic Ore of West Ujimqin Banner, Inner Mongolia (Continuous Scale-up Test Report)", completed by the GRINM in March 2014 ("GRINM Mar14"), conducted continuous scale-up tests on copper-tin system ores based on

small-scale experiments, The process flow adopted was "flotation of sulphide ore – classification of flotation tailings – gravity separation of coarse-grained cassiterite – combined flotation and gravity separation of fine-grained cassiterite", yielding copper-silver concentrate, lead-antimony concentrate, zinc concentrate, sulphide concentrate, tin concentrate and secondary tin concentrate. The test samples in the GRINM Mar14 report were highly representative and the research comprehensive, verifying the suitability and stability of the process flow and operating conditions recommended by the pilot-scale tests. The results were suitable to serve as a basis for the design of the processing plant.

The flotation process for sulphide minerals is shown in Figure 9-2 and comprises the following five flotation circuits:

- Silver-copper-lead-antimony mixed flotation circuit;
- Flotation circuit for the separation of copper (silver) and lead (antimony) from bulk concentrates;
- Lead (antimony) and zinc (sulphur) separation flotation circuit;
- Zinc-sulphide combined flotation circuit; and
- Zinc-sulphide separation flotation circuit.

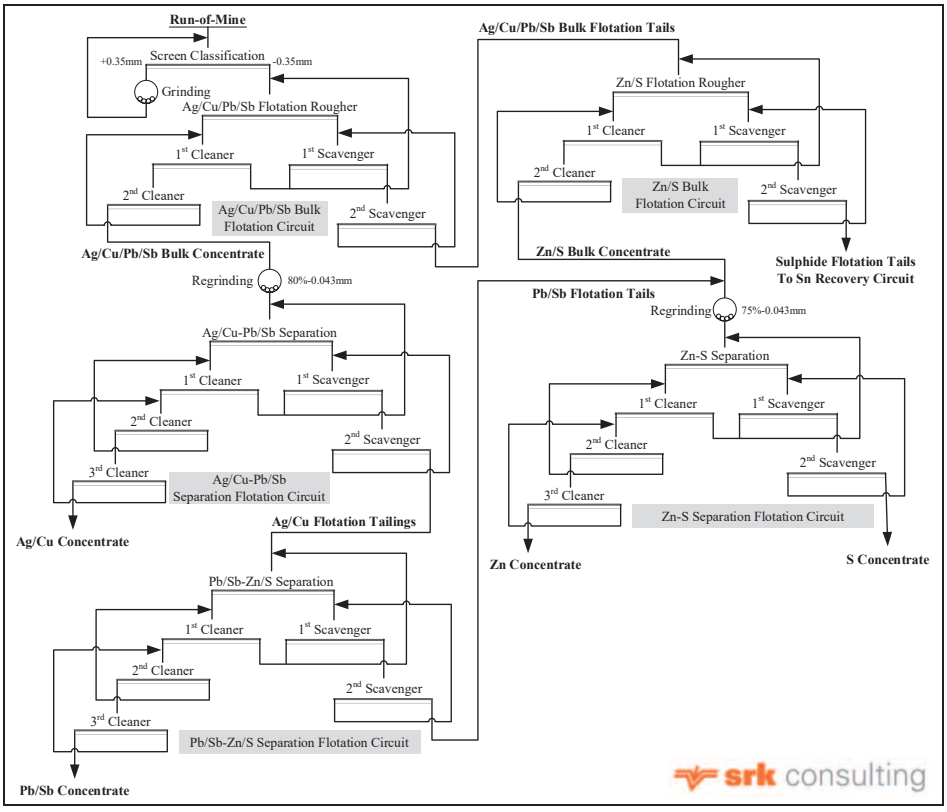
The results of the small-scale laboratory tests are shown in Table 9-4. The parameters obtained are as follows: for the silver-copper concentrate, a silver grade of 9,975.21 g/t, a copper grade of 16.16%, a silver recovery rate of 87.12% and a copper recovery rate of 73.12%; for the lead-antimony concentrate, a lead grade of 18.65%, antimony grade 8.31%, silver grade 1,235.21 g/t, lead recovery 34.00%, antimony recovery 18.31%, and silver recovery 4.11%; zinc concentrate zinc grade 43.73%, silver grade 247.27 g/t, zinc recovery rate 65.55%, silver recovery rate 3.34%; the total silver recovery rate for the silver-copper concentrate, lead-antimony concentrate and zinc concentrate combined was 94.57% (87.12% + 4.11% + 3.34%); Sulphide concentrate: sulphur grade 36.89%, sulphur recovery rate 58.27%; sulphur tailings contain 0.46% tin, with a tin recovery rate of 78.94%, to be used for subsequent tin processing.

Table 9-4: Results of Flotation Tests on Sulphide Minerals in Copper-tin Ore (2014)

Product	Mass Yield	Grade							Recovery						
		Ag	Cu	Zn	Pb	Sb	Sn	S	Ag	Cu	Zn	Pb	Sb	Sn	S
	(%)	g/t)	%	%	%	%	%	%	%	%	%	%	%	%	%
Ag-Cu Concentrate	1.13	9,975	16.16	14.02	3.96	6.17	4.51	28.62	87.12	73.12	13.59	18.96	35.70	9.55	10.75
Pb-Sb Concentrate	0.43	1,235	1.67	12.54	18.65	8.31	1.72	29.68	4.11	2.87	4.63	34.00	18.31	1.39	4.25
Zn Concentrate	1.75	247	1.19	43.73	1.72	1.10	1.23	31.65	3.34	8.33	65.55	12.74	9.85	4.01	18.39
S Concentrate	4.78	55	0.40	0.90	1.01	0.96	0.69	36.89	2.03	7.61	3.67	20.33	23.35	6.11	58.27
Sulfide Tailings	91.91	5	0.02	0.16	0.04	0.03	0.46	0.27	3.40	8.07	12.56	13.97	12.79	78.94	8.34
Run-of-Mine	100.00	130	0.25	1.17	0.24	0.20	0.54	3.02	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: *Research Report on the Processing of the Xiyin, Copper and Zinc Polymetallic Deposit in Xiwu Banner*, Inner Mongolia (Small-scale trial), Guangzhou Nonferrous Metals Research Institute, April 2014

Figure 9-2: Closed-circuit Flotation Test Circuit for Copper-tin Polymetallic Sulphide Ore



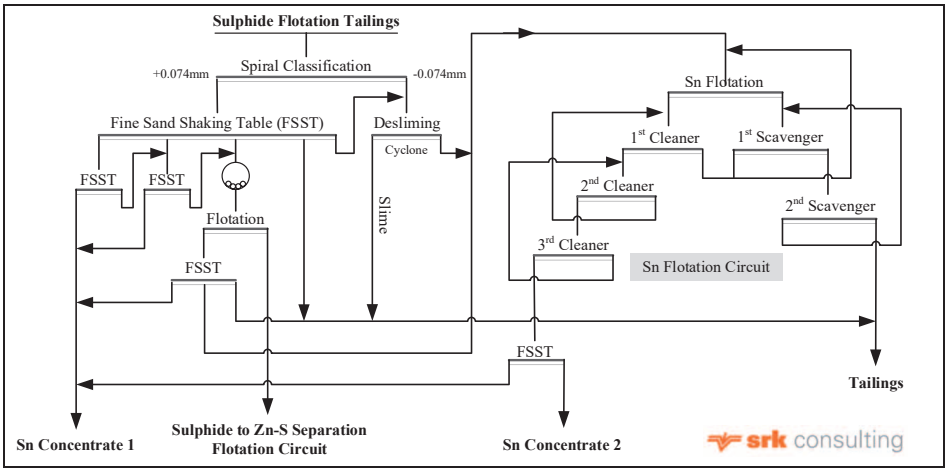
Source: *Research Report on the Processing of the Xiyin, Copper and Zinc Polymetallic Deposit in Xiwu Banner*, Inner Mongolia (Small-scale trial), Guangzhou Nonferrous Metals Research Institute, April 2014

Two process schemes were tested for the extraction of tin from sulphide ore flotation tailings (sulphur-concentrating tailings):

- Option 1: A combined process comprising 'classification using a spiral classifier – separation of coarse-grained fine sand using a shaking table – flotation of fine-grained material following desliming in a hydrocyclone – and re-separation of the flotation concentrate using a fine-sand shaking table', referred to as the 'combined gravity-flotation process', as shown in Figure 9-3. The test results are presented in Table 9-5.

Medium-grade tin concentrate (Tin Concentrate 1) and low-grade secondary tin concentrate (Tin Concentrate 2) were obtained. Tin Concentrate 1 contained 30.47% tin with a recovery rate of 41.54%, whilst Tin Concentrate 2 contained 3.46% tin with a recovery rate of 11.06%, giving a combined recovery rate of 52.60%.

Figure 9-3: Combined Process Flow for Tin Recovery from Sulphide Ore Flotation Tailings Using Coarse-grain Gravity Separation Followed by Fine-grain Flotation



Source: *Research Report on the Processing of the Xiyin, Copper and Zinc Polymetallic Deposit in Xiwu Banner*, Inner Mongolia (Small-scale trial), Guangzhou Nonferrous Metals Research Institute, April 2014

- Option 2: In the above process, the sand settled after fine-grain desliming is not subjected to flotation directly but is first sorted using a fine-slime shaking table; the shaking table concentrate is merged with tin concentrate 1, whilst the shaking table tailings are then sent for flotation. The flotation concentrate is subsequently sorted using a fine-sand shaking table. This is referred to as the 'gravity separation-gravity separation-flotation combined process'. The test results are shown in Table 9-5. The medium-grade tin concentrate contained 30.10% tin with a recovery rate of 42.73%, whilst the low-grade tin concentrate contained 3.48% tin, with a tin recovery rate of 10.43%. The combined recovery rate was 53.16%, a result slightly superior to that of the 'gravity separation-flotation- gravity separation combined process'. The recovery rate of Tin Concentrate 1 was 1.19% higher, and the combined recovery rate was 0.56% higher.

Table 9-5: Test Results for the 'Gravity Separation–Flotation Combined Process' for Tin Recovery from Sulphide Ore Flotation Tailings

Product	Mass Yield (%)		Sn Grade (%)	Sn Recovery (%)	
	to Operation	to ROM		to Operation	to ROM
Sn Concentrate 1	0.78	0.72	30.47	52.62	41.54
Sn Concentrate 2	1.84	1.69	3.46	14.01	11.06
Sulphide	0.71	0.65	1.15	1.77	1.40
Tailings	96.67	88.85	0.15	31.59	24.94
Feed (Sulphide Tailings)	100.00	91.91	0.53	100.00	78.94

Source: *Research Report on the Processing of the Xiyin, Copper and Zinc Polymetallic Deposit in Xiwu Banner*, Inner Mongolia (Small-scale trial), Guangzhou Nonferrous Metals Research Institute, April 2014

Table 9-6: Results for the 'Gravity Separation–Flotation Combined Process' for Tin Recovery from Sulphides Flotation Tailings

Product	Mass Yield (%)		Sn Grade (%)	Sn Recovery (%)	
	to Operation	to ROM		to Operation	to ROM
Sn Concentrate 1	0.82	0.75	30.10	54.13	42.73
Sn Concentrate 2	1.70	1.56	3.48	13.21	10.43
Sulphide	0.71	0.65	1.15	1.77	1.40
Tailings	96.78	88.95	0.14	30.88	24.38
Feed (Sulphide Tailings)	100.00	91.91	0.46	100.00	78.94

Source: *Research Report on the Processing of the Xiyin, Copper and Zinc Polymetallic Deposit in Xiwu Banner*, Inner Mongolia (Small-scale trial), Guangzhou Nonferrous Metals Research Institute, April 2014

In February 2023, The Institute of Resource Utilisation and Rare Earth Development, Guangdong Academy of Sciences (Guangzhou Nonferrous Metals Research Institute) completed the study entitled 'Research on the Development of a Rational New Process Flow for the Efficient Recovery of Tin from the Tin-Polymetallic Ore of Yinman Mining'. Adopting a process flow based on the principle of 'priority flotation of sulphide minerals followed by tin recovery from tailings', the institute conducted laboratory mineral processing tests on a composite sample with a high tin grade and carried out multi-scheme tin recovery tests on the flotation tailings of sulphide minerals. The flotation process for sulphide minerals is shown in Figure 9-2, which leaves Ag/ Cu-Pb/ Sb separation Flotation circuit and Pb/ Sb-Zn/ S separation flotation circuit out, the test results are shown in Table 9-7.

Table 9-7: Results of Flotation Tests on Sulphide Minerals in Copper-tin Ore (2023)

Product	Mass Yield	Grade								Recovery							
		Ag	Cu	Zn	Sn	S	As	Pb	Sb	Ag	Cu	Zn	Sn	S	As	Pb	Sb
	(%)	g/t	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Ag-Cu Concentrate	2.01	4,616.40	10.62	9.33	3.15	24.12	1.01	4.61	6.97	87.28	79.08	27.35	5.10	20.63	6.21	59.68	74.65
Pb-Sb Concentrate[1]																	
Zn Concentrate	0.86	518.10	4.01	40.58	3.12	30.83	0.80	2.18	1.20	4.18	12.76	50.81	2.16	11.26	2.10	12.06	5.49
S Concentrate	4.66	84.70	0.12	1.13	0.67	25.94	5.09	0.63	0.54	3.72	1.99	7.67	2.52	51.57	72.71	18.96	13.44
Sulfide Tailings	92.47	5.50	0.02	0.11	1.21	0.42	0.07	0.02	0.01	4.82	6.17	14.17	90.22	16.54	18.98	9.30	6.42
Run-of-Mine	100.00	106.20	0.27	0.68	1.24	2.35	0.33	0.16	0.19	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Note:[1] Due to the low grades of lead and antimony in the ore, these elements were concentrated in the copper-silver concentrate, and no flotation was carried out to separate the copper and lead (Ag/Cu-Pb/Sb separation).

Source: Research on the Development of a Rational New Process Flow for the Efficient Recovery of Tin from Tin-Polymetallic Ore at Yinman Mining, Institute of Resource Utilisation and Rare Earth Development, Guangdong Academy of Sciences, February 2023

Detailed tin recovery tests were conducted on flotation tailings from sulphide ores, with four specific process schemes tested; the results are summarised in Table 9-8. Based on a comparison of performance indicators, Scheme 1 is recommended as the optimal process scheme, namely 'classification followed by shaking table gravity separation – flotation of shaking table tailings after desliming – shaking table concentration of flotation concentrate'. The products are tin concentrate (gravity concentrate + concentrated flotation concentrate) and secondary tin concentrate (tailings from the concentration of flotation concentrate).

Table 9-8: Results of Multi-method Experiments on Tin Recovery from Flotation Tailings of Sulphide Ores

Flowsheet Option	Product	Yield (%)	Sn Grade (%)	Sn Recovery(%)
Option 1	Sn Concentrate 1	2.26	33.75	62.85
	Sn Concentrate 2	3.7	3.66	10.66
	Total	5.96		73.51
Option 2	Sn Concentrate 1	2.22	33.33	59.54
	Sn Concentrate 2	4.96	3.24	12.97
	Total	7.18		72.51
Option 3	Sn Concentrate 1	2.19	34.66	61.11
	Sn Concentrate 2	4.23	3.3	11.27
	Total	6.41		72.38
Option 4	Sn Concentrate 1	2.42	33.35	64.98
	Sn Concentrate 2	0.59	3.04	1.44
	Total	3.01		66.42

Note:
Flowsheet of Option 1: classification-shaking table separation-table tailings flotation after deslime;
Flowsheet of Option 2: +0.074mm fraction shaking table separation-fine fraction flotation after deslime;
Flowsheet of Option 3: +0.038mm fraction shaking table separation-fine fraction flotation after deslime;
Flowsheet of Option 4: whole sulphide flotation tailings flotation after deslime.

9.4 Conclusions of the Mineral Processing Tests

9.4.1 Lead-zinc Ore

- The valuable elements in silver-rich lead-zinc ore are silver, lead and zinc; other elements such as copper, antimony and tin are present in low concentrations and are not economically viable for separate recovery. The lead minerals are primarily boulangerite and galena, followed by jamesonite, with small quantities of bournonite and freieslebenite; The zinc minerals are mainly sphalerite and marmatite; The silver minerals are principally freibergite (Ag-rich tetrahedrite), followed by pyrargyrite and freieslebenite, with occasional occurrences of stromeverite; Other sulphide minerals are generally pyrite and arsenopyrite. In the ore, lead minerals, zinc minerals and pyrite are all finely disseminated, requiring a high degree of grinding fineness to achieve the single-particle liberation required for flotation.
- Laboratory tests were conducted using a lead-priority flotation process. With grind fineness of 84.3% minus 0.074 mm (84.3%-74 μm), lead concentrate and zinc concentrate were obtained, with the following specifications:
  - Lead concentrate: lead grade 32.4%, silver grade 1,653 g/t, antimony grade 11.8%; recovery rates were 86.7%, 63.6% and 85.3% respectively. Although the lead grade is low, the relatively high silver and antimony grades can increase the selling price of the lead concentrate. The content of the harmful element arsenic in the lead concentrate is 0.24%, which does not exceed the permissible limit;
  - Zinc concentrate: zinc grade 49.6%, silver grade 210 g/t, with recovery rates of 87.9% and 13.3% respectively. The content of the harmful element arsenic is 0.5%, which does not exceed the permissible limit.

9.4.2 Copper-tin Ore

- The mineral composition of copper-tin ores is complex, with the principal valuable elements being copper, silver, zinc and tin, followed by lead and antimony. The silver minerals and silver-bearing minerals consist mainly of freibergite, and small to trace amounts of freieslebenite, acanthite and stephanite; The tin minerals are mainly cassiterite and stannite; The copper minerals are predominantly tetrahedrite, with small amounts of chalcopyrite, chalcocite, and freibergite; Lead and antimony minerals are diverse, including boulangerite, galena, bournonite, cerussite, stibnite, antimonite, stibian-bismuthinite and ullmannite; Zinc minerals include sphalerite and marmatite; other sulphide minerals are mainly pyrite and arsenopyrite. The useful minerals are finely disseminated with complex intergrowths, making grinding and liberation difficult and processing challenging; however, the mineral aggregates are relatively coarse-grained, making them suitable for a 'rough grinding and rougher flotation followed by regrinding and cleaner flotation' process involving staged grinding and staged flotation.
- With a grinding fineness of 100%–0.35 mm (46.65%–0.074 mm), a priority flotation process for silver, copper, lead and antimony was employed. Five flotation circuits were used to produce silver-copper concentrate, lead-antimony concentrate, zinc concentrate and sulphide concentrate, yielding the following results:
  - Silver-copper concentrate: silver grade 9,975 g/t, copper grade 16.16%, silver recovery 87.12%, copper recovery 73.12%;
  - Lead-antimony concentrate: lead grade 18.65%, antimony grade 8.31%, silver grade 1,235 g/t, lead recovery 34.00%, antimony recovery 18.31%, silver recovery 4.11%;
  - zinc concentrate: zinc grade 43.73%, silver grade 247.27 g/t, zinc recovery 65.55%, silver recovery rate 3.34%. The total silver recovery rate for the silver-copper concentrate plus the lead-antimony concentrate plus the zinc concentrate is 94.57% (87.12% + 4.11% + 3.34%); and
  - Sulphur concentrate: sulphur grade 36.89%, sulphur recovery rate 58.27%.
- Although the sulphide flotation process comprising the five circuits described above is complex, it is highly adaptable to variations in ore properties. It enables the recovery of various valuable metals and allows certain circuits to be bypassed depending on the metal grade in the ore, thereby simplifying the process to accommodate changes in ore properties and streamlining the product scheme.
- The sulphide flotation tailings contain 0.46% tin, with a tin recovery rate of 78.94%. A process comprising 'classification – gravity separation of the coarse fraction – desliming and flotation of the fine fraction' is employed to extract tin, yielding medium-grade and low-grade tin concentrates with the following specifications:
  - Medium-grade tin concentrate: tin grade 30.47%, tin recovery 41.54%; and
  - Low-grade tin concentrate: tin grade 3.46%, tin recovery 11.06%. Total tin recovery 52.60%.
- For high-grade sulphide flotation tailings containing 1.21% tin with a tin distribution rate of 90.22%, a 'classification–gravity separation–flotation of de-slimed gravity tailings' process was employed to recover tin, yielding medium-grade and low-grade tin concentrates with the following specifications:
  - Medium-grade tin concentrate: tin grade 33.75%, tin recovery rate 62.85%; and
  - Low-grade tin concentrate: tin grade 3.66%, tin recovery 10.66%. The total tin recovery was 73.51%. Clearly, there is a positive correlation between tin recovery and the tin grade of the feed ore.

9.5 Processing Plant

9.5.1 Overview

ENFI completed the mining method feasibility study for the Yinman Project in August 2013 and the preliminary design for the mining and processing works in June 2014. ENFI designed the Yinman processing plant with a capacity of 1.65 Mtpa (5,000 tonnes per day ("tpd")), comprising a lead-zinc system with a capacity of 825 ktpa (2,500 tpd) and a copper-tin system with a capacity of 825 ktpa (2,500 tpd), processing lead-zinc ore and copper-tin ore respectively.

After the processing plant was constructed and put into operation in the end of 2016, as mining operations progressed, the volume of lead-zinc ore declined year on year, whilst the volume of copper-tin ore has increased compared to the initial design. In response to these changes in ore supply, the processing plant underwent a gravity separation upgrade in 2018. This involved a gravity separation upgrade project targeting the lead-zinc flotation tailings, with the addition of gravity separation facilities 1 and 2. Following the upgrade, both series are now capable of processing both lead-zinc ore and copper-tin ore. Furthermore, to improve tin recovery rates, the processing plant subsequently carried out multiple industrial trials and technical upgrades to the process flow, including the addition of a cassiterite flotation system, which significantly increased tin recovery rates.

Due to the high content of valuable minerals in the ore and the complexity of the processing plant's workflow, the plant has undergone several major technical upgrades since it began operations. In 2025, an intelligent ore sorting and waste disposal system was added. To date, the plant continues to carry out various technical upgrades, commissioning, industrial trials and projects aimed at improving performance indicators. Furthermore, as the properties of the ore supplied from the actual mining areas have fluctuated, the plant's actual processing flow has been subject to ongoing dynamic adjustments, with an actual processing capacity of 4,800 to 5,000 t/d.

Figure 9-4 shows a panoramic view of the existing processing plant.

To expand the production capacity of copper-tin ore, Jinjian Engineering completed the 'Preliminary Design for the 2.97 Mtpa Mining Expansion Project at the Baiyin Chagan East Mountain Mining Area' in March 2024, and the *Preliminary Design for the 2.97 Mtpa Expansion Project for Copper, Lead, Tin, Silver and Zinc Mining at the Baiyin Chagan East Mountain Mining Area* ("Expansion Design") in September 2025.

The Expansion Design proposes the construction of a new processing plant with a capacity of 1.32 Mtpa (4,000 tpd) to process copper-tin ore. The new processing plant will be constructed in the area to the north-west of the existing Yinman Project area, approximately 300 to 500 m in a straight line from the main building of the existing processing plant. Upon completion of the new processing plant, the total ore processing capacity will reach 2.97 Mtpa (9,000 tpd). Concurrently, to support the expansion of mineral processing capacity, the TSF has also been designed for the expansion. Building upon the existing Phase I and Phase II TSF, a Phase III TSF will be constructed. The three phases will be connected to form a total storage capacity of 25.784 million m³ ("Mm³") and an effective storage capacity of 19.79 Mm³, which will meet the tailings storage requirements throughout the mine's operational life.

Figure 9-4: Panoramic Photo of Yinman Project Current Processing Plant



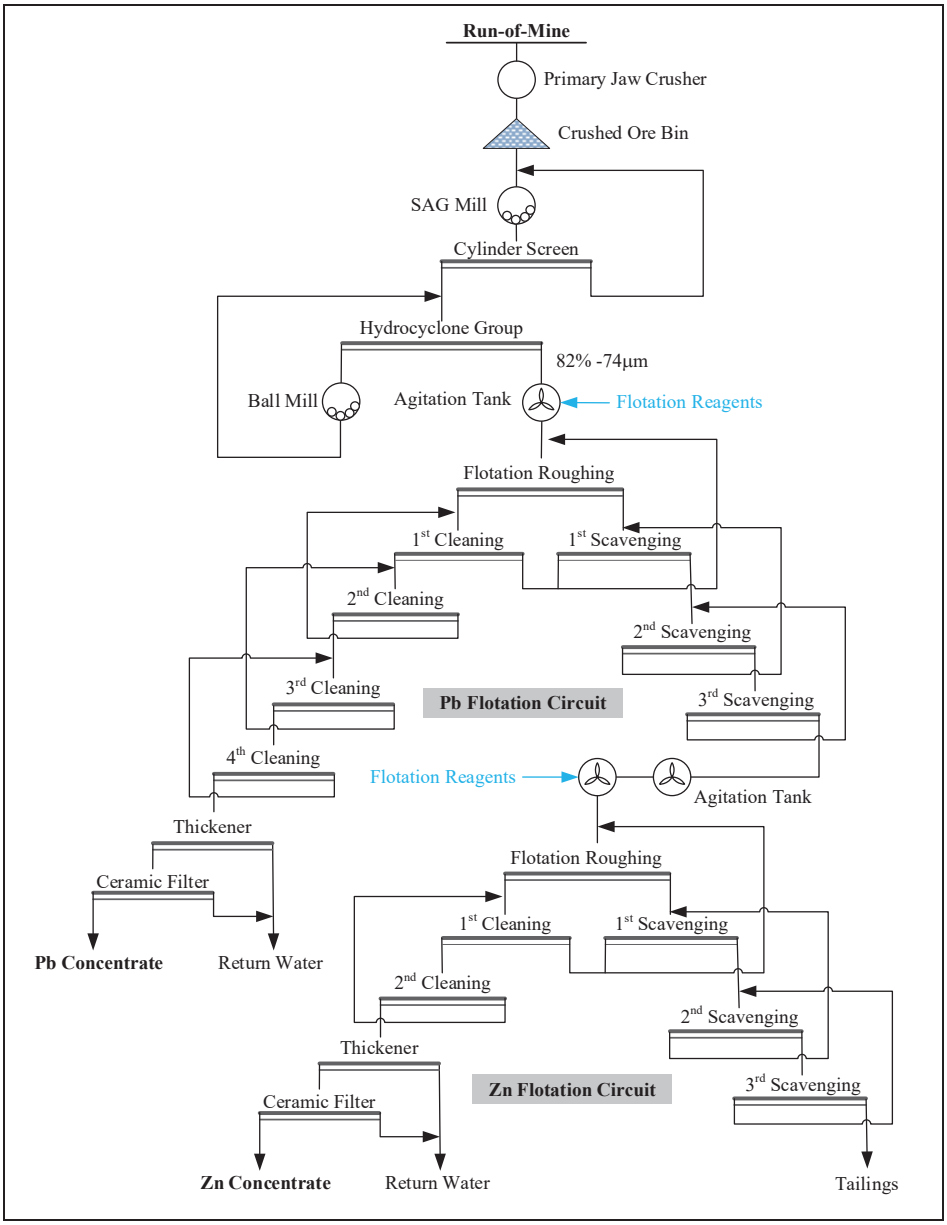
Source: Yinman Mining

9.5.2 Existing Production Process at the Processing Plant

The overall process flow of the existing processing plant can be summarised as "crushing, grinding and classification + flotation of sulphide ores + gravity separation of cassiterite + flotation of cassiterite". This includes a crushing and grinding process comprising 'primary crushing + semi-autogenous grinding + return of refractory material + closed-circuit grinding' (the "SAB process"); a separation process comprising "full-priority flotation of copper (lead) and zinc"; a separation process comprising "tin gravity separation + flotation + gravity separation"; and a two-stage dewatering process involving "concentration + filtration" for copper concentrate, lead concentrate, zinc concentrate and tin concentrate.

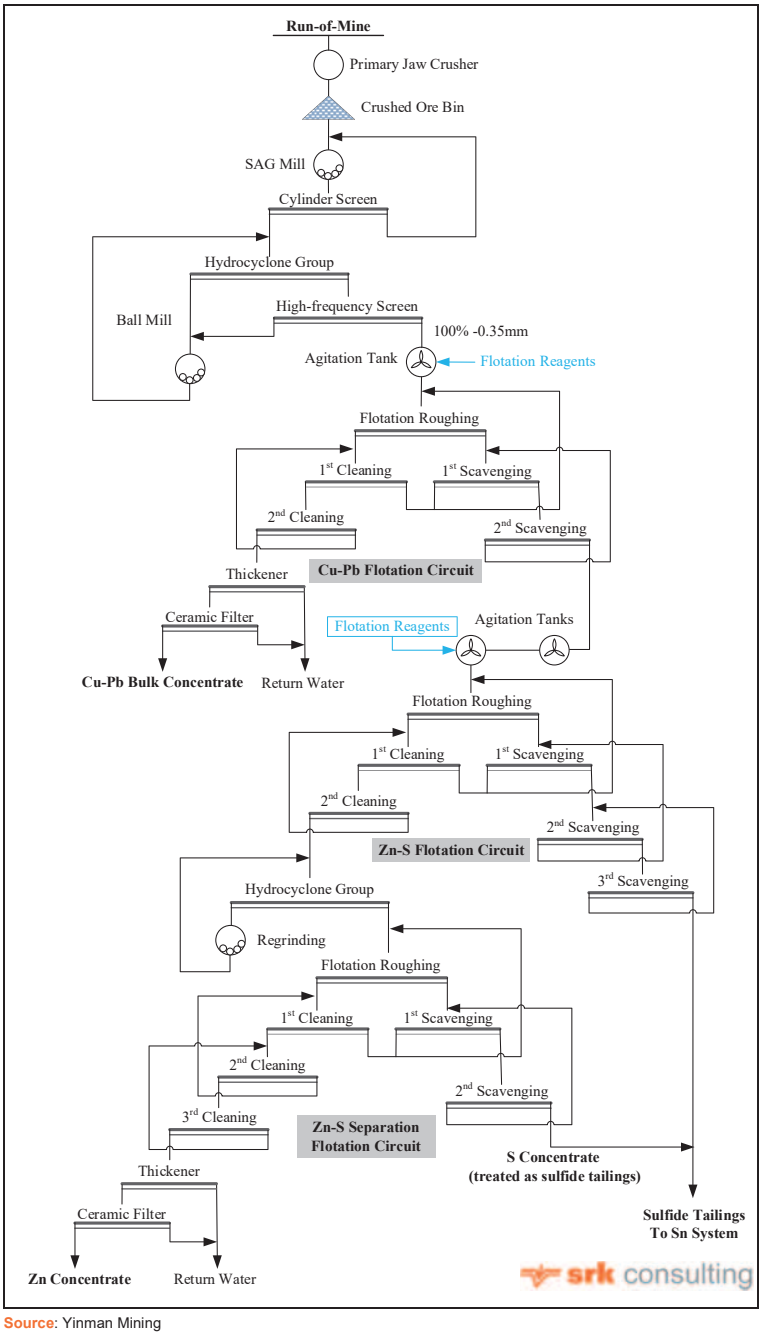
The simplified process flow for lead-zinc ore is shown in Figure 9-5, the processing flowsheet for sulphide minerals in copper-tin ore is shown in Figure 9-6, and the tin recovery process is shown in Figure 9-7.

Figure 9-5: Simplified Processing Diagram of Pb-Zn Processing Plant



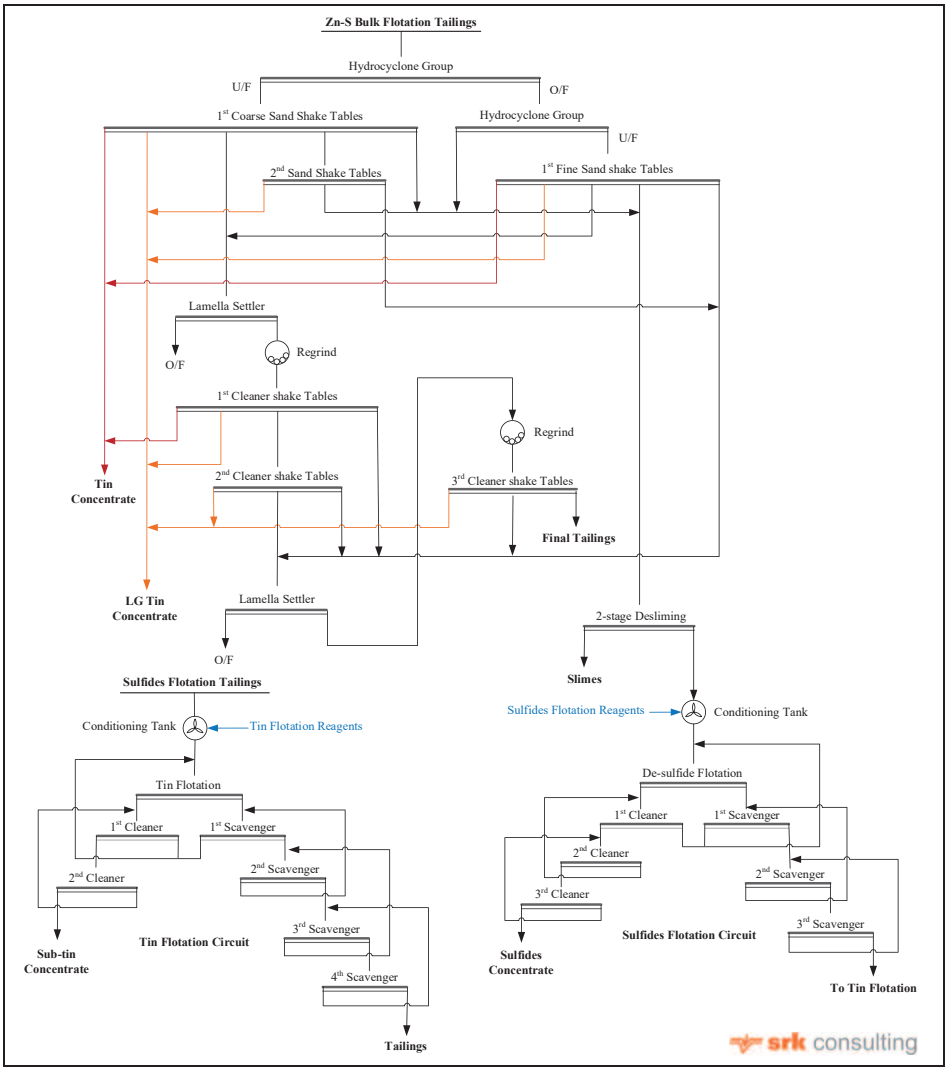
Source: Yinman Mining

Figure 9-6: Simplified Cu-Zn Processing Diagram of Cu-Sn Processing Plant



Source: Yinman Mining

Figure 9-7: Tin Recovery Process from Cu-Zn-S Flotation Tailings



Source: Yinman Mining

The two series of gravity separation systems at the existing processing plant are partially interlinked and operate on a standby rotation basis, resulting in a highly variable process configuration. A brief description of the standard process flow is provided below:

(1) Ore Crushing and Intelligent Waste Disposal System

After primary crushing, the raw ore passes through the ore storage bin, a heavy-duty plate feeder and a belt conveyor for screening and washing. The oversise material is subjected to secondary crushing before being fed into a series of intelligent ore processing machines for waste disposal and gravity separation. The concentrated ore concentrate is conveyed by belt to the concentrate bin, whilst the waste rock is transported by belt conveyor to the waste rock bin. The fine slurry from the ore washing process is thickened and then pumped to the ball mill discharge pump sump, entering the grinding system. The two processing lines have identical configurations and equipment. The intelligent gravity separation and waste disposal system was completed and commenced trial production in May 2025; it is currently still undergoing commissioning.

(2) Grinding System

A series of grinding systems comprising the 1# semi-autogenous mill (5.5 m × 3.5 m) and the No. 1 ball mill (4.27 m × 7.45 m) (SAB grinding circuit). The semi-autogenous mill and the cylindrical screen form a coarse grinding closed circuit; the oversize material (particles greater than 12 mm) is returned via a belt conveyor to the semi-autogenous mill, whilst the undersize slurry enters the pump sump and is pumped to the hydrocyclone for classification. The hydrocyclone and the ball mill form a fine grinding closed circuit; the hydrocyclone underflow flows directly into the ball mill, whilst the hydrocyclone overflow, after being screened, enters the flotation system.

The two-circuit grinding process is similar to the single-circuit process, with the difference being that a linear vibrating screen has been added to the SAB grinding circuit described above to re-screen the slurry from the cylindrical screen; the screen mesh size is 1 mm, and the undersize slurry is then returned to the pump sump and pumped into the hydrocyclone for classification.

(3) Flotation System for Sulphide Ores

In the processing of lead-zinc ore: a flotation process is employed in which lead is separated first, followed by zinc. Both the lead and zinc flotation circuits follow a "one rough, two scavengings, two cleanings" process, producing silver-lead concentrate and zinc concentrate respectively.

For the processing of copper-tin ore: a process flow is adopted whereby copper is recovered first, followed by mixed flotation of zinc and sulphur, and subsequent separation by flotation. The copper flotation circuit comprises 'one rough, two scavengings and two cleanings', producing a silver-copper concentrate. The zinc-sulphur mixed flotation circuit for copper tailings comprises "one roughing, three scavengings and two cleanings', producing a zinc-sulphur mixed concentrate which, after regrinding, enters the zinc-sulphur separation flotation circuit. The zinc-sulphide separation flotation circuit operates on a "one roughing, two scavenging, two concentrate" basis, producing zinc concentrate and sulphide concentrate. The tailings from the zinc-sulphide mixed flotation circuit are reactivated and fed into a "one roughing, two scavenging, two cleanings " sulphide flotation circuit for further sulphide recovery. The tailings from the sulphide ore flotation are fed into the tin processing system.

(4) Tin Gravity Separation System

Series I of the gravity separation systems was upgraded in 2018 and comprises Gravity Separation Facility 1 and Gravity Separation Facility 2; the basic process flow is largely consistent with that of Series II. Zinc-sulphide mixed flotation tailings enter the pre-separation system prior to gravity

separation; this system employs two stages of hydrocyclones to produce a coarse sand product and a fine sand product.

The gravity separation system comprises 448 6S shaking tables, organised into the following systems: first-stage coarse sand shaking tables, first-stage fine sand shaking tables, second-stage coarse sand shaking tables and second-stage fine sand shaking tables.

The first and second stages of the shaking table produced five products: a 30% Sn concentrate, a 6% Sn middlings, a 1% Sn middlings, a 0.3% Sn middlings, and a sand-free overflow. These five products were fed into their respective processing subsystems as follows:

30% Sn concentrate: as the final gravity-concentrated tin concentrate;

6% Sn middlings: This is fed into the Φ18 thickener for middlings, then sent to the second gravity separation facility for processing. It proceeds to the 6% product regrinding and classification stage (MQG1224 ball mill), followed by the first and second stage jigging systems.

Sn 1% intermediate product: After collection, the intermediate product enters the regrinding and classification system (No. 6 2740 ball mill), followed by regrinding and classification plus desulphurisation flotation, and then proceeds to the first-stage and second-stage rewashing shaking table systems.

Sn 0.3% middlings: After collection, the middlings enters the regrinding system (MQY3660 ball mill), followed by separation via a three-stage shaking table.

Overflow from the sand-free zone and the hydraulic classifier, among others, are directed into the inclined plate desliming system. Following thickening, a three-stage hydrocyclone desliming system comprising "one roughing, one scavenging and one clean" process is employed. After desliming, the slurry enters the cassiterite flotation system.

(5) Cassiterite Flotation System

A series of cassiterite flotation systems is located in Grinding Facility 3, and the process flow is essentially the same as that of Series 2. Fine-grain tailings from the gravity separation process are de-slimed before entering the cassiterite flotation process. The cassiterite flotation system first undergoes desulphurisation flotation, employing a "one roughing, three scavenging, two cleanings" process. Following desulphurisation, the material proceeds to a "one roughing, three scavenging, three cleanings" cassiterite flotation system, ultimately producing cassiterite flotation concentrate and cassiterite flotation tailings.

(6) Centrifugal Mineral Processing System

After being thickened in an inclined-plate thickener, the cassiterite flotation concentrate is pumped to the centrifugal processing system, yielding two products: centrifugal processing concentrate and centrifugal processing middlings.

(7) Concentrate Dewatering System

The same concentrate products from the two series are combined and undergo two-stage dewatering via "concentration and filter press" processes; dewatering of the sulphide concentrate and gravity separation tin concentrate takes place within the main plant building. Dewatering of the centrifugal separation concentrate and intermediate product takes place in Gravity Separation Facility 3.

(8) Tailings disposal system

Tailings from each stage are collected to form the total tailings stream, which is then fed into a deep-cone thickener for concentration, before being pumped underground for backfilling or transported to a TSF for storage.

9.5.3 Production Process for the Proposed new Processing Plant

Upon completion of the expansion project, the entire 2.97 Mtpa of ore will be subjected to primary open-circuit crushing underground and hoisted via the newly constructed main shaft. After being hoisted to the skip bin, the ore will be conveyed by belt conveyor systems to the existing and newly constructed processing plants respectively.

The process flow at the new processing plant is essentially identical to that of the existing plant, comprising an ore gravity separation and waste disposal system, an Semi-autogenous grinding + ball milling + crushing ("SABC") grinding system, a copper-priority flotation circuit, a zinc-sulphide mixed flotation circuit, a zinc-sulphide mixed concentrate regrinding and separation flotation circuit, and a tin recovery circuit for the aforementioned sulphide flotation tailings. The tin recovery circuit comprises shaking table gravity separation and desliming flotation, with the flotation concentrate being processed by a centrifugal processing plant to produce tin concentrate and secondary tin concentrate.

An intelligent sorting machine has been installed in the SABC grinding circuit to process refractory ore, discard low-grade waste rock and reduce the grinding load. The feasibility of using an intelligent sorting machine for waste rock disposal in the grinding circuit still requires verification through trials during future production.

9.6 Processing Facilities and Main Equipment

The processing plant comprises a primary crushing station, a raw ore bin, a conveyor gallery and transfer station, a main plant building, a lime slurry preparation plant, and a laboratory. The main plant building houses the grinding, flotation, gravity separation, middlings thickening, concentrate thickening, and filtration operations, as well as a reagent preparation room, a blower and air compressor room, a power distribution room, and a central control room. Figure 9-9 shows part photos of the facilities and equipment, they are clean and neat.

The main equipment of the existing 5,000 tpd mineral processing plant is listed in Table 9-9, whilst that of the proposed 4,000 tpd expansion is shown in Table 9-10. It can be seen that, due to the ore's high content of valuable elements, the wide variety of minerals and the lengthy processing flow, a large number of mineral processing units are required.

Figure 9-8: Some Equipment Photos of the Current Plant



Source: Yinman Mining

Table 9-9: Main Processing Equipment at the Existing 5,000 tpd Processing Plant

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
	Crushing plant			
1	Heavy-duty plate feeder	ZB1880JP	37	2
2	Heavy-duty plate feeder	ZB1260JP	15	4
3	Jaw Crusher	C110	160	2
	Pre-sorting and Rejection Facility		1.5	
4	Double-deck banana vibrating screen	SLD3061	55	2
5	Electro-hydraulic jaw-type gate	DEZ800×800	3	2
	Intelligent sorting machine			
6	High-weir single-screw classifier	FLG-24	90	2

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
7	Thickener	NXZ-20	7.5	2
8	Cone crusher	CS430	137.95	2
9	Air compressor	LG132G-8	132	4
10	Slurry pump	Slurry pump	Σ736	8
	Lime slurry and chemical preparation facility			
11	Screw pump	ø5000×13000	11	1
12	Agitating tank	CXB2500×2500	7.5	1
13	Agitating tank	CXB3550×3550	11	2
14	IH-type chemical centrifugal pump	IHF-40-32-160	11	14
15	Agitating tank	XB2500	7.5	7
16	Agitating tank	XB1250	4.2	8
	Fan room			
17	Variable-frequency screw air compressor	SAV75A-8	75	2
18	Centrifugal bower	CJ440-.39/0.89	500	3
	Ball mill Facility			
19	Semi-Autogenous Mill	Φ5.5×3.5m	1300	2
20	Overflow Ball Mill	Φ4.27×7.45m	2200	1
21	Overflow Ball Mill	Φ3.6×6.0m	1250	2
22	Overflow Ball Mill	Φ2.7×4.0m	400	2
23	Overflow Ball Mill	Φ2.7×4.0m	400	1
24	Linear vibrating screen	SLG3648	59	1
25	Derek high-frequency screen	2SG48-60W-5STK	3.7	4
	Flotation system for sulphide ores			
26	Flotation machine	XCFⅡ-40	110/75	43
27	Flotation machine	BF-16	37	8
28	Flotation machine	BF-8	30/22	38
29	Flotation machine	BF-4	15	15
30	Agitating tank	XB3550×3550	37	7
31	Agitating tank	XB2500×2500	18.5	1
32	Agitating tank	XB2000×2000	7.5	1
33	Agitating tank	XB1600×1600	4	1
34	Agitating tank	XB3150×3150	37	1
35	Agitating tank	XB4000×4000	37	1
	Gravity Separation Facility 1			
36	Shaking table	6-S	1.1	448
37	Agitating tank	ø2000	7.5	3
38	Agitating tank	Φ1250	1.5	1

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
39	Agitating tank	Φ1000	1.1	1
40	Grate ball mill	Φ1200×2400	55	1
41	Shaking table(60 Straight)	6S	1.1	20
42	Shaking table(90 Straight)	6S	1.1	106
43	Shaking table(90 Double Wave)	6S	1.1	60
44	Shaking table(120 Straight)	6S	1.1	90
45	Shaking table(138 Straight)	6S	1.1	12
46	Flotation machine	BF-8	30	8
47	Flotation machine	BF-4	7.5	5
48	Linear vibrating screen	SLG2461	37	1
49	Derek high-frequency screen	2SG48-60KW-5STK	3.7	1
	Gravity Separation Facility 2			
50	Overflow ball mill	Φ3.2×5.4m	800	1
51	Shaking table	6-S	1.1	144
52	Centrifugal blower	C210-1.4Z	185	2
53	Pneumatic flotation machine	XCF-12	45	3
54	Pneumatic flotation machine	XCF-24	75	5
55	Pneumatic flotation machine	KYF-24	45	9
56	Pneumatic flotation machine	KYF-12	37	1
57	Mixing tank	GBJ-2000×2000	15	3
	Gravity Separation Facility 3			
58	Thickener	HD-16-HCT	18.5	1
59	Ball mill	Φ3.2×4.0m	630	2
60	Pneumatic flotation machine	XCFII-16	45	10
61	Pneumatic flotation machine	KYFII-16	37	26
62	Pneumatic flotation machine	XCFII-8	30	6
63	Pneumatic flotation machine	KYFII-8	22	2
64	High-pressure diaphragm filter press	XMZGQF200/1250	51.6	2
65	Lifting mixing tank	TBJ-2500	30	1
66	High-efficiency mixing tank	GBJ-2500	18.5	5
67	Centrifugal blower	C430-1,29/0.9	355	1
68	Screw-type air compressor	HD-VPM15	15	1
69	Air-suspended blower	ZGK-400	400	1
70	Flotation machine	BF-16	37	18
71	Flotation machine	BF-4	30	14
	centrifugal separator			
	Dehydration system			

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
72	High-efficiency thickener	ø9m	5.5	2
73	High-efficiency thickener	ø12m	5.5	1
74	High-efficiency thickener	ø15m	7.5	2
75	High-efficiency thickener	ø18m	7.5	2
76	Belt vacuum filter	BF25 ㎡/2500	90	1
77	Belt vacuum filter	BF10.4 ㎡/1300	37	1
78	Ceramic filter	HTG-60/5	59	1
79	Ceramic filter	HTC-12/3	18	2
80	Ceramic filter	HTG-45/5	29	1
81	Ceramic filter	HTG-24/3	29	2
82	Ceramic filter	PC60/12	59	1
83	Ceramic filter	HTG-36/3	29	1

Source: Yinman Mining

Table 9-10: Main Processing Equipment for a New 4,000 tpd Copper-tin Processing Plant

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
	Grinding system			
1	Heavy-duty belt feeder	B=1400，L=4m	15	4
2	Cone crusher (for hard rock crushing)	CH420MF/HP100	90	2
3	Intelligent Photoelectric Mineral Sorting Machine	CC-1700	22	1
4	Pre-washing banana screen	SM3061 Double-deck banana screen	55	1
5	Semi-autogenous mill	ø7.0×3.5m	2800	1
6	Double-deck linear screen	SL3072（3073）	55	1
7	Grate ball mill	ø4.8×7.0m	3000	1
8	Double-deck linear screen	SL3072（3073）	55	1
9	Closed-circuit ball mill classifier	ø500-6	-	2
10	High-frequency fine screen	2SG48-60KW-5STK，a=0.35mm	Σ6.88	10
11	No. 3 Linear Screen (Debris Screen)	ZKK3673	55	1
	Silver-copper flotation system			
12	Pulp agitator tank	ø5000×5000	75	1
13	Floating machine (roughing, scavenging)	XCF/KYF-100, round	160/132	4
14	Floating machine (cleaning)	XCF/KYF-16	45/30	5
	Zinc-sulphide flotation system			
15	Pulp agitator tank	ø5000×5000	75	2

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
16	Floating machine (roughing, scavenging)	XCF/KYF-100, round	160/132	5
17	Floating machine (cleaning)	XCF/KYF-16	45/30	5
	Zinc-sulphur separation system			
18	No. 2 classification cyclone	FX150-6	-	1
19	Tower grinder	WTM-355	355	1
20	Pulp agitator tank	ø2500×2500	18.5	1
21	Floating machine (roughing, scavenging)	XCF/KYF-8	22/15	7
22	Floating machine (cleaning)	XCF/KYF-8	22/15	3
	Sulphur flotation system			
23	Agitating tank	ø5000×5000	75	1
24	Floating machine (roughing, scavenging)	XCF/KYF-100, round	160/132	4
25	Floating machine (cleaning)	XCF/KYF-8	22/15	5
	Tailings classifier for sulphide ores			
26	Secondary slag screen	ZKK3673	55	1
27	First-stage coarse and fine classification cyclone	6-Φ350	-	1
28	Second-stage coarse and fine classification cyclone	12-Φ250	-	1
	Cassiterite flotation			
29	Three-stage screen	ZKK2460	15	1
30	First-stage desliming hydrocyclone – primary screening	D16-16/16(Φ165×16)	-	2
31	Two-stage desliming hydrocyclone – cleaning	D10-10/10(Φ100×10)	-	2
32	Three-stage desliming hydrocyclone – scavenging	D22-10/22(Φ100×22)	-	2
33	Agitating tank	ø2500×2500	18.5	2
34	Floating machine (desulphurisation roughing and scavenging)	XCF/KYF-40	75/55	6
35	Floating machine (desulphurisation cleaning)	XCF/KYF-16	45/30	2
36	Agitating tank	ø2500×2500	18.5	3
37	Floating machine (Tin ore roughing and scavenging)	XCF/KYF-40	75/55	9
38	Floating machine (Tin ore cleaning)	XCF/KYF-16	45/30	3
	Centrifugal mineral processing system			
39	Flotation concentrate inclined plate thickener	KMLZG-600	-	1

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
40	Centrifugal mineral separator	SLon-2400	22	8
	Gravity Separation Facility			
41	Coarse sand shaking table	6-S shaking table	1.5	216
42	Fine sand shaking table	6-S shaking table	1.5	54
43	Concentrate shaking table	6-S shaking table	1.5	54
44	Rewashing shaking table	6-S shaking table	1.5	144
45	Scavenging shaking table	6-S shaking table	1.5	36
	6% Tin concentrate desulphurisation system			
46	6% product slant plate concentration	KMLZG-600	-	1
47	Dehydration hydrocyclone unit	FX150-6	-	1
48	Cyclone overflow slant plate thickening	KMLZG-600	-	1
49	High-frequency fine screen	D5FG1216, 5 层	1.84	1
50	Re-grinding ball mill	MQG1530	75	1
51	Pulp stirring tank	ø2000×2000	11	1
52	Desulphurisation flotation (roughing, scavenging)	XCF/KYF-8	22/15	5
53	Desulphurisation flotation (cleaning)	XCF/KYF-4	11/15	3
	1% tin concentrate desulphurisation system			
54	1% product slant plate concentration	KMLZG-1200	-	1
55	Dehydration hydrocyclone unit	FX150-10	-	1
56	Re-grinding ball mill	MQY3245	800	1
57	Slurry lifting and mixing tank	ø2000×2000	22	1
58	Pulp stirring tank	ø2000×2000	11	1
59	Desulphurisation flotation (roughing, scavenging)	XCF/KYF-16	45/30	4
60	Desulphurisation flotation (cleaning)	XCF/KYF-8	22/15	3
	0.3% tin Middlings processing system			
61	0.3% product slant plate concentration	KMLZG-4000	-	1
62	Dehydration hydrocyclone unit	FX250-12	-	1
63	Re-grinding ball mill	MQY3660	1250	1
64	Coarse-removal cyclone	FX250-12	-	1
65	Hydraulic classification and overflow concentration	KMLZG-6000	-	1
	Concentrate Thickening and Filtration Plant			
66	Silver-copper concentrate thickener	Φ18m	5.5	1

No.	Equipment	Model and Specifications	Capacity (kW)	Quantity
67	Zinc concentrate thickener	Φ18m	5.5	1
68	Sulphide concentrate thickener	Φ18m	5.5	1
69	Tin concentrate gravity Separation thickeners for tin concentrate	KMLZG-200	-	1
70	Tin concentrate centrifugal thickener	KMLZG-600	-	1
71	Tin middlings centrifugal thickener	KMLZG-800	-	1
72	Silver-copper concentrate filter	24m^2 Ceramic filter	Σ23	2
73	Zinc concentrate filter	24m^2 Ceramic filter	Σ23	2
74	Sulphur concentrate filter	36m^2 Ceramic filter	Σ28.5	2
75	Magnetic separator (30% gravity concentrate)	25m^2 Belt filter	11	2
76	Filter press (centrifuge concentrate)	150m^2 Filter press	3	2
77	Filter press (mining centrifuge)	150m^2 Filter press	3	2
78	LDZ-type grab crane	Gn=10t, S=26.5m, H=15m	Σ29.8	6

Source: *Preliminary Design for the 2.97 million tonnes per annum Expansion Project of the Copper, Lead, Tin, Silver and Zinc Mine at the Baiyin Chagan Dongshan Mining Area,* Jinjian Engineering Design Co., Ltd., September 2025

9.7 Design of Mineral Processing Technical Index and Production Performance

9.7.1 Lead-zinc Ore

Based on the results of the mineral processing tests, ENFI has designed the production targets for the lead-zinc processing system as shown in Table 9-11, with the aim of producing a mixed silver-lead-antimony concentrate and a silver-zinc concentrate.

Table 9-11 shows the production performance of lead-zinc ore over the past three years. The actual grade of the ore fed into the processing plant was higher than the design feed grade, and it contained a relatively high level of antimony. This resulted in the production of a mixed silver-lead-antimony concentrate and a silver-zinc concentrate, with metal recovery rates for both exceeding the design values. However, the recovery of silver in the lead concentrate was lower than the design value, and the overall silver recovery rate was also slightly below the design value.

Table 9-11: Designed Technical Index for Lead-Zinc System

Product	Production	Yield	Grade				Recovery			
			Pb	Zn	Ag	Sb	Pb	Zn	Ag	Sb
	t/d	%	%	%	g/t	%	%	%	%	%
Ag/Pb Concentrate	17.00	0.68	30.00	4.70	14,925	16.25	68.00	3.02	85.00	65.00
Zn Concentrate	45.95	1.84	0.55	45.00	324.46	0.18	3.37	78.00	5.00	2.00
Tailings	2,437.05	97.48	0.09	0.21	12.25	0.06	28.63	18.98	10.00	33.00
ROM	2,500.00	100.0	0.30	1.06	119.40	0.17	100.00	100.00	100.00	100.00

Source: *Preliminary Design Report for the Mining and Processing Project of the Baiyin Chagan Zinc and Polymetallic Mine, Inner Mongolia, by Yinman Mining Co., Ltd., Xiwujumqin Banner*; China ENFI Engineering Co., Ltd., June 2014

Table 9-12: Historical Production Performance of the Lead-zinc System at the Yinman Processing Plant

Index	Unit	2023	2024	2025	Total/ Average
Ore throughput	t	310,169	476,462	416,010	1,202,642
Feed Grade	Pb, %	0.71	0.59	0.67	0.65
	Sb, %	0.52	0.52	0.57	0.54
	Cu, %	0.06	0.06	0.07	0.07
	Zn, %	2.04	1.68	1.89	1.85
	Ag, g/t	111.7	101.0	128.1	113.1
Feed Metal Content	Pb, t	2,200	2,789	2,779	7,768
	Sb, t	1,627	2,483	2,388	6,498
	Cu, t	185	309	307	802
	Zn, t	6,332	8,005	7,854	22,190
	Ag, kg	34,642	48,133	53,277	136,052
Silver-lead Concentrate Production	t	6,580	7,897	9,065	23,542
Silver-lead Concentrate Grade	Pb, %	23.71	22.47	22.25	22.74
	Sb, %	15.88	17.41	16.04	16.46
	Cu, %	1.54	1.92	1.72	1.74
	Ag, g/t	4,195	4,471	4,490	4,401
Silver-lead Concentrate Metal Content	Pb, t	1,560	1,775	2,017	5,352
	Sb, t	1,045	1,375	1,454	3,874
	Cu, t	101	152	156	409
	Ag, kg	27,604	35,306	40,704	103,615
Silver-lead Concentrate Recovery Rate	Pb, %	70.94	63.63	72.58	68.90
	Sb, %	64.24	55.38	60.89	59.62
	Cu, %	54.64	49.09	50.76	51.01
	Ag, %	79.68	73.35	76.40	76.16
Zinc Concentrate Production	t	12,051	16,037	14,620	42,708
Zinc Concentrate Grade	Zn, %	42.75	41.13	42.00	41.88
	Ag, g/t	364	450	387	404
Metal Content of Zinc Concentrate	Zn, t	5,152	6,596	6,140	17,888
	Ag, kg	4,388	7,219	5,658	17,265
Zinc Concentrate Recovery Rate	Zn, %	81.37	82.39	78.18	80.61
	Ag, %	12.67	15.00	10.62	12.69

Source: Monthly Production Report for the Lead-Zinc Series from Yinman Mineral Processing Plant

9.7.2 Copper-tin Ore

Copper-tin ore contains a variety of valuable metals. ENFI's design produces silver-copper concentrate, silver-lead concentrate, zinc concentrate, sulphide concentrate, tin concentrate and

secondary tin concentrate. The technical specifications for the processing flowsheet are shown in Table 9-13.

The actual production performance of the copper-tin processing system over the past three years is shown in Table 9-14, with actual outputs of silver-copper concentrate, silver-zinc concentrate, tin concentrate and secondary tin concentrate. As the lead and antimony content in the ore is relatively low, no lead-antimony concentrate or sulphide concentrate has been produced. The copper grade of the actual silver-copper concentrate produced is relatively low, averaging below 10%, and it has a high arsenic content of around 1.5%, although the copper recovery rate is high. The low copper grade in the copper concentrate may be due to the enrichment of lead and antimony within it; and it may be possible to separate lead-antimony concentrate from the silver-copper concentrate. The low zinc recovery rate in the zinc concentrate may be due to the fact that zinc minerals were not effectively suppressed during the priority copper processing, resulting in a high zinc content in the copper concentrate. The recovery rate of the tin concentrate exceeded the design value, whilst that of the secondary tin concentrate fell short of the design value.

The copper-tin ore contains a variety of valuable metals, resulting in a complex process and a complex reagent regime. By strengthening process control, there remains significant scope for improvement in the technical indicators of the processing flowsheet. It may be possible to produce lead-antimony concentrate and sulphide concentrate, thereby increasing the copper grade in the copper concentrate and the zinc recovery rate in the zinc concentrate, whilst also potentially improving the tin recovery rate.

Table 9-13: Designed Processing Index for the Copper-tin System at the Yinman Project Processing Plant

Product	Production	Yield (%)	Grade							Recovery						
			Cu	Pb	Zn	S	Ag	Sn	Sb	Cu	Pb	Zn	S	Ag	Sn	Sb
	t/d	%	%	%	%	%	g/t	%	%	%	%	%	%	%	%	%
Ag/Cu Concentrate	22.26	0.89	18.00	4.10	7.60	28.62	11308.00	8.54	6.17	70.00	19.21	10.57	8.32	85.00	9.50	39.22
Ag/Pb Concentrate	8.44	0.34	1.67	18.00	12.54	29.68	1393.00	3.29	7.41	2.47	32.00	6.66	3.30	4.00	1.40	18.00
Zn Concentrate	22.33	0.89	1.19	1.72	43.00	31.65	399.10	3.60	1.10	4.60	8.06	60.00	9.21	3.00	4.00	6.99
S Concentrate	122.40	4.90	0.40	0.90	1.00	35.00	48.33	0.98	0.80	8.52	23.21	7.66	56.00	2.00	6.00	28.00
Sn Concentrate 1	18.00	0.72	0.03	0.15	0.90	1.20	8.58	40.00	0.01	0.10	0.57	1.01	0.28	0.05	36.00	0.05
Sn Concentrate 2	65.00	2.60	0.05	0.06	0.39	0.65	4.55	4.00	0.01	0.60	0.82	1.58	0.55	0.10	13.00	0.19
Tailings	2,241.57	89.66	0.04	0.03	0.09	0.76	7.73	8.54	0.01	13.71	16.13	12.52	22.34	5.85	30.10	7.55
ROM	2,500.00	100.00	0.23	0.19	0.64	3.06	118.40	0.80	0.14	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: *Preliminary Design Report for the Mining and Processing Project of the Baiyin Chagan Zinc and Polymetallic Mine, Inner Mongolia, by Yinman Mining Co., Ltd., Xiwujumqin Banner*; China ENFI Engineering Co., Ltd., June 2014

Table 9-14: Historical Production Performance of the Copper-tin System at the Yinman Project Processing Plant

Index	Unit	2023	2024	2025	Total/ Average
Ore Processed	t	1,117,920	1,173,831	1,266,483	3,558,234
Average Feed Grade	Cu, %	0.23	0.25	0.17	0.22
	Pb, %	0.14	0.16	0.11	0.13
	Zn, %	0.67	0.61	0.5	0.59
	Ag, g/t	99.04	115.08	84.98	99.33
	Sb, %	0.16	0.2	0.17	0.18
	Sn, %	1.2	1.19	0.89	1.09

Index	Unit	2023	2024	2025	Total/ Average
Feed Metal Content	Cu, t	2,593	2,966	2,155	7,714
	Pb, t	1,521	1,860	1,399	4,780
	Zn, t	7,485	7,191	6,367	21,043
	Ag, kg	110,722	135,086	107,628	353,436
	Sb, t	1,769	2,396	2,115	6,280
	Sn, t	13,460	13,992	11,327	38,779
Ag/Cu Concentrate Production	t	22,725	28,430	21,749	72,904
Grade of Ag/Cu Concentrate	Cu, %	9.57	8.59	7.9	8.69
	Ag, g/t	4,129	4,066	4,153	4,112
Ag/Cu Concentrate Metal Content	Cu, t	2,175	2,443	1,719	6,338
	Ag, kg	93,821	115,591	90,333	299,745
Ag/Cu Concentrate Recovery	Cu, %	83.89	82.37	79.78	82.16
	Ag, %	84.74	85.57	83.93	84.81
Zinc Concentrate Production	t	8,702	5,102	4,217	18,020
Zinc Concentrate Grade	Zn, %	36.35	36.47	38.75	36.94
	Ag, g/t	503.3	660.2	522.8	552.3
Zinc Concentrate Metal Content	Zn, t	3,163	1,860	1,634	6,657
	Ag, kg	4,380	3,368	2,204	9,952
Zinc Concentrate Recovery	Zn, %	42.26	25.87	25.66	31.64
	Ag, %	3.96	2.49	2.05	2.82
Tin Concentrate Production	t	18,550	20,467	15,926	54,943
Tin Concentrate Grade	Sn, %	31.42	30.73	31.38	31.15
Tin concentrate Metal Content	Sn, t	5,829	6,289	4,998	17,116
Tin Concentrate Recovery	Sn, %	43.3	44.94	44.13	44.14
Sub-tin Concentrate Production	t	13,644	26,214	33,465	73,323
Sub-tin Concentrate Grade	Sn, %	11.13	9.47	5.79	8.10
Sub-tin Concentrate Metal Content	Sn, t	1,518	2,483	1,936	5,937
Sub-tin Concentrate Recovery	Sn, %	11.28	17.74	17.09	15.31
LG Tin Concentrate Production	t	9,631	3,833	13	13,477
LG Tin Concentrate Grade	Sn, %	2.81	3.14	9.17	2.91
LG Tin Concentrate Metal Content	Sn, t	270.7	120.5	1.2	392.4
LG Tin Concentrate Recovery	Sn, %	2.01	0.86	0.01	1.01
Total Tin Recovery	Sn, %	56.59	63.54	61.23	60.46

Source: Monthly Production Report for the Copper and Tin Series from Yinman Processing Plant:

Saleable sulphur concentrate (pyrite concentrate) has occasionally produced historically (3,745 tons in 2023 and 1,765 tons in 2024), while the pyrite concentrate production operation has cessed in June 2024 due to the poor market.

The technical specifications for the copper-tin ore processing flowsheet in the 'Expansion Design' by Jinjian Engineering, dated April 2025, are shown in Table 9-15. These design specifications take into account the actual product mix and performance targets of the processing plant; the lead-antimony concentrate product has been omitted, and the designed recovery rates are closely aligned with actual production conditions.

Table 9-15: Technical Index for the New Processing Plant in the Expansion Design

Product	Production (t/d)	Yield (%)	[2]Grade (%)						Recovery (%)					
			Cu	Zn	S	Ag (g/t)	Sn	Sb	Cu	Zn	S	Ag	Sn	Sb
Ag/Cu Concentrate	100.59	2.33	**6.65**	12.65	15.50	**4,616**	1.05	8.22	**81.50**	27.35	20.63	**84.00**	5.10	66.00
Zn Concentrate	52.81	1.22	1.98	**35.00**	16.11	**437.6**	0.85		12.76	**40.00**	11.26	**4.18**	2.16	-
S Concentrate	149.68	3.47	0.11	2.35	**26.00**	129.25	0.35		2.00	7.60	**51.50**	3.50	2.52	-
[1]Sn Concentrate 1	30.40	0.72					**30.00**						**44.00**	-
[1]Sn Concentrate 2	9.33	0.22					**30.00**						**13.50**	
[1]Sn Concentrate 3	43.97	1.23					2.12						4.50	
Tailings	3,931.40	91.04												
ROM	4,318.18	100.00	0.19	1.07	1.75	128.01	0.48	0.29	100.0	100.0	100.0	100.0	100.0	100.0

Source: Preliminary Design for the 2.97 million tonnes per annum Expansion Project of the Copper, Lead, Tin, Silver and Zinc Mine at the Baiyin Chagan Dongshan Mining Area, Jinjian Engineering Design Co., Ltd., September 2025

Note:

1 Sn Concentrate 1, 2 and 3 refer to gravity concentrate, flotation concentrate and concentrate and middlings obtained by centrifugal separation, respectively;

2 As the lead grade in the ore is low, no lead recovery targets have been set; lead is typically concentrated in the copper concentrate.

9.8 Tailing Storage Facility

9.8.1 Storage Capacity Requirement

The Yinman Project processing plant comprises a lead-zinc processing system and a copper-tin processing system. The lead-zinc system has a processing capacity of 825 ktpa and a tailings yield of 97.48 per cent; tailings production of 804,210 tpa, and a total tailings volume of 39.271 Mt over the service life; the copper-tin system has a processing capacity of 825 ktpa, a tailings yield of 89.66%, an annual tailings production of 739,700 tonnes, and a total tailings volume of 7.415 Mt over the service life. The total tailings production over the mine's service life is 46.686 Mt.

Mining employs full tailings backfilling, with a maximum average daily backfilling consumption of 2,100 tonnes; when backfilling operations are underway in the mining area, all tailings from the processing plant are sent underground for backfilling; when no backfilling operations are taking place in the mining area, all tailings from the processing plant are sent to the TSF for storage.

ENFI has designed the TSF to have a service life of 20 years, serving as the mine's initial tailings dam. To address TSF requirements beyond the 20-year period, studies may be conducted to raise and expand the initial TSF, or a new site may be identified for a subsequent TSF; a comprehensive technical and economic analysis should be carried out before the required time to determine the site selection scheme for TSF beyond the 20-year period.

The total volume of tailings discharged from the processing plant over its 20-year service life is approximately 31.137 Mt; the total volume of tailings used for backfilling in the mining operation over the same period is approximately 13.86 Mt; and the total volume of tailings sent to the TSF from the processing plant over the 20-year service life is approximately 17.277 Mt. calculated based on an average dry bulk density of 1.60 t/m³ for the tailings, the effective storage capacity required for the tailings is approximately 10.798 Mm³; calculated using a TSF capacity utilisation factor of 0.75, the total required TSF capacity is approximately 14.397 Mm³.

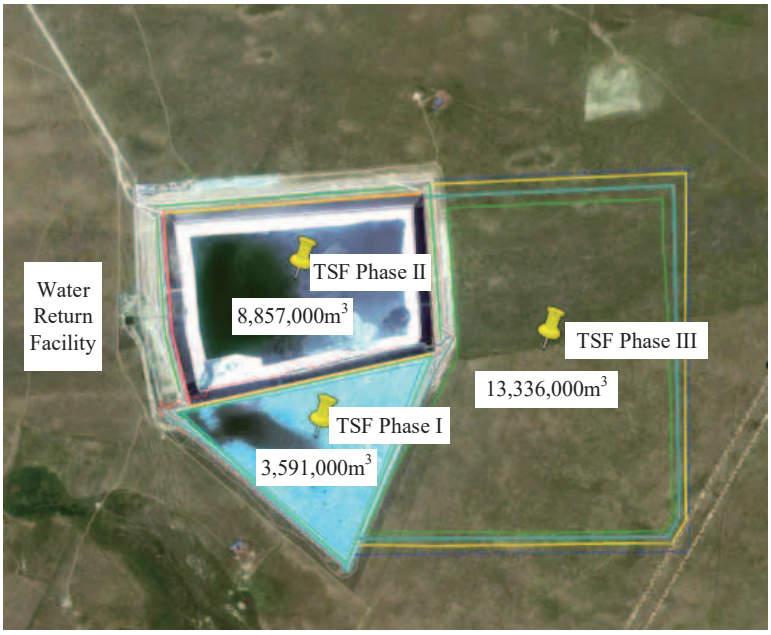
9.8.2 Design and Current Status of Tailings Facilities

The TSF is situated in a wide, shallow valley approximately 4.5 km southeast of the mineral processing plant and is formed by embankments constructed around its perimeter. The TSF is being constructed in two phases. The first-phase tailings dam has a total capacity of approximately 3.591 Mm³, an effective capacity of approximately 2.552 Mm³, a maximum dam height of 16 m, and a crest elevation of 985 m asl. It is classified as a Class IV TSF, covers an area of approximately 650 m^3 and has a design life of approximately 5 years. The Phase II TSF is situated to the north of the Phase I TSF, sharing a section of the TSF with it. The crest elevation is the same as that of the Phase I tailings dam (985 m asl.), and the maximum dam height is 18.5 m. The total storage capacity of the Phase II TSF is approximately 8.857 Mm³, with an effective storage capacity of approximately 6.303 Mm³. It is classified as a Class IV TSF, covering an area of approximately 1,125 m^3, with an additional service life of approximately 10 years.

The Phase I and Phase II TSFs are, in fact, two distinct sections of the entire TSF and can be used in conjunction to form a single TSF. The total storage capacity of the entire facility is approximately 12.448 Mm³, with an effective storage capacity of approximately 8.855 Mm³. The maximum dam height is 18.5 m; it is classified as a Class IV TSF with a service life of approximately 15 years. Currently, the storage capacity of the Phase I TSF has been fully utilised, whilst the Phase II TSF has a remaining effective storage capacity of 3.6 Mm³. Based on the original processing capacity of 1.65 Mtpa, a tailings dry density of 1.40 t/m³ and a mining backfill rate of 50%, the remaining service life is approximately 6 years.

To accommodate the expansion of the processing plant to a capacity of 2.97 Mtpa, the 'preliminary design' proposes a further eastward extension (Phase III) of the existing expanded TSF. Dams will be constructed on the north, east and south sides of the Phase I and Phase II tailings dams, whilst the western side will share the existing structure with the south-eastern dam body and the active dam of the Phase I and Phase II TSFs, as shown in Figure 9-9. The crest elevation remains at 985 m asl., with a maximum dam height of 17 m, resulting in a new total storage capacity of 13.336 Mm³ and an effective storage capacity of 10.935 Mm³, which is sufficient to meet the tailings storage requirements for the remainder of the mine's operational life.

Figure 9-9: **Layout of the Yinman Project TSF**



Source: Preliminary Design for the 2.97 million tonnes per annum Expansion Project of the Copper, Lead, Tin, Silver and Zinc Mine at the Baiyin Chagan Dongshan Mining Area, Jinjian Engineering Design Co., Ltd., September 2025

The TSF is formed by constructing a perimeter dam. The TSF is constructed in a single phase and is of the earth-rock type, built using local materials. It has a maximum height of 18.5 m and is located on the western side of the Phase I TSF. The crest width is 5 m, with internal and external slopes of 1:2.5. The internal slope is treated with impermeabilisation and a filter layer, whilst the external slope is protected with riprap. The TSF employs full-surface membrane lining for impermeabilisation.

The Phase I TSF utilises a 'drainage well + drainage pipe' flood discharge system. The drainage well is situated at the foot of the western embankment; it is a single 3 m diameter frame-type well with a height of 18 m. The drainage pipe, with a diameter of 1.5 m, connects to the well and passes through the embankment to the return water clarification tank, with a total length of 160 m. The flood control system is designed to withstand a 200-year return period flood. As the Phase I TSF is now full, the drainage well and pipe have been sealed off, and a spillway has been constructed on the western side of the Phase II TSF; consequently, the Phase II TSF utilises a spillway for flood discharge. The Phase III TSF also employs a spillway for flood discharge, with an energy dissipation pond at the spillway outlet connected to the return water pond. Clarified water from within the TSF is pumped back to the processing plant via a floating pump station and return water pipelines.

A flood control ditch has been constructed along the toe of the TSF 's outer slope to prevent rainwater outside the pond from eroding the dam body.

When backfilling operations are not taking place in the mining area, all tailings discharged from the processing plant are thickened to a concentration of 58% using deep-cone thickeners. These are prioritised for underground backfilling; when backfilling is not required, they are pumped to the newly constructed TSF diaphragm pump house, where they are adjusted to a concentration of 45% before being pumped to the TSF for storage. Calculations indicate that the vertical head for conveying tailings from the new diaphragm pump house to the TSF is approximately 30 m, with a conveyance distance of approximately 8,500 m. Tailings discharge employs a combination of TSF tail-end discharge and peripheral discharge methods, utilising both centralised and rotational discharge.

The TSF is equipped with online and manual monitoring systems. Monitoring facilities for the TSF include displacement (surface displacement, internal displacement), seepage, dry beach, pond water level, precipitation, etc.

9.9 Summary

The Yinman Project Processing Plant has a processing capacity of 5,000 tpd, comprising a 2,500 tpd lead-zinc circuit and a 2,500 tpd copper-tin circuit, which process lead-zinc ore and copper-tin ore respectively. As the flotation processes and equipment configurations for both lines are identical, by adjusting the reagent regime, both lines can process either lead-zinc ore or copper-tin ore. Copper-tin ore is essentially copper-zinc ore with a higher tin content. A copper-priority flotation followed by zinc flotation process is employed to produce copper concentrate and zinc concentrate, whilst the flotation tailings are subjected to gravity separation to recover cassiterite and stannite and produce tin concentrate.

The products of lead-zinc ore are lead concentrate and zinc concentrate. Lead concentrate contains relatively high levels of silver and antimony and is essentially a mixed lead-antimony-silver concentrate. Although it is possible to separate lead and antimony to produce independent lead concentrate and antimony concentrate, it is highly likely that the mutual content of lead and antimony in each other's concentrates will be high, SRK therefore considers the current product scheme to be reasonable. Due to the complex intergrowth relationships between minerals, it is common for a single mineral to contain multiple valuable metals. The high mutual inclusion of metals within each concentrate product results in lower grades for metals other than silver, which affects the selling price of the metals in the concentrates. Both types of ore have relatively high silver grades, and the recovery rate of silver in the concentrates is also high, making it the primary contributor to sales revenue.

Plans are in place to construct a new 4,000 tpd processing plant to process copper-tin ore, thereby expanding the total ore processing capacity to 9,000 tpa. Based on an effective operating period of 330 days per year, the annual ore processing capacity will be 2.97 Mt. The new processing plant has optimised the tin recovery process and equipment for sulphide tailings.

To support the expansion of the processing plant, there are plans to expand the TSF, with the total storage capacity designed to accommodate all tailings discharged from the processing plant (including surplus tailings for backfilling).

Although the lead-zinc system at the processing plant is capable of processing copper-zinc ore, the chemical regimes for the two types of ore differ; frequent changes to the chemical regime will have an adverse effect on processing performance. SRK recommends that, once the new processing plant

is operational, the lead-zinc system should be dedicated exclusively to processing lead-zinc ore, thereby avoiding any impact on processing performance caused by changes to the reagent regime.

As the price of sulphur concentrate rises, it will become profitable to produce sulphur concentrate from recovered pyrite. SRK recommends adding a zinc-sulphur separation flotation circuit to the existing processing plant to produce sulphur concentrate alongside zinc concentrate.

10 Workforce Assessment

10.1 Workforce Numbers

The project is located in a sparsely populated area, with most labour sourced from Xilinhot City and surrounding areas in Inner Mongolia. The Yinman Mining has been in production for many years and has built up a strong team of experienced technical and management personnel, providing robust technical support for the proposed expansion project. The Company currently has 13 departments, with 349 employees and 1,471 contracted personnel.

10.2 Assessment of Workforce

The production workers in the mining facility operate under a continuous working system, with 330 working days per year. The schedule comprises three shifts per day, eight hours per shift. Other personnel follow an intermittent working system depending on their roles and responsibilities. The organisational structure includes the mining, processing and auxiliary workshops. Staffing and scheduling are periodically adjusted to align with production requirements and operational conditions.

The support facilities operate based on the principle of serving production needs. In general, it adopts a continuous working system to align with production requirements, while functional roles such as management and service personnel primarily work under an intermittent duty system. The laboratory facilities and the mechanical workshop and underground maintenance stations follow different shift basis, of which the Laboratory is on one eight hour shift per day for 330 days per year while the mechanical workshop and underground maintenance stations operate 330 days per year, on a two-shift basis, eight hours per shift and four workers per shift. Specific scheduling and arrangements are adjusted as necessary to accommodate the operational demands and actual conditions of the mine.

The project employs a secondary management framework, structured around the Ministry of Mines and its associated workshops. This framework aims to facilitate organisational management, allocate human resources, and clarify the division of responsibilities and authority within the project site.

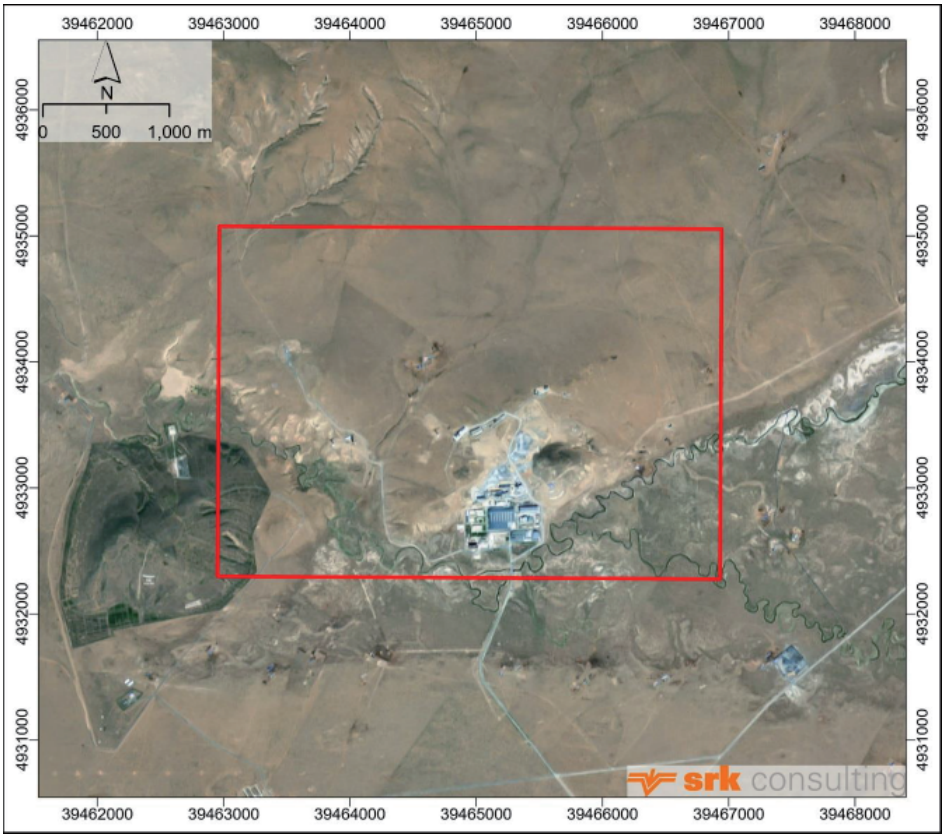
At the operational level, the project incorporates two main workshops: the mining workshop, responsible for extraction and production activities, and the support workshop, which provides ancillary services to the production process. The arrangement and roles of personnel within these workshops may be adjusted periodically to accommodate changes in the mine's operational requirements and conditions.

11 Project Infrastructure

11.1 Access

The Yinman Project area is about 10 km north of Provincial Highway G207, 120 km from Xilinhot Railway Station, and 90 km from the banner government seat at Balagaer Gaole Town. The mining area is connected to Provincial Highway S307 by a paved (cement) road, and access is relatively convenient. A complete system of internal and external roads has already been built for all existing industrial sites of the mine (Figure 11-1).

Figure 11-1: Yinman Mine Layout



11.2 Power Supply

The mine has a complete power supply and distribution system. Electrical power is drawn from the Wujianfang 220 kV substation, located approximately 3 km from the Yinman Project. There are currently three wind turbines in the Yinman Project area, which are currently integrated into the national grid. A 35/10 kV main step-down substation near the processing plant supplies power to the

mine workings and the processing plant. At the auxiliary shaft industrial site, a 10 kV substation supplies power to underground mining, auxiliary shaft hoisting and the compressor house at the shaft collar.

The China Resources Power Xilingol Power Plant, located about 12 km northeast of the Yinman Project, is capable of meeting the total heating demand of the existing Yinman processing plant and associated facilities. Heating for the new processing plant and related ancillary facilities is planned to be supplied from waste heat recovered from Jinneng (Xilingol) Power Generation Co., Ltd., which will satisfy the required heating load.

11.3 Water Supply

Process water is sourced primarily from underground mine dewatering. The volume of mine water is sufficient to meet the fresh-water requirements of the mining and processing operations. To address the potential variability of mine dewatering and ensure security of supply, a backup production water source has been established in the central part of the alluvial plain in the downstream section of the Bagajilinguole River valley, providing process water for the entire project.

Domestic water is supplied from existing potable water wells. A dedicated domestic water source has been developed in the upstream section of the Bagajilinguole River to meet all site drinking-water needs.

11.4 Workshops and Repair Facilities

11.4.1 Processing Workshops

The planned primary process facilities of Yinman Project processing plant consist of a full range of processing and auxiliary facilities, including a skip bunker, ore transfer belt conveyor and transfer station, grinding bin, gangue crushing and optical ore-sorting facility, crushing substation, waste-rock bin, processing plant materials warehouse, processing plant maintenance shop, reagent preparation and storage building, main plant grinding facility, sampling and sample-preparation room, main plant substation, main plant flotation facility, main plant gravity separation facility, processing plant office building, concentrate thickening and filtration facility, and concentrate storage facility.

11.4.2 Maintenance Facilities

At present, there is a mechanical/ vehicle repair shop on surface, mainly responsible for the repair and maintenance of trackless mining equipment, processing equipment, and related facilities.

During the planned construction period, the mine will provide one rail equipment maintenance chamber at the 450 m rail-transport level, mainly responsible for routine maintenance of underground locomotives, mine cars and other rail-mounted equipment. A trackless mining equipment maintenance chamber will be set at the 590 m sublevel. During years 10–11 of production, another trackless equipment maintenance chamber will be established at the 290 m sublevel, mainly for routine maintenance and minor repairs of trackless mining equipment.

In addition, a new mechanical repair shop is planned in the new plant, to provide repair and maintenance services for the equipment.

11.5 Buildings and Accommodation

11.5.1 Accommodation Camp

The permanent accommodation complex covers an area of 616,506 m², including office building, laboratory, dormitory building, staff apartment, staff recreation centre, Research and Development ("R&D") centre, plant workshop, water purification facilities, and other facilities.

The accommodation complex includes the following facilities:

- Kitchen, dining hall.
- Recreation, exercise, and entertainment facility.
- Billiards, basketball, badminton, and table tennis field.
- Shower facilities.
- Parking area.
- Reading room
- Infirmary equipped.
- Emergency power plant.

Administration, Human Resources, and Accounts Offices are located at the camp. Mine and Mill Administration Offices are located at the mine and mill areas.

11.5.2 Solid Waste Disposal

During the mine construction period, waste rock will be generated and hauled by trucks to the TSF for dam construction, with transportation relying on social (third-party) haulage services.

During the production period, part of the waste rock will be used to backfill stopes, and the remainder will be transported out from underground via ramp by mining haul trucks for utilisation, or first sent to a temporary waste-rock stockpile for short-term storage before being utilised.

Tailings from the processing plant will be used preferentially for underground backfilling, with the surplus pumped to the TSF for deposition.

Waste oil is collected in dedicated sealed containers, temporarily stored in a hazardous-waste storage room, and handed over to qualified hazardous-waste disposal company for treatment. Solid waste from domestic activities mainly consists of household garbage and various waste packaging materials; garbage bins are provided within the plant area, and the collected waste is transferred to the sanitation department for unified disposal.

11.5.3 Site Security

The Yinman Project employs both full-time and part-time safety personnel who are responsible for occupational safety and hygiene across the site. A command centre, logistics support unit, and on-site rescue team have been established. Together, these arrangements ensure that construction

and mining operations comply with occupational health and safety requirements and protect workers' safety and health throughout the production process.

11.5.4 Explosives Magazine

The explosives magazine is constructed and is operated in accordance with Chinese law. The site is surrounded by a perimeter security fence and there is round the clock security guard presence at the magazine.

11.5.5 Communication and IT Systems

A core network switch is installed in the telecom equipment room of the processing plant office building. Access switches or optical-electrical transceivers are installed in the control rooms and dispatching rooms of each processing facility, and an enterprise information network is formed via optical fibre. Structured cabling is used for internal wiring in the office building.

11.5.6 Vehicle Fuelling Facility and Mine Equipment Ready Line

The mine is equipped with a skid-mounted fuelling station located approximately 150 m southwest of the waste rock dump. The ready line is located adjacent to the fuelling facility and is well lit for 24-hour use.

12 Environmental Studies, Permitting, Social or Community Impact

12.1 Environmental, Permitting, and Social or Community Review Process, Scope, and Standards

The process for the verification of the environmental compliance and conformance for the Yinman Project comprises a review and inspection of the project's environmental management performance against:

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

The methodology applied for this environmental review of the Project consists of a combination of desktop review and interviews with Mines' technical representatives.

12.2 Environmental Legal Framework

The basis of environmental policy in China is contained in the 2018 Constitution of the People's Republic of China. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organises and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the Minerals Resources Law of the People's Republic of China (2024) and the Environmental Protection Law of the People's Republic of China (2014):

- Environmental Impact Assessment (EIA) Law (2018).
- Law on Prevention & Control of Atmospheric Pollution (2018).
- Law on Prevention & Control of Noise Pollution (2021).
- Law on Prevention & Control of Water Pollution (2017).
- Law on Prevention & Control Environmental Pollution by Solid Waste (2020).
- Forestry Law (2019).
- Water Law (2016).
- Land Administration Law (2019).
- Protection of Wildlife Law (2022).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

12.3 Status of Environmental Studies

The Environmental Impact Assessment Law of the People's Republic of China and the Regulations on the Administration of Environmental Protection for Construction Projects require that projects with potentially significant environmental impacts prepare an Environmental Impact Report, which must comprehensively evaluate the pollution generated by the project and its impact on the environment. Before construction begins, the construction unit must submit the Environmental Impact Report or Environmental Impact Statement to the relevant environmental protection authority for approval.

The Company has provided the Environmental Impact Assessment ("EIA") reports and corresponding official approval for the Yinman Project, as presented in Table 12-1.

Table 12-1: Summary of EIA Reports and Approvals

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
The Polymetallic (Copper–Lead–Tin–Silver–Zinc) Associated Ore Mining Project at the Baiyinchagan Dongshan Mining Area in Xi Ujimqin Banner (1.65 Mtpa)	Daqing Environmental Protection Scientific Research Institute	December 2014	Inner Mongolia Autonomous Region Department of Environmental Protection	23 December, 2014
The Polymetallic Associated Ore Processing Plant Project (1.65 Mtpa)	Inner Mongolia Tianzhu Environmental Assessment Co., Ltd.	February 2015	Xilin Gol League Environmental Protection Bureau	13 March, 2015
The Tailings Storage Facility Modification Project (1.65 Mtpa)	Shanxi Qingzeyangguang Environmental Protection Co., Ltd.	January 2016	Xilin Gol League Environmental Protection Bureau	6 February, 2016
The Polymetallic (Copper–Lead–Tin–Silver–Zinc) Associated Ore Mining Project at the Baiyinchagan Dongshan Mining Area in Xi Ujimqin Banner TSF Phase II Project	Hebei Shihuan Environmental Assessment Services Co., Ltd.	May 2020	Xilin Gol League Ecology and Environment Bureau	1 July, 2020
The Hazardous Chemicals Storage Facility Construction Project	Inner Mongolia Chouxin Environmental Protection Technology Co., Ltd.	August 2024	Xilin Gol League Ecology and Environment Bureau	20 August, 2024

SRK reviewed above EIA report and approvals and concluded that the EIA basically covers the main production facilities including mine site, processing plant, TSF and other auxiliary facilities. These EIA reports have studied the environmental baseline of the Yinman Project area, and predicted including air, water, solid waste, and noise pollution, and have proposed a series of management measures.

12.4 Licenses and Permits

The safety production permits for the Yinman Project are summarised in Table 12-2.

Table 12-2: Summary of the Safety Production Permits

Safety Production Permit No.	(Meng) FM [2023] No. 005583	(Meng) FM [2023] No. 006773
Issued To	The Polymetallic (Copper–Lead–Tin–Silver–Zinc) Associated Ore Mining Project at the Baiyinchagan Dongshan Mining Area (Above 690 Elevation)	West Ujumqin Banner Yinman Mining Co., Ltd. Tailings Storage Facility
Issued By	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau
Issue Date	8 December, 2025	8 December, 2025
Expiry Date	27 July, 2026	27 July, 2026
Licensed Activity	Iron, Zinc, Lead, Silver, copper and Tin Underground Mining	Operation of Tailing Storage Facility

The detailed information of water use permit for Yinman Project is presented in Table 12-3.

Table 12-3: Summary of the Water Use Permit

Water Use Permit No.	C152526G2021-0006
Issued To	West Ujumqin Banner Yinman Mining Co., Ltd.
Issued By	Xilin Gol League Water Resources Bureau
Issue Date	13 July, 2023
Expiry Date	12 July, 2028
Water Supply Source	Groundwater
Water Use Allocation	1,171,300 m^3/year

According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. However, enterprises, institutions, and other producers and operators whose production and emissions of pollutants are small and have minimal impact on the environment are not required to apply for pollutant discharge permits, but they should fill out pollutant discharge registration forms. The detailed information of Yinman Project is listed in Table 12-4.

Table 12-4: Summary of the of the Pollutant Discharge Registration

Pollutant Discharge Registration No.	91152526783003311L003Y
Issued To	West Ujumqin Banner Yinman Mining Co., Ltd.
Issued By	Xilingol League Ecology and Environment Bureau
Issue Date	December 22, 2025
Expiry Date	December 21, 2030
Main Types of Pollutants	

12.5 Flora and Fauna

During multiple environmental impact assessments conducted for the Yinman Project, baseline ecological surveys were carried out to assess existing environmental conditions. These studies established baseline information on vegetation types and distribution within the Yinman Project area, as well as on wildlife resources.

West Ujumqin Banner is dominated by perennial steppe vegetation communities, mainly composed of Leymus chinensis and Stipa grandis. In addition, there are also trees, shrubs, and semi-shrubs, while annual herbaceous plants also account for a certain proportion. Common plant species in Xi Ujumqin Banner include Stipa grandis, Leymus chinensis, Filifolium sibiricum, Carex duriuscula, Agropyron cristatum, Caragana microphylla, and Cleistogenes squarrosa. The dominant constructive species of the vegetation community are Stipa grandis and Leymus chinensis.

Within the assessment area, the zonal vegetation mainly consists of Stipa grandis steppe and Leymus chinensis steppe, while Achnatherum splendens saline meadow vegetation is also present. In some areas, due to overgrazing and significant human disturbance, grassland degradation has occurred, and the vegetation types have gradually shifted toward communities dominated by Stipa krylovii and Artemisia species. Baseline ecological surveys did not identify any nationally protected wild plant species within the assessment area.

The wildlife community in the region is primarily composed of steppe species typical of the Central Asian fauna. Due to factors such as mining development and the expansion of livestock grazing in recent years, populations of larger mammals have declined significantly and are now rarely observed. As a result, the fauna in the assessment area is dominated by small mammals and birds, and overall wildlife diversity is relatively limited. Based on field surveys and available records, commonly observed wildlife species in the Project area include several rodents and bird species, such as the Mongolian hare, steppe mole-rat, Mongolian marmot, Mongolian lark, chukar partridge, and horned lark. In addition, amphibians and reptiles are also present in the area, including species such as the flower-backed toad and steppe sand lizard. Field reconnaissance did not identify any rare or endangered wildlife species within the assessment area, and no nationally protected animal species have been recorded in the Project area.

The EIA reports concluded that the Project's operations are expected to have limited impacts on surrounding vegetation communities and wildlife. Ecological protection measures proposed in the EIA reports include the collection and storage of topsoil for future land reclamation, optimising project layout and construction planning to minimise land disturbance and using locally suitable grass species for revegetation and greening activities.

12.6 Water Management

The main rivers within the mining area are the Yihe Jilingol River and the Baga Jilingol River, both of which are located to the north of the TSF. These rivers are seasonal in nature. In recent years, due to prolonged drought and low precipitation, the riverbeds remain dry for most of the year, with only intermittent flow occurring during the wet season when rainfall is relatively abundant. The flow rate ranges from approximately 185 to 432 m^3/d. The closest distance between the Yihe Jilingol River and the tailings storage facility is about 3.1 km, while the Baga Jilingol River is approximately 4.5 km away. The area between the TSF and the two rivers consists mainly of pastureland, with no connecting channels and no direct surface hydrological linkage.

Groundwater in the area is primarily recharged through the infiltration of atmospheric precipitation. Portions of the Quaternary aquifer and the fractured bedrock aquifer are exposed at the surface, allowing direct recharge from rainfall. Under natural conditions, groundwater runoff and discharge are relatively limited. In the southern and western parts of the area, groundwater flow in the Quaternary deposits generally follows the same direction as surface water flow, while in the northern hilly area's groundwater flow is mainly controlled by topography and broadly aligns with surface runoff patterns. Overall, groundwater flows toward the south or southwest, eventually discharging into nearby river systems. The main pathways of groundwater discharge in the region include surface runoff, subsurface outflow that recharges surrounding areas, and natural evaporation.

During the EIA process, four monitoring stations were established along the Baga Jirengol River and the Yihe Jirengol River to assess baseline surface water quality. Monitoring results indicated that chemical oxygen demand ("COD") exceeded the standard at all monitoring sections along both rivers. The exceedances were mainly attributed to the discharge of domestic wastewater from nearby herder households and the presence of organic matter such as livestock manure entering surface water bodies. At the confluence of the two rivers and approximately 500 m upstream of the Baga Jilingol River, slight exceedances of fluoride and pH were also observed. The elevated fluoride concentrations are mainly related to naturally high background fluoride levels in local water, combined with the very low flow of this tributary. The pH exceedance is attributed to the presence of saline-alkaline flats within parts of the river basin.

Domestic water supply for the Project is sourced from groundwater wells. A water treatment station has been installed, where raw well water is purified through treatment equipment to ensure that the water quality meets the standards for potable drinking water. Production water supply is mainly sourced from mine inflow water and reclaimed water from the TSF. A central drainage pumping station is located near the auxiliary shaft at the 690 m level. The underground main pumping station is equipped with two independent water sumps with a total effective storage capacity of 3,380 m^3. A sedimentation pond is also located near the pumping station.

The mine water supply system has an average daily supply capacity of approximately 1,500 m^3/d, which is provided by a surface high-level production water tank with a capacity of 1,000 m^3. The tank is located to the east of the auxiliary shaft and is constructed of reinforced concrete, buried below the local frost line. After tailings are discharged into the TSF, return water is collected through the existing reclaim system and pumped back to the high-level water tank. Part of this water is reused for backfilling operations, while the remaining portion is supplied to the processing plant. Process wastewater generated by the processing plant is pumped back to the high-level water tank of the processing plant through a return water pumping station, where it is clarified and then reused in a closed-loop system with no external discharge. Domestic wastewater generated by the Project is treated using an underground sewage treatment facility. After treatment, the effluent is fully reused for dust suppression and road spraying, as well as for landscaping and irrigation during the summer months.

The Project has commissioned Inner Mongolia Kunfu Testing Technology Co., Ltd. to conduct quarterly monitoring of drinking water, groundwater and wastewater quality. The monitoring program follows the relevant national standards, including the Standards for Drinking Water Quality (GB5749-2022) for domestic drinking water; the Standard for Urban Wastewater Reuse – Water Quality for Urban Miscellaneous Use (GB/T 18920-2020) for treated effluent from the domestic wastewater treatment facility; and the Emission Standard of Pollutants for the Lead and Zinc Industry (GB 25466-2010) for the main discharge outlet of the processing plant. Groundwater monitoring wells located

around the TSF and at nearby herder households are assessed against the Groundwater Quality Standard (GB/T 14848-2017) Class III limits. The same standard is applied to water source wells within the Yinman Project area and to wells used by herder households in the surrounding area.

According to groundwater monitoring results from 2025 for wells around the TSF and at herder households, fluoride concentrations exceeded the standard at most monitoring locations. In addition, parameters such as total hardness, total dissolved solids ("TDS"), sulphate, and manganese exceeded the standard at some monitoring points. However, concentrations of arsenic, mercury, lead, cadmium, zinc, and hexavalent chromium were all within the applicable limits.

12.7 Waste Rock and Tailings Management

Waste rock generated by the project is used for on-site infrastructure construction, underground road repairs, and roadbed preparation within the mining area, with the remaining material transported to the waste rock dump ("WRD") for disposal. The waste rock dump is located in a valley approximately 400 m north of the mining and processing plant area.

Tailings generated from processing plant are partly used for underground backfilling, with the remainder fully discharged into the TSF for disposal. During backfilling, the thickened tailings are pumped underground to the voids in various mining areas via backfill pumps and pipelines. When backfilling is not required, the thickened tailings are transported to the TSF via the tailings pump station for deposition. The TSF is located in a wide, shallow valley approximately 4.5 km southeast of the processing plant. The facility is formed by constructing perimeter embankments around the site. The total storage capacity of the TSF is approximately 12.448 Mm^3, with an expected service life of about 15 years. For the phase II TSF, the upstream slope is lined for seepage control, while the downstream slope is protected with rock riprap. The upstream slope is covered with non-woven geotextile and geomembrane. An online monitoring system has been installed at the TSF, tracking key parameters such as surface displacement, internal displacement, phreatic line, dry beach, reservoir water level, and precipitation.

The Project has established a "General Industrial Solid Waste Management Register", which accurately records the generation, storage, utilisation, and treatment/ disposal of solid waste. Daily records are kept for the generation and use/ disposal of waste rock and tailings, and the Company's Environmental Protection Department submits quarterly reports to the West Ujumqin Banner Ecology and Environment Bureau for filing.

The EIA reports noted that the Project's waste rock and tailings have been tested by third-party institutions for leaching toxicity and solid waste classification. According to the test results, the waste rock and tailings do not exhibit leaching toxicity and are classified as Class I general industrial solid waste.

12.8 Air and Noise Emissions

The main sources of air pollution associated with the Project include dust generated from drilling, surface loading operations, waste rock dumping, the dry beach of the TSF, and transportation roads, as well as dust from crushing and screening processes. The air pollution control measures proposed in the EIA include wet drilling, regular water spraying within the industrial site, reducing vehicle speeds, covering transport vehicles with tarpaulins, periodic water spraying on the dry beach of the

TSF, and installing desulphurisation and dust removal systems for boilers. In 2025, the Company conducted quarterly monitoring of fugitive air emissions at both the industrial site and the TSF, including total suspended particulates ("TSP"), sulphur dioxide (SO_2), and non-methane hydrocarbons ("NMHC"). Ambient air quality was also monitored for parameters such as total suspended particulates ("TSP"), nitrogen oxides (NO_x), sulphur dioxide (SO_2), and PM10. According to the monitoring reports provided for 2025, all measured air pollutant concentrations complied with the relevant national standards.

Noise at the Project's industrial site mainly arises from the operation of surface transportation equipment, ventilation shafts, and processing plant machinery, including crushers, flotation machines, ball mills, classifiers, thickeners, and water pumps. The EIA conducted a prediction of noise levels at the site boundary, indicating that the levels are expected to comply with the Class 2 limits specified in Table 1 of the Environmental Noise Emission Standard for Industrial Enterprises at Boundary (GB12348-2008).

The noise mitigation measures proposed in the EIA include selecting low-noise equipment, installing silencers, requiring operators to wear hearing protection such as earplugs, and reasonably scheduling transportation activities. In 2025, the Company carried out quarterly noise monitoring at the boundaries of the industrial site, at the boundary of the TSF, and at nearby sensitive receptors, including herder households. According to the 2025 monitoring reports provided, all measured noise levels complied with the relevant national standards.

12.9 Hazardous Substances Management

Hazardous materials have the characteristics of corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which pose a potential risk to human and/ or environmental health. The hazardous materials will be generated mainly by the Project's construction, mining, and processing operations and include of hydrocarbons (i.e. diesels, waste oils, and lubricants) and oil containers, explosives, processing reagents, etc. The leaks, spills or other types of accidental releases of hazardous materials may have negative impact on soils and groundwater resources near the mine site.

There is an explosives magazine on site. During the site visit, SRK observed that the explosive magazine is well-protected and equipped with safety measures such as fire protection and online monitoring. Hazardous wastes generated by the Yinman Project mainly include waste engine oil, used batteries, and waste oil filters. Waste oil containers are collected and treated by Xi Ujumqin Banner Jieyuan Waste Resources Recycling Co., Ltd., while waste liquids are handled by Tongliao Xuanding Hongtai Environmental Protection Technology Co., Ltd.

For each transfer, an application is submitted through the management system to create an electronic hazardous waste transfer manifest, and the relevant records are maintained in the waste management register. SRK reviewed the 2025 hazardous waste inventory, which records the quantities generated and transferred for each category of hazardous waste. The records indicate that all hazardous waste generated during the year was transferred for proper treatment and disposal.

SRK recommends that the processing reagents and waste oil be stored with secondary containment which is in line with the recognised international industry management practices. the disposal of hazardous waste to a qualified third-party company.

12.10 Mine Closure and Rehabilitation

The Chinese national requirements for mine closure are covered under the Mineral Resources Law of People's Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), 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 geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by the Company.

The latest geological environmental protection and land reclamation plan for the Yinman Project has been developed by Inner Mongolia Zhicheng Survey Co., Ltd. in 2025. This report includes an assessment of the impacts on the mine geological environment and land disturbance, a feasibility analysis of mine geological environment management and land reclamation, proposed measures and engineering plans for environmental management and land reclamation, as well as cost estimates and an economic feasibility analysis. According to the report, the estimated static investment for mine geological environment management is CNY 236,325,900, while the static investment for land reclamation is CNY 63,193,000. The total static investment required for mine geological environment management and land reclamation is therefore CNY 299,518,900.

The Company provided SRK with a statement regarding the Mine Geological Environment Treatment and Restoration Fund paid for 2025, indicating that a total of CNY 2,472,000 was deposited into the designated account during the year. The Project's 2025 Mine Geological Environment Management Work Summary Report indicates that seven remediation tasks were completed during the year, with a total investment of CNY 7,563,000 and a treatment area of 0.10436 km². The activities included mine-site greening and environmental improvement works associated with the mine park, among other measures.

12.11 Social Aspects

The Project is located approximately 15 km northwest of Bayangaolet Gacha, Jirengole Town, Xi Ujumqin Banner, Inner Mongolia Autonomous Region, and falls under the administrative jurisdiction of Jirengole Town. It is about 90 km east of the Xi Ujumqin Banner government and 110 km west of Xilinhot City, with a primary highway connecting the mining area to Xilinhot. The Project does not involve environmentally sensitive areas such as scenic spots, cultural heritage sites, or tourist resort areas.

Local herders rely primarily on animal husbandry for their livelihoods. Within the mining area, there were originally two herder households (the Muren family and the Nashun Bayiner family), both situated outside the subsidence zone at minimum distances of 235 m and 610 m, respectively, meaning the mining activities had little direct impact on them. Both households have now been relocated and resettled.

Public participation was carried out during the EIA process for the Project's mining, mineral processing, and TSF. During the public disclosure and consultation of the draft reports, neither the

project proponent nor the EIA consultant received any public feedback. The main concerns expressed by the public generally relate to the potential impacts of mining activities, including noise, wastewater, and solid waste pollution.

13 Capital Expenditures and Operating Expenses

This section summarises the Capex and Opex for the Project. All the Capex and Opex are estimated in Chinese Yuan ("CNY").

13.1 Capital Expenditures

The Capex for the Project is categorised into Sunk Capex and Future Capex.

13.1.1 Sunk Capex

The sunk Capex covers the three-year period from 2023 to 2025, which primarily includes initial infrastructure, underground development, and sustaining Capex.

The summary of sunk Capex is presented in Table 13-1.

Table 13-1: Historical Sunk Capex (2023 to 2025)

CAPEX	Unit	Historical			
		2023	2024	2025	Average
Initial Capex					
Infrastructure	Million CNY	-	-	117.96	39.32
Underground Development	Million CNY	5.69	65.20	6.59	25.83
Equipment Installation	Million CNY	1.37	-	-	0.46
Sustaining Capex					
Land Use Rights	Million CNY	37.49	27.74	-	21.74
Mining Rights	Million CNY				
Equipment Purchase	Million CNY	99.65	44.79	36.98	60.47
Buildings	Million CNY	195.36	133.09	-	109.48
Underground Development	Million CNY	19.83	12.16	161.85	64.61
Others	Million CNY	9.35	-	3.65	4.34
Total Capex	Million CNY	**368.75**	**282.98**	**327.04**	**326.26**

Source: summarized by SRK

13.1.2 Future Capex

Future Capex is estimated based on historical expenditure and the life-of-mine ("LoM") production schedule. The total projected Future Capex is CNY 3,036.23 million. The summary of LoM Capex is presented in Table 13-2.

The expenditure is divided into three primary categories as shown in Figure 13-1. Initial Capex accounts for 78% of the total, followed by Sustaining Capex at 12% and Closure Cost at 10%.

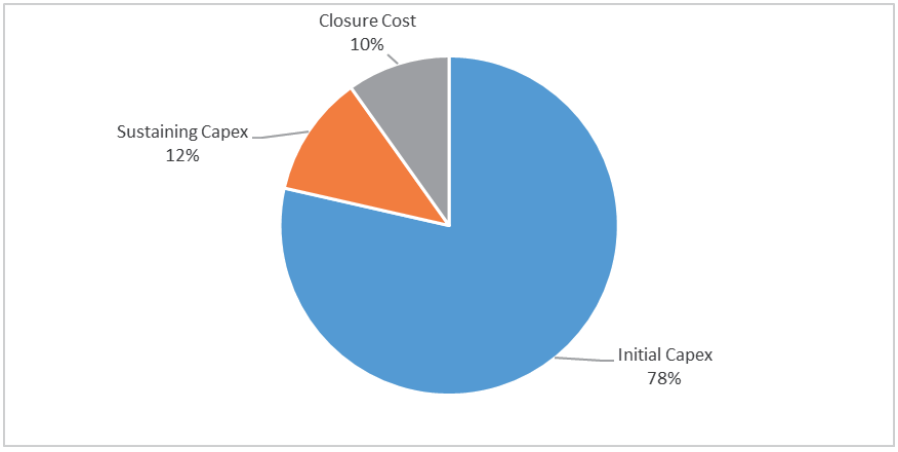
Table 13-2: Summary of LoM Capex

CAPEX	Unit	LOM
Initial Capex		**2,384.87**

CAPEX	Unit	LOM
Infrastructure	Million CNY	2,384.87
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		**351.84**
Land Use Rights	Million CNY	30.44
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	81.29
Buildings	Million CNY	147.18
Underground Development	Million CNY	86.86
Others	Million CNY	6.07
Closure Cost	Million CNY	299.52
Total Capex	Million CNY	**3,036.23**

Source: summarized by SRK

Figure 13-1: Capex Investment Plan Distribution over LoM

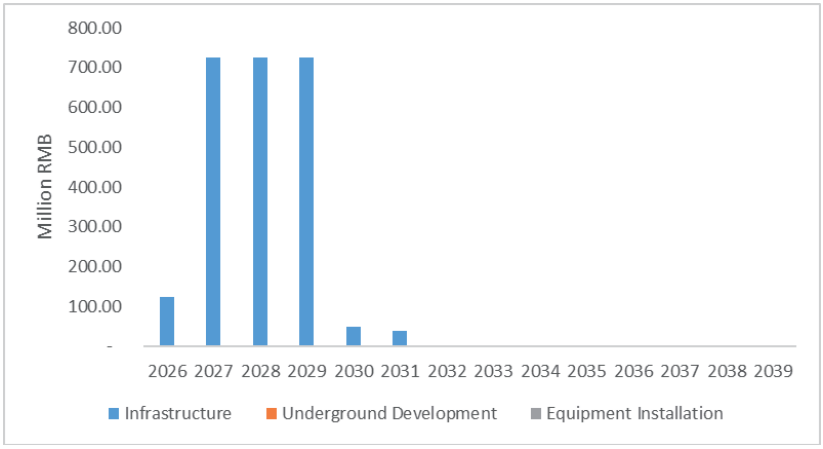


Source: summarized by SRK

Initial Capex

As shown in Figure 13-2, initial investment is concentrated between 2027 and 2029. During this period, expenditure reaches approximately CNY 725 million per year. These costs cover the infrastructure and underground development required for the production schedule.

Figure 13-2: Initical Capex Investment Plan over LoM (in Million CNY)

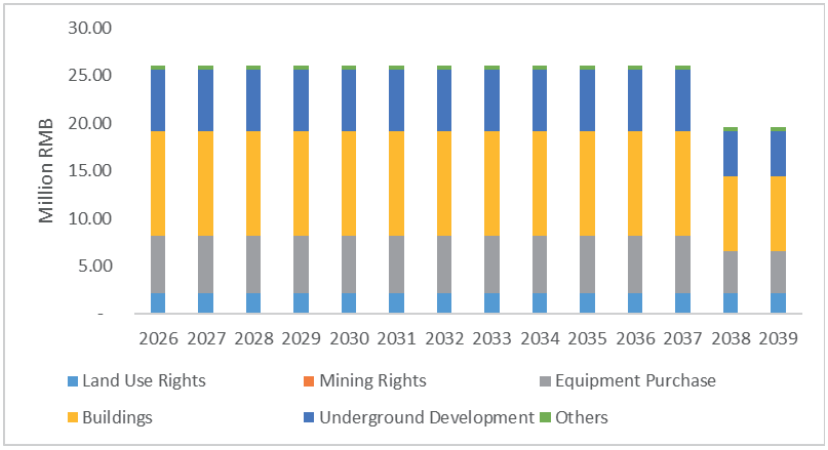


Source: summarized by SRK

Sustaining Capex

As shown in Figure 13-3, sustaining costs remain consistent at approximately CNY 26 million per year through 2037. These costs include land use rights, equipment purchase, and building maintenance, with a scheduled reduction in the final two years of the LoM.

Figure 13-3: Sustaining Capex Investment Plan over LoM (in Million CNY)

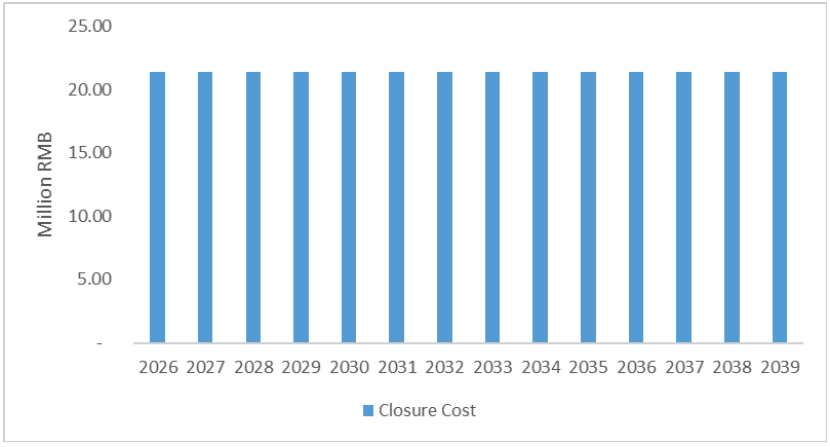


Source: summarized by SRK

Closure Cost

As shown in Figure 13-4, closure and rehabilitation costs are allocated as a fixed annual provision of CNY 21.39 million across the entire LoM.

Figure 13-4: Closure Capex Investment Plan over LoM (in Million CNY)



Source: summarised by SRK

13.2 Operating Costs

Opex estimates are based on historical cash costs and the LoM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortisation ("D&A") are excluded.

13.2.1 Historical Operating Costs

Historical operating cash cost for the 2023 to 2025 period is summarised in Table 13-3. Total expenditure during this period was CNY 3,255.33 million.

Table 13-3: Historical Cash Opex (2023 to 2025)

Item	Unit	2023	2024	2025	Total
Operating Cost					
Labor Costs	Million CNY	445.42	354.22	474.20	1,273.84
Materials	Million CNY	155.26	125.51	150.76	431.53
Fuel & Power	Million CNY	61.51	37.97	56.24	155.72
OHS Expenses	Million CNY	64.26	54.22	90.89	209.37
D&A	Million CNY	-	-	-	-
Others	Million CNY	45.15	23.28	63.17	131.61
Taxes and Surcharges	Million CNY	118.90	135.40	163.75	418.05
Selling Expenses	Million CNY	75.23	82.27	98.71	256.22
General & Admin	Million CNY	68.10	73.30	69.00	210.40
R&D Expenses	Million CNY	50.84	52.35	65.41	168.60
Total OPEX	Million CNY	**1,084.68**	**938.52**	**1,232.13**	**3,255.33**

Source: summarized by SRK

13.2.2 Unit Operating Costs

The historical unit cash costs for the 2023 to 2025 period are provided in Table 13-4.

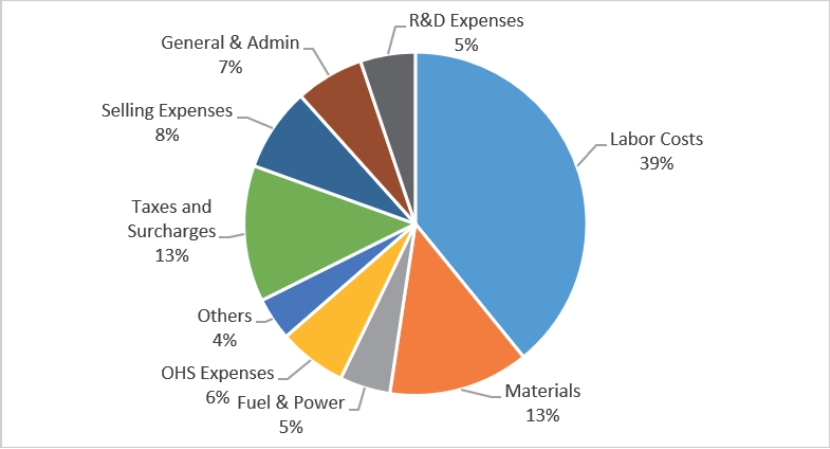
Table 13-4: Summary of Opex Historical & Forecasted

OPEX - By Element	Unit	Historical			Total/ Average
		2023	2024	2025	
Mined	kt	1,487.21	1,796.86	1,629.90	4,913.96
Milled	kt	1,428.09	1,650.29	1,682.49	4,760.88
Operating Cost					
Labor Costs	CNY/t	311.90	214.64	281.85	267.56
Materials	CNY/t	108.72	76.06	89.60	90.64
Fuel & Power	CNY/t	43.07	23.01	33.42	32.71
OHS Expenses	CNY/t	45.00	32.85	54.02	43.98
D&A	CNY/t	-	-	-	-
Others	CNY/t	31.62	14.11	37.55	27.64
Taxes and Surcharges	CNY/t	83.26	82.05	97.32	87.81
Selling Expenses	CNY/t	52.68	49.85	58.67	53.82
General & Admin	CNY/t	47.69	44.42	41.01	44.19
R&D Expenses	CNY/t	35.60	31.72	38.88	35.41
Total OPEX	CNY/t	**759.53**	**568.70**	**732.33**	**683.77**

Source: summarized by SRK

The cash Opex distribution, based on the three-year historical average, is shown in Figure 13-5. Labor costs (39%), materials (13%), and taxes (13%) represent the primary cost drivers.

Figure 13-5: Opex Estimated Distribution over LoM



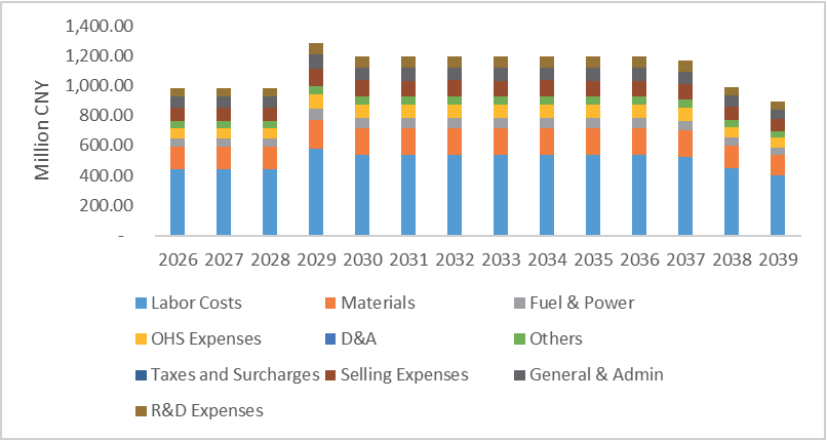
Source: summarized by SRK

13.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from the 2023 to 2025 period to the projected production schedule.

The annual cash Opex projection over the LoM is shown in Figure 13-6. Annual Opex increases in 2029 to align with the production ramp-up and decreases in 2037 as production ramps down.

Figure 13-6: Opex Plan over LoM (in Million CNY



Source: summarized by SRK

14 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis of the Project was conducted using conventional Discounted Cash Flow ("DCF") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived Net Present Values ("NPVs") do not indicate the fair market values or the profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and financing costs were not considered.

The NPV was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and metal/ commodity prices.

14.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Yinman Mine. The assumptions are as follows:

- The ROM and finial products of Yinman Mine are based on the LoM schedule.
- The local currency for Yinman Mine is CNY.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LoM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Ore Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LoM.
- The corporate tax rate is 15% and the VAT rate is 13%.
- The reference date or effective date is 31 December 2025.

14.1.1 LoM Physical

The mine production and key technical inputs parameters are described in the previous section. The summary of the key physical assumptions is presented in Table 14-1.

Table 14-1: LoM Physical Inputs for Economic-Analysis

Item	Unit	LOM
Mining		
Pb-Zn Ore - 1		
Ore Reserves	Mt	11.93
Average Grade		
ROM Grade		
Ag Grade	g/t	88.29
Pb Grade	%	0.84
Zn Grade	%	1.65
Total Metal		
Ag Metal	t	1,053
Pb Metal	kt	100
Zn Metal	kt	197
Cu-Sn Ore - 3		
Ore Reserves	Mt	23.55
Average Grade		
Ag Grade	g/t	105.91
Zn Grade	%	0.53
Cu Grade	%	0.14
Sn Grade	%	0.39
Total Metal		
Ag Metal	t	2,495
Zn Metal	kt	124
Cu Metal	kt	32
Sn Metal	kt	92
Total		
Ore Reserves	Mt	35,484
Average Grade		
Ag Grade	g/t	99.99
Pb Grade	%	0.28
Zn Grade	%	0.90
Cu Grade	%	0.09
Sn Grade	%	0.26
Total Metal		
Ag Metal	t	3,548
Pb Metal	kt	100
Zn Metal	kt	321
Cu Metal	kt	32
Sn Metal	kt	92
Capacity (average over LoM)	ktpa	2,535
Mine life	yrs	14
Processing		
Pb-Zn Ore - 1		
Ag - Pb Concentrate		
Pb Recovery	%	0.69
Ag Recovery	%	0.76
Pb Grade in Ag - Pb Concentrate	%	0.23
Zn Concentrate		
Zn Recovery	%	0.81

Item	Unit	LOM
Ag Recovery	%	0.13
Zn Grade	%	0.42
Cu-Sn Ore - 3		
Ag - Cu Concentrate		
Cu Recovery	%	82.00
Ag Recovery	%	84.50
Cu Grade in Ag - Pb Concentrate	%	8.50
Zn Concentrate		
Zn Recovery	%	31.50
Ag Recovery	%	2.80
Zn Grade	%	37.00
Sn Concentrate		
Sn Recovery	%	44.00
Sn Grade	%	31.00
Sub Sn Concentrate		
Sn Recovery	%	15.30
Sn Grade	%	8.10
Low Sn Concentrate		
Sn Recovery	%	1.00
Sn Grade	%	3.00

Sources: SRK

14.1.2 Pricing Assumptions

Table 14-2 shows the prices for Silver, Lead, Zinc, Copper, and Tin. These commodity prices are dynamic and are derived from CMF, published by Consensus Economics Inc., to which SRK subscribes annually.

Table 14-2: Pricing Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	2031	LTP
Silver	US$/oz	51.25	44.75	42.00	40.00	37.50	32.50	32.50
Lead	US$/t	2,000	1,950	1,950	1,900	1,950	2,000	2,000
	USc/lb	91	88	88	86	88	91	91
Zinc	US$/t	2,750	2,800	2,650	2,600	2,600	2,650	2,800
	USc/lb	125	127	120	118	118	120	127
Copper	US$/t	10,750	10,400	10,450	10,350	10,300	9,700	9,700
	USc/lb	488	472	474	469	467	440	440
Tin	US$/t	34,200	33,300	32,100	32,200	29,600	27,600	27,600
	US$/lb	15.51	15.10	14.56	14.61	13.43	12.52	12.52

Source: CMF, 15 December 2025

14.1.3 Tax and Royalties

The tax, government charges and royalties for Yinman Mine are mainly corporate income tax, resource tax, which is in term of royalties, and value added tax ("VAT").

- Corporate Income Tax ("CIT")

  The standard corporate tax rate in China is 25% of taxable income. However, Yinman has informed SRK that, as a Hi-New Tech enterprise, the subsidiary entities operating the Yinman

Mine benefit from a reduced enterprise income tax rate of 15% for a three-year term, which is renewable.

- Resource Tax ("Royalties")
  - 6% of the net sales from lead (Pb) and zinc (Zn) mineral products
  - 5% of the net sales from silver (Ag) mineral products
  - 7% of the net sales from copper (Cu) mineral products
  - 3% of the net sales from tin (Sn) mineral products
- Value Added Tax

In China, industrial minerals prices include a VAT, which is 13% of sales, excluding revenue from gold (Au) if any.

- Surtax/ Surcharge
  - City Maintenance and Construction Tax: 5% of VAT payable.
  - Education Surcharge: 3% of VAT payable.
  - Local Education Surcharge: 2% of VAT payable.
  - Water Resource Construction Fund: 0.10% of VAT payable.

14.1.4 Depreciation

The initial Capex and sustaining expenditures, including development costs, have been depreciated. The assumed depreciation follows the straight-line method over a period of 10 years.

14.1.5 Working Capital

Working capital is the Capex needed to fund operations before revenue is received from the finished product. Working capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

14.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 14-3.

Table 14-3: LoM Key Economic Results

Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Discount rate	%	8.0%
Net Present Value, pre-tax	Million CNY	10,269.3
Net Present Value, post-tax	Million CNY	8,603.7
IRR	%	N/A
Payback	in year	N/A

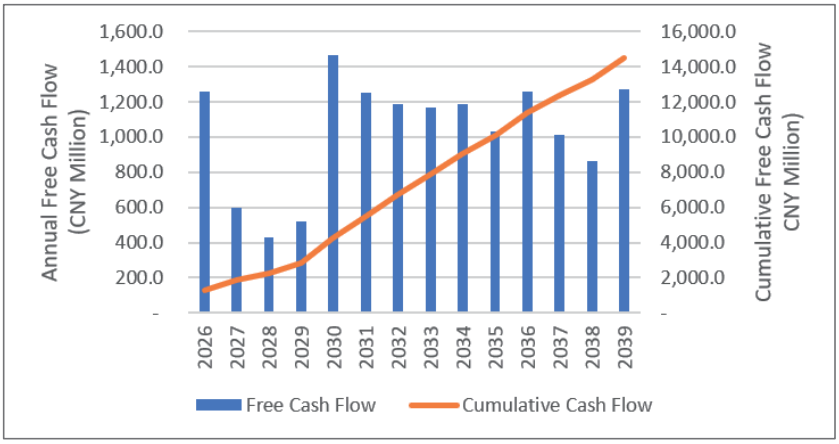
Sources: SRK

Note: Internal Rate of Return ("IRR"), but payback was achieved within one year and Yinman Project is operation and has been for a number of years.

The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 8,603.7 million. The sensitivity of NPV against discount rate is

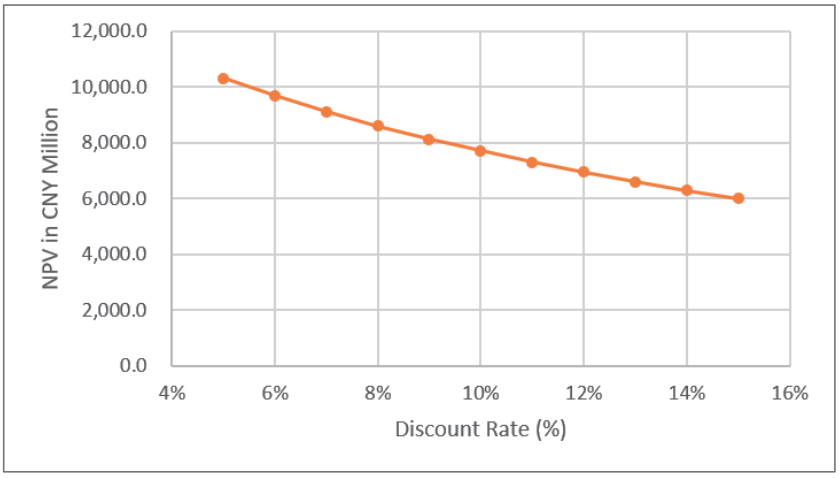
presented in Figure 14-1. The annual cash flows are presented graphically in Figure 14-2 and in tabular form in Table 14-4.

Figure 14-1: Cash Flow Profile



Source: SRK

Figure 14-2: Yinman Mine NPV versus Discount Rate



Source: SRK

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Table 14-4: LoM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
COGS																
Labor Costs	CNYm	7,022	441	441	441	578	536	535	536	536	536	536	536	523	445	401
Materials	CNYm	2,379	150	150	150	196	182	181	182	181	182	181	181	177	151	136
Fuel & Power	CNYm	858	54	54	54	71	66	65	66	65	65	65	65	64	54	49
OHS Expenses	CNYm	1,154	73	73	73	95	88	88	88	88	88	88	88	86	73	66
D&A	CNYm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	CNYm	725	46	46	46	60	55	55	55	55	55	55	55	54	46	41
Taxes and Surcharges	CNYm	2,221	166	147	132	160	181	174	168	169	169	156	173	155	134	139
Selling Expenses	CNYm	1,412	89	89	89	116	108	108	108	108	108	108	108	105	90	81
General & Admin	CNYm	1,160	73	73	73	95	89	88	89	88	89	88	88	86	74	66
R&D Expenses	CNYm	929	58	58	58	76	71	71	71	71	71	71	71	69	59	53
Total	**CNYm**	**17,861**	**1,149**	**1,130**	**1,115**	**1,448**	**1,374**	**1,366**	**1,362**	**1,362**	**1,362**	**1,349**	**1,366**	**1,319**	**1,126**	**1,033**

Capital costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Initial Capex	CNYm	2,384.9	123.7	725.0	725.0	725.0	49.5	36.8	-	-	-	-	-	-	-	-
Sustaining Capex - Mining	CNYm	351.8	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	19.5	19.5
Closure	CNYm	299.5	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4
Total	**CNYm**	**3,036.2**	**171.2**	**772.4**	**772.4**	**772.4**	**97.0**	**84.3**	**47.5**	**47.5**	**47.5**	**47.5**	**47.5**	**47.5**	**40.9**	**40.9**

Cash flow		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Net revenue	CNYm	37,971	3,020	2,710	2,469	2,945	3,206	2,877	2,769	2,760	2,790	2,570	2,911	2,510	2,149	2,286
Operating costs	CNYm	(15,640)	(983)	(983)	(983)	(1,287)	(1,193)	(1,193)	(1,194)	(1,193)	(1,193)	(1,193)	(1,193)	(1,165)	(992)	(894)
Royalties	CNYm	(2,221)	(166)	(147)	(132)	(160)	(181)	(174)	(168)	(169)	(169)	(156)	(173)	(155)	(134)	(139)
Closure Costs	CNYm	(300)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)	(21)
Change in net working capit	CNYm	0	(167)	12	21	(13)	(30)	25	11	1	(2)	18	(26)	28	18	105
Capex	CNYm	(3,036)	(150)	(751)	(751)	(751)	(76)	(63)	(26)	(26)	(26)	(26)	(26)	(26)	(20)	(20)
Tax paid	CNYm	(2,561)	(275)	(221)	(177)	(189)	(241)	(195)	(182)	(183)	(189)	(160)	(210)	(159)	(135)	(44)
Free Cash Flows	CNYm	14,213	1,257	599	426	523	1,463	1,255	1,189	1,169	1,189	1,031	1,261	1,012	865	1,273

Sources: SRK

Note: CNYm : Million CNY

14.3 Sensitivity Analysis

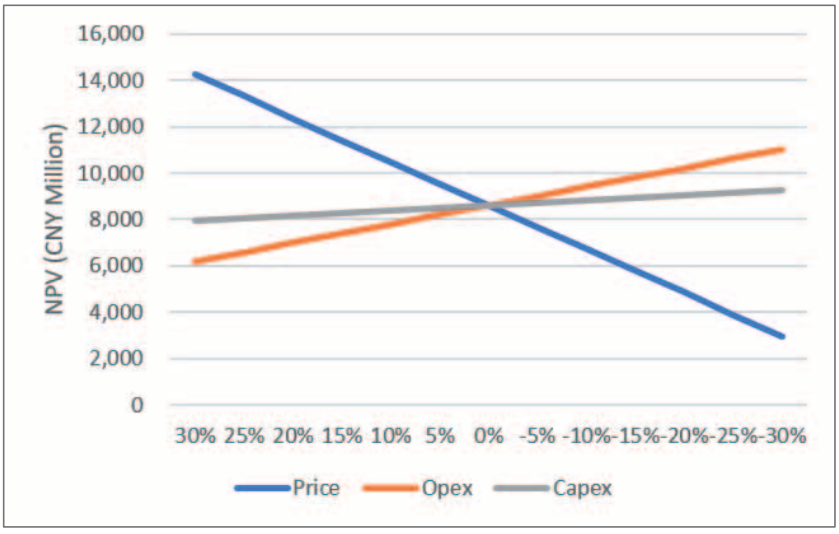
SRK conducted a single-factor sensitivity analysis for the Yinman Project to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range. The results showed that the Project is most sensitive to changes in metal prices and least sensitive to variations in Capex. Results of the sensitivity tests are presented in Table 14-5 and Figure 14-3.

Table 14-5: Sensitivity Analysis Result (@8% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	14,239	6,190	7,964
25%	13,300	6,592	8,070
20%	12,360	6,994	8,177
15%	11,421	7,397	8,284
10%	10,482	7,799	8,390
5%	9,543	8,201	8,497
0%	8,604	8,604	8,604
-5%	7,665	9,006	8,710
-10%	6,725	9,408	8,817
-15%	5,785	9,811	8,924
-20%	4,840	10,213	9,030
-25%	3,895	10,615	9,137
-30%	2,950	11,018	9,244

Sources: SRK

Figure 14-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK

It can be seen that the changes in prices have the largest impact on the Yinman Mine's NPV, while Opex and Capex have smaller effects.

To clarify the effects of prices on the Yinman Mine's NPV, SRK estimated that at 8% discount rate, the Yinman Mine NPV remains positive even under a 30% decrease in price.

15 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 15-1: Risk assessment matrix

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

SRK completed a risk assessment of the specific risks identified for the Yinman Project in relation to their likelihood of occurrence within the LoM and consequence.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Yinman Project is an operating project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Yinman Project. SRK's final Risk Assessment is presented in the following table.

Table 15-2: Risk Assessment for Yinman Project

Risk	Likelihood	Consequence	Rating
Mineral Resource and Ore Reserve			
low-density drilling for deep resource exploration[1]	Unlikely	Moderate[2]	Low
Poor historical samples management[3]	Likely	Minor	Medium[4]

Risk	Likelihood	Consequence	Rating
Insufficient density tests[5]	Possible	Moderate	Medium[6]
Insufficient Sb assays[7]	Possible	Minor	Low[8]
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Minor	Low
Pumping System Adequacy	Unlikely	Minor	Low
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Minor	Low
Processing			
Recycled water affects the recovery rate of the target minerals.[9]	Possible	Moderate	Medium[10]
The high failure rate and low operation rate of the equipment may prevent the processing plant from reaching the designed processing capacity.[11]	Likely	Moderate	High[12]
TSF			
Capacity Deficit	Likely	Moderate	Low
Backfill Dependency	Likely	Moderate	Low
Environment and Social			
The impact on flora and fauna[13]	Unlikely	Minor	Low[14]
Water abstraction, surface water and groundwater pollution due to the mining and processing activities[15]	Possible	Moderate	Medium[16]
The community's opposition to the project[17]	Unlikely	Moderate	Low[18]
Capex and Opex			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low

Note:

1. Low-density drilling has been carried out for deep Mineral Resource exploration; the confidence level of the existing exploration data is insufficient to support a continuous and consistent estimation of Indicated Mineral Resources.
2. To address this, the production drilling program is underway to increase the density of exploration data for deep Mineral Resources.
3. Historical core and channel samples haven't been well organised and preserved, and pulp samples were only stored in laboratories for a short period. It is difficult for third parties to conduct a reasonable verification for the historical exploration work.
4. A comprehensive core shed is under construction, and a full re-organisation of existing cores and channel samples is recommended.
5. The number of density samples across different depths, rock types, and domains is significantly lower. Additionally, the interval information for the density samples has not been well-documented Currently.
6. It is recommended to conduct additional density tests across varying depths, rock types, and domains to improve data coverage.
7. The number of Sb samples is lower and hasn't covered all domains. As a result, the estimation of Sb Mineral Resources has been conducted with low confidence.
8. To improve the reliability of the Mineral Resource estimation, it is recommended to perform additional assaying for Sb to ensure broader coverage.

9. pH, metal ions and residual reagents of the recycled water can affect the mutual separation of copper, lead, and zinc, thereby reducing their recovery rates.
10. By improving the reagent regime, the recycled water impact on the process can be minimised to an acceptable level.
11. The mineral processing process is outdated and involves numerous pieces of equipment, which inevitably leads to a high failure rate making it difficult to ensure effective operation time, thereby affecting the processing capacity of the processing plant.
12. The Company can equip with sufficient maintenance personnel, enhance the capacity for equipment inspection, maintenance and repair, and ensure the equipment operation rate.
13. The construction and operation of the project have impacts on biodiversity within the project area and its surrounding regions.
14. Carry out revegetation and land reclamation and minimise disturbance to the land.
15. The water intake of the project has an impact on the surrounding users. Indiscriminate discharge of untreated production and domestic wastewater will have negative impacts on surface and groundwater.
16. All process wastewater is fully recycled and not discharged. A comprehensive groundwater monitoring plan should be developed, covering both upstream and downstream areas of the project.
17. The community has complaints or objections regarding the development of the project.
18. Develop a stakeholder engagement plan and a grievance mechanism to promptly understand the concerns of nearby herders and effectively manage social risks.

16 Conclusions and Recommendations

16.1 Geology and Mineral Resources

The Yinman Project deposit is a fault-controlled, medium- to low-temperature hydrothermal vein-type Cu–Pb–Sn–Ag–Zn deposit. The mineralised bodies show clear and systematic litho-structural controls. Strongly deformed tectonite zones composed of breccia, cataclasite and mylonite host the main mineralised bodies, whereas weaker zones of fractured and altered rock host subordinate mineralised bodies.

The drilling, sampling, sample preparation, analyses, security, and data verification meet industry standards and are appropriate for Mineral Resource estimation.

As reviewed by SRK from the geology, exploration, data management and Mineral Resource estimation, the QP recommendations for the Yinman Mine are indicated below:

- SRK recommended the Yinman Project collect accurate production tonnages and grades by mine area, including estimated tonnages mined based on surveys of each stope. This data should be reconciled against the Mineral Resource models before subsequent updates, as they are valuable for Mineral Resource classification and the evaluation of outlier strategies.
- Inserting field duplicates, coarse duplicates, CRMs, and blanks to the exploration samples in the future exploration stage, which is an essential part of ensuring the reliability and integrity of exploration data. Field and coarse duplicates are used to assess the precision of sampling and sample preparation, helping to identify potential variability introduced during collection or crushing. CRMs are inserted to verify the accuracy of analytical results and detect any systematic bias in laboratory performance. Blanks, on the other hand, are used to monitor contamination throughout the preparation and analysis process. Together, these quality control samples provide a means to evaluate both the precision and accuracy of the assay results, ensuring that the analytical data are representative, consistent, and trustworthy.
- Increase the number of SG measurements to cover the various mineralisation domains and grade within the project area, thereby improving the representativeness of the data.
- Strengthen core preservation and management.
- Ensuring that all drilling and underground samples records should be well-preserved and marked as the correct date.

16.2 Mining and Ore Reserves

The Yinman Mine has been designed as an underground operation. SRK conducted stope optimisation and updated the LoM plan, determining that the revised mine design is appropriate to guide the extraction of eligible Mineral Resources. The mining methods employed at modified sublevel open stoping with delay backfill, overhand horizontal cut-and-fill stoping and shrinkage stoping with delayed backfill to maintain geotechnical stability and achieve a production rate of 9,000 tpd. After reviewing the mining methodology, equipment list, and mining services, SRK considers that operations are conducted in accordance with industry standard practices. Overall, the mining methods applied at Yinman Mine are deemed suitable to support future production.

As of 31 December 2025, the total Ore Reserves at the Mine Zone 1 are as follows:

- Proved:4.96 Mt grading 98.54 g/t sliver, 0.8% lead and 1.85% zinc, containing 488.71 t of sliver, 42.49 kt lead and 91.66 kt zinc.
- Probable: 6.97 Mt grading 80.99 g/t sliver, 0.83% lead and 1.51% zinc, containing 564.62 t of sliver, 57.93 kt lead and 105.24 kt zinc.

Proved and Probable: 11.93 Mt grading 88.29 g/t sliver, 0.84% Lead and 1.65% Zinc, containing 1,053.33 t of sliver, 100.42 kt Lead and 196.9 kt Zinc.

As of 30 June 2025, the total Ore Reserves at the Mine Zone 3 are as follows:

- Proved: 10.69 Mt grading 105.5 g/t sliver, 0.51% zinc, 0.14% copper and 0.4% Tin, containing 1127.6 t of sliver, 54.53 kt zinc, 14.91 kt copper and 42.52 kt tin.
- Probable: 12.86 Mt grading 106.25 g/t sliver, 0.54% zinc, 0.13% copper and 0.38% tin, containing 1,366.93 t of sliver, 69.26 kt zinc, 17.04 kt copper and 49.39 kt Tin.
- Proved and Probable: 23.55 Mt grading 105.91 g/t sliver, 0.53% Zinc, 0.14% copper and 0.39% Tin, containing 2,494.54 t of sliver, 123.78 kt zinc, 31.95 kt copper and 91.91 kt tin.

Recommendations:

- The Inferred Mineral Resources has a significant impact on Ore Reserve estimation. It is recommended that additional geological work be conducted to improve confidence in the Mineral Resource, which will also support more robust LoM planning
- In the mining method, access development has been planned in the hanging wall, it is recommended that, where practicable, haulage drives be located in the footwall
- During the site visit, surface dust were observed. It is recommended that additional dust suppression measures, such as the increased use of spraying systems, be implemented to reduce the impacts associated with airborne dust.

16.3 Processing and Metallurgy

16.3.1 Lead-zinc Ore

- The valuable elements in silver-rich lead-zinc ore are silver, lead and zinc; other elements such as copper, antimony and tin are present in low concentrations and are not economically viable for separate recovery. The lead minerals are primarily boulangerite and galena, followed by jamesonite, with small quantities of bournonite and freieslebenite; The zinc minerals are mainly sphalerite and marmatite; The silver minerals are mainly freibergite, followed by pyrargyrite and freieslebenite, with occasional occurrences of stromeverite; Other sulphide minerals are mainly pyrite and arsenopyrite. In the ore, lead minerals, zinc minerals and pyrite are all finely disseminated, requiring a high degree of grinding fineness to achieve the single-particle liberation required for flotation.
- Laboratory tests were conducted using a lead-priority flotation process. With a grind fineness of 84.3%-0.074 mm, lead concentrate and zinc concentrate were obtained. The lead concentrate had a lead grade of 32.4%, a silver grade of 1,653 g/t and an antimony grade of 11.8%, with recovery rates of 86.7%, 63.6% and 85.3% respectively. Although the lead grade is low, the relatively high silver and antimony grades can increase the selling price of the lead concentrate. The lead concentrate contains 0.24% arsenic, which does not exceed the permissible limit; The

zinc concentrate has a zinc grade of 49.6% and a silver grade of 210 g/t, with recovery rates of 87.9% and 13.3% respectively, and contains 0.5% arsenic, which does not exceed the permissible limit.

- The lead-zinc system in the processing plant is designed to process 2,500 tpd run-of mine ore. It employs a lead preferential flotation followed by zinc flotation process to treat lead-zinc ore, producing a mixed lead-antimony-silver concentrate and a zinc concentrate. Over the past three years, the recovery rates for the lead-antimony-silver bulk concentrate have been 68.9% for lead, 59.6% for antimony and 76.2% for silver, whilst the recovery rates for the zinc concentrate have been 80.6% for zinc and 12.7% for silver. As the recovery rates for all metals are lower than the results obtained in trials, SRK recommends conducting a process review to analyse the various operating parameters, optimise operations and improve recovery rates.
- The flotation processes and equipment configurations for lead-zinc and copper-zinc-tin systems are identical, differing only in the reagent regimes; consequently, the lead-zinc system can also process copper-zinc-tin ore, and vice versa.

16.3.2 Copper-tin Ore

- The mineral composition of copper-tin ore is complex, with the principal valuable elements being copper, silver, zinc and tin, followed by lead and antimony. The silver minerals and silver-bearing minerals consist mainly of freibergite and small to trace amounts of freieslebenite, acanthite, stephanite and freibergite; The tin minerals are mainly cassiterite and stannite; The copper minerals are predominantly tetrahedrite, with small amounts of chalcopyrite, chalcocite, and freibergite; Lead and antimony minerals are diverse, including boulangerite, galena, bournonite, cerussite, stibnite, antimonite, stibiian bismuthinite and ullmannite; Zinc minerals include sphalerite and marmatite; Other sulphide minerals are mainly pyrite and arsenopyrite. The useful minerals are finely disseminated with complex intergrowths, making grinding and liberation difficult and beneficiation challenging; however, the mineral aggregates are relatively coarse-grained, making them suitable for a 'rough grinding and rougher flotation followed by regrinding and cleaner beneficiation' process involving staged grinding and beneficiation.
- With a grinding fineness of 100%–0.35 mm (46.65%–0.074 mm), a priority flotation process for silver, copper, lead and antimony was employed. Through five flotation circuits, silver-copper concentrate, lead-antimony concentrate, zinc concentrate and sulphide concentrate were produced, yielding the following results: silver-copper concentrate with a silver grade of 9,975 g/t, copper grade 16.16%, silver recovery 87.12%, copper recovery 73.12%; lead-antimony concentrate with a lead grade of 18.65%, antimony grade of 8.31%, silver grade of 1,235 g/t, lead recovery 34.00%, antimony recovery rate 18.31%, silver recovery rate 4.11%; zinc concentrate zinc grade 43.73%, silver grade 247.27 g/t, zinc recovery rate 65.55%, silver recovery rate 3.34%. The total silver recovery rate for the silver-copper concentrate plus the lead-antimony concentrate plus the zinc concentrate is 94.57% (87.12% + 4.11% + 3.34%); the sulphur concentrate has a sulphur grade of 36.89% and a sulphur recovery rate of 58.27%.
- The sulphide flotation tailings contain 0.46% tin, with a tin recovery rate of 78.94%. A 'classification–coarse-grain gravity separation–fine-grain desliming and flotation' process is employed to recover tin, producing medium-grade and low-grade tin concentrates. The medium-grade tin concentrate has a tin grade of 30.47% and a tin recovery rate of 41.54%; the low-grade tin concentrate has a tin grade of 3.46% and a tin recovery rate of 11.06%. The total tin recovery rate is 52.60%.

- The copper-zinc-tin system at the processing plant has a processing capacity of 2,500 tpd; when processing copper-tin ore, the products are silver-copper concentrate and zinc concentrate. Tin is recovered from the copper-zinc tailings via gravity separation and flotation, yielding tin concentrates. Over the past three years, the copper grade of the silver-copper concentrate has been relatively low at only about 8.7%, although the silver grade has been high, exceeding 4,000 g/t, with a copper recovery rate of 82.2% and a silver recovery rate of 84.8%. The zinc grade of the zinc concentrate has also been relatively low, averaging 36.9%, with an average zinc recovery rate of 31.6%. SRK recommends reviewing the process, analysing operating parameters, identifying the causes of low concentrate grades and recovery rates, optimising operations, and improving the beneficiation indicators for the copper-tin ore.
- Tin is recovered from copper-zinc tailings through re-concentration; the high-grade tin concentrate has a grade of 31.2% and a tin recovery rate of 44.1%; the medium-grade tin concentrate has an average tin grade of 8.1% and tin recovery of 15.3%; the low-grade tin concentrate has a tin grade of 2.9% and a tin recovery rate of approximately 1%. Tin total recovery is about 60.5%.
- Historically, pyrite has occasionally been recovered to produce pyrite concentrate (sulphide concentrate); however, the pyrite recover operation has been cessed from June 2024due to the poor market. The new processing plant has designed a flotation circuit for the separation of zinc-sulphide mixed concentrate, which produces both zinc concentrate and pyrite concentrate. SRK considers the recovery of pyrite concentrate to be feasible and recommends extending this approach to the lead-zinc and copper-zinc systems at existing processing plants to recover pyrite and produce pyrite concentrate.

16.4 Environmental Studies, Permitting, Social or Community Impact

The EIA covers the Project's main facilities and assesses baseline environmental conditions, predicting impacts on air, water, waste, and noise, with corresponding mitigation measures proposed. No rare or protected species were identified, and impacts on local vegetation and wildlife are expected to be limited. The Project has established a solid waste management system with detailed records, classifying waste rock and tailings as Class I general industrial solid waste. Public participation was conducted during the EIA process, with no feedback received during disclosure and consultation. It is recommended that develop a stakeholder engagement plan and a grievance mechanism to promptly understand the concerns of nearby herders and effectively manage social risks.

Closure

This report, Competent Person's Report of Yinman Project in Inner Mongolia, China, was prepared by

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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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Appendix A Mining License

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT



中华人民共和国

采 矿 许 可 证

（正本）

证号：C1500002015013210136961

采矿权人：西乌珠穆沁旗银漫矿业有限责任公司

地　　址：内蒙古自治区锡林郭勒盟西乌珠穆沁旗

矿山名称：西乌珠穆沁旗银漫矿业有限责任公司白音查干东山矿区铜铅银银锌矿

经济类型：其他有限责任公司

有效期限：自 2015年1月20日 至 2028年1月20日 壹拾叁年

开采矿种：锌矿、铅、银、铜、锡

开采方式：地下开采

生产规模：165万吨/年

矿区面积：11.0193平方公里

矿区范围：（见副本）

备注：

发证机关（采矿登记专用章）

年 月 日

二〇一五 一 二十

中华人民共和国国土资源部印制



中华人民共和国

采矿许可证

(副本)

证号：C1500002015013210136961

采矿权人：西乌珠穆沁旗银漫矿业有限责任公司

地　　址：内蒙古自治区锡林郭勒盟西乌珠穆沁旗

矿山名称：西乌珠穆沁旗银漫矿业有限责任公司白音查干东山矿区铜铅锡银锌矿

经济类型：其他有限责任公司

开采矿种：锌矿、铅、银、铜、锡

开采方式：地下开采

生产规模：165万吨/年

矿区面积：11.0193平方公里

有效期限：壹拾叁年　自　2015年1月20日　至　2028年1月20日

发　证　机　关

(采矿登记专用章)

二〇一五年　一　月　二十日

中华人民共和国国土资源部印制

矿区范围拐点坐标：　(1980西安坐标系)

点号	X坐标	Y坐标
1	4935074.40	39462853.09
2	4935052.91	39466825.06
3	4932278.99	39466810.90
4	4932300.46	39462838.23

标高：从1015米至-144米

开采深度：由1015米至-144米标高　　共有4个拐点圈定

Appendix B JORC Code Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond core samples were cut in half using a diamond saw and submitted for analysis and the remaining half, retained as a reference. Sample intervals range from of 1.0 m to 1.2 m and respect lithological contacts. • The underground samples were selected based on geology, veining, and sulphide mineralisation. The sampling trench was rectangular, with dimensions of 10 × 3 cm (width × depth). The sample length was determined according to the characteristics of mineralisation, generally ranging from 1.0 to 1.2 m.
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).*	• Shandong No. 6# Geological Brigade Drilling (2007-2012) Drill Type: Core drilling, with a collar diameter of 91 mm, reducing to 75 mm at the end-of-hole, producing NW-size core with a diameter of 48 mm. • Shandong No. 6# Geological Brigade Drilling (2012 – 2014) Drill Type: Diamond drilling. Core Diameter: with a collar diameter of 91 mm, reducing to 75 mm at the end-of-hole, producing NW-size core with a diameter of 48 mm Core Handling: Core recovery ranged from 83% to 99%, and ore-interval recovery from 93% to 100%. • Yinman Infrastructure and Production Drilling. Drill Type: Diamond drilling. Both the starting and final borehole diameters are Φ75mm The ore core recovery rate (including the rock core within a 5 m range

Criteria	JORC Code explanation	Commentary
		of the roof and floor) was no less than 85%, while the rock core recovery rate was no less than 75%.
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.*	• Recording and Assessing Recoveries: Core recoveries were presented in Chapter 5.3 • Maximising Sample Recovery: Core cleaning, careful handling, and secure transport/storage. Sampling intervals aligned with lithological/ mineralisation boundaries. • Sample Recovery and Bias: High recovery rates suggest minimal loss or bias. No explicit link between recovery and grade noted.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core logged for lithology, alteration, mineralisation, structural features, supporting Mineral Resource estimation, mining, and metallurgical studies. • Both qualitative (descriptions) and quantitative (structural data). Core digitally photographed. • All drill core logged; percentage of intersections not specified but appears comprehensive.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut using a diamond saw, with half-core typically taken for analysis. Sampling aligned with lithological and mineralisation boundaries. • The underground samples were selected based on geology, veining, and sulphide mineralisation. The sampling trench was rectangular, with dimensions of 10 × 3 cm (width × depth). The sample length was determined according to the characteristics of mineralisation, generally ranging from 1.0 to 1.2 m.
Quality of assay data and	• *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 Ag was analysed using atomic absorption spectrophotometry ("AAS"), Cu by AAS and iodometric titration; Pb and Zn by polarography and EDTA complexometric titration; Sn by spectrophotometry and iodometric titration; and Sb by atomic

Criteria	JORC Code explanation	Commentary
laboratory tests	*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.*	fluorescence spectrophotometry and AAS. • The quality assurance and quality control ("QA/QC") protocol adopted historically for Yinman Project included the insertion of laboratory duplicates (internal check control) and inter-laboratory checks (external check control). • No field duplicates, coarse duplicates, Certified reference materials ("CRMs"), or blanks were inserted in the Yinman Project. CRMs and blanks are only used in the laboratory as part of internal quality control procedures with an insert ratio of 10%.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were independently verified by alternative geological company
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.*	• Geological survey measurements were carried out using GNSS. RTK technology was employed with multiple repeat observations. • Downhole surveys were conducted using Reflex EZ-Shot and Reflex ACT-III tools at intervals of 12–50 m for reliable trajectory measurement. • All coordinates recorded in the China Geodetic Coordinate System 2000 ("CGCS2000") grid system. • Topographic control was deemed adequate, providing sufficient detail for Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing and distribution were sufficient to establish geological and grade continuity, supporting Mineral Resource classifications. • Sample compositing of Sb was applied; other samples were analysed individually respecting lithological and mineralisation boundaries.
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.*	• Sampling consistently respected geological and mineralisation boundaries, minimising bias. • Drill holes were generally oriented perpendicular to key mineralised structures to ensure unbiased sampling. • No material sampling bias related to drilling orientation and key mineralised structures was reported.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• The sampling techniques were undertaken by alternative geological companies following Chinese standards, • The samples security during the exploration stage was undertaken by alternative geological companies following Chinese standards, • The Samples for the production exploration prepared, sealed, and stored on-site except for samples in umpire programs, which followed prior security protocols.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques was undertaken by alternative geological company following Chinese standards, • The QA/QC protocol adopted historically for Yinman Project included the insertion of laboratory duplicates (internal check control) and inter-laboratory checks (external check control). • No field duplicates, coarse duplicates, CRMs, or blanks were inserted in the Yinman Project audit program. CRMs and blanks are only used in the laboratory as part of internal quality control procedures with an insert ratio of 10%. • To ensure the reliability and trustworthiness of exploration data, the comprehensive quality control measures were implemented throughout the exploration process of Yinman Mine from 2004. A summary of QA/QC samples is provided in Chapter 5.5 The description and performance of the QC samples have been documented in historical geological reports. • SRK selected some independent verification samples sent to SGS Laboratory Tianjin for analysis.

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.*	• Mineral tenement is shown in Chapter 3..2

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration included drilling by Shandong No. 6# Geological Brigade, Huaxin Mining and Hebei Huakan Geological Exploration Co., Ltd. ("Huakan"),
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Yinman Project deposit is a fault-controlled, medium- to low-temperature hydrothermal vein-type Cu–Pb–Sn–Ag–Zn deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• CGCS2000 grid system used for precise spatial references. • Elevation: Elevation above sea level ("m asl") recorded for each drill hole collar but specific values not provided. • Dip and Azimuth: Holes were drilled generally perpendicular to mineralised structures; specific dip and azimuth values vary by hole. • Downhole Length and Interception Depth: Not fully tabulated but drill programs indicate variable depths designed to intersect mineralisation as close to perpendicular as possible. • Hole Length: Drill hole lengths ranged widely, with some boreholes extending over 1,000 m for deeper exploration.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• To define the extension of mineralised domains, an appropriate cut-off was applied for different deposit. • A grade capping was not used
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').*	• The drill holes were generally oriented perpendicular to the mineralised structures to achieve representative sampling.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being*	• Appropriate maps and sections were reported in this Report.

Criteria	JORC Code explanation	Commentary
	reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Details of individual drill holes are not considered Material to the overall Mineral Resource estimate presented in this Report and are omitted.
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.*	• Detailed logging of lithology, alteration, mineralisation and structural features conducted throughout exploration. • Bulk density and Metallurgical test results were detailed in the report and can support the Mineral Resource estimation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Production exploration is underway in Zone 1 and Zone 3

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All drilling and sampling data were supplied by the Yinman Mining in digital (Excel) format and were reviewed and validated by SRK prior to import into the 3D modelling/ database system. Validation included checks for duplicate and missing records, interval overlaps and gaps, downhole depth inconsistencies, unreasonable assay values and consistency between collar, survey, lithology and assay tables. • For Zone 1, the validated database comprises 1,100 drillholes with a total drilled length of 162,888 m, of which 90,269 m are sampled, yielding 86,490 assay intervals. For Zone 3, the database comprises 1,526 drillholes with a total drilled length of 310,559 m, including 243,238 m of sampled intervals and 222,986 assay intervals. • All drillhole collar are stored in the CGCS2000 grid system.
Site visits	• *Comment on any site visits undertaken by the Competent Person and*	• SRK visited the Yinman Project site between 7 and 8 April 2026

Criteria	JORC Code explanation	Commentary
	the outcome of those visits. • *If no site visits have been undertaken indicate why this is the case.*	
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• This dataset provides a good definition of the dimensions for Mineral Resource estimation. • SRK has adequate confidence in the geological interpretation. The overall interpretation of the continuity, extent, and orientation of the mineralised domains, based on the various phases of exploration, has been confirmed by operation. • Mineralisation was modelled in 3D as fault-controlled veins in Zone 1 and Zone 3. A nominal 20 g/t AgEq threshold was used to construct grade shells and define Low-Grade ("LGD") and High-Grade ("HGD") domains. AgEq was defined as: ▪ Zone 1: AgEq = Ag + 14.51 × Pb + 25.28 × Zn ▪ Zone 3: AgEq = Ag + 90.71 × Sn + 54.53 × Cu + 11.38 × Zn
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in Chapter 6.4
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.*	• Sample intervals were composited to 1 m within each domain. Univariate statistics and histograms were reviewed, and domain-specific top cuts were applied to control high-grade outliers before variography and estimation. • Experimental variograms for Ag, Pb, Zn, Cu, Sb and Sn were modelled on 1 m, top-cut composites for HGD and LGD. Where element-specific structures were weak, the Ag variogram model form and orientation in the same domain were adopted, with only sills and, where necessary, ranges adjusted. • Block model with parent cell sizes of 20 m (E) × 10 m (N) × 5 m (RL) and sub-celling to 2 m × 2 m × 1 m was constructed to reflect vein geometry and drill spacing. • Grades for Ag, Pb, Zn, Cu, Sb and Sn were estimated by ordinary kriging ("OK") within HGD and LGD, treating domains as hard boundaries. Search ellipses were aligned with the principal mineralised trend and a multi-pass search strategy with minimum/ maximum composite limits was used to control smoothing and allow estimation in both well-drilled and sparsely drilled areas.

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• For Mining Zone 1, Mineral Resources are reported above a cut-off grade of 64 g/t AgEq, where AgEq = Ag + 14.51×Pb + 25.28×Zn + 32.49×Sb, calculated using metal prices of 42.25 US$/oz Ag, 2,600 US$/t Pb, 3,650 US$/t Zn and 11,268 US$/t Sb, metallurgical recoveries of 75.31% Ag (lead concentrate), 12.71% Ag (zinc concentrate), 68.05% Pb and 80.87% Zn, and payabilities of 90.5% and 40% for Ag in lead and zinc concentrates, with Pb and Zn net of treatment/refining charges (equivalent to 479 US$/t Pb and 21 US$/t Zn contained) and Sb payable at 50% of contained metal. • For Mining Zone 3, Mineral Resources are reported above a cut-off grade of 61 g/t AgEq, where AgEq = Ag + 90.71×Sn + 54.53×Cu + 11.38×Zn, calculated using metal prices of 42.25 US$/oz Ag, 35,900 US$/t Sn, 12,600 US$/t Cu and 3,650 US$/t Zn, metallurgical recoveries of 83.64% Ag (copper concentrate), 2.73% Ag (zinc concentrate), 44.04% Sn, 82.16% Cu and 30.72% Zn, and payabilities of 93% and 40% for Ag in copper and zinc concentrates respectively, 80% for contained Cu, 92.5% for contained Sn, and Zn net of treatment/refining charges equivalent to 77 US$/t contained Zn.
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.*	• This project is an operating underground mine
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made*	• The valuable metals in the Pb-Zn ore are Ag, Pb, Zn and Sb, and the ore is of the sulphide type. Both the laboratory beneficiation tests and the actual processing plant operation adopt a "lead-priority flotation followed by zinc flotation from the lead tailings" flowsheet, producing a silver-lead-antimony bulk concentrate and a silver-zinc concentrate.

Criteria	JORC Code explanation	Commentary
	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 valuable metals in the Cu-Sn ore are Ag, Cu, Zn, Pb, Sb and Sn, and the ore is also a sulphide ore. Laboratory tests use a flowsheet of "silver-copper-lead-antimony priority flotation – silver-copper/ lead-antimony separation flotation – Zn-S bulk flotation – Zn-S separation flotation – coarse-grained tin gravity concentration – fine-grained tin flotation," producing a silver-copper concentrate, lead-antimony concentrate, zinc concentrate, sulphur concentrate, tin concentrate and secondary tin concentrate. • In actual plant operation, because the Pb-Sb grades are low, the silver-copper/ lead-antimony separation flotation is not carried out. The products are a silver-copper-lead-antimony bulk concentrate, zinc concentrate, tin concentrate and secondary tin concentrate.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Waste rock generated by the project is used for on-site infrastructure construction, underground road repairs, and roadbed preparation within the mining area, with the remaining material transported to the waste rock dump ("WRD") for disposal. • Tailings generated from mineral processing are partly used for underground backfilling, with the remainder fully discharged into the tailings storage facility ("TSF") for disposal.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density and specific gravity measurements were performed during historical programs, • SRK analysed the available density measurements and identified strong linear relationships between bulk density and grade. • In Pb–Zn–Ag orebodies, bulk density ρ (t/m³) correlates with combined Pb+Zn grade x (%) as: $\rho = 0.0848 \times x + 2.9489$ (R^2 = 0.9155). In Cu–Sn–Ag–Zn orebodies, bulk density ρ (t/m³) correlates with combined Sn+Zn grade x (%) as: $\rho = 0.0842 \times x + 2.9574$ (R^2 = 0.7254). • These regression equations were used to assign variable bulk densities to blocks, based on estimated metal grades.
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*	• Mineral Resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the

Criteria	JORC Code explanation	Commentary
	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.*	geostatistical confidence in the tonnage and grade estimates. • Details in Chapter 7.12
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews of the Mineral Resource estimate have been taken place. • SRK carried out an internal peer review on the Mineral Resource estimate.
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 relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied. • The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate was reviewed by SRK in-house geologist(s) which is the basis of Ore Reserve estimate dated 31 December 2025 • Reported Mineral Resource is inclusive of potential Ore Reserve material.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• Mr. Erwei Lu and Mr. Falong Hu, the Competent Person for this Ore Reserve statement are a full-time employee of SRK Consulting

Criteria	JORC Code explanation	Commentary
	• *If no site visits have been undertaken indicate why this is the case.*	(China) Ltd. • Mr. Erwei Lu conducted the site visit in 7/ 8 April 2026.
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.*	• This project is an operating mine with two processing plants, fed from an underground mine. • The technical study was updated by Yinman Mining in 2026. • SRK reviewed technical studies (a Pre-Feasibility ("PFS") standard study), as well as the current mining plan and actual operation data, and supportive studies, the level of accuracy of the Modifying Factors proposed in the studies and/ or modified by Yinman Mining, are considered by SRK to be akin to a PFS, which is suitable for the Ore Reserve estimation.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Due to the differences in mineralisation types and processing methodologies applied at the Yinman Mine, separate input parameters were used for the cut-off grade ("COG") estimates. • The COG is based on equivalent sliver (EqAg) grade, The equivalent Ag grade (EqAg) is calculated as: EqAg = Ag grade + 13.53 × Pb grade + 25.68 ×Zn grade in Mine Zone 1 and EqAg = Ag grade + 11.5 × Zn grade + 54.58 ×Cu grade + 89.4 × Sn grade In Mine Zone 3.

Item	Parameters	Unit	Mine Zone I	By Product	Mine Zone III	By Product
	Sliver Price	US$/oz	32.50	32.50	32.50	32.50
	Exchange Rate	US$: CNY	7.1	7.1	7.1	7.1
P	Sliver Price	CNY/g	7.42	7.42	7.42	7.42
Pa	Payable	%	90.50	90.50	93.00	93.00
Pr	Processing Recovery	%	83.00	83.00	84.00	84.00
Rt	Royalties	%	-	-	-	-
Cm	Mining Cost	CNY/t ore	231.50	-	231.50	-
Cp	Processing Cost	CNY/t ore	155.60	155.60	155.60	155.60
Cg	G&A Cost	CNY/t ore	74.00	74.00	74.00	74.00
A	COG	g/t	82.74	41.20	79.56	39.62

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The Ore Reserve is planned for extraction by underground methods. • Modified sublevel open stoping with delay backfill, overhand horizontal cut-and-fill stoping and shrinkage stoping with delayed backfill mining method have been applied at Yinman Mine. • SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. • The scope of the Ore Reserves estimation considers the boundaries of the mining tenure. • Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices. • The underground mine design and planning used for further planning is based on the review of the technical and economical consideration. • Based on operational practice review, SRK has applied mining dilution factors of 12.3% for Mine Zone 1 and 11.3% for Mine Zone 3 in Yinman Mine in the Ore Reserve estimation. • Similarly, mining loss factors of 6.5% for Mine I and 7.7% for Mine Zone III in Yinman Mine have been applied in the Ore Reserve estimation, reflecting operational practices. • The COG is used to define the economic viability of the stopes. • The effective date is as of 31 December 2025.
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?*	• Detailed process mineralogy studies have been carried out on both the Pb-Zn ore and the Cu-Sn ore, identifying the mineral composition and modes of occurrence of the ores, and providing a mineralogical basis for designing beneficiation tests and production flowsheets. • The valuable metals in the Pb-Zn ore are Ag, Pb, Zn and Sb. The ore is a sulphide ore. Laboratory beneficiation tests adopted a "lead-priority flotation followed by zinc flotation from the lead tailings" flowsheet, producing an Ag-Pb-Sb mixed concentrate and an Ag-Zn concentrate. Industrial operation at the processing plant has confirmed that this flowsheet is suitable for treating Yinman Pb-Zn ore. • In laboratory tests, metal recoveries to the silver-lead concentrate were; Ag 63.6%, Pb 86.7%, Sb 85.3%; metal recoveries to the zinc concentrate were: Zn 87.9%, Ag 13.3%. The actual plant recoveries

Criteria	JORC Code explanation	Commentary
		are lower than the laboratory results: silver-lead concentrate recoveries are Ag 76.2%, Pb 68.9%, Sb 59.6%; zinc concentrate recoveries are Zn 80.6%, Ag 12.7%. There is still significant room to improve the plant's actual recoveries. • The valuable metals in the Cu-Sn ore are Ag, Cu, Zn, Pb, Sb and Sn. The ore is a sulphide ore. Laboratory beneficiation tests used a flowsheet of "copper-priority flotation – Zn-S bulk flotation – Zn-S separation flotation – coarse-grained tin gravity concentration – fine-grained tin flotation," producing a silver-copper concentrate, zinc concentrate, sulphur concentrate, tin concentrate and secondary tin concentrate. Metal recoveries were; to the silver-copper concentrate, Ag 87.3%, Cu 79.1%, Pb 59.7%, Sb 74.6%; to the zinc concentrate, Ag 4.2%, Zn 50.8%; to the sulphur concentrate, S 51.6%; to the tin concentrate, Sn 41.5%; and to the secondary tin concentrate, Sn 11.1%. • The Cu-Sn processing plant has adopted the test-recommended flowsheet and actually produces a silver-copper concentrate, zinc concentrate, tin concentrate and secondary tin concentrate. The metal recoveries are; to the silver-copper concentrate, Ag 84.8%, Cu 82.2%; to the zinc concentrate, Ag 2.8%, Zn 31.6%; to the tin concentrate, Sn 44.1%; and to the secondary tin concentrate, Sn 1.0%. • Because the Cu-Sn ore contains many valuable minerals, the flowsheet is long and structurally complex, and the process and operating conditions at the Cu-Sn processing plant are being continuously optimised. • The arsenic content of the silver-copper concentrate is around 1.5%, which may lead to price penalties in sales.
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.*	• The project has completed multiple environmental impact assessments ("EIAs") and the EIAs basically cover the main production facilities including mine site, processing plant, tailings storage facility and other auxiliary facilities. These EIA reports have studied the environmental baseline of the Project area, and predicted including air, water, solid waste, and noise pollution, and have proposed a series of management measures. • The waste rock and tailings do not exhibit leaching toxicity and are classified as Class I general industrial solid.

Criteria	JORC Code explanation	Commentary
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The Yinman mine has long-established external infrastructure, with transport, power and water supply in place.
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.*	• See chapter 13.1 for the capital costs. • See chapter 13.2 for the operating costs.
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.*	• See chapter 14.1 for the prices. • See chapter 9 for the recovery rate. • Just Chinese Yuan ("CNY") is utilised.
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.*	• Mature channel for selling of products has been built and maintained well. • Price and volume are shown in chapter 14.
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.*	• See section chapter 14 for the assumptions.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• During the public disclosure and consultation of the EIA reports, neither the project proponent nor the EIA consultant received any public feedback. The main concerns expressed by the public generally relate to the potential impacts of mining activities, including

Criteria	JORC Code explanation	Commentary
		noise, wastewater, and solid waste pollution.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• See chapter 14 for the risks.
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).*	• See chapter 7
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• This report has been peer reviewed by Dr Yonglian Sun, BEng, PhD, FAusIMM, FIEAust, CPEng, Corporate Consultant and Alexander (Alex) Thin, BEng, FAusIMM, FIMMM, FSAIMM, Corporate Consultant
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*	• See chapter 15 for the risks.

Criteria	JORC Code explanation	Commentary
	discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Final

Competent Person's Report for Shuangjianzishan Silver-Lead-Zinc Project, Inner Mongolia Autonomous Region, the People's Republic of China

Report Prepared for

Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ■ SCN973 ■ 20 May 2026

srk consulting

Final

Competent Person's Report for Shuangjianzishan Silver-Lead-Zinc Project, Inner Mongolia Autonomous Region, the People's Republic of China

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Hailitu Reservior, which was constructed to supply 600,000 m^3/a water to the project

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Appendices

Appendix A Mining License
Appendix B *JORC Code* Table 1
Appendix C Financial Model for Economic Analysis

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term·/·Abbreviation	Meaning·/·Definition
%	percent
°	degree, angle of inclination
Φ	diameter
°C	degrees of temperature
/	per
3D	Three-dimensional
AAS	atomic absorption spectrometry
AER	Annual Environmental Report
Ag	The chemical symbol for silver
AISC	All in sustaining cost; the cost consists of cash cost, taxations and fees, and sustaining Capex
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
As	The chemical symbol for arsenic
asl	above sea level
Au	the element symbol of gold
Au Eq.	Gold equivalent; including gold, and other elements salable converted into gold equivalent
AusIMM	Australasian Institute of Mining and Metallurgy
B.Eng.	Bachelor of Engineering
B×H	breadth × height
BD	bulk density
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold and silver.
CIP	carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions.
CIT	corporate income tax
cm	centimetres
COG	cut-off grade
Company	Xingye Silver and Tin Mining Co., Ltd.
CPR	Competent Person's Report
DCF	discounted cash flow
Dr.	Doctor of Philosophy
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy

Term·/·Abbreviation	Meaning·/·Definition
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the Project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd.
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Intertek	Intertek Laboratory in Beijing
IP	Induced Polarisation, which is an exploration technique whereby an electrical current is pulsed through the ground and the response from the sub surface measured in order to identify minerals of interest. Strong IP responses may be a result of sulphide which may be associated with gold mineralisation
IPO	Initial Public Offering
IRR	internal rate of return
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum

Term·/·Abbreviation	Meaning·/·Definition
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
MAusIMM	member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimeter(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
OHS	occupational health and safety
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that

Term·/·Abbreviation	Meaning·/·Definition
	include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Project	Shuangjianzishan Project
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd.
Stock Exchange	The Stock Exchange of Hong Kong Ltd., a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
tpd	tonnes per day
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WRD	waste rock dump
VAT	value-added tax
Xingye Silver-Tin	Xingye Silver and Tin Mining Co., Ltd.
Yubang	Yubang Mining (宇邦矿业)

Executive Summary

Introduction

SRK Consulting China Ltd. ("**SRK**") was commissioned by Xingye Silver and Tin Mining Co., Ltd.. ("**Xingye Silver-Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Shuangjianzishan Silver-Lead-Zinc Project ("**Shuangjianzishan Project**" or the "**Project**") which is located in Bairin Left Banner, Inner Mongolian Autonomous Region, the People's Republic of China ("**P.R. China**" or "**China**"). The Shuangjianzishan Project is operated and 100% owned by the Chifeng Yubang Mining Co., Ltd. ("**Yubang**"), which is a 85% owned subsidiary of Xingye Siver-Tin.

It is SRK's understanding that the independent technical assessment on the Shangjianzishan Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a filing with the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary Hong Kong Exchanges and Clearing Limited.("HKEx").

The Report has been prepared to report the Mineral Resources and Ore Reserves of the Project 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.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver-Tin and potential equity investors and future shareholders of Xingye Silver-Tin with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects of the Shangjianzishan Project based on all available technical data, as of the Effective Date of this report. It is understood that the aim of this Report will be used by Xingye Silver-Tin for the filing on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for the Project consisted of:

- Review of the dataset and Mineral Resource models provided by Xingye Silver-Tin, and preparation of the data verification plan to be implemented during site inspection.
- A site visit between 26 and 28 January 2026 to the Project, including the locations of exploration boreholes, drill cores, the underground mine, and the sites of other industrial facilities, i.e., the ore processing plant, ore and waste stockpiles, and tailings storage facilities ("**TSF**"), as well as water source and power supply station, the office and living areas, and other infrastructure, etc.
- Review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.

- Discussion with Xingye Silver-Tin and Yubang management and technical personnel regarding various technical aspects.
- Preparation of a draft report in accordance with the *JORC Code* and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx, with the declaration date of Mineral Resources and Ore Reserves of 31 December 2025.
- Submission of the draft to Xingye Silver-Tin and related third party for comments and finalisation of the draft Report based on the feedback.

Results

Overall

The Shuangjianzi Project is located in Barin Zou Banner of Chifeng City, Inner Mongolia Autonomous Region. Currently It consists of one underground mine, one processing plant with a processing capacity of 5,000 tonnes per day ("**tpd**"), and an area of 10.9456 km^2 mining license being valid to October 2048. The owner of this mining license is Yubang. Annual productivity allowed by the license is 8.25 million tonnes per annum ("**Mtpa**").

Chinese institutes have carried out geological exploration including drilling, pitting and trenching on the Project. SRK reviewed the database of previous programs, conducted a data verification program, and reconciled the data. By using the database, SRK estimated the remained mineral resources of the Shuangjianzishan Project according to *JORC Code* (2012) as presented in Table ES- 1.

Table ES- 1: Shuangjianzishan Project Mineral Resources as of 31 December 2025

Mineral Resource	**Tonnage**	***Average Value***				***Material Content***			
class	**Mass**	**Ag**	**Pb**	**Zn**	**AgEq**	**Ag**	**Pb**	**Zn**	**AgEq**
	Mt	**g/t**	**%**	**%**	**g/t**	**t**	**t**	**t**	**t**
Measured	**143**	**62.61**	**0.29**	**0.61**	**70.48**	**8,930**	**414,770**	**866,780**	**10,053**
Indicated	**97**	**60.08**	**0.31**	**0.65**	**68.52**	**5,852**	**303,798**	**635,438**	**6,675**
Measured + Indicated	**240**	**61.58**	**0.30**	**0.63**	**69.68**	**14,782**	**718,568**	**1,502,218**	**16,728**
Inferred	**97**	**72.70**	**0.29**	**0.74**	**82.14**	**7,029**	**281,293**	**714,034**	**7,942**
Total	**337**	**64.77**	**0.30**	**0.66**	**73.26**	**21,811**	**999,861**	**2,216,251**	**24,669**

China ENFI Engineering Corporation ("**ENFI**") conducted a feasibility study in 2023 ("***FS 2023***") to assess further developing the mineral resources of the project and expansion of the underground mining systems to support an increase in production to a capacity of 8.25Mtpa.

Tanmo Consulting Company ("**Tanmo**") conducted a feasibility study in 2026 ("**FS 2026**"). The feasibility study proposed to keep the existing processing plant with a capacity of 5,000 tpd, and then

to construct a new plant with a 20,000 tpd capacity. The plants have used and will continually use conventional flowsheet to produce silver-lead concentrates and zinc concentrates. Both concentrates contain saleable grades of silver; and will be sold in local/national markets to smelters.

By considering various parameters proposed in the feasibility studies, SRK has converted the qualified Mineral Resources into Ore Reserves. As of 31 December 2025, the Shuangjianzishan Project possesses Proved Ore Reserves of about 101 million tonnes ("**Mt**") averaging 59.9 grams per tonne ("**g/t**") Ag, 0.26%Pb, and 0.56%Zn, and Probable Ore Reserves of about 50.5 Mt averaging 54.2g/t Ag, 0.28%Pb, and 0.58%Zn. The Ore Reserves may support a life of mine about 21 years, including 4 years of expansion construction period.

Based on the feasibility studies with SRK's adjustments, for increasing production to 25,000 tpd, the total initial capital expenditure for the project is Chinese RenMinBi ("**CNY**") 2,898 million ("**Mln**"), and working capital is CNY 244 Mln. Sustaining capital for equipment replacement is about CNY 1,088 M. The proposed operating cost is averaging 51.95, 109.15, 54.26, 7.58, and 10.97 CNY/t ore for block caving mining, back-filling mining, ore processing, supportive cost, and other costs, respectively.

By using the parameters as proposed in the feasibility study with SRK's modification, SRK conducted an economic analysis. The discount cash flow method ("**DCF**") estimates that the net present value ("**NPV**") of the Shuangjianzishan Project at various discount rates are about CNY 8.64 billion ("**Bln**") at 10%, CNY 10.53 Bln at 8%, and CNY 12.97 Bln at 6%. The internal rate of return is 94.56%, and the payback period is about 3 years including construction period.

Therefore, the Shuangjianzishan Project is economically viable, and the Ore Reserves statement can satisfy the requirements of *JORC Code*.

Operational Licences and Permits

The Company has obtained a mining license to carry out mining and processing activities. In addition, it has acquired other approvals and permits including two safety production permits, a water use permit and land use permits.

Geological Setting and Mineralisation

The Project is located within the **Late Variscan fold belt** of the Central Inner Mongolia geosynclinal system, on the southeastern limb of the Zhesi–Linxi synclinorium.

The stratigraphy comprises Permian to Jurassic units, recording a transition from **Early Permian shallow marine** to **Late Permian continental environments**.

Regional structure is defined by **NE-trending Variscan basement fabrics** overprinted by **Yanshanian fault-dominated deformation**.

The Project lies within the **Huanggangliang–Ganzhuer Ag–Pb–Zn polymetallic belt**, a region hosting multiple large to super-large deposits.

Property Geology

Stratigraphy

Mineralization is hosted primarily within the **Middle Permian Dashizhai Formation (P2d)**, particularly the **upper member (P2d2)**, comprising slate and metamorphosed siltstone.

Strata generally **strike NE and dip SE or NW**.

Structure

Mineralization is controlled by the **Xinglongshan (XLS) fracture zone** (~5.6 km long, ~1.1 km wide), consisting of intersecting fault sets.

NW-trending faults (300°–310°, 50°–76° dip) are the principal ore-controlling structures, characterized by strong fracturing and brecciation.

NE-trending faults are subordinate.

Magmatism

Magmatism is limited to **small dykes** (diorite porphyrite, granite porphyry, rhyolite porphyry, quartz veins), locally associated with structures.

Mineralization

Mineralization is interpreted as a **fault-controlled hydrothermal Ag–Pb–Zn system**.

- **Ore minerals**: galena, sphalerite, pyrite, and silver minerals
- **Alteration**: silicification, pyritization, chloritization, carbonation, sericitization

Silicification and pyritization are closely associated with mineralization.

Interpretation

Mineralization is structurally controlled by **NW-trending fault systems** and preferentially hosted in the **upper Dashizhai Formation (P2d2)**, consistent with regional metallogenic characteristics.

Orebody Geology

Mineralization is predominantly hosted in the **Xinglongshan (eastern) block** within the **Xinglongshan fracture zone**, mainly in the **upper Dashizhai Formation (P2d2)**, with minor occurrences in the Xinmin Formation and SJS (western) block.

Ore bodies are **stratiform to vein/lens-shaped**, forming a **~2.1 km** long zone striking **NW** and dipping **moderately–steeply SW**.

Drilling, Trenching and Underground Channelling

Exploration in the Project area has progressed from regional geological surveys (1968–1984) to systematic prospecting and production exploration (2004–2017).

Modern exploration programs included geological mapping, trenching, diamond drilling, and underground development, which successfully defined and controlled the mineralized zones.

Drilling:

2010: 48 holes, ~21,790 m

2017: 147 holes, ~95,594 m (surface and underground)

Underground works:

~29,488 m of exploration tunnels across multiple levels

Trenching:

Limited (3 trenches) for surface exposure of mineralization

Drilling and underground development were conducted on a systematic grid (typically 40–80 m spacing) along exploration lines oriented perpendicular to mineralization, providing adequate geological control.

All exploration activities were completed in accordance with relevant technical standards, with appropriate sampling, documentation, and analytical procedures.

Sample Preparation, Analyses, and Quality Assurance and Quality Control ("QA/QC")

All project sampling activities were conducted by on-site geological personnel in accordance with Chinese national geological prospecting specifications, covering standardised surface and underground drill core sampling, underground channel sampling and surface trench sampling with controlled intervals, sampling boundaries and sample weight deviations. Length-weighted composite samples were also prepared to support multi-element and metallurgical testwork. All sample preparation procedures were undertaken by accredited laboratories complying with the DZ/T 0130.2-2006 standard, adopting the Chechott formula for representative sample mass calculation and staged crushing, grinding, sieving and homogenisation processes, with strict cross-contamination prevention and systematic retention of coarse rejects and duplicate pulps for quality control.

Assay quality management followed the DZ/T 0130-2006 specification, with all tests completed by qualified Class A laboratories. Internal blind duplicates (accounting for ~10% of total samples) achieved a 99% pass rate with no significant systematic bias, while external umpire checks (3–15% of primary samples annually) delivered Au pass rates of 91%–100% without consistent directional deviation. Targeted analytical methods including AAS and volumetric analysis were applied for graded testing of Ag, Pb and Zn. Overall, the sampling, preparation and assay workflows are robust and compliant, producing accurate and precise datasets suitable for mineral resource evaluation.

All Ag-Pb-Zn assay QA/QC activities for the Yubang Project were conducted in compliance with DZ/T0130.3-2006, comprising internal duplicate re-analysis and independent external umpire testing by two CNCA-accredited laboratories, with evaluated results demonstrating high analytical precision and no significant systematic bias. SRK completed multi-round independent data verifications, including 12 field samples collected and tested by SGS Tianjin Laboratory in January 2026 as well as historical channel and reject sample re-assays undertaken prior to the 2018 project acquisition,

all confirming consistent grade results and validating the mine's current production grade characteristics and operational status. SRK's site inspections and database audit identified deficiencies in the project's exploration database, including inconsistent multi-team exploration data, inadequate QA/QC implementation and insufficient historical multi-element analysis, though no additional re-sampling was conducted. SRK's on-site validation of mining maps and 3D modelling verified mined-out volumes align with official production records, supporting the reliability of the mined-out wireframes adopted for mineral resource estimation. Comprehensive site due diligence completed by SRK's senior geological personnel in January and April 2026 further verified standard core management, complete drill data documentation and compliant on-site grade control procedures.

Mineral Resource Estimation

SRK generated the Mineral Resource estimation domains using Leapfrog Edge software. The estimates are based on the surface diamond drill holes, trenches and underground drilling and mining depletion information available up to 31 December 2025.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Shuangjianzishan Project, at a cut-off grade of 30 AgEq for the area in the filling mining method and at a cut-off grade of 20 AgEq for the area in the block caving mining method.

There are 143 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 62.61 g/t Ag, 0.29% Pb, 0.61% Zn and 70.48 g/t AgEq; 97 Mt of Indicated Mineral Resources at an average grade of 60.08 g/t Ag, 0.31% Pb, 0.65% Zn and 68.52 g/t AgEq; and 97 Mt of Inferred Mineral Resources at an average grade of 72.70 g/t Ag, 0.29 % Pb, 0.74 % Zn and 82.14 g/t AgEq. Details of estimated resources are shown in Table ES-2.

Table ES-2: Mineral Resource Statement, Shuangjianzishan Project, Prepared by SRK Consulting China Limited, 31 December 2025[1,2,3]

Area	Block	Cutoff	*Mineral Resource*	Tonnage	*Average Value*				*Material Content*			
		AgEq	*class*	Mass	Ag	Pb	Zn	AgEq	Ag	Pb	Zn	AgEq
		g/t		Mt	g/t	%	%	g/t	t	t	t	t
Mining	Block Caving	20	measured	116	62.33	0.28	0.60	70.11	7,224	322,177	697,739	8,125
			indicated	48	55.53	0.28	0.61	63.44	2,678	137,301	295,083	3,059
			Measured + Indicated	**164**	**60.33**	**0.28**	**0.60**	**68.15**	**9,902**	**459,478**	**992,822**	**11,184**
			inferred	6	63.20	0.24	0.49	69.54	363	13,611	28,116	400
			Total	**170**	**60.43**	**0.28**	**0.60**	**68.19**	**10,265**	**473,090**	**1,020,938**	**11,584**
	Cut and fill	30	measured	27	63.81	0.35	0.63	72.08	1,706	92,592	169,041	1,928
			indicated	49	64.53	0.34	0.69	73.51	3,174	166,498	340,355	3,616
			Measured + Indicated	**76**	**64.28**	**0.34**	**0.67**	**73.01**	**4,880**	**259,090**	**509,396**	**5,543**
			inferred	88	73.59	0.29	0.76	83.26	6,500	257,828	668,765	7,354
			Total	**164**	**69.29**	**0.31**	**0.72**	**78.52**	**11,381**	**516,918**	**1,178,161**	**12,897**
	Total		**measured**	143	62.61	0.29	0.61	70.48	8,930	414,770	866,780	10,053
			indicated	97	60.08	0.31	0.65	68.52	5,852	303,798	635,438	6,675

			Measured + Indicated	**240**	**61.58**	**0.30**	**0.63**	**69.68**	**14,782**	**718,568**	**1,502,218**	**16,728**
			inferred	94	72.96	0.29	0.74	82.42	6,864	271,440	696,881	7,754
			Total	**334**	**64.78**	**0.30**	**0.66**	**73.27**	**21,646**	**990,008**	**2,199,099**	**24,481**
			measured	0	—	—	—	—	-	-	-	-
			indicated	0	—	—	—	—	-	-	-	-
	Block Caving	20	**Measured + Indicated**	**0**	**—**	**—**	**—**	**—**	**-**	**-**	**-**	**-**
			inferred	0	—	—	—	—	-	-	-	-
			Total	**0**	**—**	**—**	**—**	**—**	**-**	**-**	**-**	**-**
			measured	0	—	—	—	—	-	-	-	-
			indicated	0	—	—	—	—	-	-	-	-
Exploration	Cut and fill	30	**Measured + Indicated**	**0**	**—**	**—**	**—**	**—**	**-**	**-**	**-**	**-**
			inferred	3	63.36	0.38	0.66	72.00	165	9,853	17152	188
			Total	**3**	**63.36**	**0.38**	**0.66**	**72.00**	**165**	**9,853**	17152	**188**
			measured	**0**	**—**	**—**	**—**	**—**	**0**	**0**	0	**0**
			indicated	**0**	**—**	**—**	**—**	**—**	**0**	**0**	0	**0**
	Total		**Measured + Indicated**	**0**	**—**	**—**	**—**	**—**	**0**	**0**	0	**0**
			inferred	**3**	**63.36**	**0.38**	**0.66**	**72.00**	**165**	**9,853**	17152	**188**
			Total	**3**	**63.36**	**0.38**	**0.66**	**72.00**	**165**	**9,853**	**17,152**	**188**
			measured	**116**	**62.33**	**0.28**	**0.60**	**70.11**	**7,224**	**322,177**	**697,739**	**8,125**
			indicated	**48**	**55.53**	**0.28**	**0.61**	**63.44**	**2,678**	**137,301**	**295,083**	**3,059**
	Block Caving	20	**Measured + Indicated**	**164**	**60.33**	**0.28**	**0.60**	**68.15**	**9,902**	**459,478**	**992,822**	**11,184**
			inferred	**6**	**63.20**	**0.24**	**0.49**	**69.54**	**363**	**13,611**	**28,116**	**400**
			Total	**170**	**60.43**	**0.28**	**0.60**	**68.19**	**10,265**	**473,090**	**1,020,938**	**11,584**
			measured	**27**	**63.81**	**0.35**	**0.63**	**72.08**	**1,706**	**92,592**	**169,041**	**1,928**
			indicated	**49**	**64.53**	**0.34**	**0.69**	**73.51**	**3,174**	**166,498**	**340,355**	**3,616**
Total	Cut and fill	30	**Measured + Indicated**	**76**	**64.28**	**0.34**	**0.67**	**73.01**	**4,880**	**259,090**	**509,396**	**5,543**
			inferred	**91**	**73.30**	**0.29**	**0.75**	**82.93**	**6,666**	**267,681**	**685,917**	**7,542**
			Total	**167**	**69.19**	**0.32**	**0.72**	**78.42**	**11,546**	**526,771**	**1,195,313**	**13,085**
			measured	**143**	**62.61**	**0.29**	**0.61**	**70.48**	**8,930**	**414,770**	**866,780**	**10,053**
			indicated	**97**	**60.08**	**0.31**	**0.65**	**68.52**	**5,852**	**303,798**	**635,438**	**6,675**
	Total		**Measured + Indicated**	**240**	**61.58**	**0.30**	**0.63**	**69.68**	**14,782**	**718,568**	**1,502,218**	**16,728**
			inferred	**97**	**72.70**	**0.29**	**0.74**	**82.14**	**7,029**	**281,293**	**714,034**	**7,942**
			Total	**337**	**64.77**	**0.30**	**0.66**	**73.26**	**21,811**	**999,861**	**2,216,251**	**24,669**

Sources: SRK

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr Liang Li (Elian) and Dr. Anshun Xu who are full time employee of SRK Consulting China Ltd. Mr Li is a member of AusIMM and Dr. Xu is a Fellow of AusIMM. Both Mr Li and Dr. Xu 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 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*. Mr. Li and Dr. Xu consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 20 g/t AgEq in Block Caving Block and 30 g/t AgEq in Cut and fill Block.

Exploration Potential

SRK is aware that the project area is located in the silver polymetallic metallogenic belt in the southern section of the Greater Khingan Mountains. Skarn-type and epithermal-type deposits are developed in and around the mining area. Based on Yubang Mining as a platform, Xingye has continuously integrated mineral rights in adjacent areas and expanded the exploration scope. In 2025, good geophysical and geochemical prospecting results were achieved, and 6 abnormal potential target areas were delineated. In 2025, drilling verification was carried out in some areas, and good silver, copper and tin mineralization was discovered. It is expected that more metal resources such as tin, copper, silver, lead and zinc will be obtained in the prospecting right block and the integrated resource scope in the future.

Ore Reserves Estimate

The Shuangjianzishan Project is subdivided into two sections, namely the east Xinglongshan Section and the west Shuangjianshan Section. The Xinglongshan Section is an operating underground mine, and will be modified to significantly expand mining capacity from the current 600 ktpa to 8,250 ktpa under the guidance of following technical studies:

- *Feasibility Study Report of Mining and Processing Engineering on Shuangjianzishan Silver-Lead-Zinc Project at Bairin Left Banner, Inner Mongolia Autonomous Region for Chifeng Yubang Mining Co., Ltd.*, which was prepared by China ENFI Engineering Company Limited ("**ENFI**") and dated January 2023 (hereinafter referred to as "***FS 2023***").
- *Feasibility Study Report of Mining and Processing Expansion on Shuangjianzishan Silver-Lead-Zinc Project at Bairin Left Banner, Inner Mongolia Autonomous Region for Chifeng Yubang Mining Co., Ltd.*, which was prepared by Tanmo and dated January 2026 (hereinafter referred to as "***FS 2026***").

After review of *FS 2023*, SRK understood that underground mining will be continually used for extraction of Mineral Resources in the Xinglongshan Section. The *FS 2026* itself is too simple to support an expansion of capacity, except for the estimate of expansion capital expenses ("**Capex**").

Shuangjianshan Section is still in the process of exploration, without a technical study at the preliminary or feasibility level in place or plan. Therefore, the Ore Reserves were estimated only for the Xinglongshan Section.

The Ore Reserves of the Shuangjianzishan Project as of 31 December 2025 is shown in Table ES-3.

Table ES-3: Ore Reserve Statement of Shuangjianzishan Project, as of 31 December 2025 [1,2,3,4,5]

Mining Method	Category	Cut-off Grade (g/t AgEq)	Tonnage (Mt)	Ag Grade (g/t)	Pb Grade (%)	Zn Grade (%)
Block caving	Proved	24	95.4	60.2	0.26	0.56
	Probable	24	40.7	54.1	0.27	0.56

Mining Method	Category	Cut-off Grade (g/t AgEq)	Tonnage (Mt)	Ag Grade (g/t)	Pb Grade (%)	Zn Grade (%)
Backfilling	Sub-total	24	136	58.4	0.26	0.56
	Proved	36	5.65	55.3	0.33	0.59
	Probable	36	9.76	54.7	0.35	0.66
	Sub-total	36	15.4	54.9	0.34	0.63
Total	Proved	/	101	59.9	0.26	0.56
	Probable	/	50.5	54.2	0.28	0.58
	Sub-total	/	152	58.0	0.27	0.57

Sources: SRK

Note:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Yonggang Wu, MAusIMM, and Dr. Anshun Xu, FAusIMM CP(Geo), who are full time employees of SRK Consulting China Ltd. Both Dr. Xu 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*. Dr. Xu and Mr. Wu consent to the reporting of this information in the form and context in which it appears.

[2] The reference point of Ore Reserves is set at the feed of process plant, using the 2012 version of *JORC Code*, with an effective date of 31 December 2025.

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

[4] Ore Reserves are reported at a silver equivalent cut-off grade of 24 g/t for block caving method and 36 g/t for backfilling method, respectively. AgEq = Ag + 2.01 * Pb + 11.67 * Zn.

[5] Numbers have been rounded and may not sum precisely.

Mining Assessment

Construction of the underground mine at Xinglongshan Section was commenced in 2011. The production was commenced in 2012.

The Xinglongshan Section has been developed with a main ramp and five shafts. Another main ramp and a decline for the conveyor belts will be built to support the expanded hauling capacity under the guidance of *FS 2023*. The development system is technically feasible to access the underground mine.

The practiced mining methods include shallow hole shrinkage mining and sub-level open stoping, both with delayed filling. To realise the expanded mining capacity, the third mining method to be added is the block caving. These mining methods are technically feasible to exploit the Mineral Resources.

Processing and Metallurgy

Both Yubang's Shuangjianzishan and Xinglongshan ores are bearing low-grade silver-lead-zinc, with no obvious differences in ore characteristics and basically the same processability. Multiple research institutions have carried out numerous process mineralogy studies and processing tests, providing a solid technical basis for the design and operation of the concentrator.

The current concentrator is designed for a capacity of 5,000 tpd (1.65 Mtpa) and adopts a process flowsheet of preferential flotation of silver-lead, producing silver-lead concentrate and zinc concentrate. Based on the actual zinc raw ore grade in production, the zinc flotation circuit is operated intermittently; when it is shut down, only silver-lead concentrate is produced. The actual production indicators for the past two years are shown in Table ES-4. The lead grade in the

silver-lead concentrate is low, and the zinc grade in the zinc concentrate is also low. Improving the concentrate grades is a subject that needs to be studied for Yubang's beneficiation operations.

Table ES-4: Technical Production Indicators of the 5,000 tpd Concentrator

Indicator	Unit	2024	2025	Average
Ore Processed	t	1,252,584	1,567,628	1,410,106
Feed Ore Grade	Ag g/t	71.08	69.17	70.02
	Pb %	0.24	0.26	0.25
	Zn %	0.57	0.89	0.75
Ag-Pb Concentrate Output	t	50,101	77,824	63,962
Ag-Pb Concentrate Mass Yield	%	4.00	4.96	4.54
Ag-Pb Concentrate Grade	Ag g/t	1,601	1,244	1,384
	Pb %	4.64	2.53	3.36
Ag-Pb Concentrate Recovery	Ag %	90.08	89.26	89.63
	Pb %	76.36	47.94	60.02
Zn Concentrate Output	t	960	1,578	1,269
Zn Concentrate Mass Yield	%	0.077	0.101	0.090
Zn Concentrate Grade	Ag g/t	477	870	721
	Zn %	29.10	36.70	33.83
Zn Concentrate Recovery	Ag %	3.89	1.27	0.93
	Zn %	0.51	4.14	4.06

Source: 2024 concentrator daily reports, 2025 monthly metal balance sheets.

In 2025, the Institute of Resources Utilization and Rare Earth Development of the Guangdong Academy of Sciences (formerly the Guangzhou Research Institute of Nonferrous Metals) carried out detailed processing mineralogy studies and beneficiation test work. It ultimately recommended a flotation process flowsheet of "two-stage roughing with preferential silver-lead flotation – separate cleaning of the rough concentrates – upgrading and separation of the silver-lead concentrate – zinc recovery from the silver-lead tailings." By adopting this flowsheet, it is possible to produce high-grade silver-lead concentrate, silver concentrate (a low-grade silver-lead concentrate), and saleable zinc concentrate, thus successfully resolving the technical problem of low lead and zinc grades in the concentrates.

Yubang plans to expand its mining and processing capacity to 8.25 Mtpa (25,000 tpd). To this end, it is planned to adopt the natural caving method for mining and to construct a new concentrator with a capacity of 20,000 tpd. At present, ENFI Engineering Corporation is carrying out the preliminary design for the expansion, including the new 20,000 tpd concentrator and the associated new tailings storage facility. The new concentrator will adopt the new process flowsheet developed by the Guangzhou Institute, and its products will be high-grade silver-lead concentrate, silver concentrate, and zinc concentrate. The design parameters are shown in Table ES- 5. The preliminary design flowsheet and indices have not yet been made available and will be updated after completion of the preliminary design.

Table ES- 5: Design Parameters of the New Concentrator

Product	Output (tpd)	Mass (%)	Grade (%)			Recovery (%)		
			Ag (g/t)	Pb	Zn	Ag	Pb	Zn
Ag-Pb Concentrate	418	2.09	**3,100**	**11.63**	9.60	**86.00**	**84.00**	30.93
Zn Concentrate	138	0.69	**640**	0.40	**45.00**	**5.88**	0.96	**48.00**

Tailings	19,444	97.22	6.31	0.04	0.14	8.12	15.04	21.07
Run-of-mine	20,000	100.00	75.50	0.29	0.65	100.00	100.00	100.00

Product	Output (tpd)	Mass (%)	Grade (%)			Recovery (%)		
			Ag (g/t)	Pb	Zn	Ag	Pb	Zn
Ore Sorting Concentrate	15,000	75.00	81.90	0.40	0.88	94.50	93.50	93.80
Ore Sorting Waste	5,000	25.00	14.30	0.08	0.17	5.50	6.50	6.20
Ag-Pb Concentrate	103.5	0.52	5,210.74	**42.61**	17.51	41.49	68.91	12.94
Ag Concentrate	345.0	1.73	1,431.47	2.24	9.02	37.99	12.06	22.23
Zn Concentrate	147.0	0.74	459.64	0.35	**42.43**	5.20	0.79	44.56
Tailings	14,405	72.02	8.87	0.05	0.14	9.83	11.73	14.07
Run-of-mine	20,000	100.00	65.00	0.32	0.70	100.00	100.00	100.00

Conducting pre-concentration and waste discarding operations during the crushing stage is an effective measure to increase the grade of ore fed to the mill and reduce beneficiation costs. Currently, industrial-scale tests on pre-concentration and waste rejection at the existing concentrator are still underway, and their results will provide technical support for the design of the new concentrator.

(Since ENFI's preliminary design has not yet been issued, this feasibility study follows the existing concentrator's process, with products being low-grade silver-lead concentrate and low-grade zinc concentrate, which may not have an advantage in sale prices. It is recommended that the preliminary design adopt the flowsheet proposed by the Guangzhou Institute and incorporate pre-concentration and waste-rejection operations.)

Based on records of actual concentrate tonnages stored in the lead and zinc concentrate bins, as provided by the Company's finance department, the contained metal quantities have been calculated and are presented in Table ES-6. Gold, recovered as a by-product, is also included in the production and sales reports.

Table ES-6: Historical Production Performance from Production and Sales Reports

Actual Recovered Metal	Unit	2025
Ag	t	93.63
Pb	kt	1.96
Zn	kt	4.45
Actual By Product Metal	**Unit**	**2,025.00**
Au	kg	54.00

Source: Production and Sales Reports from the financial department.

Environmental and Social Impacts

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. The environmental and social risks for the Project are:

- Impacts to the local ecological system due to land disturbance;
- Dust impacts from the TSF and waste rock dump area; and
- Impacts to groundwater from the waste dump and the TSF.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Historically Capex refers to those invested into the Project that have been provided by the Company. SRK has summarized the historical Capex into fixed assets and projects in construction with a total net present value of about CNY 647 million, including the historical investment for the mining operation, ore Processing Plant, and other associated facilities. The Capex will be deemed as sunk capital and will be used for depreciation and amortization.

Both *FS 2023* and *FS 2026* proposed that existing underground mining system, current ore processing plant and other supportive facilities will be still used in further production. The *FS 2023* and *FS 2026* proposed further Capex needed for the expansion project, as listed in Table ES- 7.

Table ES- 7: Further Capex Needed According to Cost Centres (CNY Million)

Item	Amount	%
Mining	1,210.65	41.78%
Processing	553.60	19.10%
Tailings system	285.60	9.86%
Supportive facilities	357.82	12.35%
Office and living facilities	29.89	1.03%
Others	329.81	11.38%
Contingency	130.63	4.51%
Total	**2,898.00**	**100.00%**

The construction period of the expansion will be three years. The working capital needed for the expansion is CNY 244 million over the first two years of production. Sustaining Capex has been added for equipment replacement. Table ES- 8 gives the investment plan for the Project. SRK deems that the proposed Capex and investment plan are reasonable and attainable. Sustaining Capex is also considered.

Table ES- 8: Further Investment Plan (CNY in Million)

Item	2026	2027	2028	2029	2030	2038	2039	2046
Initial Capex	898	1000	1000					
Sustaining Capex						500	568	
Mine closure								250
Residual value								-250
Working capital				120	124			-244
Total	**898**	**1000**	**1000**	**120**	**124**	**500**	**568**	**-244**

Source: *FS 2026*, Xingye with SRK modification

Note: Negative figures are the funds to be recovered at the end of the mine life

Operating Costs

SRK reviewed the Opex of recent years of production, and the Opex proposed in the *FS 2023*. Table ES- 9 provides details about the Opex. SRK notes that the mining method used in the production in

2024 and 2025 is back-filling method, and that a significant amount of Opex in 2025 was for the underground development.

Table ES- 9: Summary of the Opex from 2024 to 2025 of the Project

Item	Unit	2024	2025
Workforce employment	Min CNY	54.48	52.85
Consumables	Min CNY	50.39	41.73
Fuel, electricity, water and other services	Min CNY	25.39	25.32
On and off-site administration	Min CNY	31.90	60.75
Environmental protection and monitoring	Min CNY	3.88	9.98
Transportation of workforce [1]	Min CNY	0.00	0.00
Product marketing and transport [2]	Min CNY	0.00	0.00
Non-income taxes, royalties and other governmental charges [3]	Min CNY		
Others	Min CNY	7.85	58.89
Contingency allowances	Min CNY		
Total Cash Opex	Min CNY	**173.89**	**249.52**

Source:: Xingye and Yubang

Note: 1. The expenses have been included in "Others"

2. The buyers purchase the concentrates in the mine's plant, and the expenses for sales are minimum, and included in "Others"

3. The costs were not reported in the cash operating costs, and were reported in economic analysis section

4. In the prospectus, Workforce employment is deemed to be labor costs, Consumables is deemed to be materials, Fuel, electricity, water and other services is deemed to be fue l& power, On and off-site administration is deemed to be General & Admin, Environmental protection and monitoring is deemed to be OHS Expenses, Others and Contingency allowances are deemed to be others.

Table ES- 10: Summary of the Opex (CNY/t) Proposed by *FS 2023*, and used by SRK

Item	Block Caving	Back-filling	Processing	Supportive	Others
Workforce employment	10.69	12.58	1.65	0.81	
Consumables	15.62	65.61	28.39	0.46	
Fuel, electricity, water and other services	6.16	8.40	15.46	0.96	
On and off-site administration	0.99	0.99	0.26	0.00	9.38
Environmental protection and monitoring	10.00	10.00	0.00	0.00	0.00
Transportation of workforce [1]	0.00	0.00	0.00	0.00	0.00
Product marketing and transport [2]	0.00	0.00	0.00	0.00	0.00
Non-income taxes, royalties and other governmental charges [3]					
Others	6.02	6.37	5.92	4.99	1.07
Contingency allowances	2.47	5.20	2.58	0.36	0.52
Total	51.95	109.15	54.26	7.58	10.97

Source:: *FS 2023* and SRK

Note: 1. The expenses have been included in "Others"

2. The buyers purchase the concentrates in the mine's plant, and the expenses for sales are minimum, and included in "Others"

3. The costs were not reported in the cash operating costs, and were reported in economic analysis section

4. In the prospectus, Workforce employment is deemed to be labor costs, Consumables is deemed to be materials, Fuel, electricity, water and other services is deemed to be fue l& power, On and off-site administration is deemed to be General & Admin, Environmental protection and monitoring is deemed to be OHS Expenses, Others and Contingency allowances are deemed to be others.

Table ES- 10 summarizes the Opex proposed in FS 2023. SRK has adjusted the proposed Opex by adding 5% contingency in above table. The proposed Opex will be used for the production in expansion construction period, i.e. 2026, 2027, and 2028. The adjusted Opex will be used for the production after expansion.

For the whole life of the mine, the average Opex is about CNY 130.3/t ore or CNY 2.58/g Ag_eq or USD 11.31/Oz Ag_eq. The 2025 Opex was CNY3.76/g Ag_eq or USD 16.45/Oz Ag_eq. ES-11 and ES-12 provide details of the annual average Opex.

Table ES- 11: Summary of the annual Opex (CNY in Million) during the life of mine of the project

Item	2026-27	2028	2029	2030-33	2034	2035-46
Workforce employment	15.04	14.44	13.66	13.57	13.41	13.15
Consumables	94.46	78.46	57.97	55.47	51.47	44.47
Fuel, electricity, water and other services	24.82	24.10	23.18	23.07	22.89	22.58
On and off-site administration	10.63	10.63	10.63	10.63	10.63	10.63
Environmental protection and monitoring	10.00	10.00	10.00	10.00	10.00	10.00
Transportation of workforce 1	0.00	0.00	0.00	0.00	0.00	0.00
Product marketing and transport 2	0.00	0.00	0.00	0.00	0.00	0.00
Non-income taxes, royalties and other governmental charges 3						
Others	18.35	18.24	18.09	18.08	18.05	18.00
Contingency allowances	8.67	7.79	6.68	6.54	6.32	5.94
Total Cash Opex	**181.97**	**163.66**	**140.21**	**137.35**	**132.78**	**124.77**

Source:: SRK

Note: 1. The expenses have been included in "Others"

2. The buyers purchase the concentrates in the mine's plant, and the expenses for sales are minimum, and included in "Others"

3. The costs were not reported in the cash operating costs, and were reported in economic analysis section

4. In the prospectus, Workforce employment is deemed to be labor costs, Consumables is deemed to be materials, Fuel, electricity, water and other services is deemed to be fue l& power, On and off-site administration is deemed to be General & Admin, Environmental protection and monitoring is deemed to be OHS Expenses, Others and Contingency allowances are deemed to be others.

Table ES- 12: Summary of the annual unit Opex during the life of mine of the project

Item	Unit	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Opex	Mln CNY	286	312	413	933	1132	1132	1132	1132	1096	1029	1029
Total ore proceesed	kt	1650	1800	2650	6650	8250	8250	8250	8250	8250	8250	8250
Total Ag_Eq sold	Mln g	110	110	134	331	423	401	410	408	409	438	425
Unit Opex	CNY/t ore	173.3	173.3	155.8	140.3	137.3	137.3	137.3	137.3	132.8	124.8	124.8

	CNY/g Ag	2.61	2.83	3.08	2.82	2.68	2.83	2.76	2.78	2.68	2.35	2.42
	CNY/Oz Ag	81.04	87.96	95.89	87.67	83.22	87.92	85.92	86.38	83.25	73.15	75.30
	USD/Oz Ag	11.41	12.39	13.51	12.35	11.72	12.38	12.10	12.17	11.73	10.30	10.61

Item	Unit	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total/ Average
Total Opex	Mln CNY	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	848	**19,739**
Total ore proceesed	kt	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	6,796	**151,546**
Total Ag_Eq sold	Mln g	388	368	346	398	415	409	412	434	485	391	**7,645**
Unit Opex	CNY/t ore	124.8	124.8	124.8	124.8	124.8	124.8	124.8	124.8	124.8	124.8	**130.3**
	CNY/g Ag	2.65	2.80	2.97	2.59	2.48	2.52	2.50	2.37	2.12	2.17	**2.58**
	CNY/Oz Ag	82.43	86.99	92.48	80.45	77.09	78.23	77.70	73.82	66.04	67.47	**80.31**
	USD/Oz Ag	11.61	12.25	13.03	11.33	10.86	11.02	10.94	10.40	9.30	9.50	**11.31**

Source:: SRK

Economic Analysis

By using the Discounted Cash Flow ("DCF") method and various economic and technical parameters, SRK has projected the mine economics of the Project. SRK estimated the NPV in a range of CNY 8.64 Billion ("Bln") (at 10% discount rate) to CNY 12.97 Bln (at 6% discount rate), with a base case of CNY 10.53 Bln using a discount rate of 8%. The internal rate of return is 94.56%, and the payback period is about 3 years including construction.

The analysis above shows that the Project is economically viable, and the Ore Reserves statement can satisfy the requirements of *JORC Code*.

Risk Assessment

SRK considered various technical aspects which may affect the future cash flow of the Shuangjianzishan Project. SRK's final Risk Assessment is presented in the following Table ES-13.

Table ES-13: Risk Assessment for Shuangjianzishan Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Unlikely	Moderate	Low
Significant Unexpected Geological Faulting	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 processing recovery	Unlikely	Minor	Low
Overestimate of concentrate grade	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Major	Medium
Mining			
Significant Geological Structure	Unlikely	Minor	Low
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
Ore Processing and Metallurgy			
Unable to produce high-quality lead and zinc concentrates	Possible	Moderate	Medium
Recycled water influences the recovery rate of the target minerals	Possible	Moderate	Medium
Poor pre-concentration and waste rejection performance leads to high metal losses in the rejected material or a low rejection rate, which in turn results in lower feed grade to the mill and higher beneficiation (processing) costs	Possible	Moderate	Medium
Environmental and Social			
Impacts to the local ecological system due to land disturbance	Possible	Moderate	Medium
Dust impacts from the TSF and waste rock dump area	Possible	Moderate	Medium
Impacts to groundwater from the waste dump and the TSF	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low

Sources: SRK

1 Introduction and Scope of Report

SRK Consulting China Ltd. ("**SRK**") was commissioned by Xingye Silver and Tin Mining Co., Ltd.. ("**Xingye Silver-Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Shuangjianzishan Silver-Lead-Zinc Project ("**Shuangjianzishan Project**" or the "**Project**") which located in Bairin Left Banner, Inner Mongolian Autonomous Region, the People's Republic of China ("**P.R. China**" or "**China**"). The Shuangjianzishan Project is operated and 100% owned by the Chifeng Yubang Mining Co., Ltd. ("**Yubang**"), which is a 85% owned subsidiary of Xingye Siver-Tin.

It is SRK's understanding that the independent technical assessment on the Shuangjianzishan Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a filing with the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary Hong Kong Exchanges and Clearing Limited ("HKEx").

The Report has been prepared to report the Mineral Resources and Ore Reserves of the Project 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.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in the filing by Xingye Silver-Tin on the Stock Exchange and the HKEx. The SRK report is proposed to provide an unbiased technical assessment of the risks and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**VALMIN Code**"). The VALMIN Code incorporates the *JORC Code* for the reporting of Mineral Resources and Ore Reserves and is binding upon all the Australasian Institute of Mining and Metallurgy ("**AusIMM**") members.

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the *JORC Code*. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the *JORC Code*, at least until further documentation supporting the estimates is obtained and the estimates are endorsed by a Competent Person in accordance with the *JORC Code*.

2.3 Limitations Statement

SRK is not professionally qualified to opine upon and/ or confirm that the Client has 100% ownership of its underlying tenements 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 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 Effective Date

The effective date for this CPR is deemed to be 31 March 2026 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK.

2.5 Work Program

The work program for this Project consisted of:

- Review of the dataset and Mineral Resource models provided by Xingye Silver-Tin, and preparation of the data verification plan to be implemented during site inspection.
- A site visit between 26 and 28 January 2026 to the Project, including the locations of exploration boreholes, drill cores, the underground mine, and the sites of other industrial facilities, i.e., the ore processing plant, ore and waste stockpiles, and tailings storage facilities ("**TSF**"), as well as water source and power supply station, the office and living areas, and other infrastructure, etc.
- Review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- Discussion with Xingye Silver-Tin and Yubang management and technical personnel regarding various technical aspects.
- Preparation of a draft report in accordance with the *JORC Code* and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx, with the declaration date of Mineral Resources and Ore Reserves of 31 December 2025.
- Submission of the draft to Xingye Silver-Tin and related third party for comments and finalisation of the draft Report based on the feedback.

2.6 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, petroleum exploration.

Formed in 1974 in Johannesburg, South Africa, SRK Consulting now employs more than 1,800 professionals internationally in over 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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 a significant number of independent technical reports for the Chinese mining companies who have completed successfully listed and/ or acquired 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
Yanzhou Coal Ltd. (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Ltd.	2005	IPO Listing on the HKEx
Yue Da Holdings Ltd. (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd. (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Ltd.	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd.	2007	IPO Listing on the HKEx
Kiu Hung International Holding Ltd.	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Ltd.	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd.	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd.	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Ltd.	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Ltd.	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd.	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd.	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd.	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Ltd.	2010	IPO Listing on the HKEx
Citic Dameng Holdings Ltd.	2010	IPO Listing on the HKEx
China Hanking Holdings Ltd.	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Ltd.	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Ltd.	2012	IPO Listing on the HKEx
Hengshi Mining Investments Ltd.	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Ltd.	2014	IPO Listing on the HKEx
King Stone Energy Group Ltd.	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 Ltd.	2016	IPO Listing on the HKEx
Pizu Investment Co. Ltd.	2020	Acquisition of Shareholding in a polymetallic project in China

Company	Year	Nature of Transaction
China Qinfa Group Ltd.	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Ltd.	2022	IPO Listing on the HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd.	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd.	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Tasks
Dr. Anson Xu	Corporate Consultant (Geology)	Project Manager, whole report, CP
Elian Li	Senior Consultant (Geology)	Geology, Mineral Resource Estimation
Yonggang Wu	Principal Consultant (Mining)	Mining and Ore Reserve Review
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Dr. Yuanhai Li	Principal Consultant (Environment)	Environment, Social, and Permitting
Yanchen Fossard	Project Coordinator	Project Coordination and Translation
Hui Bai	GIS Consultant	GIS and drafting
Dr. Yonglian Sun	Corporate Consultant (Project Evaluation)	Internal Peer Review and Quality Control
Alexander Thin	Corporate Consultant (Project Evaluation)	Peer Review and Quality Control

Dr. Anshun (Anson) Xu, *PhD, FAusIMM,* is a Corporate Consultant (Geology) who specialises in the exploration of mineral deposits. He has more than 30 years' experience in the exploration and development of various types of mineral deposits, including Cu-Ni sulphide deposits related to ultra-basic rocks, tungsten and tin deposits, diamond deposits, and especially deep expertise in various types of gold deposits, including vein-type, fracture-breccia zone type, alteration type, and Carlin type. He was responsible for the resource estimations of several diamond deposits and for reviews of resource estimations for several gold deposits. He recently completed for clients from both China and overseas several due diligence projects, including technical review projects, such as Canadian NI43-101 reports and HKEx IPO technical reports. Dr. Xu is the main Competent Person of the report.

Liang (Elian) Li, *MEng, MAusIMM;* is a Senior Consultant (Geological) at SRK China. Prior to joining SRK, he worked as an on-site geologist for certain mining companies and has gained lots of experiences and expertise in mine geology, grade control and optimization, and resources/reserves management. He is familiar with Chinese procedures and principles for metallic ore deposits prospecting and specialises in geological statistics for resources and reserves estimation. Liang Li is a proficient user of the Surpac modelling software. Mr. Li is the Competent Person for the Mineral Resources.

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 Mineral Resource/ Ore 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, sylvine, alum, and phosphorus among many others. Yonggang has expertise in geological and mining modelling and is proficient in using MineSight, AutoCAD, and other specialised software packages. Mr. Wu is the Competent Person for the Ore Reserves.

Lanliang Niu, *B.Eng, MAusIMM*, is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals projects. With SRK, he has been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

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 16 years' experience in the environmental engineering field, and has worked in various environmental projects in USA, China, and the Great Asia Area 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 has wide work experiences in compliance with internationally recognized environmental requirements, such as Equator Principles (EP), World Bank/International Finance Corporation (WB/IFC), and U.S. Environmental Protection Agency (USEPA) legislations, etc. Furthermore, he also has extensive experience in contaminated site assessments and remedial design, wetland and landfill rehabilitation, water/wastewater treatment design, water distribution systems, and storm water management system design.

Yanchen Fossard, *master's degree in Linguistics and MBA.* Assistant for Business Development at SRK China. With 14 years of study and work experience in France, including experience at multinational corporations, she has extensive expertise in supporting and coordinating major international projects such as U.S./French presidential elections, the Beijing Winter Olympics, the Tokyo Olympics, and the G20 Summit. Since joining SRK, she has primarily assisted project managers in project coordination and business development.

Hui Bai, *BEng,* is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Dr. Yonglian Sun, *BEng, PhD, FAusIMM, FIEAust*, 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 two decades, Dr. Sun has led and coordinated 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 internal peer review to ensure the quality of the report meets the required standard.

Alexander (Alex) Thin, *B.Eng (Hons), FAusIMM (CP Mining)*, is a Corporate Consultant (Project Evaluation and Mining) with SRK. He is an experienced mining professional with over 30 years' experience. His strategy and leadership experience spans feasibility studies, mineral asset audits and evaluations, independent technical reports, techno-economic studies, capital raising, merger and acquisitions, managing joint ventures, local and international stock exchange compliance, business development and investor/ stakeholder relations. Alex's industry experience spans operational (underground and open pit), technical, consulting and corporate within the metalliferous resources sector, covering precious metals, base metals and bulk commodities. Alex takes the responsibility of final peer review and QA/QC of the report.

2.8 Warranties

Xingye Silver-Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver-Tin has provided SRK with an indemnity letter, 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 Xingye Silver-Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Dr. Anson Xu, a Competent Person who is a Fellow of AusIMM, Mr. Liang Li and Mr. Yonggang Wu, Competent Persons who are Members of the AusIMM. They are full-time employees of SRK.

This Report is a Competent Person's Report in line with the Listing Rules of the Stock Exchange and HKEX.

Dr. Anson Xu, Mr. Liang Li and Mr. Yonggang Wu have 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 *JORC Code*.

Dr. Anson Xu, Mr. Liang Li and Mr. Yonggang Wu consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Peer review and quality control of the Report were conducted by Dr. Yonglian Sun, *FAusIMM (CP*), a Corporate Consultant (Geotech & Project Evaluation), and Mr. Alexander Thin, *FAusIMM (CP Mining),* a Corporate Consultant (Mining & Project Evaluation).

2.11 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 Xingye Silver-Tin'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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver-Tin's filing, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operating Licenses and Permits

This section summarizes the issues related to operational licenses and permits. Please note that SRK has relied on the information provided by the Company, and legal due diligence review was outside the scope of SRK's technical review, and SRK does not intend to undertake a legal due diligence review since such work is outside the scope of technical review.

3.1 Mining Licenses and Exploration Licenses

SRK was provided a mining licence and two exploration Licenses for the Project with details shown in Table 3-1 and on Figure 3-1, and a scanned original copy is provided in the appendix A of this report.

Table 3-1: Mining License

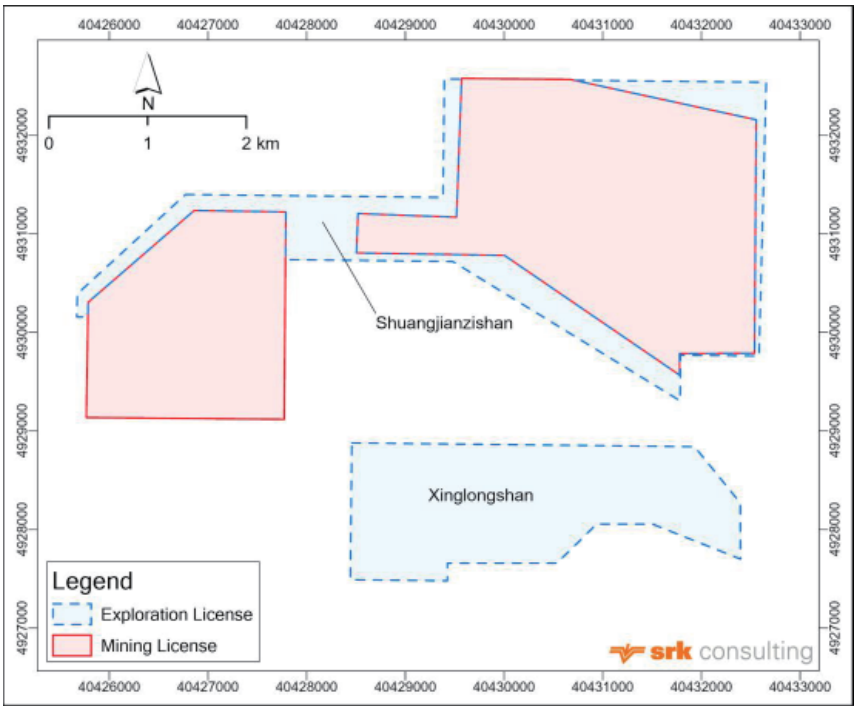
Project	Shuangjianzishan Silver-Lead Mine
Mining License No.	C1500020111114210120007
Issued To	Chifeng Yubang Mining Co., Ltd.
Issued By	Chifeng Municipal Bureau of Natural Resources
Issue Date	27 October 2023
Expiry Date	26 October 2048
Area (km²)	10.9456
Mining Type	Underground Mining
Ore Type	Silver, Lead and Zinc

Exploration Licenses

Project	Shuangjianzishan Lead-zinc polymetallic project
Exploration License No.	**T1504002008073010013873**
Issued To	Chifeng Yubang Mining Co., Ltd.
Issued By	Chifeng Municipal Bureau of Natural Resources
Issue Date	21 July 2025
Expiry Date	20 July 2030
Area (km²)	2.5926
Ore Type	Lead-zinc polymetallic

Project	Xinlongshan Lead-zinc polymetallic project
Exploration License No.	**T1500002021013040056050**
Issued To	Chifeng Yubang Mining Co., Ltd.
Issued By	Chifeng Municipal Bureau of Natural Resources
Issue Date	7 January 2024
Expiry Date	6 January 2029
Area (km²)	4.17
Ore Type	Lead-zinc polymetallic c

Figure 3-1: Map of the Mining License and Exploration License



3.2 Safety Operation Production Permits

SRK was provided an underground mining safety operation production permit and a TSF safety operation permit for the Project, and the details are shown in Table 3-2.

Table 3-2: Safety Operation Production Permits

Project	Shuangjianzishan Silver-Lead Mine
Safety Production Permit No.	(Meng) FM [2025] No. 005265
Issued To	Chifeng Yubang Mining Co., Ltd.
Issued By	Mine Safety Supervision Bureau of Inner Mongolia Autonomous Region
Licensed Activity	TSF Operation
Issue Date	26 May 2025
Expiry Date	25 May 2028
Project	Shuangjianzishan Silver-Lead Mine
Safety Production Permit No.	(Meng) FM [2025] No. 006988
Issued To	Chifeng Yubang Mining Co., Ltd
Issued By	Mine Safety Supervision Bureau of Inner Mongolia Autonomous Region
Licensed Activity	Lead, Zinc and Sliver Ore Underground Mining
Issue Date	28 April 2025

Expiry Date	27 April 2028

3.3 Other Operational Permits

SRK was provided a water use permit for the Project with details shown in Table 3-3.

Table 3-3: Water Use Permit

Water Use Permit No.	D150422G2025-0010
Issued To	Chifeng Yubang Mining Co., Ltd
Issued By	Balinzuo Qi Water Resources Bureau
Issue Date	15 July 2025
Expiry Date	14 July 2026
Type of Water Source	Groundwater from Xinglongshan Village, Fuhe Town, Balinzuo Qi
Water Allocation	990,000 m3/year

A Site-discharge Permit was granted by Chifeng Municipal Ecology and Environment Department dated 4 January 2026, with a valid period as of January 2031. The Company states that it has obtained proper land use accesses to carry out mining and processing activities, and related land use permits have also been provided to SRK for review. In addition, the Company plans to obtain additional land use permits for the future mining and processing.

4 Regional Description

4.1 Location and Accessibility

The Shuangjianzishan Project is located 342° northwest of Lindong Town, Bairin Left Banner, Inner Mongolia Autonomous Region, and is 62 km linear distance from Lindong Town (Figure 4-1). The geographical coordinates of the project area are near 119°06′ E and 44°30′ N. The working area is about 90 km drive to Lindong Town and is accessed by provincial roads. The S307 is 6 km to the east side of the Project area. There are regular flights from Chifeng City to major cities in China.

Figure 4-1: Location Map of the Project



4.2 Topography, Climate, Local Economy and Infrastructure

The working area is located at the southeastern foot of the central Great Khingan. The elevation is 1,090 to 820 m, and the relative height difference is 270m. The vegetation and the water system in the area are relatively developed, and there is a perennial surface water body, Ganzhiga river at the south of the mining area.

It is a semi-arid continental climate with an annual maximum temperature of 36.8 °C and a minimum temperature of -32.1 °C. The annual average precipitation is 310~400 mm, mostly concentrated in June and August, with an average annual evaporation of 1,600 mm. The dominant wind direction is northwest wind with a maximum wind speed of 26 m/s. The freezing period is from the end of October to the following April, with a maximum frozen soil depth of 2 m.

According to the "China Seismic Parameter Zoning Map" (GB/18306-2015), the peak ground acceleration in this area is 0.05g, and the contrast intensity is VI degree.

The residential areas in the area are sparse and have a relatively low population with Han people as the majority, and a small number of minorities such as Mongolian, Hui, Manchu. All of them are engaged in agricultural and animal husbandry production. The industry is underdeveloped, thus there are sufficient industrial labour force. The agricultural and industrial electricity are both provided by the Northeast Power Grid, and 10kv high-voltage lines have reached the mining area. The external construction conditions such as water and power circuits are good.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The project area is located in the Geosynclinal fold system in central Inner Mongolia, Sonid Right Banner late Variscan geosynclinal fold zone, southeastern wing of Zhesi-Linxi synclinorium. The project area is shallow marine facies in geosynclinal area at Early Permian, uplift to continental facies at late Permian. The late Variscan tectonic movement shapes the Permian northeast striking base. The strong Yanshan tectonic movement shapes the structural feature of fault dominant.

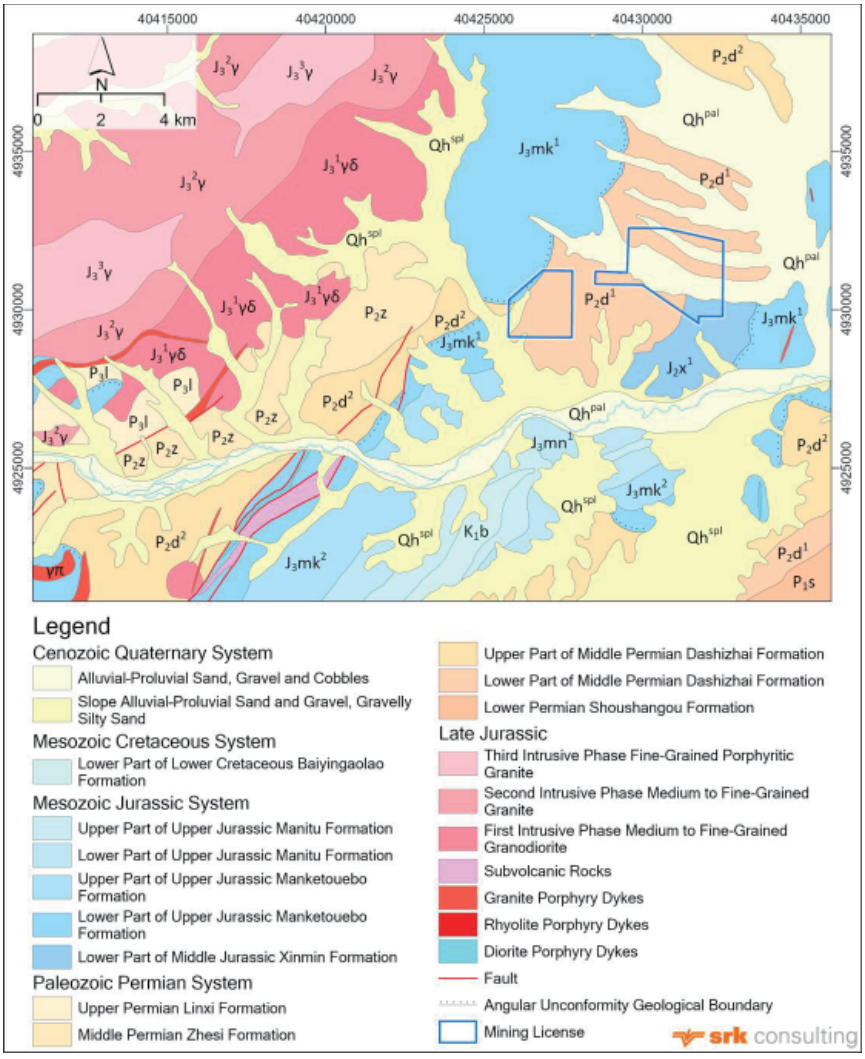
The regional strata consist of: the Lower-Permian Shoushangou Formation (P_1s), the Middle-Permian Dashizhai Formation (P_2d), the Zhesi Formation (P_2z), the Upper-Permian Linxi Formation (P_3l), the Middle-Jurassic Xinmin Formation (J_2x), the Upper-Jurassic Mantoukeobo Formation (J_3m), the Manitu Formation (J_3mn), the Bayingaolao Formation (J_3b), and the Quaternary System (Q).

The regional intrusive rocks are relatively developed, mainly composed of the late Jurassic Baiyinnuoer sequence. The sequence is in intrusive contact with the Upper-Jurassic Mantoukeobo Formation. The first, second and third are distributed from the outer to the center.

The working area is located in the central section of Huanggangliang-Ganzhuer polymetallic ore belt. The region is rich in Ag-Pb-Zn polymetallic mineral resources. The major deposits include SHUANGJIANZISHAN Ag-Pb-Zn deposit, Baiyinnuoer Ag-Pb-Zn deposit, Nailinba Ag-Pb-Zn deposit, and Nailinba Cu-Pb-Zn deposit.

The project area is located in the middle section of the Huanggangliang-Ganzhuermiao Fe-Sn polymetallic metallogenic belt (Grade Ⅲ), and the Baiyinnuoer-Nailinba Sn polymetallic ore-bearing belt (Grade Ⅳ). The area is rich in Ag-Pb-Zn polymetallic mineral resources, hosting more than ten Ag-Pb-Zn polymetallic deposits (occurrences), including the super-large Shuangjianzishan Ag-Pb-Zn deposit, the large-scale Baiyinnuoer Pb-Zn deposit, the Nailinba Ag-Pb-Zn deposit, and the Nailinba Cu-Pb-Zn deposit.

Figure 5-1: Regional Geology Setting



Sources: Xinhui Geology with SRK adjustment

5.2 Property Geology

5.2.1 Strata

In the center of the mining area, the exposed strata is the Middle-Permian Dashizhai Formation (P_2d). The Upper-Jurassic Mantoukeobo Formation (J_3m) is located at the west. The eastern part is covered

by the Middle-Jurassic Xinmin Formation (J_2x) and the Upper-Jurassic Mantoukeobo Formation (J_3m). The Holocene is distributed along the valley and slope.

The strata of the mining area strike northeast, dip southeast or northwest overall. The miniralized body generally strike northwest, dip northeast at the Xinglongshan ("XLS") (eastern) block with dip angle of 50~76°, the deep dip northwest with dip angle of 55~65°.

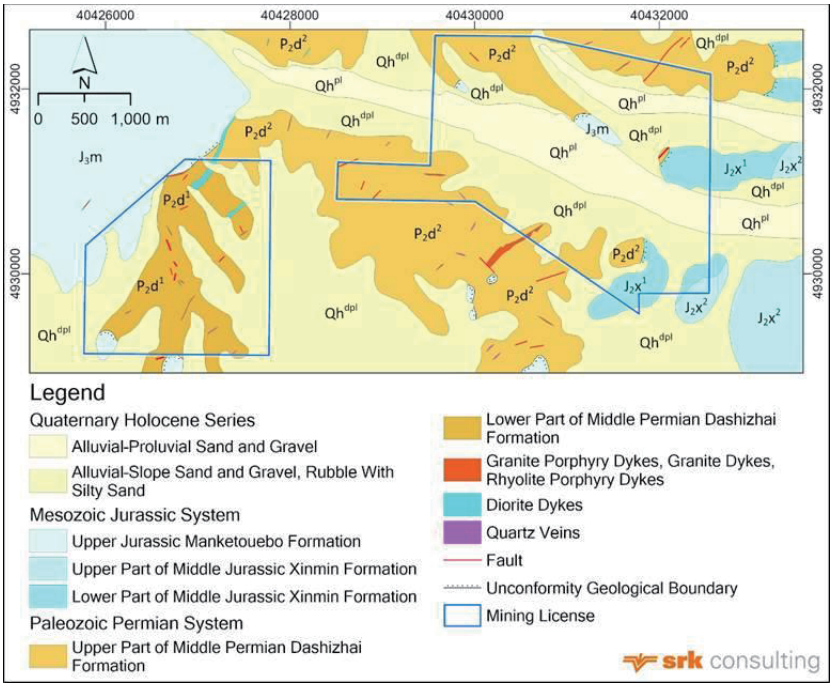
The Middle-Permian Dashizhai Formation (P_2d): divided into lower and upper member by lithological association, the thickness is above 950 metres. The lower member(P_2d^1) is mainly composed of alteration andesite, andesitic tuff, and silty argillaceous slate. The upper member(P_2d^2) is the **major ore-bearing strata**, comprises argillaceous slate, silty slate, and metamorphic siltstone etc. At the XINGLONGSHA block, rocks are subjected to dynamic metamorphism at large.

The Middle-Jurassic Xinmin Formation (J_2x): divided into lower and upper member by lithological association, with thickness of above 165 metres, is in unconformable contact with the underlying Dashizhai Formation. The lower member is mainly composed of sandy conglomerate, fine sandstone, and siltstone. The upper member comprises rhyolitic tuff breccia, and rhyolitic tuff.

The Upper-Jurassic Mantoukeobo Formation (J_3m): The formation in unconformable contact with the underlying Dashizhai Formation, the thickness is above 480 metres. It is mainly composed of tuffaceous sandstone, rhyolitic tuff breccia.

The Holocene (Qh): It is distributed along the valley and slope. It is mainly composed of loam, gravel and sand. The thickness is 0.6~82.1 m.

Figure 5-2: Geological Map of the Ag-Pb-Zn Project (Shuangjianzishan)



Sources: Xinhui Geology with SRK adjustment

5.2.2 Structure

The structure of the mining area is mainly composed of the Xinglongshan fracture zone and near-surface faults. Xinglongshan fracture zone is located at the Middle-Permian Dashizhai Formation, about 5,600 m in length, and 1,100 m in width. Northwest and northeast trending fracture zone interweave as gridding pattern.

Northwest trending fractures, that mainly host the mineralization, strike 300~310°, dip southwest, partially northeast with dip angle of 50~76°, distribute parallel, are mainstays of the Xinglongshan fracture zone. The fractures are characterized with dense joints, fractures and rock catalases. The breccia is angular or sub-angular. Northeast trending fractures strike 30~50°, dip northwest with dip angle of 50~60°.

5.2.3 Magmatic Rock

No large magmatic rocks occur in the mining area. Only small dykes distribute. The lithology of the dykes consists of diorite porphyrite, granite, granite porphyry, rhyolite porphyry, quartz vein.

Diorite porphyrite is outcropped at the west of the mining area, and concealed at the east, which is controlled by the boreholes. Rhyolite porphyry is outcropped at the east of the mining area, striking about 50°, 180 m in length, 30~110 m in width.

5.2.4 Mineralization and Alteration

Mineralizations are mainly composed of galena, sphalerite, pyritization, argentite and acanthite.

Alterations comprise silicification, pyritization, chloritization, carbonation, sericitization, kaolinization. Silicification and pyritization are in close relationship with the mineralization of the deposit.

5.3 Orebody Geology

5.3.1 Mineralization Domain Characteristics

The mineralized bodies are distributed at the Xinglongshan (eastern) block, and there are only few bodies at the Shuangjianzishan (western) block. The mineralized bodies are layer-like, vein or lens in shape. At the Xinglongshan block, the mineralization is hosted by the Xinglongshan fracture zone, which occurs in the upper member of the Middle-Permian Dashizhai Formation. The lithologies of the mineralization comprises argillaceous slate, silty slate, and metamorphic siltstone. Minor ore-bodies occur at the rhyolitic tuff breccia of the Middle-Jurassic Xinmin Formation. Figure 5-3, Figure 5-4, Figure 5-5 are the Cross-section 03, 04, 07 of the Shuangjianzishan Ag-Pb-Zn Project.

Figure 5-3: Cross-section 03 of the Shuangjianzishan Ag-Pb-Zn Project (Eastern Block)

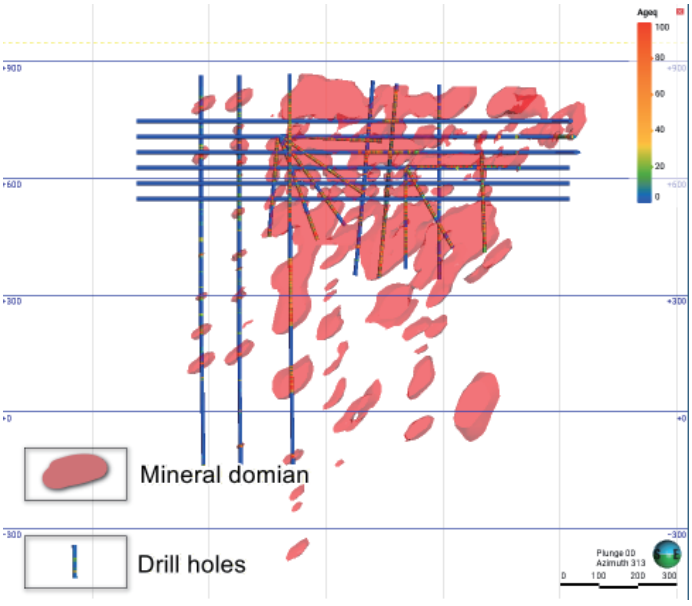


Figure 5-4: Cross-section 04 of the Shuangjianzishan Ag-Pb-Zn Project (Eastern Block)

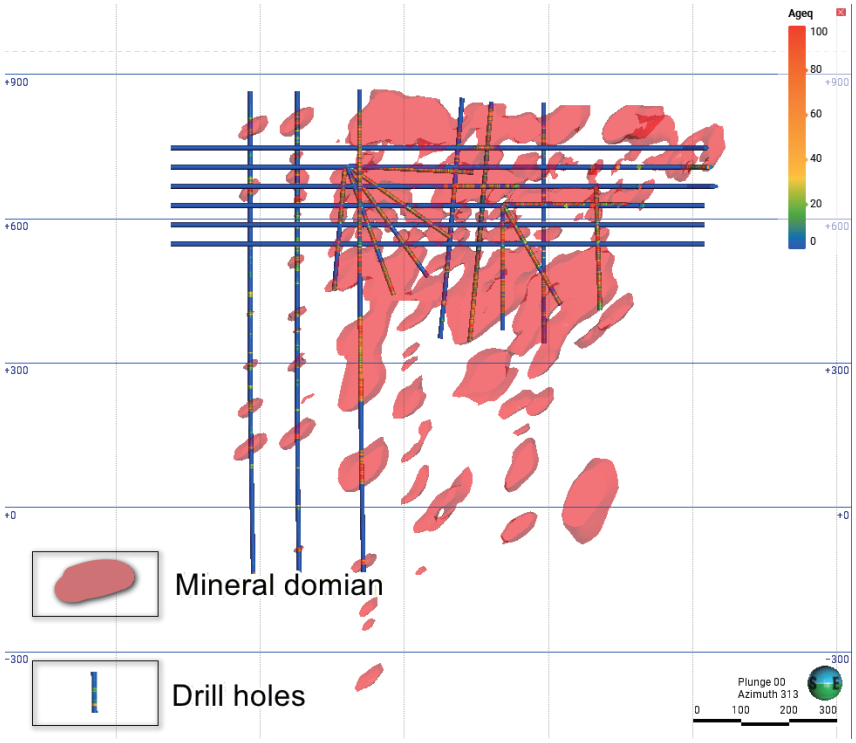
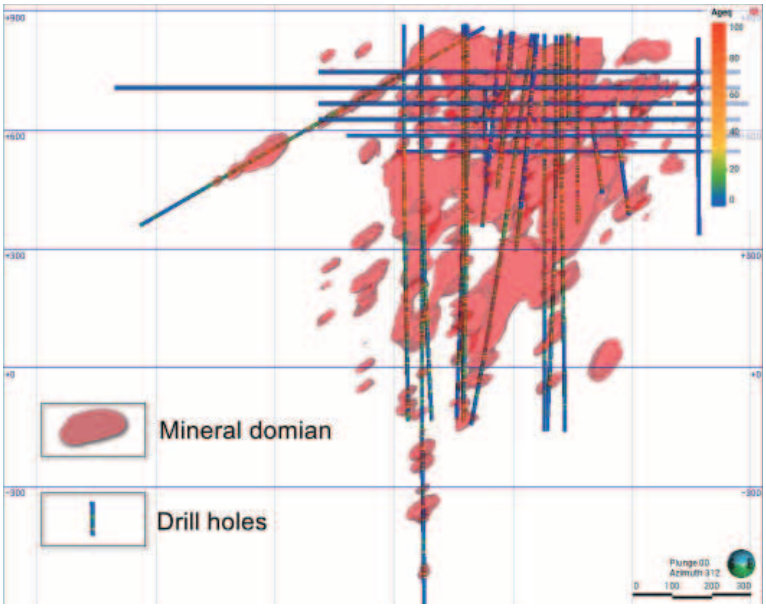


Figure 5-5: Cross-section 07 of the Shuangjianzishan Ag-Pb-Zn Project (Eastern Block)



The primary mineralized bodies are 2,100 m in length, 680 m in width, 980 m in depth, striking northwest 225~259°, dipping steeply southwest with dip angle of 44~61°. The splay northeast trending mineralization striking 303~320°, dipping northwest with dip angle of 51°.

The mineralization of the Shuangjianzishan (western) block is hosted by alteration andesite, andesitic tuff, and silty argillaceous slate of the lower member of the Middle-Permian Dashizhai Formation.

5.3.2 Mineralogy

The ore textures consist of euhedral-subhedral, xenomorphic granular, metasomatic relict, inclusion texture etc. The ore structures consist of disseminated, taxitic, ribbon-like, vein, massive structure.

The potential useful minerals of the Shuangjianzishan Ag-Pb-Zn deposit are galena, sphalerite, natural silver, and argentite, acanthite. The gangue minerals are mainly quartz, calcite, chlorite, sericite, calcite, fluorite.

The ore types consist of primary silver ore, and primary lead-zinc ore. The primary silver ore is the revenue driver. The wall-rock is similar with the ore, consists of argillaceous slate, silty slate, and metamorphic siltstone. The contact between the wall-rock and the ore is not evident.

6 Exploration

6.1 Exploration History

The exploration history is summarised as follows:

From 1968 to 1971, the second Regional Geology Exploration Brigade of Liaoning Province carried out a 1:200,000 geological survey in the region.

In 1984, the second Regional Geology Exploration Brigade of Inner Mongolia carried out a 1:500,000 geological survey in the region.

In 1984, the third Regional Geology Exploration Brigade of Inner Mongolia carried out a poly-metal prospecting in the region.

From June of 2004 to April of 2010, the 10th Geology Exploration Institute of Inner Mongolia, Chifeng Tiantong Geology Exploration Co. Ltd. conducted prospecting and exploration at the Shuangjianzishan mining area.

From September of 2010 to July of 2017, Chifeng Yubang Mining Co. Ltd. and the Non-ferrous mineral geology survey center carried out production exploration at the mining area. Chifeng Yubang Mining Co. Ltd. conducted site work, sampling. The Non-ferrous mineral geology survey center prepared the report. The following lists the history exploration work.

Table 6-1: Shuangjianzishan Ag-Pb-Zn Project Exploration Work Statistics

Item	Unit	2010 Exploration	2017 Supplementary Exploration	Total	Remarks
1:10,000 Topographic-Geological Survey	km²	26.9	/	26.9	
1:2,000 Topographic-Geological Survey	km²	3.85	/	3.85	
1:10,000 IP Survey	km²	6.95	/	6.95	
IP Mid-Gradient Profile Survey	km	3.32	/	3.32	
IP Sounding	point	53	/	53	
Trenching	m³/unit	101/3	/	101/3	
Mechanical Core Drilling	m/hole	21789.60/48	95593.73/147	117383.33/195	Including 48 underground drillholes
Shaft	m/unit	Jan-60	1235.20/5	1295.20/6	
Level Drifts (Crosscut & Along-Strike)	m	21	29488.12	29509.12	7 levels in total

Basic Analysis	sample	2824	83819	86643	Core samples + channel samples
Internal Check Analysis	sample	285	9320	9605	
External Check Analysis	sample	142	4939	5081	
Composite Analysis	sample	31	50	81	
Phase Analysis	sample	/	45	45	
Spectral Analysis	sample	/	4	4	
Complete Ore Chemical Analysis	sample	/	8	8	
Small-Scale Specific Gravity Test	sample	/	562	562	
Thin Section Examination	sample	8	20	28	
Polished Section Examination	sample	8	20	28	
Mineral Processing Test	sample	1	/	1	
Ore Dressing Test	sample	/	2	2	
1:10,000 Hydrogeological Survey	km²	26.9	26.90 (re-survey)	26.9	
1:2,000 Hydrogeological-Engineering Environmental Survey	km²	/	3.85	3.85	
Drillhole Hydrogeological & Engineering Geological Logging	m/hole	/	5003.55/5	5003.55/5	
Adit Hydrogeological & Engineering Geological Logging	m	/	7000	7000	
Drillhole Gamma Logging	m/hole	/	4866.10/5	4866.10/5	

Adit Radioactivity Survey	point	/	253	253
Borehole Temperature Logging	m	/	4860.90/5	4860.90/5
Rock Mechanical Property Test	group	17	37	54
Complete Water Quality Analysis	sample	2	8	10
Harmful Element Analysis	sample	/	5	5
Meteorological Data	set	/	1	1
Seismic Data	set	/	1	1
Long-Term Groundwater Observation	point	2	/	2
Hydrogeological Borehole	hole	3	/	3

Source： Chifeng Yubang

6.2 Exploration

Prospecting engineering in the project area mainly includes topographic-geological surveys, mechanical core drilling, underground exploration (shafts, crosscuts and along-strike drifts), and a small amount of trenching. All these works have achieved the expected objectives, and have been properly documented, sampled, and subjected to chemical testing in accordance with technical standards, relevant regulations and specifications, thus fulfilling the purpose of orebody control.

This study utilized 3 exploration trenches with a total volume of 101 m³ from the 2010 Exploration Report, which were mainly used to expose important geological phenomena such as surface ore (mineralized) bodies and mineralized alteration zones in the Shuangjianzishan ore block.

A total of 48 surface drillholes were constructed during the 2010 exploration, with a total workload of 21,789.60 m, including 23 vertical holes and 25 inclined holes.

A total of 147 surface and underground drillholes were constructed during the 2017 supplementary exploration, with a total footage of 95,593.73 m. Among them, 105 were surface drillholes with a footage of 85,853.73 m, and 42 were underground drillholes with a footage of 9,740.00 m.

In addition, a total of 29,488.12 m of exploration tunnels were constructed in 7 levels across the mining area. Of these, 18,425.82 m of crosscut tunnels and 11,062.30 m of along-strike tunnels were constructed in 6 levels (Levels Ⅱ, Ⅲ, Ⅳ, Ⅴ, Ⅵ and Ⅶ) of the Xinglongshan ore block.

6.2.1 Drilling Pattern and Density

The mineralised zone was defined by exploration lines being perpendicular to the mineralisation strike. The exploration lines are oriented north-northeast ("NNE") 45° over the Xinglongshan Project area, with interval of 40 - 80m, and north-northwestt ("NNE") 310° over the Shuangjianzishan Project area, with interval of 100m.

So far, most trenches, exploration tunnels and diamond drillholes were preferentially arranged along the exploration line, where most drillholes were implemented on a grid of 40 – 80 m (along the strike) by 40 – 80 m (down the dip).

6.2.2 SRK's Comments

Given the extremely long exploration history of the mining area, SRK did not physically inspect the drilling procedures; however, the field inspection and data review conducted by SRK indicate that the exploration lines in Shuangjianzishan Project are generally reasonable, although some deficiencies of data preparation are recognised.

In SRK's opinion, the documented procedures and primary data may still be, in general, acceptable by Chinese industry practice, and SRK has therefore assumed that no significantly material biases have been introduced.

SRK concludes that sampling working's data acquisition procedures and thus the data so collected are basically acceptable for the purposes of Mineral Resource estimation in this Report.

6.3 Sampling, Sample Preparation and Analyses

6.3.1 Sample Preparation and Analyses

Assay quality management followed DZ/T 0130-2006 "Specification for Quality Management of Geological and Mineral Laboratory Testing". Primary analytical work and independent check assays were conducted by multiple Class A laboratories. Internal check samples, representing approximately 10% of primary Au assays (633 of 6,077 samples from 2010–2016), were submitted as blind duplicates, achieving an accepted pass rate of ~99%. The distribution of positive and negative differences is broadly symmetrical, indicating no significant systematic bias. External check assays, selected at rates of 3–15% of primary samples depending on year, show Au pass rates typically between 91% and 100%, with no clear systematic high or low bias trend. These results collectively indicate that the Au assay dataset is of acceptable accuracy and precision for resource evaluation purposes.

6.3.2 Sampling

Sampling responsibility and standards

All sampling was undertaken by project geological staff in accordance with the Chinese National Geological code "Regulations and Methods for Sampling in Metallic and Non-metallic Geological Prospecting", under routine geological supervision and documentation.

Surface Drill Core Sampling

Core was sawn or split along the core axis using a diamond saw and core splitter. Nominal sampling interval was 1.0 m, with adjustments between 0.7–1.5 m to honour lithological and mineralisation boundaries. Half-core was submitted for analysis; the remaining half was retained in core boxes for reference and verification. Sampling was stratified by lithology, mineralisation intensity and mineralised host lithology, with "edge" samples collected in adjacent wall rock to define mineralisation limits. Each sample was weighed in the field; the difference between actual and theoretical sample weight was controlled within ±10%.

Underground Drill Core Sampling

Underground drillholes were sampled as whole core (100% core submitted) due to smaller diameter, with no residual archive core retained. Intervals and geological controls were consistent with surface drilling practice.

Channel and trench sampling

Underground drives and crosscuts

Channel samples were collected from drive walls and/or backs using a standard chisel-cut channel ("slot sampling"). Channels had a typical cross-section of 10 mm wide by 5 mm deep, cut across the full width of the mineralised interval on a flat, cleaned sampling face. Nominal channel length was 1.0 m, with minor adjustments where required by geological boundaries.

Sampling followed the same principles as core (by ore type, mineralisation strength and host lithology), with boundary samples in proximal wall rock.

Field and theoretical sample weights were checked and found to be consistent.

Surface trenches

Trenches were excavated across mineralised and alteration zones, with typical surface width 1.2–1.5 m, bottom width 0.6–1.0 m, and depth 1.2–3 m to expose bedrock. Channels were cut along trench walls in the same 10 mm × 5 mm section and ~1 m interval format as underground channels.

Geological logging and sampling were undertaken on one wall and the trench floor, at 1:100 scale, with systematic recording of coordinates, intervals, lithology and mineralisation characteristics.

Composite samples

Composite samples were prepared for multi-element and metallurgical testwork from retained duplicate pulps of basic assay samples along individual exploration lines. Composites were weighted by sample length so that each contributing sample was represented according to its true length. Minimum composite sample weight was 200 g.

6.3.3 Sample Preparation and Analyses

Sample preparation was carried out by accredited laboratories in accordance with the national standard "Quality Management Specification for Testing of Geological and Mineral Laboratory – Part 2: Sample Preparation for Rock and Mineral Analysis" (DZ/T0130.2-2006).

Sample homogenisation and splitting were conducted manually following the Chechott formula (Q = K × d²) which is a widely used empirical method in mineral exploration to determine the minimum representative mass of samples during preparation and splitting,

- $Q = Kd^2$, where Q is the minimum representative sample mass (kg), d is the maximum particle size (mm), and $K$is a constant set at 0.2 for this deposit based on ore texture and mineralisation characteristics.

Before processing each sample, crushers and mills were cleaned thoroughly, typically by compressed air, to minimise cross-contamination. Oversize grains after sieving were re-ground until all material passed the target mesh size.

Process flow include first step using Jaw crusher to crush the samples to <5 mesh (4 mm). then to use roll crusher to crush the samples into screening with a No. 3 sieve (intermediate size). Then to use double-roll crusher; screening and homogenisation to 20 mesh (0.84 mm). An 800 g sub-sample was retained at this stage, the remainder discarded; a 500–1,000 g coarse reserve sample was maintained. Rod mill to 200 mesh (laboratory fine fraction); screening and homogenisation. Final split into a 200 g analytical primary sample ("primary pulp") and a 200 g analytical duplicate for internal checks and future re-analysis.

Pb, Zn, Ag were analysised. Using atomic absorption spectrophotometry (AAS) for Low-grade Pb–Zn: classical volumetric methods to analysis high-grade Pb–Zn: AAS across the economic grade range, with varying tolerance limits for very low (<5 g/t) and very high (>100 g/t) grades Ag.

6.3.4 Specific Gravity Samples

A large number of specific gravity samples were collected in the mining area during previous exploration programs.

However, due to the long elapsed time, the reliability of some historical data is insufficient, and these sample data were excluded from the current resource estimation.

To ensure that the average grade based on specific gravity samples is as close as possible to the average grade of the deposit, a total of **421 samples** were used in this study, with grades ranging from:

- Ag: **15.26–297.20 g/t**
- Pb: **0.04–3.00 %**
- Zn: **0.00–6.41 %**

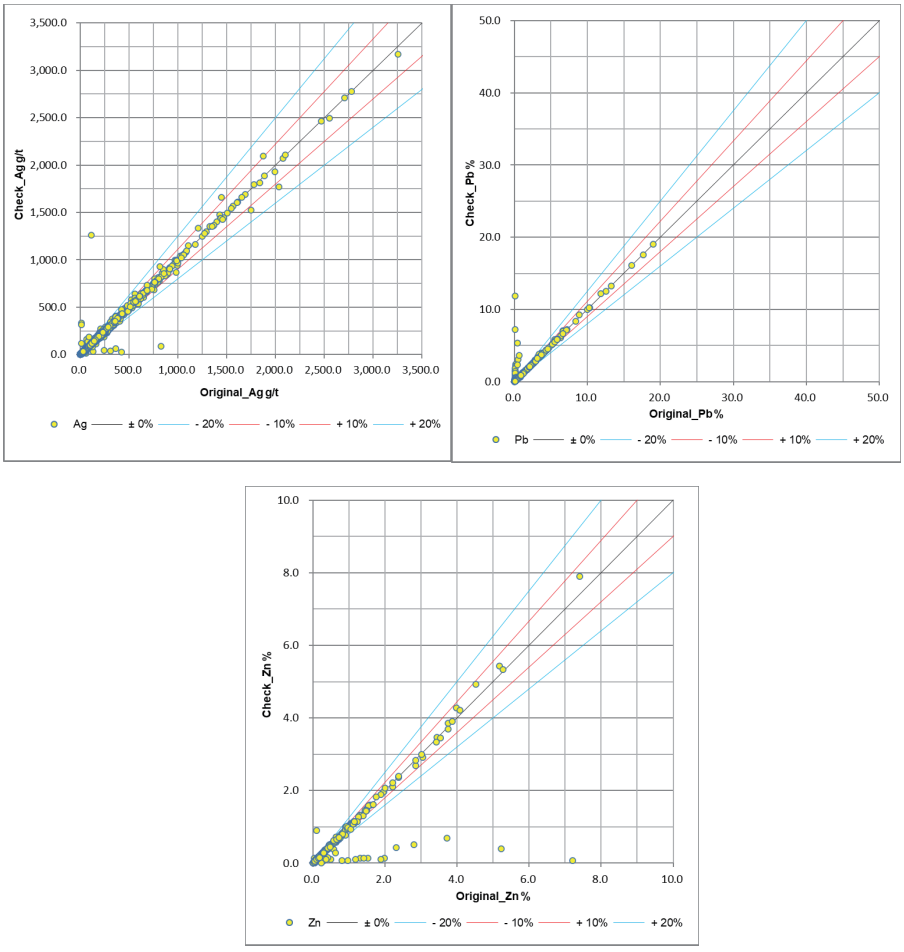
The specific gravity value adopted is **2.69 t/m³**.

6.4 Quality Assurance and Quality Control Programs

Quality assurance and quality control (QA/QC) for the Ag–Pb–Zn assays relied primarily on internal duplicate assays (re-analysis of laboratory coarse/secondary pulps by the primary laboratories); and external ("umpire") re-assay of primary pulps at independent accredited laboratories.

All QA/QC work was evaluated against DZ/T0130.3-2006, which defines relative deviation ("RD") limits and acceptance criteria for internal and external checks for Pb, Zn and Ag at different grade ranges. SRK was provided with the raw data of internal duplicates, the results were plotted in.

Figure 6-1: Internal Check

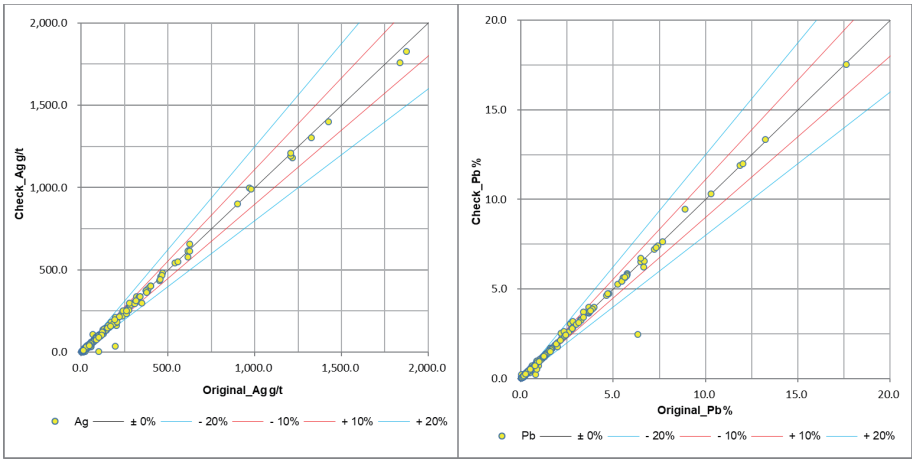


The check results demonstrate high pass rates and balanced positive and negative deviations, indicating good analytical precision and no significant systematic bias.

The external check assays were carried out by two independent laboratories: (1) the Inner Mongolia Autonomous Region Institute of Mineral Resources Experimental Research, accredited by the Ministry of Land and Resources under certificate No. 01201321100862 and by the Certification and

Accreditation Administration of China (CNCA) under certificate No. 150020040469; and (2) the Northeast Analytical and Testing Center of the Nuclear Industry, accredited by CNCA under certificate No. 2014001425W. These accredited laboratories were responsible for conducting the external verification of assay results. Original external check data were provided to SRK and plotted below. As shown in the plotted data no systematic bias was identified.

Figure 6-2: External Check



6.5 Data Verification

6.5.1 Verifications by SRK

On 26 and 28 January 2026, Dr. Anson Xu, Corporate Consultant (Geology) of SRK, visited the Yubang Project. Random sampling was conducted at the ore drawing mouth of the production stope of Yubang and the original sample slot positions of the production grade control channel sampling, and a total of 12 geological samples were collected. The original samples were sealed and sent to the SGS Tianjin Laboratory for processing and analysis testing. The results of the laboratory analysis are detailed in Table 6-2.

Table 6-2: Performance of External Check of Shuangjianzishan Ag-Pb-Zn Project

Sampling location	Sample No.	Description	Ag (g/t)	Pb (%)	Zn (%)
505-2#02stope	505-2#02stope 1	Back-filling ore	198.0	0.17	3.42
	505-2#02stope 2	Back-filling ore	521.0	0.25	7.36
525m0Line505m1-1vein1	525m0Line505m1-1vein1	Back-filling ore	245.0	2.15	9.09
525-02YM	525-02YM 1	Block caving ore	173.0	0.04	0.90
	525-02YM 2	Block caving ore	12.9	0.05	0.51
525-L2YM	525-L2YM 1	Block caving ore	4.2	0.03	0.71
	525-L2YM 2	Block caving ore	13.5	0.02	0.63
525-2-3YM	525-2-3YM 1	Block caving ore	700.0	0.92	8.62
525-03CM	525-03CM 242-244	Block caving ore	228.0	0.58	1.94
	525-03CM 264-266	Block caving ore	6.6	0.04	0.54
	525-03CM 365-367	Block caving ore	62.0	0.12	0.55
525-2-3YM	525-2-3YM 2	Block caving ore	378.0	0.13	4.04

The results of this analysis indicate that the mineral contains silver, lead, and zinc minerals with exploitable value. The mineral grade information characteristics reflected by the verification samples are consistent with the mineral grade information of the current mine production, which confirms the current mining production and operation status of the Yubang mine. This verification sample analysis work is mainly intended to verify the basic grade and mineral composition of the mineral in this mine and provide basic data support for mine production. The relevant analysis data and conclusions of this verification sample are included in this report, which provides a reliable technical basis for the subsequent production planning, resource evaluation and development and utilization of the mine.

Furthermore, prior to the acquisition of the Yubang project by Xingye Group, the geological engineers from SRK had also conducted relevant data verification work for the Yubang project in 2018. SRK collected 55 pieces of channel samples at the crosscut CM3 and CM0 of level 4 to confirm the assay results of the underground channel samples. The channel samples are sent to SGS Tianjin Minerals Laboratory for preparation and assay. The results are consistent with the original assays. SRK selected 80 samples from the coarse rejects of 2 boreholes and 80 samples from the pulp rejects of 2 boreholes. The selected intervals are mineralized. The coarse and pulp rejects are well preserved at the mine site. The coarse and pulp rejects are also sent to SGS Tianjin Minerals Laboratory for preparation and assay. Through data comparison and analysis, SRK considers external check assays of coarse and pulp rejects are consistent with the original laboratory assays.

6.5.2 Site Inspection and Data Audit on Exploration Database

The exploration database was compiled and updated by Xingye Geology. SRK's technicians exercised all the necessary site inspection, and all due care in reviewing the supplied information. Site inspection and data audit indicate that the exploration database is not well prepared, and major deficiencies are summarised below.

- The entire exploration database includes data generated by various exploration teams including channel samples from tunnel exploration for production in Yubang Mine in different years, where, Xingye Geology pays not enough attention to other exploration teams, and some data are not consistent with each other;
- Chinese quality control program including internal and external checks is a material aspect to demonstrate database quality, and Xingye Geology has not paid enough attention to this aspect.
- Historically, the analysis of other elements such as Cu and Sn has been insufficient, and some mineralized zones have only recently been subjected to testing.

SRK has not requested to undertake a re-sampling program to verify the exploration data.

In order to make the comparison between SRK's Ore Reserve model and production records, all mining operation maps along with data of grade control, covering almost all mining stopes, were collected. SRK's geologist went to current working mining stopes and backfilled stopes for necessary site verification. All mining operation maps were reviewed and imported into 3D solid model software for validation against mineralised zones currently constructed by SRK. The verification indicates that all mined out volumes match the production records provided by mining engineers of Yubang. SRK thus believes that the wireframes of mined out constructed by SRK is reliable which was then used in SRK's Mineral Resource estimate.

SRK Corporate Consultant (Geology) Dr. Anson Xu visited the Yubang project between 26 and 28 Jan 2026. SRK senior geologist Liang Li visited the Yubang project between 13 and 15 April 2026. The site visit included the following aspects:

- Observation of the drill cores showing mineralisation.
- The core storage facility was also visited. The trays were stacked in stacking shelves of good dimension to prevent core tipping out. All the sampled intersections are available and show the sampling intervals and numbers are clearly marked on the core with permanent markers.
- All available drillhole data including geological logging, collar data, downhole surveying, sampling and analytical results were reviewed and checked.
- Communicated with the site person-in-charge regarding the geological exploration work of the mine, visited the active mining stope units at Yubang Mine, and learned about the grade control process for underground production.

Figure 6-3: Site Visit



6.5.3 SRK's Comments

The exploration database was compiled and updated by Xingye Geology. SRK's technicians exercised all the necessary site inspection, and all due care in reviewing the supplied information.

The entire exploration database includes data generated by various exploration teams including channel samples from tunnel exploration for production in Yubang Mine in different years.

In SRK's opinion, the documented procedures and primary data may still be, in general, acceptable by Chinese industry practice, and SRK therefore believes that the current primary database is still acceptable for the purpose of mineral resource estimation in Exploration License area, and sufficiently reliable to support mineral reserve conversion in Mining License.

7 Mineral Resource Estimates

7.1 Introduction

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global lead, zinc and silver Mineral Resources found in the Shuangjianzishan Project at the current level of sampling. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserves.

The estimates are based on drilling, trenches and underground samples information available up to September 2024. With respect to drilling sample information available for the 30 December 2025 Mineral Resource estimates, SRK believes the current drilling sampling information is sufficiently reliable to interpret with confidence the mineralisation domains for Shuangjianzishan deposit and that the assay data is reliable to support Mineral Resource estimation.

Leapfrog Edge 2025.2.3 ("**Leapfrog Edge**") software was used by SRK to generate the veins, prepare assay data for geostatistical analysis, establish the block model, estimate metal grades, and tabulate the Mineral Resources.

In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global Mineral Resources defined for the Project at the current level of exploration. The Mineral Resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Ore Reserves Best Practices" guidelines and are reported in accordance with the *JORC Code* (2012 Edition).

Mineral Resources are not Ore Reserves and have not demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into an Ore Reserve without a minimum of a preliminary feasibility study ("**PFS**") of the Project.

7.2 Mineral Resource Estimation Procedures

The Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification
- Construction of wireframe models for the boundaries of the lead, zinc and silver mineralisation
- Definition of Mineral Resource domains
- Data conditioning (compositing and capping) for geostatistical analysis
- Block modelling and grade interpolation
- Mineral Resource classification and validation
- Assessment of "reasonable prospects for eventual economic extraction" ("**RPEEE**") and selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource Statement

7.3 Mineral Resource Database

The primary database provided by Xing Ye include database (collar, assay, survey, densit, litho in CSV format), QA/QC data and Historical goaf data for the project, several exploration reports, digitised logging data, all relevant analytical data, geological maps, mineralisation maps, and interpreted maps etc. SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Xing Ye was acceptable for use in a Mineral Resource estimate.

Table 7-1 summarises the Mineral Resource database covering the entire Shuangjianzishan Project area, and the holes location are display in Figure 7-1.

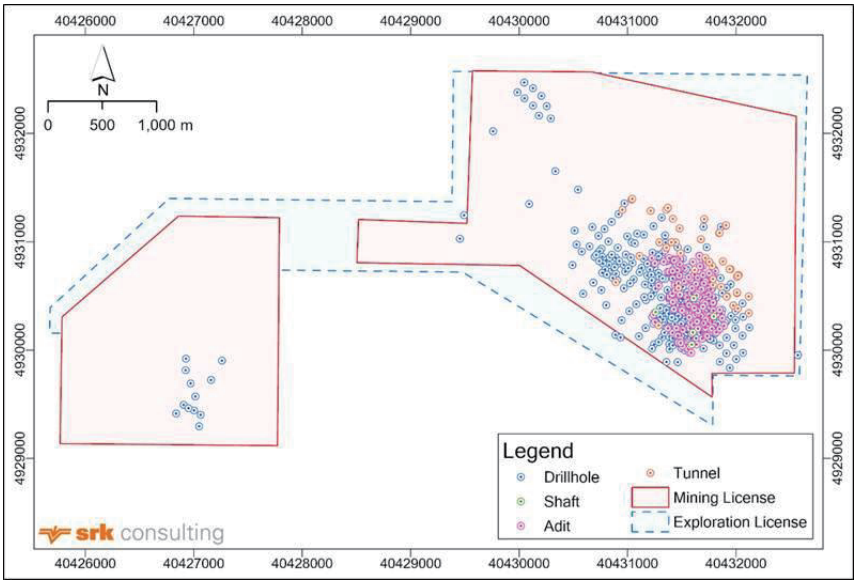
Table 7-1: Summary of Resource Database Records

Data Type	Drillhole	Underground holes	Total
Hole Number	484	2250	2734
Length (m)	355,553.54	21,7748.74	377,301.58
Assay Sample Number	142,239	16,101	158,338

Sources: SRK

Note：The Drillholes included both surface drilling holes and underground drilling holes in the table.

Figure 7-1: Drillholes 3D Display of Shuangjianzishan Project.



Sources: SRK

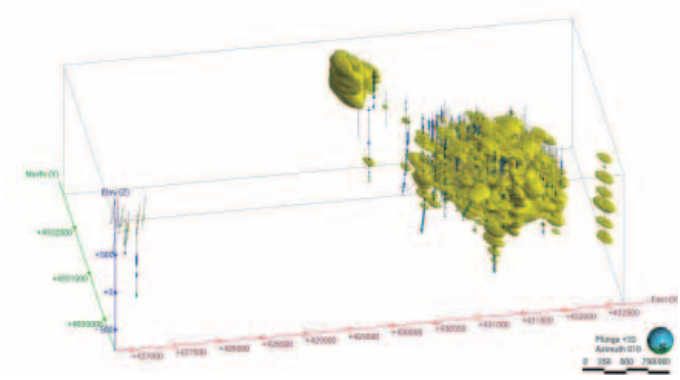
7.4 Domain Modelling

The wireframe models for the Shuangjianzishan deposit were established using Leapfrog Edge software. A nominal cut-off grade of 10% EqAg in block caving mining method area and another nominal cut-off grade of 20% EqAg in filling mining method area were applied to define the mineralised intervals for Domains. The The calculation formula of Ageq_geo_10&20 is as follows:

Ageq_geo_10&20=Ag*(if(Ag⩾5,1,0))+Pb*(if(Pb⩾0.2, 6.703,0))+Zn*(if(Zn⩾0.10, 23.6,0))

The samples are composite at equal intervals of 1 meter, and the Ageq_geo_10&20 numerical model is then established using the values of the composited samples. The Ageq_geo_10&20 numerical model serves as the spatial extent of the mineralized domain for Ageq_geo_10&20. As shown in Figure 7-2. A total of 17 mineralized domains were constructed.

Figure 7-2: The Mineralisation Domain of Shuangjianzishan Project



Sources: SRK

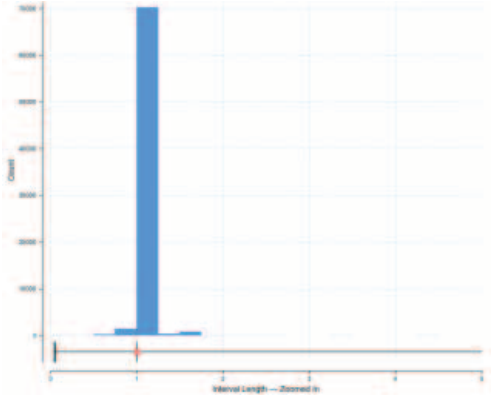
7.5 Specific Gravity

The SG measurements were conducted using the Archimedes principle (wax-sealing method). A total of 421 SG samples were taken covering different rock types and different grade provided by the client. An average value of 2.69 g/cm^3 was applied to the block model for each domain.

7.6 Compositing

Prior to the statistical analysis, the samples were generally combined so the length of each sample was basically equivalent. The distribution of sample lengths is provided in Figure 7-3.

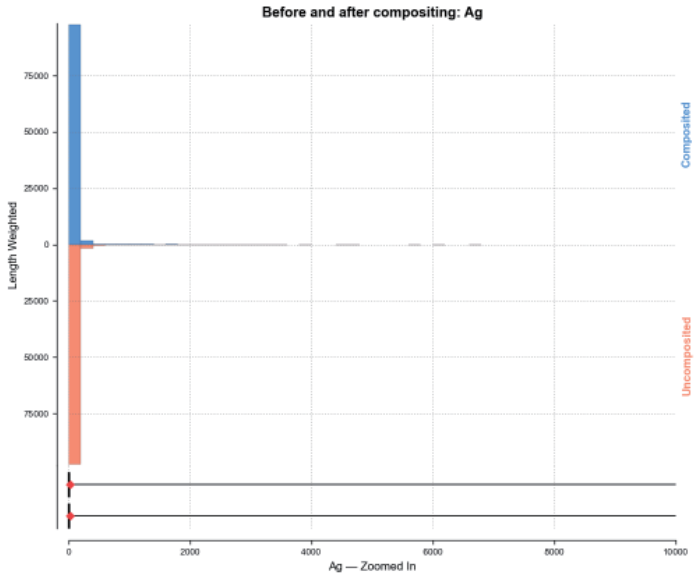
Figure 7-3: Histogram of the Sample Length of the Shuangjianzishan Project

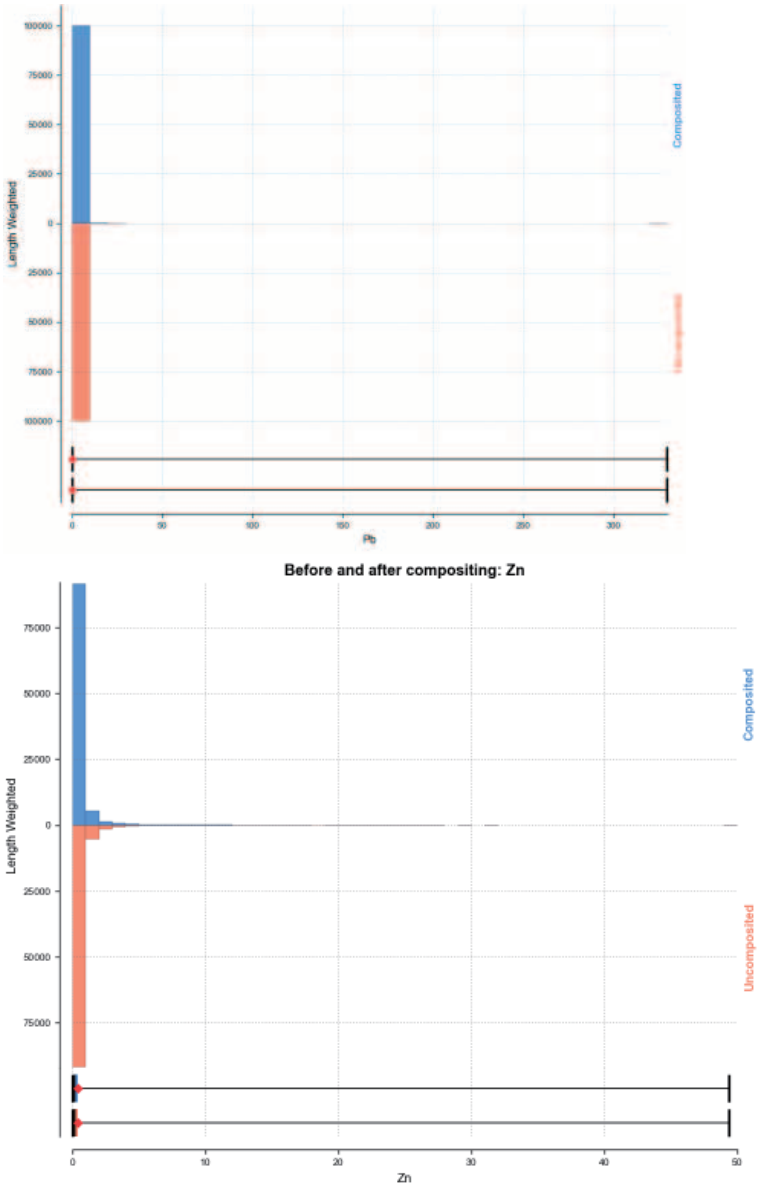


Sources: SRK

The database indicates that the most sample intervals are 1 m. A composite length of 1 m was selected for Shuangjianzishan Project. Composites were created within the Mineral Resource estimation domains beginning at the upper contacts. The intersection thickness encountered by any given drill hole, trenches and underground samples, however, is not an even multiple of the composite length. If the remaining length was less than 1 m, the composite was added to previous interval. The treatment of the ended composites did not affect the overall integrity of the composited database. The compositing of samples before and after does not affect the overall distribution of the samples（Figure 7-4）.

Figure 7-4: Raw Samples and Composites Distribution of Ag Pb Zn for Shuangjianzishan Project





Sources: SRK

7.7 Evaluation of Outliers

Due to the Ag Pb Zn skewed distribution of some mineralisation zone, the few high-grade assays represent a significant proportion of the metal content. As the number of such extreme grades is

small, this can lead to considerable uncertainty in the tonnage and grade of this material. To help control this uncertainty and risk, metal top cuts were applied to the Ag, Pb, and Zn data.

The assessment considers the variable histogram, normal probability plot, and charts where samples are sorted from low to high and the impact of adding samples one by one to the dataset from low to high on the mean, standard deviation and coefficient of variation. The High-grade composites were capped or restricted to a small spatial influence (Table 7-2).

Table 7-2: Capping Values Statistics of the Shuangjianzishan Project

Domain	Itum	Unit	Before Capping		Cap Value	After Capping		No. Capped Value	Metal loss
			Mean	Composite Count		mean	Composite Count		
	Ag	g/t	41.74	70828	1000	39.56	70828	184	5.30
	Pb	%	0.23	72629	6.3	0.22	72629	114	4.70
AgEq_10	Zn	%	0.54	72813	12	0.54	72813	80	1.12

Sources: SRK

The histogram and cumulative probability curve of the composites Ag Pb Zn for Mineral Domain Ageq_geo_10&20, as presented in Figure 7-5.

Figure 7-5: Histogram and Log Probability Curve of Capping Mineral Domain Ageq_geo_10&20

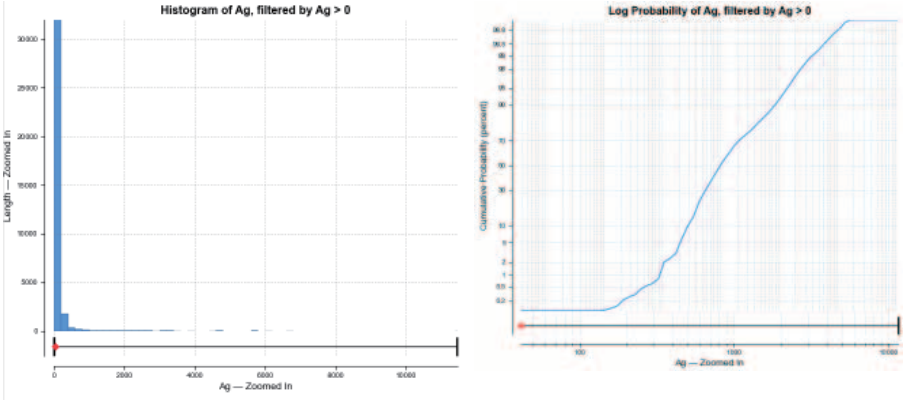
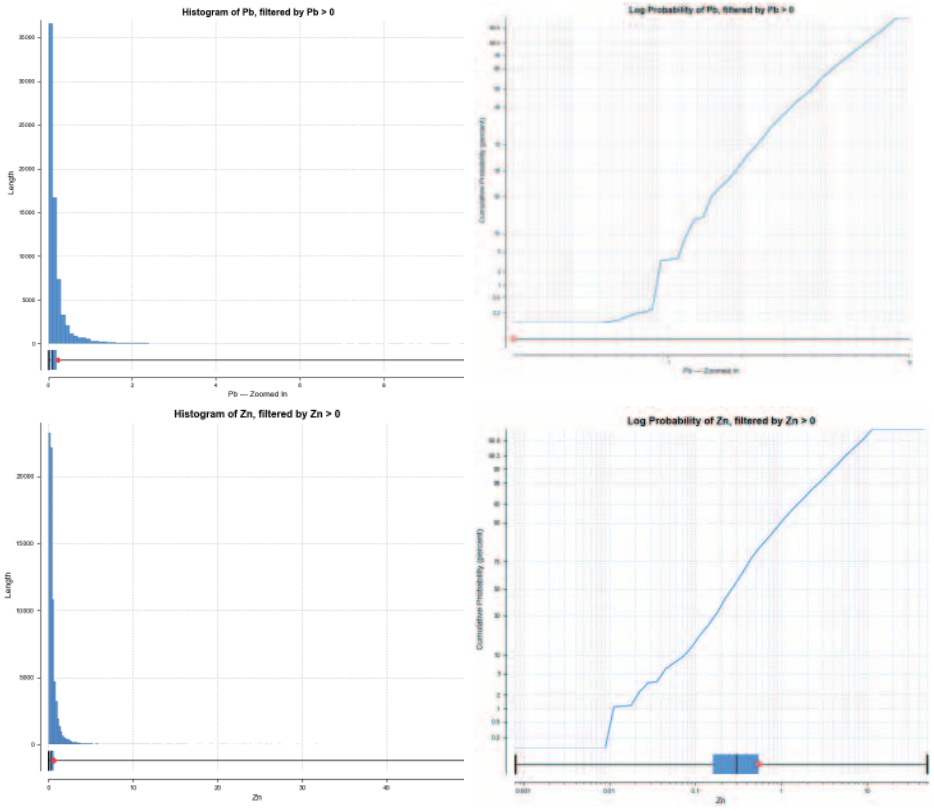


Figure 7-5: Histogram and Log Probability Curve of Capping Mineral Domain Ageq_geo_10&20



Sources: SRK

7.8 Statistical Analysis and Variography

For many of the domains the assessment of the experimental semi-variograms did not show any interpretable structure in the data. This is potentially due to relatively small numbers of composites and relatively widely spaced intersections. For the Ag, Pb, Zn and Zinc of Domain AgEq_10 showed a sufficiently robust structure to allow modelling of a semi-variogram for sliver, lead and zinc. The semi-variograms are modelled on normal score transforms of the variables, and the spherical structured modelled semi-variogram is back transformed into real space. The real space back transformed semi-variogram models are shown in Table 7-3. The models are isotropic in the plane of mineralisation.

Table 7-3: Semi-Variogram Model Parameters of Ag, Pb, Zn

Domain	Itum	Direction	Nugget	Structure 1	Structure 2

		(Dip, Dip Azimuth, Pitch)		Sill	Major	Semi-major	Minor	Sill	Major	Semi-major	Minor
		68									
	Ag	233	0.10	0.65	44.59	69.53	3.13	0.25	114.20	93.24	9.07
		55									
		68									
Ageq	Pb	233	0.09	0.40	10.17	40.02	2.87	0.28	92.95	80.28	22.05
		55									
		68									
	Zn	233	0.03	0.70	18.39	27.21	3.15	0.13	113.70	77.21	22.35
		55									

Sources: SRK

Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb and Zn（Domain AgEq_10）

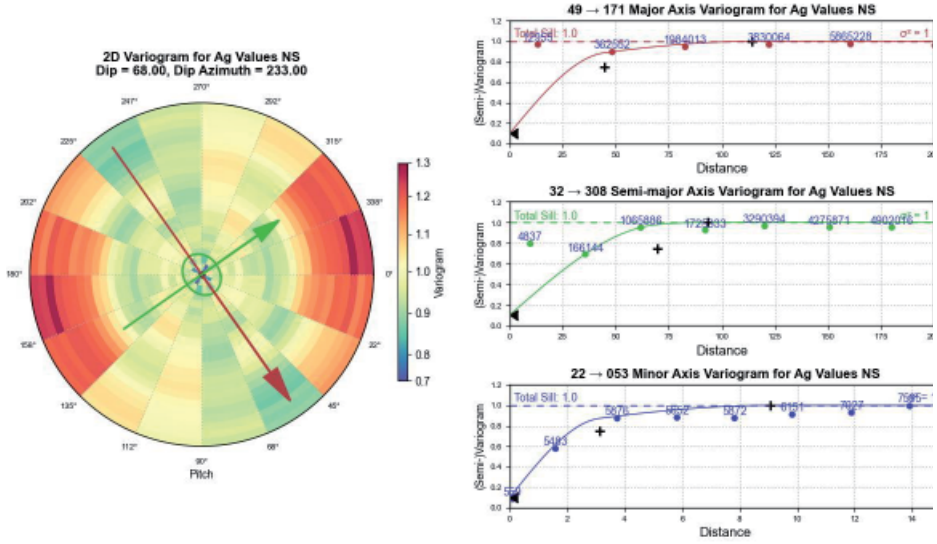
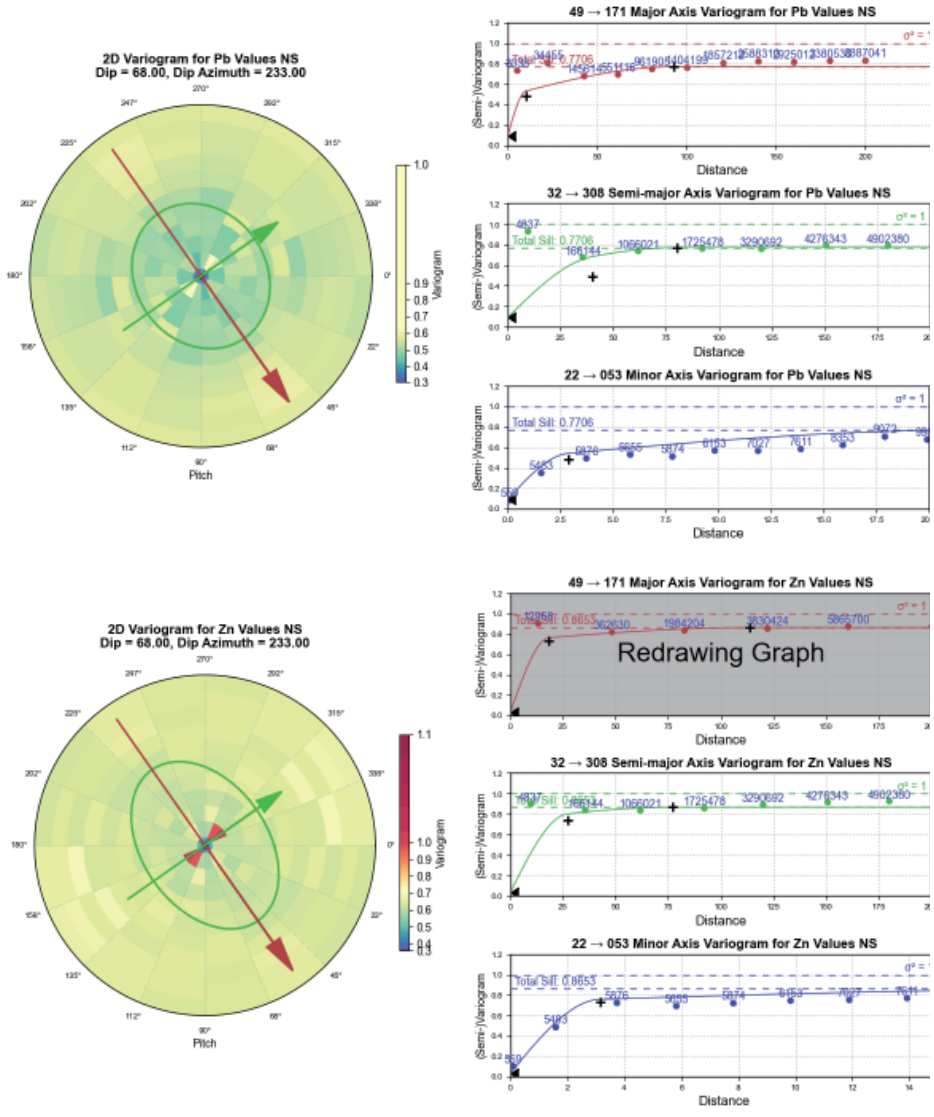


Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb and Zn（Domain AgEq_10）



Sources: SRK

7.9 Block Model and Grade Estimation

A rotational model for Shuangjianzishan Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model

which was able to follow the mineralized zones. The block model used the same coordinate system as data collection. The block model summary is presented in Table 7-4. The attributes and descriptions are presented in Table 7-5.

Table 7-4: Block Model Specifications of Shuangjianzishan Project

Axis	Minimum (m)	Maximum (m)	Block Size (m)	Sub Block Size (m)	Rotation (degrees)
N	428600	423790	20	10	0
E	4928488	4933551	20	10	0
Z	-820	1140	20	10	42

Sources: SRK

Table 7-5: Attributes and Descriptions of Shuangjianzishan Project

Attribute	Description
Domain	Mineralisation domains
AgEq_Geo_mining	[ag]+ [pb]*1.993+ [zn]*12.211
Ag	Silver grade
Pb	Lead grade
Zn	Zinc grade
License	ML:Mining License, EL:Exploration License, OL: out of Licence
Resclass	Mineral Resource Classification
Goaf	Mined out area as of 31 December 2025
Mining method	Block caving: BC_430, BC_585, filling stoping method:TR_mining
Sg	Specific gravity

Sources: SRK

The Ordinary Kriging ("**OK**") method was used for the Ag, Pb and Zn grade estimation of Domain EqaAg_10. Hard boundaries were used for both Ag, Pb and Zn of all domains.

The parameters of the searching ellipsoid were thus manually optimized, and the parameters are summarized in Table 7-6. The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation.

The Domain, Category and Depletion attribute were assigned directly using the solid models.

Table 7-6: Search Parameters

Domain	Item	Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites	Drillhole Limit
Mineral_Daomain	Ag	1	57,46,4.5	3	24	6
		2	114,77.21,22.35	2	24	6
		3	154,125,12.2	1	24	/
	Pb	1	46,40,11	3	24	6
		2	93,80,22	2	24	6
		3	111,96,27	1	24	/
	Zn	1	57,35.8,11	3	24	6

	2	113.7,77.21,22.35	2	24	6
	3	141.00,96.00,27.50	1	24	/

Sources: SRK

7.10 Model Validation

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selective assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

SRK adopted two approaches to validate the model：

- Visual inspection; and
- Swath plot validation.

Visual inspection provides a validation of the interpolated block model on a local block scale, using visual assessments of composited sample grades versus estimated block grades. The visual inspections of mineralisation Domain AgEq_10 were present in Figure 7-7 which shows that the Ag, Pb and Zn grade estimate match well with the composites.

Figure 7-7: Ag Pb and Zn Visual Inspection of Mineralisation Domain AgEq_10

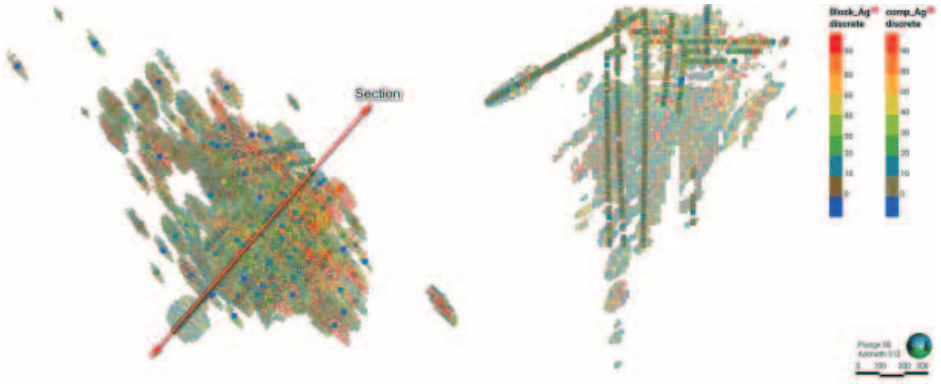
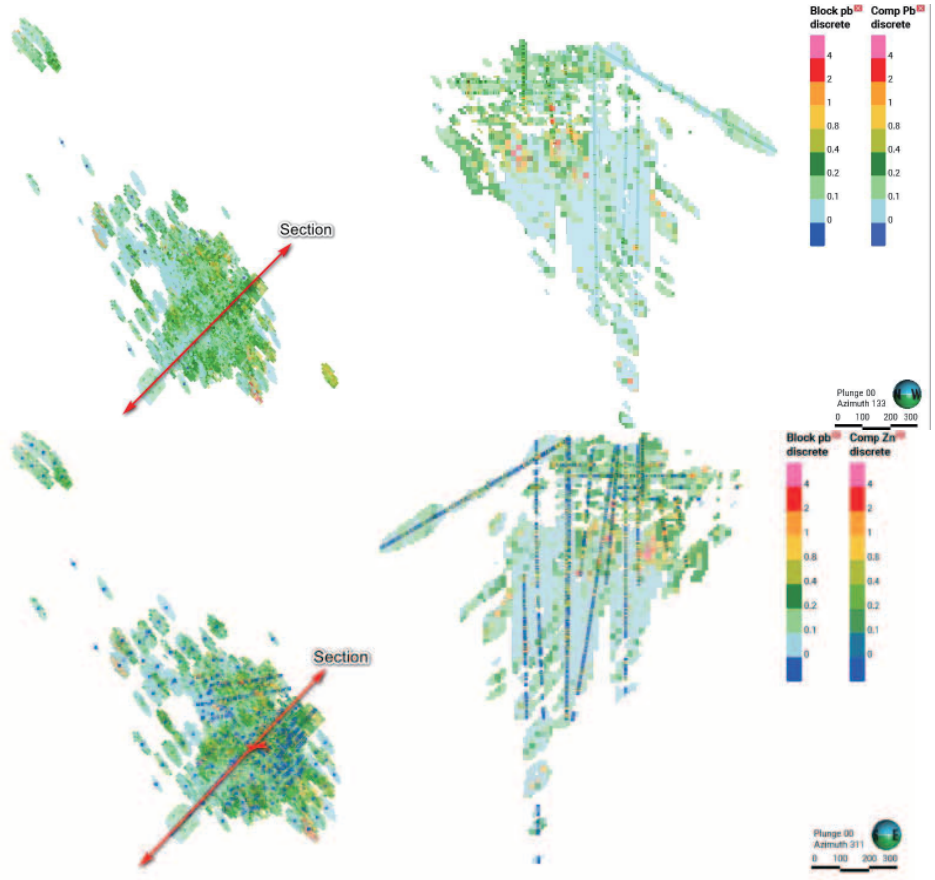


Figure 7-7: Ag Pb and Zn Visual Inspection of Mineralisation Domain AgEq_10



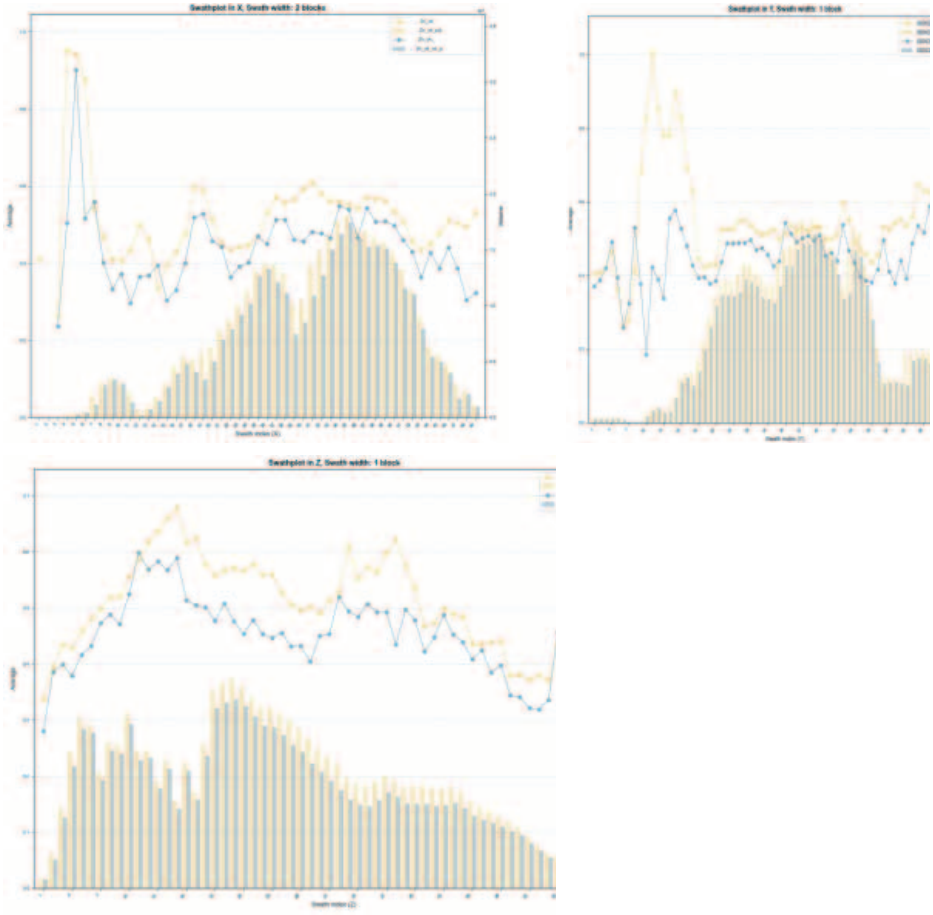
Sources: SRK

Swath plots of Ag Pb Zn were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown in Figure 7-8. This comparison shows close agreement between the Ag, Pb and Zn block estimates and Nearest Neighbour ("**NN**") estimates in terms of overall distribution as a function of X, Y, and Z location.

Figure 7-8: Swath Plot of Ag Pb and Zn



Figure 7-8: Swath Plot of Ag Pb and Zn



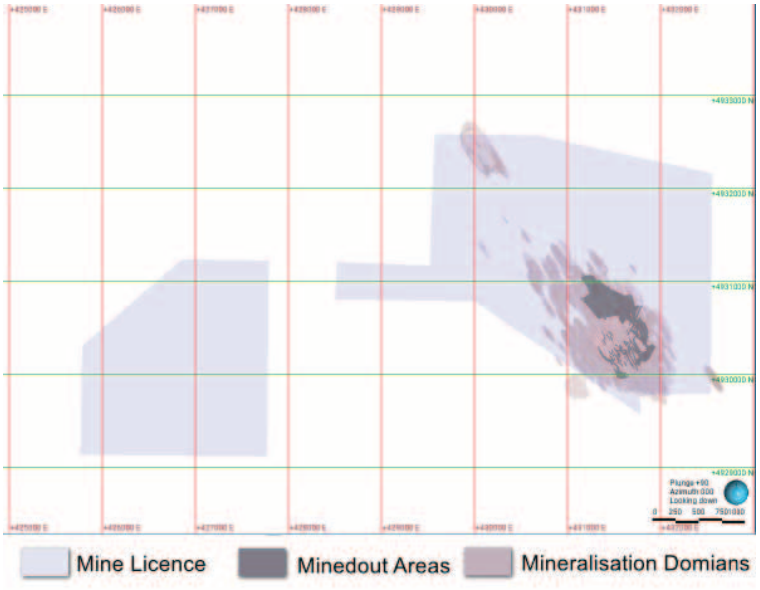
Sources: SRK

7.11 Mining Depletion

The Shuangjianzishan Project is currently in production. SRK was provided the survey map and the 3D model for the mined-out area by the XingYe. SRK considers the investigation method for defining mined-out areas to be reasonable it can reflect the actual mining depletion. SRK has adopted the data for Mineral Resource depletion (Figure 7-9).

The cut-off date for mining depletion in the Mineral Resource report is 31 December 2025.

Figure 7-9: Mining Depletion Location with Mineralisation Domains



Sources: SRK

7.12 Mineral Resource Classification

Mineral Resource classification is typically a subjective concept. The industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

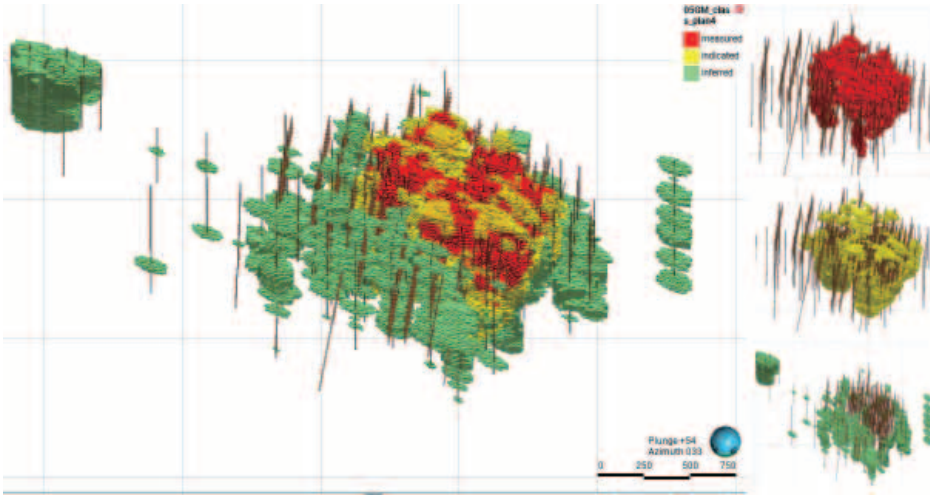
SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples is correctly defined, and the assay data are acceptable to support the Mineral Resource evaluation. The sampling information was acquired primarily from diamond drillholes with most holes on a grid density of 80 m by 80 m and a minority on a denser 40 m by 40 m grid.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that blocks estimated during the first estimation pass with sample distances less than 30 – 40 m, one half of the Ag major variogram ranges, plus mineralisation intersected tunnels can be classified as Measured Mineral Resources; those blocks estimated during the second estimation pass with sample distances less than 70 – 90 m, 0.75 – 1.0 times of the Ag major variogram ranges, can be classified as Indicated Mineral Resources. Those blocks estimated during the third estimation pass with sample distances

less than 100 – 160 m, 1.50 times of the Ag major variogram ranges can be classified as Indicated Mineral Resources (Figure 7-10).

SRK notes that some sporadically distributed grades interpolated by the first and second pass were classified as Inferred Mineral Resources. For those Measured and Indicated Mineral Resource blocks, SRK considers that the level of confidence is sufficient to allow appropriate application of technical and economic parameters to support mine planning and to allow evaluation of the economic viability of the deposit, which is also adequate to support mining operation.

Figure 7-10: Mineral Resource Classification



Sources: SRK

7.13 Mineral Resource Statement

The *JORC Code* 2012 defines a mineral resource as:

"(A) Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories".

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. SRK acknowledge that the Shuangjianzishan Project is an operating underground operation.

The conceptual parameters used to estimate the cut-off grade for the Shuangjianzishan Project are summarised in Table 7-7.

Table 7-7: Assumptions Considered for the Mining Area in the Back-Filling Mining Method of the Shuangjianzishan Project

Parameter	Unit	Value
Silver Price	USD/Oz	42.25
Silver Price	CNY/Oz	299.98
Silver Price	CNY/g	9.64
Pricing coefficient	%	88.00
Operating Cost (OC)	CNY/t ore	195.00
Processing Recovery Rate for Ag (PR)	percent	86.00
Mining Dilution (MD)	percent	13.00
In Situ Ag Cut-off Grade (g/t)	**g/t**	**30.19**

Table 7-8: Assumptions Considered for the Mining Area in the Block Caving Mining Method of the Shuangjianzishan Project

Parameter	Unit	Value
Silver Price	USD/Oz	42.25
Silver Price	CNY/Oz	299.98
Silver Price	CNY/g	9.64
Pricing coefficient	%	88.00
Operating Cost (OC)	CNY/t ore	130.00
Processing Recovery Rate for Ag (PR)	percent	86.00
Mining Dilution (MD)	percent	13.00
In Situ Ag Cut-off Grade (g/t)	**g/t**	**20.13**

As of 31 December 2025, SRK reported the underground Mineral Resources of the Shuangjianzishan Project, at a cut-off grade of 30 AgEq for the area in the filling mining method and at a cut-off grade of 20 AgEq for the area in the block caving mining method.

There are 143 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 62.61 g/t Ag, 0.29% Pb, 0.61% Zn and 70.48 g/t AgEq; 97 Mt of Indicated Mineral Resources at an average grade of 60.08 g/t Ag, 0.31% Pb, 0.65% Zn and 68.52 g/t AgEq; and 97 Mt of Inferred Mineral Resources at an average grade of 72.70 g/t Ag, 0.29 % Pb, 0.74 % Zn and 82.14 g/t AgEq. Details of estimated Mineral Resources are shown in Table 7-9.

Table 7-9: Mineral Resource Statement[1], Shuangjianzishan Project, Prepared by SRK Consulting China Limited, 31 December 2025[2]

Area	Block	Cutoff AgEq	*Mineral Resource*	Tonnage	*Average Value*				*Material Content*			
			class	Mass	Ag	Pb	Zn	AgEq	Ag	Pb	Zn	AgEq
		g/t		Mt	g/t	%	%	g/t	t	t	t	t
			measured	116	62.33	0.28	0.60	70.11	7,224	322,177	697,739	8,125
			indicated	48	55.53	0.28	0.61	63.44	2,678	137,301	295,083	3,059
	Block Caving	20	**Measured + Indicated**	**164**	**60.33**	**0.28**	**0.60**	**68.15**	**9,902**	**459,478**	**992,822**	**11,184**
			inferred	6	63.20	0.24	0.49	69.54	363	13,611	28,116	400
			Total	**170**	**60.43**	**0.28**	**0.60**	**68.19**	**10,265**	**473,090**	**1,020,938**	**11,584**
			measured	27	63.81	0.35	0.63	72.08	1,706	92,592	169,041	1,928
			indicated	49	64.53	0.34	0.69	73.51	3,174	166,498	340,355	3,616
Mining	Cut and fill	30	**Measured + Indicated**	**76**	**64.28**	**0.34**	**0.67**	**73.01**	**4,880**	**259,090**	**509,396**	**5,543**
			inferred	88	73.59	0.29	0.76	83.26	6,500	257,828	668,765	7,354
			Total	**164**	**69.29**	**0.31**	**0.72**	**78.52**	**11,381**	**516,918**	**1,178,161**	**12,897**
			measured	143	62.61	0.29	0.61	70.48	8,930	414,770	866,780	10,053
			indicated	97	60.08	0.31	0.65	68.52	5,852	303,798	635,438	6,675
	Total		**Measured + Indicated**	**240**	**61.58**	**0.30**	**0.63**	**69.68**	**14,782**	**718,568**	**1,502,218**	**16,728**
			inferred	94	72.96	0.29	0.74	82.42	6,864	271,440	696,881	7,754
			Total	**334**	**64.78**	**0.30**	**0.66**	**73.27**	**21,646**	**990,008**	**2,199,099**	**24,481**
			measured	0	—	—	—	—	-	-	-	-
			indicated	0	—	—	—	—	-	-	-	-
	Block Caving	20	**Measured + Indicated**	**0**	**—**	**—**	**—**	**—**	-	-	-	-
			inferred	0	—	—	—	—	-	-	-	-
			Total	**0**	**—**	**—**	**—**	**—**	-	-	-	-
			measured	0	—	—	—	—	-	-	-	-
			indicated	0	—	—	—	—	-	-	-	-
Exploration	Cut and fill	30	**Measured + Indicated**	**0**	**—**	**—**	**—**	**—**	-	-	-	-
			inferred	3	63.36	0.38	0.66	72.00	165	9,853	17152	188
			Total	**3**	**63.36**	**0.38**	**0.66**	**72.00**	**165**	**9,853**	17152	**188**
			measured	**0**	**—**	**—**	**—**	**—**	**0**	**0**	0	**0**
			indicated	**0**	**—**	**—**	**—**	**—**	**0**	**0**	0	**0**
	Total		**Measured + Indicated**	**0**	**—**	**—**	**—**	**—**	**0**	**0**	0	**0**
			inferred	**3**	**63.36**	**0.38**	**0.66**	**72.00**	**165**	**9,853**	17152	**188**
			Total	**3**	**63.36**	**0.38**	**0.66**	**72.00**	**165**	**9,853**	**17,152**	**188**
Total	Block Caving	20	**measured**	**116**	**62.33**	**0.28**	**0.60**	**70.11**	**7,224**	**322,177**	**697,739**	**8,125**
			indicated	**48**	**55.53**	**0.28**	**0.61**	**63.44**	**2,678**	**137,301**	**295,083**	**3,059**

		Measured + Indicated	164	60.33	0.28	0.60	68.15	9,902	459,478	992,822	11,184
		inferred	6	63.20	0.24	0.49	69.54	363	13,611	28,116	400
		Total	170	60.43	0.28	0.60	68.19	10,265	473,090	1,020,938	11,584
		measured	27	63.81	0.35	0.63	72.08	1,706	92,592	169,041	1,928
		indicated	49	64.53	0.34	0.69	73.51	3,174	166,498	340,355	3,616
Cut and fill	30	Measured + Indicated	76	64.28	0.34	0.67	73.01	4,880	259,090	509,396	5,543
		inferred	91	73.30	0.29	0.75	82.93	6,666	267,681	685,917	7,542
		Total	167	69.19	0.32	0.72	78.42	11,546	526,771	1,195,313	13,085
		measured	143	62.61	0.29	0.61	70.48	8,930	414,770	866,780	10,053
		indicated	97	60.08	0.31	0.65	68.52	5,852	303,798	635,438	6,675
Total		Measured + Indicated	240	61.58	0.30	0.63	69.68	14,782	718,568	1,502,218	16,728
		inferred	97	72.70	0.29	0.74	82.14	7,029	281,293	714,034	7,942
		Total	337	64.77	0.30	0.66	73.26	21,811	999,861	2,216,251	24,669

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr Liang Li (Elian) and Dr. Anshun Xu who are full time employee of SRK Consulting China Ltd. Mr Li is a member of AusIMM and Dr. Xu is a Fellow of AusIMM. Both Mr Li and Dr. Xu 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 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*. Mr.Li and Dr. Xu consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 20 g/t AgEq in Block Caving Block and 30 g/t AgEq in Cut and fill Block.

In addition, as revealed by the current exploration boreholes, there are still some ore resources at depth within the scope of the current Yubang mining right (below the elevation scope of the current mining license), as detailed in the Table 7-10.

Table 7-10: Mineral Resource Statement[1], below the elevation scope of the current mining license, Prepared by SRK Consulting China Limited, 31 December 2025[2]

Area	Cutoff AgEq	*Mineral Resource class*	Tonnage	*Average Value*				*Material Content*			
			Mass	Ag	Pb	Zn	Ageq	Ag	Pb	Zn	Ageq
	g/t		Mt	g/t	%	%	g/t	t	t	t	t
below the elevation scope of the current mining licens	30	measured	8	48.71	0.20	0.90	60.05	401	16,298	73,911	494.96
		indicated	30	50.40	0.21	0.82	60.86	1,502	64,070	244,945	1,814.17
		Measured + Indicated	**38**	**50.03**	**0.21**	**0.84**	**60.69**	**1,904**	**80,368**	**318,856**	**2,309.13**
		inferred	55	78.04	0.36	0.98	90.77	4,306	200,293	542,554	5,008.39
		Total	**93**	**66.61**	**0.30**	**0.92**	**78.49**	**6,210**	**280,661**	**861,410**	**7,317.51**

Notes:

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

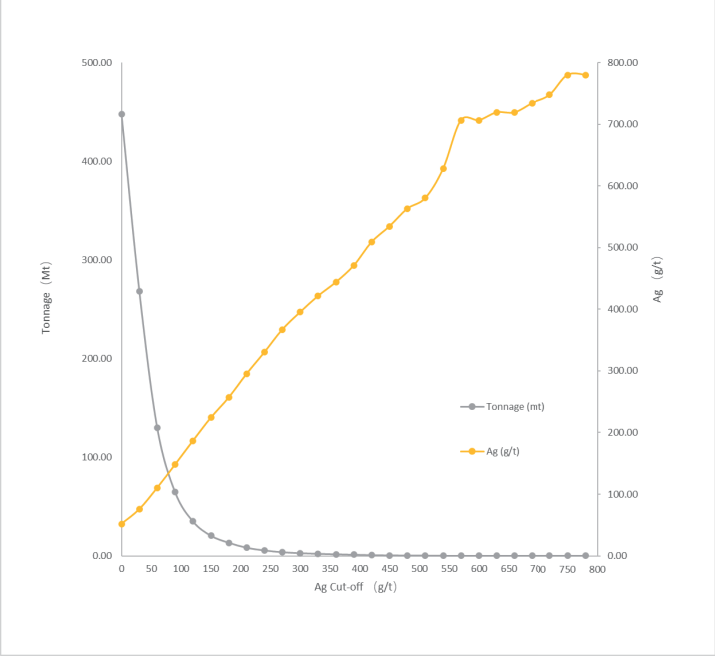
[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr Liang Li (Elian) and Dr. Anshun Xu who are full time employee of SRK Consulting China Ltd. Mr Li is a member of AusIMM and Dr. Xu is a Fellow of AusIMM. Both Mr Li and Dr. Xu have sufficient experience 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 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*. Mr.Li and Dr. Xu consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade 30 g/t AgEq.

7.14 Grade Sensitivity Analysis

The Mineral Resources of the Shuangjianzishan Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the global model quantities and grade estimates are presented in Table 7-11 to Table 7-13 and Figure 7-11 to Figure 7-13 at various cut-off grades. The reader is cautioned that these figures listed should not be misconstrued as representing a Mineral Resource Statement but are included for the purpose of illustrating the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-11: Ag Grade-Tonnage Plot



Sources: SRK

Table 7-11: Ag Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

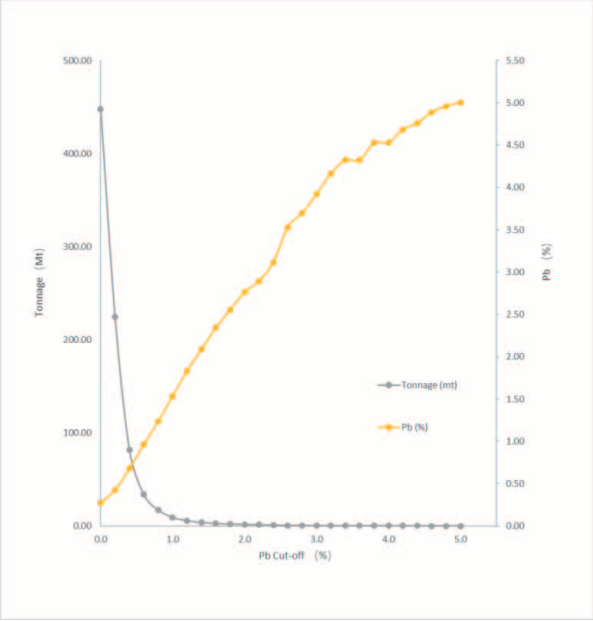
Cut-off Grad Ag (g/t)	Quantity (mt)	Grade Ag (g/t)	Material Content t
0	447.96	51.98	23284
30	268.16	75.92	20360

60	129.85	110.56	14356
90	64.67	148.29	9590
120	34.96	186.76	6529
150	20.50	224.18	4596
180	13.35	256.82	3429
210	8.29	295.17	2448
240	5.55	330.33	1832
270	3.72	367.04	1365
300	2.77	395.33	1095
330	2.08	421.51	879
360	1.62	443.87	718
390	1.18	470.78	555
420	0.75	508.96	382
450	0.54	534.40	290
480	0.39	563.08	221
510	0.32	580.18	187
540	0.17	627.72	108
570	0.09	706.57	63
600	0.09	706.57	63
630	0.08	719.20	56
660	0.08	719.20	56
690	0.06	734.35	43
720	0.04	747.69	28
750	0.02	780.07	13
780	0.02	780.07	13

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-12: Pb Grade-Tonnage Plot



Sources: SRK

Table 7-12: Pb Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

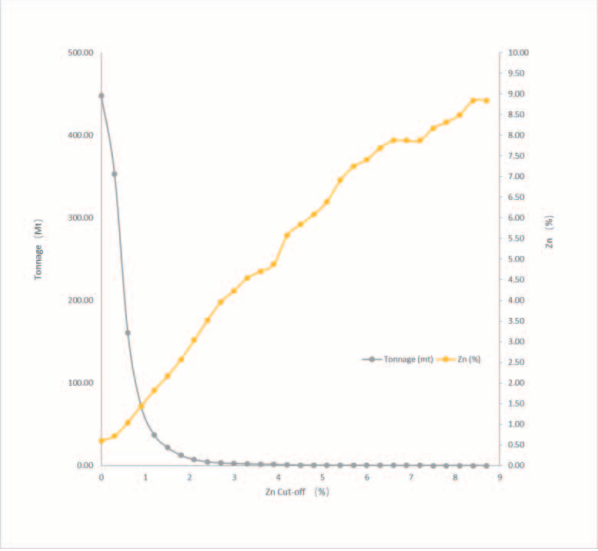
Cut-off Grad Pb (%)	Quantity (mt)	Grade Pb (%)	Material Content t
0.0	447.96	0.27	1216360
0.2	224.90	0.43	964263
0.4	81.72	0.68	556539
0.6	33.86	0.96	326367
0.8	17.07	1.24	211651
1.0	9.29	1.53	142601
1.2	5.60	1.83	102548
1.4	3.79	2.09	79147
1.6	2.64	2.34	61807
1.8	1.99	2.56	50899
2.0	1.53	2.76	42145
2.2	1.27	2.90	36695
2.4	0.92	3.12	28616
2.6	0.55	3.53	19450
2.8	0.46	3.70	17018
3.0	0.36	3.92	14246
3.2	0.28	4.17	11545

3.4	0.24	4.32	10233
3.6	0.24	4.32	10233
3.8	0.18	4.53	8040
4.0	0.18	4.53	8040
4.2	0.13	4.69	6049
4.4	0.11	4.76	5123
4.6	0.06	4.89	3157
4.8	0.04	4.96	2135
5.0	0.02	5.01	1077

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-13: Zn Grade-Tonnage Plot



Sources: SRK

Table 7-13: Zn Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

Cut-off Grad Zn (%)	Quantity (mt)	Grade Zn (%)	Material Content t
0	447.96	0.60	2709710
0.3	353.09	0.72	2527120
0.6	161.02	1.04	1679450
0.9	71.88	1.44	1032190
1.2	36.82	1.82	671539
1.5	21.73	2.17	471389
1.8	12.38	2.57	317836

2.1	7.16	3.04	217433
2.4	4.48	3.52	157730
2.7	3.09	3.96	122342
3	2.50	4.23	105845
3.3	1.93	4.54	87876
3.6	1.68	4.70	78845
3.9	1.41	4.88	69035
4.2	0.76	5.57	42132
4.5	0.62	5.84	36442
4.8	0.51	6.08	31254
5.1	0.41	6.39	25966
5.4	0.27	6.91	18962
5.7	0.22	7.25	15984
6	0.20	7.41	14757
6.3	0.16	7.69	12418
6.6	0.14	7.87	11011
6.9	0.14	7.87	11011
7.2	0.14	7.87	11011
7.5	0.09	8.17	7034
7.8	0.06	8.32	5372
8.1	0.04	8.50	3657
8.4	0.02	8.84	1902
8.7	0.02	8.84	1902

7.15 Exploration Potential

SRK is aware that the project area is located in the silver polymetallic metallogenic belt in the southern section of the Greater Khingan Mountains. Skarn-type and epithermal-type deposits are developed in and around the mining area. Based on Yubang Mining as a platform, Xingye has continuously integrated mineral rights in adjacent areas and expanded the exploration scope. In 2025, good geophysical and geochemical prospecting results were achieved, and 6 abnormal potential target areas were delineated. In 2025, drilling verification was carried out in some areas, and good silver, copper and tin mineralization was discovered. It is expected that more metal resources such as tin, copper, silver, lead and zinc will be obtained in the prospecting right block and the integrated resource scope in the future.

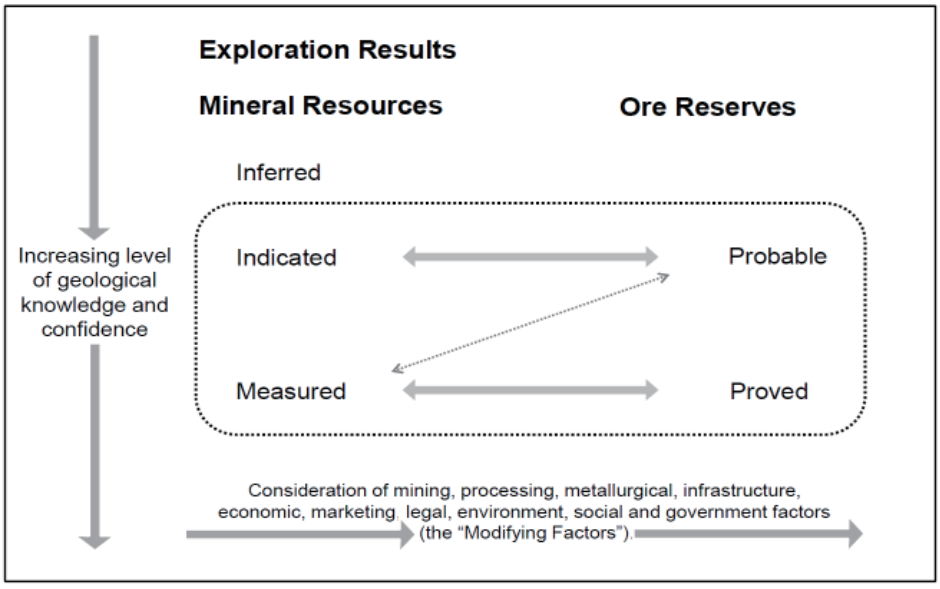
8 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the *JORC Code* (2012 edition) is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 8-1.

Figure 8-1: General Relationship between Mineral Resources and Ore Reserves



Sources: *JORC Code (2012)*

The Ore Reserves for the Shuangjianzishan Project have been estimated by SRK in compliance with the *JORC Code* guidelines. These estimates are based on technical studies and operational data, with the work conducted to a pre-feasibility study standard as a minimum, ensuring a reliable assessment of the Project's economic and technical viability.

8.1 Technical Studies

The mining licence area is subdivided into two sections, namely the east Xinglongshan Section and the west Shuangjianshan Section. Xinglongshan Section is a producing underground mine, with the nominal mining capacity of 600 ktpa. The throughput of existing processing plant is about 1,650 ktpa. Shuangjianshan Section is still in the process of exploration, without a technical study at the preliminary or feasibility level in place or plan.

Yubang planned to expand both the mining capacity and processing throughput to 8,250 ktpa at the end of 2030, based on the following technical studies and the modified production plan:

- *Feasibility Study Report of Mining and Processing Engineering on Shuangjianzishan Silver-Lead-Zinc Project at Bairin Left Banner, Inner Mongolia Autonomous Region for Chifeng Yubang Mining Co., Ltd.*, which was prepared by China ENFI Engineering Company Limited ("**ENFI**") and dated in January 2023 (hereinafter referred to as "***FS 2023***").
- *Feasibility Study Report of Mining and Processing Expansion on Shuangjianzishan Silver-Lead-Zinc Project at Bairin Left Banner, Inner Mongolia Autonomous Region for Chifeng Yubang Mining Co., Ltd.*, which was prepared by Tanmo Consulting Company ("**Tanmo**") and dated in January 2026 (hereinafter referred to as "**FS 2026**").

After review of *FS 2023*, SRK understood that underground mining will be continually used for extraction of Mineral Resources in the Xinglongzishan Section. The expansion of production capacity includes two stages. The stage 1 has an expanded mining capacity of 10 ktpd or 3,300 ktpa, operating eight years. Then stage 2 is commenced to expand mining capacity to 25 ktpd or 8,250 ktpa, producing till to the mine closure. At the time of this reporting, SRK was informed by Yubang that *FS 2023* is being updated by ENFI in 2026 to combine the two stages expansion into one to match the mine plan proposed in *FS 2026*.

The *FS 2026* itself is too simple to support an expansion of capacity, except for the estimate of expansion capital expenses ("**Capex**").

Overall, SRK considered the Xinglongshan Section is a mining capacity expansion project, and that it can be reported with Ore Reserves based on *FS 2023* and the modified expansion plan. The Shuangjianshan Section will not be reported with Ore Reserves at the time of this reporting due to lacking a technical study even at the preliminary feasibility study.

Besides the Mineral Resources in the mining license area, there are also Mineral Resources lying in the exploration license area. As there is no technical study at either preliminary feasibility or feasibility level in place or in plan, therefore, only the Mineral Resources in the mining license are converted to Ore Reserves based on the review of existing facilities and available technical studies at the Effective Date.

8.2 Mineral Resource Model

The mineral resource in the *Production Exploration Report on the Shuangjianzishan Silver-Lead-Zinc Project at Bairin Left Banner, Inner Mongolia Autonomous Region*, which was prepared in accordance with China standards in July 2017, was utilised by ENFI to prepare the *FS 2023*. The interpretation of mineralized zones and the relevant mineral resource estimate after 2023 were materially modified to consider the application of block caving method.

The Mineral Resources as of Effective Date were estimated by SRK in March 2026 to support the Ore Reserve estimate in accordance with *JORC Code*. The Mineral Resources are inclusive of Ore Reserves. The grades of silver, lead and zinc are globally estimated.

The block model for the Mineral Resources estimate was modified to facilitate Ore Reserve estimate. The main modifications include simplifying of the field names, regularising of variable block sizes to fixed size, adding of diluted grades of Ag, Pb and Zn, adding of the Ag equivalent ("**AgEq**") field,

coding of fields in character, and assigning of the mined-out percentage of a block in the existing tunnels. Hereinafter, this new model was referred to as the Ore Reserve Model ("**ORM**"). The properties of ORM are summarised in Table 8-1.

Table 8-1: ORM Properties

Item	Unit	Description
Block size	m	10 * 10 * 10 (easting * northing * elevation)
		following is field definition:
TOPO	%	Volume percentage of a block below the topography.
LIC	/	An integer to show the location of a block. 1 for mining licence. 2 for exploration licence. 0 for other areas.
MINED	/	An integer to show whether a block was mined. 0 for unmined. 1 for mined.
CAT	/	Mineral Resource category. 1 for Measured. 2 for Indicated. 3 for Inferred.
SG	t/m^3	Density of a block.
AGOK	g/t	Silver grade.
PBOK	%	Lead grade.
ZNOK	%	Zinc grade.
AGOKD	g/t	Diluted silver grade.
PBOKD	%	Diluted lead grade.
ZNOKD	%	Diluted zinc grade.
AUEQD	g/t	Diluted silver equivalent grade
VOID%	%	Mined-out percentage of a block in tunnels
ORE%	%	The percentage of a block being ore

Sources: SRK

8.3 Site Visits

SRK initially visited the Shuangjianzishan Project in December 2018. The delivery of that site visit had been summarized in a technical assessment report prepared for Real Gold Mining Ltd., Co. and dated in July 2019.

When preparing this Report, site visits were carried out from 26 to 28 January 2026 and from 13 to 15 April 2026. During the time of site visits, SRK had chats with personnels of Shuangjianzishan Project and visited the mining facilities below and on the surface, including mining stopes, underground water pump bay, surface hoist room, portals, and so on. Some data and information were also collected to prepare this Report.

8.4 Cut-off Grade

The valuable elements include not only the silver, but also the lead and zinc. The sales records and technical studies indicated that the silver had and will contribute most to the total sales revenue. Therefore, the silver equivalent is used for separation of ore and waste rocks. The Cut off Grade

("CoG") was calculated by SRK based on assumptions shown in Table 8-2. The calculated CoG is either 24 g/t AgEq for the block caving stopes or 36 g/t for backfilling stopes.

Table 8-2: Assumptions to Calculate the CoG

Item	Unit	Block Caving	Backfilling
Processing Recovery Rate			
Ag for Zn concentrates	%	5.88	5.88
Pb for Zn concentrates	%	0.96	0.96
Zn for Zn concentrates	%	48.00	48.00
Ag for Ag-Pb concentrates	%	86.00	86.00
Pb for Ag-Pb concentrates	%	84.00	84.00
Zn for Ag-Pb concentrates	%	30.93	30.93
Concentrate Grade			
Ag in Zn concentrates	g/t	640.00	640.00
Pb in Zn concentrates	%	0.40	0.40
Zn in Zn concentrates	%	45.00	45.00
Ag in Ag-Pb concentrates	g/t	3,100	3,100
Pb in Ag-Pb concentrates	%	11.63	11.63
Zn in Ag-Pb concentrates	%	9.60	9.60
Zn-Ag concentrate yield rate	%	1.07	1.07
Ag-Pb concentrate yield rate	%	0.03	0.03
Price Coefficient			
Ag in Zn concentrates	%	20.00	20.00
Pb in Zn concentrates	%	-	-
Zn in Zn concentrates	%	100.00	100.00
Ag in Ag-Pb concentrates	%	90.50	90.50
Pb in Ag-Pb concentrates	%	10.00	10.00
Zn in Ag-Pb concentrates	%	-	-
Base Price, including Output VAT			
Ag	CNY/kg	7,420	7,420
Pb	CNY/t	14,200	14,200
Zn	CNY/t	19,880	19,880
Sales Taxes and Surcharge			
Output value-added tax ("**VAT**")	% sales revenue	13.00	13.00
Input VAT	% input costs	13.00	13.00
Urban maintenance and construction tax ("**UMCT**")	% VAT	5.00	5.00
Education surcharge	% VAT	5.00	5.00
Foundation for water works	% VAT	0.50	0.50
Mineral resource tax for Ag	% sales revenue	5.00	5.00
Mineral resource tax for Pb	% sales revenue	6.00	6.00
Mineral resource tax for Zn	% sales revenue	6.00	6.00

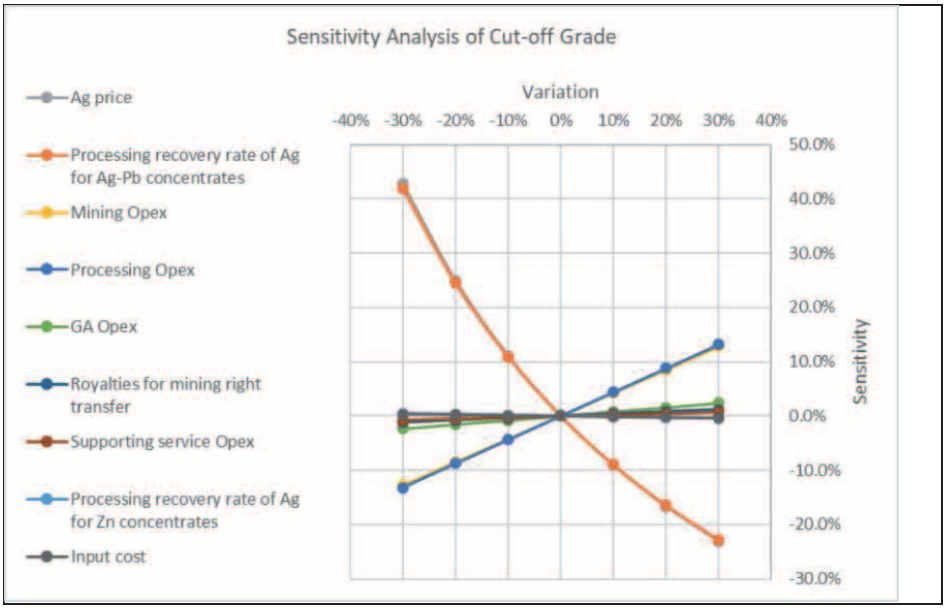
Item	Unit	Block Caving	Backfilling
Royalties for mineral tenure transfer	CNY/t ore	4.71	4.71
Opex			
Mining	CNY/t ore	49.49	103.95
Processing	CNY/t ore	51.19	51.19
Supporting service	CNY/t ore	2.98	2.98
General and administration ("**GA**")	CNY/t ore	9.15	9.15
Total	CNY/t ore	112.81	167.27
Input cost	CNY/t ore	87.12	87.12
CoG			
Ag equivalent coefficient		1.00	1.00
Pb equivalent coefficient		2.01	2.01
Zn equivalent coefficient		11.67	11.67
CoG calculated	g/t AgEq	24.0	35.2
CoG preferred	g/t AgEq	25	36

Sources: SRK

A sensitivity analysis of CoG in Table 8-2 was also carried out by SRK to assess the impact of prices, processing recoveries and costs on the CoG. The results are respectively shown in Figure 8-2 and Figure 8-3 for the block caving stopes and backfilling stopes, indicating that the CoG is most sensitive to the Ag price, then the mining costs and processing costs, while other costs have little impact on the CoG.

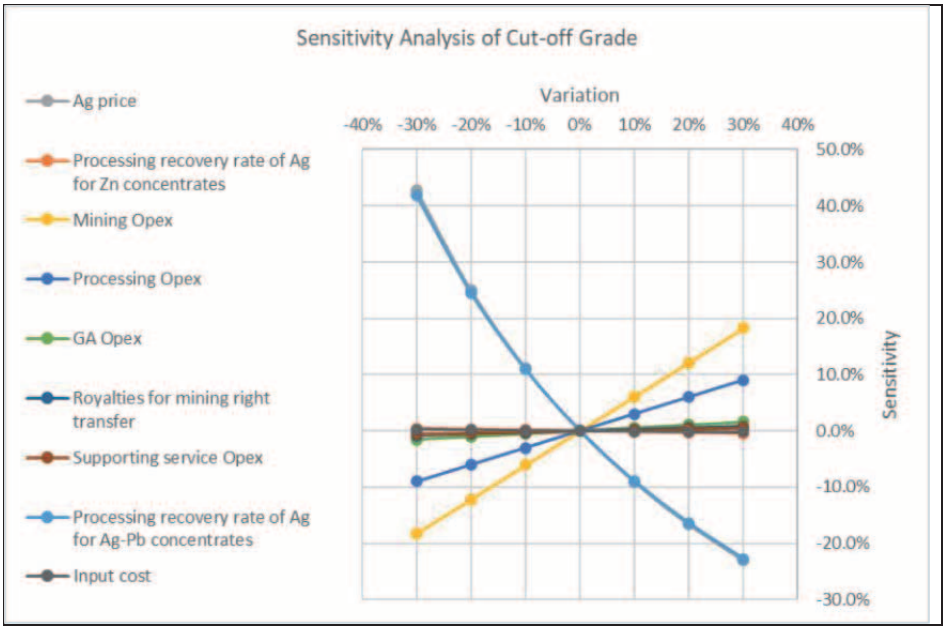
At the time of this reporting, SRK rounded the calculated cut-off grades in Table 8-2 to 24 g/t AgEq for block caving stopes and 36 g/t AgEq for backfilling stopes to estimate the Ore Reserves in the mining licence area.

Figure 8-2: Sensitivity Analysis of CoG for Block Caving Stopes



Sources: SRK

Figure 8-3: Sensitivity Analysis of CoG for Backfilling Stopes



Sources: SRK

8.5 Modifying Factors

The following modifying factors are considered by SRK to estimate Ore Reserves.

- Mining: The Xinglongshan Section of the Shuangjianzishan Project is a producing underground mine. The mining capacity will be expanded significantly by applying of block caving method to exploit the Mineral Resources located to the southeastern part of mining licence area. The nominal mining capacities of ore are 8,250 ktpa for the Xinglongshan Section. The existing main ramp will be continually used for the expanded mining capacity, working with another new ramp and a new decline for conveyor belts to haul the ore to surface. The mining methods practised include shallow hole shrinkage mining and sub-level open stoping, both with delayed backfilling of mined-out stopes with cemented tailings. When the mining expanded, the third mining method that will be added is the block caving. These mining methods are technically feasible to exploit the Mineral Resources. SRK considered potential risks pertaining to the mining factor would be controlled at the Effective Date.
- Processing: The processing plant has been put into use for many years with a throughput of 5 ktpd. It is a flotation plant and will be continually used, with additional processing plants to process the expanded throughput of 25 ktpd. SRK reviewed the performance of processing plant and processing circuit, and pointed out further optimisation of processing circuit should be carried out to support the expanded throughput.
- Metallurgical: The final product of Shuangjianzishan Project is Ag-Pb concentrate and Ag-Zn concentrate, which were sold to buyers in China. Yubang has no plan to build metallurgical facilities on site to further treat and refine the concentrates. When estimating the Ore Reserves, the pricing rates were considered to calculate CoG and the revenue. SRK considered, at the Effective Date, that the metallurgical is not a material factor to estimate Ore Reserves, and that potential risks pertaining to the metallurgical factor would be controlled.
- Infrastructure: The infrastructure has been put into use for many years at the Effective Date. To support the expanded production capacity, additional infrastructures have been studied in the *FS 2023*. SRK considered potential risks pertaining to the infrastructure factor would be controlled at the Effective Date.
- Economics: An economic analysis was carried out by SRK to demonstrate the economic viability of Shuangjianzishan Project. The results indicate that it's economically viable to report Ore Reserves at a discount rate of 8%.
- Marketing: Silver represents an important commodity in the global metals market, and often produced as a by-product of the extraction process of other metals. Looking at the last four decades, the price of silver has been steadily increasing, reaching a high in 2011. Recently, silver price reached a record high. As technology advances and industrial applications expand, the diverse demand for silver metal will likely persist, making it a valuable asset in the modern world. Yubang has obtained necessary sales agreements to sell Ag-Pb and Ag-Zn concentrates to buyers in China. SRK considered potential risks pertaining to the marketing factor would be controlled at the Effective Date.
- Legal: Yubang has obtained necessary licenses and agreements to operate the Xinglongshan Section. All the licenses and agreements are valid at the Effective Date. SRK considered potential risks pertaining to the legal factor would be controlled at the Effective Date.

- Environmental: The EIA report has been finished at the Effective Date for the Xinglongshan Section. The measures to mitigate the impact of the TSF, waste rock dumps, underground mine, processing plant and other infrastructure and public facilities on the environment have been studied. Mitigation measures have been carried out by Yubang under the guidance of EIA report. SRK considered potential risks pertaining to environmental factor would be controlled at the Effective Date.
- Social: Yubang has obtained necessary social license to operate. All the licenses are valid at the Effective Date. It can be expected that the license can be renewed normally. SRK considered potential risks pertaining to the social factor would be controlled at the Effective Date.
- Government factors: Yubang has paid taxes, royalites and government charges according to the laws. Yubang also makes contributions to domestic and international investors, communities, society and government. Successfully operating the Project will be unsustainable without the consistent support from autonomous government. It's a better choice to maintain the business, a win-win situation for all parties. SRK considered potential risks pertaining to the government factors would be controlled at the Effective Date.

8.6 Ore Reserve Statement

SRK estimated the Ore Reserves in compliance with the *JORC Code*. The Ore Reserves of the Shuangjianzishan Project as of 31 December 2025 is shown in Table 8-3.

Table 8-3: Ore Reserve Statement of Shuangjianzishan Project, as of 31 December 2025 [1,2,3,4,5]

Mining Method	Category	Cut-off Grade (g/t AgEq)	Tonnage (Mt)	Ag Grade (g/t)	Pb Grade (%)	Zn Grade (%)
Block caving	Proved	24	95.4	60.2	0.26	0.56
	Probable	24	40.7	54.1	0.27	0.56
	Sub-total	24	136	58.4	0.26	0.56
Backfilling	Proved	36	5.65	55.3	0.33	0.59
	Probable	36	9.76	54.7	0.35	0.66
	Sub-total	36	15.4	54.9	0.34	0.63
Total	Proved	/	101	59.9	0.26	0.56
	Probable	/	50.5	54.2	0.28	0.58
	Sub-total	/	152	58.0	0.27	0.57

Sources: SRK

Note:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Yonggang Wu, MAusIMM, and Dr. Anshun Xu, FAusIMM CP (Geo), who are full time employees of SRK Consulting China Ltd. Both Dr. Xu 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*. Dr. Xu and Mr. Wu consent to the reporting of this information in the form and context in which it appears.

[2] The reference point of Ore Reserves is set at the feed of process plant, using the 2012 version of *JORC Code*, with an effective date of 31 December 2025.

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

[4] Ore Reserves are reported at a silver equivalent cut-off grade of 24 g/t for block caving method and 36 g/t for backfilling method, respectively. AgEq = Ag + 2.01 * Pb + 11.67 * Zn.

[5] Numbers have been rounded and may not sum precisely.

8.7 Production Schedule

The mining schedule in the *FS 2023* was modified by SRK to match the Mineral Resource and Ore Reserve estimates of SRK. The production schedule is shown in tables from Table 8-4 to Table 8-6.

The Ore Reserves can support 21 years operation, including a full-production period from 2030 to 2045. The ore supplied to the processing plant in years 2026 to 2028 mainly comes from the backfilling stopes, while those after 2028 mainly come from the block caving stopes.

The run-of-mine ("**ROM**") amount is 152 Mt, containing 58.00 g/t Ag, 0.27% Pb and 0.57% Zn.

Table 8-4: Production Schedule of Block Caving Mining

Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ore tonnage	kt	136,136	-	-	850	4,850	6,450	6,450	6,450	6,450	7,090	8,250
Ag grade in ore	g/t	58.35	-	-	64.14	60.58	61.04	55.65	58.84	59.41	59.62	61.66
Pb grade in ore	%	0.26	-	-	0.35	0.31	0.26	0.25	0.26	0.24	0.21	0.22
Zn grade in ore	%	0.56	-	-	0.67	0.72	0.75	0.64	0.64	0.57	0.53	0.51
Item	**Unit**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**
Ore tonnage	kt	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	6,796
Ag grade in ore	g/t	59.73	54.40	51.49	48.46	54.64	57.03	56.11	56.77	60.39	67.83	69.48
Pb grade in ore	%	0.23	0.22	0.21	0.20	0.33	0.32	0.31	0.30	0.31	0.31	0.21
Zn grade in ore	%	0.51	0.48	0.46	0.43	0.60	0.63	0.63	0.59	0.56	0.60	0.30

Sources: SRK

Table 8-5: Production Schedule of Backfilling Mining

Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ore tonnage	kt	15,410	1,650	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,160	-
Ag grade in ore	g/t	54.92	80.19	72.54	55.80	48.20	51.93	51.37	46.23	44.48	40.55	-
Pb grade in ore	%	0.34	0.32	0.36	0.40	0.33	0.41	0.40	0.31	0.28	0.22	-
Zn grade in ore	%	0.63	0.52	0.68	0.68	0.56	0.60	0.64	0.68	0.68	0.66	-
Item	**Unit**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**
Ore tonnage	kt	-	-	-	-	-	-	-	-	-	-	-
Ag grade in ore	g/t	-	-	-	-	-	-	-	-	-	-	-
Pb grade in ore	%	-	-	-	-	-	-	-	-	-	-	-
Zn grade in ore	%	-	-	-	-	-	-	-	-	-	-	-

Sources: SRK

Table 8-6: Production Schedule of Combined Block Caving and Backfilling Mining

Item	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Ore tonnage	kt	151,546	1,650	1,800	2,650	6,650	8,250	8,250	8,250	8,250	8,250	8,250
Ag grade in ore	g/t	58.00	80.19	72.54	58.47	57.23	59.05	54.71	56.09	56.15	56.94	61.66
Pb grade in ore	%	0.27	0.32	0.36	0.39	0.31	0.29	0.28	0.27	0.25	0.21	0.22
Zn grade in ore	%	0.57	0.52	0.68	0.67	0.67	0.71	0.64	0.65	0.59	0.54	0.51

Item	Unit	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Ore tonnage	kt	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	6,796
Ag grade in ore	g/t	59.73	54.40	51.49	48.46	54.64	57.03	56.11	56.77	60.39	67.83	69.48
Pb grade in ore	%	0.23	0.22	0.21	0.20	0.33	0.32	0.31	0.30	0.31	0.31	0.21
Zn grade in ore	%	0.51	0.48	0.46	0.43	0.60	0.63	0.63	0.59	0.56	0.60	0.30

Sources: SRK

9 Mining Assessment

The mining licence area is subdivided into two sections, namely the east Xinglongshan Section and the west Shuangjianshan Section. Only the Xinglongshan Section has been and will be exploited as an underground mine, while the mine plan on the Shuangjianshan Section has not yet been studied. Therefore, the mining assessment was carried out only on the Xinglongshan Section in this chapter.

9.1 Operation History and Current Status

Construction of the underground mine at Xinglongshan Section was commenced in 2011. The production was commenced in 2012. The Mineral Resources between 785 m asl and 545 m asl have been exploited. The mining records in history are shown in Table 9-1.

Table 9-1: Mining Productions from 2022 to 11M2025

Item	Unit	Before January 2023 [1]	February to December 2023 [2]	2024 [2]	2025 [3]
Ore tonnage from stopes	kt	/	/	/	763
Ore tonnage from tunnels	kt	/	/	/	1,096
Total ore tonnage	kt	3,583	/	/	1,859
Ag grade in ore	g/t	/	/	/	69.17
Pb grade in ore	%	/	/	/	0.26
Zn grade in ore	%	/	/	/	0.89
Backfilled volume	m^3	/	/	/	99,685
Mining loss	%	/	/	/	4.7
Mining dilution	%	/	/	/	11.1
Tunnels development	km^3	78	324		

Sources:
1 *FS 2023*
2 Not available.
3 Yubang

At the time of this reporting, the Xinglongshan Section is still a producing underground mine.

9.2 Hydrogeology

There are no surface water bodies within the mining area, and the drainage network is poorly developed. The Gan Zhiga River flows from west to east approximately 2 km south of the mining area and is one of the main tributaries of the Wuerjimulen River. Atmospheric precipitation is the sole recharge source for groundwater in the mining area, but recharge is limited and storage conditions are unfavourable, resulting in generally scarce groundwater within the area. The main aquifers are of three types: pore water in loose rocks, fissure water in bedrock, and water in structural fractures.

Quaternary Loose Rock Pore Phreatic Aquifer: This aquifer is distributed in near east-west trending strips within the intermountain valleys in the northern and northeastern parts of the Xinglongshan section (East Ore Section), with widths ranging from 120.0 m to 600.0 m. The aquifer lithology consists of Holocene alluvial and alluvial-proluvial sand, gravel, and silty sand layers. The upper part

comprises gray-white to light gray-brown silty sands and fine sand layers with good sorting, generally forming permeable layers; the lower part consists of gray to gray-green poorly sorted sand-gravel layers, which can hold water in the lower section. The groundwater mineralization is below 0.30 g/L, with an average pH of 7.6, indicating good water quality.

Bedrock Weathered Fissure Aquifer: This aquifer mainly consists of mudstone-slate from the Lower Permian Dashizhai Formation (P2d2). Fissure water is primarily hosted within the weathered zone of the bedrock, and its water richness mainly depends on the thickness of the weathered zone. The weathered bedrock zone thickness ranges from 54.09 m to 110.7 m, with an average of 74.5 m. The aquifer is buried at depths of 35.5 m to 128.5 m, with a thickness of 29.5 m to 85.3 m and an average thickness of 44.6 m. Above the 745.0 m elevation (Level 2 in the tunnel), fissure water is prevalent, typically discharging as seepage and dripping, with localized seep zones forming small streams. The average groundwater mineralization is 0.46 g/L, with an average pH of 7.65, and the water quality is good.

Structural Fissure Aquifers: The area is characterized by NW- and NE-trending structural fault zones, with NW-trending faults being predominant. The fault surfaces are generally compressive or compressive-shear in nature, with fault gouge layers of 20 to 50 mm thickness that themselves are poorly water-bearing. Structural fissure aquifers typically develop on the hanging wall of the fault zones, with fissure widths of 5 to 50 mm. Main groundwater outflow points are at the contact between the fault zone and the footwall country rocks. Due to the barrier of fault gouge, permeability is low, and discharge occurs as dripping, small seeps, or locally as flowing water.

According to the Feasibility Study Report prepared by China ENFI in 2023, considering the influence of surface runoff within the collapse area during the rainy season and based on analogous calculations, the normal pit inflow is 8,600 m^3/d, and the maximum pit inflow is 43,600 m^3/d.

9.3 Geotechnics

The strata of the mining area are generally monoclinic structures striking northeast and dipping to the southeast or northwest. In the mineralized section of the Xinglongshan area, the attitude of the strata varies significantly due to faulting and deformation, generally striking northwest and dipping southwest, with some local dips to the northeast.

Based on rock fabric, structure, mineral composition, and mechanical properties, the mining area is divided into two major engineering geological rock groups: loose rocks and massive rocks. The former includes the weathered zone and Quaternary slope-alluvial and alluvial gravel and sandy soil layers. Most of the mining area is covered by Holocene alluvial, slope-alluvial gravel, and silty sand layers, with sedimentary thicknesses ranging from 20.0 m to 45.0 m. These are loosely structured, classified as unconsolidated sandy-gravel soils. The weathered zone mainly occurs in the central part of the mining area where bedrock is exposed; the surface rocks here are relatively fragmented, with lithologies mainly consisting of slate and tuff.

The massive rock group is mainly distributed in the bedrock areas, consisting predominantly of upper Permian Dashizhai Formation argillaceous slate, arenaceous slate, and metamorphic siltstone, as well as Jurassic Xinmin and Mantou Formation rhyolitic volcanic breccia, tuff, and related formations.

The immediate hanging wall and footwall rocks adjacent to the orebody are the same as the ore-bearing rocks, mainly argillaceous slate, silty slate, and metamorphic siltstone, with minor brecciated tuff, andesitic tuff, brecciated tuff, and altered andesite.

Within the mining area, there are Xinglongshan fault zone, a set of extensional-shear NW-trending minor faults, and a set of compressional-shear NE-trending minor faults. The Xinglongshan fault belt consists of intersecting NW-trending fault zones and NE-trending fault damage zones, forming a grid-like pattern. The NW-trending faults constitute the primary ore-controlling fault belt in the area. The two sets of minor faults have not disrupted the orebody and have minimal impact on ore extraction.

9.3.1 Geotechnical Test

Rock physical and mechanical tests have been conducted on the ore and surrounding rocks within the mining area. The test items are as follows:

- Unconfined compressive strength (UCS)
- Poisson's ratio (v)
- Young modulus (E)
- Triaxial strength (cohesion c and internal friction angle φ)
- Tensile strength
- Shear strength of weak plane
- Moisture content (w)
- Density (ρ)

The test results are summarized in Table 9-2

Table 9-2: Summary of Rock Mass Properties

No.	Lith.	ρ g/cm^3	w %	Tensile strength MPa	Unconfined compressive deformation test			Triaxial strength		Shear strength of weak plane	
					UCS MPa	E GPa	v	c MPa	φ °	c MPa	φ °
K-3	Silty schist (Ore body)	2.609	0.57	7.68	43.85	33.19	0.24	11.62	47.60		
W-3	Silty schist	2.620	0.54	6.15	32.52	21.18	0.20	9.33	46.18	22.96	34.47
K-5	Quartzite (Ore body)	2.515	1.28	6.18	57.33	25.05	0.34	13.36	45.25	22.30	33.68
K-5	Silty schist (Ore body)	2.619	0.82	6.57	41.86	30.93	0.36	9.75	49.41		
K-7	Silty schist (Ore body)	2.591	0.78	6.65	35.91	34.33	0.29	9.20	47.06	3.23	33.00
W-7	Silty schist	2.517	0.28	6.01	65.46	41.32	0.35	13.88	47.07		

Sources: *FS 2023*

9.3.2 Rock Mass Quality Classification and Evaluation

Based on borehole data and the results of rock mechanics tests, the mining area conducted rock mass quality evaluation using four methods: RQD, RMR, Q, and MRMR. The calculation of relevant indices and evaluation results for each system are shown in Table 9-3 to Table 9-6:

Table 9-3: RQD System Result

Lith.	RQD %	Classification	Evaluation
I Ore body	77	II	good
II Ore body	72	III	Medium

Sources: *FS 2023*

Table 9-4: RMR System Result

Lith.	RMR	Classification	Evaluation
I Ore body	51	III	Normal
II Ore body	46	III	Normal

Sources: *FS 2023*

Table 9-5: Q System Result

Lith.	Q	Evaluation
I Ore body	6.4	Normal
II Ore body	3.0	Poor

Sources: *FS 2023*

Table 9-6: MRMR System Result

Lith.	MRMR	Classification	Evaluation
I Ore body	45	III	Normal
II Ore body	40	IV	Poor

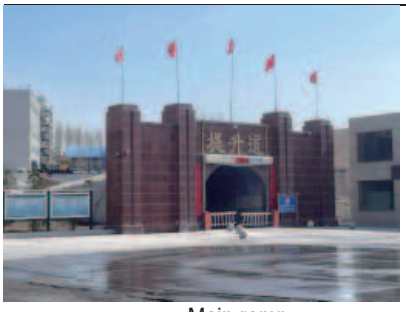
Sources: *FS 2023*

Based on the results of the above comprehensive evaluation, the overall rock mass quality of the ore and surrounding rocks are classified into poor to fair, with the rock mass quality in Zone I being better than that in Zone II.

9.4 Mine Development

The Xinglongshan Section has been developed with a main ramp and five shafts. The portals of existing main ramp and #1 Shaft is shown in Figure 9-1. The longitudinal view of development system is shown in Figure 9-2.

Figure 9-1: The Portals of Main Ramp and #1 Shaft



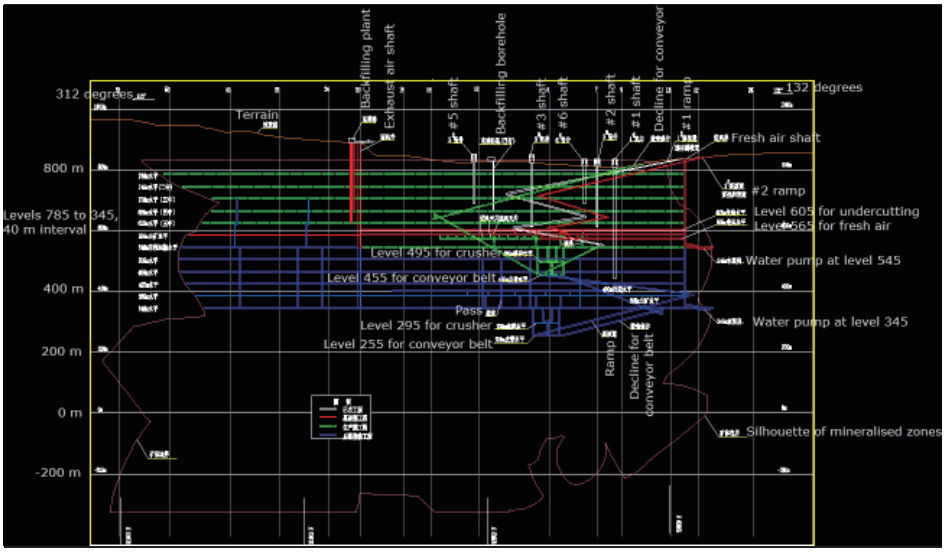
Main ramp



#1 shaft (or cage shaft)

Sources: SRK, 14 April 2026

Figure 9-2: Longitudinal View of Development System at Xinglongshan Section



Sources: *FS 2023*

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

The main existing development tunnels and transportation are described below:

- The Number ("**#**")1 Ramp, also known as the main ramp, has been driven from the surface at 829.580 m asl down to the level at 465 m asl. It has a net size of 4.9 m wide by 4.1 m high, with a maximum transportation capacity of 3,300 ktpa. It connected the levels between 705 m asl and 545 m asl. The ore and part of wate rocks are transported in the ramp with the trackless trucks with rated payloads of 20 t, 25 t and 30 t. The personnels, equipment, consumables are transported with dedicated trackless vehicles in different models. The ramp is also served to intake fresh air and an emergency egress.
- The #1 Shaft (or the cage shaft) is a cage shaft that has been dropped from the surface at 863.857 m asl to the bottom at 445.877 m asl, with a 2JK-2.5×1.5 model hoist being installed to lift two double-decks cages. The shaft has a rectangular cross section, in the net size of 4.5 m by 2.3 m. It is mainly used for hoisting personnels, consumables, equipment, and part of ore and waste rocks between levels 745 m asl and 465 m asl.
- The #5 Shaft (or the ventilation upcast) is an exhaust air shaft that has been driven from the surface at 866.865 m asl down to the bottom at 692.975 m asl. The shaft has a rectangle cross section, in the net size of 2.5 m by 4.5 m. Ladders were installed to serve as an emergency egress.
- The portals of #2 Shaft, #3 Shaft and #6 Shaft were sealed and abandoned.
- The primary level ways are located at nominal levels between 785 m asl and 545 m asl, in 40 m vertical intervals. The ore and waste rocks are transferred to the surface with dump truck mentioned above.

To expand the mining capacity to 8,250 ktpa, the following tunnels were designed in the *FS 2023*:

- The #2 Ramp is built as the main ramp to transport ore above level at 585 m asl. It is developed from the surface at 846 m asl down to the bottom at 585 m asl.
- A shaft for fresh air is located between exploration lines 13 and 17. The shaft is 7.5 m net diameter, developed from the surface 830.0 m asl down to the bottom 545.0 m. It connects level ways between 785 m asl and 545 m asl. Ladders are installed to serve as one of emergency egresses.
- A shaft for exhaust air is located between exploration lines 20 and 24, with a net diameter of 7.5 m. It will be developed from the surface at 890.0 m asl down to the bottom at 545 m asl. Ladders are installed to serve as one of emergency egresses.
- A decline for conveyor belt is built in the footwall of mineralised zones. The portal of the decline is situated near to the new processing plant. The decline consists of two segments, developed from the surface at 812 m asl down to the bottom at 455 m asl. The segment 1 has a gradient of 10.2 degrees and a lifting height of 240 m. The segment 2 has a gradient of 11.4 degrees and a lifting height of 127 m. The total lifting height is 357 m. The total length of decline is 1,966 m. The belt has a width of 1,200 mm and a speed of 4.0 m/s.
- Level ways will be developed down to 345 m asl.

The track haulage ways are located at levels 545 m asl and 345 m asl. The ore above these two levels are transferred to the track haulage level via ore passes, then hauled and dumped to crush stations at levels 495 m asl and 295 m asl. The boulders are crushed and dumped to the conveyor belts 40 m below the crusher levels to be transferred to the surface.

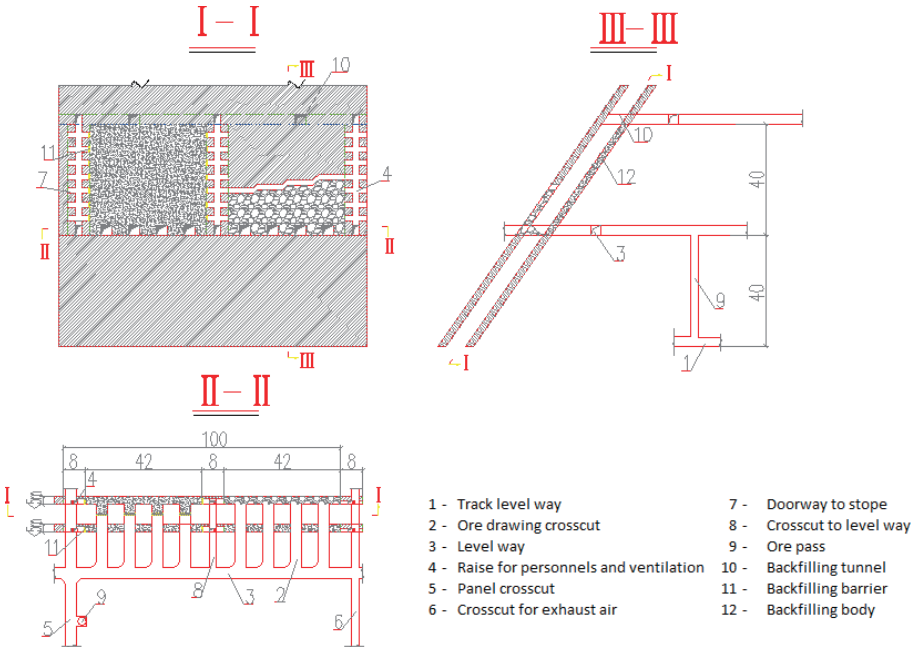
9.5 Mining Methods

The mining methods that have been utilised in the Xinglongshan Section include the shallow-hole shrinkage stoping and the sub-level open stoping, both with delayed backfilling of mined-out stopes. The additional mining method designed in the *FS 2023* is block caving. Description of these mining methods are shown below.

9.5.1 Shallow Hole Shrinkage Stoping

The mining method is appropriate for extraction of Mineral Resources with a dipping angle above 45 degrees and thickness less than 5 m. It has been used for many years in the Xinglongshan Section. The existing stope is usually 50 m long by 40 m high, including a 6 m wide rib pillar and an 8 m high crown pillar and the remained 44 m long by 32 m high mining area. The standardised drawing of mining method is shown in Figure 9-3.

Figure 9-3: Standardised Shallow Hole Shrinkage Stoping with Delayed Backfilling



Sources: *FS 2023*

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

The main stope developments include ore drawing crosscuts off the level way in the footwall, raise for personnels and ventilation and doorways to stope.

Extraction of ore starts from the bottom undercut, advancing upward at 2.0 m per slice cut. The blast holes are drilled in 1.0 m burden and 75 degrees forward dipping. The diameter of blast holes is about 38 to 42 mm. Emulsion explosives are ignited with digital detonators. Some of the broken ore is removed, with gravity assisting the movement, to the crosscuts for loading utilising load-haul-dump. The remaining broken ore is left in the stope to serve as a working platform for the next cut. The blasted fume is pushed or drawn out of stope with local fans after each blasting.

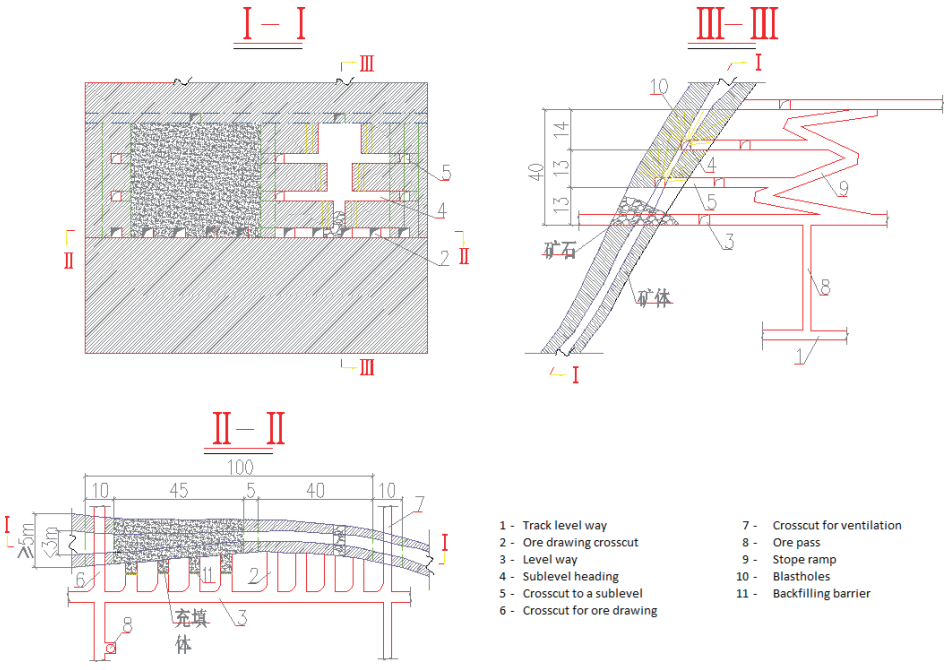
After all of the ore is mucked out of the stope, the void is backfilled with cemented tailings to avoid subsidence of hanging wall. The backfilling body at the bottom of the stope is in high strength to ensure the safety extraction of crown pillar at the lower level.

The mining capacity is 150 tpd. The mining loss is about 13%. The mining dilution is 8%. The volume of tunnels developed to extract 1 kt of ore from a stope is about 164.6 m^3.

9.5.2 Sub-level Open Stoping

The mining method is appropriate for extraction of Mineral Resources with a dipping angle above 45 degrees and thickness greater than 5 m. It has been used for many years in the Xinglongshan Section. The stope is 50 m long by 40 m high. The crown pillar is 7.0 high. The rib pillar is 8.0 m wide. A stope is subdivided into two 16.5 m high sublevels to extract ore. The standard layout of mining method is shown in Figure 9-4.

Figure 9-4: Standardised Sub-level Open Stoping with Delayed Filling



Sources: *FS 2023*

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

The main stope developments include ore drawing crosscuts driven off the level way in the footwall, stope ramp to connect sublevel ways, crosscuts to the stope, sublevel headings for drilling operation, the cut raise to be expanded to a cut slot.

The ring blastholes are drilled upward with YGZ-90 model drill rig in the heading for drilling. The diameter of blasthole is 65 mm. The burden of blasthole varied between 1.5 m and 1.8 m. The toe spacing interval is 2.0 to 3.0 m. The emulsion explosives are loaded to the blasthole and ignited with electronic detonators to break rock. Each blast consists of 2 to 3 rows at a time. The blasted material is mucked to the ore pass close to the sub-level way with the 3.0 m^3 bucket diesel LHD, via the drift and gateways. After each blasting, the fresh air is drawn or pushed into the stope by local fans to clean the blast fumes.

The mined-out stope is backfilled with cemented tailings to avoid the subsidence of hanging wall. The backfilling body at the bottom of the void is in high strength to ensure the safety extraction of crown pillar at the lower level.

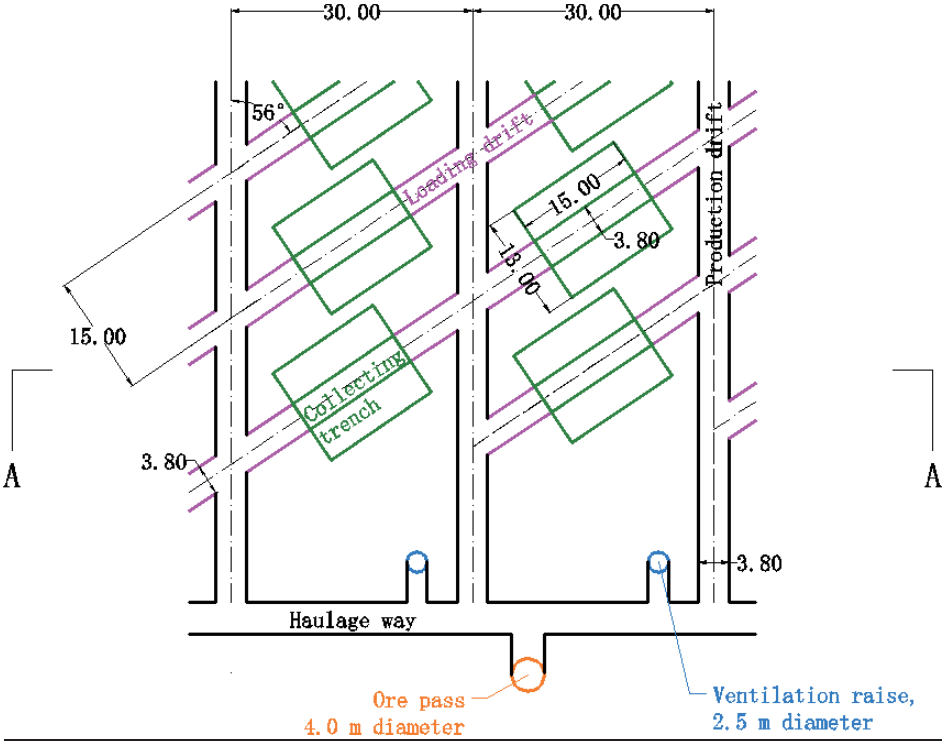
The mining capacity of a stope is 500 tpd. The mining loss rate is about 15%. The mining dilution rate is 12%. The volume of tunnels developed to extract 1 kt of ore from a stope is about 76.1 m^3.

9.5.3 Block Caving

The method involves undermining an ore body, allowing it to progressively collapse under its own weight. In block caving, a large section of rock is undercut, creating an artificial cavern that fills with its own rubble as it collapses. This broken ore falls into a pre-constructed series of funnels and access tunnels underneath the broken ore mass. These mineworks are sheltered from the collapsing ore inside bunker-like mass of rock, and miners extract it continuously from here. The collapse progresses upward through the ore body, eventually causing large areas of the surface to subside into sinkholes.

The main tunnel developments include levels for undercutting, production, fresh air and track haulage, production drift, loading drift, collecting trench, ore pass, and ventilation raise. The production level layout detail is shown in Figure 9-5. The standardised block caving is shown in Figure 9-6.

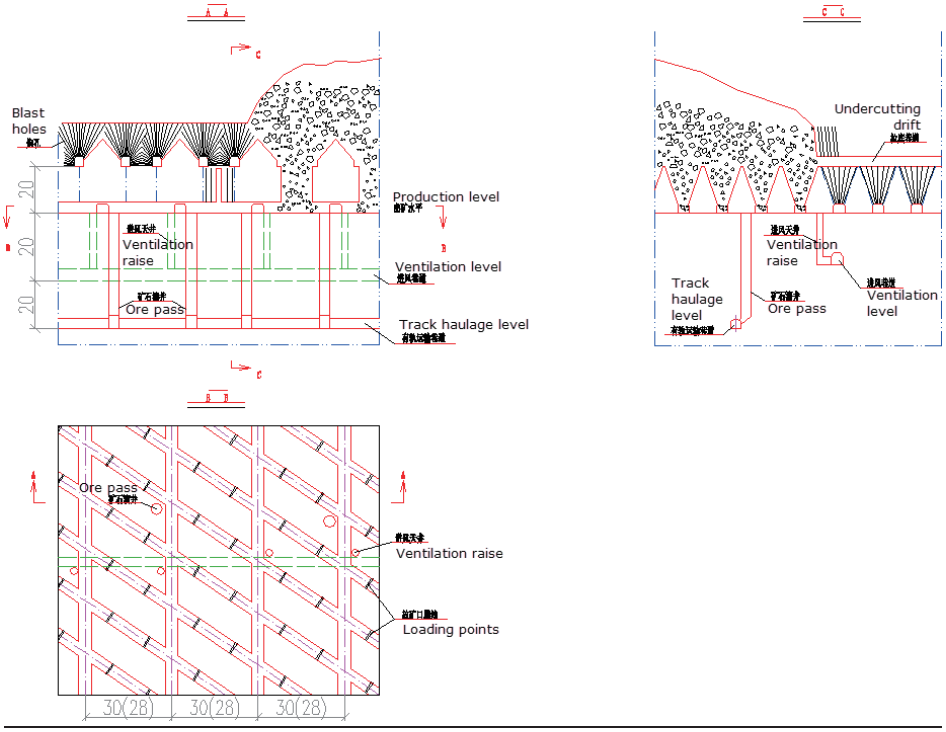
Figure 9-5: Production Level Layout Detail of Block Caving



Sources: SRK

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

Figure 9-6: Standardised Block Caving



Sources: *FS 2023*

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

The undercutting level is 20 m above the production level. The undercutting drifts in 3.4 m by 3.4 m net profile are developed parallel to stand the drill rig. The spacing interval between the two undercutting drifts on both sides of collecting trench is 14 m. The spacing interval between the two undercutting drifts on both sides of production drift is 16 m. Ring holes are drilled perpendicular to the undercutting drifts to produce the undercutting. The blast holes are 76 mm diameter, with a 2.0 burden. Granular ammonium and fuel oil ("**ANFO**") explosives are ignited by milliseconds delay non-electrical detonators.

The production level consists of parallel 3.8 m by 3.7 m net profile production drifts, intersected by another set of parallel 3.8 m by 3.7 m net profile loading trenches at a 56 degrees angle. The collecting trench is 15 m long, 3.8 m wide at the base and 13 m wide at the top, which is 15 m from the floor. The collapsed ore are transferred and dumped to ore passes through the 4 m^3 diesel load-haul-dump ("**LHD**"). An ore pass is set for each two or three production drifts.

The fresh air level is 20 m below the production level. Ventilation raises in 2.0 m net diameter are developed to connect the drifts or ways in the production level and undercutting level.

Track haulage level is 40 m below the production level. Ore passes in 4.0 net diameter are developed to connect the production level.

The ore drawing rate is about 0.15 m/d. The mining loss rate is about 13%. The mining dilution rate is 7%. The volume of tunnels developed to extract 1 kt of ore from a panel is about 12 m^3.

9.6 Mine Equipment

The existing equipment is shown in Table 9-7, including those for directly mining, tunnel development and other services. To meet the requirements of expanded mining capacity, additional mining equipment in Table 9-8 were proposed in the *FS 2023*.

Table 9-7: Existing Mine Equipment

Item	Specification	Quantity	Remarks
Drum hoist	2JK-2.5×1.5	1	#1 Shaft
Cage	GLMY-1/6/2/2	2	#1 Shaft
Ore truck	UQ-20	3	
	UQ-25	6	
	UQ-25 (B)	2	
	UQ-30 (A)	3	
Blasting materials vehicle	FCB-1.5 (A)	1	
Service vehicle	FL-0.5 (A)	1	
Trackless man car	RU-10 (D)	1	
	RU-18	1	
	RU-6	1	
	RU-10 (C)	1	
	RU-10	1	
	RU-20 (A)	1	
Main fan	FKCDZ(DK62)-10-N028	1	level 745
Local fan	FBYN05.0/11(II)	4	
	FBYN06.0/30(II)	1	
Water pump	D155-67×8	3	level 465
	D155-30×9	3	level 625
Transformer	KSG13-500/10	3	
	KSG13-630/10	5	
	KSG13-800/10	2	
	KSG13-1000/10	2	
	SZ11-630/10	1	
	S11-M-500/10	2	
	S13-M-800/10	1	
	SCB13 -630/10	1	
	SCB13-1600/10	1	
Air compressor	LG-22/8G	4	
	JF-270AH	1	

Sources: Yubang

Table 9-8: Main Mine Equipment Requirements for the Expanded Production Capacity

Item	Specification	Quantity	Remarks
Medium-long hole drilling jumbo	DL210	3	undercutting
Diesel load-haul-dump	LH410 (4m3 bucket)	19	ore hauling
Rock breaker	DB120	2	boulder breaking
Shallow hole drilling rig	CYTJ45	4	drilling
Diesel LHD	XYWJ-3 (3m3 bucket)	5	rock tranferring
Bolter jumbo	DS311	2	wall rock supporting
Shotcrete	TK-500	3	wall rock supporting
Concrete mixer	8t	2	wall rock supporting
Hauling truck	30t	16	ore hauling
Locomotive	30t	14	ore hauling
Bottom dumping wagon	10m3	91	ore hauling

Sources: *FS 2023*

9.7 Mine Services

9.7.1 Backfilling

The Xinglongshan Section is divided into the south and north sections to backfill the mined-out areas. The north section backfilling system was built with a backfilling capacity of 80 m^3/h, while the south section backfilling system could be built later, also with a backfilling capacity of 80 m^3/h. The existing backfilling pump is in HGBS2530-14 model, with an outlet pressure of 14 MPa and an electrical engine power of 200 kW, which can meet the maximum pressure requirement of 9.0 MPa. The existing backfilling station is shown in Figure 9-7. To meet the backfilling demand on the expanded mining capacity, another two backfilling systems will be added.

Figure 9-7: The Existing Backfilling Station



Sources: SRK, 14 April 2026

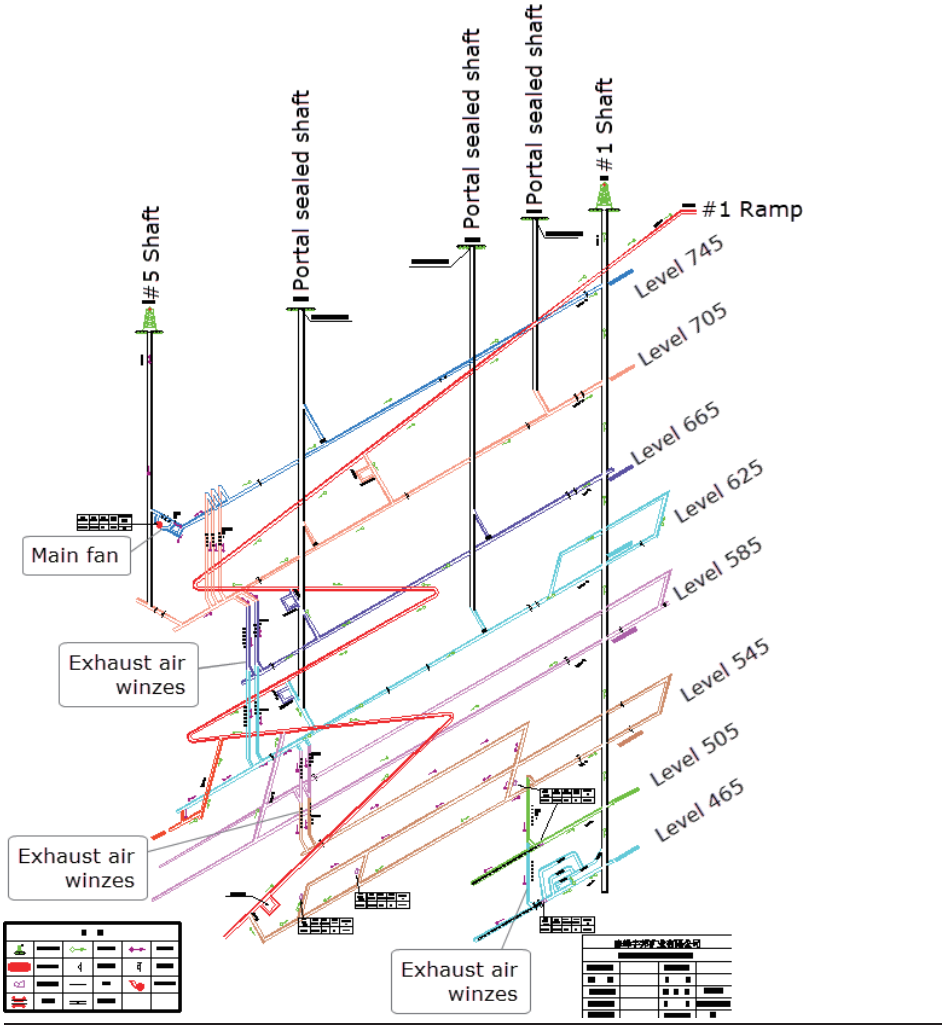
The tailings are sourced from the processing plant. The cement is sourced from a cement company in Bairin Left Banner. The tailings are pumped to the deep thickener to dehydrate water till the tailings content is no less than 68%, then blended with cement to produce backfilling paste. The paste is finally pumped into mined-out areas via the backfilling holes and distribution pipelines. The underground junction points of backfilling pipelines were situated at levels at 745 m asl and 645 m asl.

9.7.2 Underground Ventilation

The fresh air demand is about 99 m^3/s for the existing ventilation system. The schematic diagram of ventilation system is shown in Figure 9-8. The mechanically diagonal exhaust air ventilation system is relied on to draw out of exhaust air. The fresh air enters a stope via the #1 Ramp and the #1 Shaft, the level haulage ways and the raise for personnels. The main fan in Figure 9-9, model FKCDZ(DK62)-10-No.28, has been installed in the ventilation chamber situated at level 745 m asl to draw exhaust air out of underground mine via the stope ventilation winzes, upper level haulage way, exhaust air tunnels, multistage ventilation winzes and finally the #5 Shaft. The main fan has an installed power of 2×200 kW, an air flow rate of 56.7 to 143.4 m^3/s, and an air pressure of 1,017 to 2,950 pascals ("**Pa**"). Besides the main fan, several local fans, model FBYNO4.0/5.5, FBYNO6.0/30, FBDNO5.0/2×5.5, are also used locally for ventilation in positions where the air cannot flow through, or is difficult to control, or the ventilating resistance is too high. Air heating has been applied on site to ensure the temperature of air entering the underground mine above 2 degrees Celsius. The heating is sourced from three 18 t boilers. For the #1 Ramp, two groups of air heaters in KYZYT-900 model, which has a rated power of air heating at 3,150 kW per group of air heaters, are used for blowing heated air to the underground mine. For the #1 Shaft, the electrical air curtain in DRM-XC1518-L model, which has a flow rate of 3,700 m^3/h, is used for creating a barrier of air to separate the heated air and cold air.

The fresh air demand is about 540 m^3/s for the expanded ventilation system. The fresh air enters a working face via the fresh air shaft, ramps and conveyor belt decline. The underground level ways are connected to ventilation raises to allow local air inflow and outflow. The exhaust air is drawn out of underground mine via the upper level way and exhaust air shaft. The ventilating resistance is about 2,447 Pa. Whether to modify the existing main fan was not mentioned in the *FS 2023*.

Figure 9-8: Schematic Diagram of Existing Ventilation System



Sources: Yubang

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

Figure 9-9: The Existing Main Fan



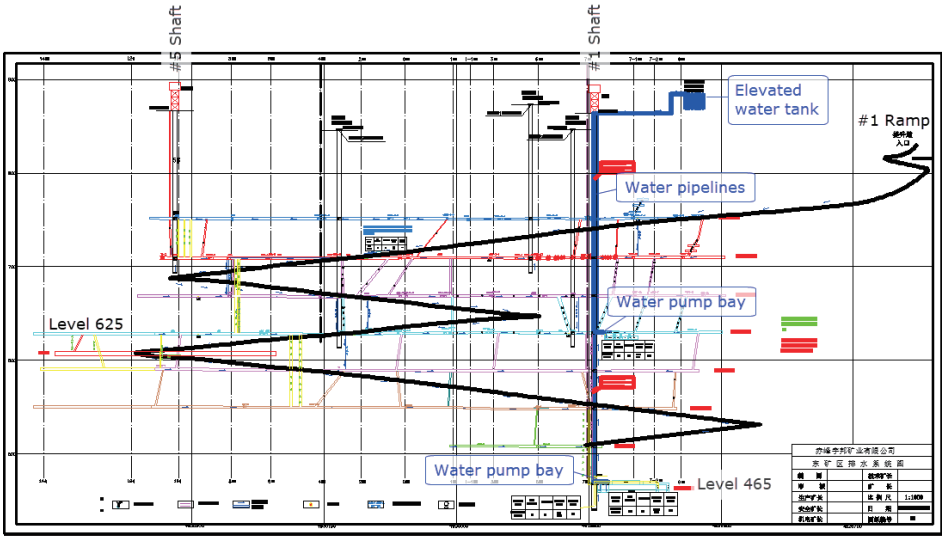
Sources: SRK, 14 April 2026

9.7.3 Water Drainage and Dewatering

The normal groundwater inflow is about 4,100 m^3/d. The maximum groundwater inflow is about 28,000 m^3/d. The mining wastewater and returned backfilling water to be drained is constant at 4,000 m^3/d.

The existing water drainage system is demonstrated in Figure 9-10. The water drainage is divided into two independent sections separated by the level at 625 m asl. The area above level at 625 m asl is referred to as the section 1 drainage system, while that below is referred to as the section 2 drainage system. The main facilities for the section 1 drainage system include a water pump bay at level 625 m asl, three MD155-30×9 model pumps in the water pump bay and two water pipelines in the #1 Shaft. The main facilities for the section 2 drainage system include a water pump bay (Figure 9-11) at level 465 m asl, three MD155-67×8 model pumps in the water pump bay and two water pipelines in the #1 Shaft. The water inflow is drained to the 2,000 m^3 elevated water tank on the surface. The water pump in MD155-30×9 model has a flow rate of 155 m^3/h and a waterhead of 270 m. The water pump in MD155-67×8 model has a flow rate of 155 m^3/h and a waterhead of 536 m. The water pipes are 168 mm external diameter by 9 mm wall thickness and 168 mm external diameter by 7 mm wall thickness for the sections 1 and 2 drainage systems, respectively.

Figure 9-10: Water Drainage System



Sources: Yubang

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

Figure 9-11: Water Pump Bay at Level 465 m asl



Sources: SRK, 14 April 2026

To meet the water drainage demand on the expanded mining capacity, the following designs were made in the *FS 2023*:

- Another two water pump bays are added and located close to the new fresh air shaft at levels 545 m asl and 345 m asl. Five MD-S450-95×4(P) model pumps are installed in the water pump bay at level 545 m asl. Each water pump has a flow rate of 450 m^3/h, a waterhead of 330 m and an electric engine power of 710 kW. Two seamless steel water pipelines are installed in the new fresh air shaft to drain water out. The water pipeline is 351 mm external diameter by 8 mm wall thickness.
- Water pump bay at level 345 m asl and water pumps in it were not described clearly in the *FS 2023*.
- The decline for conveyor belts are developed down to level at 255 m asl, which is 90 m below the water pump bay at level 345 m asl. The water sump is located to the tail of conveyor belt to collect the water inflow. Two submersible slurry pumps are put in the water sump to drain water to water bay at level 345 m asl through a seamless steel water pipeline in 108 mm external diameter by 6 mm wall thickness. Each water pump has a flow rate of 50 m^3/h, a waterhead of 100 m and an electric engine power of 37 kW.

9.7.4 Water Supply

Mining water demand is about 5,000 m^3/d for the underground mining operation.

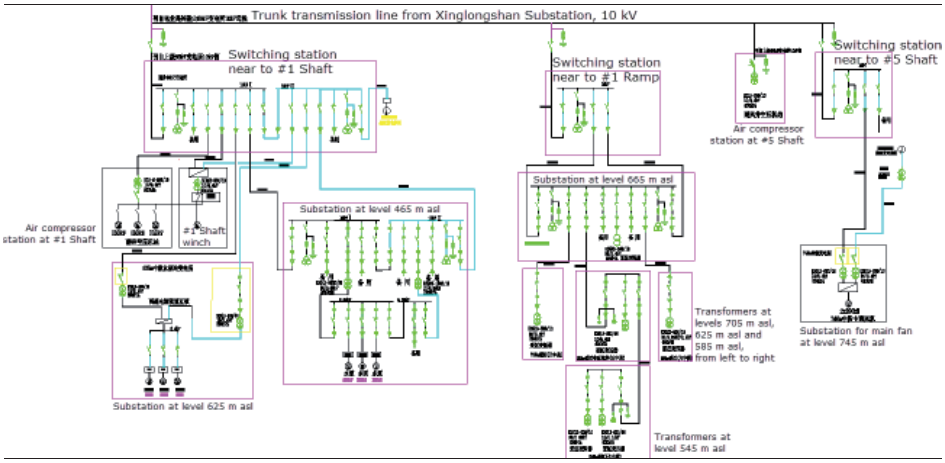
A 2,000 m^3 elevated water tank was situated on the surface to supply underground working faces with water via the water pipelines in the #1 Shaft and #1 Ramp. The trunk seamless steel pipeline is 108 mm external diameter by 3.5 mm wall thickness. The seamless steel distribution pipeline in level way is 89 mm external diameter by 3.5 mm wall thickness.

To meet the water supply demand for the expanded mining capacity, additional water pipelines are installed in the new fresh air shaft to supply working levels with water. The trunk pipelines in the new fresh air shaft have an external diameter of 245 mm and a wall thickness of 8 mm. The distribution pipelines in level ways have an external diameter of 159 mm and a wall thickness of 7 mm.

9.7.5 Power Supply

The power supply system is shown in Figure 9-12. The primary power is sourced from the 10kV side of 66 kV Xinglongshan Substation via the LGJ-120 mm^2 transmission lines. The switching stations were situated near to the #1 Shaft, #5 Shaft and #1 Ramp. From the switching stations, the electricity is distributed to equipment on surface and underground substations in water pump bays at levels 625 m asl and 465 m asl, in the exhaust air ventilation bay at level 745 m asl, and at level 665 m asl.

Figure 9-12: Power Supply System



Sources: Yubang

Notes: The original drawing was translated to English by SRK. Some annotations in the original drawing were removed.

In case of outages, two diesel generators are used for supplying key equipment with electricity. The diesel generator near to the #1 Shaft (Figure 9-13) has a constant power load of 2,000 kW, generating 10 kV power to supply the hoist at #1 Shaft, three water pumps at level 625 m asl and three pumps at level 465 m asl with electricity. The diesel generator near to the #5 Shaft has a constant power load of 550 kW, generating 0.4 kV power to supply main fan with electricity. To meet the power demand on the expanded mining capacity, the third diesel generator is added in the *FS 2023*.

Figure 9-13: The Diesel Generators near to #1 Shaft



Sources: SRK, 14 April 2026

9.7.6 Compressed Air

The demand for compressed air is about 235 m^3/min.

Three LG-22/8G model screw air compressors in Figure 9-14, which have a discharge rate of 22 m^3/min and an electric motor of 132 kW, were located at the portal of #1 Shaft to supply the underground mine with compressed air via the air pipelines in 133 mm external diameter by 5 mm wall thickness. There is also an LG-22/8G model screw air compressor and a JF-270AH model screw air compressor located at the portal of #5 Shaft to supply underground mine with air via the air pipelines in 108 mm external diameter by 5 mm wall thickness.

The existing air compressors can supply the operation with required compressed air.

Figure 9-14: The Air Compressors Shed near to #1 Shaft



Sources: SRK, 14 April 2026

9.7.7 Monitoring System

The system consists of monitoring gas, air speed and pressure, and the video monitoring key underground positions.

The carbon oxide ("**CO**") from the workfaces of development tunnels is monitored through JTH1000(A) model gas detectors. The alarming concentration is about 0.0024%. The nitrogen dioxide ("**NO_2**") and oxide ("**O_2**") gas are also monitored at the shaft insets, the ramp insets, the water pump bays at levels 625 m asl and 465 m asl, and the main fan bay. The detector signal is transmitted to hoist house and control centre through cables.

Air speeds at level ways, air doors and portal of #5 Shaft are monitored through JFW15X model sensors and the fixed air speed devices. Online monitoring of air pressure of the main fan is performed through GF5F model sensors. Online monitoring of on and off status of main fan and local fans are performed through GKT5(A) model sensors.

Video monitoring is performed in the dispatch house at the portal of tunnels, in the #1 Ramp and #1 Shaft, in the emergency refuge facilities, in the general substation and the key positions like portals, shaft bottom and insets, switchyards, and so on.

9.7.8 Personnel Positioning System

The KJ1430 model personnel positioning system has been relied on to monitor the position of personnels in the underground mine. When a person or vehicle with the positioning card enters into the card reader working area, the identification code and text message are read and sent to card reader substations, where the data are processed and transmitted to the communication stations at shaft and ramp insets or working faces, until transmitted to the host on surface.

9.7.9 Emergency Refuge System

The system consists of egresses, escape paths and self-rescuers

The ladders were installed in the #1 Shaft and #5 Shaft. The man way was set in the #1 Ramp. In case of emergency, personnels can walk to the surface via these three egresses.

The escape paths have been designed specifically for a range of emergency situations. The eye-catching and reflective signs were set in tunnels and intersection points of tunnels to show the location of personnel, the shortest exit or refuge facilities, and the distance, and also at the points where the egress, refuge facilities and telephones located. There is no refuge bay in the underground mine.

A total of 104 self-rescuers has been provided for underground personnels.

The refuge chamber at level 465 m asl was also sighted by SRK during the site visit on 14 April 2026.

Figure 9-15: The Refuge Chamber at Level 465 m asl



Sources: SRK, 14 April 2026

9.7.10 Communication

Underground communication consists of wired telephones and wireless stations. The telephones are located at the shaft and ramp insets, water pump bays at levels 625 m asl and 465 m asl, main fan bay and doorway of each working face. The communication cables entered the underground mine through #1 Shaft and #1 Ramp, respectively. The system is capable of supporting the expanded mining capacity.

9.7.11 Explosive Supply and Management

An explosive magazine in Figure 9-16 was located on the surface to supply the mining works with explosives and detonators.

Figure 9-16: The Explosive Magazine on the Surface



Sources: SRK, 14 April 2026

The existing magazines are capable of supporting the expanded mining capacity.

9.7.12 Maintenance Facilities

Both the mining and tunnels development are carried out by the contractors, which are responsible for the maintenance of their heavy vehicles. The maintenance workshop is shown in Figure 9-17.

Figure 9-17: The Maintenance Workshop of Contractors



Sources: SRK, 14 April 2026

There is an existing locomotive maintenance bay located at level 545 m asl. The bay is 50 m long, with a 9 m by 8 m profile. Daily maintenance and repairment of locomotives and wagons are carried out in the bay.

A trackless maintenance bay is located at level 585 m asl. The bay is 90 m long, with a 7 m by 8.5 m profile. Daily maintenance and repairment of drill rigs and ore drawing equipment and wagons are carried out in the bay.

These two existing maintenance bays can support the expanded mining capacity.

10 Processing Assessment

10.1 Overview

The ores from Yubang's Shuangjianzishan and Xinglongshan deposits are typical silver–lead–zinc ores. Since 2009, multiple research institutes have carried out several processing test programs, supplemented by process mineralogy studies. These tests and studies are listed in the "References" section of this report and provide strong technical support for the design and operation of the concentrator.

The main valuable elements in the ore are silver, zinc, and lead, and the ore is a primary sulphide ore. Silver occurs in multiple mineral species, very finely disseminated in galena and sphalerite, with small amounts of silver minerals present in other metallic and gangue minerals. The main zinc-bearing minerals are sphalerite and marmatite, which are closely intergrown with silver minerals and galena. The main lead-bearing mineral is galena, which is very finely disseminated and closely associated with sphalerite and silver minerals.

The chemical characteristics of these target minerals—being sulphide minerals—make them readily floatable, while their textural characteristics—intimate intergrowth with one another—result in difficulties in separating lead and zinc. In earlier beneficiation tests and plant operations, qualified silver–lead concentrate and silver–zinc concentrate were produced, and good recovery indices were achieved. However, as ore grades declined, lead–zinc separation became difficult and uneconomic; the concentrator even shut down the zinc separation circuit and produced only a bulk silver–lead–zinc concentrate.

Therefore, how to economically produce qualified silver–lead concentrate and silver–zinc concentrate under declining ore grades has become a key issue for mineral processing research and for the technical upgrading of the concentrator.

In 2024, the Institute of Resource Utilization and Rare Earth Development of the Guangdong Academy of Sciences (formerly the Guangzhou Research Institute of Nonferrous Metals, hereinafter referred to as the Guangzhou Institute) conducted a detailed flowsheet survey of Yubang's existing concentrator, identified the technical causes of the difficulty in lead–zinc separation, and in 2025 carried out detailed process mineralogy studies and laboratory flotation tests to provide technical support for the plant's upgrading.

The existing concentrator was designed by the Shenyang Nonferrous Metallurgy Design and Research Institute, with a design throughput of 5,000 t/d (1.65 Mtpa). It consists of one 2,000 t/d and one 3,000 t/d production line. The two lines share one crushing system, while each has an independent grinding, flotation, and product dewatering circuit. The flowsheets are basically the same, and the products are silver–lead concentrate and zinc concentrate.

In January 2023, China ENFI Engineering Corp. prepared the "Feasibility Study Report for the Shuangjianzishan Mining and Dressing Project." The design adopts caving and backfill mining methods and expands the mining and processing capacity to 20,000 t/d (6.6 Mtpa), for which a new 15,000 t/d concentrator is to be built. In 2025, the planned capacity of the new concentrator was further increased to 20,000 t/d, bringing total processing capacity to 25,000 t/d (8.25 Mtpa). According to Yubang's schedule, the new concentrator will be completed and put into operation in early 2029.

10.2 Process Mineralogy Study

10.2.1 Multi-element Chemical Analysis of Run-of-Mine Ore

The results of the multi-element chemical analysis of the run-of-mine ore are shown in Table 10-1. The main valuable element is silver, followed by lead, zinc, and sulfur.

Table 10-1: Multi-element chemical analysis of run-of-mine ore

Element	Ag(g/t)	Pb	Zn	Cu	S	Fe	P2O5
Content (%)	65.54	0.33	0.71	0.0142	1.35	7.39	0.36
Element	Au(g/t)	SiO2	Al2O3	MgO	CaO	K2O	Na2O
Content (%)	<0.1	65.19	12.96	1.39	0.95	3.59	0.43

Source: "Test Study Report on the Development of a New Beneficiation Process for Yubang Mining's Silver Polymetallic Ore," Institute of Resource Utilization and Rare Earth Development, Guangdong Academy of Sciences, October 2025.

10.2.2 Ore Mineral Composition

The mineral composition of the run-of-mine ore is shown in Table 10-2 (MLA analysis results). There are various types of silver minerals, mainly acanthite (argentite). There are four types of lead minerals, primarily galena. The only zinc mineral is sphalerite (iron sphalerite has also been reported in other studies). The content of copper and tin minerals is low and not economically recoverable. Silver, lead, and zinc minerals are the target minerals for processing and recovery.

Table 10-2: Ore mineral composition of run-of-mine ore

Type	Mineral	Content (%)	Type	Mineral	Content (%)
Silver minerals	Native silver	<0.001	Quartz and silicates	Quartz	38.166
	Acanthite (argentite)	**0.01**		Albite	3.538
	Silver sulphide	<0.001		Plagioclase	0.066
	Silver sulphide (variant)	<0.001		Orthoclase	3.602
	Silver–tin sulphide	<0.001		K-feldspar	0.001
	Brittle silver ore	<0.001		Sericite	36.366
	Light red silver ore	<0.001		Actinolite (tremolite)	0.611
	Silver-bearing chalcocite	<0.001		Biotite	1.81
	Copper–silver sulfantimonide	<0.001		Actinolite	0.023
	Lead–antimony–silver sulphosalt	<0.001		Ca–Fe garnet	0.019
	Silver-bearing covellite	0.007		Olivine	0.033
	Galena	**0.342**		Amphibole	0.03
Lead minerals	Anglesite	0.001		Epidote	0.013
	Cerussite	<0.001		Chlorite	8.978
	Lead mica[1]	0.006		Kaolinite	0.019
Zinc minerals	**Sphalerite**	**1.028**		Clinoptilolite (Ca zeolite)	0.041
Copper minerals	Chalcopyrite	0.009		Zircon	0.013
	Chalcocite	0.004		Titanite	0.045
	Pyrite	**1.627**	Carbonates	Calcite	0.263

Type	Mineral	Content (%)	Type	Mineral	Content (%)
Other sulphides	Arsenopyrite	0.013		Dolomite	0.009
	Sulphostannite	0.01		Ankerite	0.002
Oxides	Cassiterite	0.029		Siderite	0.01
	Hematite	1.341		Rhodochrosite	0.044
	Limonite	0.511		Barite	0.019
	Rutile	0.606	Sulphates	Jarosite	0.056
	Chromite	0.025		Alunite	0.017
Phosphates	Apatite	0.537	Others	Others	0.134
	Lead-bearing apatite	0.013	Total	Total	100.0

Note: [1] Based on the chemical formula $Pb_2(Si_4Al)O_{11}(OH)$, it is inferred to be a "lead mica–type mineral" (lead mica).

Source: Test Study Report on the Development of a New Beneficiation Process for Yubang Mining's Silver Polymetallic Ore, Institute of Resource Utilization and Rare Earth Development, Guangdong Academy of Sciences, October 2025.

10.2.3 Dissemination State of Main Target Minerals

- **Galena (PbS)**

The galena in the ore mainly occurs in the following dissemination forms:

① Galena occurs as irregular grains disseminated in gangue minerals such as quartz, sericite, and chlorite. The grain size is highly variable, distributed in a scattered, sparsely disseminated or fine vein-like form. Replacement/intergrowth with sphalerite, pyrite, covellite and other sulphides can be observed.

② Part of the galena fills rock fractures and shows replacement/intergrowth with sphalerite, pyrite, etc. The grain size is uneven; some galena grains are coarse and occur as aggregates.

③ A small amount of galena fills and replaces along fractures within pyrite, and is included in pyrite.

④ A small amount of very fine-grained galena is included in sphalerite.

⑤ A small amount of galena occurs as irregular grains embedded in iron oxides such as hematite and limonite.

- **Anglesite ($PbSO_4$)**

Anglesite in the ore is an alteration product of galena and is occasionally seen along the rims of galena grains. This anglesite contains a small amount of iron.

- **Cerussite ($PbCO_3$)**

Cerussite is a second-stage weathering product of galena, i.e. galena is first oxidized to form anglesite, and then cerussite is formed from anglesite under the action of carbonate-bearing aqueous solutions. In the ore, cerussite is occasionally seen intergrown with galena, and the cerussite also contains a small amount of iron.

- **Sphalerite (ZnS)**

Sphalerite commonly contains isomorphic substitutions of Fe, Mn, Cd, Ga, In, Ge, Hg, etc., as well as mechanical inclusions of minerals containing Cu, Sn, Sb, Bi and others. Substitution of Fe for Zn in sphalerite to form iron-rich sphalerite (marmatite) is very common; the iron content of sphalerite varies widely, and it also generally contains Cd and Mn.

The sphalerite in the ore mainly occurs in the following forms:

① Sphalerite fills and replaces along rock fractures, occurring as irregular grains, patches, and aggregates with uneven grain size. Sphalerite often contains chalcopyrite solid solution or fine galena, pyrite and other sulphides as replacement remnants. In some cases, sphalerite and galena are intergrown by replacement.

② Sphalerite occurs as irregular grains of various sizes, disseminated in gangue such as quartz and sericite. Some sphalerite is very fine-grained and relatively difficult to liberate during grinding.

③ Sphalerite fills and replaces along fractures in pyrite, occurring at the margins of pyrite or included in it, forming rimmed textures.

- **Native silver**

Native silver commonly occurs in fine reticulated, dendritic, crust-like, granular, and massive forms. Gold is often present in native silver by isomorphic substitution, while some native silver contains small amounts of sulphur and no gold. In heavy mineral (gravity concentrate) products, native silver can be seen as liberated grains or intergrown with sphalerite, hematite, galena, etc.

- **Acanthite and argentite (Ag_2S)**

Argentite is the high-temperature polymorph (variant) of acanthite. In the ore, individual acanthite grains locally contain copper and selenium. In ore polished sections, acanthite is seen intergrown with sphalerite. In heavy mineral products, acanthite occurs as liberated grains or intergrown with galena and native silver.

- **Naumannite (Ag_2Se)**

In ore polished sections, naumannite is occasionally observed embedded in galena, or separated as a solid solution phase from acanthite, or intergrown with cassiterite, silver–tin sulphide, and acanthite, all jointly included in sphalerite. In heavy mineral products, naumannite is seen intergrown with galena, sphalerite, and hematite.

- **Pyrite (FeS_2)**

Pyrite generally contains small amounts of Al and Si as impurities and locally contains As. In the ore, pyrite is commonly replaced by sphalerite and galena. Its main modes of occurrence are:

① Pyrite occurs as subhedral to euhedral crystals, densely or sparsely disseminated in gangue minerals such as quartz and sericite. Grain size is uneven; some pyrite grains are very fine and relatively difficult to liberate during grinding.

② Pyrite occurs as vein-like and reticulated aggregates in quartz, sericite, and other gangue minerals.

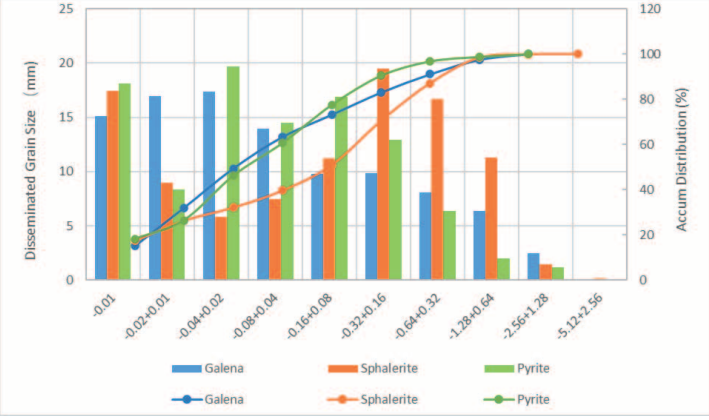
③ Pyrite fills rock fractures and is generally coarse-grained. It is commonly replaced by sphalerite and galena; some pyrite appears as replacement remnants included in sphalerite.

- **Gangue minerals**

The main gangue minerals in the ore are quartz and sericite, followed by chlorite, feldspar, biotite, etc. Quartz and sericite often occur intimately mixed as very fine grains. The combined content of sericite and chlorite is about 45%. These minerals readily slime during grinding, generating large amounts of fine slimes, which adversely affect flotation.

The grain-size distribution of the main sulphide minerals is shown in Figure 10-1. It can be seen that the main sulphide minerals exhibit a wide range of particle sizes, with a high proportion occurring as very fine grains. Galena is mainly embedded in the −1.28 + 0.01 mm size fraction, within which the −0.01 mm fraction accounts for 15.09%. Sphalerite shows a "coarse–fine–coarse" distribution, with main size ranges of −1.28 + 0.08 mm and −0.02 mm; the −0.01 mm fraction accounts for 17.46%. Pyrite is mainly concentrated in the −0.64 + 0.01 mm size fraction, with the −0.01 mm fraction accounting for 18.14%.

Figure 10-1: Particle size distribution of main minerals



Source: Prepared by SRK based on the measured grain-size distribution of the main sulfide minerals.

10.2.4 Distribution of Target Metals in Major Minerals

- **Silver**

Silver occurring as free silver minerals accounts for 60.02% of the total silver in the raw ore; silver occurring as inclusions of silver minerals disseminated in galena (with a very small amount in anglesite and cerussite) and other lead minerals accounts for 10.04% of the total silver; silver disseminated in sphalerite accounts for 9.50% of the total silver; silver disseminated in pyrite and arsenopyrite accounts for 12.41% of the total silver; silver which, at the 0.038 mm size fraction, is still contained in gangue minerals such as quartz and sericite accounts for 8.03% of the total silver in the raw ore. If the silver contained in sulfides (including galena, sphalerite, pyrite, etc.) and free silver is recovered, the theoretical recovery is 91.97%.

- **Lead**

Lead is relatively disseminated in the ore. Lead occurring in lead minerals such as galena (with a very small amount in anglesite and cerussite) and lead mica accounts for 84.92% and 0.68% of the total lead in the raw ore, respectively; lead disseminated in sphalerite accounts for 0.70% of the total lead; lead disseminated in pyrite and arsenopyrite accounts for 3.78% of the total lead; lead disseminated in hematite accounts for 1.27% of the total lead. At the –0.038 mm size fraction, lead still contained in gangue minerals such as quartz and sericite accounts for 8.66% of the total lead in the raw ore. Recovering the lead contained in galena gives a theoretical recovery of 84.92%.

- **Zinc**

Zinc in sphalerite accounts for 86.92% of the total zinc in the the run-of-mine ore; zinc disseminated in galena accounts for 0.11% of the total zinc; zinc disseminated in pyrite and arsenopyrite accounts for 1.65% of the total zinc. At the –0.038 mm size fraction, zinc still contained in gangue minerals such as quartz and sericite accounts for 11.28% of the total zinc in the raw ore. Recovering zinc from sphalerite gives a theoretical recovery of 86.92%.

10.2.5 Analysis of Mineralogical Factors Affecting Processing Recovery

- The ore contains large amounts of sericite, chlorite, and other easily mud-forming minerals. During grinding, a large quantity of secondary slimes is easily produced, which adversely affects the separation of valuable minerals.
- There are many types of silver minerals in the ore. Some silver minerals occur as very fine inclusions within metal sulfide minerals such as galena and sphalerite. To improve silver recovery, the beneficiation process should aim to recover as much of the sulfide minerals in the ore as possible.
- Part of the silver minerals in the ore occurs in intergrowth with limonite and hematite; this portion of silver minerals may be lost to the tailings.
- A relatively large proportion of galena and sphalerite in the ore is finer than 0.01 mm. It is recommended to adopt staged grinding to avoid overgrinding of coarse-grained lead and zinc minerals and to reduce the generation of secondary slimes.

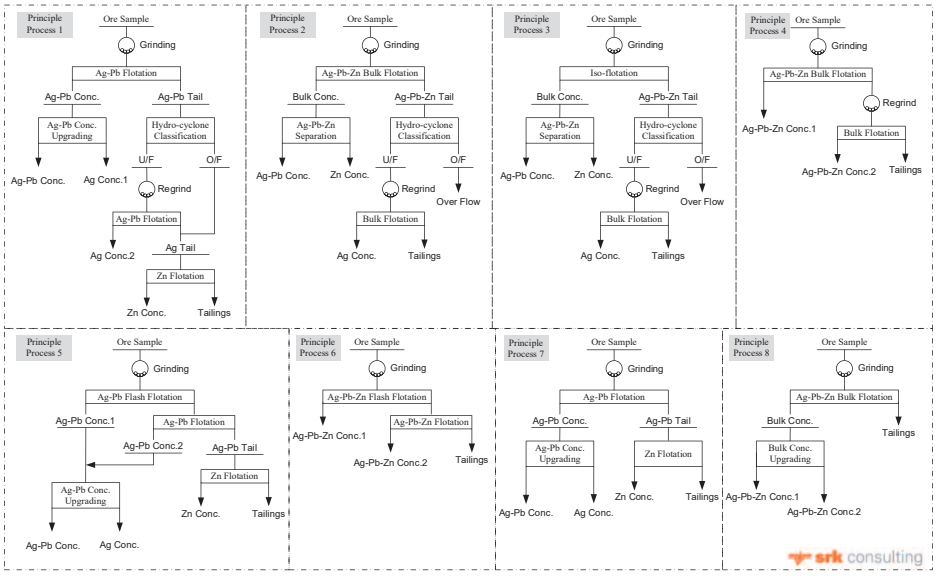
10.3 Processing Tests

Silver is the most valuable target element in the ore, followed by zinc and lead, and then sulfur. Since sulfide minerals are the main carrier minerals of silver, the primary objective of beneficiation is to recover the sulfide minerals of lead, zinc, and iron—namely galena, sphalerite, and pyrite—and to produce, as far as possible, silver-rich lead concentrate, zinc concentrate, and sulfur concentrate (pyrite concentrate).

Based on the process mineralogy research results and beneficiation production practices, eight principle process flow schemes were proposed, as shown in Figure 10-2. Detailed condition tests, open-circuit process tests, and closed-circuit process tests were conducted on these schemes. Among the eight principle process flow schemes, they are divided into two major technological routes according to the number of grinding stages:

- Stage grinding–stage flotation, including conceptual flowsheets 1, 2, 3, and 4;
- Single-stage grinding–asynchronous flotation, including conceptual flowsheets 5, 6, 7, and 8.

Figure 10-2: Conceptual process flow schemes for processing tests



Source: Yubang Mining Silver Polymetallic Ore – Test Research Report on the Development of a New Beneficiation Process, Guangdong Academy of Sciences, Institute of Resources Utilization and Rare Earth Development, October 2025.

10.3.1 Comparison of Test Flowsheets and Test Results

The closed-circuit test results for the eight principle flowsheet options are summarized in Table 10-3. There is no significant difference in the indices obtained by the various flowsheets. Relatively speaking, the mixed flotation flowsheet for silver–lead–zinc gives a higher silver recovery, but lead and zinc are difficult to separate and their overall recovery performance is poor, as in Principle Processes 2, 3, 4, 6, and 8.

The silver–lead priority flotation flowsheet, while recovering silver, also takes into account the comprehensive recovery of lead and zinc, and can produce saleable lead concentrate and zinc concentrate, as in Principle Processes 1, 5, and 7. By subjecting the silver–lead concentrate obtained from the priority flotation flowsheet to upgrading flotation, it is possible to separate a high-grade silver–lead concentrate and a low-grade silver–lead concentrate (silver concentrate).

The "stage grinding–stage flotation" flowsheet is relatively complex. Investment and grinding costs for two-stage or multi-stage grinding are both high, and the equipment footprint is large. In view of the low ore grade, a process flowsheet with a simple structure and low cost is required.

The "single-stage grinding–asynchronous flotation" flowsheet has a relatively simple structure, with correspondingly lower capital and operating costs. In Process 5 ("single grinding stage–two rougher

stages–separate cleaning of rough concentrates"), silver recovery is strengthened while also allowing for the recovery of lead and zinc. It can handle ores with relatively high lead and zinc grades, and its flowsheet structure is similar to the current 5,000 t/d plant flowsheet. Compared with the current plant flowsheet, the difference lies in reducing the grinding from two stages to one stage, and adding a regrinding step for Rough Concentrate 2 to increase the grade of Silver Concentrate 2 and enhance zinc depression. In this way, qualified silver–lead concentrate, silver concentrate, and zinc concentrate are obtained.

Figure 10-3 and Figure 10-4 show the test flowsheets of Principle Process 4 and Principle Process 5, respectively. The test flowsheet of Principle Process 4 is derived from the current concentrator flowsheet.

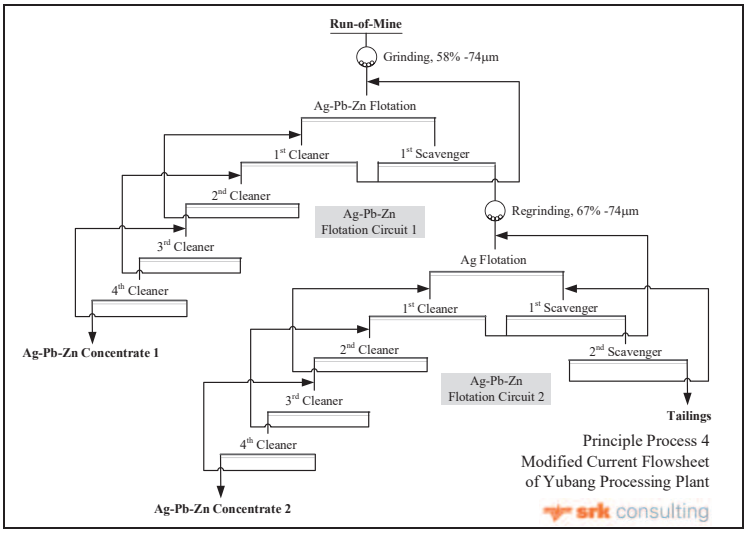
Table 10-4 lists the closed-circuit test results for Principle Processes 4 and 5. Principle Process 4 can only produce a bulk concentrate; although the recoveries of silver, lead, and zinc are all relatively high, the lead and zinc grades are low and they are not separated, resulting in low payability in sales. Principle Process 5 achieves a total silver recovery of 89.6%, which is comparable to the silver recovery of the existing plant flowsheet, but lead and zinc are effectively separated, yielding qualified silver–lead concentrate, silver concentrate, and zinc concentrate, which is favorable for achieving higher payability.

Table 10-3: Closed-Circuit Test Results of the Eight Flowsheet Schemes

Principle Process	Product	Mass (%)	Grade (%)			Recovery (%)		
			Ag (g/t)	Pb	Zn	Ag	Pb	Zn
1	Ag-Pb Concentrate	0.51	**5,468**	**45.33**	14.63	42.08	**72.94**	10.68
	Ag Concentrate	2.28	**1,256**	1.86	6.94	42.98	13.30	22.54
	Zn Concentrate	0.70	514	0.37	**51.46**	5.37	0.81	**51.09**
2	Ag-Pb-Zn Concentrate	3.76	**1,425**	7.37	15.96	82.29	86.66	84,12
	Ag Concentrate	0.36	**1,396**	1.56	3.98	7.72	1.76	2.01
3	Ag-Pb-Zn Concentrate	3.23	**1,627**	8.47	14.02	79.28	86.10	64.63
	Ag Concentrate	0.42	**1,277**	1.39	8.86	8.10	1.84	5.31
4	Ag-Pb-Zn Concentrate 1	1.76	2,166	11.39	21.48	58.70	53.11	44.29
	Ag-Pb-Zn Concentrate 2	3.16	647	2.64	7.51	31.46	33.29	41.22
	Ag-Pb-Zn Concentrate 1+2	4.92	**1,191**	5.77	12.51	90.16	86.39	85.51
5	Ag-Pb Concentrate	0.58	**5,026**	**42.37**	16.86	43.93	**73.73**	13.82
	Ag Concentrate	2.08	**1,278**	2.06	8.02	40.23	12.93	23.67
	Zn Concentrate	0.78	463	0.36	**42.84**	5.48	0.85	**47.46**
6	Ag-Pb-Zn Concentrate 1	2.21	2,192	11.57	17.74	72.38	76.44	55.16
	Ag-Pb-Zn Concentrate 2	1.21	1,017	3.29	18.93	18.53	11.99	32.45
	Ag-Pb-Zn Concentrate 1+2	3.42	**1,774**	8.63	18.16	90.91	88.43	87.61
7	Ag-Pb Concentrate	0.58	**4,790**	**40.24**	15.93	42.16	**72.48**	13.00
	Ag Concentrate	2.37	**1,160**	1.82	7.16	41.72	13.40	23.89
	Ag-Pb Conc.+Ag Conc.	2.95	1,873	9.37	8.88	83.88	85.88	36.89
	Zn Concentrate	0.80	466	0.37	**43.19**	5.61	0.91	**48.22**
8	Ag-Pb-Zn Concentrate 1	1.09	2,643	22.29	39.61	43.52	73.44	61.77
	Ag-Pb-Zn Concentrate 2	2.51	1,194	1.87	6.52	45.55	14.28	23.56
	Ag-Pb-Zn Concentrate 1+2	3.60	**1,630**	8.02	16.49	89.07	87.72	85.33

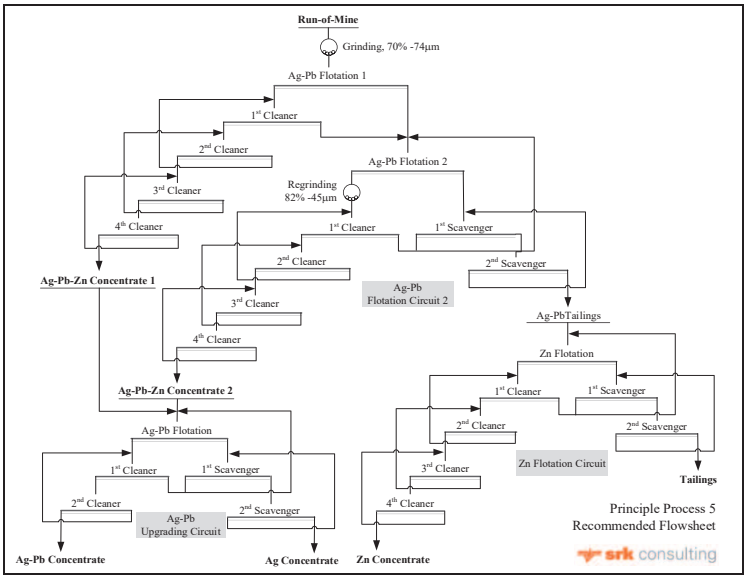
Source: Experimental Study Report on the Development of a New Beneficiation Process for the Yubang Mining Silver Polymetallic Ore, Institute of Resources Utilization and Rare Earth Development, Guangdong Academy of Sciences, October 2025.

Figure 10-3: Flowsheet of Principle Process 4 – Current Flowsheet of Yubang Processing Plant



Source: Test Research Report on the Development of a New Beneficiation Process for the Silver Polymetallic Ore of Yubang Mining, Institute of Resources Utilization and Rare Earth Development, Guangdong Academy of Sciences, October 2025.

Figure 10-4: Principal Process 5 – Recommended Flowsheet



Source: Experimental Study Report on the Development of a New Mineral Processing Technology for Yubang Mining's Silver Polymetallic Ore, Institute of Resources Utilization and Rare Earth Development, Guangdong Academy of Sciences, October 2025.

Table 10-4: Test Result of Principle Process 4 & 5

Product	Mass (%)	Grade (%)			Recovery (%)		
		Ag (g/t)	Pb	Zn	Ag	Pb	Zn
Principle Process 4							
Ag Concentrate 1	1.76	**2,165.9**	**11.39**	21.48	**58.70**	**53.11**	44.29
Ag Concentrate 2	3.16	**647.4**	2.64	7.51	**31.46**	33.29	41.22
Ag Concentrate 1+2	4.92	**1,191.2**	5.770	**12.51**	90.16	86.39	**85.51**
Tailings	95.08	6.73	0.042	0.10	9.84	13.61	14.49
Run-of-Mine	100.0	65.01	0.32	0.71	100.0	100.0	100.0
Principle Process 5							
Ag Concentrate 1	1.88	2,359.0	13.17	11.51	66.86	74.31	30.59
Ag Concentrate 2	0.78	1,455.9	5.22	6.19	17.30	12.35	6.90
Ag Concentrate 1+2	2.66	**2,092.2**	**10.82**	9.94	**84.16**	**86.66**	37.49
Zn Concentrate	0.78	**463.5**	0.36	**42.84**	5.48	0.85	**47.46**
Tailings	96.56	7.10	0.04	0.11	10.36	12.49	15.05
Run-of-Mine	100.0	66.16	0.33	0.71	100.0	100.0	100.0
HG Ag-Pb Concentrate	0.58	**5,026.3**	**42.37**	16.86	**43.93**	**73.73**	13.82
LG Ag-Pb Concentrate	2.08	**1,277.7**	2.06	8.02	**40.23**	12.93	23.67

Source: Test Research Report on the Development of a New Beneficiation Process for the Silver Polymetallic Ore of Yubang Mining, Institute of Resources Utilization and Rare Earth Development, Guangdong Academy of Sciences, October 2025.

10.3.2 Pre-selection Waste Rejection Test

In the mining process, it is inevitable that surrounding rock (waste rock) is mixed into the ore body, resulting in ore dilution. Treating this portion of waste rock in the concentrator constitutes ineffective beneficiation, which reduces the effective ore processing capacity and increases the cost of mineral processing.

Shenyang LONGi Electromagnetic Technology Co., Ltd. ("LONGi") carried out laboratory-scale pre-concentration waste rejection tests on low-grade ore from Yubang using its X-ray sorter. The ore was first crushed to below 150 mm, then screened into three size fractions: 80–150 mm, 15–80 mm, and below 15 mm. Pre-concentration tests were conducted on the 15–80 mm size fraction, which accounted for 42.25% of the total weight of the crushed ore. The test results are shown in Table 10-5.

When the waste rejection rate for this size fraction reached 65.27%, the corresponding metal losses were: Pb 16.18%, Zn 15.72%, and Ag 17.31%. Relative to the -150 mm run-of-mine ore, this corresponds to an overall waste rejection rate of 27.58%, with metal losses of: Pb 6.88%, Zn 6.27%, and Ag 6.39%.

These results are favorable, indicating that 27% of low-grade waste rock can be rejected in advance, thereby improving the grade of ore fed to the mill.

Table 10-5: LONGi Pre-concentration Waste Rejection Test Results

Product	Yield (%)	Grade (%)			Metal distribution (%)		
		Pb	Zn	Ag(g/t)	Pb	Zn	Ag
Concentrate	51.64	0.68	1.79	241.74	91.18	93.21	94.49
Tailings	**48.36**	0.07	0.14	15.04	8.82	6.79	5.51
Feed (-80 +15 mm)	100.00	0.38	0.99	132.11	100.00	100.00	100.00

Waste rejection vs. ROM ore	20.43	0.07	0.14	15.04	4.23	3.29	2.53
Concentrate	42.36	0.78	1.99	238.42	87.19	87.31	89.40
Tailings	**57.64**	0.09	0.22	21.69	12.81	12.69	10.60
Feed (-80 +15 mm)	100.00	0.39	0.97	115.82	100.00	100.00	100.00
Waste rejection vs. ROM ore	24.35	0.09	0.22	21.69	6.27	6.12	4.36
Concentrate	34.73	0.93	2.27	249.89	83.82	84.28	82.69
Tailings	**65.27**	0.10	0.23	27.83	16.18	15.72	17.31
Feed (-80 +15 mm)	100.00	0.39	0.94	104.95	100.00	100.00	100.00
Waste rejection vs. ROM ore	27.58	0.10	0.23	27.83	6.88	6.27	6.39

Source: Waste Rejection Test Report for Yubang Mining Silver–Lead–Zinc Ore Using X-ray Sorter, Shenyang LONGi Electromagnetic Technology Co., Ltd., May 2020.

In April 2020, Beijing Horiste Technology Co., Ltd. ("Horiste") carried out semi-industrial tests on Yubang ore using its X-ray intelligent ore sorter. Test results on ores from different mining blocks and of different size fractions showed that the 14–60 mm size fraction had the best sorting performance, with an overall waste rejection rate above 70%. The average enrichment ratios for silver, lead, and zinc were approximately 2.0, 2.2, and 2.1, respectively. The average grades of silver, lead, and zinc in the concentrate were about 245 g/t, 0.96%, and 1.95%, while the average grades in the tailings were 19 g/t, 0.09%, and 0.20%, respectively. However, Horiste did not determine the proportion of the 14–60 mm test size fraction in the total crushed ore, so it is not possible to estimate the waste rejection rate and metal recovery relative to the run-of-mine (ROM) ore.

During SRK's on-site due diligence, it was observed that the concentrator had already built a pre-concentration waste rejection workshop and installed two pre-concentration waste rejection systems. However, due to problems of over-crushing in the ore preparation operations (crushing–screening) and low screening efficiency, the expected waste rejection performance had not yet been achieved. The process is currently being modified and further tuned (industrial testing).

10.3.3 Conclusions of Processing Tests

Yubang ore is characterized by low grades, multiple types of silver-bearing minerals, and a sulfide ore type. The target minerals have non-uniform dissemination sizes, and the ore contains a high proportion of gangue minerals that are prone to slime production. Most target minerals are sulfides with good floatability, so a flotation process can be used for recovery. However, due to the uneven dissemination size and complex intergrowth relationships, a high degree of monomer liberation is difficult to achieve at relatively coarse grinding sizes, making Pb–Zn separation difficult and high-grade lead and zinc concentrates hard to obtain. The high content of easily slimed gangue minerals means that finer grinding will increase slime production, which deteriorates pulp flotation conditions and thus flotation performance. Therefore, flotation should be carried out at the coarsest feasible grinding size.

Through detailed conditional tests and eight closed-circuit flow sheet tests, it was demonstrated that the overall silver recovery of each flow sheet was roughly the same. Bulk flotation can produce a silver–lead–zinc bulk concentrate and a silver concentrate, but it is difficult to obtain a zinc concentrate. Preferential flotation, however, can produce qualified silver–lead concentrate, silver concentrate, and zinc concentrate. The tests defined a suitable beneficiation flow sheet and process

parameters (principle flow sheet 5), namely: under coarse grinding conditions (70% passing 74 μm), adopt preferential flotation of silver–lead, followed by zinc flotation from the silver–lead tailings. The silver–lead preferential flotation includes two rougher stages: the first rougher concentrate is cleaned directly; the second rougher concentrate is reground and then cleaned. This minimizes slime generation and reduces its adverse effect on flotation. Zinc is floated from the silver–lead tailings to produce a qualified zinc concentrate. Through upgrading flotation of the silver–lead concentrate, a high-grade silver–lead concentrate and a low-grade silver–lead concentrate (silver concentrate) are obtained.

Because the ore grade is low, pre-discarding tailings at the crushing stage to restore the geological grade of the ore is a necessary means to reduce beneficiation costs and increase ore processing capacity. Laboratory tests using an optical/electronic sorter (X-ray sorter) for pre-discarding waste achieved good pre-concentration results. However, industrial tests on site have not been ideal due to the influence of ore moisture and the ore preparation (crushing–screening) flowsheet. Further industrial testing is still required to determine suitable ore preparation flows and pre-concentration indices.

10.4 Existing Processing plant

10.4.1 Process Flowsheet

The existing processing plant is located on a hillside about 100 m southeast of the main shaft. It has a design capacity of 5,000 tpd and was designed by Shenyang Nonferrous Metallurgy Design and Research Institute in January 2011. Construction was completed and production commenced at the end of 2012. The plant consists of one 2,000 tpd production line and one 3,000 tpd production line, which share a common crushing line. The grinding, flotation, and product dewatering circuits of the two lines are basically the same. Figure 10-5 shows a panoramic view of the existing concentrator, and Figure 10-6 shows the current process flowsheet.

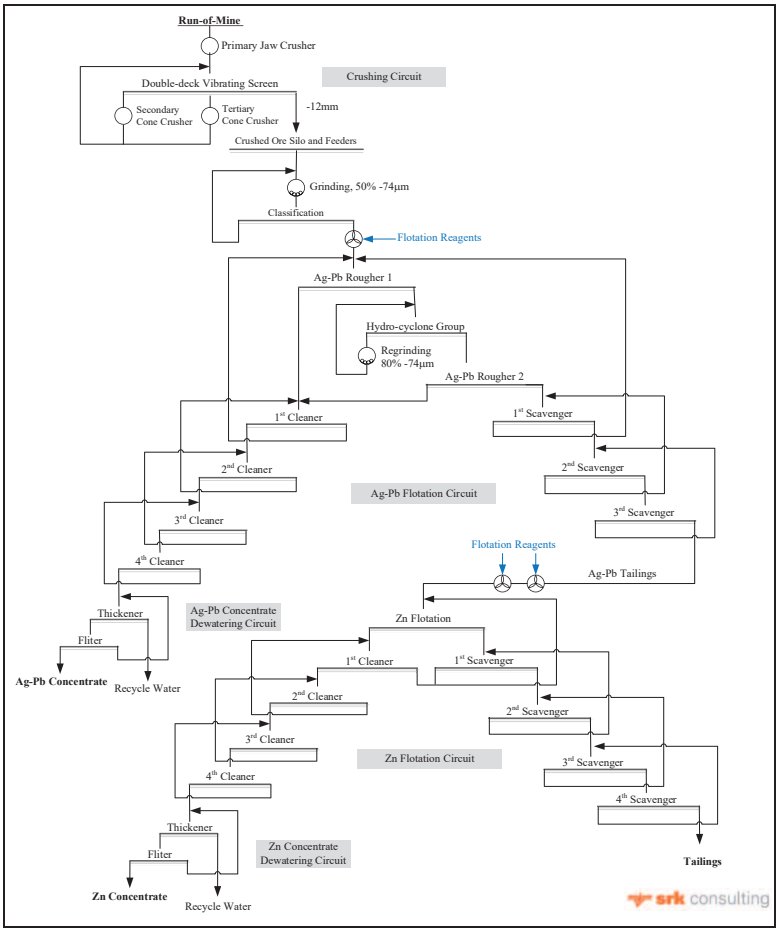
Ore crushing adopts a three-stage closed-circuit crushing process. The maximum lump size of ROM ore is 500 mm, and the crushed product is -12 mm. Grinding is carried out in a single-stage closed-circuit, with an actual product size of 68% passing 200 mesh. A lead-priority flotation process is used: after two rougher stages and two scavenger stages, a lead rough concentrate is produced. The lead rough concentrate is reground and then subjected to four cleaner stages to produce the final lead concentrate. The lead tailings are treated through "two rougher, two scavenger, four cleaner" stages to produce a zinc concentrate. The flotation concentrates are thickened and filtered in two dewatering stages to obtain the final lead and zinc concentrates.

Figure 10-5: Panoramic View of the Existing Yubang Processing Plant



Source: SRK

Figure 10-6: Current Processing Plant Process Flow



Source: SRK

The process is briefly described as follows:

- Ore crushing: A three-stage, two-closed-circuit crushing process is used. Primary crushing uses a jaw crusher fed by a heavy-duty apron feeder. Secondary and tertiary crushing use cone crushers. Screening is carried out with double-deck vibrating screens, reducing the run-of-mine ore to 100% passing 12 mm.

- Grinding: A single-stage closed-circuit grinding process is adopted, with a grind size of 50% passing 200 mesh (50% −74 μm). The 2,000 t/d production line uses a spiral classifier for classification, and the 3,000 t/d line uses a hydrocyclone cluster.

- Silver–lead flotation: A preferential flotation process of "depressing zinc and floating lead" is used, with a "two rougher, three scavenger, four cleaner" flowsheet and sequential return of middlings, producing a silver–lead concentrate. Tailings from the first rougher stage are classified and reground to 80% −74 μm, then subjected to a second rougher stage and three scavenger stages. Concentrates from the two rougher stages are combined and cleaned in four stages.
- Zinc flotation: A "one rougher, four scavenger, four cleaner" flowsheet is used, with middlings returned sequentially, producing a zinc concentrate.
- Concentrate dewatering: Both the silver–lead concentrate and zinc concentrate use a two-stage dewatering process consisting of a thickener followed by a ceramic filter. The dewatered concentrates have a moisture content of about 10% and are stored for sale.

10.4.2 Facilities and Equipment

The main production facilities of the existing concentrator include: run-of-mine ore stockyard, coarse ore bin, crushing workshop, screening workshop, pre-concentration and waste-rejection workshop, grinding workshop, flotation workshop, reagent storage and preparation workshop, and concentrate dewatering workshop. The main mineral processing equipment is listed in Table 10-6. The pre-concentration and waste-rejection workshop is still under testing and commissioning, so its equipment is not included in the table. Figure 10-7 shows photos of some of the processing workshops and equipment.

Table 10-6: **Main Mineral Processing Equipment of the Existing Concentrator**

No.	Equipment	Specification/Model	Power (kW)	Quantity
	Crushing line			
1	Heavy-duty apron feeder	GBZ150×8	22	1
2	Jaw crusher (coarse crushing)	C100	110	1
3	Cone crusher (medium crushing)	HP300	250	1
4	Cone crusher (fine crushing)	HP300	250	1
5	Circular vibrating screen	2YAG2460	30	1
	2,000 tpd production line			
6	Electromagnetic vibrating feeder	GZ2		12
7	Ball mill	GMG3245	800	1
8	Spiral classifier	2FLG-2400	18.5+3	1
9	Ball mill	GMY2740	450	1
10	Hydrocyclone	Φ350		1
11	Pulp conditioning tank	RJ25 (Φ2.5×2.5m)	18.5	1
12	Flotation machine	XCF-16	37	4
13	Flotation machine	KYF-16	30	9
14	Flotation machine	CF4	15	5
15	Pulp conditioning tank	RJ25 (Φ2.5×2.5m)	18.5	2
16	Flotation machine	XCF-16	37	5
17	Flotation machine	KYF-16	30	10
18	Flotation machine	CF4	15	5
19	Thickener	TEN-12	3	1
20	Thickener	TEN-9	3	1

21	Ceramic filter	TC-9	10	2
22	Ceramic filter	TC-4	6	2
	3,000 tpd production line			
23	Ball mill	MQY Φ4800×7470mm	2900	1
24	Hydrocyclone cluster	FX500-GT×8		1
25	Ball mill	MQY Φ3810×7340mm	1400	1
26	Hydrocyclone cluster	FX350-GT×12		1
27	Pulp conditioning tank	Φ4.5×4.5m	45	2
28	Flotation machine	XCFⅡ-50		5
29	Flotation machine	KYFⅡ-50		10
30	Flotation machine	XCFⅡ-20		4
31	Flotation machine	KYFⅡ-20		2
32	High-efficiency thickener	MZS-10		2
33	Ceramic filter	LH-45		2

Source: Yubang Mining equipment ledger; Guangzhou Research Institute, "Process Inspection Report"

Figure 10-7: Photos of Selected Workshops and Equipment at the Existing Processing Plant



Source: SRK

10.4.3 Production Performance

The beneficiation production performance for 2024 and 2025 is shown in Table 10-7. The plant produces two products: silver-lead concentrate and zinc concentrate. Although the silver-lead concentrate has a high silver recovery (90%), its grade is low (silver grade 1,384 g/t, lead grade 3.36%). The lead content does not meet the payable grade standard for sales, so the silver-lead concentrate needs to be upgraded.

The zinc concentrate contains silver, but both the zinc and silver grades are low, resulting in a low pay factor in sales. It should be noted that the zinc flotation operation has been abnormal over the past two years, with the circuit being switched on and off intermittently, leading to very low zinc concentrate yield and low recovery.

According to test results, by applying upgrading flotation to the silver-lead concentrate, it is possible to produce a high-grade silver-lead concentrate with acceptable lead grade (not less than 40% Pb) and a silver concentrate. By properly controlling operating conditions, it is also possible to produce a silver-bearing zinc concentrate that meets specifications (zinc grade not less than 40% Zn). The existing concentrator needs to continuously optimize its operating parameters to improve beneficiation indices.

Table 10-7: Production Performance of the Existing Concentrator.

Indicator / Item	UNIT	2024	2025	Total / Average
Ore processed	t	1,252,584	1,567,628	2,820,212
Head grade of ore	Ag g/t	71.08	69.17	70.02
	Pb %	0.24	0.26	0.25
	Zn %	0.57	0.89	0.75
Contained metal in ore	Ag kg	89,038	108,434	197,472
	Pb t	3,043	4,114	7,157
	Zn t	7,174	13,981	21,155
Silver-lead concentrate	t	50,101	77,824	127,925
Grade of silver-lead conc.	Ag g/t	1,601	1,244	1,384
	Pb %	4.64	2.53	3.36
Metal in silver-lead conc.	Ag kg	80,201	96,787.22	176,988
	Pb t	2,324	1,972	4,296
Recovery in silver-lead conc	Ag %	90.08	89.26	89.63
	Pb %	76.36	47.94	60.02
Zinc concentrate	t	960	1,578	2,538
Grade of zinc conc	Ag g/t	477	870	721
	Zn %	29.10	36.70	33.83
Metal in zinc conc	Ag kg	458	1,373	1,831
	Zn t	279	579	858
Recovery in zinc conc	Ag %	3.89	1.27	0.93
	Zn %	0.51	4.14	4.06

Source: 2024 concentrator daily reports and 2025 monthly metal balance sheets.

10.5 Planned Processing Plant

10.5.1 Designed Process

According to ENFI's "Feasibility Study Report on the Mining and Beneficiation Project of the Shuangjianzishan Silver-Lead-Zinc Ore District" (January 2023), a new 20,000 tpd concentrator is planned to be built in two phases: a new 5,000 t/d concentrator in Phase I and a new 15,000 t/d concentrator in Phase II. Eight years later, the two new concentrators will together process 6.6 million tonnes of ore per year. The designed process is similar to that of the existing concentrator.

The planned concentrator has a design capacity of 20,000 tpd (6.6 Mtpa). At the time of the feasibility study, the beneficiation tests at the Guangzhou Institute had not yet been carried out. Therefore, the process design in the feasibility study still follows the existing concentrator process and does not reflect the advantages of the new flowsheet.

Ore Coarse Crushing

The size of run-of-mine ore will not exceed 1,000 mm. A new coarse crushing station will be built. Using a single-stage open circuit, the ROM ore will be crushed to ≤300 mm and then transported by belt conveyor to the existing and new concentrators.

Grinding

The designed crushing-grinding process adopts a semi-autogenous grinding (SAG) – ball milling – pebble crushing (SABC) flowsheet, and the flotation process adopts a silver-lead preferential flotation followed by zinc flotation.

The silver-lead preferential flotation circuit consists of two-stage lead roughing, two-stage scavenging, regrinding of rougher concentrate, and four-stage cleaning. The tailings from lead scavenging enter the zinc flotation circuit, which consists of two-stage zinc roughing, two-stage zinc scavenging, and four-stage zinc cleaning.

The dewatering process adopts a two-stage thickening–filtration scheme, and plant tailings are pumped to the tailings pump station.

Coarse Crushing

Mining will control the maximum ore size to no more than 1,000 mm. A surface coarse crushing station will be set up, using a single-stage open-circuit crusher to reduce ore size to ≤300 mm. The crushed ore will be sent by belt conveyor to coarse ore bins at the industrial site of both the existing and new concentrators for buffering. The effective storage capacity of the new concentrator's coarse ore bin is 20,000 t, to balance the mismatch between mining and processing and ensure continuous, steady operation of the concentrator.

Grinding and Classification

Grinding uses an SABC circuit: semi-autogenous mill + ball mill + pebble crushing. Under the coarse ore bins, six heavy-duty apron feeders discharge ore onto belt conveyors that feed the SAG mill in the main plant building. SAG mill discharge is screened by a trommel; the oversize is transferred by belt conveyor to the pebble crushing building's buffer bin. Pebble crushing uses one HP200 cone crusher, and crushed product is returned via belt conveyor to the SAG mill. Trommel undersize flows into a slurry tank and is pumped by two slurry pumps to a hydrocyclone cluster. Cyclone underflow is fed to one grate-discharge ball mill for the second-stage grinding; ball mill discharge also flows into the slurry tank. Cyclone overflow (70% passing 74 μm) flows by gravity to an agitation tank ahead of rougher flotation for conditioning.

Flotation

Flotation adopts a "silver-lead preferential flotation – zinc flotation" flowsheet. The silver-lead flotation circuit uses a "two-stage roughing, two-stage scavenging – regrinding of rougher concentrate – four-stage cleaning" arrangement. Rougher concentrates from the two roughing stages enter a classification–regrinding loop. This loop consists of a hydrocyclone cluster and a vertical mill, with a grind size of 80% passing 38 μm. After regrinding and classification, the rougher concentrates undergo four cleaning stages to produce the final silver-lead concentrate. The tailings from silver-lead flotation enter the zinc flotation circuit, with a "two-stage roughing, two-stage scavenging, four-stage cleaning" flowsheet to produce a silver-bearing zinc concentrate.

Concentrate Dewatering

Both lead concentrate and zinc concentrate use a two-stage "thickening + filtration" dewatering process. Lead concentrate is fed to two Φ24 m elevated center-drive thickeners; thickener underflow is pumped to two 60 m² ceramic filters, producing filter cakes with moisture not exceeding 12%. Zinc concentrate is fed to one Φ18 m elevated center-drive thickener; the underflow is pumped to one 36 m² ceramic filter, with filter cake moisture not exceeding 12%.

The feasibility-study flowsheet for the new concentrator is basically the same as that of the existing plant and does not adopt the Guangzhou Institute's recommended flowsheet of "two-stage silver-lead roughing – separate cleaning of each rougher concentrate" (Figure 10-4). Since this recommended flowsheet can produce on-spec high-silver lead concentrate and on-spec zinc concentrate even when lead and zinc grades are relatively low, and it has strong adaptability to variations in ore grade, SRK recommends that the flotation circuit of the new concentrator be designed according to the flowsheet proposed by the Guangzhou Institute.

The feasibility study does not include a pre-concentration and waste-rejection circuit, but leaves space reserved for such a facility, because industrial tests for pre-concentration and waste rejection at the existing concentrator are still ongoing, and equipment selection, process layout, operating parameters, and technical indices are not yet available. Since pre-concentration and waste rejection can increase the mill feed grade and reduce processing costs, SRK considers this step essential and recommends expediting the industrial tests on pre-concentration and waste rejection at the existing concentrator to support the design of this circuit for the new plant.

The feasibility study also does not include a upgrading flotation circuit for the silver-lead concentrate. Because upgrading flotation of silver-lead concentrate can produce a high-grade silver-lead concentrate and a conventional-grade silver concentrate, achieving better sales prices, SRK recommends that a silver-lead concentrate upgrading flotation circuit be designed during the preliminary design stage.

10.5.2 Facilities and Equipment

The industrial site for the planned 20,000 tpd concentrator is located on a relatively gentle hillside about 800 m northeast of the existing 5,000 tpd concentrator site, with natural ground elevations between 809.0 m and 819.0 m. The general layout of the plant slopes gradually from southwest to northeast, with an overall gradient of about 2%, and adopts a stepped arrangement along the hillside in the vertical direction.

The new concentrator industrial area covers about 15.6 hm² and includes: coarse ore bin, pebble crushing building, main beneficiation plant, lime milk preparation, circulating water and fire-water pump station, domestic sewage treatment station, process wastewater collection pond, return-water booster pump station, initial storm-water collection pond, tailings thickeners, No. 1 tailings pump station, tailings return-water pump station, main substation (including diesel power station), central warehouse, general maintenance workshop, boiler house, concentrator office building, canteen, shift dormitory, truck scale, and gatehouse, etc.

The main mineral processing equipment of the new concentrator is shown in Table 10-8. Figure 10-7 shows part of the processing shop and equipment.

Table 10-8: Main Equipment for the Planned 20,000 tpd Concentrator

No.	Equipment Name	Specification / Model	Installed Power (kW)	QTY
1	Heavy-duty apron feeder	1500×4500mm	55	8
2	Vibrating feeder	XZGZ1300×2200×300	3.7	2
3	Semi-autogenous mill (SAG)	Φ10.37×5.19m	8500	1
4	Ball mill	MQY7.0×10.5m	2×4800	1
5	Hydrocyclone cluster	Φ710×10		2
6	Linear vibrating screen	GK3.6×8.5m	2*15	1
7	Pebble crusher (cone)	HP300	200	2
8	Agitation tank	Φ6.5×7.0m	110	3
9	Lead rougher–scavenger flotation cell	200m3	220	7
10	Lead cleaner flotation cell	16m3	22+15	5
11	Vertical mill	KLM630	630	1
12	Hydrocyclone cluster	Φ250×8		1
13	Zinc rougher–scavenger flotation cell	200m3	220	7
14	Zinc cleaner flotation cell	16m3	22+15	5
15	Blower	MC400	560	3
16	Screw air compressor	Q=12.5m3/min	55	2
17	Reagent preparation tank	Φ6.5×7.0m	110	2
18	Reagent preparation tank	Φ2.5×2.5m	7.5	4
19	Automatic dosing unit	64 Points		1
20	Thickener	Φ27m	15	3
21	Ceramic filter	60m2	24	2
22	Ceramic filter	36m2	21.4	1
23	High-efficiency thickener	Φ70m	50	1

Source: Feasibility Study Report on the Mining and Beneficiation Project of the Shuangjianzi Mountain Silver-Lead-Zinc Ore District, China ENFI Engineering Corporation, January 2023 (to be revised after the preliminary design is completed).

10.5.3 Technical Indices

The planned concentrator has a design capacity of 20,000 tpd, operating continuously throughout the year, with an annual operating rate of 90.4% and an effective operating time of 330 days per year. The annual ore treatment capacity is 6.6 million tonnes. The design beneficiation indices are shown in Table 10-9. The overall silver recovery is 91.88%, the zinc grade in the zinc concentrate is 45%, and the zinc recovery is 48%. Compared with the results obtained in the tests, the design indices are slightly on the high side.

Table 10-9: Design Technical Indices for the New 20,000 tpd Concentrator

Product	Output (tpd)	Mass (%)	Grade (%)			Recovery (%)		
			Ag (g/t)	Pb	Zn	Ag	Pb	Zn
Ag-Pb Concentrate	418	2.09	**3,100**	**11.63**	9.60	**86.00**	**84.00**	30.93
Zn Concentrate	138	0.69	**640**	0.40	**45.00**	**5.88**	0.96	**48.00**
Tailings	19,444	97.22	6.31	0.04	0.14	8.12	15.04	21.07
Run-of-mine	20,000	100.00	75.50	0.29	0.65	100.00	100.00	100.00

Product	Output (tpd)	Mass (%)	Grade (%)			Recovery (%)		
			Ag (g/t)	Pb	Zn	Ag	Pb	Zn

Ore Sorting Concentrate	15,000	75.00	81.90	0.40	0.88	94.50	93.50	93.80
Ore Sorting Waste	5,000	25.00	14.30	0.08	0.17	5.50	6.50	6.20
Ag-Pb Concentrate	103.5	0.52	5,210.74	**42.61**	17.51	41.49	68.91	12.94
Ag Concentrate	345.0	1.73	1,431.47	2.24	9.02	37.99	12.06	22.23
Zn Concentrate	147.0	0.74	459.64	0.35	**42.43**	5.20	0.79	44.56
Tailings	14,405	72.02	8.87	0.05	0.14	9.83	11.73	14.07
Run-of-mine	20,000	100.00	65.00	0.32	0.70	100.00	100.00	100.00

Source: Feasibility Study Report on the Mining and Beneficiation Project of the Shuangjianzi Mountain Silver-Lead-Zinc Ore District, China ENFI Engineering Corporation, January 2023 (to be revised after the preliminary design is completed).

10.6 Tailings Storage Facility

10.6.1 Existing Tailings Storage Facility

The existing tailings storage facility (TSF) is located in a valley about 300 m northwest of the concentrator and was designed by the Shenyang Nonferrous Metallurgical Design and Research Institute as a valley-type TSF. The final design elevation of the dam crest is 866 m asl, with a total dam height of 50 m and a total storage capacity of 6.724 million m³. Using a utilization factor of 0.8, the effective storage capacity is 5.38 million m³. At present, 3.748 million m³ of tailings have been deposited, leaving a remaining effective storage capacity of 1.632 million m³. Based on a dry bulk density of 1.23 t/m³ (likely underestimated), a further 2.007 million tonnes of tailings can be stored. Assuming an annual tailings production of 1.5 million tonnes, of which 50% is used for underground backfill, the remaining service life is 2.7 years.

The starter dam is an impervious earth-rockfill dam. The elevation at the base of the starter dam is 816.0 m, with a crest elevation of 836.0 m, a maximum height of 20.0 m, a crest length of 251.24 m, and a crest width of 5.0 m. Above the starter dam up to the final design elevation, the dam is raised with tailings to form a tailings embankment. The designed height of the tailings embankment is 30 m, giving a maximum total dam height of 50 m and a total TSF capacity of about 6.724 million m³. According to national standards, the TSF is classified as Class IV.

The downstream slope of the starter dam is protected with a 400 mm thick dry-laid block stone revetment. A 3.0 m wide berm is provided on the downstream slope at elevation 822.0 m.

At present, the crest elevation of the tailings embankment is 861.0 m. Four sub-dams have been constructed, with crest elevations of 841.0 m, 846.0 m, 856.0 m, and 861.0 m, respectively. Each sub-dam is constructed from local slope soil mixed with crushed stone. The outer slope of the tailings embankment is covered with soil and grassed for slope protection. The dry beach within the TSF is relatively level. The current beach elevation in front of the dam is about 858.87 m, the water surface elevation is 857.37 m, the beach slope is about 1.25%, and the dry beach length is 120 m. According to the storage-capacity curve, about 3.748 million m³ of tailings have been deposited in the TSF, with a remaining storage capacity of 2.976 million m³.

Longitudinal and transverse drainage ditches, constructed of mortared stone, are provided on the crests and surfaces of both the starter dam and the tailings embankment. These longitudinal and transverse drains connect to drainage ditches on the abutments, conveying surface runoff from the dam directly downstream.

Flood control facilities outside the TSF consist of a diversion channel, while flood discharge facilities within the TSF consist of a drainage chute and a box culvert. Tailings supernatant water and floodwater are discharged from the TSF via the drainage chute and box culvert, flow through an energy dissipation basin at the dam toe, and then enter the return water pond, from which water is pumped back to the high-level water tank at the concentrator. During SRK's site visit, it was observed that clarified water at the tail of the TSF is returned to the concentrator's high-level water tank via a floating pump station, and that the drainage chute and box culvert function only for flood control and discharge.

The entire TSF basin is lined with a geomembrane for seepage control. To effectively lower the phreatic line and accelerate tailings consolidation, drainage facilities are installed within the tailings embankment at elevations corresponding to the starter dam crest (836.0 m) and the sub-dam crests at 846.0 m and 856.0 m. Seepage water discharged from the embankment and rainfall runoff from the dam slope flow into drains on the berm and then into the abutment drainage ditches, which convey the water out of the TSF.

Tailings slurry is delivered from the sand pump station to the TSF through tailings pipelines. Tailings discharge is carried out via multiple pipes distributed along the dam front. The discharge laterals are wear-resistant polyethylene pipes with a diameter of 150 mm, spaced at 15 m intervals and extending onto the beach in front of the dam.

In accordance with monitoring requirements for a Class IV TSF, this facility is equipped with monitoring installations for dam deformation, phreatic line, dry beach length, pond water level, and precipitation.

10.6.2 Proposed Tailings Storage Facility

The proposed tailings storage facility ("TSF") is located in a valley about 10 km northeast of the orebody. The valley has relatively gentle topography and a small catchment area, making it a favorable site. Similar to the downstream TSF, the proposed TSF is a valley-type facility and will include a starter dam, tailings embankment, external flood-control system, internal flood-discharge system, full-basin geomembrane lining for seepage control, dam drainage facilities, tailings delivery and discharge system, return water facilities, safety monitoring facilities, and management facilities.

The proposed TSF has a designed total storage capacity of 129.25 million m³ and is a valley-type TSF with the dam formed by a starter dam and upstream-raised tailings dam. Using a utilization factor of 85%, the effective storage capacity is 109.86 million m³. Based on a dry bulk density of 1.23 t/m³ (likely underestimated), it can store 138.43 million tonnes of tailings.

The starter dam is 25 m high and 360 m long, with both upstream and downstream slopes of 1:2.0. It will be constructed as a compacted earth-rockfill dam, using soil and rock material excavated locally within the basin. The upstream slope will be lined with a geomembrane for seepage control.

Above the starter dam, the tailings embankment will be raised using the conventional wet upstream method. Tailings discharged from the new 20,000 t/d concentrator will be thickened to 35% solids near the plant in a thickener, then pumped in series by two booster pump stations and transported by pipeline for about 11 km to the TSF crest, where they will be discharged in a distributed manner for storage in the facility. Sub-dams will be raised stepwise using hydraulically placed tailings, with each sub-dam 3.0 m high and an overall outer slope ratio of about 1:5. The tailings embankment

height is 115 m, giving a final tailings dam height (starter dam + tailings embankment) of 140 m and a final crest elevation of 1,065 m.

In the early stage, flood discharge from the TSF will be handled by a system consisting of two decant towers, two branch adits, and a tunnel; in the middle and later stages, flood discharge will be handled by an inlet chute and tunnel system.

The TSF will be lined with a single 1.5 mm thick geomembrane. In addition, a cut-off (seepage control) dam, collection pond, and return water pump station will be provided on the outer side of the tailings dam to collect and reuse seepage from the TSF and drainage from the internal flood-control system. A floating pump station will also be installed to recover clarified water from within the TSF.

11 Workforce Assessment

11.1 Workforce Numbers

Currently, the Shuangjianzishan Project has totally 442 employees. The distribution and educational degrees of the employees have been summarized in Table 11-1.

Table 11-1: Summary of Current Workforce in the Shuangjianzishan Project

Specialty	Quantity	Education degrees	Quantity
Production	325	Graduate	-
Sales	-	Undergraduate	52
Technical	32	College	76
Accounting	5	Technician secondary school	27
Administration	80	High school	287
Total	**442**	**Total**	**442**

Source: *Xingye and Yubang*

Regarding the workforce after the expansion, according to the *FS 2023*, the expanded mine will adopt a general manager responsibility system under the leadership of the Board of Directors. There are following managemental departments:

- Production and Technology department;
- Engineering department;
- Safety and Environmental Protection department;
- General Dispatch Centre;
- Machinery and Power department;
- Supply and Sales department;
- Accounting department;
- Enterprise Management department;
- External Affair department; and
- General Manage Office.

The three workshops are: Mining and Developing Workshop, Ore Processing Workshop, and Production Supportive Workshop.

After the expansion, there will be 1,469 personnel for the Shuangjianzishan Project, with 1,300 production personnel and 169 managerial and service personnel. Table 11-2 provides the distribution of the work force in different departments.

Table 11-2: Summary of Workforce in the Shuangjianzishan Project

Department	Total	Maximum per shift	Total	Production	Management/ service
Mining	811	317	1058	994	64
Ore processing and TSF	184	76	238	216	22
Supportive	90	58	106	90	16
Management	67	67	67		67
Total	**1152**	**518**	**1469**	**1300**	**169**

Source: *FS 2023* ENFI

Table 11-3 provides details of the distribution of the workforce.

Table 11-3: Manpower in different departments after expansion of the Shuangjianzishan Project

Position	Shift			Subtotal	Rotation	Total
	1	2	3			
Underground mining	**247**	**317**	**247**	**811**	**247**	**1058**
Production personnel	247	253	247	747	247	994
for block caving	*44*	*44*	*44*	*132*	*44*	*176*
for Back-filling	*48*	*48*	*48*	*144*	*48*	*192*
for Development	*69*	*69*	*69*	*207*	*69*	*276*
for others	*14*	*16*	*14*	*44*	*14*	*58*
for supportive	*72*	*76*	*72*	*220*	*72*	*292*
Managerial personnel		64		64		64
Ore Processing plants	**54**	**76**	**54**	**184**	**58**	**238**
Production personnel	54	54	54	162	58	216
for increasing personnel	*22*	*22*	*22*	*66*	*22*	*88*
for increasing TSF personnel	*5*	*5*	*5*	*15*	*5*	*20*
for existing plant and TSF personnel	*22*	*22*	*22*	*66*	*22*	*88*
for increasing repairing personnel	*5*	*5*	*5*	*15*	*5*	*20*
Managerial personnel		22		22		22
Supportive	**16**	**58**	**16**	**90**	**16**	**106**
Production personnel	16	42	16	74	16	90
Managerial personnel		16		16		16
General Managerial personnel		**67**		**67**		**67**
Total	**317**	**518**	**317**	**1152**	**321**	**1469**

Source: *FS 2023* ENFI

11.2 Working Schedules

For Shuangjianzishan mine's production, the working schedule is 8 hours/ shift, 3 shifts/ day and 330 days/ year. There are four-shifts personnel ready, with one shift on standby.

The managemental and service personnel also work around the clock to serve the production, with adjustments according to the actual requirements of the mine production, normally they work 5 days per week, 1 shift per day and 8 hours per shift.

The company informed SRK that related Chinese laws and regulations will be abided regarding working hours for every of its employees.

11.3 Assessment of Workforce

It is SRK's opinion that the numbers of the employees and their compositions are reasonable. There is also sufficient manpower available for the Shuangjianzishan Project.

12 Project Infrastructure

12.1 New Infrastructure for the Expansion

In order to expand the production from current 5,000t/d to 25,000t/d, the *FS 2023* by ENFI proposed new infrastructure in addition to current existing one, including the industrial sites for new decline, air-intake ventilation shaft, new ramp, new air returning ventilation shaft, as well as new 20,000t/d ore processing plant, new explosive storage, new tailings storage facility, external water supply, external electricity supply, and external transportation road, etc.

12.2 Industrial sites

The industrial site for new decline of belt transportation and air-intake shaft is located on the gentle slope which is about 600m northeast of current 5,000d/t ore processing plant. The portal of the decline is designed at the elevation of 824m asl, and the portal of the air-intake shaft is designed at the elevation of 827m asl.

The industrial site for new main ramp is located on the slope which is about 240m northeast of current 5,000d/t ore processing plant. The portal of the ramp is designed at the elevation of 846m asl.

The new processing plant will be located at the foot of the hill, which is about 800m northeast of current 5,000d/t ore processing plant. This site is flat with elevations ranging from 809 to 819m asl.

12.3 Tailings Storage Facility

The new tailings storage facility will be built on the site 11km northeast of the mine with an area of 2,920,000 m^2. The facility will use elevations from 916 to 1025m asl with a dam of 109m high, with a capacity of 90,250,000 m^3. Together with existing TSF, the new TSF can store all tailings of the project.

12.4 External Electricity Supply

Xinglongshan transformer station which is about 3km from the mine is the electricity source of the project. The station has two incoming lines of 66kV, one line is from Haoertu transformer station, and another is from Baiyinnuoer station. According to the *FS 2023*, the annual consumption of electricity after expansion is about 253,110,000kWh.

12.5 Water Supply

One source of water supply will be from the water burst of underground mine. The water from underground will be purified and then used for production and firefighting etc. The other source of water will be the Ganzhiga River which is 2km south of the mine. According to the *FS 2023*, the new water needed after the expansion is 9,857m3/d.

12.6 Heating Facility

In order to meet the heating needs of the mining sites, ore processing plants and associated buildings, as well as hot water demand for dormitory showers, a new boiler will be built in the new processing plant. As estimated, the total heating capacity will be 45MW, and heating days will be 184 days per year.

12.7 Office and Living Facilities

The mine has a living accommodation, which is close to the production area, with main office building, dormitory, canteen and bath house. New office and living facilities are also proposed.

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

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

The objective of this review is to identify and verify the existing and potential Environmental, Social, and Occupational Health and Safety ("**OHS**") liabilities and risks, and assess any associated proposed remediation measures for the Project. An environmental site visit was conducted in late January 2026. At the time of this report was written, the Project's mining and processing are operational.

13.2 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprised a review and inspection of the Project'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.

13.3 Status of Environmental Approvals and Permits

SRK was provided with the EIA reports and associated approvals shown in Table 13-1.

Table 13-1: EIA Reports and Approvals

Project	Produced By	Production date	Approved By	Approval date
Shuangjianzishan Silver-Lead-Zinc Processing Plant Expansion Project	Chifeng Environmental Protection Investment Co., Ltd.	January 2021	Chifeng Municipal Bureau of Ecology and Environment	1 March 2021
Shuangjianzishan Silver-Lead Mining and Processing Project	Chifeng Environmental Science Research Institute	July 2011	Chifeng Municipal Bureau of Environmental Protection	22 September 2011

The significant environmental and social aspects for the Project are associated with the mining, mineral processing activities at the Project 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 Project 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 reports mentioned above and other related documents, as well as those environmental and social aspects that have not been addressed.

13.4 Environmental Aspects

13.4.1 Site Ecological Assessment

The development of mining and mineral processing activities may result in impacts to or loss of flora and fauna habitat. The EIA reports 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 EIA reports should also propose effective measures to reduce and manage these potential impacts.

The EIA reports for this Project makes the following statements in respect to flora and fauna:

- The Project area is located in a grass land in a hilly area with elevations ranging from 820 to 950 m asl;
- No protected flora and fauna species are recorded in this area, and the regional natural vegetation comprises grasses and very few shrubs, and the local vegetation cover is thin; and
- 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.

13.4.2 Waste Rock and TSF Management

The Project's waste rock generation rates and the waste rock dump have been previously discussed in the Mining Assessment section. SRK observed that the waste rock generated by the underground mining occupying a surface area near the main shaft. According to the EIA reports, some waste rocks are either recycled as construction materials or be backfilled into mined out space underground.

Tailings are generated from the processing plant, and a portion of coarse tailings are used for backfilling in the mined-out space underground and the remaining (fine) tailings are sent to the TSF. SRK opines that tailings backfilling is a recognized international industry practice to mitigate the impact of surface subsidence and to save space in the TSF, which can limit the land surface subsidence caused by the underground mining. The bottom of this TSF is placed by impermeable HDPE layers to prevent tailings leachate from entering the aquifer causing groundwater pollution. In addition, HDPE layers are also installed on the dam inside to prevent tailings' leachate horizontal migration. A water pump station is installed downstream of the outlet from the TSF underdrain, which sends the supernatant of tailings back to the processing plant for reuse and limit the discharge from the TSF. SRK notes that a new processing plant and a new TSF will be built in the next few years.

The Company states that no geochemical characterization of tails or acid rock drainage ("ARD") assessment has been carried out for the Project operations. Since pyrite may exist in the waste rock or tailings, potentially some heavy metal leaching occurs to pollute the environment. SRK recommends such a geochemical characterization be conducted.

13.4.3 Water Management

The main water protection objective (as stated in the EIA reports) for this project is to protect surface water resources and groundwater resources, and to maximize water conservation and recycling. The Ganzhiga River is located 2 km south of the Project area, and there are some seasonal small creeks near the mine site. Water use for this project site is mainly for the mining and the processing plant, and includes such uses as processing, dust suppression, as well as domestic water for the office and dormitories in the mining camp. The Project sources water from multiple groundwater production wells a few kilometres away from this mine site. 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 in the processing plant is treated and recycled, which saves both water and operational cost. A preliminary mine water sediment facility is installed underground to treat wastewater mainly by flocculation. The treated mine water can be used for underground dust suppression and other operational use. The rest is 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 wastewater is treated by an underground facility on site, and the Company states that the treated domestic wastewater is generally used for on-site irrigation or supplement of the processing water.

13.4.4 Dust and Gas Emissions

The dust emission sources for the project are from the mining area and the processing plant during operation. The EIA reports state that crushing, screening, and hauling activities are conducted with water spraying to reduce dust generation. However, no dust control measures for the waste rock dump areas were noted by SRK, although these areas contribute to dust emissions.

Gas emissions in the mining area are mostly from heavy equipment. SRK is of the opinion that heavy equipment appeared to be maintained properly and may not discharge significant gas emissions to the environment. SRK noted one on-site boiler supplying heat to the processing plant and the office buildings and dormitories. According to the EIA reports, dust collectors were installed to reduce the dust from the emission. In addition, low sulphur coal produced in the Inner Mongolia was used for the boiler, which generates lower amounts of sulphur pollutants.

13.4.5 Noise Emissions

The main noise sources for this project are from mining operations (mainly haulage activities) and the operation of the processing plant (mainly crushing and screening). SRK noted that noise impacts from the underground mining were negligible to the local people since the sites are remote, the nearest residence is more than 1 km away from the Project site, and the local population is sparse. All processing activities are conducted in an enclosed warehouse with anti-vibration and sound absorbing materials installed, and no residents live near the plant. Therefore, noise impacts from this Project are minor.

13.4.6 Hazardous Materials Management

Hazardous materials for the Project comprise hydrocarbons (e.g., fuel, oils, and lubricants) and processing reagents. At the time of this site visit, SRK noted that a permanent fuel and reagent storage facility stored dry reagent storage and above ground tanks for wet reagent storage. No obvious surface staining was observed in the industrial area. Waste oil is collected and treated by a certified waste oil recycling Company off site, which is in compliance with the hazardous waste management regulation. As evidence, SRK was provided a waste oil handling contract.

13.4.7 Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under *Chapter 4 of the Mineral Resources Law of People's Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China (2025), 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.

SRK was provided with a Mine Site Geological Environment Protection and Site Rehabilitation Plan for the Shuangjianzishan Silver-Lead-Zinc Mine dated May 2023, and this plan provides the following with respect to the proposed site closure and rehabilitation measures:

- Site rehabilitation objective – The rehabilitation program is aimed at rehabilitating land disturbed by mining operations to control soil loss and improve ecological environment.
- Progressive rehabilitation – The rehabilitation will be conducted progressively with mining, for example, mined out areas underground will be backfilled with tailings from the processing plant or waste rocks from the waste rock dumps to prevent surface subsidence or side lope failure.
- Replanting – where required, seeding will be undertaken and seedlings will be planted. The species used will be local perennials that are capable of growing in the local weather conditions prevailing on site.
- The waste dump area and the TSF at the time of the project completion, the associated land will be rehabilitated by covering with topsoil and seeds to allow for revegetation.
- Rehabilitation monitoring – Monitoring activities and rehabilitation will be carried out throughout the project lifetime.
- A cost estimate and financial accrual process for site closure is established, and the total environmental rehabilitation cost is estimated to be CNY 5.5M, but SRK was not provided with a letter from the local land and resources bureau proving the deposit payment made into a designated bank.

SRK notes that the proposed approach to the site rehabilitation is generally in line with the relevant recognised Chinese industry practices.

13.5 Social Aspects

The Project area is located in Fuhe Township of Balinzuo Qi. The local economy is dominated by agriculture and livestock husbandry, as well as small mining industry. This mine site is in a remote

area and sparsely populated, and there are no residents or other mining sites within 1 km of the site. The Company states that there are no reported cultural heritage sites in the Project area.

Several runs of public consultation were held in the nearby communities, and the majority are supportive of the Project since they believe that local residents will gain some benefits from the Project including job opportunities and others. According to the Company, this Project will contribute to improve the local economy by employment of local labours and purchasing of local supplies. In addition, the Company states that it will proactively attend to mitigate any potential environmental impacts to the local communities. SRK did not notice any evidence of community opposition to this Project.

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 project.

13.6 Occupational Health and Safety

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

- OHS administration
- Establishment of an emergency response plan
- Regular OHS training for relevant employees
- Safety and hazard signage
- Dust/ gases monitoring and control within the workplace
- Distribution of Personal Protective Equipment ("PPE") to all relevant employees
- Fire prevention and fire fighting
- Lightning strike prevention
- Mining, crushing, blasting and explosives handling
- Traffic management
- Waste rock disposal
- Sanitary provision
- Power provision, and
- Labour and supervision.

SRK notes that the above site occupational health and safety ("OHS") management measures are generally in line with recognized Chinese industry practices and Chinese safety regulations. The Company states that no operational related incidents have occurred in the past three years, and therefore no incident statics or incident analysis reports were available for SRK to review.

13.7 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. The environmental and social risks for the Project are:

- Impacts to the local ecological system due to significant land disturbance;
- Dust impacts from the embankment of the TSF and waste rock dump area; and
- Impacts to groundwater from the waste dump and the TSF.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

14 Capital Expenditures and Operating Expenses

14.1 Capital Expenditures

Current production facilities of the Shuangjianzishan Project possesses a capacity of mining and processing 5,000tpd. Historically Capex refers to investments into the Shuangjianzishan Project that have been provided by the Company. SRK has summarized the Capex in the following tables. The Capex includes the investment for the fixed assets, such as mining operation, ore Processing Plant, and other associated facilities, as well as projects in construction (Table 14-1).

Table 14-1: Present Value of the Capex Invested in Fixed Assets as of 31 December 2025 for the Shuangjianzishan Project (CNY M)

Asset Item	Value (CNY M)
Original Value of fixed assets	784.58
Accumulated depreciation	285.40
Net value of fixed assets	**499.18**
Value of projects in construction	**147.86**
Total value of fixed assets	**647.04**

Source: Xingye and Yubang

SRK considers the Capex invested as sunken capital, while its net value is further used for depreciation.

The ENFI *FS 2023* and Tanmo Consulting/s FS 2026 for the expansion for the underground mining, and current ore processing plant and other supportive facilities propose to increase the production capacity of mining and processing to 25,000t ore per day or 8.25 Mtpa. The feasibility studies proposed further Capex needed for the expansion project, as listed in Table 14-2, 14-3 and 14-4.

Table 14-2: Further Capex Needed According to Purpose (CNY Million)

Item	Amount	%
Construction	1,349.65	46.57%
Equipment	805.01	27.78%
Installation	282.90	9.76%
Others	329.81	11.38%
Contingency	130.63	4.51%
Total	**2,898.00**	**100.00%**

Source: *FS 2026*

Table 14-3: Further Capex Needed According to Cost Centres (CNY Million)

Item	Amount	%
Mining	1,210.65	41.78%
Processing	553.60	19.10%
Tailings system	285.60	9.86%
Supportive facilities	357.82	12.35%
Office and living facilities	29.89	1.03%
Others	329.81	11.38%

Contingency	130.63	4.51%
Total	**2,898.00**	**100.00%**

Source: *FS 2026*

Table 14-4: Details of Further Capex Needed for the Expansion (x 1000 CNY)

No.	Item	Construction	Equipment	Installation	Others	Total
Part One	**Engineering**	1,349,650	805,010	282,900	-	2,437,560
I	Main production engineering	1,228,690	696,410	124,750	-	2,049,850
A	Mine	842,810	325,020	42,820	-	1,210,650
1	Exploration for construction	7,350	2,220	-	-	9,570
2	Development	702,040	-	-	-	702,040
3	Mining equipment	-	157,320	1,380	-	158,700
4	Crushing system	5,400	11,140	4,120	-	20,660
5	Drainage of water and slush	12,570	8,140	3,060	-	23,770
6	Storage of explosive materials	3,340	380	300	-	4,020
7	Ventilation station on surface	1,350	6,700	1,850	-	9,900
8	Underground electricity system	-	6,100	2,750	-	8,850
9	Surface belt transportation system	38,560	18,250	3,580	-	60,390
10	Heating room on portal of air-intake ventilation (early)	2,550	4,230	1,250	-	8,030
11	Heating room on portal of auxiliary ramp (early)	1,660	710	220	-	2,590
12	Air compression room (early)	5,060	4,560	1,550	-	11,170
13	U/G transportation system (late)	8,600	25,680	6,970	-	41,250
14	U/G repairing system (late)	-	820	580	-	1,400
15	U/G monitoring system (late)	-	7,050	1,630	-	8,680
16	Belt hoist system (late)	39,850	34,240	5,670	-	79,760
17	Heating room for belt decline (late)	1,090	370	120	-	1,580
18	Heating room for auxiliary ramp (early)	1,660	710	220	-	2,590
19	Back-filling station (late)	11,730	36,400	7,570	-	55,700
B	Ore processing plant	188,640	302,280	62,680	-	553,600
1	Ore bin for coarse crushing	18,600	13,910	3,490	-	36,000

2	Belt corridor and transferring station	9,920	3,310	1,210	-	14,440
3	Workshop for hard rock crushing	10,640	13,490	3,290	-	27,420
4	Main workshop	136,150	262,790	37,190	-	436,130
5	Plant for making lime milk	3,520	3,450	950	-	7,920
6	Workshop for making regents	5,410	2,830	520	-	8,760
7	Lab and geological department	4,400	2,500	1,030	-	7,930
8	Pipe network in ore processing plant	-	-	15,000	-	15,000
C	Tailings system	197,240	69,110	19,250	-	285,600
1	Tailings condense and No. 1 pump station	17,420	36,800	9,370	-	63,590
2	No. 2 tailings pump station	3,710	11,560	4,270	-	19,540
3	Pipeline for tailings transportation	85,820	-	-	-	85,820
4	Pump station for returning water	290	13,010	3,610	-	16,910
5	Pipelines for returning water	27,540	-	-	-	27,540
6	water seepage pump station	830	2,090	760	-	3,680
7	Recovering system for water seepage	230	-	-	-	230
8	Admin station for TSF	310	5,650	1,240	-	7,200
9	System for draining of flood water	5,120	-	-	-	5,120
10	Seepage protection system for TSF	55,970	-	-	-	55,970
II	Supportive production facility	98,850	103,280	155,690	-	357,820
1	Water supply and drainage system	18,770	12,320	104,060	-	135,150
2	Electricity supply system	4,290	21,170	34,480	-	59,940
3	Heating system	26,490	35,790	11,280	-	73,560
4	General transportation and equipment	37,880	1,250	-	-	39,130
5	Supportive and machinery repairing system	11,420	4,750	1,670	-	17,840
6	Communication system	-	28,000	4,200	-	32,200
III	Officing and welfare facility	22,110	5,320	2,460	-	29,890
1	Service buildings for mining	10,570	2,830	810	-	14,210
2	Officing building for ore processing plant	2,710	1,100	860	-	4,670
3	Gate guard	190	20	10	-	220
4	Weighing station	120	320	50	-	490

5	Dormitory	6,340	670	440	-	7,450
6	Dinner rooms	2,180	380	290	-	2,850
Part two	**Other costs**	-	-	-	329,811	329,811
1	Land usage fees	-	-	-	154,800	154,800
2	Admin fees for construction company	-	-	-	14,625	14,625
3	Supervising fee	-	-	-	97,502	97,502
4	Cost for feasibility study	-	-	-	600	600
5	Cost for assessment of environmental impact	-	-	-	1,920	1,920
6	Testing fees	-	-	-	1,219	1,219
7	Geotechnical exploration fees	-	-	-	6,094	6,094
8	Design fee	-	-	-	15,844	15,844
9	Engineering diagrams and maps costs	-	-	-	951	951
10	Service costs for bidding	-	-	-	2,072	2,072
11	Consulting fees	-	-	-	414	414
12	Temporary facility costs	-	-	-	3,656	3,656
13	Maintenance fee for tunnels	-	-	-	7,313	7,313
14	Insurance	-	-	-	7,313	7,313
15	Cost for running-in zero load	-	-	-	6,825	6,825
16	Cost for running-in with load	-	-	-	2,438	2,438
17	Costs for training production workers	-	-	-	2,316	2,316
18	Costs for tools and furniture	-	-	-	2,438	2,438
19	Costs for officing and living furniture	-	-	-	1,472	1,472
Part Three	**Contingency**	-	-	-	130,629	130,629
	Total cost	**1,349.650**	**805.010**	**282.900**	**460,440**	**2,898.000**

Source: *FS 2023 and 2026*

The construction period of the mining expansion will be three years. The working capital needed for the expansion is CNY 244 million over the first two years of the expanded production. Further sustaining Capex for replacing equipment has been added. Table 14-5 gives the investment plan for the Shuangjianzishan Project. SRK deems that the proposed Capex and investment plan are reasonable and attainable.

Table 14-5: Further Investment Plan (CNY in Million)

Item	2026	2027	2028	2029	2030	2038	2039	2046
Initial Capex	898	1000	1000					
Sustaining Capex						500	568	
Mine closure								250
Residual value								-250
Working capital				120	124			-244
Total	**898**	**1000**	**1000**	**120**	**124**	**500**	**568**	**-244**

Source: *FS 2026, Xingye* with SRK modification

Note: Negative figures are the funds to be recovered at the end of the mine life

14.2 Operating Expenses

The Shuangjianzishan Project has been in operation since 2012, while Xingye only operated the project for two years. SRK was provided with detailed data for the production and operating expenses for the last two years. Table 14-6 provides a summary of operating costs in details from 2024 to 2025. SRK notes that the mining method used in the production in 2024 and 2025 is back-filling method, and that a significant amount of Opex in 2025 was for the underground development.

Table 14-6: Summary of the Opex from 2024 to 2025 of the Project

Item	Unit	2024	2025
Workforce employment	Min CNY	54.48	52.85
Consumables	Min CNY	50.39	41.73
Fuel, electricity, water and other services	Min CNY	25.39	25.32
On and off-site administration	Min CNY	31.90	60.75
Environmental protection and monitoring	Min CNY	3.88	9.98
Transportation of workforce 1	Min CNY	0.00	0.00
Product marketing and transport 2	Min CNY	0.00	0.00
Non-income taxes, royalties and other governmental charges 3	Min CNY		
Others	Min CNY	7.85	58.89
Contingency allowances	Min CNY		
Total Cash Opex	**Min CNY**	**173.89**	**249.52**

Source: Xingye and Yubang

Note: 1. The expenses have been included in "Others"

2. The buyers purchase the concentrates in the mine's plant, and the expenses for sales are minimum, and included in "Others"

3. The costs were not reported in the cash operating costs, and were reported in economic analysis section

4. In the prospectus, Workforce employment is deemed to be labor costs, Consumables is deemed to be materials, Fuel, electricity, water and other services is deemed to be fue l& power, On and off-site administration is deemed to be General & Admin, Environmental protection and monitoring is deemed to be OHS Expenses, Others and Contingency allowances are deemed to be others.

The *FS 2023* by ENFI proposed the Opex as at Table 14-7.

Table 14-7: Summary of the Opex Proposed by *FS 2023*, and used by SRK

Item	Unit	Block Caving	Back-filling	Processing	Supportive	Others
Workforce employment	Min CNY	10.69	12.58	1.65	0.81	
Consumables	Min CNY	15.62	65.61	28.39	0.46	
Fuel, electricity, water and other services	Min CNY	6.16	8.40	15.46	0.96	
On and off-site administration	Min CNY	0.99	0.99	0.26	0.00	9.38
Environmental protection and monitoring	Min CNY	10.00	10.00	0.00	0.00	0.00
Transportation of workforce [1]	Min CNY	0.00	0.00	0.00	0.00	0.00
Product marketing and transport [2]	Min CNY	0.00	0.00	0.00	0.00	0.00
Non-income taxes, royalties and other governmental charges [3]	Min CNY					
Others	Min CNY	6.02	6.37	5.92	4.99	1.07
Contingency allowances	Min CNY	2.47	5.20	2.58	0.36	0.52
Total	Min CNY	51.95	109.15	54.26	7.58	10.97

Source:: *FS 2023* and SRK

Note: 1. The expenses have been included in "Others"

2. The buyers purchase the concentrates in the mine's plant, and the expenses for sales are minimum, and included in "Others"

3. The costs were not reported in the cash operating costs, and were reported in economic analysis section

4. In the prospectus, Workforce employment is deemed to be labor costs, Consumables is deemed to be materials, Fuel, electricity, water and other services is deemed to be fue l& power, On and off-site administration is deemed to be General & Admin, Environmental protection and monitoring is deemed to be OHS Expenses, Others and Contingency allowances are deemed to be others.

SRK has adjusted the proposed Opex by adding 5% of contingency. SRK will use the average Cash Opex for the production in the expansion construction period, i.e. 2026, 2027 and 2028, and will use the adjusted Opex for the production of expansion.

For the whole life of the mine, the average Opex is about CNY 130.3/t ore or CNY 2.58/g Ag_eq or USD 11.31/Oz Ag_eq. Table 14-8 and Table 14-9 give details of the annual average Opex.

Table 14-8: Summary of the annual Opex during the life of mine of the project

Item	Unit	2026-27	2028	2029	2030-33	2034	2035-46
Workforce employment	Min CNY	15.04	14.44	13.66	13.57	13.41	13.15
Consumables	Min CNY	94.46	78.46	57.97	55.47	51.47	44.47
Fuel, electricity, water and other services	Min CNY	24.82	24.10	23.18	23.07	22.89	22.58
On and off-site administration	Min CNY	10.63	10.63	10.63	10.63	10.63	10.63
Environmental protection and monitoring	Min CNY	10.00	10.00	10.00	10.00	10.00	10.00
Transportation of workforce 1	Min CNY	0.00	0.00	0.00	0.00	0.00	0.00
Product marketing and transport 2	Min CNY	0.00	0.00	0.00	0.00	0.00	0.00
Non-income taxes, royalties and other governmental charges 3	Min CNY						
Others	Min CNY	18.35	18.24	18.09	18.08	18.05	18.00
Contingency allowances	Min CNY	8.67	7.79	6.68	6.54	6.32	5.94
Total Cash Opex	**Min CNY**	**181.97**	**163.66**	**140.21**	**137.35**	**132.78**	**124.77**

Source:: SRK

Note: 1. The expenses have been included in "Others"

2. The buyers purchase the concentrates in the mine's plant, and the expenses for sales are minimum, and included in "Others"

3. The costs were not reported in the cash operating costs, and were reported in economic analysis section

4. In the prospectus, Workforce employment is deemed to be labor costs, Consumables is deemed to be materials, Fuel, electricity, water and other services is deemed to be fue l& power, On and off-site administration is deemed to be General & Admin, Environmental protection and monitoring is deemed to be OHS Expenses, Others and Contingency allowances are deemed to be others.

Table 14-9: Summary of the annual Unit Opex during the life of mine of the project

Item	Unit	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Total Opex	Mln CNY	286	312	413	933	1132	1132	1132	1132	1096	1029	1029
Total ore proceesed	kt	1650	1800	2650	6650	8250	8250	8250	8250	8250	8250	8250
Total Ag_Eq sold	Mln g	110	110	134	331	423	401	410	408	409	438	425
Unit Opex	CNY/t ore	173.3	173.3	155.8	140.3	137.3	137.3	137.3	137.3	132.8	124.8	124.8
	CNY/g Ag	2.61	2.83	3.08	2.82	2.68	2.83	2.76	2.78	2.68	2.35	2.42
	CNY/Oz Ag	81.04	87.96	95.89	87.67	83.22	87.92	85.92	86.38	83.25	73.15	75.30
	USD/Oz Ag	11.41	12.39	13.51	12.35	11.72	12.38	12.10	12.17	11.73	10.30	10.61

Item	Unit	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	Total/ Average
Total Opex	Mln CNY	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	848	**19,739**
Total ore proceesed	kt	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	6,796	**151,546**
Total Ag_Eq sold	Mln g	388	368	346	398	415	409	412	434	485	391	**7,645**
Unit Opex	CNY/t ore	124.8	124.8	124.8	124.8	124.8	124.8	124.8	124.8	124.8	124.8	**130.3**
	CNY/g Ag	2.65	2.80	2.97	2.59	2.48	2.52	2.50	2.37	2.12	2.17	**2.58**
	CNY/Oz Ag	82.43	86.99	92.48	80.45	77.09	78.23	77.70	73.82	66.04	67.47	**80.31**
	USD/Oz Ag	11.61	12.25	13.03	11.33	10.86	11.02	10.94	10.40	9.30	9.50	**11.31**

Source: SRK

15 Economic Analysis

15.1 Metal Prices

Valuable metallic elements for the Shuangjianzishan Project include silver, zinc and lead.

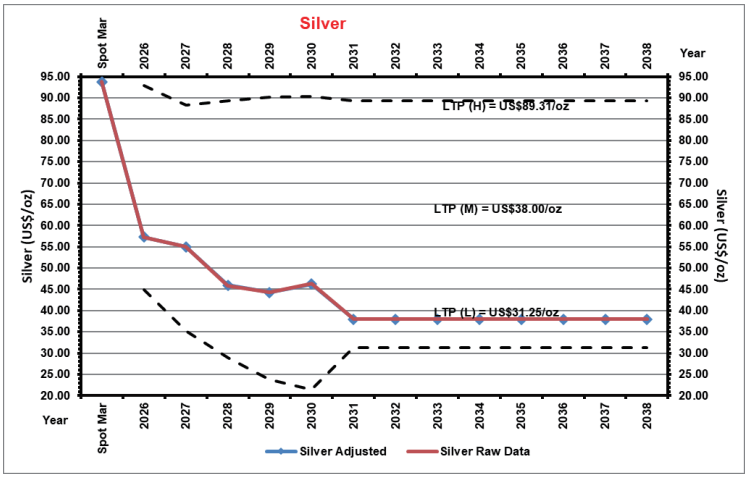
The silver price trend historically is shown in Figure 15-1, and the silver forecast price of Consensus Market Forecast ("**CMF**") published by Consensus Economics Inc. in January 2026 is shown in Figure 15-2.

Figure 15-1: Silver Price Trend in History



Sources: silverprice.org

Figure 15-2: Silver Price Forecast



Sources: CMF on 19 January 2026

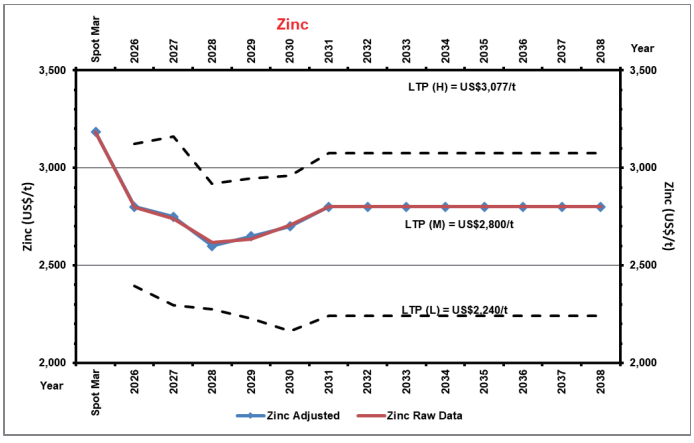
Zinc price trend in history is shown in Figure 15-3. Zinc forecast of CMF, as of January 2026 is shown in Figure 15-4.

Figure 15-3: Zinc Price (US$/t) Trend in History



Source: https://tradingeconomics.com/commodity/zinc

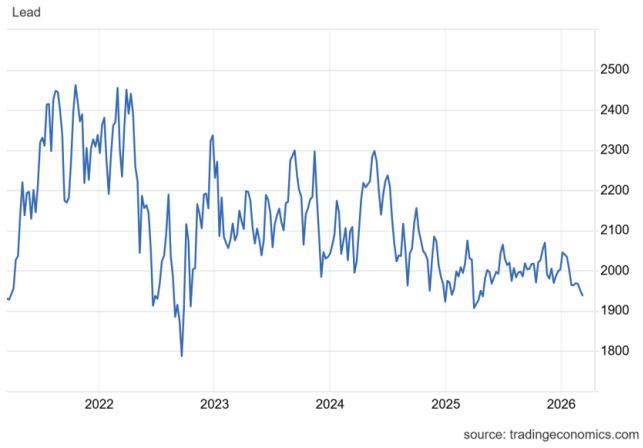
Figure 15-4: Zinc Price Forecast



Source: CMF on 19 January 2026

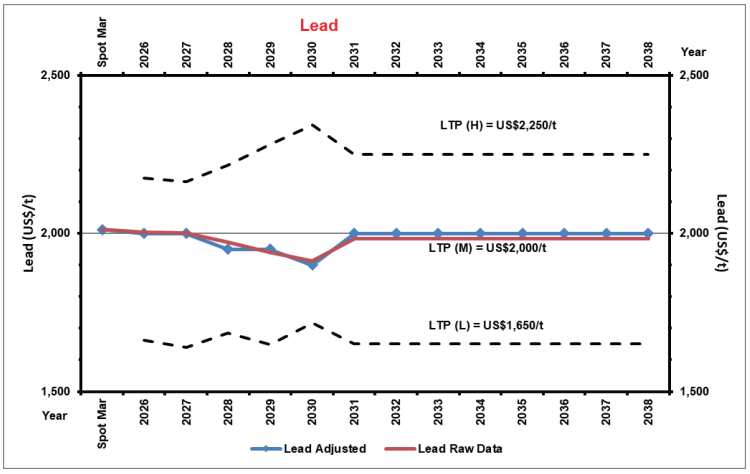
Lead price trend in history is shown in Figure 15-5. Lead forecast of CMF, as of January 2026 is shown in Figure 15-6.

Figure 15-5: Lead Price (US$/t) Trend in History



Source: https://tradingeconomics.com/commodity/lead

Figure 15-6: Lead Price Forecast



Sources: CMF on 19 January 2026

Table 15-1 lists its prediction on prices of silver and copper in the future by SRK in the 1st quarter of 2026, which is a CMF, considering various forecasts made by other professional institutions. The three-year average of exchange rates between US dollar ("**US$**") and Chinese Yuan ("**CNY Yuan**" or "**CNY**" or "**¥**") was used.

Table 15-1: Forecasted Metal Prices by SRK in the 1st Quarter of 2026

Item	Unit	2026	2027	2028	2029	2030	2031	2032 and after
Silver	US$/Oz	57.25	55	46	44.25	46.25	38	38
Silver	US$/g	1.84	1.77	1.48	1.42	1.49	1.22	1.22
Zinc	US$/t	2800	2750	2600	2650	2700	2800	2800
Lead	US$/t	2000	2000	1950	1950	1900	2000	2000
Exchange rate	CNY/US$	7.10	7.10	7.10	7.10	7.10	7.10	7.10
Silver	CNY/g	13.07	12.55	10.50	10.10	10.56	8.67	8.67
Zinc	CNY/t	19880	19525	18460	18815	19170	19880	19880
Lead	CNY/t	14200	14200	13845	13845	13490	14200	14200

Sources: CMF on 19 January 2026

15.2 Sales Contracts

The Company provided SRK with existing contracts for the sales of the silver-lead concentrates and zinc concentrates produced for the Shuangjianzishan Project.

The contracts were signed between Chifeng Yubang Mining Co., Ltd. and Chenzhou Zhuyuan Industry Co., Ltd. ("**Chenzhou Zhuyuan**").

The contract for silver-lead concentrates was signed on 1 January 2026 regarding the sale and purchase of the silver-lead concentrates, has following main agreements:

- The silver-lead concentrate is sold at the storage room of the ore processing plant, and Yubang is responsible for loading, while Chenzhou Zhuyuan is responsible for the transportation of the concentrate.
- The base price is determined by both parties according to the trading prices of silver and lead in China market, which are the average trading prices in the month of the deal.
- The silver price of concentrates is the base price (average price of the month for sales on the China Silver website) multiplying pricing coefficient, and details are given in Table 15-2.

Table 15-2: Silver Pricing Coefficient in the Contracts

Silver Grade (g/t)	Pricing Coefficient (%)
<1000	85
1000 and <1500	86
1500 and <2000	87.5
2000 and <3000	90
3000 and <5000	90.5
5000 and >5000	91

Source: Yubang

- The lead price of concentrates is the base price (average price of the month for sales on the Shanghai Non-ferrous metals website. www.smm.cn) multiplying pricing coefficient, and details are given in Table 15-3.

Table 15-3: Terms on Lead Grades of Silver-Lead Concentrates in the Contract

Lead grade (%)	Pricing coefficient (%)
<8	0
8 and <15	10
15 and >15	To be determined

Source: Yubang

- Other valuable elements contained in the silver-lead concentrates are gold and zinc. When the gold grade is greater than 1 g/t, zinc grade is greater than 10%t, they will have values. Their pricing coefficient are provided in Table 15-4, and Table 15-5. SRK notes that the silver-lead concentrates sold in 2025 contain a small amount of gold. Since the grades of gold in the concentrates were not always greater than 1g/t which is the minimum grade for counting its value, SRK will not consider the gold value in the economic analysis. Although the value of gold will not affect the economic viability of the project, it will increase the value of the project.

Table 15-4: Gold Pricing Coefficient in the Contracts

Gold grade in Silver-lead concentrate (g/t)	Pricing coefficient (%)
>1 to <2	80
2 and <3	81
3 and <4	82
4 and <5	82
5 and <6	83
6 and >6	To be determined

Table 15-5: Zinc Pricing Coefficient in the Contracts

Zinc grade in silver-lead concentrate (%)	Pricing coefficient (%)
10 and <20	15
20 and <30	20
30 and >30	25

Source: Yubang

The contract for zinc concentrates signed on 12 September 2025 regarding the sale and purchase of the zinc concentrates has following main agreements:

- The zinc concentrate is sold at the storage room of the ore processing plant, and Yubang is responsible for loading, while Chenzhou Zhuyuan is responsible for the transportation of the concentrate.
- The base price is determined by both parties according to the trading prices of zinc in the Shanghai Non-ferrous metals website (www.smm.cn), which are the average trading prices in the month of the deal. Following table shows the terms for pricing.

Table 15-6: Terms on Zinc in Zinc Concentrates in the Contract

Base Price for Zinc	Price of Zinc in Zinc Concentrates

15,000 CNY/t	15,000-4400
<15,000 or >15,000 CNY/t	Base price-(4400+(Baseprice-15000)*20%)

Source: Yubang

- The base zinc grade in the zinc concentrates is 50% Zn. Bonus/penalty will be applied for the concentrates with zinc grades greater/less than the base grade, with one percentage point worthing 20CNY/t bonus/deduction. If the actual zinc grade is less than 40% Zn, the terms have to be re-negotiated.
- Silver contained in zinc concentrates will have values. Its pricing coefficient is provided in Table 15-7.

Table 15-7: Silver Pricing Coefficient in the zinc concentrates

Silver grade in Zinc concentrate (g/t)	Pricing coefficient (%)
<200	0
200 and <300	10
300 and <500	15
500 and >500	20

Source: Yubang

15.3 Tax Obligations

According to the data provide from the Company, SRK has summarised the taxes and other fees in Table 15-8.

Table 15-8: Main Taxes Obligations in China

Item	Unit	Amount	Remarks
Income tax	%	25	On taxable income
Resource tax- Pb, Zn	%	6	On value of lead and zinc
Resource tax- Ag	%	5	On value of silver
VAT	%	13	VAT incurred on production can be offset against VAT payable on sale
Fee for city construction	%	7	On VAT payable
Surcharge for education	%	5	On VAT payable

15.4 Technical and Economic Analysis

It should be emphasised that the economic analysis presented in this section is based solely on the results of the technical review provided in previous sections together with some key assumptions. It is primarily provided for Ore Reserve estimation purposes as required by JORC Code.

15.4.1 Principal Assumptions

As discussed in previous sections, various technical and economic parameters have been reviewed. The discounted cash flow ("**DCF**") model has been used in the economic analysis of the Shuangjianzishan Project and the following simplifications and assumptions are made:

- The production rates are as planned on a yearly basis and ore quality are evenly distributed over a production year (average grades were used);
- The final products will be silver-lead concentrates and zinc concentrates;
- Chinese CNY and US$ were used as the currency and inflation is not considered in the model (real-term model). The exchange rate between US$ and CNY is assumed be US$1 = CNY 7.10 (recent three-year average);
- Unit cash costs are also considered constants over the construction period and expansion period; and the cash costs do not include depreciation and amortization;
- Product prices are based on the CMF forecasts, as of January 2026 for silver, lead and zinc; and the pricing terms and methods were based on the sales contracts provided by Yubang;
- Previous capital investment was deemed as sunk Capex, and newly investments have been considered as Capex;
- The net value of the sunken Capex will be considered for depreciation and amortization; and the newly investment will be also depreciated and amortized;
- The Capex will be depreciated and/ or amortized evenly over a 10-year period; and
- Discount rate of 8% will be used in the base case, and the weight-average cost of capital ("**WACC**") assumptions are given in Table 15-9.

Table 15-9: Discount Rate Calculation (WACC Method)

Item	Unit	Value	Remarks
Risk Free Rate	%	4.0	Treasury bonds rate
Market Risk Premium	%	6.0	
Beta of the Investment	/	1.5	
Cost of Equity	%	13.0	
Debt Margin	%	5.0	Policy rate
Cost of Debt	%	9.0	
CIT	%	30.0	
Post-tax Cost of Debt	%	6.3	
Target Debt Equity Ratio	%	30.0	
WACC	%	11.0	
Inflation Rate	%	3.0	
WACC in Real Terms	%	7.8	

15.4.2 Summary of the Cash Flow Projection

For the economic analysis of the Shuangjianzishan Project, SRK adopted a DCF analysis based on previous assumptions and parameters as discussed in previous sections. Detailed cash flow projection has been given in Appendix C.

15.4.3 Results of the Discount Cash Flow Projection of the Project

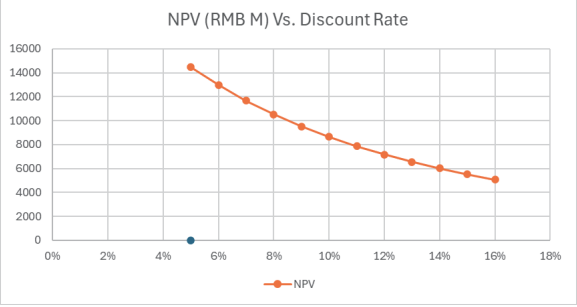
Table 15-10 below presents the net present value ("**NPV**") for the Project as calculated using SRK's DCF analysis. SRK estimated the NPV in a range of CNY 8.64 Billion ("Bln") (at 10% discount rate) to CNY 12.97 Bln (at 6% discount rate), with a base case of CNY 10.53 billion using a discount rate of 8%. The internal rate of return is 94.56%, and the payback period is about 3 years including construction.

Figure 15-7 shows the NPV varies with the discount rate.

Table 15-10: NPV Projections

Item	Upper Case	Base Case	Lower Case
Discount Rate	6%	**8%**	10%
NPV (CNY Bln)	12.97	**10.53**	8.64

Figure 15-7: NPV Vs Discount Rate



15.5 Sensitivity Analysis

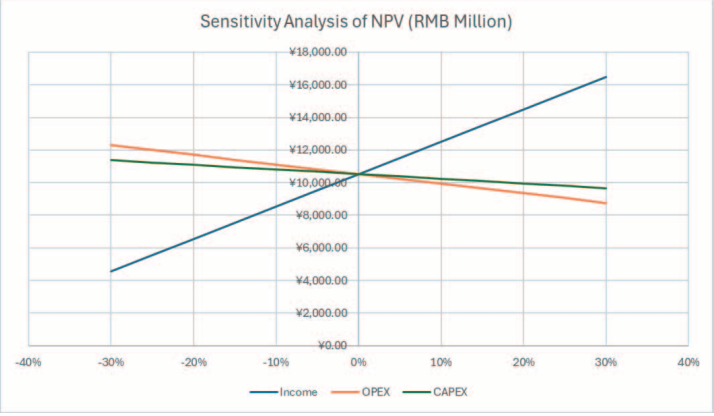
SRK applied a single factor method for the sensitivity analysis. Many parameters can affect the Shuangjianzishan Project NPV. To simplify the calculations, the products' prices or income, Opex, and Capex were selected as the essential variable factors on cash flow. The effects of these essential factors on the NPV were analysed within a ±30% range. The results are shown in Table 15-11 and Figure 15-8.

Table 15-11: Sensitivity Study of NPV (at 8% Discount Rate, in CNY M)

Changes	Income	Opex	Capex
30%	¥16,486.15	¥8,760.85	¥9,668.13
25%	¥15,493.15	¥9,055.40	¥9,811.47

Changes	Income	Opex	Capex
20%	¥14,500.14	¥9,349.95	¥9,954.80
15%	¥13,507.14	¥9,644.50	¥10,098.14
10%	¥12,514.14	¥9,939.04	¥10,241.47
5%	¥11,521.14	¥10,233.59	¥10,384.81
0%	¥10,528.14	¥10,528.14	¥10,528.14
-5%	¥9,535.14	¥10,822.69	¥10,671.48
-10%	¥8,542.14	¥11,117.24	¥10,814.81
-15%	¥7,549.14	¥11,411.79	¥10,958.15
-20%	¥6,556.14	¥11,706.34	¥11,101.48
-25%	¥5,563.14	¥12,000.89	¥11,244.82
-30%	¥4,570.14	¥12,295.44	¥11,388.15

Figure 15-8: Univariate Sensitivity Analysis of NPV (8% Discount)



As shown in the figure above, changes in Opex have a smaller effect on the Shuangjianzishan Project NPV than that of changes in income (prices), while the changes of Capex have less effect on NPV that income and Opex.

The analysis above shows that the Shuangjianzishan Project is economically viable, and the Ore Reserves statement can satisfy the requirements of *JORC Code* 2012.

16 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 16-1: Risk assessment Matrix

Likelihood	Consequence		
	Minor	**Moderate**	**Major**
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

SRK completed a risk assessment of the specific risks identified for the Shuangjianzishan Project in relation to their likelihood of occurrence within the LoM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Shuangjianzishan Project is a production project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Shuangjianzishan Project. SRK's final Risk Assessment is presented in Table 16-2.

Table 16-2: Risk Assessment for Shuangjianzishan Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Unlikely	Moderate	Low
Significant Unexpected Geological Faulting	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 Processing Recovery	Unlikely	Minor	Low
Overestimate of Concentrate Grade	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Major	Medium
Mining			
Significant Geological Structure	Unlikely	Minor	Low
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
Ore Processing and Metallurgy			
Unable to Produce High-quality Lead and Zinc Concentrates	Possible	Moderate	Medium
Recycled Water Influences the Recovery Rate of the Target Minerals	Possible	Moderate	Medium
Poor pre-concentration and waste rejection performance leads to high metal losses in the rejected material or a low rejection rate, which in turn results in lower feed grade to the mill and higher beneficiation (processing) costs	Possible	Moderate	Medium
Environmental and Social			
Impacts to the local ecological system due to land disturbance	Possible	Moderate	Medium
Dust impacts from the TSF and waste rock dump area	Possible	Moderate	Medium
Impacts to groundwater from the waste dump and the TSF	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low

Sources: SRK

A description of High risk in Table 16-2 is shown below:

- The Ore Reserves and economic analysis results are sensitive to the application of block caving method. If the mining method is not appropriate to exploit the Mineral Resources due to geotechnics or other issues, the Ore Reserves and Opex would change to bring negative effect to develop the Shuangjianzishan Project.

17 Conclusions

17.1 Geology

The Shuangjianzishan project is located in the geosynclinal fold system in central Inner Mongolia, Sonid Right Banner late variscan geosynclinal fold zone, southeastern wing of Zhesi-Linxi synclinorium. The region is rich in Ag-Pb-Zn polymetallic mineral resources. The major deposits include SHUANGJIANZISHAN Ag-Pb-Zn deposit, Baiyinnuoer Ag-Pb-Zn deposit, Nailinba Ag-Pb-Zn deposit, and Nailinba Cu-Pb-Zn deposit.

The mineralized bodies are distributed at the XINGLONGSHAN (eastern) block, and there are only few bodies at the SHUANGJIANZISHAN (western) block. The mineralized bodies are layer-like, vein or lens in shape.

17.2 Mineral Resource Estimation

SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Xinye was acceptable for use in a Mineral Resource estimate.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Shuangjianzishan Project, at a cut-off grade of 30 AgEq for the area in the filling mining method and at a cut-off grade of 20 AgEq for the area in the block caving mining method.

There are 143 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 62.61 g/t Ag, 0.29% Pb, 0.61% Zn and 70.48 g/t AgEq; 97 Mt of Indicated Mineral Resources at an average grade of 60.08 g/t Ag, 0.31% Pb, 0.65% Zn and 68.52 g/t AgEq; and 97 Mt of Inferred Mineral Resources at an average grade of 72.70 g/t Ag, 0.29 % Pb, 0.74 % Zn and 82.14 g/t AgEq.

17.3 Ore Reserves

SRK estimated Ore Reserves based on the analysis of existing facilities and data, available technical studies and SRK's experience on the other mines in China.

The Xinglongshan Section is an operational underground mine, and will be modified to expand mining capacity to 8,250 ktpa under the guidance o*f FS 2023* and its updates.

The Ore Reserves were estimated for those block caving stopes and backfilling stopes, respectively. More than 80% of Ore Reserves would be contributed by the block caving stopes. The Ore Reserves can support 21 years' mine production.

There is no Ore Reserve at the Shuangjianshan Section as of the Effective Date.

17.4 Mining

The Xinglongshan Section has been developed with a main ramp and five shafts. Another ramp and decline for the conveyor belts will be added to meet the expanded hauling demand.

The practiced mining methods include shallow hole shrinkage stoping and sub-level open stoping, both with delayed backfilling. The third mining method to be utilised is the block caving.

Modification on the existing mine services are also studied in the *FS 2023* to meet the expanded production capacity.

SRK considered the modified mine design is technically feasible to support the expanded mining capacity in the Shuangjianzishan Project, as they are well-established technologies widely utilised in the global mining industry.

17.5 Processing and Metallurgy

The ore of the Shuangjianzishan Project is a low-grade lead–zinc ore, rich in silver. Silver occurring as free silver minerals accounts for 62.19% of the total silver in the run-of-mine ore; silver dispersed in lead minerals accounts for 7.50%; silver dispersed in sphalerite accounts for 14.92%; silver dispersed in pyrite/arsenopyrite accounts for 19.06%; and even at the −0.043 mm size fraction, silver is still enclosed in gangue minerals such as quartz and sericite accounts for 4.95% of the total silver in the ore. According to mineral floatability, silver is mainly enriched in the lead concentrate, followed by the zinc concentrate.

The grain size of dissemination of the lead and zinc minerals is highly variable, and the ore contains a high proportion of easily slime-forming gangue minerals. Since slimes seriously affect the lead–zinc flotation process, strict control of grinding fineness—avoiding both over-grinding and under-grinding—is a prerequisite for achieving good beneficiation performance. Testwork has determined the optimal grinding fineness to be 70% passing 74 μm.

Using a bulk flotation flowsheet results in a simple flow structure alone, it is difficult to obtain a separate zinc concentrate; the Pb+Zn grades of the bulk concentrate are low, and the lead–zinc selling prices are low (low payability). Using a "preferential flotation flowsheet with lead first zinc second" can produce silver–lead concentrate and silver–zinc concentrate. However, the lead and zinc grades are low and therefore the selling prices are low. Using the flowsheet of "two stages of lead preferential roughing – separate cleaning of the two rougher concentrates – upgrading flotation of the combined lead concentrates – zinc flotation from the lead tailings" can produce high-grade silver–lead concentrate, low-grade silver–lead concentrate, and zinc concentrate, with higher Pb and Zn grades and correspondingly higher selling prices.

The existing concentrator has a nameplate capacity of 5,000 t/d, consisting of one 2,000 t/d production line and one 3,000 t/d production line, and adopts a "preferential flotation flowsheet with lead first zinc second." The products are silver–lead concentrate and zinc concentrate, but the Pb and Zn grades are low, and when the zinc grade is low and grinding fineness control is unstable, it is difficult to produce a separate zinc concentrate.

It is planned to mine the ore by block caving, and to expand the mining and processing scale to 8.25 Mtpa (25,000 tpd). For this purpose, a new 20,000 t/d concentrator and a supporting tailings storage facility have been designed, sited, and subjected to feasibility study, and are now in the engineering design (preliminary design) stage. The new concentrator is designed to use the flowsheet of "pre-concentration with waste rejection – two stages of preferential lead flotation – separate cleaning of the two lead rougher concentrates – upgrading flotation of the lead concentrate – zinc flotation

from the lead tailings," to produce high-grade silver–lead concentrate, low-grade silver–lead concentrate (silver concentrate), and zinc concentrate.

The new concentrator is designed to use an SABC grinding circuit; SRK recommends performing SMC tests, Drop Weight tests, and Bond ball mill work index tests to provide a basis for selecting grinding equipment. Yubang has already commissioned a specialized institution to carry out these tests.

The silver–lead–zinc flotation flowsheet of the new concentrator is an improvement over the existing plant flowsheet and is supported by laboratory flowsheet testwork; SRK considers it feasible. For the pre-concentration waste rejection stage, laboratory tests have shown that it is feasible to reject about 25% of qualified tailings in advance. As on-site industrial trials are still in progress, the actual waste-rejection rate and upgrading ratio achievable in production are not yet possible to estimate reliably.

The new tailings storage facility, located about 10 km from the new concentrator, is a valley-type TSF at a site with favourable topographic conditions. Its designed total capacity is 129.25 million m^3, which can accommodate all tailings over the life of mine. Its disadvantage is the long distance for slurry and return-water transport, resulting in high transport costs. As the remaining service life of the existing TSF is less than three years, a new TSF needs to be constructed as soon as possible to take over from the existing facility.

It is recommended to promptly carry out engineering and hydrogeological investigations of the concentrator industrial site, the TSF area, and the dam site, to provide a basis for the engineering design.

17.6 Environmental and Social Risks

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. The environmental and social risks for the Projects are:

- Impacts to the local ecological system due to land disturbance;
- Dust impacts from the TSF and waste rock dump area; and
- Impacts to groundwater from the waste dump and the TSF.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts to solve the issues.

17.7 Mine Economy

Previous Capex invested in the Shuangjianzishan Project has established the facilities of an operation for mining, ore processing and associated facilities to mine and process ore at a capacity of 5,000t/d. The Company plans to expansion the production to 25,000t/d or 8.25Mtpa. By reviewing the feasibility studies done for the expansion, and using the proposed parameters in the feasibility studies with adjustments, SRK converted the qualified Mineral Resources into Ore Reserves, and the Ore Reserves will support for a life of mine of about 21 years, and predicted that the NPV of the expansion project will be about CNY 10.53 Bln at 8% discount rate, and ranges from CNY 8.64 Bln

at 10% discount to CNY 12.97 Bln at 6% discount, by using the DCF methodology. The average Opex for the whole life of mine is about CNY 130.3/t ore or USD 11.31/Oz Ag_eq.

Closure

This report, Competent Person's Report for Shuangjianzishan Silver-Lead-Zinc Project, Inner Mongolia Autonomous Region, the People's Republic of China, was prepared by

Dr. Anson Xu, Corporate Consultant

and reviewed by

Dr. Yonglian Sun, Corporate Consultant

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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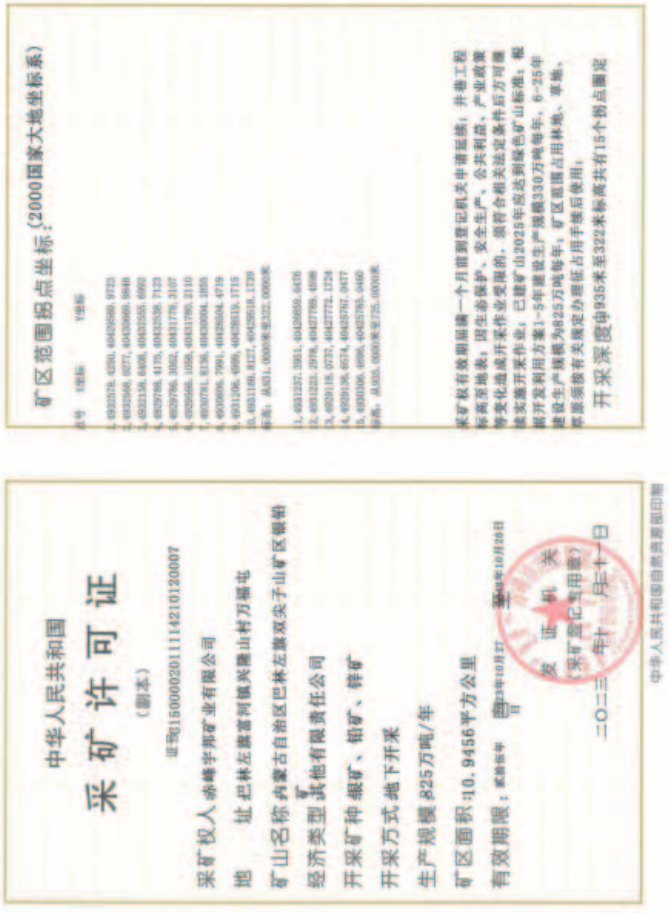
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Appendix A Mining License

Mining License





根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T1504002008073010013873

探 矿 权 人：赤峰宇邦矿业有限公司

探矿权人地址：巴林左旗富河镇兴隆山村万福屯
内蒙古自治区巴林左旗双尖子山铅锌

勘查项目名称：多金属矿勘探

地 理 位 置：内蒙古自治区赤峰市巴林左旗

图　　幅　　号：L50E022021, L50E021021

勘 查 面 积：2.5926平方公里

有 效 期 限：自2025年7月21日至2030年7月20日

不得单独变更主体，不得单独设置采矿权，转采时必须与首采地段采矿权进行整合

发 证 机 关
（勘查登记专用章）
2025 年 7月 日

中华人民共和国自然资源部印制

勘查范围拐点坐标或区块范围图：

2000国家大地坐标系



根据国家法律、法规规定，经审查合格，授予探矿权，特发此证。

证　　号：T1500002021013040056050

探 矿 权 人：赤峰宇邦矿业有限公司

探矿权人地址：巴林左旗富河镇兴隆山村万福屯

勘查项目名称：内蒙古自治区巴林左旗富河镇兴隆山村兴隆山铅锌多金属矿普查

地 理 位 置：内蒙古自治区巴林左旗富河镇兴隆山村

图　　幅　　号：L50E022021

勘 查 面 积：4.17平方公里

有 效 期 限：2024年1月7日至2029年1月6日

在永久基本农田核实处置成果启用前，矿产勘查不得使用矿区范围内的永久基本农田。

发 证 机 关
（勘查登记专用章）
2024 年 1月 19 日

中华人民共和国自然资源部印制

Appendix B *JORC Code* Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• After logging, the on-site geologist defined intervals to be sampled and recorded "cut from/ to" intervals in a sampling sheet kept on site. In general, only mineralised portions of the drill core was sampled for assaying including some samples of wall rocks. The core was manually cut in half lengthways using a saw splitter. • Geologists perform geological logging first then mark sample location to ensure sample representivity. • Chinese standards were abided for taking the diamond drilling core samples, as well as the channelling samples for trenching and tunnelling samples.
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).*	• Chinese produced XY-4、XY-44、HXY-5A、HXY-6B diamond drill rigs were used for the exploration programs, and all holes end in NQ.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery was calculated by the drilling engineer by measuring core length vs drilling depth per run, then logged, photographed and recorded in the database. • Decreased footage per run in fractured strata to ensure the core recovery is meet the requirement. • For the mineralisation zone is more fracture, the core recovery is relatively lower.
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.*	• Most core was geologically and geotechnical logged, and simple hydrology observation was conducted for all new holes. • Logging is qualitative in nature; all core was photographed. • The logging has provided adequate coverage of the full length of

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	each sample the Project.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was sawn half through axis line, with some splitting by cutting. • All samples were crushed into a size of not more than 2 mm in diameter by jaw crusher. After split by riffle splitter, half the sample was pulverised using a ring mill until more than 95% materials would pass through the 200 mesh, which was then split using a riffle splitter for assaying. • Each machine, sample pan, and work area was cleaned using compressed air between sample runs. • Sample grain size was calculated with the empirical formula to have appropriate representative.
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.*	• Atomic absorption spectrophotometry was used for low concentrations of Pb and Zn, while titration was adopted for high concentrations of Pb and Zn. Silver was determined by atomic absorption spectrometry. • The main laboratory adopted their own internal quality control management systems. Internal check and external check analyses were used for quality control purposes.
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.*	• SRK inspected the mineralisation bodies and the assaying labs • SRK did not use twinned holes to verify sampling and assaying.
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.*	• All downhole surveys were taken by compass inclinometer. Surveys were conducted each 50 m, and depth verification was carried out every 100 m. The measuring instruments used were the JTL-50A small-diameter gyroscopic inclinometer and the electronic single-point inclinometer.

Criteria	JORC Code explanation	Commentary
		• The supplementary exploration and surveying work in 2017 was undertaken by Inner Mongolia Yuansheng Surveying and Mapping Co., Ltd. (License Number: YBZS15104047), which holds the qualification for Class B surveying and mapping.
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.*	• Data spacing for reporting of Exploration Results is not applicable. • The drillhole spacing is sufficient to support the Mineral Resource estimation and classification. Most drillholes were implemented on a grid of 40 – 80 m (along the strike) by 40 – 80 m (down the dip). • All data from the database containing the flagged raw sample intervals were composited to 1.0 m downhole lengths, with a minimum length of 0.5 m required to create a composite used for grade interpolation.
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.*	• Drill holes were distributed along the Exploration Lines which are perpendicular to the strikes of mineralized bodies. • Drilling holes were designed to perpendicular cut through the bodies.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by site staff. Geologists managed the process from sampling to sample delivery to sample preparation facility, abiding Chinese regulations.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of the sampling techniques and data was carried out by SRK as part of the Mineral Resource estimation and the database is considered to be sufficient quality to carry out a Mineral Resource estimation.

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	• *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*	• Chifeng Yubang owns the mining license, and exploration permits and retained various Chinese professional geological exploration brigades or companies to conduct exploration programs.

Criteria	JORC Code explanation	Commentary
land tenure status	*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.*	• SRK have not independently verified the standing of the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Chinese professional exploration brigades or companies conducted exploration programs on the Shuangjianzishan Project, which were reported and acknowledged and assessed in the report.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation occur mainly in the Xinglongshan ore block, with only a small number of orebodies distributed in the Shuangjianzishan ore block. • The mineralisation are generally stratiform-like and lenticular in form. • The mineralisation in the Xinglongshan ore block is mainly hosted in the Xinglongshan fault structural zone. • The host rocks belong to the upper part of the Middle Permian Dashizhai Formation, consisting of argillaceous slate, silty slate and metamorphic siltstone, characterized by whole-rock mineralization. • They form a large Ag-Pb-Zn mineralized body trending NW and dipping steeply to the SW, with unequal mineralization internally.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• 1968~1971, the second Regional Geology Exploration Brigade of Liaoning Province carried out a 1:200,000 geology survey in the region. • 1984, the second Regional Geology Exploration Brigade of Inner Mongolia carried out a 1:500,000 geology survey in the region. • 1984, the third Regional Geology Exploration Brigade of Inner Mongolia carried out a poly-metal prospecting in the region. • From June of 2004 to April of 2010, the 10th Geology Exploration Institute of Inner Mongolia, Chifeng Tiantong Geology Exploration Co. Ltd. conduct prospecting and exploration at the Shuangjianzishan mining area. • From September of 2010 to July of 2017, Chifeng Yubang Mining Co. Ltd. and the Non-ferrous mineral geology survey center carry out production exploration at the mining area. Chifeng Yubang Mining Co. Ltd. conducts site work, sampling.

Criteria	JORC Code explanation	Commentary
		the Non-ferrous mineral geology survey center prepares the report. The following lists the history exploration work.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The Mineral Resources were estimated. Details see Section 3. • Silver equivalents were used as for Pb and Zn to determine cut-off grades.
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').*	• The Mineral Resources were estimated. Details see Section 3.
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.*	• Maps and cross-sections have been used to report the exploration results. Please refer to the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No other exploration results for the Shuangjianzishan Project.
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.*	• SRK is not aware of any material or substantive exploration data that has not been reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• SRK suggests that further geological exploration to upgrade and increase the base of the Mineral Resources.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK was provided with the Csv format tables of all drill holes/ trenches/ underground channel data. SRK has reviewed the tables and database provided by the client and they are acceptable for the Mineral Resource estimation. • The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/ exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The site visit was conducted during 26 to 28 January and 13 to 15 April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Geological interpretation is based on information such as collar, survey, lithology, and assay data. It is also supported by surface geological mapping and trenching. • The wireframe models for the Shuangjianzishan deposit were established using Leapfrog Edge software. A nominal cut-off grade of 10% Ageq_geo_10&20 in block caving mining method area and another nominal cut-off grade of 20% Ageq_geo_10&20 in filling mining method area were applied to define the mineralised intervals for Domains. • The calculation formula of Ageq_geo_10&20 is as follows: Ageq_geo_10&20=Ag*(if(Ag≥5,1,0))+Pb*(if(Pb≥0.2, 6.703,0))+Zn*(if(Zn≥0.10, 23.6,0)) • The data used for Mineral Resource estimation is derived from reliable exploration reports and laboratory analysis.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Extrapolation was limited to approximately half of the level interval and the drill spacing. The drillholes spacing is40*80-40*80.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The Ordinary Kriging (OK) method was used for the Ag, Pb and Zn grade estimation of the mineral Domain. Hard boundaries were used for Ag, Pb and Zn of all domains. • The parameters of the searching ellipsoid were thus manually optimized, • The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation. Details is the Chapter 7.9. • SRK performed a thorough validation of the interpolation model results, which included visual examination and "Swath Plots" analysis.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Specific gravity (SG) ore samples were sealed and sent to the laboratory for both Ag Pb Zn and SG analysis, the tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade of 30AgEq for the area in the filling mining method and at a cut-off grade of 20 AgEq for the area in the block caving mining method were used to report the in situ Mineral Resources. • This cut-off grade is estimated to be the minimum grade required for economic extraction at current prices.
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*	• Underground mining methodology is adopted. • The mining cost is CNY 182.16 per tonne of ore, and the general and administrative cost is CNY 42.80 per tonne of ore. The selling cost associated with the operation is CNY 2.14 per tonne of ore.

Criteria	JORC Code explanation	Commentary
	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.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Yubang ore is a low-grade lead–zinc sulphide ore, with silver, lead and zinc as the valuable metals, suitable for recovery by flotation. Several research institutions have carried out multiple process mineralogy studies and laboratory beneficiation tests, which have demonstrated that the ore is easy to beneficiate, but lead–zinc separation is difficult, and different flowsheets produce different product suites. • The existing concentrator adopts a "preferential lead flotation – zinc flotation from lead tailings" flowsheet, which can produce low-grade silver–lead concentrate and low-grade zinc concentrate. However, due to the influence of ore grade and grinding fineness, it does not always produce a zinc concentrate. • After improving the existing plant flowsheet to a "two-stage preferential lead roughing – separate cleaning of the lead rougher concentrates – upgrading flotation of the lead concentrate – zinc flotation from lead tailings" process, it is possible to produce high-grade silver–lead concentrate, silver concentrate (low-grade silver–lead concentrate), and zinc concentrate. • The resource estimation has taken into account both metallurgical test results and historical production performance.
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.*	• This is an operational mine site, and wase rock and tailings have been disposed of in waste rock dumps and tailings storage facilities or back filling underground workings. Refer to the section 14.
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*	• The specific gravity values applied in the resource estimation were derived from average SG data provided by the client.

Criteria	JORC Code explanation	Commentary
	representativeness of the samples. • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
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.*	• Drillhole spacing distance was used as the basis for classification. • The blocks estimated for during the first estimation pass with sample distances less than 60 m, one fifth of the Cu major variogram ranges, plus mineralisation intersected tunnels can be classified as Measured Mineral Resources; • Those blocks estimated during the second estimation pass with sample distances less than 110 m can be classified as Indicated Mineral Resources. All other remaining blocks can be categorised as Inferred Mineral Resources • Blocks excluded by Indicated category and within the mineralized domains should be appropriately classified in the Inferred Mineral resource category because the confidence in the estimate is insufficient to allow for the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The results were peer reviewed internally by SRK consultants.
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 tonnes and grades for the Measured and Indicated Mineral Resources are estimated to a certain acceptable level of confidence, based on the data density observed by the Competent Person. • The tonnes and grades for the Inferred Mineral Resources are estimated to a low-level confidence, as sparse data cannot support a precise estimation of the deposit. • SRK's Mineral Resource estimation is a global estimates.

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 8.2. • The mineral resource model in Chinese standard is not utilised by SRK to estimate Ore Reserves. The Mineral Resources as of Effective Date were estimated by SRK in March 2026 to support the Ore Reserve estimate in accordance *with JORC Code*. • The Mineral Resources are inclusive of Ore Reserves. The grades of Ag, Pb and Zn 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 8.3.
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 8.1. • SRK considered the *FS 2023* is appropriate to be relied on to estimate Ore Reserves.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Section 8.4. • Cut-off grades are 24 g/t for block caving stopes, and 36 g/t for backfilling stopes, respectively.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.*	• Chapter 9. • The mine is primarily developed with a ramp and five shafts as of the Effective Date. The practised mining methods include shallow hole shrinkage mining and sub-level open stoping, both with delayed backfilling. The existing development system will be modified to support the expanded production capacity. The block caving method will be applied to expand the mining capacity to 8,250 ktpa. • The mining methods are technically feasible. • Backfilling has been relied on and will be continually relied on to

Criteria	JORC Code explanation	Commentary
	• *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.*	support the underground voids. • The mining dilution rates are 7% and 12% for the block caving method and backfilling methods, respectively. The mining recovery rates are 87% and 85% for the block caving method and backfilling methods, respectively. • The minimum mining width is controlled by the shallow hole shrinkage mining method, which is usually 0.8 m. • The Inferred Mineral Resources that must be mined were included in the Ore Reserves, but with a zero grade. The Inferred Mineral Resources contribute less than 1% of tonnages to the Ore Reserves. • The existing infrastructure can be utilised to support the practised mining methods. Additional infrastructures should be built to support the expanded production capacity.
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?	• Yubang ore is a sulphide lead–zinc ore suitable for recovery by flotation. Testwork and production practice have shown that using bulk flotation can produce a silver–lead–zinc bulk concentrate with high overall silver, lead, and zinc recoveries, but with low Pb and Zn grades in the concentrate, which is unfavourable for achieving a price advantage. • The existing concentrator adopts a "preferential lead flotation – zinc flotation from lead tailings" flowsheet, which produces low-grade silver–lead concentrate and low-grade zinc concentrate. However, due to the influence of ore grade and grinding fineness, it is not always possible to produce a zinc concentrate. • Using the flowsheet of "two stages of preferential lead roughing – separate cleaning of the lead rougher concentrates – upgrading flotation – zinc flotation from the lead tailings," laboratory tests have produced a high-grade silver–lead concentrate with Pb > 40%, a low-grade silver–lead concentrate (silver concentrate), and a zinc concentrate with Zn > 40%. • Arsenic is the main deleterious element in the products. According to historical sales records, the arsenic contents in the lead and zinc concentrates are low and have not reached levels

Criteria	JORC Code explanation	Commentary
		that would incur penalties. • Pre-concentration and waste rejection is a technical measure to increase ore processing capacity and reduce beneficiation costs. Industrial trials of pre-concentration waste rejection are underway at the existing concentrator, but stable and satisfactory rejection indices have not yet been achieved. • The Ore Reserve estimation is based on metallurgical test indices and historical concentrator performance and does not take pre-concentration waste rejection into account. The indices are reliable but somewhat conservative. • Chapters 10.5. • The processing plant has been put into use for many years to produce Ag-Pb and Ag-Zn concentrates. The recovery rate of Ag in the past two years are 93.97% and 90.53%, respectively. • The final product of the Shuangjianzishan Project is Ag-Pb and Ag-Zn concentrates, which were sold to buyers in China. Yubang has no plan to build metallurgical facilities on site to furtherly treat and refine the copper concentrate.
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 13. • The Shuangjianzishan Project obtained all related environmental approvals from the various government bodies, which have been sighted by SRK. • The environmental risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Shuangjianzishan Project can be generally managed if the Company makes efforts in solving the issues. • The Shuangjianzishan Project's tailings are discharged into the already constructed TSF.
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 12. • The infrastructure has been in use since construction commenced in 2011 at the Effective Date. • Additional infrastructures will be built to support the expanded production.

Criteria	JORC Code explanation	Commentary
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Chapter 14. • The operating costs (Opex) in the past three years were reviewed by SRK, as well as the Opex forecasts in the *FS 2023*. SRK considered the Opex forecasts in the *FS 2023* is appropriate to estimate Ore Reserves. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalents to 7 CNY. • The sales contracts were reviewed by SRK. The pricing rates were derived from the reviewed sales contract. • The taxes, royalties and other government charges were made based on Chinese laws.
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.*	• Chapter 15. • The consensus market forecasts published by Consensus Economics Inc. in December 2025 was adopted by SRK to estimate the revenues. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalent to 7 CNY. • The sales contracts were reviewed by SRK. The pricing rates and premium were derived from the reviewed sales contract.
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.*	• The Company has signed sales contracts with buyers, and the terms have been reached in the contracts. • The prices of the valuable elements in the concentrates, i.e. silver, lead and zinc will be determined according to the trading prices of the metals.
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 15. • The discount cash flow method was used for the economic analysis. The analysis did not consider inflation, while a discount of 8% was applied. Detailed assumptions have been discussed in Chapter 16.

Criteria	JORC Code explanation	Commentary
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Section 13.5. • The Company obtained social licence via various communications and a corporate social responsibility program.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• Risk analysis is shown in Chapter 16.
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 classified into Proved Ore Reserves. • The Indicated Mineral Resources were classified into Probable Ore Reserves.
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.
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*	• The application of statistical or geostatistical procedures is not applied to assess the relative accuracy/ confidence. • The Ore Reserve estimate is related to global estimate.

Criteria	JORC Code explanation	Commentary
	impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Appendix C Financial Model for Economic Analysis

Category	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Ore																							
Block caving																							
Ore Tonnage	kt	136,136			850	4,850	6,450	6,450	6,450	6,450	7,090	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	6,796
Ag	g/t				64.14	60.58	61.04	56.65	58.84	59.41	59.62	61.66	59.73	54.40	51.49	48.46	54.64	57.03	56.11	56.77	60.39	67.83	69.48
Pb	%				0.35	0.31	0.26	0.25	0.26	0.24	0.21	0.22	0.23	0.22	0.21	0.20	0.33	0.32	0.31	0.30	0.31	0.31	0.21
Zn	%				0.67	0.72	0.75	0.64	0.64	0.57	0.53	0.51	0.51	0.48	0.46	0.43	0.60	0.63	0.63	0.59	0.56	0.60	0.30
Back-filling																							
Ore Tonnage	kt	15,410	1,650	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,160				-	-	-	-	-	-	-	-	-
Ag	g/t		80.19	72.54	55.80	48.20	51.93	51.37	46.23	44.48	40.55				-	-	-	-	-	-	-	-	-
Pb	%		0.32	0.36	0.40	0.33	0.41	0.40	0.31	0.28	0.22				-	-	-	-	-	-	-	-	-
Zn	%		0.52	0.68	0.68	0.56	0.60	0.64	0.68	0.68	0.66				-	-	-	-	-	-	-	-	-
Total ore mined	kt	151,546	1,650	1,800	2,650	6,650	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	6,796
Ag	g/t		80.19	72.54	58.48	57.23	59.05	54.72	56.09	56.15	56.94	61.66	59.73	54.40	51.49	48.46	54.64	57.03	56.11	56.77	60.39	67.83	69.48
Pb	%		0.32	0.36	0.38	0.32	0.29	0.28	0.27	0.25	0.21	0.22	0.23	0.22	0.21	0.20	0.33	0.32	0.31	0.31	0.31	0.31	0.21
Zn	%		0.52	0.68	0.68	0.68	0.72	0.64	0.65	0.59	0.55	0.51	0.51	0.48	0.46	0.43	0.60	0.63	0.63	0.59	0.56	0.60	0.30
Metals contained																							
Ag	kg	8,790,136	132,314	130,572	154,959	380,573	487,182	451,409	462,732	463,259	469,744	508,695	492,773	448,800	424,793	399,795	450,780	470,498	462,908	468,353	498,218	559,598	472,186
Pb	t	409,168	5,280.0	6,480.0	10,175.0	20,975.0	24,150.0	23,325.0	22,350.0	20,520.0	17,441.0	18,150.0	18,975.0	18,150.0	17,325.0	16,500.0	27,225.0	26,400.0	25,575.0	24,750.0	25,575.0	25,575.0	14,271.6
Zn	t	858,876	8,580.0	12,240.0	17,935.0	45,000.0	59,175.0	52,800.0	53,520.0	49,005.0	45,233.0	42,075.0	42,075.0	39,600.0	37,950.0	35,475.0	49,500.0	51,975.0	51,975.0	48,675.0	46,200.0	49,500.0	20,388.0
Price																							
Ag	RMB/g		13.07	12.55	10.50	10.10	10.56	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67	8.67
Pb	RMB/t		14,200	14,200	13,845	13,845	13,490	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200
Zn	RMB/t	-	19,880	19,525	18,460	18,815	19,170	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880
Mineral Processing and Metallurgy																							
Ag-Pb Concentrate																							
Yield rate	%		2.22	2.01	1.62	1.59	1.64	1.52	1.56	1.56	1.58	1.71	1.66	1.51	1.43	1.34	1.52	1.58	1.56	1.57	1.68	1.88	1.93
Ag Recovery	%		86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00
Pb Recovery	%		84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
Concentrate Tonnage	t	2,438,554	36,706	36,223	42,989	105,578	135,154	125,229	128,371	128,517	130,316	141,122	136,705	124,506	117,846	110,911	125,055	130,525	128,420	129,930	138,215	155,243	130,994
Ag grade in concen	g/t		3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00	3,100.00
Pb grade in concentrates	%		19.43	15.03	19.88	16.69	15.01	15.65	14.62	13.41	11.24	10.80	11.66	12.25	12.35	12.50	18.29	16.99	16.73	16.00	15.54	13.84	9.15
Ag content in concentrate	kg	7,559,517	113,790	112,292	133,265	327,293	418,977	388,211	397,950	398,402	403,980	437,478	423,784	385,968	365,322	343,824	387,671	404,628	398,100	402,783	428,467	481,254	406,080
Pb content in concentrate	t	346,397	7,132	5,443	8,547	17,619	20,286	19,593	18,774	17,237	14,650	15,246	15,039	15,246	14,553	13,860	22,869	22,176	21,483	20,790	21,483	21,483	11,988
Zn Concentrate																							
Yield rate	%		0.520	0.680	0.677	0.677	0.717	0.640	0.649	0.594	0.548	0.510	0.510	0.480	0.460	0.430	0.600	0.630	0.630	0.590	0.560	0.600	0.300
Ag Recovery	%		5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390	5.390
Pb Recovery	%		48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Concentrate Tonnage	t	858,876	8,580	12,240	17,935	45,000	59,175	52,800	53,520	49,005	45,233	42,075	42,075	39,600	37,950	35,475	49,500	51,975	51,975	48,675	46,200	49,500	20,388
Zn grade	%		45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Ag grade in concen	g/t		831.20	574.99	466.70	455.84	443.75	460.81	466.02	509.53	559.75	651.66	631.26	610.87	603.33	607.44	490.85	487.92	480.05	518.63	581.25	609.34	1,248.32
Zn contained	t	412,260	4,118	5,875	8,609	21,600	28,404	25,344	25,690	23,522	21,712	20,196	20,196	19,008	18,216	17,028	23,760	24,948	24,948	23,364	22,176	23,760	9,786
Ag contained	kg	473,788	7,132	7,038	8,352	20,513	26,259	24,331	24,941	24,970	25,319	27,419	26,560	24,190	22,896	21,549	24,297	25,360	24,951	25,244	26,854	30,162	25,451
Payable price of Ag in Ag-Pb conc	RMB/g		11.83	11.36	9.50	9.14	9.55	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85	7.85
Payable price for Ag in Zn conc	RMB/g		2.61	2.51	1.58	1.52	1.58	1.30	1.30	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.30	1.30	1.30	1.73	1.73	1.73	1.73
Payable price for Pb in Ag-Pb concen	RMB/t		1,420	1,420	1,385	1,385	1,349	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
Payable price for Zn in Zn concen	RMB/t		14,504	14,220	13,368	13,652	13,936	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504	14,504
Revenue of Ag in Ag-Pb conc	RMB M	61,548	1,345.79	1,275.88	1,266.40	2,991.90	4,003.12	3,047.54	3,123.99	3,127.54	3,171.33	3,434.29	3,326.80	3,029.93	2,867.85	2,699.09	3,043.30	3,176.41	3,125.17	3,161.93	3,363.56	3,777.94	3,187.81
Revenue of Ag in Zn in conc	RMB M	770	18.640	17.672	13.155	31.080	41.585	31.658	32.452	43.319	43.925	47.567	46.078	41.967	39.722	37.384	31.614	32.997	32.464	43.795	46.588	52.327	44.153
Revenue of Pb in Ag-Pb conc	RMB M	490	10.127	7.729	11.833	24.394	27.366	27.822	26.659	24.476	20.804	21.649	22.633	21.649	20.665	19.681	32.474	31.490	30.506	29.522	30.506	30.506	17.023
Revenue of Zn in Zn conc	RMB M	5,933	59.733	83.545	115.082	294.883	395.838	367.589	372.602	341.169	314.909	292.923	292.923	275.692	264.205	246.974	344.615	361.846	361.846	338.871	321.641	344.615	141.940
Total revenue	**RMB M**	68,741	**1,434.29**	**1,384.82**	**1,406.47**	**3,342.26**	**4,467.91**	**3,474.61**	**3,555.70**	**3,536.51**	**3,560.96**	**3,796.43**	**3,688.43**	**3,369.24**	**3,192.44**	**3,003.13**	**3,452.00**	**3,602.75**	**3,549.99**	**3,574.12**	**3,762.29**	**4,205.39**	**3,390.93**

Category	Unit	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Opex (unit cost)																							
Unit OPEX-Block caving mining	RMB/t	-	49.48	49.48	49.48	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95	51.95
Unit OPEX-back-filling mining	RMB/t		103.95	103.95	103.95	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15	109.15
Unit OPEX for processing	RMB/t		51.68	51.68	51.68	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26	54.26
Unit OPEX for supportive and others	RMB/t		17.67	17.67	17.67	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55	18.55
Opex amount																							
OPEX for block caving	RMB M	7,071	-	-	42.06	251.98	335.10	335.10	335.10	335.10	368.35	428.62	428.62	428.62	428.62	428.62	428.62	428.62	428.62	428.62	428.62	428.62	353.08
OPEX for back-filling	RMB M	1,655	171.52	187.11	187.11	196.47	196.47	196.47	196.47	196.47	126.61	-	-	-	-	-	-	-	-	-	-	-	-
OPEX for processing	RMB M	8,208	85.27	93.02	136.95	360.86	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	447.68	368.78
OPEX for supportive and others	RMB M	2,906	29.16	31.81	46.83	123.38	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	153.07	126.09
Total OPEX	**RMB M**	19,739	**288.95**	**311.94**	**412.95**	**932.68**	**1,132.31**	**1,132.31**	**1,132.31**	**1,132.31**	**1,095.71**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**1,029.36**	**847.95**
Revenue-OPEX	RMB M	49,001	1,148.34	1,072.88	993.53	2,409.58	3,335.60	2,342.30	2,423.39	2,404.19	2,455.25	2,767.07	2,859.07	2,339.87	2,163.08	1,973.76	2,422.64	2,573.38	2,520.62	2,544.76	2,732.93	3,176.03	2,542.98
VAT rate	%		13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13
VAT received from sales	RMB M	7,908.22	165.01	159.32	161.81	384.51	514.01	399.73	409.06	406.85	408.52	436.76	424.33	387.61	367.27	345.49	397.13	414.48	408.41	411.18	432.83	483.81	390.11
VAT paid (deducable)	RMB M	1,703.18	24.67	26.92	35.63	80.47	97.70	97.70	97.70	97.70	94.54	88.82	88.82	88.82	88.82	88.82	88.82	88.82	88.82	88.82	88.82	88.82	73.16
VAT payable	RMB M	(6,205.04)	(140.33)	(132.40)	(126.18)	(304.03)	(416.31)	(302.03)	(311.36)	(309.16)	(313.98)	(347.94)	(335.52)	(298.79)	(278.46)	(256.68)	(308.32)	(325.66)	(319.59)	(322.37)	(344.01)	(394.99)	(316.94)
Resource tax (6% of revenue of Pb and Zn)	RMB M	(341.04)	(3.71)	(4.85)	(6.74)	(16.95)	(22.47)	(21.00)	(21.20)	(19.41)	(17.83)	(16.70)	(16.76)	(15.79)	(15.13)	(14.16)	(20.02)	(20.89)	(20.83)	(19.56)	(18.70)	(19.92)	(8.44)
Resource tax (5% of revenue of Ag)	RMB M	(2,757.42)	(60.37)	(57.24)	(56.62)	(133.76)	(178.97)	(136.25)	(139.67)	(140.30)	(142.27)	(154.06)	(149.24)	(135.92)	(128.65)	(121.08)	(136.06)	(142.01)	(139.72)	(141.85)	(150.89)	(169.48)	(143.01)
Surtaxes (12% of VAT payable)	RMB M	(744.60)	(16.84)	(15.89)	(15.14)	(36.48)	(49.96)	(36.24)	(37.36)	(37.10)	(37.68)	(41.75)	(40.26)	(35.86)	(33.41)	(30.80)	(37.00)	(39.08)	(38.35)	(38.68)	(41.28)	(47.40)	(38.03)
Total	**RMB M**	**(10,048.10)**	**(221.26)**	**(210.37)**	**(204.67)**	**(491.23)**	**(667.71)**	**(495.52)**	**(509.59)**	**(505.97)**	**(511.75)**	**(560.46)**	**(541.78)**	**(456.36)**	**(455.65)**	**(422.72)**	**(501.39)**	**(527.63)**	**(518.49)**	**(522.46)**	**(554.88)**	**(631.79)**	**(506.42)**
Revenue-OPEX-other taxes and fees	RMB M		927.08	862.51	788.85	1,918.35	2,667.89	1,846.78	1,913.80	1,898.22	1,943.51	2,206.61	2,117.29	1,853.51	1,707.43	1,551.04	1,921.24	2,045.75	2,002.13	2,022.30	2,178.04	2,544.24	2,036.56
DA	RMB M		64.70	154.50	254.50	354.50	354.50	354.50	354.50	354.50	354.50	354.50	289.80	200.00	100.00	50.00	108.80	108.80	108.80	108.80	108.80	108.80	108.80
Taxable income	RMB M		862.38	708.01	534.35	1,563.85	2,313.39	1,492.27	1,559.29	1,543.72	1,589.00	1,852.10	1,827.49	1,653.51	1,607.43	1,501.04	1,812.44	1,936.95	1,893.33	1,913.50	2,069.24	2,435.44	1,927.76
Corporate income tax rate	%		25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Income tax	RMB M	(3,041.56)	-215.60	-177.00	-133.59	-390.96	-578.35	-373.07	-389.82	-385.93	-397.25	-463.03	-456.87	-413.38	-401.86	-375.26	-453.11	-484.24	-473.33	-478.37	-517.31	-608.86	-481.94
Net profit	RMB M	11,729.42	711.49	685.51	655.26	1527.39	2089.55	1473.71	1523.97	1512.29	1546.26	1743.58	1660.42	1440.13	1305.57	1175.78	1468.13	1561.51	1528.80	1543.92	1660.73	1935.38	1554.62
CAPEX	RMB M	(3,986.00)	-898	-1000	-1000										-500	-588							
Working capital	RMB M																						244
Mine closure	RMB M					-120	-124																-250
Residual value	RMB M																						250
Cashflow	RMB M	26,318.01	**-186.51**	**-314.49**	**-344.74**	**1407.39**	**1965.55**	**1473.71**	**1523.97**	**1512.29**	**1546.26**	**1743.58**	**1660.42**	**1440.13**	**805.57**	**887.78**	**1468.13**	**1561.51**	**1528.80**	**1543.92**	**1660.73**	**1935.38**	**1798.62**
Accumulated cash flow	RMB M		-186.51	-501.00	-845.74	561.65	2527.20	4000.91	5524.88	7037.17	8583.42	10327.00	11987.42	13427.55	14233.13	14820.91	16289.04	17850.55	19379.35	20923.28	22584.01	24519.39	26318.01

Final

Competent Person's Report on Achmmach and Bou El Jai Projects in Morocco

Achmmach and Bou El Jai Projects, Morocco

Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ■ SCN978 ■ 19 May 2026

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Proposed Plant Location in Achmmach

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Appendices

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Appendix D Chapter 2.6 of the Guide for New Listing Applicants

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
AIG	Australian Institute of Geoscientists
Atlas Tin	Atlas Tin Limited
Atlantic Tin	Atlantic Tin Limited
ARD	Acid rock drainage
asl	above sea level
Ag	the element symbol of silver
AusIMM	Australasian Institute of Mining and Metallurgy
BRPM	the Moroccan government agency of Bureau de Recherche's et de Participations Minières
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold
CIP	Carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions
CIT	corporate income tax
cm	centimetres
COG	cut-off grade
COV	coefficient of variation
CPR	Competent Person's Report
Cu	the element symbol of copper
Cube	Cube Consulting Pty Ltd
DCF	discounted cash flow
DD	Diamond Drillhole
E	East
EIA	Environmental Impact Assessment
ENE	east north east
EPMP	Environmental Protection and Management Plan
ESE	east south east
EW	east west
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
EZ	Eastern Zone
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Fe	the element symbol of iron
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the

Term / Abbreviation	Meaning / Definition
	time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	Gram
g/cm^3	gram(s) per cubic centimetre
GPS	Global Positioning System
g/t	gram per tonne
ha	hectare(s)
HQ	HQ drilling = drilling a borehole that recovers a ~63 mm diameter rock core
HKEx	Hong Kong Exchanges and Clearing Ltd
In	the element symbol of indium
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level

Term / Abbreviation	Meaning / Definition
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
N	north
Nb	the element symbol of niobium
NNE	north north east
NPV	net present values
NQ	NQ drilling a borehole that recovers a ~47.6 mm core diameter
NSR	net smelter return
NZ	Northern Zone
O	the element symbol of oxygen
OK	Ordinary Kriging
ONHYM	the Moroccan National Office for Hydrocarbons and Mining
OP	Open pit
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
PQ	PQ drilling a borehole that recovers a ~85 mm core diameter
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve

Term / Abbreviation	Meaning / Definition
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
QG	Quantitative Group Pty Ltd
RC	reverse circulation
RL	Reduced Level
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SD	standard deviation
SG	specific gravity
Shanjin	Shanjin Design & Consulting Co., Ltd.
Sn	the element symbol of tin
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
Ta	the element symbol of tantalum
TSF	tailings storage facilities
UG	Underground
US$/USD	United States dollar
UTM	Universal Transverse Mercator
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
VAT	value-added tax
WGS84	World Geodetic System 1984
WNW	west north west
WRD	waste rock dump
WZ	Western Zone
WZE	Western Zone Extended
Xingye Silver & Tin	Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.
Z	elevation / height

Executive Summary

Introduction

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Achmmach and Bou El Jai Tin Projects ("**Achmmach Project**" or the "**Project**") which is located in central-northern Morocco, and operated by Atlantic Tin SAS, a subsidiary company of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver & Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and resource models provided by Xingye Silver & Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit between 11 and 14 May 2026, to the Projects, including the locations of exploration and production boreholes, drill cores and underground stopes showing the mineralisation, the historical processing plant, ore and waste stockpiles, tailings storage facilities ("**TSF**"), water source and power supply station, the office and living areas, as well as the proposed location of new facilities and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- discussion with Atlantic Tin and Xingye Silver & Tin management and technical personnel.

- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Xingye Silver & Tin and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

Operational Licences and Permits

The Achmmach Project concession, which straddles the boundary between the provinces of Khemisset and El Hajeb in central-northern Morocco and covers an area of approximately 11.9 km² overlapping the communes of Ait Ouikhalfen and Ras Ijerri, is held under Operating Licence LE 332912, of which Atlas Tin SAS is the registered holder and 100% beneficial owner; this licence, originally granted in August 2017 following Atlas Tin SAS's compliance with Morocco's new 2015 Mining Law (effective May 2016) in April 2017, was initially valid until January 2022. It has since been renewed and is currently valid until January 2032, with further renewable 10-year extension until mining reserves are depleted (subject to legal compliance).

The regulatory permits related to production and construction have not yet been obtained. The company plans to secure the relevant licenses before commencing operations, such as updating the environmental impact assessment (EIA) and obtaining the necessary water use permit.

Geology and Mineralogy

The Achmmach tin deposit is an epigenetic vein–stockwork–breccia system associated with a strongly boron-enriched paleo hydrothermal event. Mineralization comprises fine-grained cassiterite with minor associated sulphides hosted within tourmalinised sandstone and siltstone. The system is interpreted to be controlled by two cross-cutting swarms of tourmaline-altered structures: (i) a set of east–west–striking, sub-vertical zones commonly referred to as "feeders," and (ii) a stacked array of oblique, gently to steeply north-dipping "branch" structures.

Over its 1.6 km strike length, the mineralized system is hosted by folded and metamorphosed shale and sandstone sequences. The lodes define an across-strike corridor approximately 300 m wide, with individual structures ranging from about 1 m to 30 m in true width. Tin mineralization occurs predominantly as breccia infill and quartz–cassiterite veining and has been intersected in diamond drilling to a vertical depth of roughly 600 m below surface.

Most of the currently defined mineralization lies between about 1,000 m RL and 700 m RL. The system remains open both at depth and along strike.

At the Achmmach project, mineralization is concentrated within two subparallel, ENE-striking lode systems, termed the Meknès and Sidi Addi Trends, which are separated by approximately 500 m. The Meknès Trend hosts the majority of the defined Mineral Resource, while mineralization along the Sidi Addi Trend—developed within tourmaline–silica–altered metasedimentary rocks—is referred to as the Western Zone. Tin occurs predominantly as cassiterite (SnO_2; specific gravity 6.8–7.1;

~78% Sn) with minor stannite (Cu_2FeSnS_4). The cassiterite is relatively chemically pure and does not display significant enrichments in typical trace or by-product elements such as indium (In), gallium (Ga), tantalum (Ta), or niobium (Nb).

The Bou El Jaj Project is about 5 Km southwest of the Achmmach project. They are sharing the similar geological and mineralisation background. At the Bou El Jaj project, mineralisation is hosted by interbedded turbiditic sandstones and siltstones of Early Carboniferous age. These sediments have undergone multiple deformation events typical of a fold-and-thrust belt, producing a dominant northeast strike (020–030°) with folding ranging from open to tight chevron styles. Widespread brittle fault planes dip shallowly to the northwest and are interpreted as southeast-verging thrusts. The tin mineralisation is developed in quartz–cassiterite veins and breccia zones associated with tourmaline alteration, which is interpreted to be related to a concealed granite intrusion at depth. The geometry of the alteration and mineralised zones is strongly controlled by the pre-existing rock fabric and structures, including bedding, cleavage, fold hinges, and thrust faults. Permo–Carboniferous dolerite to microgabbro dykes also intrude along this structural fabric.

Exploration and QAQC

The Achmmach tin deposit was discovered in 1985 by the Moroccan National Office for Mineral Exploration ("BRPM"). Between 1992 and 2000, BRPM drilled 29 diamond core holes totalling 13,405 m along the initial 1.6 km strike length of the Achmmach system. In 2006, Kasbah Resources Ltd entered into an agreement with the Moroccan National Office for Hydrocarbons and Mining ("ONHYM") to further test the tin potential of the prospect. As detailed in Table ES-1, the drill sections are at 20 m to 80 m spacing (Easting). Multiple holes were drilled from the same drill pad in a fan configuration with about 40 m x 40 m to about 20 m x 10 m grid.

Table ES-1: Diamond Holes Summary at Achmmach Project

Company	Type	Year	Counts	Depth (m)
BRPM	Resource Definition	1992	8	3,375.7
		1993	5	2,325.6
		1994	2	895.3
		1995	5	2,171.9
		1996	6	3,065.4
		1997	6	2,423.9
		Sub Total	***32***	***14,257.7***
Kasbah	GeoTech, Hydro, Others	2011	1	103.5
		2012	12	606.8
		2013	20	1,363.1
		2014	2	1,671.0
		Sub Total	***35***	***3,744.4***
	Resource Definition	2001	1	377.2
		2007	9	1,666.0
		2008	19	7,139.3
		2009	5	1,576.5
		2010	46	12,086.9
		2011	47	16,411.4
		2012	105	43,818.3
		2013	83	24,121.3
		2014	13	2,390.8
		2019	10	2,063.5
		2021	8	2,109.3
		Sub Total	***346***	***113,760.5***
	Sub Total		***381***	***117,504.9***
	Total		***413***	***131,762.6***

Source: Summarised by SRK from the data provided by Xingye Silver and Tin, 2026.

For the Bou El Jaj Project, a total of 60 (totalling 9,028 meters) diamond drillholes were completed, of which 5 holes (1,075m) were drilled by BRPM in 1998, and 55 holes (7,953m) were drilled by Hamada in 2012.

At Achmmach, Half-core sampling on nominal 1 m intervals, industry-standard crushing and pulverising, and fused-bead XRF tin assays at ALS Loughrea underpin the analytical database. Comprehensive QA/QC—certified reference materials, blanks, duplicates and umpire checks—shows high precision, minimal contamination, and only a slight conservative (low) tin bias, while an extensive specific-gravity dataset (mainly by water immersion) is considered representative for resource work. At Bou El Jaj, Half-core sampling, ALS preparation/assay, and a structured QA/QC program (standards, blanks, and coarse duplicates) demonstrate acceptable accuracy and precision for tin, despite some low-grade variability and minor blank contamination. Independent verification by SRK using 122 pulp duplicates confirms good repeatability of the original assays.

Mineral Resource Estimation

The Mineral Resource Statement presented herein represents a Mineral Resource evaluation prepared for the Achmmach and Bou El Jaj Projects in accordance with the JORC Code guidelines. For the Achmmach Project, SRK has reviewed, but not re-modelled nor re-estimated the Mineral Resource and the Mineral Resource model was prepared by Cube in 2024. For the Bou El Jaj Project, the mineralised wireframes were interpreted by Kasbah in 2013 and SRK has reviewed the wireframes, re-estimated the Mineral Resource.

The Competent Person responsible for the Mineral Resources is Mr Huaixiang Li (MAIG #8667), who is full time employee of SRK.

For the Achmmach Project, the estimates are based on 378 DD holes with a total length of 30,214 m up to December 2025. For the Bou El Jaj Project, the Mineral Resource database consists of 60 DD holes totalling 6,519 m. SRK has reviewed the database used to estimate the Mineral Resources and is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the mineralization boundaries, and that the assay data are sufficiently reliable to support the Mineral Resource estimation.

For the Meknes Trend mineralisation at Achmmach Project, the site geological team worked on an interpretation of the tin mineralised parts of the tourmaline breccias – this consists of a series of E-W trending "vertical feeders" from 2 to 5 m thick, and a series of moderately north-dipping mineralised zones ("branches") that extend up and down dip of the vertical feeders in the sedimentary package. Cube subsequently introduced explicit estimation domaining for the background by constructing a tin grade shell using Leapfrog implicit modelling. Specifically, a 0.1% Sn grade shell was generated. The geological interpretation of the Western Zone ("WZ") of the Sidi Addi Trend is based on zones of tin mineralisation developed within tourmaline-altered metasediments.

At Bou El Jaj Project, the interpretation and wireframing of the currently mineralised domains were completed by Kasbah geology staff. Domains were defined primarily based on geology—specifically the intensity and style of tourmaline alteration and veining—together with structural controls and observed mineralisation.

The effective date of the Mineral Resource Statement is December 31, 2025.

The reasonable prospects for eventual economic extraction ("RPEEE") requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade considering extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that the Achmmach Project is amenable for underground mining and the Bou El Jaj Project for open pit mining.

For the Bou El Jaj Project, SRK generated a conceptual pit shell using the Whittle software and the detailed parameters are listed in Table ES-2.

Table ES-2: Conceptual Pit Shell Parameters for Bou El Jaj Project

Item	Unit	Value
Tin Price	US$/t	35,900
Mining Cost	US$/t mined	3
Mining Dilution	%	18

Item	Unit	Value
Mining Loss	%	5
Processing Cost	US$/t feed ore	19
Sn Recovery Rate	%	72
G&A Cost and/or Transportation	US$/t feed ore	7
Royalty	%	3
Treatment & Impurity Charges	%	8
Pit Slope Angle	Degree	45

Note: SRK.

The assumptions made to determine the cutoffs for the Achmmach and Bou El Jaj Projects are shown in Table ES-3.

Table ES-3: Cut-Off Grade Calculation Parameters

Item	Unit	UG (Achmmach)	OP (Bou El Jaj)
Mining Cost	US$/t feed ore	31	3
Mining Dilution	%	18	18
Mining Loss	%	5	5
Processing Cost	US$/t feed ore	19	19
Sn Recovery Rate	%	72	72
G&A Cost and/or Transportation	US$/t feed ore	7	7
Tin Price	US$/t	35,900	35,900
Royalty	%	3	3
Treatment & Impurity Charges	%	8	8
Sn COG	**%**	**0.27**	**0.13**

Note: The price refers to the long-term prediction published by Consensus Market Forecasts in December 2025.

As of 31 December 2025, at a cut-off grade of 0.13% Sn for OP and 0.27% Sn for UG, the Mineral Resources of the Achmmach and Bou El Jaj are summarized in Table ES-4.

Table ES-4: Mineral Resource Statement for Achmmach and Bou El Jaj Projects, as of 31 December 2025

Project	Type	Sn Cutoff %	Categories	Tonnage Mt	Sn Grade %	Sn Metal Contained Kt
Achmmach	UG	0.27	Measured	2.1	0.85	18
			Indicated	25.2	0.62	156
			Measured+Indicated	**27.3**	**0.64**	**174**
			Inferred	9.2	0.35	32
Bou El Jaj	OP	0.13	Measured	-	-	-
			Indicated	0.15	0.33	48
			Measured+Indicated	**0.15**	**0.33**	**0.48**
			Inferred	1.06	0.31	3.24
Total			**Measured**	**2.1**	**0.85**	**18**
			Indicated	**25.3**	**0.62**	**157**
			Measured+Indicated	**27.5**	**0.64**	**175**
			Inferred	**10.3**	**0.34**	**35**

Notes:

1 The Mineral Resources results are used solely for the purpose of testing the "reasonable prospects for eventual economic extraction" by open pit mining and underground mining and do not represent an attempt to estimate Ore Reserves.
2 OP Mineral Resources are constrained in a conceptual pit shell.
3 Mt – million tonnes. Kt – Thousand tonnes.
4 All figures are rounded to reflect the relative accuracy of the estimate. The significant differences are due to rounding.
5 The COG for OP is 0.13% for OP and 0.27% for UG.
6 The information in this report which relates to Mineral Resource is based on information reviewed and compiled by Mr Huaixiang Li who is a full-time employee of SRK Consulting China Ltd. Mr Li is a Member of AIG. He has 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 appropriate Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Mr Li consents to the reporting of this information in the form and context in which it appears.
7 Mineral Resources are inclusive of Ore Reserves that have been converted from Measured and Indicated Mineral Resources.
8 The effective date of the Mineral Resource Statement is December 31, 2025.

The Achmmach and Bou El Jaj Projects, as of December 31, 2025 and at Sn cut-off grades of 0.13% for OP and 0.27% for UG , are estimated to contain 2.1 Mt of Measured Mineral Resources with Sn average grade of 0.85%, 25.3 Mt of Indicated Mineral Resources with Sn average grade of 0.62%, and 10.3 Mt of Inferred Mineral Resources with Sn average grade of 0.34%.

Exploration Potential

For both Achmmach and Bou El Jaj Projects, the mineralisation remains open both at depth and along strike. The reported Mineral Resources are mainly concentrated within the drilling zones. The interpreted domains have only been extrapolated 20 m beyond the limits of drilling. There is potential to expand the Mineral Resource through further exploration work. Especially for Bou El Jaj Project, there is certainly potential for extensions at depth and along strike to the current mineralised domains. As shown in Figure 5-3, there is an approximately 5 km strike length between Achmmach and Bou El Jaj where the geological setting is similar to that of these two projects and likewise has good mineralization potential.

Ore Reserves Estimates

Bou El Jaj Project has not been proper studied at a pre-feasibility level. The operation studies will be considered in future.

SRK has estimated the underground Ore Reserves for Achmmach Tin Project in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by Definitive Feasibility Study for the Achmmach Tin Project, conducted by Atlantic Tin Limited. In July 2018 and *Feasibility Study Report on the Mining, Processing and Tailings Design Project of the Atlas Tin SAS Achmmach Tin Mine in Morocco,* Shanjin Design & Consulting Co., Ltd., March 2026, which are considered to meet the standards of a Pre-Feasibility Study.

The Achmmach Tin Project contains Indicated Mineral Resources and Measured Mineral Resources. Consequently, the economically mineable portions of these resources, as defined within the designed underground stopes, have been classified as Probable and Proved Ore Reserves. This estimate includes allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed.

As of 31 December 2025, the Ore Reserves at Achmmach Tin Project are estimated to be 15.57 Mt, with average grades of 0.58% tin (Sn), containing 90kt of tin.

These reserves are classified as Proved and Probable Ore Reserves, as shown in Table ES-5.

Table ES-5: Ore Reserves Estimate of Achmmach Tin Project as of 31 December 2025

Category	Ore Reserve (Mt)	Sn (%)	Contained Sn Metal (kt)
Proved	1.69	0.70	12
Probable	13.88	0.56	78
Total	**15.57**	**0.58**	**90**

Source: SRK

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr Donghao Luo and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Mr Falong Hu is a Fellow of AusIMM. Mr Falong Hu has sufficient experience which is relevant to the style mining method for the type of deposits under consideration and to the activity which he is undertaking to qualify as 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. Mr Falong Hu consents to the reporting of this information in the form and context in which it appears.

[2] The Ore Reserve reference point is delivery of ore to the crusher at the processing plant.

[3] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[4] Total may not add due to rounding discrepancies.

[5] The effective date of the Ore Reserves estimate is 31 December 2025.

Mining Assessment

Achmmach Tin Project is a planned underground mining operation that has not yet been developed or mined; no mine construction or production activities have been undertaken to 31 December 2025.

Mine access will be developed via a decline, with trackless haulage. The decline will be used to haul materials between surface and underground. During extraction of the upper levels, two adits will be developed at elevations of 1,050 m levels and 1,000 m levels, respectively. The 1,050 m levels will serve as a return air drift, and the 1,000 m levels will function as the production level.

The mine employs two principal underground stoping methods tailored to orebody thickness and geometry. Where the orebody thickness is less than 5 m are mined using overhand shrinkage stoping with shallow-hole drilling, with 50 m high stopes laid out along strike and broken ore initially left in place to establish as a working platform and then drawn in a controlled sequence via LHDs to surface. Where the orebody thickness exceeds 5 m are mined using sublevel open stoping with drill-and-blast, in which 50 m high stopes are subdivided into 25 m sublevels, accessed by dedicated haulage, drilling and ventilation drifts, and extracted using medium-length drilling and retreat blasting from pre-cut slots to ore passes.

Mining dilution is accounted for at 11%, which includes unplanned dilution from the hanging wall and footwall. Mining loss is considered at 15%, to allow for unplanned losses during mining and material transportation to the processing plant. The scheduled life-of-mine is 15 years, including 2-year construction period.

Mineral Processing

The tin-bearing minerals in the Achmmach tin deposit are mainly cassiterite, accounting for about 96%, with minor stannite and hydrous tin oxide. Cassiterite is the primary target mineral for processing recovery and occurs mainly as medium- to fine-grained disseminations.

In 2016, ALS Metallurgy in Tasmania, Australia ("ALS") carried out process mineralogy and processing testwork on a composite sample. By applying multi-stage hydrocyclone classification of the ground slurry, combined with a flowsheet of coarse-grained gravity separation + concentrate flotation with sulfide removal (desulfurization) + fine-grained desliming + flotation, good processing test results were achieved, as shown in Table ES-6.

Table ES-6: Processing Test Results of ALS

Product	Wt (%)	Sn Grade (%)	Sn Recovery (%)
Feed	100.00	0.90	100.0
HG Concentrate	0.50	59.40	32.6
LG Concentrate	1.33	4.59	6.7
MG Concentrate	1.17	27.77	36.0
Total Concentrate	3.00	22.77	75.3

In 2025, China University of Mining and Technology (Beijing) ("CUMTB"), together with Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd. ("Liuzhou Huaxi"), carried out process mineralogy studies and processing testwork. A combined flowsheet of hydraulic classification for ground slurry + coarse-grained gravity separation + magnetic separation of the concentrate to remove magnetic minerals (demagnetization) + desulfurization and fine-grained partial demagnetization + desliming + flotation was adopted. The test results obtained are shown in Table ES-7.

Table ES-7: Processing Test Results of CUMTB

Product	Wt (%)	Sn Grade (%)	Sn Recovery	(%)
Feed	100.00	0.67	100.0	
HG Concentrate	0.76	45.59	51.96	
LG Concentrate	3.15	3.64	17.04	
Total Concentrate	3.91	11.79	69.00	

Clearly, the processing indicators of the two tests differ significantly. Excluding the influence of differences in ROM grade, the excessive demagnetization and desulfurization operations in the CUMTB flowsheet are likely the main cause of excessive tin losses.

Based on the ALS testwork results, Lycopodium, together with several consulting firms, published the "*Achmmach Tin Project 2018 Definitive Feasibility Study Report*" ("2018 DFS") in July 2018. The 2018 DFS was based on a utilization of 7.0 Mt of ore reserves and a processing plant with a design capacity of 0.75 Mtpa. The flowsheet incorporates Ore Sorter pre-concentration, with the pre-sorted concentrates ground and classified, followed by a combined process of coarse-grained gravity separation and fine-grained flotation to produce a high-grade gravity tin concentrate and a medium-grade flotation tin concentrate. The average concentrate grade is about 60%, with an overall recovery of 77% approximately. The design parameters are shown in Table ES-8.

Table ES-8: Design Processing Indicators in 2018 DFS

Product	Mass Yield (%)	Sn Grade (%)	Sn Recovery (%)
Run-of-mine	100.0	0.8	100.0
Ore Sorting Accepts	45.6	1.4	69.6
Plant Feed (Accepts+Fines)	69.6	1.1	93.6
Dressed Gravity Conc	0.8	65.0	62.3
Flotation Conc	0.4	29.0	15.6
Total Concentrate	1.2	60.0	77.0

Based on the testwork results of CUMT and the expanded ore reserves, Shanjin Design & Consulting Co., Ltd. ("Shanjin") completed the "*Feasibility Study Report on the Mining, Processing and Tailings Design Project of the Atlas Tin SAS Achmmach Tin Mine in Morocco*" ("2026 FS") in March 2026. In the 2026 FS, the design capacity of the processing plant was increased to 1.2 Mtpa. Considering that pre-concentration waste reject requires industrial-scale test verification, the pre-concentration waste reject stage was omitted. Instead, a combined process of magnetic separation, gravity concentration, and flotation was adopted to produce a medium-grade tin concentrate and a low-grade tin concentrate. The average concentrate grade is 11%, with an overall recovery of 65%. The design indicators are shown in Table ES-9.

Table ES-9: Design Processing Indicators in 2026 FS

Product	Mass Yield (%)	Sn Grade (%)	Sn Recovery (%)
Run-of-mine	100.0	0.6	100.0
HG Concentrate	0.6	42.7	47.3
LG Concentrate 1	1.6	3.3	9.4
LG Concentrate 2	1.1	4.2	8.3
Total Concentrate	3.3	11.0	65.0

At Achmmach, cassiterite occurs mainly as medium to fine-grained disseminations. Cassiterite is brittle and readily breaks down during grinding, and the recovery of fine-grained cassiterite by processing is difficult. Therefore, the choice of appropriate grinding fineness, grinding method, and processing flowsheet is a key factor affecting cassiterite processing performance. Based on a review of the ALS and CUMT testwork results, SRK considers the design parameters in the 2018 DFS to be overly optimistic, whereas those in the 2026 FS are overly conservative.

Workforce Assessment

The Achmmach Tin Project is planned to be developed using outsourced contract mining, supplying an on-site processing plant with a design throughput of approximately 1.2 Mtpa. The mine and processing plant are planned to operate on a continuous three-shift basis, 330 operating days per year. Auxiliary production services and administrative functions, except where continuous coverage is specifically required, will generally operate on an intermittent (day-shift) basis. Totally 455 personnel are estimated necessary for the operation.

Project Infrastructure

The preferred access to the Achmmach site starts from Rabat, with a 150-km eastward drive along the A2 expressway via Meknès, followed by a 35km southward trip on a sealed road to Agourai, then a 20km southwest drive on a narrow sealed rural road, and finally a 5-km stretch of unsealed road that is passable under normal weather conditions. Internal haulage mainly relies on trucks for ore and waste rock transport, while light vehicles move minor materials and consumables. The main internal access road in the mining and processing industrial area is 6 meters wide and about 6.7km long, with a 4.5m wide, 0.6 km long secondary road leading to the ventilation shaft area, both paved with concrete slabs over graded crushed-stone sub-bases.

The project's power supply is designed for high reliability, consisting of a primary grid connection, a fully redundant standby grid connection, and an emergency diesel-generation facility. The primary supply comes from the Toulal substation via a 60 kV overhead line (about 38 km) to the main mine step-down substation, meeting full site demand; the standby supply is designed from the Boufakrane substation via a 34km 22 kV overhead line, capable of powering all critical loads during primary supply interruptions. A 2,500 kW, 22kV emergency diesel generator is also designed to be installed near the main substation. The main substation distributes power to all loads, with dedicated surface and underground substations for mining and processing areas, using overhead lines for long-distance outdoor distribution and XLPE-insulated cables (low-smoke, halogen-free underground) for indoor and short-distance feeders.

The project's water supply is designed to meet production, processing, domestic and fire-fighting needs, with an estimated new water demand of 3,520 m^3/d for mining and processing (excluding backfill) and 50 m^3/d for domestic use. Production water uses surface runoff from an existing 300,000 m^3 storage dam in the wet season and mine dewatering (about 4,500 m^3/d) in the dry season, both stored in a head tank and distributed by gravity. Domestic water is sourced from groundwater wells (sustainable yield estimated as 7.35 L/s) treated and stored in a dedicated tank. The fire-fighting system, based on a single simultaneous fire scenario, uses a 414 m^3 reserve in the mining head tank, with gravity-fed distribution and portable fire extinguishers installed in key areas; hot water is provided by a solar thermal system with auxiliary electric heating.

Environmental and Social Considerations

Environmental and social considerations for the Achmmach Tin Project have been assessed based on the 2026 Feasibility Study and supporting documentation. The Project comprises development of an underground mine with associated processing, tailings storage and waste rock disposal facilities. Environmental management measures for water supply, waste management and site infrastructure are described at feasibility level.

The environmental approvals issued in 2019 do not align with the 2026 project configuration and are no longer valid. Updated ESIA approval will be required prior to construction, aligned with the revised project capacity (1.2 Mtpa) and updated infrastructure layout. Detailed waste rock and tailings geochemical characterisation and a conceptual mine closure plan with cost estimate (including consideration of legacy Samine infrastructure) have not yet been completed. Confirmation of renewal of one BEJ exploitation licence (LE 333313) will also be required.

From a social perspective, the Project is located within an established mining permit area on collective and State land, and no physical resettlement has been identified. Livestock grazing occurs

within portions of the planned surface footprint, indicating potential economic displacement that may require assessment and formalisation of access arrangements. Socio-economic baseline information and project-specific stakeholder engagement documentation remain limited.

No material environmental or social fatal flaws have been identified, however, updated permitting, completion of outstanding technical studies, confirmation of tenure renewal and structured stakeholder engagement will be required prior to construction.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex expenditure ("Capex") is estimated based on historical expenditure and the Life of Mine ("LOM") production schedule. The total projected Future Capex is estimated as CNY 1,257 million according to the 2026 FS. The summary of Capex is presented in Table ES-10.

Table ES-10: Summary of Capex for Achmmach Tin Project

CAPEX	Unit	LOM
Initial Capex	**Million CNY**	**1,204**
Infrastructure	Million CNY	361
Underground Development	Million CNY	602
Equipment Installation	Million CNY	241
Sustaining Capex	**Million CNY**	**19**
Land Use Rights	Million CNY	-
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	-
Buildings	Million CNY	-
Underground Development	Million CNY	16
Others	Million CNY	4
Closure Cost	**Million CNY**	**33**
Total Capex	**Million CNY**	**1,257**

Source: summarized by SRK

Operating Costs

The operating costs ("Opex") are summarised in Table ES-11, and Figure ES-1, which present the life-of-mine unit cost estimates. SRK considers the average operating cost derived from the 2026 FS Opex model to be reasonable and has adopted this value for use in forward-looking economic evaluations.

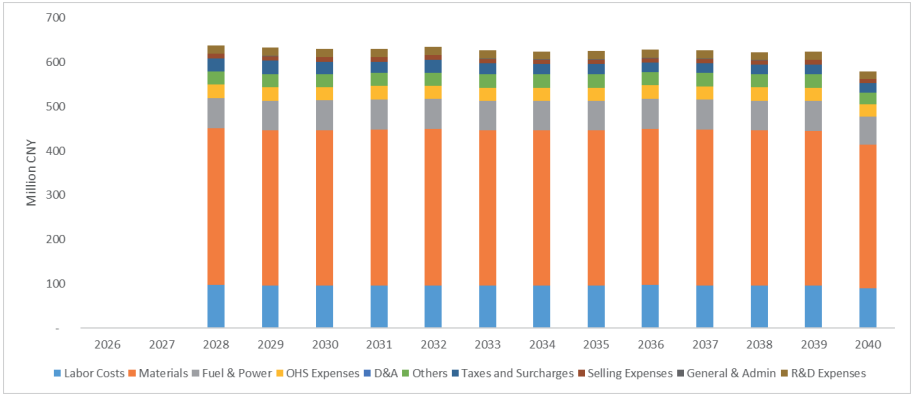
Table ES-11: Summary of Forecasted for Achmmach Tin Project

OPEX - By Element	Unit	Average
COGS		
Labor Costs	CNY/t	80
Materials	CNY/t	292

OPEX - By Element	Unit	Average
Fuel & Power	CNY/t	56
OHS Expenses	CNY/t	25
D&A	CNY/t	-
Others	CNY/t	25
Taxes and Surcharges	CNY/t	-
Selling Expenses	CNY/t	8
General & Admin	CNY/t	1
R&D Expenses	CNY/t	15
Total OPEX	CNY/t	**501**

Source: summarized by SRK

Figure ES-1: Opex Plan over LOM (in Million CNY)



Source: summarized by SRK

Economic Analysis

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Achmmach Project. The assumptions are as follows:

- The ROM and finial products of Achmmach Tin Project are based on the LOM schedule.
- The local currency for Achmmach Tin Project is Moroccan Dirham (MAD). However, as the 2026 FS was prepared in CNY, the economic analysis in this report have been conducted and estimated in CNY for consistency with the 2026 FS assumptions.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LOM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.

- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Mineral Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LOM.
- The reference date or effective date is 31 December 2025.

The net present values ("NPVs") at different discount rates were estimated by SRK through DCF model, presented in Table ES-12.

Table ES-12: Estimated NPVs at Different Discount Rate (in Million CNY)

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	874	760	655	561	474	395	323	257	197	141	90

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors most significantly impact its economics when considered independently. The analysis focused on metal prices, CAPEX, and OPEX, each tested within a ±30% range.

The changes in prices have the greatest impact on the Achmmach Tin Project's NPV, while OPEX and CAPEX have less effects.

To clarify the effects of prices on the Achmmach Tin Project's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -11% from the base scenario prices used in the model. In other words, the price drops to about 89% of the forecasting price, the Project NPV will become negative.

Risk Assessment

SRK completed a risk assessment of the risks identified for the Achmmach Tin Project in relation to their likelihood of occurrence and consequence.

SRK considers various technical aspects which may affect the feasibility and future cash flow of each operating mine and conducts risk assessments for the Achmmach Tin Project based on similar techno-economic conditions among the different deposits or mines, which have been summarized in Table ES-13.

Table ES-13: Risk Assessment for Achmmach Tin Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves	Possible	Moderate	Medium
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LoM)	Unlikely	Major	Low

Risk Source/Issue	Likelihood	Consequence	Risk
Pumping System Adequacy	Unlikely	Moderate	Low
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Possible	Moderate	Medium
Poor Road Transportation/Safety	Possible	Minor	Low
Ore Processing and Metallurgy			
Process Adaptability	Unlikely	Moderate	Low
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Unlikely	Moderate	Low
Low Plant Reliability	Unlikely	Minor	Low
Environmental and Social			
Environmental Approval Renewal and Alignment with 2026 FS	Possible	Major	Medium
Waste Rock & Tailings Geochemical Uncertainty	Possible	Major	Medium
Water Management & Abstraction Permit Alignment	Possible	Moderate	Medium
Closure Planning	Likely	Moderate	Medium
Stakeholder Engagement / Social Licence	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

1 Introduction and Scope of Report

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Achmmach and Bou El Jai Tin Projects ("**Achmmach Project**" or the "**Project**") which are located in central-northern Morocco, and operated by Atlantic Tin SAS, a subsidiary company of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver & Tin to support the proposed listing on the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the Australian Institute of Geoscientists ("**AIG**").

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK. Rather than ordinary production, SRK is not aware of any material changes to the Mineral Resources and Ore Reserves post the statement.

2.5 Work Program

The work program of the CPR includes:

- review of dataset and wireframes provided by Xingye Silver & Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit between 11 and 14 May 2026, to the Projects, including the locations of exploration drills, core yard, decline opening and the proposed infrastructure locations, etc.
- review of all available documents, including the feasibility study reports, licenses and permits, geology reports and previously environmental impact assessment ("EIA") reports, mineral processing test reports, etc.
- discussion with Atlantic Tin and Xingye Silver & Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the report to Xingye Silver & Tin and the related third party for comments and finalisation of the report based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
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 HKEx
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 HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Falong Hu	Principal Consultant (Mining)	Project Manager, Overall Responsibility
Huaixiang (Hubert) Li	Senior Consultant (Geology)	Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	QA&QC
Erwei Lu	Senior Consultant (Mining)	Mining and Ore Reserve Review
Donghao Luo	Consultant (Mining)	Mining and Ore Reserve Review
Rui Shen	Consultant (Mining)	Mining and Ore Reserve Review
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Economic Analysis
Xu Huang	Consultant (Mining)	Economic Analysis
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Anne Gimonet	Principal Consultant (Environment)	Environment, Social, and Permitting
Qiong (Amy) Wu	Project Coordinator	Project Coordination
Dr Yonglian Sun	Corporate Consultant (Geotech & Project Evaluation)	Internal Peer Review and Quality Control

Falong Hu, *MBA, B.Eng, FAusIMM, PMP*, is a Principal Consultant (Mining) and the manager of the mining, processing, and environmental department. He has worked as a mining engineer and mine planner in two different international mining companies. He is familiar with both underground and open-pit mines' production systems, mine design, scheduling, and cost estimates, as well as long-hole blasting and production operation, rock mechanics, ventilation, and back-fill. As a consulting engineer, he has accumulated extensive experience in over 100 projects, including due diligence review and audit, mine project evaluation and valuation, scoping/pre-feasibility/feasibility studies, mining optimization, and competent person reporting for the public financial market. His experience covers a range of minerals including gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate, and graphite, as well as quartzite, marble, bentonite, and construction aggregate, in various regions such as China, other parts of Asia, America, Africa, and Oceania. He is skilled in both technical and economic modeling and is proficient in digital modeling using Geovia, Datamine, and Deswik Suites.

Frank Li, *BEng, MSc*, *FAusIMM*, is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, etc. He has a deep understanding of analysis and mineral resource reporting conversions between of Chinese and JORC Code standards and has abundant experience in exploration management and quality control.

Huaixiang (Hubert) Li, *MEng, MAIG,* is a senior consultant (geology) with SRK China. He graduated from the China University of Geosciences (Beijing) and used to work in a geological exploration company for more than 6 years and gained lots of experiences and expertise in geological and

mineral resources exploration. As a consulting geologist, he has participated a number of metal mineral projects, including exploration design review, data verification, due diligence reviews and mineral resource estimation. He is familiar with the principles and methods for metal ore deposits prospecting and exploration including lithium, gold, silver, PGE, REE, copper, lead, zinc, molybdenum, bauxite, etc. He is proficient in geological modelling, resources estimation, data processing and GIS/RS application.

Erwei Lu, *M.Eng.;* Senior Consultant (Mining) at SRK China***,*** he obtained his bachelor's degree and master's degree in mining engineering from Central South University. He has over five years of practice of underground operation, and about one year's mineral project evaluation experience. He worked as an on-site mining engineer in Zambia for China Nonferrous Metal Mining (Group) Co., Ltd. after graduation in 2017. He also worked for an autonomous driving application and mineral project investment companies since 2022. He is familiar with large scale underground mobile equipment operation and training, long-hole blasting, mine design and scheduling, and production management, as well as autonomous driving application in open pit mine, and project evaluation.

Donghao Luo, *BEng*, Consultant (Mining) at SRK China. He obtained his Bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

TzuHsuan (Shan) Chuang, *M.Eng., MAusIMM*, is a Senior Consultant (Mining) at SRK China. She has experience in consulting and operation management. After graduating from Colorado School of Mines, she conducted scoping studies, pre-feasibility, feasibility studies, and project valuation in Zijin mining design company, with projects in China, Serbia, Tajikistan, Australia, Colombia, and Guyana. She then worked at Buritica underground gold mine of Continental Gold in Colombia, and was responsible for LoM plan, production operation, and grade control optimization. Her expertise includes pit optimization, mine design, and scheduling in metal mine, and is skilled in using Deswik, Whittle, Surpac, Minesched, and AutoCAD.

Shen Rui, *B.Eng,* is an Assistant Consultant (Mining) at SRK China. He obtained his bachelor's degree in mining engineering from Central South University, demonstrating outstanding academic performance along with solid professional knowledge and skills during his studies. After graduation, he joined SRK, where he has participated in various projects, including technical due diligence for the Indonesian laterite nickel project and the Shanxi coal mine project. He possesses expertise in both underground and open-pit mining research, reflecting his versatility and deep professional knowledge in the mining field. His strong capabilities in both underground and open-pit mining further underscore his proficiency in the profession.

Lanliang Niu, *B.Eng, MAusIMM*, is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals projects. With SRK, he has been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

Anne Gimonet, ***MSc (Environmental Sciences), BSc (Geology), FAusIMM,*** is a Principal Consultant (Environmental) with SRK China. Anne has 18 years of experience in international environmental consulting for multinational companies and SOEs. She specializes in Contaminated Site Assessment (Characterization, Investigation, Remediation & Closure), Environmental Due Diligence and Regulatory Compliance for industrial sites in various sectors. Her experience covers hundreds of industrials and mining sites across Europe, Asia,Africaand Oceania with an increasing focus on Site Closure governance.

Dr. Yonglian Sun, ***BEng, PhD, FAusIMM, FIEAust*****,** 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 two decades, Dr. Sun has led and coordinated 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 internal peer review to ensure the quality of the report meets the required standard.

2.8 Warranties

Xingye Silver & Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver & Tin 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 Xingye Silver & Tin or to Xingye Silver & Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Huaixiang Li, a Member of Australian Institute of Geoscientists ("MAIG", registration #8667. He is full-time employees of SRK. Mr Huaixiang Li 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 JORC Code". Mr Huaixiang Li consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Donghao Luo, and reviewed by Mr Falong Hu, FAusIMM. Both are full-time employees of SRK. Mr Falong Hu and Mr Donghao Luo have 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 JORC Code". Mr Falong Hu and Mr Donghao Luo consent

to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This Report is a Competent Person's Report in line with the Listing Rules of HKEx. As Mineral Resource and Ore Reserve reporting is a teamwork. Besides the Competent Persons aforementioned, other contributing Competent Persons with relevant areas of expertise are listed below, including

- Mr Lanliang Niu, MAusIMM, Principal Consultant (Processing); and
- Anne Gimonet, FAusIMM, Principal Consultant (Environment)

Peer review and quality control of the Report were conducted by Dr Yonglian Sun, FAusIMM, a Corporate Consultant (Geotech) at SRK.

2.11 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 Xingye Silver & Tin or employees of Xingye Silver & Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver & Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Project Description

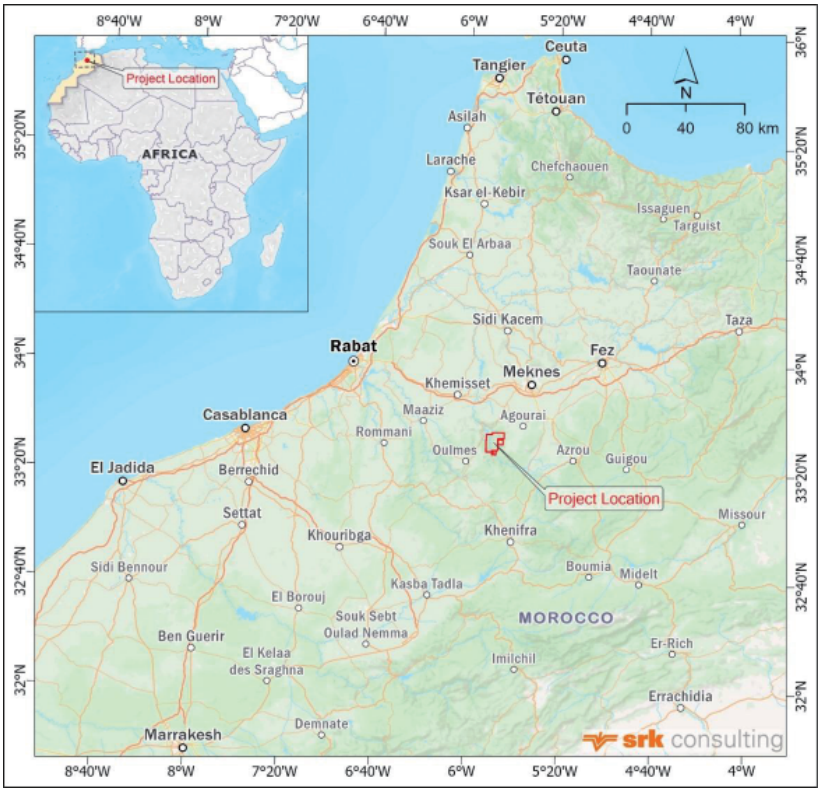
3.1 Property Location

The Achmmach–Samine Tin Project is located approximately 40 km southwest of the city of Meknès in central–northern Morocco, as presented in Figure 3-1. The project benefits from Morocco's well-developed national infrastructure, including rail, sealed highways, seaports and international airports.

The Samine site, which hosts the El Hammam processing plant, is located approximately 7 km from the Achmmach deposit. An existing unsealed haul road links Achmmach to Samine/El Hammam. This haul road was constructed using coarse sand derived from historical fluorite mining rejects (from the former Samine operation). Due to the coarse particle size, dust generation along this haul road is reported to be low.

The El Hammam plant also has main road access from the west via a sealed road that connects directly to the A2 expressway between Rabat and Meknès, providing reliable year-round access for personnel, consumables and concentrate transport.

Figure 3-1: Property Location Map



Source: SRK, 2026.

3.2 Mineral Tenure

The Achmmach Project concession straddles the boundary between the provinces of Khemisset and El Hajeb in central-northern Morocco and lies within the rural districts of Ras Ijerri, Sebt Jahjouh and Ait Ouikhalfen. The Project and associated infrastructure are supported by the exploitation licences described in this section and detailed in Table 3-1 and shown in Figure 3-2.

Table 3-1: Exploitation Licences of the Project

Mining Licence	Name	Type	Delivery date	Expiry date	Size (km²)	Company Holder	Notes
LE332912	Achmmach	Exploitation	18-01-22	17-01-32	11,9036	ATLAS TIN	Valid
LE333313	BEJ	Exploitation	08-03-16	07-03-26	5,625	HAMADA MINERALS	Expired, reportedly under renewal, although not reviewed by SRK
LE333172	BEJ	Exploitation	21-11-18	21-11-28	2,289	HAMADA MINERALS	Valid
LE343180	Samine	Exploitation	05-07-19	04-07-29	11,39	SAMINE	Valid
LE323295	Tamtalt	Exploitation	10-05-19	10-05-19	7,57	ATLAS TIN	Valid

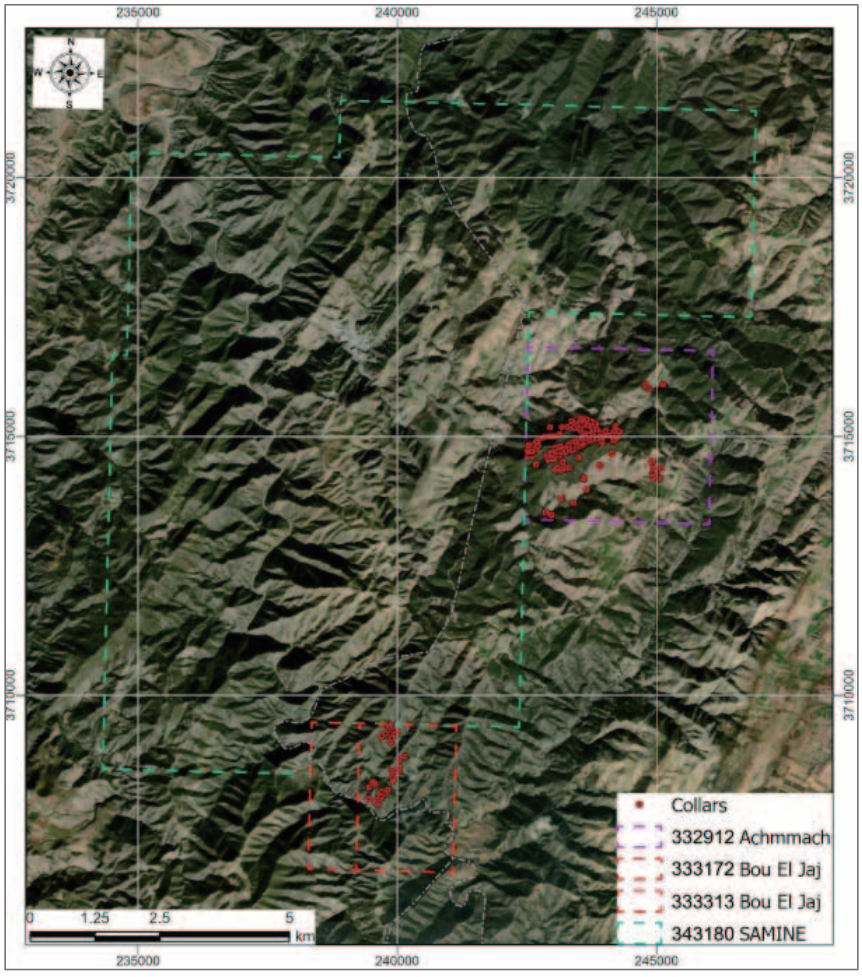
Source: Xingye Silver and Tin, 2026

The principal licence covering the Achmmach deposit is Operating Licence (licence d'exploitation) LE 332912, which overlaps the communes of Ait Ouikhalfen and Ras Ijerri and covers an area of approximately 11.9036 km². The licence was delivered on 18 January 2022 and is valid until 17 January 2032. Atlas Tin is the registered holder. Based on documentation reviewed by SRK, the licence is valid as at the effective date of this report.

To the west of Achmmach, the Samine concession is held under Operating Licence LE 343180, covering an area of approximately 11.39 km². The licence was delivered on 05 July 2019 and is valid until 04 July 2029. The licence is held by Samine. Based on documentation reviewed by SRK, the licence is valid as at the effective date of this report. The Samine concession is contiguous with the Achmmach concession along its western boundary. A historical haul road, previously used to transport ore from eastern workings near the Achmmach orebody to the El Hammam processing facility, is planned to be reinstated. This road will link the Achmmach North Portal to the El Hammam plant, located approximately 7 km west of Achmmach.

Two additional exploitation licences relate to the Bou El Jai (BEJ) area and are held by Hamada Minerals. Licence LE 333313 covers approximately 5.625 km², was delivered on 08 March 2016, and has an expiry date of 07 March 2026. The licence is reported to be expired and under renewal; however, supporting documentation confirming renewal has not been reviewed by SRK. Licence LE 333172 covers approximately 2.289 km², was delivered on 21 November 2018, and is valid until 21 November 2028. Based on documentation reviewed by SRK, the licence is valid as at the effective date of this report.

Figure 3-2: Mineral Tenure Map (Achmmach, Samine, BEJ)



Source: Generated by SRK form the data provided by Xingye Silver and Tin, 2026.

Atlas Tin is also the registered holder of an additional exploitation licence, LE 323295 (Tamtalt), covering approximately 7.57 km². This licence was delivered on 10 May 2019 and has an expiry date of 10 May 2019. Based on documentation reviewed by SRK, the licence is valid as at the effective date of this report. The Tamtalt licence is located in eastern Morocco, near the border with Algeria, and is separate from the Achmmach–Samine concession area. It does not form part of the Project assessed in this report and is referenced here for completeness only.

3.3 Accessibility

The preferred access to the Achmmach site is from Rabat, travelling approximately 150 km east along the A2 expressway via Meknès, then a further 35 km south on a sealed road to the town of Agourai. From Agourai, a narrow sealed rural road extends approximately 20 km southwest towards the project. The final approximately 5 km to the Achmmach site is via an unsealed road that is trafficable under normal weather conditions.

3.4 Local Resources

The project area is characterised by rugged mountain ranges, intervening valleys and elevated plateaus, supporting pine forests and oak woodlands, interspersed with cleared land used for agricultural activities.

3.5 Climate

The project area has a warm, temperate Mediterranean climate, with cool, wet winters and hot, dry summers. Typical temperatures range from approximately 5–15 °C in winter to 18–34 °C in summer. The average annual rainfall is about 700 mm, with precipitation predominantly occurring during the winter months.

3.6 Physiography

The Achmmach and El Hammam (Samine) tenements are located in rugged terrain on the north-eastern part of the central plateau of the Middle Atlas Mountains. The project site lies at an elevation of approximately 1,085 m above sea level ("asl"), with the nearby Sidi Addi peak reaching about 1,230 m asl.

The landscape is characterised by mountain ranges, valleys and plateaus, supporting pine forests, oak woodlands and cleared areas used for agriculture. This physiographic setting is typical across both the Achmmach and El Hammam licence areas.

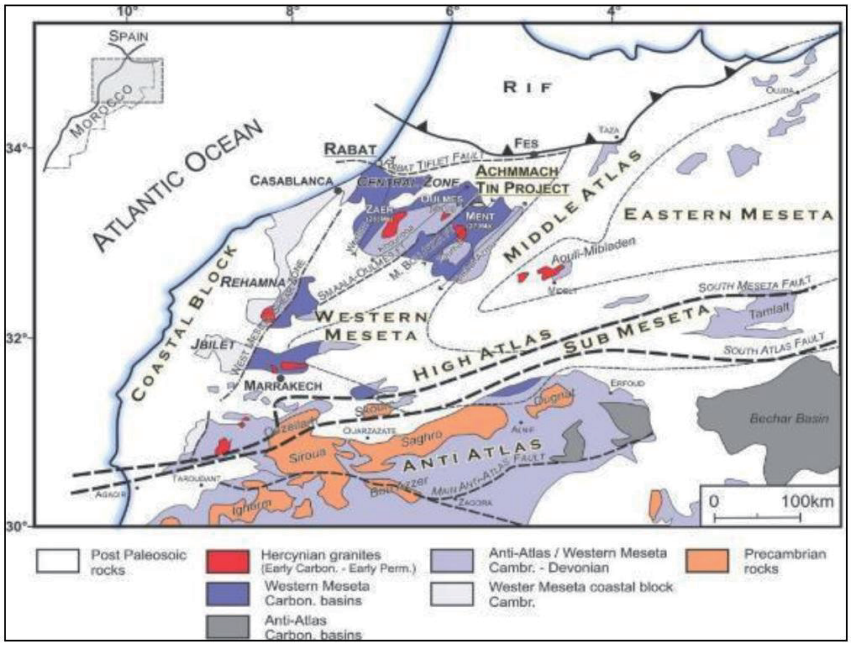
4 Geological Setting and Mineralisation

The contents of this section are mainly sourced from the scoping study report by Atlantic Tin in 2024 and the definitive feasibility study report by Atlas Tin in 2018.

4.1 Regional Geology

Morocco is divided into several major tectono-stratigraphic domains separated by regionally extensive Palaeozoic fault systems (Figure 4-1). From south to north these comprise: the Anti-Atlas and the northern margin of the Saharan Domain, the Meseta Atlasic Domain, and the Rif Domain (Khattach et al., 2013). Within the Meseta Atlasic Domain—which includes the Moroccan and Oran (Western and Eastern) Meseta—the Palaeozoic basement crops out as isolated massifs surrounded by Mesozoic–Cenozoic sedimentary cover. The Achmmach tin deposit is situated in the Central Massif of the Moroccan Meseta and is hosted by turbiditic sediments of the Serpukhovian-age Fourhal Formation.

Figure 4-1: The Major Geological Area of Northern Morocco



Source: The Atlantic Tin Scoping Study Report, 2024.

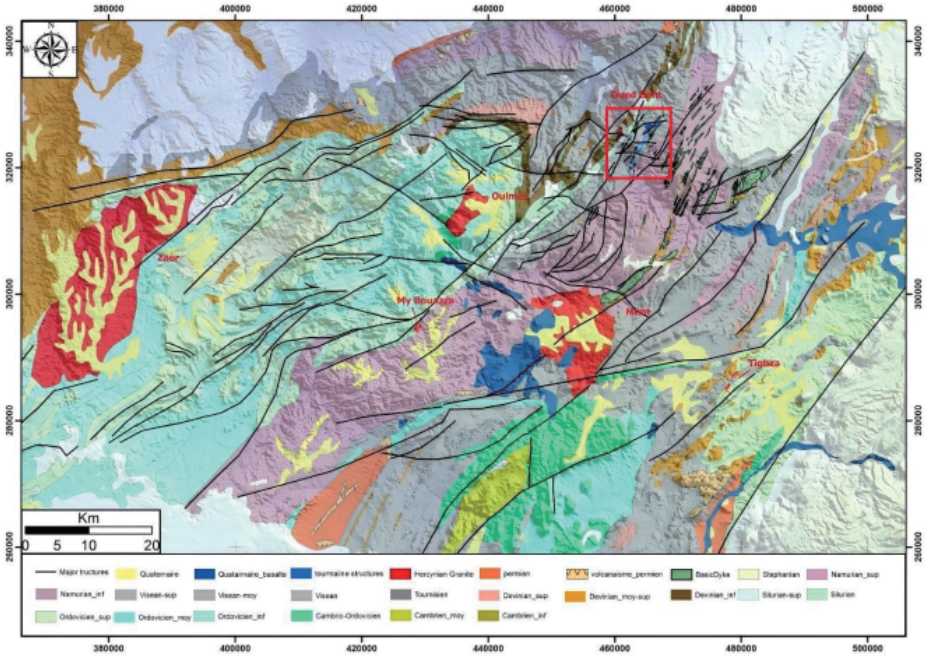
Geologically, the Achmmach area is part of the Moroccan Central Massif, which represents the largest Paleozoic block of the Moroccan Meseta. This massif extends from the Atlantic coast in the west to the foothills of the Middle Atlas (Azrou–Khénifra region) in the east. It is bounded to the north by the Saïs (Meknes) Basin and to the south passes beneath the Phosphate Plateaux.

This fragment of the chain was built during several superimposed tectonic episodes within an anchiepizonal regional metamorphic level.

The Paleozoic sequences are intruded by numerous late-tectonic Hercynian granite massifs. From west to east, the principal intrusions include the Zaër, Oulmès, and Ment massifs, together with smaller granite bodies at Moulay Bouazza, El Hammam, and Jebel Aouam. The regional structural framework of the Central Massif, generated during the main Hercynian deformation phase, is characterized by a series of anticlinoria and synclinoria separated by major fault zones. These "mega-faults" acted as basin-bounding structures during the Carboniferous and subsequently as shear zones during late-Hercynian compressional events (Piqué et al., 1979) (Figure 4-2).

- The central Khouribga – Oulmès anticlinorium: it is made up of schists and Ordovician and Silurian quartzites.
- The Fourhal – Talet synclinorium, occupied by neo-Visean flysch.
- The Kasba- Tadla – Azrou anticlinorium: the work showed that a native made anticlinal, especially Cambro – Ordovician (Zaïane), with Visean cover.

Figure 4-2: The Regional Geology Map



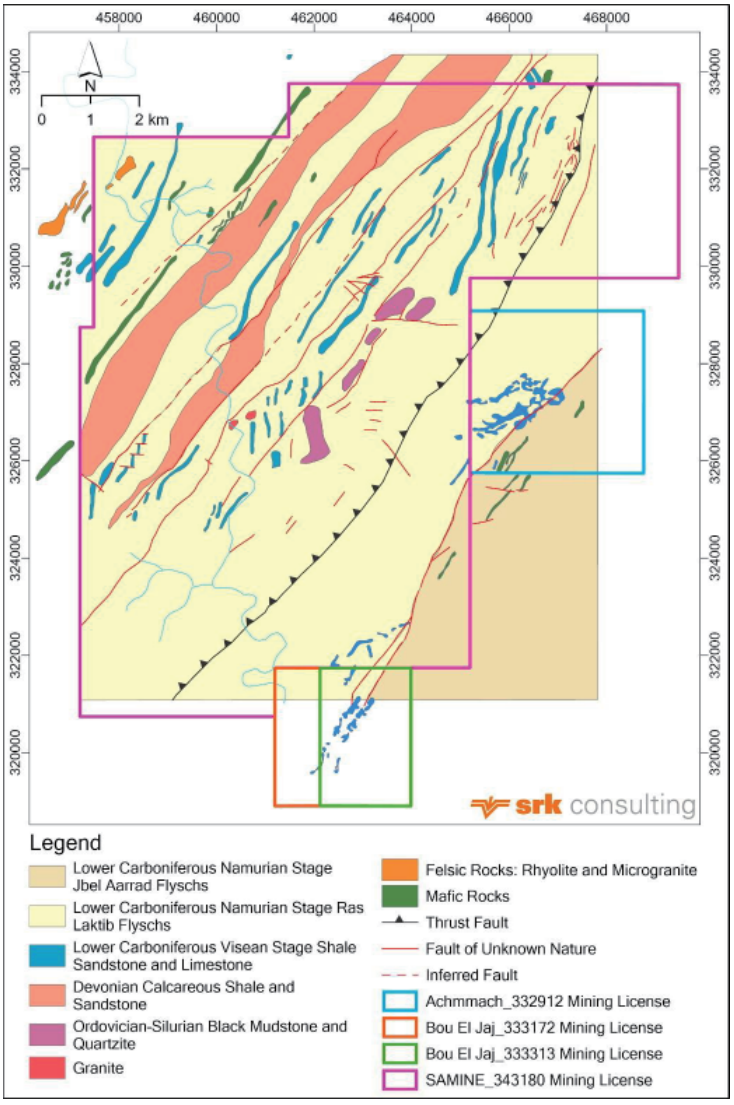
Source: The Atlantic Tin Scoping Study Report, 2024.

4.2 Property Geology

As showed in Figure 4-3, the Achmmach and Bou El Jaj tin deposits are hosted by metamorphosed shale and sandstone of Lower Carboniferous (Mississippian) age. These rocks form part of a

flysch-type turbiditic succession that strikes approximately north to north-northeast and can be traced for at least 20 km. Shale is the dominant lithology; sandstone beds are typically less than 30 cm thick, although individual units up to several metres in thickness occur, particularly in the western part of the project area.

Figure 4-3: The Property Geology Map



Source: Modified from Xingye Silver and Tin, 2026.

Following deposition, the sedimentary sequence was subjected to significant ductile and brittle deformation during the Variscan orogeny. Bedding is now commonly moderately to steeply inclined

toward the WNW. Metre-scale tight parasitic folds are widespread, most of which are gently plunging to the NNE, moderately inclined, and verging toward the WNW and ESE.

Regionally, the host sequence strikes north to north-northeast. The Achmmach ridge, which trends approximately 70° east of north, reflects a local change in strike attributed to the presence of resistant tourmaline- and silica-rich structural zones.

The sedimentary pile is intruded by subvolcanic felsic and mafic bodies. In addition, the Palaeozoic succession is intruded by Hercynian (Upper Carboniferous–Permian) granite, which crops out roughly 5 km west of the zone. The host rocks within the deposit area are overprinted by pervasive fine-grained black tourmaline alteration over a strike length of at least 1.6 km and a width of 200–500 m in plain view; this tourmaline alteration corridor is a prominent and distinctive feature.

The principal structural element at zone is the east–west-striking Sidi Addi Fault, which traverses the northern part of the deposit.

4.3 Mineralization

The Fourhal Formation comprises deformed, interbedded pelitic and psammitic sediments of Lower Carboniferous (Namurian) age. These meta-sandstones and shales form a tightly folded turbiditic succession (Figure 4-4), which is overprinted by intense tourmaline alteration within shear zones and intruded by magmatic sills.

The sills are interpreted to pre-date the main mineralising event, as they themselves are affected by tourmalinisation and host tin mineralisation. Their composition ranges from felsic to mafic. A prominent felsic intrusive body (monzogranite) forms the hanging wall to the high-grade tin mineralisation in the central and western parts of the deposit.

Figure 4-4: Interbedded Meta Sandstones and Shales at Achmmach

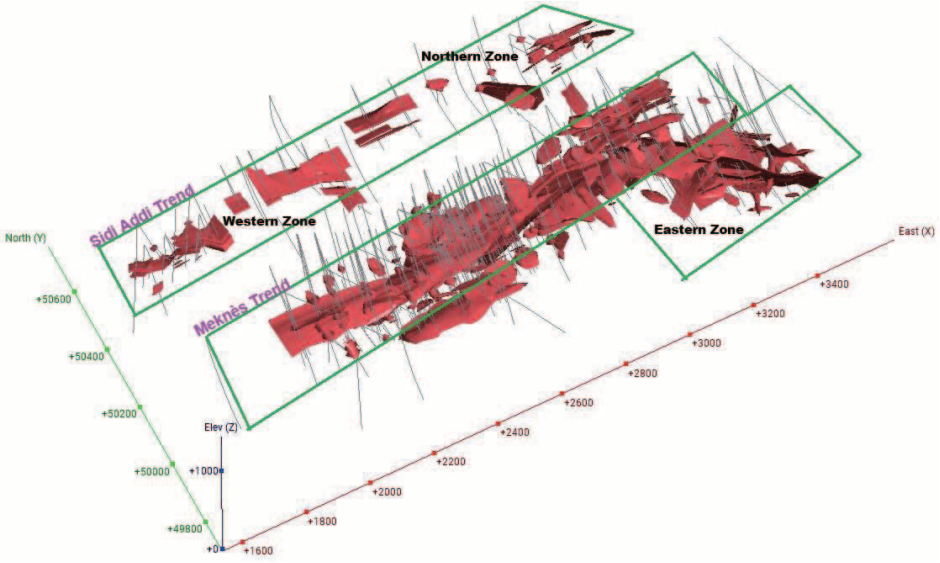


Source: Atlas Tin Definitive Feasibility Study Report, 2018.

4.3.1 Achmmach Project

At the Achmmach project, mineralization is concentrated within two subparallel, ENE-striking lode systems, termed the Meknès and Sidi Addi Trends, which are separated by approximately 500 m (Figure 4-5). The Meknès Trend hosts the majority of the defined Mineral Resource, while mineralization along the Sidi Addi Trend—developed within tourmaline–silica–altered metasedimentary rocks—is referred to as the Western Zone. Tin occurs predominantly as cassiterite (SnO_2; specific gravity 6.8–7.1; ~78% Sn) with minor stannite (Cu_2FeSnS_4). The cassiterite is relatively chemically pure and does not display significant enrichments in typical trace or by-product elements such as indium (In), gallium (Ga), tantalum (Ta), or niobium (Nb).

Figure 4-5: Mineralised Bodies of Achmmach Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

Deformation at Achmmach is expressed as multiple phases of folding, faulting, and intrusion by suites of igneous sills. Folding has produced a moderately to steeply dipping WNW-striking S_0 fabric and abundant parasitic folds. Fold hinges are commonly sheared and displaced east–southeast along axial planar cleavage surfaces, which locally act as thrust zones. Milky quartz veins, interpreted as syn-tectonic with axial planar cleavage development, are present within the hinge zones of these folds.

A pervasive fracture cleavage striking approximately east–west to west–southwest is interpreted to have formed during transpressional shearing. This cleavage exerts a primary control on the distribution of tourmaline alteration and therefore on tin mineralisation.

The host rocks at Achmmach have undergone extensive hydrothermal alteration, attributed to a concealed granitic intrusion at depth. Two main structurally controlled alteration assemblages are recognized:

- Quartz–sericite–chlorite ± pyrite: A pervasive, early alteration assemblage developed preferentially along faults, cleavage zones, and shear structures.
- Tourmaline–silica alteration: Closely associated with tin mineralisation and defining the Meknès and Sidi Addi Trends, which extend for nearly 2 km in an ENE orientation. This alteration is focused along the EW fracture cleavage and occupies shear zones, fold hinges, bedding planes, and hydraulic (fluid-assisted) breccias.

Tin mineralisation occurs as cassiterite hosted in quartz–cassiterite veinlets and stringers, and as disseminations. Veinlets are typically narrow (a few millimetres thick), though local zones reach a few centimetres in thickness. The host rocks are typically overprinted by fine-grained black tourmaline and white quartz prior to cassiterite deposition, with cassiterite occurring as disseminations within the tourmaline and as infill in breccias.

Taylor (2009) proposed a paragenetic sequence in which:

- Tourmaline II and Quartz II occur together, forming zones of moderate to strong Tourmaline II alteration that host the tin mineralisation.
- Quartz–cassiterite ± arsenopyrite, pyrite, and chlorite represents the main tin-bearing stage.

Atlas Tin geologists have further documented a general relationship between tin grade and the mode of occurrence of cassiterite, as summarized in Table 4-1.

Table 4-1: Cassiterite Occurrence at Achmmach Project

Grade Range	Modes of Occurrence of Cassiterite
Up to 0.5% Sn	Quartz-cassiterite +/- sulphide stringers and veinlets not necessarily in tourmaline and Quartz-cassiterite stringers and veinlets in tourmaline
0.5% - 2% Sn	As above plus disseminated cassiterite in the interstices of tourmaline
Over 2% Sn	As above plus wider and higher-grade quartz-cassiterite veinlets and veins or cassiterite as infill matrix of breccia

Source: Modified from the Atlantic Tin Scoping Study Report, 2024.

Mineralised zones occur as discrete envelopes over a strike length of more than 1.6 km. Close-spaced drilling has delineated east–west–striking, sub-vertical tourmaline bodies ("feeders") and a series of gently to steeply north-dipping "branches." These tourmaline envelopes have been traced over a vertical extent of approximately 600 m and range from a few metres to more than 30 m in thickness. They appear laterally continuous in plain view and correlate well with the tourmaline alteration zones mapped at surface.

Within these envelopes, the distribution of cassiterite veinlets controls the tin grade. Key characteristics of the tin mineralisation are:

- The mineralised envelopes are dominated by tourmaline and contain the bulk of the tin as quartz–cassiterite veinlets. As in many hydrothermal Sn systems, minor "leakage" of tin occurs outside the main envelopes.
- Quartz–cassiterite veinlets are not uniformly developed throughout the tourmaline envelopes; some portions of the envelopes are weakly or non-mineralised. The current geological model does not impose internal constraints on where tin occurs within the tourmaline bodies.
- The quartz–cassiterite veinlets are steeply dipping, whereas the enclosing tourmaline envelopes dip moderately to steeply.

Mineralisation occurs as veins, veinlets, and disseminations within acicular tourmaline. High-grade tin is typically associated with stockwork vein arrays, dense sheeted vein sets, and hydraulic breccias.

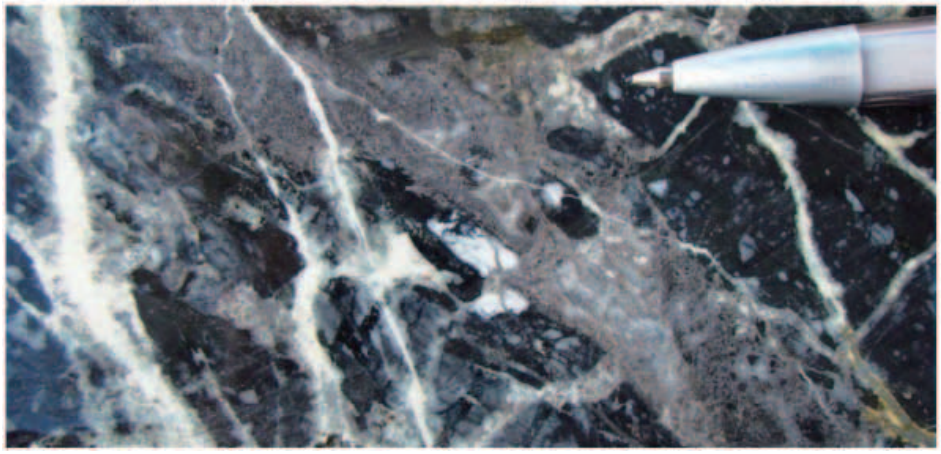
The ore is hosted by intensely tourmaline–silica–altered metasediments (the "lodes") and is present mainly as millimetre-scale veinlets and centimetre-scale veins. Disseminated cassiterite within acicular Tourmaline II and in porous sandstone beds can be locally significant. High-grade shoots are generally developed where there are dense fracture/stockwork networks, thicker and more closely spaced sheeted veins (up to several centimetres), and well-developed hydraulic breccias as shown in Figure 4-6 and Figure 4-7.

Figure 4-6: Black Toumaline II – Quartz Alteration and Milky Quartz I



Source: Atlas Tin Definitive Feasibility Study Report, 2018.

Figure 4-7: Fine Grained Cassiterite (Brown) with Late-Stage Cross Cutting Carbonates (White)



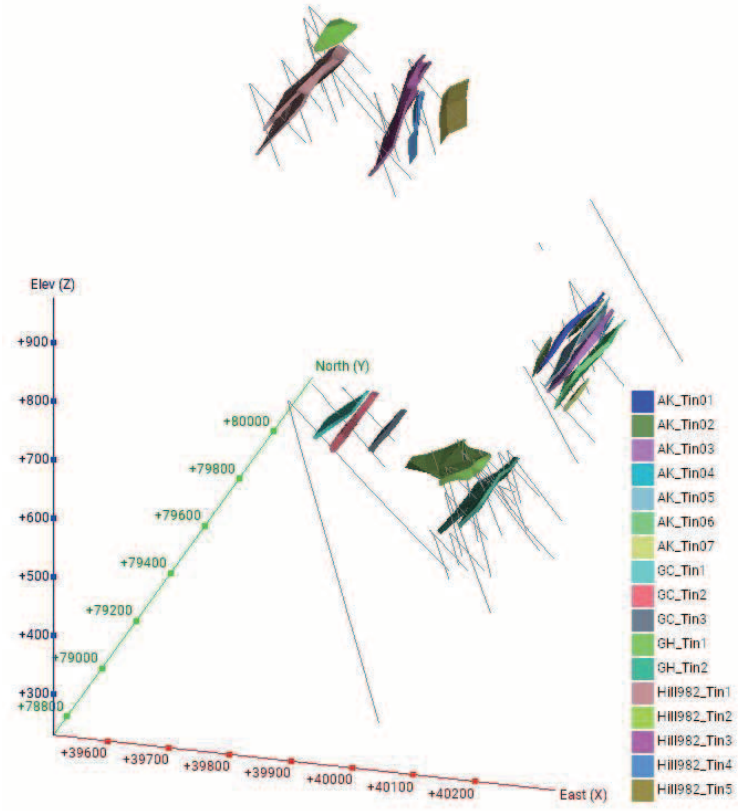
Source: Atlas Tin Definitive Feasibility Study Report, 2018.

4.3.2 Bou El Jaj Project

The Bou El Jaj Project is about 5 Km southwest of the Achmmach project. They are sharing the similar geological and mineralisation background.

At the Bou El Jaj project (Figure 4-8), mineralisation is hosted by interbedded turbiditic sandstones and siltstones of Early Carboniferous age. These sediments have undergone multiple deformation events typical of a fold-and-thrust belt, producing a dominant northeast strike (020–030°) with folding ranging from open to tight chevron styles. Widespread brittle fault planes dip shallowly to the northwest and are interpreted as southeast-verging thrusts. The tin mineralisation is developed in quartz–cassiterite veins and breccia zones associated with tourmaline alteration, which is interpreted to be related to a concealed granite intrusion at depth. The geometry of the alteration and mineralised zones is strongly controlled by the pre-existing rock fabric and structures, including bedding, cleavage, fold hinges, and thrust faults. Permo–Carboniferous dolerite to microgabbro dykes also intrude along this structural fabric.

Figure 4-8: Mineralised Bodies of Bou El Jaj Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

4.4 Deposit Types

The geological model for the Achmmach tin project comprises a deformed turbiditic sedimentary package of Carboniferous age that has been strongly affected by Hercynian (Variscan) deformation and subsequently intruded by several igneous bodies. The late Hercynian Oued Beht granite is interpreted as the principal hydrothermal source responsible for tin and associated mineralisation throughout the district.

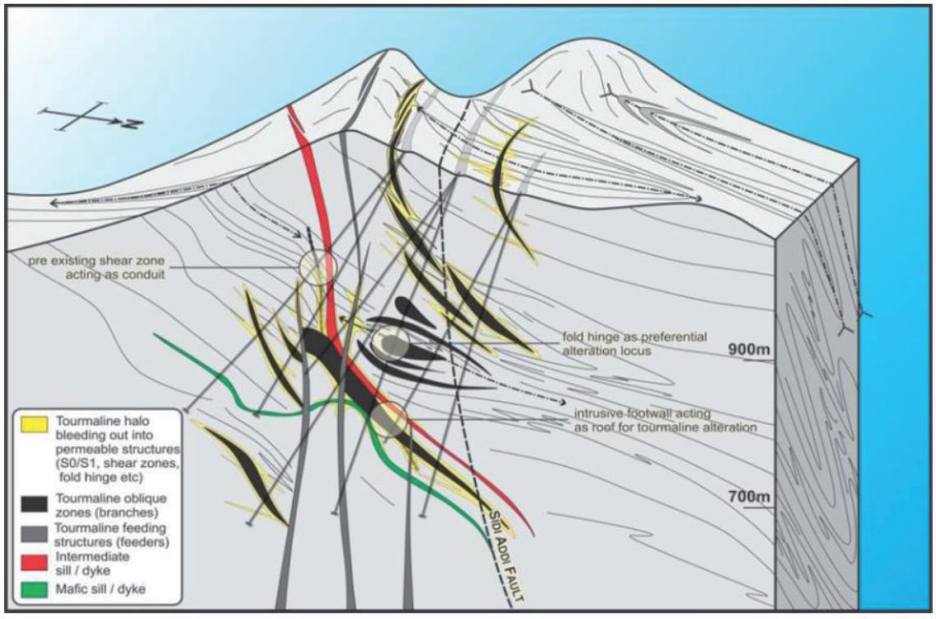
At Achmmach, hydrothermal fluids related to this granite overprinted earlier structures and generated two main styles of tourmaline alteration:

- "Feeders" – sub-vertical, north-dipping tectonic breccia zones developed along brittle–ductile shear zones, striking approximately east–west.
- "Branches" – gently to steeply north-dipping shear zones characterized by hydrothermal breccias, which splay off or link between the feeder structures.

These tourmaline-altered envelopes have been defined by drilling over a vertical extent of about 600 m and range from a few metres to more than 30 m in true thickness. In plain view, they form laterally continuous bodies that correspond closely to the tourmaline alteration mapped at surface.

From a structural standpoint, the tin-mineralized envelopes are interpreted as forming a near-vertical duplex bounded by two thrust structures developed in the hanging-wall and footwall "feeder" zones. The "branch" structures occupy the intervening blocks (horses) within this duplex system and are typically the most strongly mineralized in cassiterite.

Figure 4-9: Geological Model of the Achmmach Tin Project



Source: The Atlantic Tin Scoping Study Report, 2024.

5 Exploration

The exploration content in this section mainly relates to the Achmmach and Bou El Jaj projects. The Company is carrying out exploration work at the Tamlalt gold project, and the SAMINE project is a fluorite mine that has already been closed. No Mineral Resource is reported for the Tamlalt and SAMINE projects.

5.1 Exploration History

5.1.1 Achmmach Project

The Achmmach tin deposit was discovered in 1985 by the Moroccan government agency Bureau de Recherche's et de Participations Minière's ("BRPM") following up on anomalous stream-sediment geochemistry. During the early 1990s, BRPM completed several reconnaissance programs, including soil sampling, rock-chip sampling and trenching, 1:25,000-scale geological mapping, and a gravity survey. Based on anomalies and targets defined by this early work, a diamond drilling program was initiated in late 1992.

Between 1992 and 2000, BRPM drilled 29 diamond core holes totalling 13,405 m along the initial 1.6 km strike length of the Achmmach system. An 85 m deep exploration shaft was sunk to the 890 mRL, with approximately 227 m of strike development completed to obtain bulk samples for metallurgical test work. Three underground diamond holes, totalling 853 m, were also drilled from this development. In 2002, BRPM reported a Mineral Resource estimate of 9.57 Mt at 1.09% Sn, containing approximately 104,000 t of tin metal at a 0.5% Sn cut-off grade. This estimate was based on a nominal drill spacing of about 150 m.

In 2006, Kasbah Resources Ltd entered into an agreement with the Moroccan National Office for Hydrocarbons and Mining ("ONHYM") to further test the tin potential of the prospect. The works included:

- surface mapping to 1:1000
- soil sampling at 160 m x 80 m grid (1,218 samples)
- rock chip sampling (447 samples)
- ground magnetic surveys in 2008 and 2009
- diamond drilling in 2007 comprising 292 holes drilled for approximately 105,000 m
- paragenetic studies in 2008, 2009 and 2012
- structural studies on oriented core in 2009, 2010, 2011 and desktop work in 2012
- PhD research on mineralisation textures, fluid inclusions and model of emplacement
- The 2019 & 2021 Sidi Addi continuity testing drill program, 18 holes totalling 4,173 m

5.1.2 Bou El Jaj Project

A total of 60 (totalling 9,028 meters) diamond drillholes were completed in Bou El Jay area, of which 5 holes (1,075m) were drilled by BRPM in 1998, and 55 holes (7,953m) were drilled by Hamada in 2012.

5.2 Drilling Exploration

5.2.1 Achmmach Project

As detailed in Figure 5-1 and Table 5-1, the drill sections are at 20 m to 80 m spacing (Easting), with holes at varying intervals along the sections. Multiple holes were drilled from the same drill pad in a fan configuration leading to variable pierce point spacings, which is about 40 m x 40 m down to about 20 m x 10 m.

Figure 5-1: Plan View of Diamond Holes at Achmmach Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

Table 5-1: Diamond Holes Summary at Achmmach Project

Company	Type	Year	Counts	Depth (m)
BRPM	Resource Definition	1992	8	3,375.7
		1993	5	2,325.6

Company	Type	Year	Counts	Depth (m)
		1994	2	895.3
		1995	5	2,171.9
		1996	6	3,065.4
		1997	6	2,423.9
		Sub Total	***32***	***14,257.7***
Kasbah	GeoTech, Hydro, Others	2011	1	103.5
		2012	12	606.8
		2013	20	1,363.1
		2014	2	1,671.0
		Sub Total	***35***	***3,744.4***
	Resource Definition	2001	1	377.2
		2007	9	1,666.0
		2008	19	7,139.3
		2009	5	1,576.5
		2010	46	12,086.9
		2011	47	16,411.4
		2012	105	43,818.3
		2013	83	24,121.3
		2014	13	2,390.8
		2019	10	2,063.5
		2021	8	2,109.3
		Sub Total	***346***	***113,760.5***
	Sub Total		***381***	***117,504.9***
	Total		***413***	***131,762.6***

Source: Summarised by SRK from the data provided by Xingye Silver and Tin, 2026.

The drillhole collar positions were set out using a hand-held GPS or by offset from nearby previously drilled holes. The rig azimuth was set up a compass and the azimuth with a clinometer. The final drillhole collar coordinates were established by a contract surveyor, using differential GPS methods. The coordinate system is UTM 30N and datum is WGS84. A local grid was introduced over the Achmmach Tin Project with the easting axis parallel to the overall tin mineralization trend. The local grid is rotated 20° anticlockwise from the UTM system.

Downhole surveys consist of the drill rig set-up at the collar, and then by multi-shot (2007 -2008) or single-shot (2009 - 2013) Reflex instrument. Shots were generally taken every 50 m down hole prior to 2010 and at 25 m intervals since 2011. Data is available for the older BRPM drilling (at 50 m intervals), although it is unclear what method of surveying was used.

All drilling used in the Achmmach resource estimate was diamond core, with PQ or HQ at the surface and reducing to NQ at depth when required. For the Western Zone, all core was HQ or HQ3.

Orientation of all cores has been performed using the ACT tool method.

Core recovery was routinely recorded for all drill holes during geological logging. The rock is very competent, with average recovery in the order of 99% - low recoveries are associated with faults or

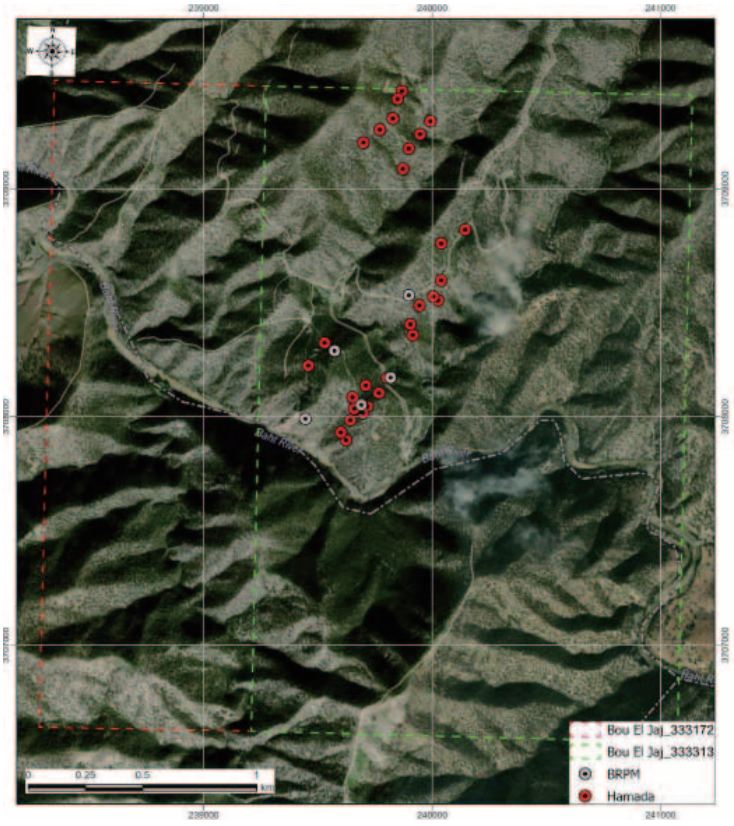
other structures that are not related to the mineralization, and recovery in the mineralised zones is almost always 100%. There is no relationship between Sn grade and recoveries. Where difficult ground conditions were encountered, drill runs were reduced to less than a metre. Logging depths were checked against core blocks and rod counts were routinely carried out by drillers and upon the geologist's request.

Detailed geological logging was undertaken for lithology, alteration, weathering and structural logging from oriented core. Rock quality and other geotechnical information was also logged. Logging was to geological boundaries/contacts. All core was photographed both dry and wet, and the photos were kept securely in electronic format. The entire length of all drillholes is logged.

5.2.2 Bou El Jaj Project

As detailed in Figure 5-2 and Table 5-2, drill sections were spaced at about 70m to 80m with holes drilled on the same section spaced at approximately 60m apart in the zones of mineralisation intersection.

Figure 5-2: Plan View of Diamond Holes at Bou El Jaj Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

Table 5-2: Diamond Holes Summary at Bou El Jaj Project

Company	Counts	Depth (m)
BRPM	5	1,074.7
Hamada	55	7,953.3
Total	***60***	***9,028.0***

Source: Summarised by SRK from the data provided by Xingye Silver and Tin, 2026.

Collars were picked up using Topcon GTS-235N survey equipment to an accuracy of less than 1one metre. One hole, BD034, was picked up using a Garmin 60 GPS. This hole was only drilled to 14.3 m. Down hole surveys were performed using a single-shot Reflex instrument.

Recovery data provided with the drill assay data indicates a recovery of 99.99% of core with some minimal loss generally at, or close to, the collar of the hole.

Holes were logged for lithology, alteration, mineralisation, structure as well as geotechnical logging. A Niton handheld XRF analyser was used to aid interpretation of alteration and mineralisation (Lindhorst and Seghir, 2013). Wet and dry photography was conducted on all core prior to sampling.

5.3 Sampling, Sample Preparation and Analyses

5.3.1 Achmmach Project

Following information are mainly summarised from the Achmmach Project MRE Technical Report, prepared by Cube Consulting in 2024.

Sampling

Core sampling for the Achmmach Project has been undertaken by Kasbah geologists using standard industry protocols. Mineralised intervals were identified visually and with a Niton hand-held XRF analyser used only for mineralisation screening (not for resource estimation) to distinguish mineralised from barren core.

Core from mineralised intervals was generally sampled on nominal 1.0 m intervals, with shorter intervals applied at geological contacts where warranted. Core was cut longitudinally using an automatic core saw, with half core submitted for assay and the remaining half retained in the core library for reference and potential re sampling.

Only mineralised intervals were routinely sampled and dispatched; barren intervals were commonly left unsampled based on the geological logging and hand-held XRF results. This approach, while efficient, results in gaps in assay coverage in clearly non mineralised material and is considered in the resource modelling methodology.

Sample Preparation and Analyses

Initial sample preparation was carried out at the on-site sample preparation facility. Half core samples were crushed to achieve 80% passing 2 mm, and a 250 g sub sample was obtained by rotary splitting for dispatch to the primary analytical laboratory.

Sample bags and shipping drums were sealed with security tags prior to transport to the laboratory to maintain chain of custody and to minimise the potential for tampering or contamination.

Since June 2012, all exploration drilling samples have been analysed at ALS Laboratories in Loughrea, Ireland, a commercial, independent laboratory. Historical Kasbah samples were previously analysed at Reminex in Morocco, and umpire/check work has been performed at ALS (Seville, Spain) and Bureau Veritas (Perth, Australia), also independent commercial laboratories. The source documentation does not specify formal accreditation details; however, ALS and Bureau Veritas are internationally recognised laboratories that typically operate under ISO accredited quality systems (this statement is based on general industry knowledge and not explicitly stated in the source document).

Tin (Sn) assays were determined by fused bead X ray fluorescence (XRF) at ALS. This method is considered a "total" technique, as it is designed to extract and measure essentially all tin contained within the sample. Hand-held XRF readings collected on core were used solely for screening and were not incorporated into the mineral resource estimation database.

The sample preparation procedures (crushing, splitting, and sub-sampling), the use of a reputable international laboratory employing total-digestion fused bead XRF, and the documented sample security measures are consistent with industry best practice for hard-rock tin deposits and are adequate for mineral resource estimation purposes.

Specific Gravity Data

Kasbah has collected bulk density ("specific gravity, SG") data systematically since 2010. Prior to November 2011, SG determinations were derived from physical measurements of core using vernier callipers. Since December 2011, SG has been determined by the water immersion method on solid core pieces approximately 0.2–0.4 m in length.

Determinations were initially taken at approximately 5–10 m downhole intervals within mineralised zones in 2010–2011; from 2012 onwards, SG measurements were collected on most core within mineralised intervals, substantially increasing data density and representativity. The balance of methods is approximately 370 calliper-based measurements and almost 2,700 water immersion measurements within the mineralised zones. Scales were calibrated daily using certified weights.

Given that most core comprises fresh, competent rock with low porosity and moisture content, wax coating of samples prior to immersion was considered unnecessary. The mean bulk density in mineralised zones, combining both methods, is 2.89 t/m³, and the close agreement between the calliper and immersion datasets indicates that the earlier calliper-based SG values are reasonable.

The spatial coverage, number of determinations, and dominance of water immersion measurements provide good representation of the mineralised domains. In the author's opinion, the SG dataset is adequate in quality and representativity for use in mineral resource estimation.

Quality Assurance and Quality Control Programs

Comprehensive QA/QC programs have been implemented for Achmmach drilling from 2009 onward, including insertion of certified reference materials ("CRMs"), internal standards, blanks, and duplicates, together with external umpire laboratory checks. These programs have been reviewed at various stages by independent consultants (Carras 2008; Job 2010, 2013a; McKeown 2012), who concluded that the assay data are suitable for mineral resource estimation.

Historical reviews identified potential biases in early laboratory datasets ("Reminex and BRPM"), but subsequent re-assay and comparative work demonstrated good correlation with ALS results, and no correction factors have been applied in the current estimates. The more extensive and systematically controlled Kasbah drilling data set largely supersedes any potential minor bias in the older BRPM data.

Overall, control charts, precision plots, and inter-laboratory comparisons demonstrate that the analytical data are consistent, largely unbiased, and of sufficient quality for resource evaluation, with any minor biases tending to be slightly conservative (low) for tin grade.

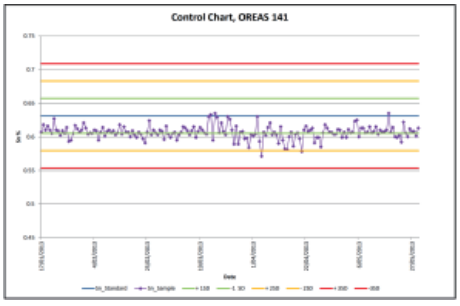
Certified reference standards

Since August–September 2010, Kasbah has routinely used three tin ore grade CRMs ("OREAS 140, 141 and 142") sourced from Ore Research and Exploration ("ORE"), Melbourne, representing low-, medium- and high-grade Sn. The CRMs were certified using results from ten commercial laboratories, with ORE issuing certificates detailing the statistical properties and certified values.

Standards were inserted at a nominal rate of one CRM for every 20 routine samples, cycling through the three grade ranges. Control charts for the 2013 drilling show that ALS performed consistently, with no valid results outside ±2 standard deviations of the certified values. For the medium grade OREAS 141, the mean assay of 0.607% Sn compared with the certified value of 0.631% Sn, indicating a slight negative bias. The high-grade CRM similarly showed a small low bias, with a mean of 1.04% Sn versus a certified value of 1.08% Sn.

For the 2019–2021 drilling, the same CRMs and insertion rate were used and yielded similar results: stable laboratory performance over time, no apparent bias for the low-grade CRM, and a very slight low bias for the high-grade CRM. This minor negative bias suggests that ALS assays may be slightly conservative at ore grade thresholds.

Figure 5-3: Certified Reference Standards Performance



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

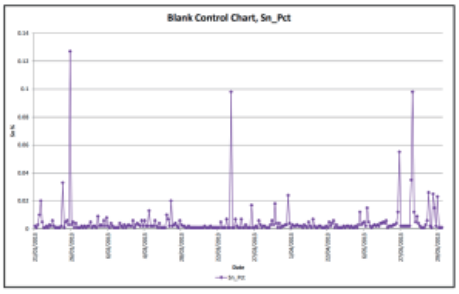
Blank samples

Blank material, sourced from a quartzite unit located approximately 3 km northwest of the Achmmach deposit, has been inserted into the sample stream at a rate of approximately one blank per 50 routine samples since May 2011.

Control charts for 2013 show that blank samples generally returned very low tin values, with only isolated instances of marginally elevated results, interpreted as minor and non-systematic contamination. For the 2019–2021 drilling campaigns, blank performance remained consistently low, with no evidence of systematic carry over contamination in laboratory sample preparation.

The blank results indicate that contamination during crushing, pulverising and assaying is minimal and not considered material to the resource estimates.

Figure 5-4: Blank Sample Performance



Source: Achmmach Project MRE Technical Report, Cube Consulting, 2024.

Duplicate samples

Kasbah implemented a program of assay repeats and duplicates in early 2010 to monitor sampling and laboratory precision. Two main types of duplicates were employed:

- Pulp repeats: Repeat assaying of pulps at the primary laboratory to test analytical precision and late-stage sample preparation. Scatterplots for tin show an excellent correlation between original and repeat assays ($R^2 \approx 0.998$), with very low absolute differences across the grade range, indicating high analytical precision and effective homogenisation at the pulp stage.
- Coarse reject (crushed) duplicates: Duplicate sub samples collected from coarse crushed material (before pulverising) to test the repeatability of the crushing and splitting stages. For the 2010–2013 dataset, original versus duplicate tin assays correlate well ($R^2 \approx 0.997$), though with more scatter than pulp repeats, suggesting some residual heterogeneity or possible minor labelling/tracking errors. However, the magnitude of differences is modest, and the data are considered acceptable.

For the 2019 – 2021 drilling, crushed coarse reject duplicates continued to show strong correlation ($R^2 \approx 0.996$) and low absolute differences in tin assays, confirming good repeatability of the preparation process.

Overall, the duplicate data demonstrate satisfactory precision for both sample preparation and analytical stages and support the reliability of the assay dataset.

Check (umpire) samples

To independently verify ALS results, selected sample pulps were retrieved from ALS in Ireland and submitted to Bureau Veritas in Perth as an umpire laboratory.

Comparison of original ALS assays and Bureau Veritas check assays for tin shows very high correlation ($R^2 \approx 0.999$) and no significant systematic bias between laboratories, as demonstrated by scatterplots and mean vs difference charts. The small differences observed are random and within expectations for independent laboratory programs.

These umpire results confirm that the primary ALS dataset is accurate and unbiased within the limits of analytical precision.

5.3.2 Bou El Jaj Project

Following information are mainly summarised from the Bou-El-Jaj – Ain Karma Prospect Estimate Report prepared by Quantitative Group in 2013.

Sampling

Diamond core from the Ain Karma prospect was sampled on nominal 1.0 m intervals, with actual sample lengths adjusted to honour geological contacts. Minimum and maximum sample lengths were 0.6 m and 1.4 m, respectively. Sampling was undertaken on half - core. Core was logged geologically, then sawn, with one half retained in the core trays for reference and the other half collected as the assay sample. Selected intervals of HQ-sized core were also taken as density (specific gravity) samples, averaging 0.6 m in length (range 0.3–1.1 m). Sampling procedures were applied consistently across the drilling, using fixed length guidelines moderated by geological boundaries to ensure representativity of mineralised and waste intervals.

Sample Preparation and Analyses

Sample preparation was carried out at the Achmmach Core Processing Facility. Half-core samples were put through a two-stage crushing process to achieve 80% or better passing −2 mm. From the crushed material, a ~250 g split was obtained using an automatic riffle splitter and dispatched to ALS Loughrea laboratory in Ireland for analysis. ALS Loughrea is an independent commercial laboratory. At ALS, the 250 g samples were weighed and pulverised in a ring mill to 85% passing 75 µm. A 0.25 g pulp split was then taken for assay. Whole-rock oxides, Sn and loss on ignition (LOI) were determined using an XRF-12k fused bead method, while multi-element analyses were undertaken by ICP-AES following a four-acid digest (ALS method ME-ICP61).

Sample security measures included retention of half core, systematic core photography, storage of coarse crush rejects (approximately 3–5 kg per sample) in labelled drums, and storage of returned pulps in a secure container. Sample pulps were shipped from site to the laboratory in sealed drums fitted with tamper-proof tags to maintain chain of custody.

Specific Gravity Data

Specific gravity (density) determinations were completed on selected core samples using the dry weight/wet weight immersion technique. Density samples comprised HQ-sized core, with intervals

averaging 0.6 m (range 0.3–1.1 m), and were taken from within the drilled mineralised sequences at Ain Karma.

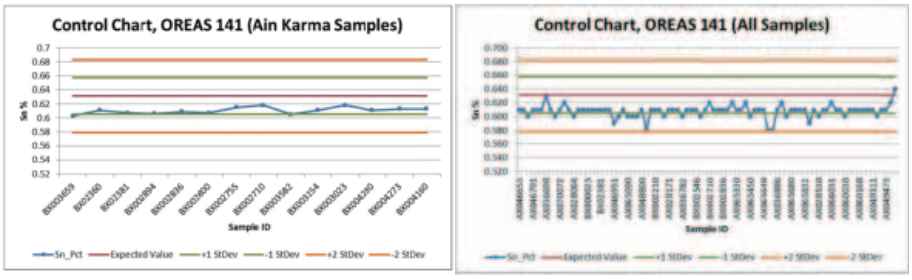
Quality Assurance and Quality Control Programs

A structured QA/QC programme was implemented during sample preparation and assaying. Routine assay batches included approximately 10% coarse crush duplicates, 5% certified reference standards and 3% blanks.

Certified reference standards

Three Sn grade CRMs from Ore Research & Exploration (OREAS 140, 141 and 142) were used to monitor analytical accuracy and precision over low, moderate and high Sn grades. For both the Ain Karma dataset alone and the combined Kasbah QC dataset, the standards showed good precision, with results generally within one standard deviation of the certified means and no results outside ±2 standard deviations. A consistent negative bias around approximately −1 standard deviation was observed for OREAS 141 and OREAS 142, indicating a low bias at moderate to high Sn grades; this bias was also noted in independent reviews.

Figure 5-5: CRMs Performance at Bou El Jaj

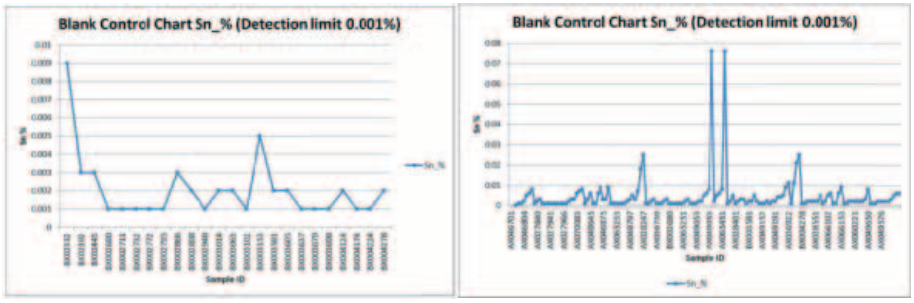


Source: Bou-El-Jaj – Ain Karma Prospect Estimate Report, Quantitative Group,2013.

Blanks

Blank material has been sourced since January 2011 from a quartzite unit located northwest of the Achmmach project, with an accepted Sn value of 0.001%, corresponding to the analytical detection limit. Blank results for Ain Karma and the combined Kasbah dataset are mostly at or near the detection limit, but a relatively high proportion of blanks return Sn values above 0.001%. In the combined dataset, 37% of blanks report 0.001% Sn, while the remainder are ≥0.002% Sn, with 39% >0.003% Sn and 8 of 145 blanks >0.01% Sn. These elevated values suggest either some variability in blank material or minor cross-contamination during sample preparation.

Figure 5-6: Blanks Performance at Bou El Jaj



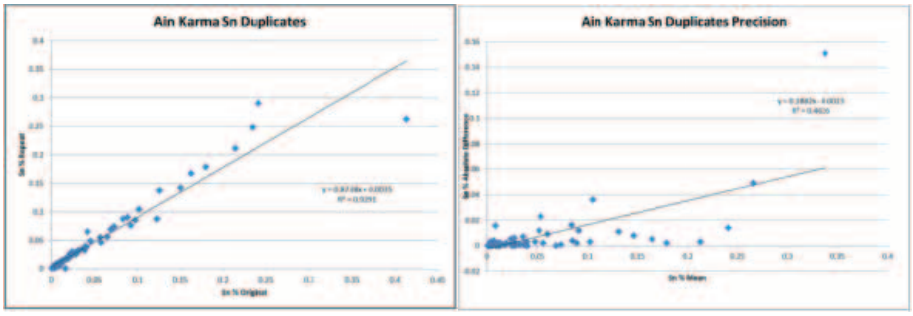
Source: Bou-El-Jaj – Ain Karma Prospect Estimate Report, Quantitative Group,2013.

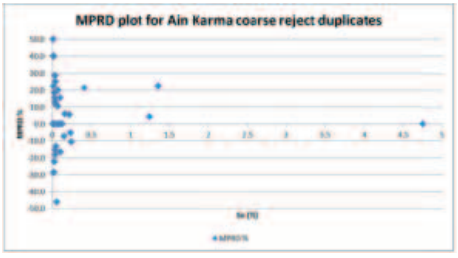
Duplicate samples

In addition to the use of certified reference materials and blanks, coarse crush duplicate samples were routinely collected to monitor the repeatability of the sample preparation and assay process. Coarse duplicates were generated from a 500 g split taken from the primary crushed sample; two 250 g splits were produced using a bench-top riffle splitter. These coarse reject duplicates test both the consistency of the crushing/splitting stage and the analytical precision at the laboratory.

For the Ain Karma prospect, a sufficient number of coarse crush duplicates was available to allow a meaningful assessment. Scatter plots, precision plots and mean paired relative difference (MPRD) plots show generally reasonable correlation between original and duplicate Sn assays, with a small number of significant relative differences occurring mainly at low grades (<0.1% Sn). The largest positive and negative MPRD values (up to about +67% and −188%) are confined to these low-grade samples where absolute differences are small. Overall, the duplicate data indicates that the sample preparation and analytical process is acceptably repeatable for the purposes of Mineral Resource estimation, recognising the greater relative variability typical of low-grade material.

Figure 5-7: Duplicates Performance at Bou El Jaj





Source: Bou-El-Jaj – Ain Karma Prospect Estimate Report, Quantitative Group,2013.

5.4 SRK Data Verification

5.4.1 Site Visit

In accordance with the JORC Code guidelines, SRK team conducted a site visit to the Achmmach, SAMINE and Bou El Jaj projects on 12 May 2026, with the following verification procedures:

- Site inspection by SRK's personnel Falong Hu, Huaixiang Li, Donghao Luo, Lanliang Niu and Anne Gimonet.
- Met with Company representatives.
- Discussed with the technical personnels.
- Checked the historical exploration work.
- Inspection of the core warehouse.
- Re-sampled historical pulp samples.

Figure 5-8: Check the Historical Drillhole Location



Source: SRK site visit, 2026.

Figure 5-9: Visit the Designed Location for Process Plant and TSF



Source: SRK site visit, 2026.

Figure 5-10: Visit the Core Storage/Logging Facility



Source: SRK site visit, 2026.

Figure 5-11: Core Size and Core Logging Markers



Source: SRK site visit, 2026.

Figure 5-12: Tin Mineralisation

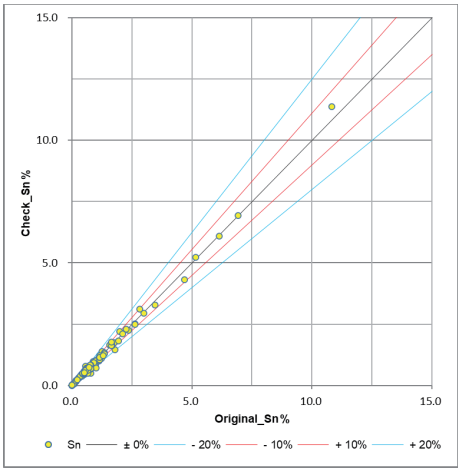


Source: SRK site visit, 2026.

5.4.2 SRK Independent Pulp Check

SRK randomly selected 122 pulp duplicate samples for data verification, which were submitted to the SGS laboratory for analysis. Of the 122 sample pairs, 90 pairs (74%) show deviations within ±10%, 21 pairs (17%) fall between ±10% and ±20% deviation, and only 11 pairs (9%) exhibit deviations greater than 20%. The results are illustrated in the scatter plot in Figure 5-13 . Overall, the re-assay results are consistent with the original assays, demonstrating good repeatability and confirming the reliability of the original analytical data.

Figure 5-13: Verification Sample Performance



Source: Bou-El-Jaj – Ain Karma Prospect Estimate Report, Quantitative Group,2013.

5.5 SRK Comments

Based on the results of the verification, SRK considers the sampling and analytical data adequate for the purposes of the Mineral Resource estimation.

6 Mineral Resource Estimates

6.1 Introduction

The Mineral Resource Statement presented herein represents a Mineral Resource evaluation prepared for the Achmmach and Bou El Jaj Projects in accordance with the JORC Code guidelines. For the Achmmach Project, SRK has reviewed, but not re-modelled nor re-estimated the Mineral Resource and the Mineral Resource model was prepared by Cube in 2024. For the Bou El Jaj Project, the mineralised wireframes were interpreted by Kasbah in 2013 and SRK has reviewed the wireframes, re-estimated the Mineral Resource.

The effective date of the current Mineral Resource Statement is 31 December 2025.

This section describes the Mineral Resource estimation methodology and summarizes the key parameters and assumptions considered by SRK. In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global tin Mineral Resources found in the Achmmach and Bou El Jaj Projects at the current level of sampling. The Mineral Resources estimates are reported in accordance with the JORC Code. Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve. It should be noted that the Mineral Resources reported in this Report are inclusive of, not in addition to, the Ore Reserves.

The database used to estimate the Mineral Resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for tin mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

6.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Geological interpretation for estimation domain review;
- Data preparation (compositing and capping) and Variogram;
- Block model and grade interpolation review/update;
- Mineral Resource classification review/update;
- Model validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("RPEEE") and selection of appropriate cut-off grades ("COG"); and
- Preparation of the Mineral Resource Statement.

6.3 Resource Database

The database of drillholes consists of collar details, down-hole surveys, geological codes and assay data such as Sn. The collar and down hole "to" and "from" intervals are in metric units, under the local coordinates grid.

Detailed information is shown in Table 6-1 and Table 6-2, and the drillhole locations are shown in Figure 6-1 and Figure 6-2.

Table 6-1: Resource Database Summary at Achmmach Project

Stage	Holes Number	Depth(m)	Samples
BRPM	32	14,257.7	158
Kasbah	346	113,915.1	30,056
Total	378	128,172.8	30,214

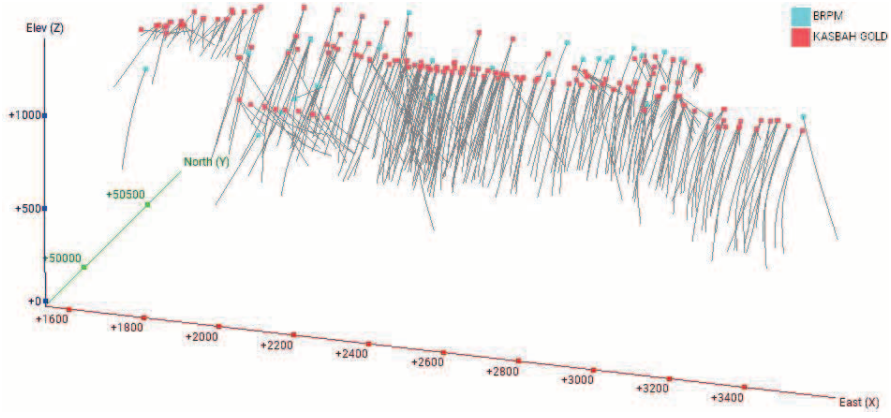
Source: Summaried by SRK from the database provided by Xingye Silver and Tin

Table 6-2: Resource Database Summary at Bou El Jaj Project

Stage	Holes Number	Depth(m)	Samples
BRPM	5	1,074.7	0
Hamada	55	7,953.3	6,519
Total	60	9,028.0	6,519

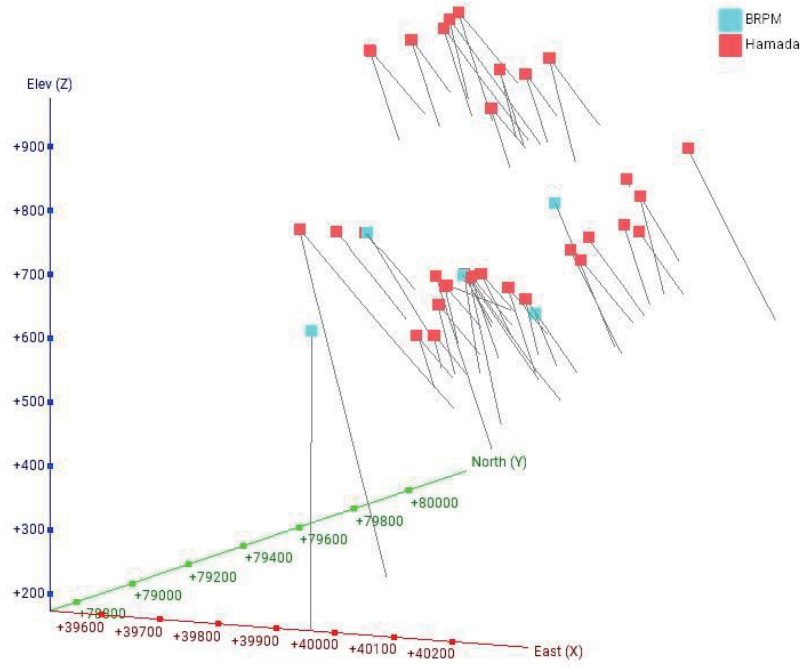
Source: Summaried by SRK from the database provided by Xingye Silver and Tin

Figure 6-1: Drillholes Location at Achmmach Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin

Figure 6-2: Drillholes Location at Bou El Jaj Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin

The data were loaded into Leapfrog software for the following validations:

- Checks for holes without samples
- Checks for duplicate samples
- Checks and adjusts the missing or wrong intervals

SRK has reviewed the database used to estimate the Mineral Resources and is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the mineralization boundaries, and that the assay data are sufficiently reliable to support the Mineral Resource estimation.

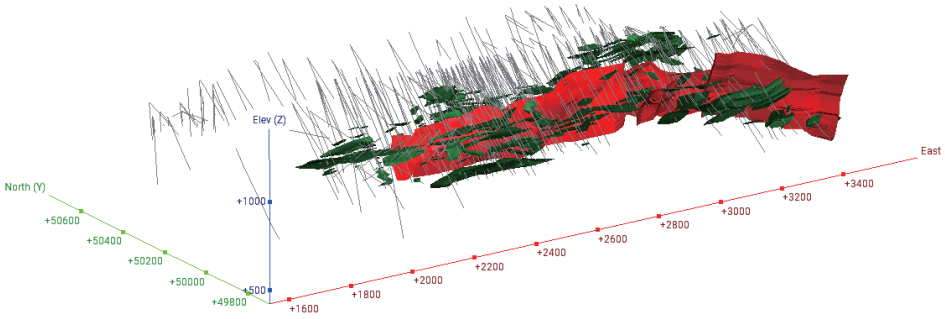
6.4 Domain Modelling

For the Meknes Trend mineralisation at Achmmach Project, the site geological team worked on an interpretation of the tin mineralised parts of the tourmaline breccias – this consists of a series of E-W trending "vertical feeders" from 2 to 5 m thick, and a series of moderately north-dipping mineralised zones ("branches") that extend up and down dip of the vertical feeders in the sedimentary package.

Figure 6-3 presents the vertical feeder structures, which have been delineated from surface (~1,200 m RL) down to approximately 600 m RL. These feeders are not mineralised from surface to roughly 100 m below surface. The sub-vertical feeders and associated north-dipping branch structures can

be traced over several hundred metres of strike, with the overall mineralised system extending for approximately 1.5 km in length.

Figure 6-3: Meknes Trend Mineralised Domains (Vertical Feeders (Red) and Branches (Green)) at Achmmach Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin

Four main zones of north-dipping tin-tourmaline altered branches are recognised at Meknes Trend of Achmmach Project: The Meknes Zone, The Fez Zone, The Marrakech Zone and The East Zone (East Zone Deeps, East Zone Shallow).

The objective of the 2013 "background" estimate was to identify potential mineralised zones lying outside the interpreted primary domains. Because that estimate combined both mineralised and un-mineralised samples, the resulting model was inevitably smoothed and muted in its expression of local grade variations.

To improve the representation of these halo zones, Cube subsequently introduced explicit estimation domaining for the background by constructing a tin grade shell using Leapfrog implicit modelling. Specifically, a 0.1% Sn grade shell was generated, and the volume inside this shell but outside the previously defined mineralised domains was delineated and treated as a new, separate estimation domain (Background Halo).

The mineralised domain coding is listed in Table 6-3.

Table 6-3: Meknes Trend Mineralised Domian Coding at Achmmach Project

Code	Domain
0	Barren Background
1	0.1% Sn Background Halo
10	Vertical Feeders
30	Branch – The Fez Zone
40	Branch – The Meknes Zone
50	Branch –The Marrakech Zone
60	Branch – The East Zone Deeps
61	Branch – The East Zone Shallow

Source: Summarised by SRK from Cube MRE Report, 2024.

The geological interpretation of the Western Zone (WZ) of the Sidi Addi Trend is based on zones of tin mineralisation developed within tourmaline-altered metasediments, with potassium (K) grades used as a proxy for tourmaline intensity. A nominal tin grade of approximately 0.4% Sn is generally applied as the cut-off to define mineralised domains in the WZ. The main lode in the WZ dips approximately 60° toward the NNW, while subsidiary "Branch" structures display more variable dips but average around 45° to the NNW.

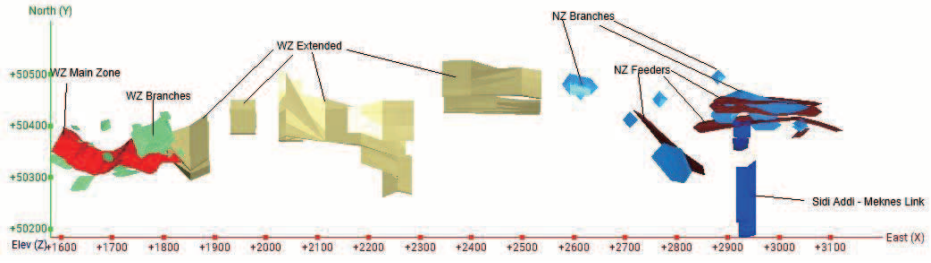
Kasbah Resources/Atlas Tin completed additional drilling to the east of the WZ in 2019 and 2021 (18 diamond drillholes for 4,174 m), here referred to as the Western Zone Extended (WZE). Drill spacing in this area is relatively wide, with only two holes per 80–100 m section line. These comprise a series of stacked lodes with orientations broadly similar to the WZ Main Zone and are generally defined using a cut-off of about 0.2% Sn.

The Northern Zone (NZ) of the Sidi Addi Trend is immediately along strike to the east of the Western Zone Extended. The drilling for the NZ dates back to 2010 and 2011, with the mineralised domain interpretation completed by Kasbah Resources in about 2012.

The wireframe represents a mineralised structure that appears to "link" the Sidi Addi and Meknes Trends. It is constrained primarily by two recent drillholes (AD304 and AD311) completed in 2021, with the interpretation carried out by ATL. The geological interpretation for this New Zone (NZ) differs from that applied to the WZ/WZE and is conceptually similar to the model used for the Meknes Trend. It comprises a set of east–west-trending, steep to sub-vertical "feeder" structures, typically 2–5 m thick, together with a series of moderately north-dipping mineralised "branches" that extend both up-dip and down-dip into the sedimentary package. Both the feeders and the branches are characterized by tourmaline-altered breccias.

The Sidi Addi Trend mineralised domains are shown in Figure 6-4.

Figure 6-4: Sidi Addi Trend Mineralised Domains at Achmmach Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin

The mineralised domain coding of Sidi Addi Trend is listed in Table 6-4.

Table 6-4: Sidi Addi Trend Mineralised Domian Coding at Achmmach Project

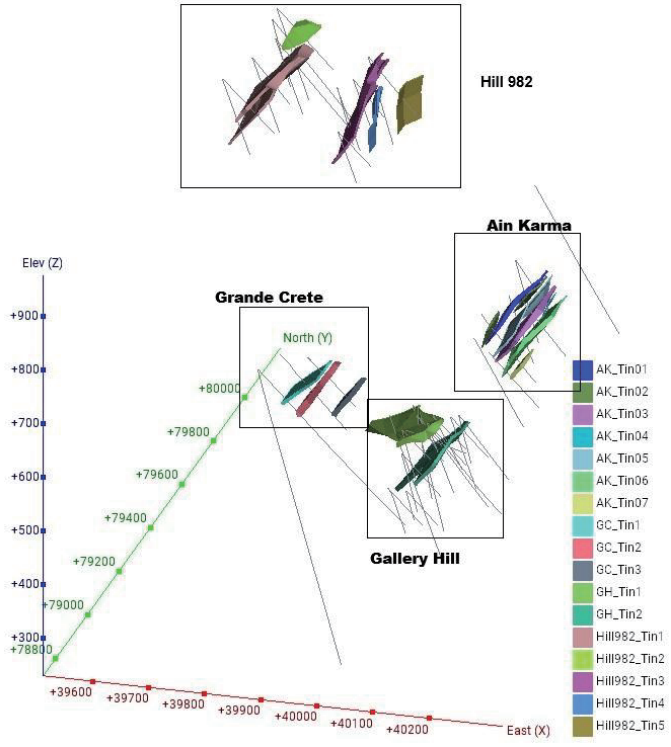
Code	Domain
0	Barren Background
70	WZ Main Zone
75	WZ Branches

Code	Domain
77	WZ Extended
80	NZ Vertical Feeders
85	NZ Branches
90	Sidi Addi – Meknes Link

Source: Summarised by SRK from Cube MRE Report, 2024.

At Bou El Jaj Project, the interpretation and wireframing of the currently mineralised domains were completed by Kasbah geology staff. Domains were defined primarily based on geology—specifically the intensity and style of tourmaline alteration and veining—together with structural controls and observed mineralisation. Inputs to the interpretation were derived from detailed geological logging, supported by surface mapping and rock-chip sampling. The wireframed domains correlate closely with zones of elevated tin grades at approximately a 0.1% Sn cut-off, although local mismatches occur where grade extends slightly beyond or falls short of the geological envelopes. Drillholes are oriented approximately perpendicular to the interpreted strike and dip of the mineralisation, so downhole intercepts are considered to approximate true thicknesses of the mineralised domains at the points of intersection. The domain wireframes (Figure 6-5) indicate a predominantly north–south strike with a moderate to steep westerly dip.

Figure 6-5: Mineralised Bodies at Bou El Jaj Project

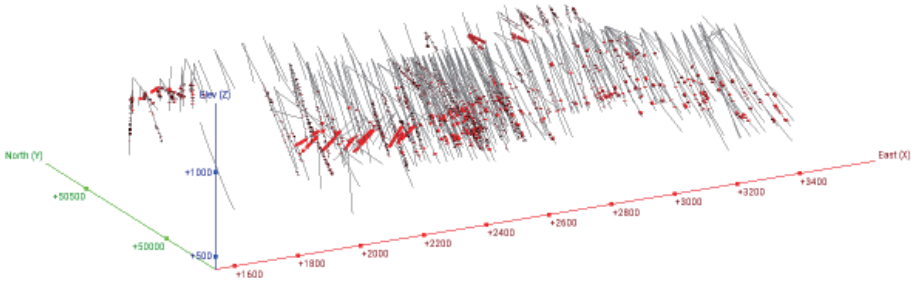


Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

6.5 Bulk Density

For the Achmmach Project, a total of 5,909 bulk density samples (Figure 6-6) has been collected by Kasbah since 2010. The value of the block bulk density was estimated using Ordinary Kriging ("**OK**") method by Cube. The details were described in the following sections.

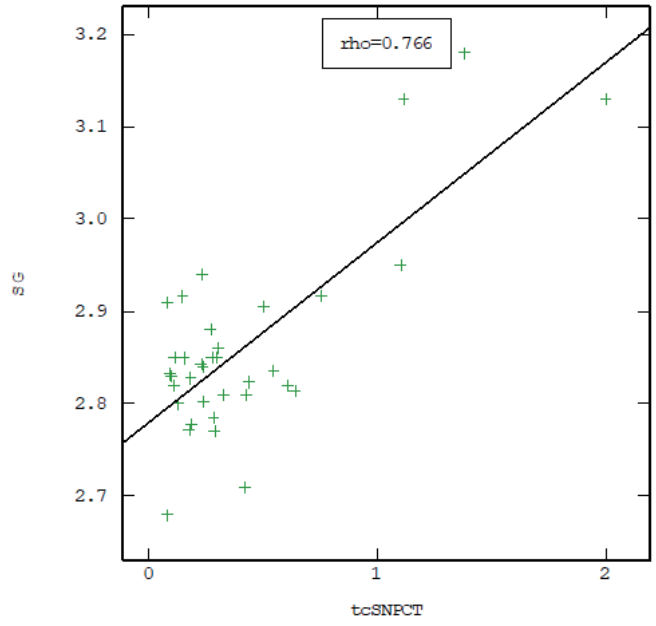
Figure 6-6: Bulk Density Samples Location at Achmmach Projcet



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

For the Bou El Jaj Project, a total of 35 bulk density samples were collected, with the minimum of 2.68 t/m^3, the maximum of 3.18 t/m^3 and the mean of 2.86 t/m^3. Kasbah conducted a regression analysis on the values of Sn grade and bulk density, detail in Figure 6-7.

Figure 6-7: Sn Grade - Bulk Density Scatter Diagram on Bou El Jaj Project



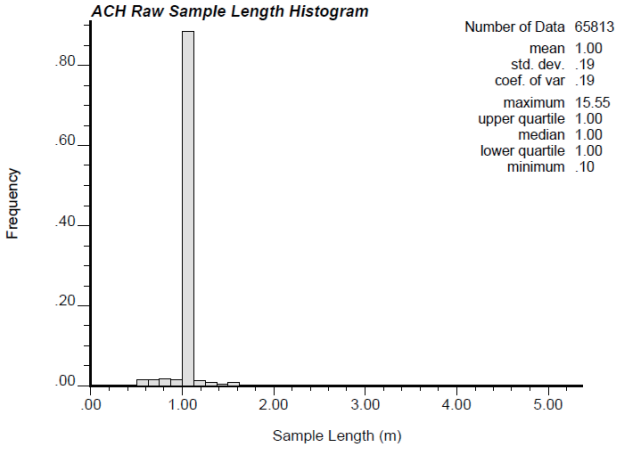
Source: Kasbah, 2013.

The formular density = 0.1952 × Sn (%) + 2.7793 was used for block model bulk density assignment by SRK for the Bou El Jaj Project.

6.6 Compositing

For the Achmmach Project, the samples were combined so the length of each sample was essentially equivalent. The basic statistics of geological sampling length of original samples were carried out and shown in Figure 6-8. The database indicates that most of the sample intervals are 1 m, and a 1 m interval composite length was selected for compositing. All raw samples were composited to 1 m downhole lengths with an allowable minimum composite of 0.25 m, and was applied by Cube for subsequent statistic, and grade interpolation. The distribution of sample grade before and after compositing is provided in Table 6-5.

Figure 6-8: Histogram of Raw Sample Length at Achmmach Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

Table 6-5: Statistics of Sn Grade before and after Compositing at Achmmach Project

Domain Code	Type	Length (m)	Sn Mean Grade (%)
10	Composite	4,226	0.47
	Raw	4,229	0.47
	Difference (%)	-0.07%	-0.85%
30	Composite	2,193	0.56
	Raw	2,195	0.56
	Difference (%)	-0.09%	0.72%
40	Composite	3,670	0.70
	Raw	3,672	0.70
	Difference (%)	-0.05%	-0.99%
50	Composite	241	0.52
	Raw	241	0.52

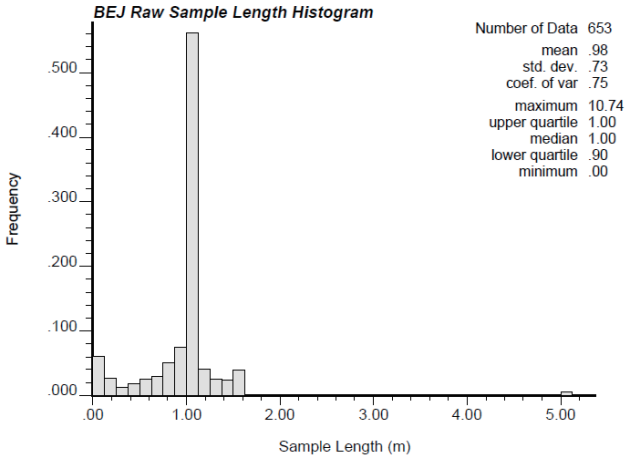
Domain Code	Type	Length (m)	Sn Mean Grade (%)
	Difference (%)	0.00%	0.38%
60	Composite	2,238	0.59
	Raw	2,238	0.59
	Difference (%)	0.00%	0.51%
61	Composite	758	0.67
	Raw	760	0.71
	Difference (%)	-0.26%	-5.74%
70	Composite	137	1.37
	Raw	138	1.50
	Difference (%)	-0.72%	-8.75%
75	Composite	160	0.81
	Raw	161	0.81
	Difference (%)	-0.62%	-0.86%

Source: Summarised from Cube MRE Report, 2024.

At the Achmmach Project, the Bulk Density data was not composited, since the samples have been taken on what can be considered to be equal point support (approximately 10 to 15 cm lengths of core).

For the Bou El Jaj Project, the basic statistics of geological sampling length of original samples were carried out and shown in Figure 6-9. The database indicates that most of the sample intervals are 1 m, and a 1 m interval composite length was selected for compositing. All raw samples were composited to 1 m downhole, and was applied by SRK for subsequent statistic, and grade interpolation. The distribution of sample grade before and after compositing is provided in Table 6-6.

Figure 6-9: Histogram of Raw Sample Length at Bou El Jaj Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

Table 6-6: Statistics of Sn Grade before and after Compositing at Bou El Jaj Project

Domain	Type	Samples	Sn Min(%)	Sn Max(%)	Sn Mean(%)	SD	COV
AK_Tin01	Composite	18	0.03	1.98	0.45	0.55	1.23
	Raw	20	0.02	3.59	0.45	0.85	1.90
	Difference (%)	-10.00%	125.54%	-44.75%	0.20%	-35.06%	-35.19%
AK_Tin02	Composite	12	0.01	0.38	0.17	0.11	0.66
	Raw	16	0.01	0.42	0.16	0.13	0.81
	Difference (%)	-25.00%	13.92%	-9.33%	8.11%	-12.76%	-19.30%
AK_Tin03	Composite	34	0.03	1.10	0.28	0.22	0.79
	Raw	37	0.02	1.14	0.28	0.29	1.03
	Difference (%)	-8.11%	34.28%	-2.96%	0.40%	-23.55%	-23.86%
AK_Tin04	Composite	2	0.09	0.57	0.33	0.34	1.03
	Raw	3	0.01	0.57	0.32	0.32	1.03
	Difference (%)	-33.33%	1401.78%	-0.33%	4.47%	4.74%	0.26%
AK_Tin05	Composite	21	0.01	2.64	0.51	0.65	1.29
	Raw	22	0.01	4.75	0.53	1.00	1.89
	Difference (%)	-4.55%	40.00%	-44.41%	-3.83%	-34.53%	-31.92%
AK_Tin06	Composite	24	0.05	0.43	0.18	0.12	0.66
	Raw	28	0.01	0.55	0.18	0.14	0.78
	Difference (%)	-14.29%	724.60%	-20.89%	-0.46%	-16.11%	-15.72%
AK_Tin07	Composite	8	0.07	0.17	0.12	0.03	0.25
	Raw	9	0.02	0.21	0.12	0.06	0.48
	Difference (%)	-11.11%	294.61%	-18.42%	0.07%	-46.53%	-46.57%
GC_Tin1	Composite	10	0.02	0.36	0.10	0.11	1.11
	Raw	13	0.01	0.58	0.11	0.15	1.40
	Difference (%)	-23.08%	220.00%	-37.31%	-3.10%	-23.29%	-20.84%
GC_Tin2	Composite	23	0.02	0.33	0.14	0.07	0.54
	Raw	26	0.01	0.35	0.14	0.08	0.60
	Difference (%)	-11.54%	163.77%	-4.31%	-0.52%	-10.54%	-10.08%
GC_Tin3	Composite	8	0.04	0.55	0.20	0.19	0.95
	Raw	8	0.04	0.55	0.19	0.22	1.14
	Difference (%)	0.00%	0.00%	0.00%	4.96%	-12.51%	-16.65%
GH_Tin1	Composite	115	0.01	4.87	0.29	0.49	1.69
	Raw	117	0.01	6.12	0.29	0.59	2.05
	Difference (%)	-1.71%	2.93%	-20.47%	-0.61%	-17.80%	-17.30%
GH_Tin2	Composite	93	0.01	2.28	0.26	0.36	1.40
	Raw	103	0.01	2.28	0.27	0.43	1.60
	Difference (%)	-9.71%	8.64%	0.00%	-2.37%	-14.62%	-12.55%
Hill982_Tin1	Composite	97	0.01	1.04	0.19	0.18	0.91
	Raw	98	0.01	1.38	0.19	0.19	1.00
	Difference (%)	-1.02%	0.74%	-24.68%	1.19%	-8.12%	-9.20%
Hill982_Tin2	Composite	54	0.01	0.44	0.11	0.10	0.87
	Raw	54	0.00	0.49	0.11	0.11	0.98

Domain	Type	Samples	Sn Min(%)	Sn Max(%)	Sn Mean(%)	SD	COV
	Difference (%)	0.00%	148.53%	-9.98%	-0.21%	-11.37%	-11.18%
Hill982_Tin3	Composite	68	0.01	0.79	0.13	0.14	1.03
	Raw	78	0.01	0.94	0.13	0.15	1.11
	Difference (%)	-12.82%	25.17%	-15.56%	0.73%	-6.80%	-7.47%
Hill982_Tin4	Composite	11	0.01	0.20	0.07	0.05	0.76
	Raw	12	0.01	0.26	0.07	0.07	0.98
	Difference (%)	-8.33%	5.87%	-20.99%	1.14%	-21.69%	-22.57%
Hill982_Tin5	Composite	2	0.06	0.13	0.10	0.04	0.47
	Raw	4	0.00	0.16	0.09	0.10	1.13
	Difference (%)	-50.00%	3137.49%	-18.86%	6.87%	-55.88%	-58.72%

Source: Summarised by SRK from the data provided by Xingye Silver and Tin, 2026.

Based on the above results, SRK notes that there is a good correspondence in the basic statistics between the raw assay dataset and composites.

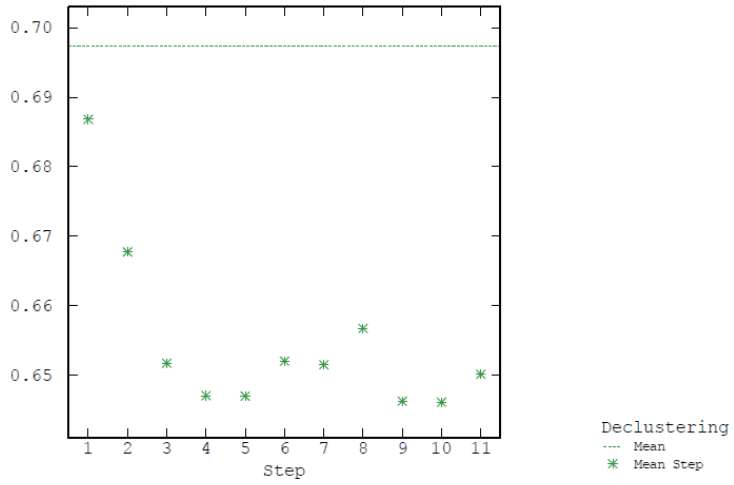
6.7 Declustering

For the Achmmach Project, declustering tests were run by Cube to attempt to establish the unbiased population statistics of each domain. Moving window cell declustering tests were performed for Sn grade in all mineralised domains, as detailed in Figure 6-10. The point where the mean reached a minimum, or 'stabilises', can provide an indication of the representative declustered mean.

For the Meknes Trend zone, the plotted data stabilises at about Step 5, so a 200m × 200m × 6m declustering grid was chosen and the statistics in

Table 6-7.

Figure 6-10: Meknes Zone Grid Declustering



Source: Cube MRE Report, 2024.

Table 6-7: Meknes Trend Sn Grade Statistics before and after Declustering

Domain Code	Sn Mean (%)	
	Raw	Declustered
10	0.47	0.37
30	0.56	0.56
40	0.70	0.65
50	0.52	0.55
60	0.59	0.65
61	0.67	0.69

Source: Summarised from Cube MRE Report, 2024.

For the Sidi Addi Trend zone, moving window cell declustering tests were performed in the Main Zone with a 50m x 50m x 2.5m declustering grid, and 40m x 40m x10m for the Branches. Statistics for Sn declustered variable are shown in Table 6-8.

Table 6-8: Sidi Addi Trend Sn Grade Statistics before and after Declustering

Domain Code	Sn Mean (%)	
	Raw	Declustered
70	1.50	1.34
75	0.81	0.90

Source: Summarised from Cube MRE Report, 2024.

6.8 Evaluation of Outliers

For the Achmmach Project, the summary statistics of the 1m composites for Sn and density are shown in Table 6-9 with example histograms for the Meknes and Sidi Addi Trends shown in Figure 6-11.

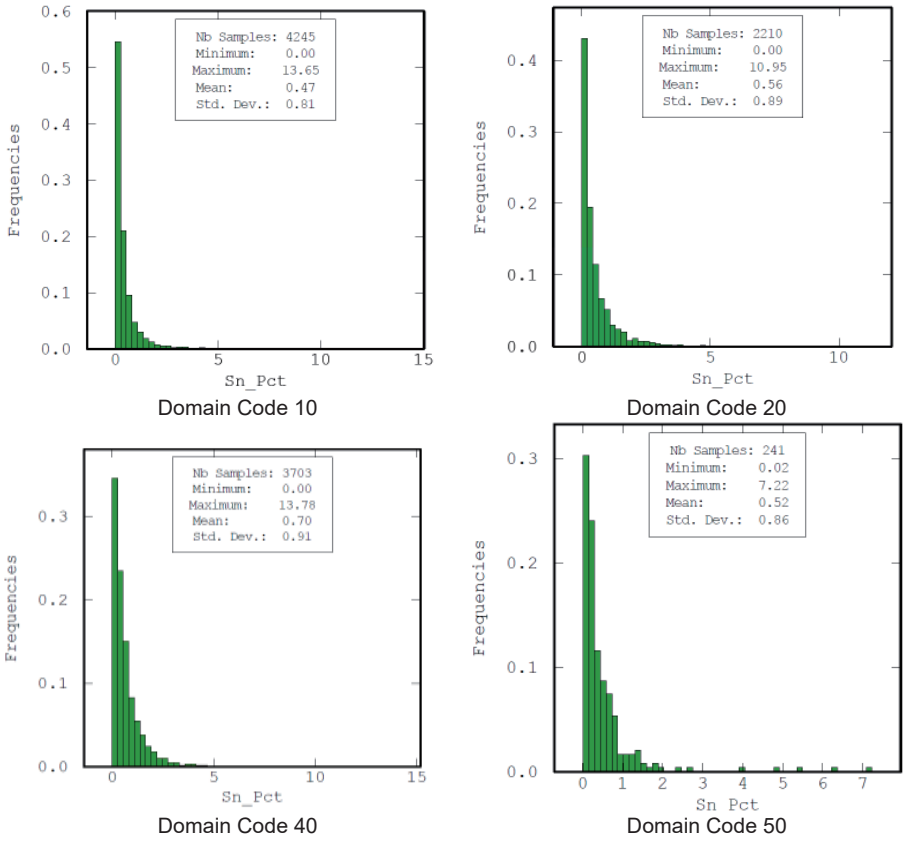
Table 6-9: Statistics of Sn Grade and Density at Achmmach Project

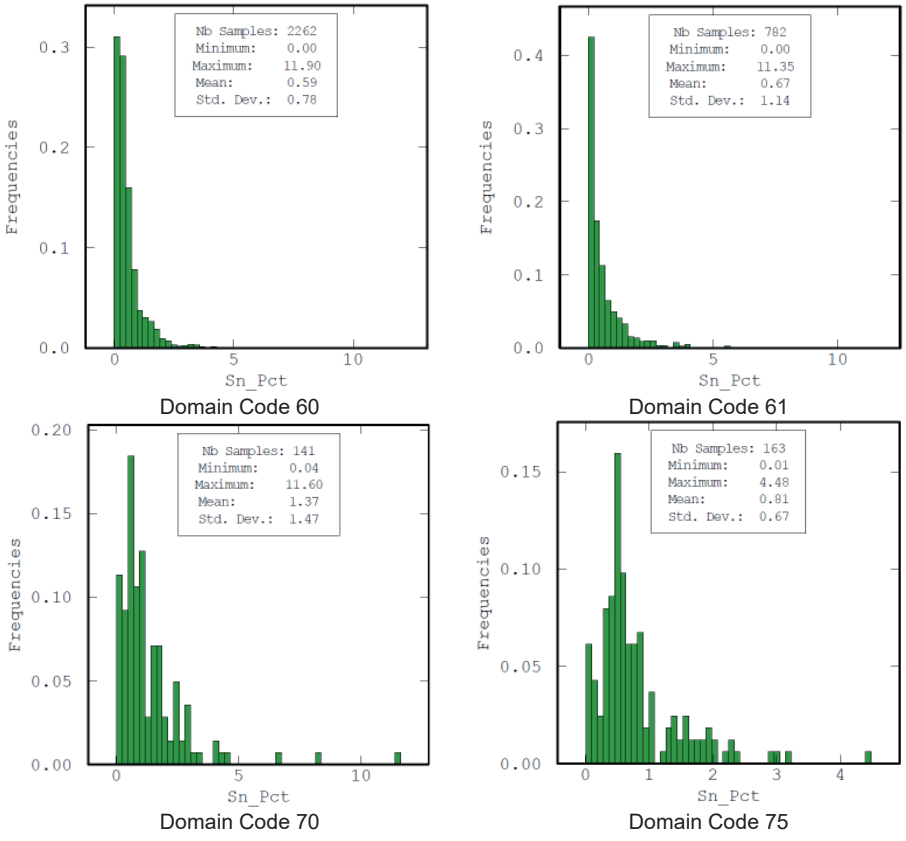
Domain	Variable	Samples	Min	Max	Mean	SD	COV
10	Sn (%)	4,245	0.00	13.65	0.47	0.81	1.72
	SG	882	1.26	4.17	2.90	0.11	0.04
30	Sn (%)	2,210	0.00	10.95	0.56	0.89	1.59
	SG	285	2.38	3.28	2.87	0.10	0.03
40	Sn (%)	3,703	0.00	13.78	0.70	0.91	1.30
	SG	1,059	1.38	4.24	2.89	0.13	0.04
50	Sn (%)	241	0.02	7.22	0.52	0.86	1.65
	SG	46	2.80	3.11	2.92	0.05	0.02
60	Sn (%)	2,262	0.00	11.90	0.59	0.78	1.32
	SG	569	1.59	5.70	2.90	0.20	0.07
61	Sn (%)	782	0.00	11.35	0.67	1.14	1.70
	SG	103	2.36	3.44	2.88	0.13	0.05

Domain	Variable	Samples	Min	Max	Mean	SD	COV
70	Sn (%)	141	0.043	11.60	1.37	1.47	1.08
	SG	80	2.280	3.37	2.82	0.14	0.05
75	Sn (%)	163	0.014	4.48	0.81	0.67	0.83
	SG	61	2.480	2.91	2.74	0.10	0.04
77	Sn (%)	173	0.01	1.43	0.081	0.099	1.22
	SG	121	2.211	3.23	2.69	0.141	0.05
80	Sn (%)	121	0.002	2.56	0.196	0.326	1.66
	SG	13	2.22	2.95	2.66	0.197	0.07
85	Sn (%)	168	0.008	11.40	0.726	1.239	1.71
	SG	27	2.36	3.08	2.67	0.165	0.06
90	Sn (%)	32	0.007	3.24	0.457	0.610	1.33
	SG	44	2.28	3.29	2.82	0.181	0.06

Source: Summarised by SRK from the data provided by Xingye Silver and Tin, 2026.

Figure 6-11: Histogram of Sn Grade of Mineralised Domains at Achmmach Project





Source: Cube MRE Report, 2024.

Top-caps were selected by examining histogram and probability plots, and by identifying the spatial location of the outliers or the breaks in the grade distribution, detailed in Table 6-10.

Table 6-10: Summary of Outlier Data of Sn at Achmmach Project

Domain Code	Assay Cap	Sn Mean (%)		Difference (%)
	Sn (%)	Before Capping	After Capping	
10	6.5	0.47	0.46	-2.13%
30	5	0.56	0.55	-1.79%
40	6.5	0.70	0.69	-1.43%
50	3	0.52	0.47	-9.62%
60	5	0.59	0.58	-1.69%
61	5	0.67	0.64	-4.48%
70	5.5	1.37	1.3	-5.11%
75	/	/	/	/
77	/	/	/	/
80	1.5	0.21	0.196	-6.67%

Domain Code	Assay Cap	Sn Mean (%)		Difference (%)
	Sn (%)	Before Capping	After Capping	
85	5	0.64	0.62	-3.13%
90	/	/	/	/

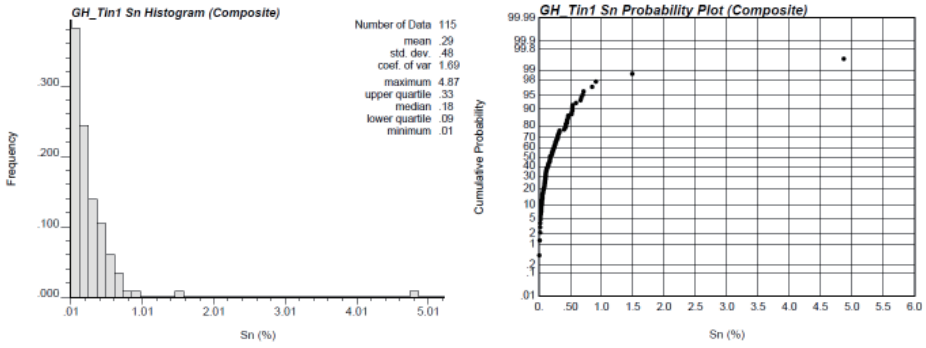
Source: Summarised from Cube MRE Report, 2024.

For bulk density, there were some data values that are outside the range of plausible values in this geological environment. Therefore, values below 2 t/m^3 or above 3.5 t/m^3 were discarded.

For the Bou El Jaj Project, histograms and probability plots for tin were reviewed by SRK to evaluate grade distributions in the 1m composited database and to identify anomalous high-grade outliers. Following examination of the spatial positions of potentially erratic samples relative to surrounding data, it was concluded that these samples of the GH_Tin1 should be controlled during block grade interpolation using a combination of conventional top-capping and outlier restriction.

The histogram and probability plots of the domains are presented in Figure 6-12. Capping values were selected for each domain and variable based on the visual assessment of the distribution and the outliers, detailed in Table 6-11.

Figure 6-12: Histogram and Probability Plots for GH_Tin1 at Bou El Jaj Project



Source: Generated by SRK from the data provided by Xingye Silver and Tin, 2026.

Table 6-11: Summary of Outlier Data of Sn at Bou El Jaj Project

Domain	Assay Cap	Number of Replaced Samples	Capped Ratio (%)	Sn Mean (%)		Difference (%)
	Sn (%)			Before Capping	After Capping	
GH_Tin1	1	2	1.74%	0.29	0.25	-12.87%

Source: Summarised by SRK from the data provided by Xingye Silver and Tin, 2026.

6.9 Statistical Analysis and Variography

Spatial variability in a mineral deposit depends on both the separation distance and the direction between pairs of samples. In general, variability increases as the distance between samples increases. Where variability also changes systematically with direction, the mineralization is said to be anisotropic, and this directional dependence is typically represented using an anisotropic search ellipse. The semi-variogram is the most used function to quantify spatial variability in this context.

A variogram is characterized by three principal components: the nugget, the sill, and the range. Even samples taken at very short distances apart, including nominally at the same location, usually show some variability. Consequently, the variogram curve commonly intercepts the y-axis above the origin; this intercept is termed the nugget. The nugget effect reflects both very short-range natural variability and any additional variability introduced through sampling, sample preparation, and analytical error.

For the Achmmach Project, the experimental variograms for Sn were generated by Cube with back-transformed variograms from Gaussian space, except for the East Zone Shallow (untransformed). The experimental variograms of the raw data were poorly defined, even with a top-cut applied. Therefore, a Gaussian transform was applied to the Sn data (using the appropriate declustering weights), and a model applied to the experimental variogram. This model was then back transformed to original data space from Gaussian space, and re-modelled. The structure of the Sn variogram is detailed in Table 6-12. Marrakech zone (domain code 50) had too few samples for meaningful variographic analysis, so the models for the Meknes zone (domain code 40) were used for this zone. The variogram models for WZE (domain code 77) were sourced from the Main West Zone (domain code 70) but with a dip of 50° to the north. The variograms for NZ Vertical (domain code 80) were sourced from Vertical Feeders zone (domain code 10), NZ branches (domain code 85) from Fez zone (domain code 30).

Table 6-12: Sn Variogram Structure at Achmmach Project

Domain	Datamine Rot. (3,2,1, °)			Nugget		Sill	Major(m)	Semi-major(m)	Minor(m)
10	0	0	-90	0.407	Structure1	0.346	40	20	8
					Structure2	0.246	120	100	35
30	90	30	0	0.562	Structure1	0.34	25	25	13
					Structure2	0.098	70	70	20
40	-20	0	30	0.923	Structure1	0.031	10	10	14
					Structure2	0.046	75	40	20
60	70	40	0	0.847	Structure1	0.017	16	20	7
					Structure2	0.136	280	280	150
61	70	40	0	0.612	Structure1	0.231	20	10	4
					Structure2	0.157	200	125	9
70	0	60	0	0.532	Structure1	0.096	20	20	2
					Structure2	0.372	45	45	10
75	0	45	0	0.498	Structure1	0.189	6	6	6
					Structure2	0.312	32	32	8

Source: Summarised from Cube MRE Report, 2024.

Figure 6-13 are the example variogram models for Sn.

Figure 6-13: Variogram Models for Sn

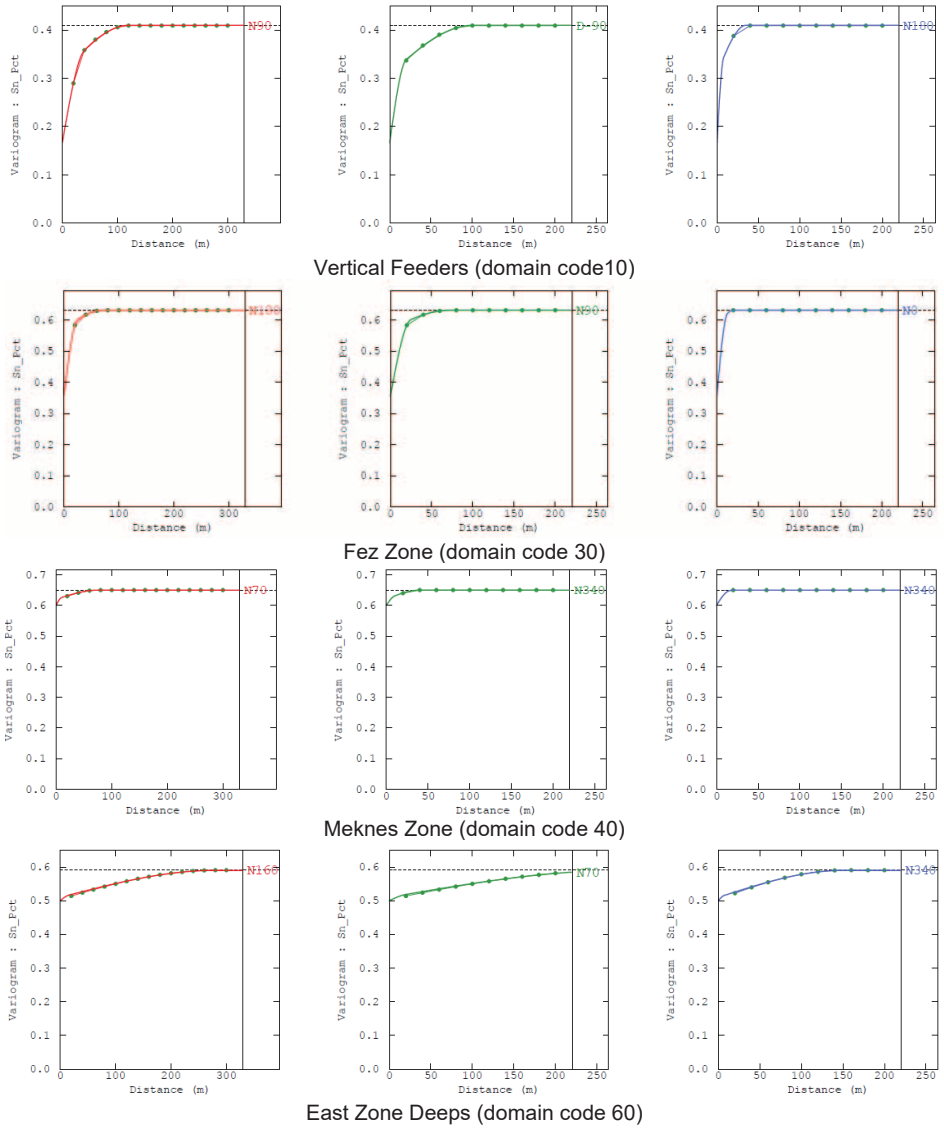
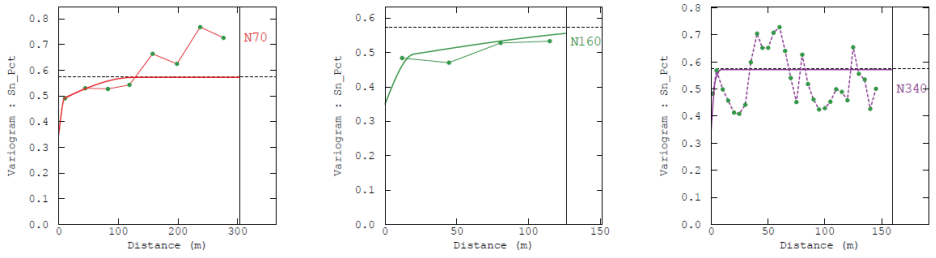


Figure 6-13: Variogram Models for Sn

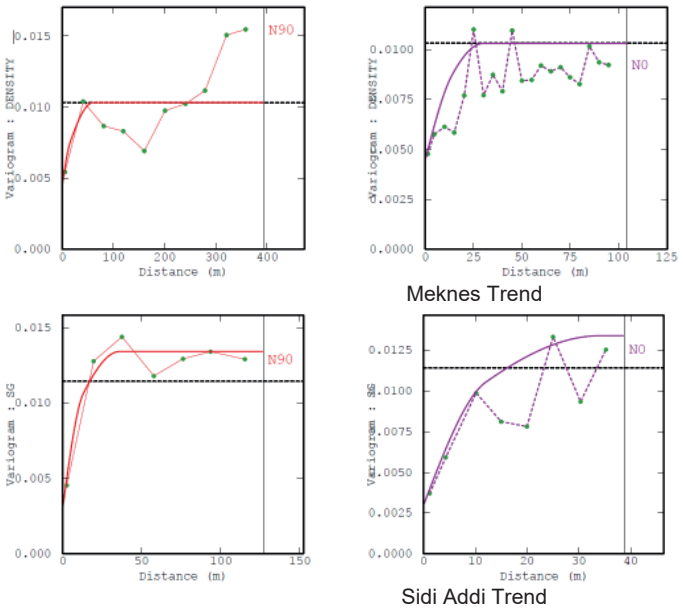


East Zone Shallow (domain code 61)

Source: Cube MRE Report, 2024.

The bulk density data for Meknes Trend or Sidi Addi Trend was combined for variography. The models are shown in Figure 6-14 and the structures are described in Table 6-13.

Figure 6-14: Variogram Models for Bulk Density at Achmmach Project



Meknes Trend

Sidi Addi Trend

Source: Cube MRE Report, 2024.

Table 6-13: Bulk Density Variogram Structure at Achmmach Project

Trend	Datamine Rot. (3,2,1, °)			Nugget		Sill	Major(m)	Semi-major(m)	Minor(m)
Meknes	0	0	30	0.436	Structure1	0.132	15	15	14
					Structure2	0.432	60	60	30
Sidi Addi	0	60	0	0.224	Structure1	0.343	13	13	12
					Structure2	0.433	36	36	34

Source: Summarised from Cube MRE Report, 2024.

6.10 Block Model and Grade Estimation

At Achmmach Project, the block model was created by Cube for the Meknes and Sidi Adi Trend zones. Appropriate block cell size was selected for the deposit. The block model parameter summary is presented in Table 6-14.

Table 6-14: Block Model Specification at Achmmach Project

Trend	Coords	Min(m)	Max(m)	Block Size(m)	Sub Block Size(m)
Meknes	N	49,700	50,400	20	5
	E	1,800	3,600	20	2.5
	Z	500	1,250	5	2.5
Sidi Addi	N	50,150	50,550	10	2
	E	1,400	1,950	10	2
	Z	800	1,200	5	1

Source: Summarised from Cube MRE Report, 2024.

The attribute and description of the block model are presented in Table 6-15.

Table 6-15: Block Model Attributes and Description at Achmmach Project

Attribute	Description
TORDOM	Domain code - 0,1,10,30,40,50,60,61,70,75,77,80,85,90
Air	0 – Below Topo, 1 – Above Topo
Rock	0 – Air, 1 – Sediments, 2- Intermediate Intrusion, 3- Mafic Intrusion, 4 – High Fluorite
Sn_OK	Tin grade
Density	Bulk density, t/m^3
ResCat	1 – Measured, 2 – Indicated, 3 – Inferred, 4 - Unclassified

Source: Summarised from Cube MRE Report, 2024.

The estimation method of Sn grade and bulk density was Ordinary Kriging ("OK") by Cube and the search parameters are detailed in Table 6-16 and Table 6-17. For the Meknes Trend, estimation was performed using the parameters above and a second estimation pass using a twice search distance with the same minimum and maximum samples. For the WZ, a second estimation was used at a search distance with a minimum of 5 and maximum of 20 samples. For the WZE and NZ domains, a second search double the size of the first pass was used.

Table 6-16: Search Distance and Samples for Sn at Achmmach Project

Domain	Range			Samples	
	Major(m)	Semi(m)	Minor(m)	Min	Max
10	100	80	30	5	15
30	70	70	20	5	15
40	75	40	20	5	15
60	200	200	125	5	15
61	150	100	10	5	15
70	40	40	10	8	20
75	30	30	7	8	20
77	60	60	20	6	16
77,80,85,90	60	60	20	6	16

Source: Summarised from Cube MRE Report, 2024.

Table 6-17: Search Distance and Samples for Bulk Density at Achmmach Project

Domain	Range			Samples	
	Major(m)	Semi(m)	Minor(m)	Min	Max
10,30,40,60,61	60	60	30	10	20
70,75	35	35	35	8	20
77,80,85,90	60	60	20	6	16

Source: Summarised from Cube MRE Report, 2024.

At Bou El Jaj Project, the block model was created using Leapfrog by SRK. Appropriate block cell size was selected for the deposit. The block size was set to 10 m × 10 m × 4 m (East × North × Elevation), and the sub bock size was set to 0.625 m × 0.625 m × 0.5 m (East × North × Elevation). The block model parameter summary is presented in Table 6-18Table 6-18.

Table 6-18: Block Model Specification at Bou El Jaj Project

Project	Coords	Min(m)	Max(m)	Block Size(m)	Sub Block Size(m)
Bou El Jaj	E	39,490	40,310	10	1.25
	N	78,600	80,300	20	2.5
	Z	130	950	5	1.25

Source: SRK.

The attribute and description of the block model are presented in Table 6-19.

Table 6-19: Block Model Attributes and Description at Bou El Jaj Project

Attribute	Description
Domain	Each domain
PitShell	Inside, Outside
Sn_pct	Tin grade
Density	Bulk density = 0.1952 × Sn_pct + 2.7793
ResCat	Indicated, Inferred

Source: SRK.

The Inverse Distance Square ("IDW2") method was used for grade estimation at the Bou El Jaj Project. Search parameters for each domain are listed Table 6-20Table 6-20 and Table 6-21.

Table 6-20: Search Parameters for Each Domain at Bou El Jaj Project

Domain	Dip(°)	Dip Azimuth(°)	Pitch(°)	major/semi-major	major/minor
AK_Tin01	52.68	273.13	10.62	1.6	5
AK_Tin02	58.94	279.28	178.11	1	1
AK_Tin03	46.69	268.72	0	1.6	2.5
AK_Tin04	62.22	268.48	0	1.6	5
AK_Tin05	67.96	275.46	0	1.6	2.5
AK_Tin06	53.78	272.65	4.77	1.6	2.5
AK_Tin07	51.14	269.64	0	1.6	2.5
GC_Tin1, GC_Tin2, GC_Tin3	40	270	0	1	5
GH_Tin1	27.22	260.31	163.47	1	2.5
GH_Tin2	47.38	272.39	180	1	2.5
Hill982_Tin1	50.16	269.55	8.11	2	2
Hill982_Tin2	42.14	266.91	6.4	1	1
Hill982_Tin3	60.2	261.07	6.95	1	2.5
Hill982_Tin4	89.92	258.67	9.53	2	5
Hill982_Tin5	88.42	284.99	177.94	1	2.5

Source: SRK

Table 6-21: Search Distance and Samples for Each Domain at Bou El Jaj Project

Domain	Pass	Search distance (m)	Min Samples	Max Samples
AK_Tin01, AK_Tin03, AK_Tin05, AK_Tin06, Hill982_Tin1, Hill982_Tin3	1	50	10	30
	2	100	2	30
AK_Tin02	1	50	2	12
AK_Tin04	1	50	2	2
AK_Tin07	1	50	5	8
GC_Tin1, GC_Tin2	1	100	10	10
GC_Tin3	1	100	8	8
GH_Tin1, GH_Tin2	1	25	10	30
	2	50	5	30
	3	100	2	30
Hill982_Tin2	1	50	5	10
Hill982_Tin4	1	100	5	11
Hill982_Tin5	1	100	2	2

Source: SRK

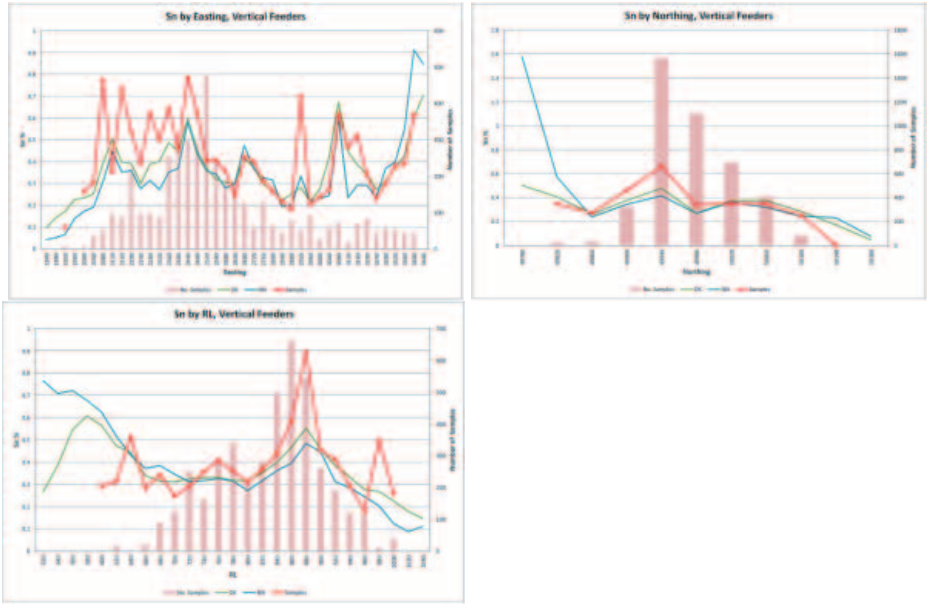
6.11 Model Validation

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the resource data used and of the estimation method applied. Other issues such as the relationship between the model-selectivity assumptions and mining practices are equally important when determining the appropriateness of the resource estimate.

Swath plots were adopted for the validation approaches to validate both Achmmach and Bou El Jaj Projects model.

Swath plots of Sn were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown figures from Figure 6-15 to Figure 6-18 as examples. The block models and composites match reasonably well in all orthogonal directions. This comparison shows close agreement between the block model and composites in terms of overall distribution as a function of X, Y, and Z location.

Figure 6-15: Swath Plots – Vertical Feeders at Achmmach Project



Source: Cube MRE Report, 2024.

Figure 6-16: Swath Plots – Fez Zone at Achmmach Project



Source: Cube MRE Report, 2024.

Figure 6-17: Swath Plots – East Zone at Achmmach Project

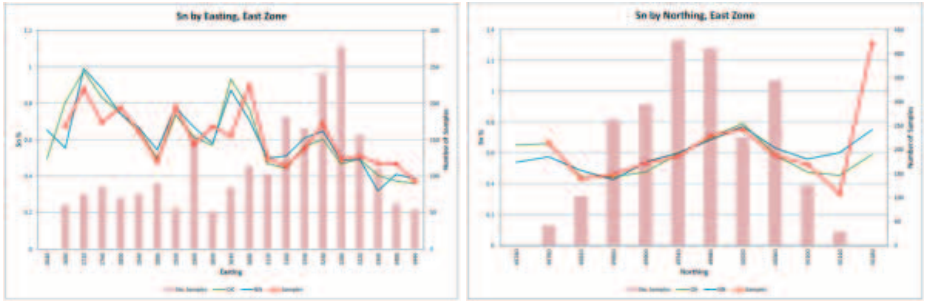
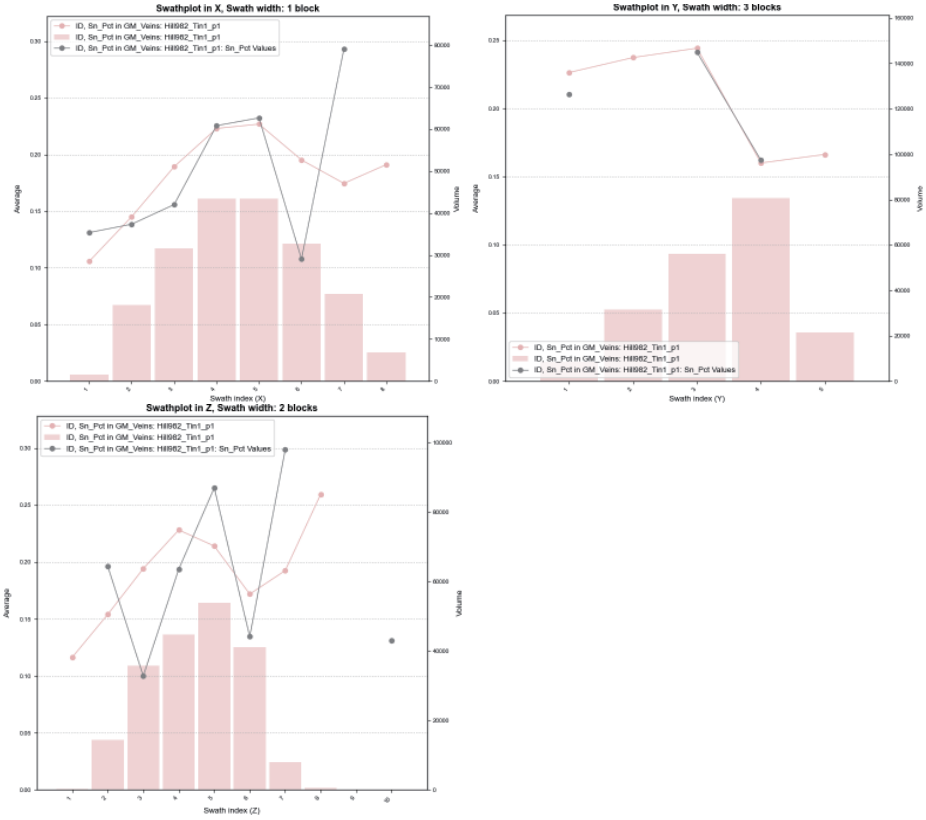


Figure 6-17: Swath Plots – East Zone at Achmmach Project



Source: Cube MRE Report, 2024.

Figure 6-18: Swath Plots – Hill982_Tin8 at Bou El Jaj Project



Source: SRK.

These data indicate that both Achmmach and Bou El Jaj block models are reliable.

6.12 Mineral Resource Classification

Mineral resource classification is typically a subjective concept, industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating both concepts to delineate regular areas at similar resource classification.

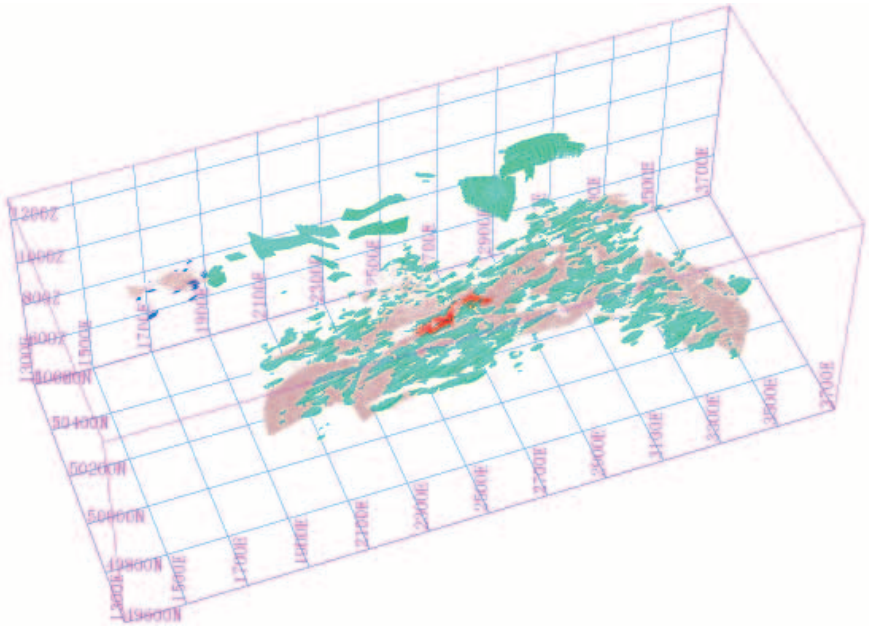
Assessment of geological confidence in the grade estimation are based on the following guidelines:

- Drill spacing and drill data quality
- Geological domaining for mineralised domains
- The spatial continuity of Sn mineralisation
- Geostatistical measures of Sn estimate quality
- Risk or uncertainty present in the estimated grades

For the Meknes Trend of Achmmach Project, diamond drill spacing is generally on 20 m or 40 m spaced sections, with data quantity considered very good for the 20 m drilled sections of the Meknes Zone, and good for the rest of the project. Geological domaining is considered appropriate and the geometry of the mineralisation is reasonably robust in well-drilled areas. Cube considered the material in the core of the Meknes Zone and vertical feeders, where the drilling spacing is 20 m, and the continuity of grade and geometry along the strike is very good, to be Measured. The rest of the deposit, with 40 m spaced drilling, to be Indicated. Note that the geometry and grade continuity of the Fez Zone at the 20 m drilling space is not adequate to support Measured, so the Fez Zone is classified as Indicated.

For the Sidi Addi Trend of Achmmach Project, the diamond drill spacing of the Western Zone is generally on 30 m spaced sections with data quantity considered good. Geological domaining is considered appropriate and the geometry of the domains is reasonably robust. Cube considered most of the mineralised material in the WZ to be Indicated. Some small lodes of the Branch Zone were excluded from the Mineral Resources due to very thin intercepts and limited spatial extent. At WZE, Cube considered that the mineralised domains display reasonable strike continuity, and the interpretations have been extrapolated only 20 m beyond the limits of drilling. At NZ, Cube similarly considered that the mineralised domains exhibit reasonable strike continuity, with the interpreted domains extrapolated only 10–15 m beyond the limits of drilling. The WZE and NZ were classified as Inferred by Cube. The classifications of Achmmach Project is shown in Figure 6-19.

Figure 6-19: Mineral Resource Classification at Achmmach Project

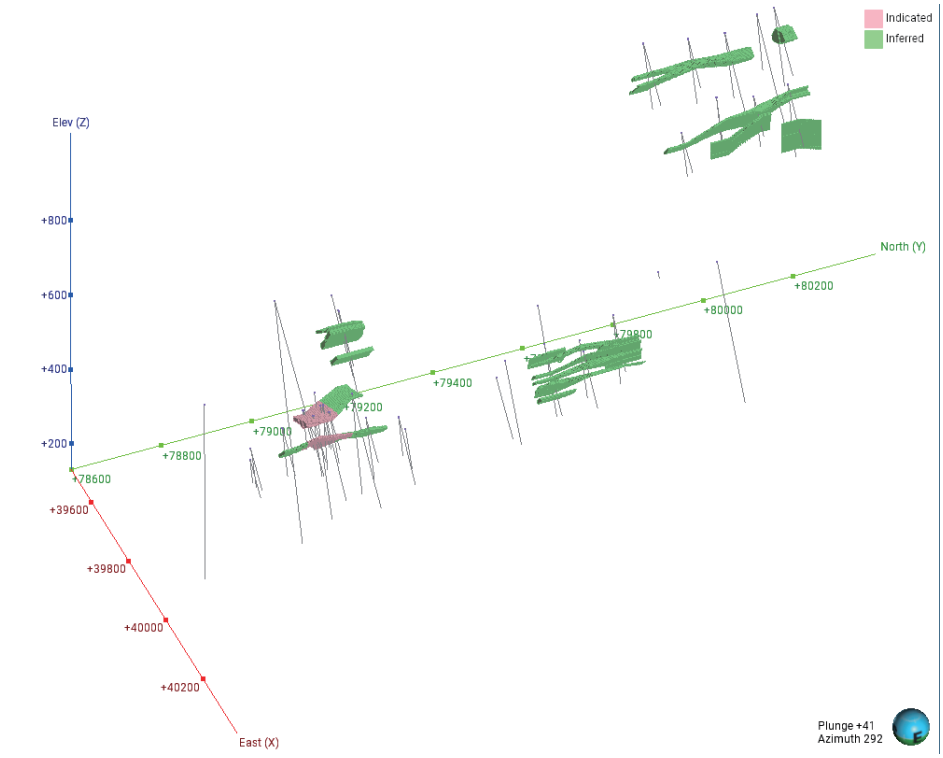


Source: Generated by SRK from the block model provided by Xingye Silver and Tin, 2026.
Notes: Red – Measured, Pink – Indicated, Cyan – Inferred, Blue - Unclassified

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation.

As shown in Figure 6-20, for the Bou El Jaj Project, diamond drill spacing is generally on 40 m - 80 m spaced sections. SRK considers that Indicated Mineral Resources were with drill spacing of less than 40 m × 40 m, where the lode positions exhibit good continuity and predictability. The Inferred Mineral Resources were limited to 40 m of the mineralisation.

Figure 6-20: Mineral Resource Classification at Bou El Jaj Project



Source: SRK.

6.13 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

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

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that the Achmmach Project is amenable for underground mining and the Bou El Jaj Project for open pit mining.

For the Bou El Jaj Project, SRK generated a conceptual pit shell using the Whittle software and the detailed parameters are listed in Table 6-22.

Table 6-22: Conceptual Pit Shell Parameters for Bou El Jaj Project

Item	Unit	Value
Tin Price	US$/t	35,900
Mining Cost	US$/t feed ore	3
Mining Dilution	%	18
Mining Losss	%	5
Processing Cost	US$/t feed ore	19
Sn Recovery Rate	%	72
G&A Cost and/or Transportation	US$/t feed ore	7
Royalty	%	3
Treatment & Impurity Charges	%	8
Pit Slope Angle	Degree	45

Note: SRK.

The assumptions made to determine the cutoffs for the Achmmach and Bou El Jaj Projects are shown in Table 6-23.

Table 6-23: Cut-Off Grade Calculation Parameters

Item	Unit	UG (Achmmach)	OP (Bou El Jaj)
Mining Cost	US$/t feed ore	31	
Mining Dilution	%	18	
Mining Loss	%	5	
Processing Cost	US$/t feed ore	19	19
Sn Recovery Rate	%	72	72
G&A Cost and/or Transportation	US$/t feed ore	7	7
Tin Price	US$/t	35,900	35,900
Royalty	%	3	3
Treatment & Impurity Charges	%	8	8
Sn COG	**%**	**0.27**	**0.13**

Note: The price refers to the long-term prediction published by Consensus Market Forecasts in December 2025.

The Mineral Resource was estimated assuming a long-term tin price of US$ 35,900/t.

As of 31 December 2025, at a cut-off grade of 0.13% Sn for OP and 0.27% Sn for UG, the Mineral Resources of the Achmmach and Bou El Jaj are summarized in Table 6-24.

Table 6-24: Mineral Resource Statement for Achmmach and Bou El Jaj Projects, as of 31 December 2025

Project	Type	Sn Cutoff %	Categories	Tonnage Mt	Sn Grade %	Sn Metal Contained Kt
Achmmach	UG	0.27	Measured	2.1	0.85	18
			Indicated	25.2	0.62	156
			Measured+Indicated	**27.3**	**0.64**	**174**
			Inferred	9.2	0.35	32
Bou El Jaj	OP	0.13	Measured	-	-	-
			Indicated	0.15	0.33	0.48
			Measured+Indicated	**0.15**	**0.33**	**48**
			Inferred	1.06	0.31	3.24
Total			**Measured**	**2.1**	**0.85**	**18**
			Indicated	**25.3**	**0.62**	**157**
			Measured+Indicated	**27.5**	**0.64**	**175**
			Inferred	**10.3**	**0.34**	**35**

Notes:

[1] The Mineral Resources results are used solely for the purpose of testing the "reasonable prospects for eventual economic extraction" by open pit mining and underground mining and do not represent an attempt to estimate Ore Reserves.
[2] OP Mineral Resources are constrained in a conceptual pit shell.
[3] Mt – million tonnes. Kt – Thousand tonnes.
[4] All figures are rounded to reflect the relative accuracy of the estimate. The significant differences are due to rounding.
[5] The COG for OP is 0.13% for OP and 0.27% for UG.
[6] The information in this report which relates to Mineral Resource is based on information reviewed and compiled by Mr Huaixiang Li who is a full-time employee of SRK Consulting China Ltd. Mr Li is a Member of AIG. He has 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 appropriate Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Mr Li consents to the reporting of this information in the form and context in which it appears.
[7] Mineral Resources are inclusive of Ore Reserves that have been converted from Measured and Indicated Mineral Resources.
[8] The effective date of the Mineral Resource Statement is December 31, 2025.

The Achmmach and Bou El Jaj Projects, as of December 31, 2025 and at Sn cut-off grades of 0.13% for OP and 0.27% for UG , are estimated to contain 2.1 Mt of Measured Mineral Resources with Sn average grade of 0.85%, 25.3 Mt of Indicated Mineral Resources with Sn average grade of 0.62%, and 10.3 Mt of Inferred Mineral Resources with Sn average grade of 0.34%.

6.14 Grade Sensitivity Analysis

The Mineral Resources of the Achmmach and Bou El Jaj Projects are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the quantities and grade are presented in at different cut-off grades in Table 6-25 and Table 6-26. The reader is cautioned that the figures presented should not be misconstrued with a Mineral Resource statement. Figure 6-21 and Figure 6-22 are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Table 6-25: Achmmach Block Model Quantities and Grade Estimates at Various Sn Cut-off Grades

Sn Cutoff	Tonnage	Sn Grade	Sn Metal Contained
%	Mt	%	Kt
0.23	49.1	0.48	238
0.24	45.5	0.50	229
0.25	42.1	0.52	221
0.26	39.1	0.55	213
0.27	**36.5**	**0.57**	**206**
0.28	34.4	0.58	201
0.29	32.5	0.60	195
0.30	30.8	0.62	190
0.31	29.2	0.64	185
0.32	27.9	0.65	181

Sources: SRK

Notes: The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

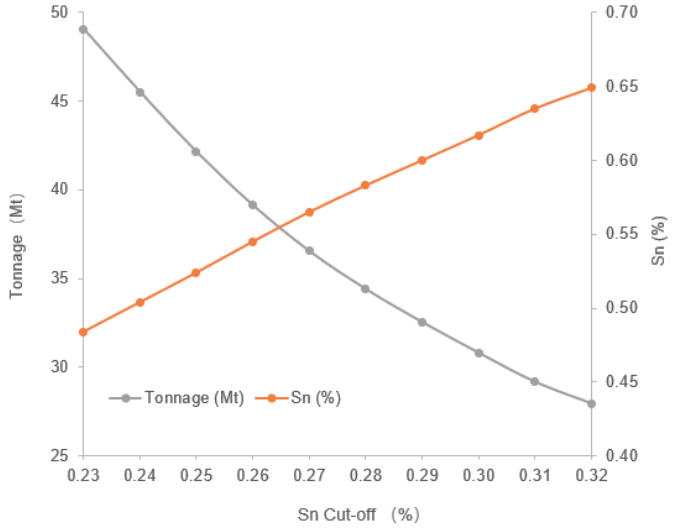
Table 6-26: Bou El Jaj Block Model Quantities and Grade Estimates at Various Sn Cut-off Grades

Sn Cutoff	Tonnage	Sn Grade	Sn Metal Contained
%	Mt	%	Kt
0.09	1.26	0.30	3.76
0.10	1.25	0.30	3.75
0.11	1.23	0.30	3.74
0.12	1.21	0.31	3.71
0.13	**1.18**	**0.31**	**3.67**
0.14	1.15	0.32	3.63
0.15	1.11	0.32	3.57
0.16	1.05	0.33	3.47
0.17	1.00	0.34	3.39
0.18	0.97	0.35	3.34

Sources: SRK

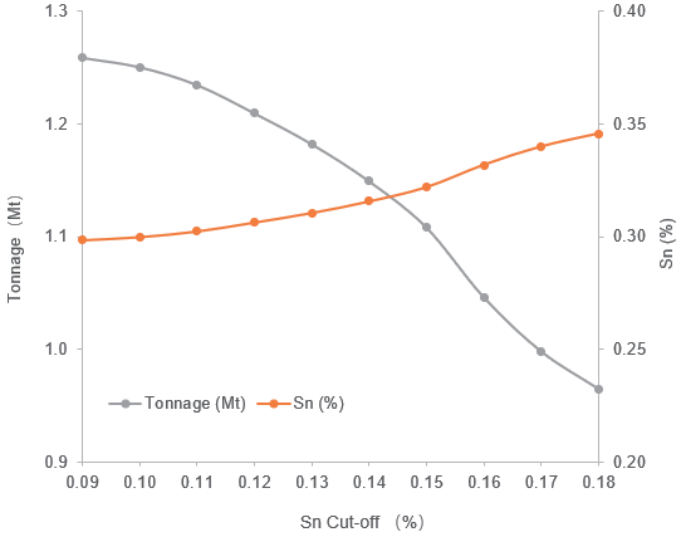
Notes: The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 6-21: Sn Grade-Tonnage Curve for Achmmach Project at Various Sn Cutoff Grades



Source: SRK

Figure 6-22: Sn Grade-Tonnage Curve for Bou El Jaj Project at Various Sn Cutoff Grades



Source: SRK

6.15 Exploration Potential and Recommendations

After SRK's review of both Achmmach and Bou El Jaj Projects exploration database, SRK finds that the mineralised domains are still open at depths. The reported Mineral Resources are mainly concentrated within the drilling zones. The interpreted domains have only been extrapolated 20 m beyond the limits of drilling. There is potential to expand the Mineral Resource through further exploration work. Especially for Bou El Jaj Project, there is certainly potential for extensions at depth and along strike to the current mineralised domains. As shown in Figure 4-3, there is an approximately 5 km strike length between Achmmach and Bou El Jaj where the geological setting is similar to that of these two projects and likewise has good mineralization potential.

For the Achmmach Project, SRK suggests conducting infill drilling to update confidence at the Sidi Addi Trend, particularly in the high-grade zones. And a few diamond grade control holes are recommended from underground before final stope design, as there is still some uncertainty about exact locations of the ore/waste boundaries.

For the Bou El Jaj Project, down dip drilling is recommended to test for depth and strike extensions of the mineralisation.

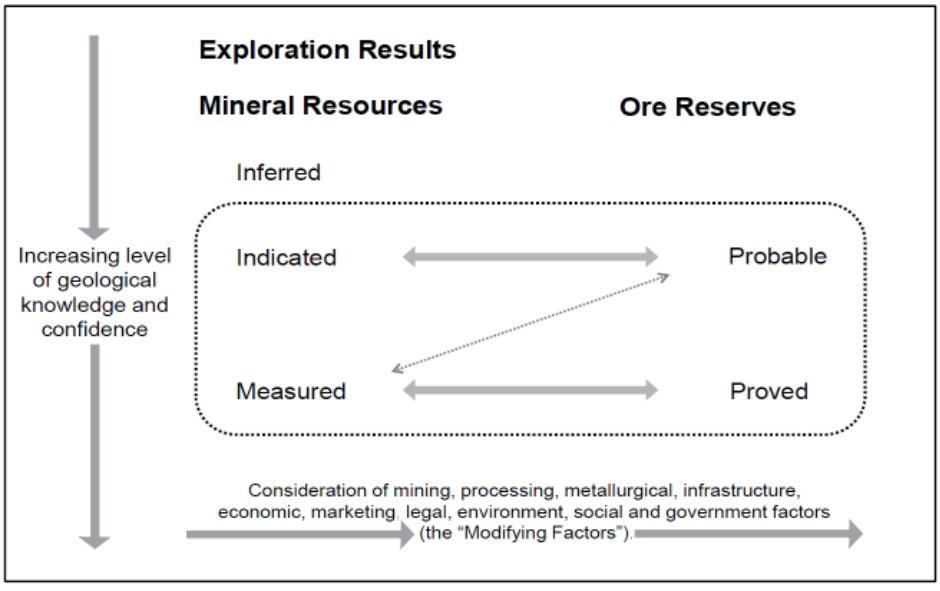
7 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the JORC Code is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 7-1.

Figure 7-1: General relationship between Mineral Resources and Ore Reserves



Sources: JORC Code (2012)

Achmmach Tin Project contains several lodes with planned operations utilizing underground mining methods. The Ore Reserves for Achmmach Tin Project were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with on-going operation and have been adjusted to meet a Pre- Feasibility study ("PFS") standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore Reserve estimation methodology and summarizes key assumptions considered. In the opinion of SRK, the Ore Reserve estimation reported is in accordance with the JORC Code guidelines.

Achmmach Tin Project is a previously unmined (greenfield) operation. The first two years are planned as a construction and development period, during which no production will occur. The Ore Reserve estimates for Mine Area I and Mine Area III are primarily based on technical studies completed in 2013 and 2014, with subsequent adjustments to reflect ongoing operations.

7.1 Technical Studies

Mining related materials acquired by SRK through virtual data request and site visit. SRK has received the following technical studies:

- Definitive Feasibility Study for the Achmmach Tin Project, conducted by Atlantic Tin Limited. In July 2018 (AT 2018)
- *Feasibility Study Report on the Mining, Processing and Tailings Design Project of the Atlas Tin SAS Achmmach Tin Mine in Morocco,* Shanjin Design & Consulting Co., Ltd., March 2026 (2026 FS)
- Study of Water Resources and Mine Site Water Supply for the Achmmach Tin Project, conducted by CYSK Resource LTD. In January 2026 (AT Hydrogeology 2026)
- Geotechnical Study for the Achmmach Tin Project, Conducted by Entech Pty LTD. in April 2025 (AT Geotechnical 2025)

SRK has reviewed the technical studies and all supporting data for Achmmach Tin Project. Based on this review, SRK determined that the accuracy of the Modifying Factors, with minimal adjustment, is consistent with a Pre-Feasibility Study ("PFS") level. This level of accuracy is considered appropriate for the Ore Reserve estimates.

7.2 Mineral Resources Models

The Mineral Resource Model ("MRM") was built by in-house geologists, based on the latest geological interpretations. The final model was provided in Datamine format (.dm). SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. The estimate using Deswik, CAD & SCHED software. This was done to report an Ore Reserve in compliance with the JORC Code 2012.

7.3 Modifying Factors

In accordance with the JORC Code, the Measured and Indicated Mineral Resources are converted to Ore Reserves through the application of appropriate modifying factors. The primary factors considered in the Ore Reserve estimation include stope optimisation, mine design, mining losses, and mining dilution. Additional parameters, such as processing capabilities, market conditions, and environmental, legal, and political constraints, are also taken into account, as these may impact the quantity and classification of the Ore Reserves.

The modifying factors applied to the Reserve estimates for Mine Area I and Mine Area III are listed as below:

- The Ore Reserve is planned for extraction by underground methods.
- SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation.
- The scope of the Ore Reserves estimation considers the boundaries of the mining tenure.
- Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices.

- The underground mine design and planning used for further planning is based on the review of the technical and economical consideration.
- Mining dilution is accounted for at 11%, which includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 15%, to allow for unplanned losses during mining and material transportation to the processing plant.
- The cut-off grade ("COG") is used to define the economic viability of the stopes.
- The effective date is as of 31 December 2025.

7.4 Cut-off Grade

The cut-off grades for the Achmmach Tin Project are presented in Table 7-1. Key considerations include:

- Price: The gold prices are dynamic and are derived from consensus market forecasts ("CMF") provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/administrative (G&A) are based on average historical three-year cost. AT cost included cement backfill cost.

The COG for Sn in the Run-of-Mine (ROM) feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{P * (1 - P_a) * P_r * (1 - R_t)}$$

The parameters used in estimating the COG are detailed in the Table 7-1. The preferred COG value is rounded up to the nearest 0.1 for practical application.

Table 7-1: Cut-Off Grade Estimation Inputs for Achmmach Tin Mine

Item	Parameters	Unit	Achmmach Tin Project	By Product
	Exchange Rate	USD : CNY	7.1	7.1
P	Sn Price	CNY/t	195,960	195,960
Pa	Treatment & Impurity Charges	%	0.08	0.08
Pr	Processing Recovery	%	72.00	72.00
Rt	Royalties	%	3.00	3.00
Cm	Mining Cost	CNY/t ore	218	
Cp	Processing Cost	CNY/t ore	134	134
Cg	G&A Cost	CNY/t ore	48	48
Cc	Contingency to Cost	%	10	10
A	COG	%	0.35	0.16

Source: SRK

Note:

[1] The COG for by-products is calculated using the marginal cut-off grade method, which takes mining costs out of estimation. This COG is specifically used to determine the material excavated during development.

7.5 Ore Reserve Estimation

The access system consists of a decline, with trackless haulage employed. At the end of the mine life, when the upper sublevels are extracted, two adits will be established at elevations of 1,050 m and 1,000 m, respectively. The 1,050 m level will function as a return-air drift, and the 1,000 m level as the production adit.

The estimated process details are provided in Table 7-2, with the corresponding waterfall charts illustrated in Figure 7-2 and Figure 7-3.

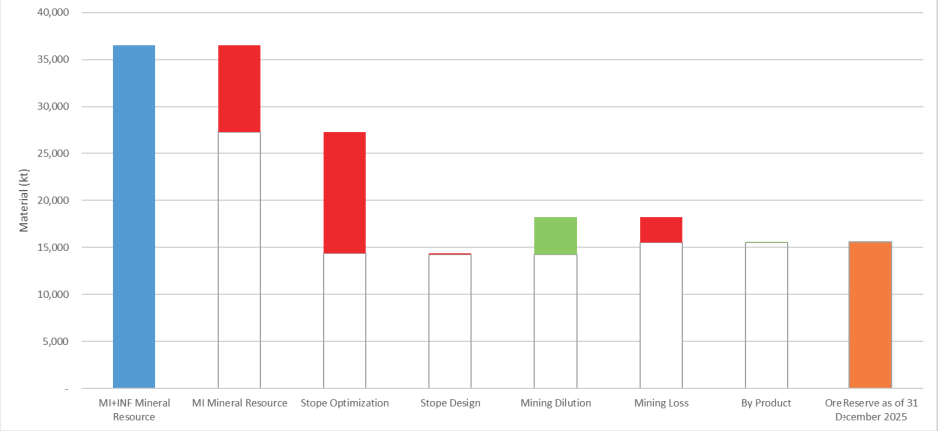
Approximately 43% of tonnage and 44% of metal have been converted from Mineral Resources to Ore Reserves. A key negative factor impacting this conversion is the presence of Inferred Mineral Resources. Approximately 57% of tonnage and 52% of metal have been converted from Measured and Indicated Mineral Resources to Ore Reserves.

Table 7-2: Estimate Process Summary for Achmmach Tin Project

Description	Material Tonne (kt)	Contained Sn Metal (kt)
MI+INF Mineral Resource	36,500	206
MI Mineral Resource	-9,200	-32
Stope Optimization	-12,945	-67
Stope Design	-121	-1
Mining Dilution	4,022	-
Mining Loss	-2,738	-16
By Product	100	1
Ore Reserve as of 31 December 2025	15,617	90

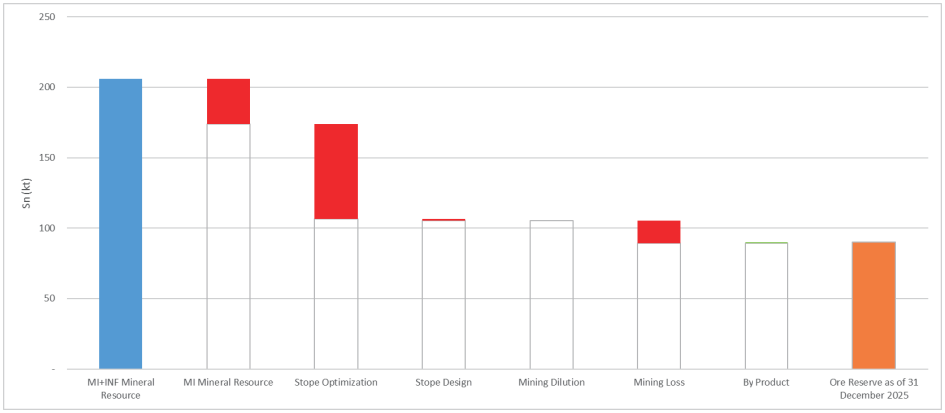
Source: SRK

Figure 7-2: Estimates Process for Achmmach Tin Project - Change in Material Tonnes



Sources: SRK

Figure 7-3: Estimates Process for Achmmach Tin Project - Change in Contained Sn Metal



Sources: SRK

7.6 Ore Reserve Statement

SRK has estimated the underground Ore Reserves for Achmmach Tin Project in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a Pre-Feasibility Study.

The Achmmach Tin Project contains both Indicated Mineral Resources and Measured Mineral Resources. Consequently, the economically mineable portions of these resources, as defined within the designed underground stopes, have been classified as Proved and Probable Ore Reserves. This classification includes allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code framework.

As of 31 December 2025, the Ore Reserves at Achmmach Tin Project are estimated to be 15.57 Mt, with average grades of 0.58% tin (Sn), containing 90 kt of tin.

These reserves are all classified as Proved and Probable Ore Reserves, as shown in Table 7-3.

Table 7-3: Ore Reserves Estimate of Achmmach Tin Project as of 31 December 2025

Category	Ore Reserve (Mt)	Sn (%)	Contained Sn (kt)
Proved	1.69	0.70	12
Probable	13.88	0.56	78
2P total	15.57	0.58	90

Source: SRK

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Ms Shan Chuang and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Ms Chuang is a Member of AusIMM and Mr Falong Hu is a Fellow of AusIMM. Both Ms Chuang and Mr Falong Hu 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 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. Ms Shan Chuang and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] The Ore Reserve reference point is delivery of ore to the crusher at the processing plant.

[3] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[4] Total may not add due to rounding discrepancies

[5] The effective date of the Ore Reserves estimate is 31 December 2025.

8 Mining Assessment

8.1 Mine Operating Status

The Achmmach Tin Project was previously owned by Atlas Tin Co., Ltd. and was acquired by Xingye Silver-Tin Co., Ltd. in 2025. The project remains at a pre-development stage, and no mine construction or production activities have been undertaken to date.

8.2 Hydrogeology

8.2.1 Drainage and Structural Framework

The Project area is characterised by a dense, structurally controlled drainage network. Surface watercourses are predominantly ephemeral streams in the Achmmach area that ultimately discharge to the Beht River. High-resolution satellite imagery (Google Earth) was interpreted to define the regional lineament network. Most of these lineaments coincide with mapped geological faults and are organised into four principal orientations: NE–SW, N–S, NW–SE and E–W.

Comparison of drainage statistics with the lineament data indicates that most streams are strongly influenced by tectonic structures, particularly faulting. Topography provides a secondary control, with slopes generally dipping towards the northwest and north, which further directs flow. The drainage network in the Achmmach area is illustrated in Figure 8-1.

Mineralisation and groundwater are notably concentrated near the intersections of two major fault systems trending NE and NW. These structures formed during the Hercynian orogeny and were reactivated during later tectonic events, including the Alpine orogeny and the opening of the nearby Agourai Triassic basin. This reactivation is interpreted to have facilitated remobilisation and concentration of mineralisation. The two fault systems also control groundwater circulation within different stratigraphic units, including Viséan and Namurian dolerite dykes and schist–sandstone sequences.

Drainage analysis identifies two main types of anomalous drainage patterns, typically grouped by administrative sector and, in some cases, aligned linearly at the regional scale. Drainage lineaments with consistent orientations across the area, together with associated drainage anomalies, are interpreted to represent reactivated buried faults trending NE–SW and NW–SE. These features are key indicators of structural reactivation during the Alpine orogeny and provide an important framework for the structural and hydrogeological model of the Achmmach area.

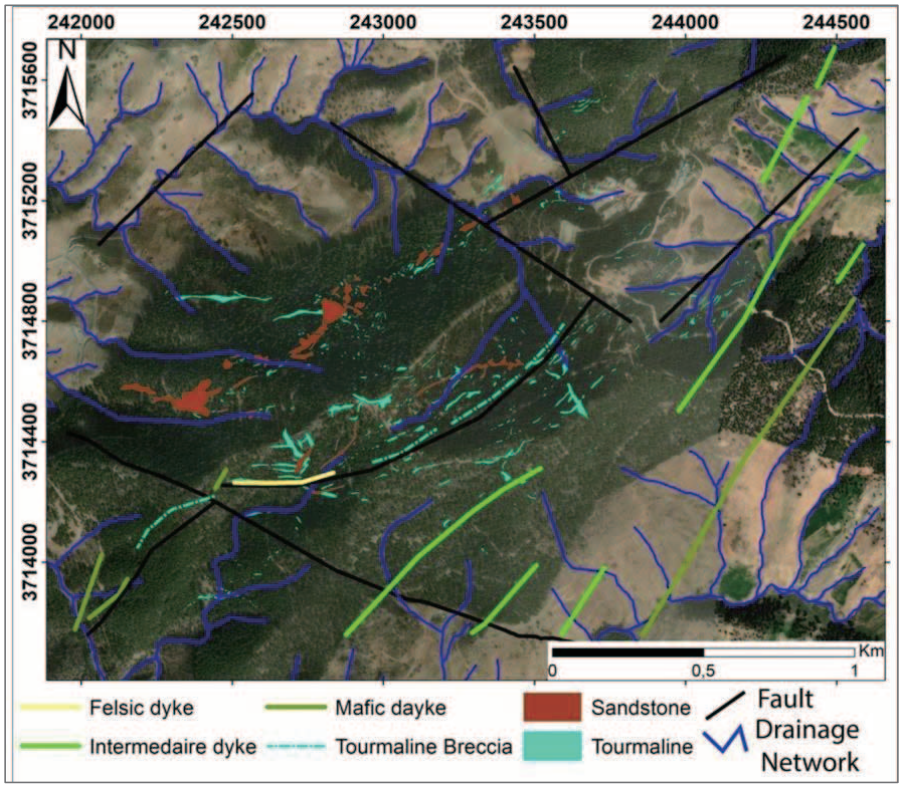
From a hydrogeological perspective, two principal structural features dominate groundwater flow at Achmmach. The first is located in the south near the Achmmach tunnel, where significant discharge is associated with a major NW–SE-trending fault that is offset by related dolerite dykes. A similar NW–SE-oriented structure occurs to the north and controls the WB01, WB02 and WB03 wells, which are supplied by this fault system and the offsetting dolerite dykes.

Given the importance of these two NW–SE structures to the Achmmach site, groundwater migration is interpreted to occur predominantly along them, with flow moving between the two structures. Flow paths are primarily oriented in two directions: (i) from northeast to southwest, crossing the dolerite dykes within the gneiss–sandstone sequence (where flow volumes are relatively modest), and (ii)

from northwest to southeast along the main structural corridors. These two structural trends effectively define the hydrogeological framework of the Achmmach deposit.

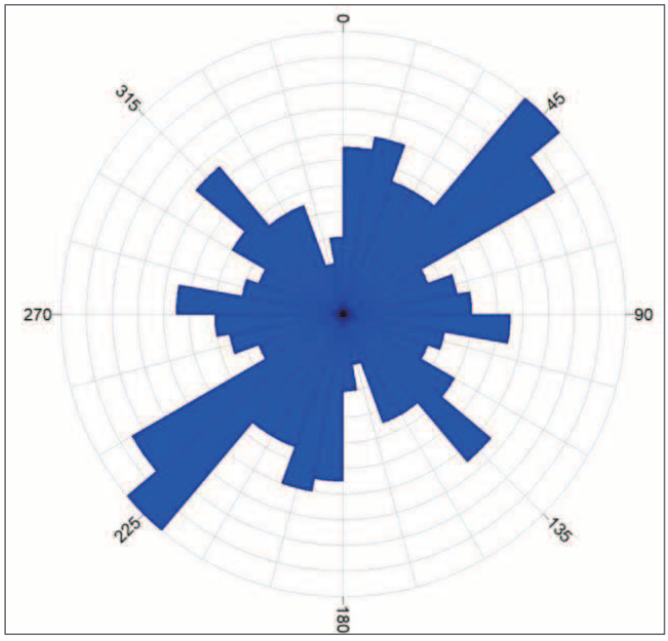
The Figure 8-2 presents a rose diagram of drainage azimuths weighted by drainage frequency.

Figure 8-1: The Drainage Network in The Achmmach Area



Source: AT Hydrogeology 2026

Figure 8-2: Rose Diagram of Drainage Azimuths Weighted by Drainage Frequency



Source: AT Hydrogeology 2026

8.2.2 Surface Water Catchments and Drainage Basins

The Achmmach deposit is located at the confluence of several sub-catchments whose surface runoff is mainly discharged via tributaries of the Beht River. The main Beht River channel lies approximately 6 km west to northwest of the Project area (see Figure 8-3). Numerous ephemeral streams originate within the Achmmach licence and flow north, east or west, notably within the Akrid and Oued Laqtib sub-catchments.

Along their courses, these channels receive many tributaries. The drainage network is dense on the mountain flanks and less developed on the intervening small plains, except for a few major tributaries that maintain their size from the mountain front and are capable of significant incision across the plains. This pattern reflects higher flow velocities and greater bed-load transport where gradients are steep, with sediment deposition and reduced erosive capacity as slopes decrease.

Contrasts in relief between upstream and downstream sectors, and within individual sub-catchments, are closely related to geological and geomorphological conditions. These include lithological variations, structural fabric, and a range of structural landforms from Appalachian-type relief developed in highly deformed Palaeozoic basement, to monocline and near-tabular morphologies in the overlying cover sequences.

Figure 8-3 shows the location of the Achmmach Project at the sub-catchment scale.

Figure 8-4 presents the topographic elevation model for the Akrid tributary catchment.

Figure 8-5 shows the slope map for the Akrid catchment area.

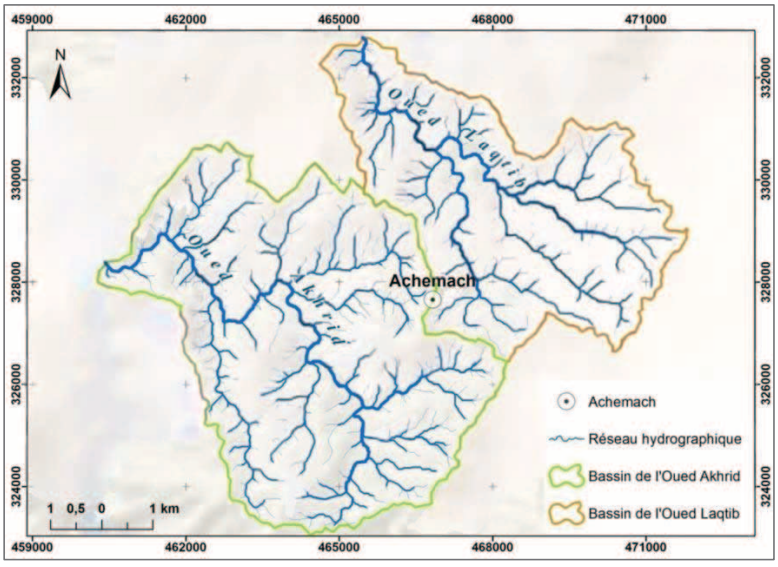
Figure 8-6 presents the topographic elevation model for the Oued Laqtib sub-catchment.

Figure 8-7 shows the slope map for the Oued Laqtib sub-catchment.

Table 8-1 summarises the principal morphometric characteristics of the Akrid tributary catchment (western Achmmach area).

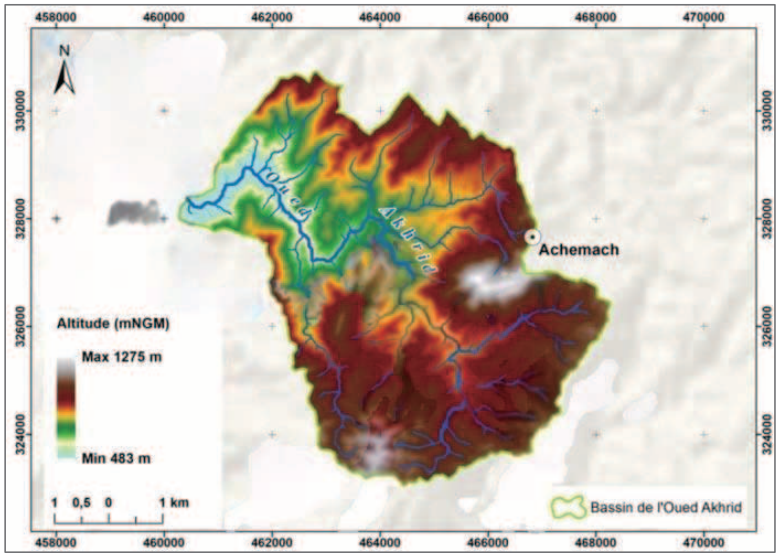
Table 8-2 summarises the principal morphometric characteristics of the Oued Laqtib sub-catchment (eastern Achmmach area).

Figure 8-3: Location of The Achmmach Project at The Sub-Catchment Scale



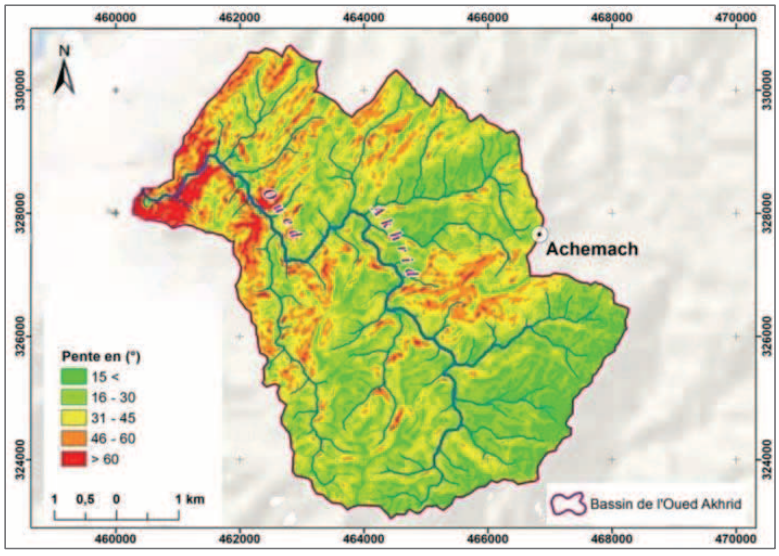
Source: AT Hydrogeology 2026

Figure 8-4: The Topographic Elevation Model for The Akrid Catchment Area



Source: AT Hydrogeology 2026

Figure 8-5: The Slope Map for The Akrid Catchment Area



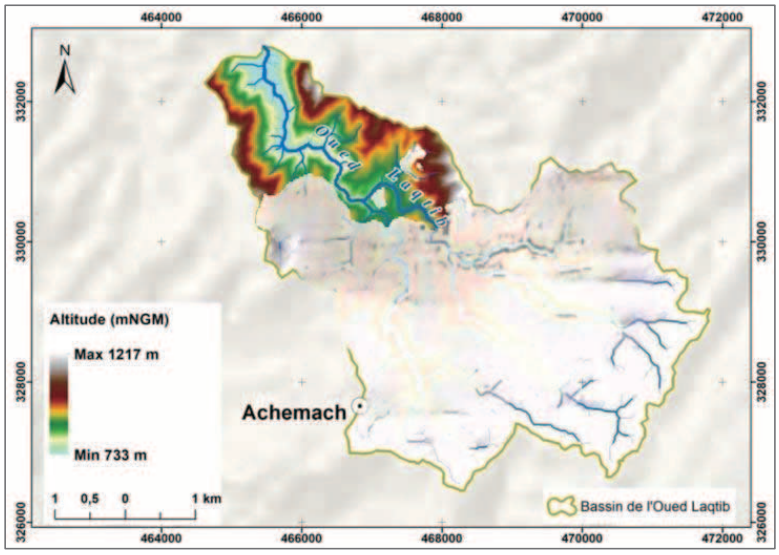
Source: AT Hydrogeology 2026

Table 8-1: The Principal Morphometric Characteristics of The Akrid Tributary Catchment (Western Achmmach Area)

Sub-catchment Characteristic	Value
Area (km²)	34.65
Perimeter (km)	28.97
Circularity Ratio Rc = 4πA / P²	0.52
Compactness Coefficient	1.39
Drainage Density Dd = L / A (km/km²)	4.21

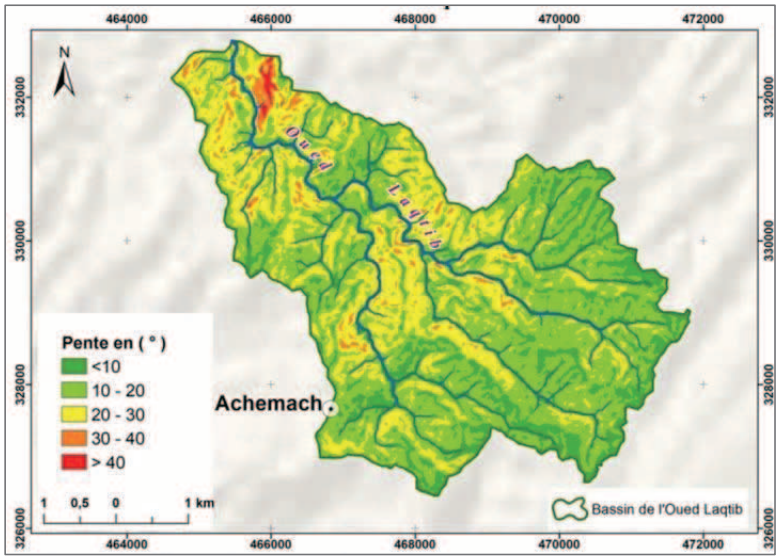
Source: AT Hydrogeology 2026

Figure 8-6: The Topographic Elevation Model for The Oued Laqtib Sub-Catchment



Source: AT Hydrogeology 2026

Figure 8-7: The Slope Map for The Oued Laqtib Sub-Catchment



Source: AT Hydrogeology 2026

Table 8-2: The Principal Morphometric Characteristics of The Oued Laqtib Sub-Catchment (Eastern Achmmach Area)

Sub-catchment Characteristic	Value
Area (km²)	23.21
Perimeter (km)	26.84
Circularity Ratio Rc = 4πA / P²	0.4
Compactness Coefficient	1.57
Drainage Density Dd = L / A (km/km²)	4.07

Source: AT Hydrogeology 2026

8.2.3 Hydrological Regime of Local Rivers

The regional topography supports a drainage system distributed across several catchments, most of which are dry for much of the year and only carry intermittent flash floods during intense storm events. The annual hydrological regime is characterised by two main flood seasons, in autumn and spring, separated by two low-flow periods when discharges range from very low to zero. Inter-annual variability is high and strongly dependent on precipitation.

Hydrometric records for the Beht River at the Ouljet Es Sultan gauging station show that mean monthly flows are relatively abundant during most months, with a marked decline in summer, particularly in July and August. Average monthly discharge is approximately 1.34 m³/s in August and increases to about 17.20 m³/s in February. Autumn floods are typically short-lived but intense and closely linked to rainfall, whereas spring floods have lower peaks but longer duration. Snowmelt from

higher elevations provides a sustained contribution, maintaining elevated daily and monthly flows until around May.

8.2.4 Summary of Groundwater Resources – Achmmach Project

Because of the structural complexity of the area, located on the boundary between the Hercynian thrust belt and the central zone and reactivated during the Alpine orogeny, the Achmmach site can be divided hydrogeologically into three main sectors: a northeast sector, a central sector, and a south-west sector. These sectors are bounded by two major NW–SE-trending faults. The Hercynian and Alpine structures impart a general NE–SW orientation to most igneous, sedimentary and metamorphic units, with dips commonly towards the northwest or northeast. Despite this complexity, groundwater flow is interpreted to be predominantly channelled along the two NW–SE fault zones that bound the three sectors.

Overall, groundwater occurs mainly within fracture zones, fault zones and weathered horizons. The extent of these aquifers varies according to the geometry of the geological structures, but they collectively represent a potentially significant water resource for mine supply.

The presence of dolerite dykes, together with associated fracturing and faulting, results in relatively favourable groundwater conditions, particularly in the eastern and southern catchments where numerous wells and springs are associated with intrusive dolerite dykes. Pumping tests and operational records indicate specific discharges generally in the range of 4–6 L/s per borehole. Under the current structural, hydrological and hydrogeological conditions, the Achmmach area can be considered to have surplus groundwater, and it is technically feasible to plan for transfer of excess water to the process plant.

The spatial distribution of groundwater potential can be summarised as follows:

- Northeast sector
  - Typical yield: ~4–6 L/s per borehole.
  - Aquifer unit: fractured dolerite dykes.
  - Aquifer characteristics: fracture permeability within Palaeozoic (Viséan) fractured and/or weathered aquifers.
  - Recharge mechanisms: infiltration of flood flows, direct rainfall recharge on outcrops and recharge along fault zones.
  - Discharge modes: downstream drainage, springs and pumping abstraction.
  - Existing works: boreholes WB01, WB02, WB03 and the Bouffelous well.
- Central sector
  - Typical yield: up to ~13 L/s per facility.
  - Aquifer units: fractured tourmalinite and dolerite dykes.
  - Aquifer characteristics: fracture permeability within Palaeozoic (Viséan) fractured and/or weathered aquifers.
  - Recharge mechanisms: as above (flood infiltration, rainfall on outcrop, recharge along fault zones).
  - Discharge modes: downstream drainage and pumping abstraction.
  - Existing works: the Achmmach exploration tunnel.
- South-west sector
  - Typical yield: ~2–4 L/s per borehole.
  - Aquifer unit: fractured dolerite dykes.

- Aquifer characteristics and recharge mechanisms: similar to the northeast sector.
- Discharge modes: downstream drainage, springs and pumping abstraction.
- Existing works: boreholes WB04, WB05 and WB06.

Investigations in these three sectors show that weathered rock (particularly shale) forms an important envelope aquifer. Groundwater can circulate at multiple levels within this envelope, including sandstone beds and fracture networks irrespective of their orientation. The base of this envelope is marked by relatively fresh, less permeable black shales which act as a hydraulic barrier. Groundwater flow is likely to concentrate along mineralised zones trending predominantly SW–NE.

For future groundwater development, it is recommended that a more detailed 1:5,000 lithological map of Viséan and Namurian units be compiled to better constrain the orientation of mineralisation and groundwater flow paths. Before large-scale abstraction is initiated, ongoing monitoring of hydraulic heads in the Palaeozoic aquifers should be maintained to characterise pressure levels and long-term behaviour.

8.3 Geotechnical Condition

8.3.1 Rock Mass Characterisation

Barton et al. (1974) developed the Q-system, a rock-mass classification scheme derived from numerous case histories of underground excavations. In this system, the rock mass quality "Q" is evaluated using six parameters: Rock Quality Designation (RQD), the number of joint sets, joint roughness, joint alteration, groundwater conditions and a Stress Reduction Factor ("SRF"). The Q-value is calculated using the following expression:

$$Q = \frac{RQD}{Jn} \times \frac{Jr}{Ja} \times \frac{Jw}{SRF}$$

Note:

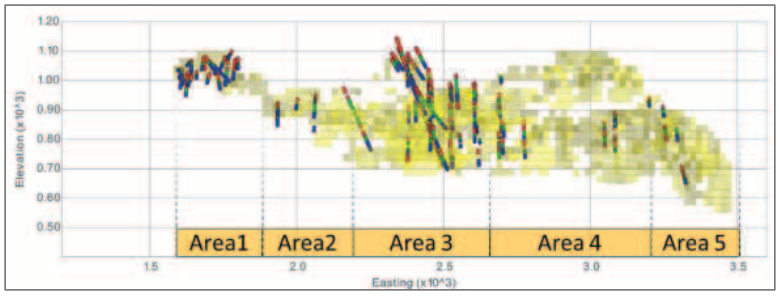
- RQD (Rock Quality Designation): the cumulative length of core pieces longer than 10 cm within a drill run, expressed as a percentage of the total core length.
- Jn (joint set number): represents the number of discontinuity sets present in the rock mass.
- Jr (joint roughness number): describes the small- and large-scale roughness, asperities and undulations of the joint surfaces.
- Ja (joint alteration number): reflects the degree and nature of alteration or infilling on joint surfaces, which affects their frictional and strength properties.
- Jw (joint water reduction factor): accounts for the presence of groundwater and the influence of water pressure on discontinuities.
- SRF (Stress Reduction Factor): considers the effects of in situ stress conditions, including overstressing and the presence of major structures (faults, shear zones) that reduce the overall strength of the rock mass.

Representative Rock Mass Parameters

Geotechnical logging data of sufficient quality to calculate Q′ and Q were extracted for drillhole intervals intersecting the planned mineable stope shapes. Because the orebody dip varies from steeply north-dipping to steeply south-dipping, the drillhole data were grouped into walls north of the stopes and walls south of the stopes. This approach allows the same dataset to be used for both north-dipping and south-dipping stopes, with north-dipping stopes having a northern hanging wall and southern footwall, and south-dipping stopes having the reverse configuration.

The data used for this assessment are presented in Figure 8-8, together with five geotechnical domains that subdivide the orebody into distinct mining areas. These domains have been defined on the basis of mining sequence, stoping method and spatial location to better characterise rock mass properties across the Achmmach deposit.

Figure 8-8: Five Geotechnical Domains



Source: At Geotechnical 2026

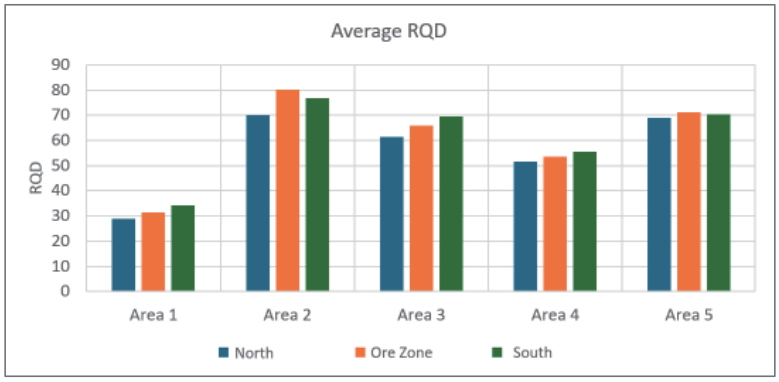
Rock Mass Quality by Area

Rock mass quality at Achmmach has been assessed using several indices. This section presents the average RQD, Q′ and Q values for each mining area and for positions relative to the stope shapes (hanging wall, ore zone and footwall), as illustrated in Figure 8-9, Figure 8-10 and Figure 8-10, respectively.

These figures highlight spatial variations in rock mass quality between the different areas and between the respective hanging walls and footwalls. RQD values are generally uniform across most of the site and stope areas, with the exception of Area 1, where lower RQD values are observed; this is consistent with Area 1 being closest to surface and subject to greater weathering. In contrast, Q′ and Q show more pronounced differences, with average Q′ values indicating that Areas 1 and 3 have notably lower rock mass quality than the other areas. The Q values further accentuate the separation of Areas 1 and 3 from the rest of the mine.

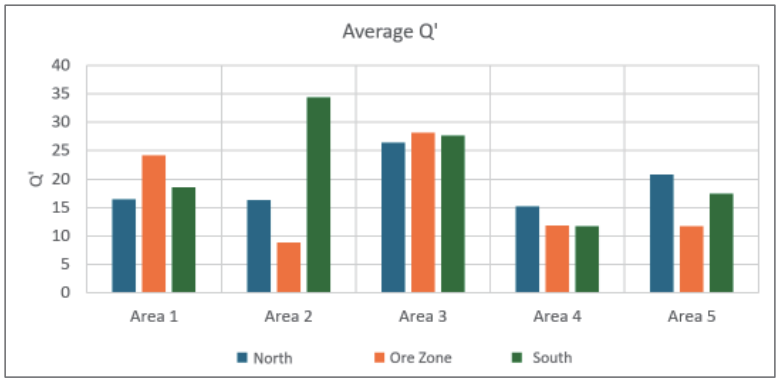
It is also noteworthy that in Areas 2 and 5 the ore-zone rock quality is significantly poorer than that of both the north and south walls, particularly in the south wall of the Area 2 stopes, which has implications for stope design and ground support in these sectors.

Figure 8-9: Average RQD Per Area



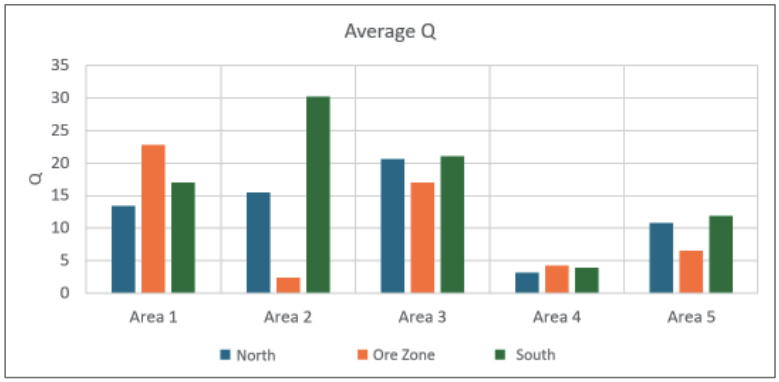
Source: AT Geotechnical 2026

Figure 8-10: Average Q' Per Area



Source: AT Geotechnical 2026

Figure 8-11: Average Q Per Area



Source: AT Geotechnical 2026

Lithologies

Summary statistics for Q values by weathering domain are presented in Table 8-3. Non-rock-like materials, such as oxide horizons, have been excluded from this analysis. The data indicate that transitional sedimentary rocks typically have Q values in the range of 7–13, while fresh sedimentary rocks generally exhibit Q values in the range of 15–25.

The quantities of each logged lithology and their positions relative to the planned stope shapes (hanging wall, ore zone and footwall) are summarised in Table 8-4. The corresponding rock mass classification values calculated for intervals with lithological logging are presented in Table 8-5. These data indicate that both the distribution of lithologies and the rock-mass quality in the footwalls and hanging walls of the stopes are relatively consistent across the orebody.

Table 8-3: Summary Statistics for Q Values Per Lithology and Weathering

Lithology	Weathering Domain	Average Q	Min. Q	Max. Q	Standard Deviation Q	Logged Length (m)
Cataclasite	Transitional	7	0	21	8	11
Cataclasite	Fresh	2	0	18	3	88
Felsic	Transitional	27	0	128	38	35
Felsic	Fresh	27	0	87	28	68
Intermediate	Fresh	19	0	98	20	41
Intrusive Undifferentiated	Transitional	33	33	33		1
Intrusive Undifferentiated	Transitional	0	0	0		1
Mafic	Fresh	14	0	87	20	117
Mudstone	Transitional	11	0	225	20	1634
Mudstone	Fresh	18	0	320	26	2768
Sandstone	Transitional	13	0	300	23	2232
Sandstone	Fresh	23	0	388	30	2130

Lithology	Weathering Domain	Average Q	Min. Q	Max. Q	Standard Deviation Q	Logged Length (m)
Sedimentary Undifferentiated	Transitional	11	0	74	19	34
Sedimentary Undifferentiated	Fresh	25	0	140	36	110
Shale	Transitional	7	0	125	17	136
Shale	Fresh	15	0	162	24	956
Shear Zone	Fresh	4	0	10	5	19
Siltstone	Transitional	7	0	59	11	242
Siltstone	Fresh	19	0	144	29	1361
Tourmalinite	Transitional	18	0	137	29	56
Tourmalinite	Fresh	25	0	228	41	198

Source: AT Geotechnical 2026

Table 8-4: Total Metres Logged Per Lithology and Location Near Stopes

Lithology	Waste (m)	North Wall of Stopes (m)	Ore Zone (m)	South Wall of Stopes (m)	Row Totals (m)
Breccia	35	8	5	6	54
Brittle Shear	195	28	76	16	315
Brittle-Ductile Shear	594	56	95	69	814
Cataclasite	556	240	457	206	1459
Conglomerate	0	0	3	0	3
Ductile Shear Mylonite	750	92	135	124	1101
Felsic	258	65	160	41	524
Intermediate	173	84	115	24	396
Limestone	9	0	0	0	9
Mafic	1304	145	242	325	2016
Mudstone	24859	5812	4856	5320	40847
Sandstone	19949	2691	2199	2465	27304
Sedimentary Undifferentiated	909	192	201	175	1477
Shale	7056	1585	931	1450	11022
Shear Zone	17	16	3	0	36
Siltstone	7835	1482	1326	1639	12282
Tourmalinite	581	197	379	213	1370
Column Totals	65215	12693	11183	12073	101164

Source: AT Geotechnical 2026

Table 8-5: Average Q Value Per Lithology and Location Near Stopes

Lithology	Waste Average Q	North Walls Average Q	Ore Zone Average Q	South Walls Average Q	Row Average Q
Cataclasite	2	2	1	6	2
Felsic	22	24	33	48	27
Intermediate	14	34	24		19
Mafic	15	10	20	13	14
Mudstone	13	17	12	18	14

Lithology	Waste Average Q	North Walls Average Q	Ore Zone Average Q	South Walls Average Q	Row Average Q
Sandstone	16	17	17	23	17
Sedimentary Undifferentiated	28	23	13	11	20
Shale	13	15	12	26	14
Shear Zone		5	0		4
Siltstone	15	18	17	18	17
Tourmalinite	27	40	16	8	22
Column Average Q	15	17	15	19	16

Source: AT Geotechnical 2026

8.3.2 Structural Model

All relevant and valid rock property test data for Achmmach are summarised in Table 8-6. The results have been grouped by geotechnical area and by position relative to the stope shapes, as defined in Section 6. The existing test programme comprises uniaxial compressive strength (UCS), point-load, indirect tensile (Brazilian) and triaxial compression tests only. Deformation properties (Young's modulus and Poisson's ratio) and rock-mass shear parameters (cohesion and friction angle) are not available, as no modulus testing or direct shear testing has been undertaken, and such testing is understood to be difficult to obtain locally. Entech recommends that additional laboratory testing be carried out to determine these parameters.

Table 8-6: Summary of Rock Properties

Geotechnical Area	Geotechnical Domain	UCS Count	UTS Count	PLT Count	TRX Count
Area 2	North Wall	10	4	14	
Area 2	South Wall			2	
Area 2	Ore Zone	1	1	8	
Area 2	Waste	55	43	62	
Area 3	North Wall	19	6	31	6
Area 3	South Wall	3		3	
Area 3	Ore Zone	16	5	32	2
Area 3	Waste	54	51	36	
Area 4	North Wall	2			1
Area 4	South Wall	9		3	3
Area 4	Ore Zone	2			1
Area 4	Waste	7	9	2	
Area 5	North Wall	6	1	19	2
Area 5	South Wall	1		3	
Area 5	Ore Zone				
Area 5	Waste	15	7	17	2
Total		200	127	232	17

Source: AT Geotechnical 2026

Uniaxial Compressive Strength

A total of 200 valid UCS test results were available for this study, covering the main lithological units, including dolerite, breccia, undifferentiated sedimentary rocks and altered sedimentary rocks. Several rock types exhibit relatively wide strength ranges, which may reflect variability within the simplified lithological groupings, spatial heterogeneity, differing degrees of alteration and/or variations in sample failure mode. Additional work on potential strength anisotropy is documented in AT Geotechnical (2026).

For the purposes of this report, the average UCS values for each lithology are considered representative of the corresponding rock mass. A summary of UCS results by rock type is presented in Table 8-7.

Table 8-7: Summary of UCS Test Results by Rock Type

Rock Type	Average UCS (MPa)	Minimum UCS (MPa)	Maximum UCS (MPa)	Standard Deviation UCS (MPa)	Sample Count
Dolerite	52	32	72	20	3
Sedimentary Undifferentiated	44	3	274	49	88
Sericite Altered Sedimentary Undifferentiated	25	3	38	12	7
Sericite and Tourmaline Altered Sedimentary Undifferentiated	44	8	132	35	21
Siltstone sheared with milky quartz	28	28	28	NA	1
Tourmaline Altered Breccia	45	7	219	46	27
Tourmaline Altered Sediment Undifferentiated	49	4	141	37	53

Source: AT Geotechnical 2026

Point Load Testing

The corrected point-load strength index $I_{S(50)}$ for each rock type is summarised in Table 8-8.

Table 8-8: Corrected Point Load Strength $I_{S(50)}$ test summary results per rock type

Rock Type	Average Is50 Strength (MPa)	Minimum Strength (MPa)	Maximum Strength (MPa)	Standard Deviation Strength (MPa)	Sample Count
Dolerite	3.2	1.5	5	2.5	2
Sedimentary Undifferentiated	7.3	2.1	18.7	4.2	46
Sericite Altered Sedimentary Undifferentiated	5.7	0.6	13.9	3.5	15
Sericite and Tourmaline Altered Sedimentary Undifferentiated	8.7	1.1	26.9	5.9	65
Tourmaline Altered Breccia	14.9	1.3	24	6.4	53
Tourmaline Altered Sediment Undifferentiated	8.1	0.8	19.5	5.1	51

Source: AT Geotechnical 2026

Indirect Tensile Strength Test

A summary of the test results by rock type is presented in Table 8-9

Table 8-9: Summary of UTS Test Results by Rock Type

Rock Type	Average Tensile Strength TS (MPa)	Minimum TS (MPa)	Maximum TS (MPa)	Standard Deviation TS (MPa)	Sample Size
Dolerite	11.3	7.1	15.4	4.1	3
Sedimentary Undifferentiated	4.5	0.5	8.8	2.2	34
Sericite Altered Sedimentary Undifferentiated	4.1	1	11.9	3.8	13
Sericite and Tourmaline Altered Sedimentary Undifferentiated	7.8	1.8	16.4	4.6	19
Tourmaline Altered Breccia	6.1	2.1	17.6	4.2	20
Tourmaline Altered Sediment Undifferentiated	6.8	0.9	14.2	3.8	38

Source: AT Geotechnical 2026

UCS/UTS Ratio

A summary of the UCS/UTS Ratio by rock type is presented in Table 8-10

Table 8-10: Summary of UCS/UTS Ratio by Rock Type

Rock Type	Average UCS/UTS Ratio	Minimum UCS/UTS Ratio	Maximum UCS/UTS Ratio	Standard Deviation UCS/UTS Ratio	Sample Size
Dolerite	4.6	4.6	4.7	0.1	3
Sedimentary Undifferentiated	7.9	2.2	17.4	4.7	99
Sericite Altered Sedimentary Undifferentiated	5.3	0.9	11	5.2	36
Sericite and Tourmaline Altered Sedimentary Undifferentiated	6.4	1.6	17.1	4.8	84
Tourmaline Altered Breccia	6.7	1.3	21.9	4.4	78
Tourmaline Altered Sediment Undifferentiated	7.2	1.5	37.5	7.4	113

Source: AT Geotechnical 2026

Bulk Density

A summary of the bulk density by rock type is presented in Table 8-11

Table 8-11: Bulk Density Per Rock Type

Rock Type	Average Bulk Density (t/m³)	Minimum Bulk Density (t/m³)	Maximum Bulk Density (t/m³)	Standard Deviation Bulk Density (t/m³)
Dolerite	2.74	2.69	2.79	0.05
Sedimentary Undifferentiated	2.71	2.29	2.99	0.15
Sericite Altered Sedimentary Undifferentiated	2.61	2.1	2.78	0.19

Rock Type	Average Bulk Density (t/m³)	Minimum Bulk Density (t/m³)	Maximum Bulk Density (t/m³)	Standard Deviation Bulk Density (t/m³)
Sericite and Tourmaline Altered Sedimentary Undifferentiated	2.8	2.72	2.95	0.1
Tourmaline Altered Breccia	2.74	2.55	2.72	0.08
Tourmaline Altered Sediment Undifferentiated	2.75	2.3	2.95	0.13

Source: AT Geotechnical 2026

Triaxial Test

A total of 17 triaxial compression tests were completed in 2013. The resulting cohesion values and friction angles are summarised in Table 8-12 and Table 8-13 respectively.

Table 8-12: Triaxial Cohesion Results Summary

Lithology	Average Cohesion (MPa)	Minimum Cohesion (MPa)	Maximum Cohesion (MPa)	Standard Deviation (MPa)	Sample Size
Mafic	9.2	6.7	11.8	3.6	2
Sedimentary Undifferentiated	8.7	5.9	12.6	2.3	15

Source: AT Geotechnical 2026

Table 8-13: Triaxial Test Friction Angle Results Summary

Lithology	Average Friction Angle (°)	Minimum Friction Angle (°)	Maximum Friction Angle (°)	Standard Deviation (°)	Sample Size
Mafic	46	39	52	9	2
Sedimentary Undifferentiated	46	37	52	6	15

Source: AT Geotechnical 2026

8.3.3 Stable Stope Span Assessment

Mathews (1980) proposed an empirical method for determining stable stope spans based on the modified Barton Tunnelling Quality Index, Q′. Potvin (1988) subsequently refined the method using an additional 175 case histories, and further developments have led to what is commonly referred to as the Modified Stability Graph method, which is widely used for stope span design.

The method is founded on the Q′ rock-mass quality index and three adjustment factors that account for induced stress, structural orientation and gravity effects. These are combined to derive a modified stability number, N′, defined as:

$$N' = Q' \times A \times B \times C$$

Note:

- Factor A is a stress adjustment factor, expressed as the ratio of intact rock strength to induced mining stress, which reduces N' as stress conditions become more adverse.

- Factor B accounts for the influence of the least favourably oriented joint set acting on the stope surface.
- Factor C reflects the effect of gravity on potential failure mechanisms such as slabbing and sliding.

The modified stability number N' is then plotted against the hydraulic radius of the stope surface (a parameter relating exposed area to perimeter) on an empirical stability chart to assess the likelihood of stable, transitional or unstable conditions.

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Table 8-14 shows the calculation for north-dipping stopes with a height of 25 m, including the stope component, stope dip, exposed area, global values of RQD, Jn, Jr and Ja, the derived Q', adjustment factors A, B and C, the resulting stability number N', hydraulic radius (HR) and the input dimensions.

Table 8-14: Stable Stope Span Calculation for North Dipping Stopes Of 25 M in Height Using "Global" Properties for The Whole Ore Body

Stope Component	Stope Dip	Area	Rock Quality Case	Jn	Jr	Ja	RQD (%)	Q'	Factor A	Factor B	Factor C	N'	Hydraulic Radius (HR)	Input Dimension	Maximum Stope Span w (m)
Hanging Wall	North Dipping	Global	Best	1	4	1	100	800	1	0.4	7	2240	N' too high	25.0 m (height)	>100
Hanging Wall	North Dipping	Global	Worst	20	1	10	10	0.03	0.1	0.2	5	0	N' too low	25.0 m (height)	Not Stable
Hanging Wall	North Dipping	Global	Expected	3	1	1	58	19.41	1	0.2	6	23.3	7.4	25.0 m (height)	36.4
Footwall	North Dipping	Global	Best	1	4	1	100	400	1	0.4	4	640	N' too high	25.0 m (height)	>100
Footwall	North Dipping	Global	Worst	20	1	10	10	0.03	0.1	0.2	2	0	N' too low	25.0 m (height)	Not Stable
Footwall	North Dipping	Global	Expected	3	1	1	46	10.74	1	0.2	3	6.4	4.8	25.0 m (height)	15.5
Backs	North Dipping	Global	Best	1	4	1	100	1066.67	1	0.4	4	1706.7	N' too high	20.0 m (span)*	>100
Backs	North Dipping	Global	Worst	20	1	10	10	0.03	0.1	0.2	4	0	N' too low	20.0 m (span)*	Not Stable
Backs	North Dipping	Global	Expected	3	1	4	64	5.35	1	0.2	3	4.3	4.1	20.0 m (span)*	14
Ends	North Dipping	Global	Best	1	4	1	100	1066.67	1	0.2	8	3413.3	N' too high	25.0 m (height)	>100
Ends	North Dipping	Global	Worst	20	1	10	10	0.03	0.1	0.2	8	0	N' too low	25.0 m (height)	Not Stable
Ends	North Dipping	Global	Expected	3	1	4	64	5.35	1	0.2	8	8.6	5.2	25.0 m (height)	17.9

Source: AT Geotechnical 2026

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Table 8-15 presents the corresponding calculation for south-dipping stopes using the same set of global rock-mass parameters for the orebody.

Table 8-15: Stable Stope Span Calculation for South Dipping Stopes Using "Global" Properties for The Whole Ore Body

Stope Component	Stope Dip	Area	Rock Quality Case	Jn	Jr	Ja	RQD (%)	Q'	Factor A	Factor B	Factor C	N'	Hydraulic Radius (HR)	Input Dimension	Maximum Stope Span w (m)
Hanging Wall	South	Global	Best	1	4	1	100	800	1	0.4	8	2560	N' too high	25.0 m (height)	>100
Hanging Wall	South	Global	Worst	20	1	10	10	0.03	0.1	0.2	6	0	N' too low	25.0 m (height)	Not Stable
Hanging Wall	South	Global	Expected	3	1	1	58	19.41	1	0.2	7	27.2	7.9	25.0 m (height)	42.9
Footwall	South	Global	Best	1	4	1	100	400	1	0.4	4	640	N' too high	25.0 m (height)	>100
Footwall	South	Global	Worst	20	1	10	10	0.03	0.1	0.2	2	0	N' too low	25.0 m (height)	Not Stable
Footwall	South	Global	Expected	3	1	1	46	10.74	1	0.2	3	6.4	4.8	25.0 m (height)	15.5
Backs	South	Global	Best	1	4	1	100	1066.67	1	0.4	4	1706.7	N' too high	20.0 m (span)*	>100
Backs	South	Global	Worst	20	1	10	10	0.03	0.1	0.2	4	0	N' too low	20.0 m (span)*	Not Stable
Backs	South	Global	Expected	3	1	4	64	5.35	1	0.2	3	4.3	4.1	20.0 m (span)*	14
Ends	South	Global	Best	1	4	1	100	1066.67	1	0.2	8	3413.3	N' too high	25.0 m (height)	>100
Ends	South	Global	Worst	20	1	10	10	0.03	0.1	0.2	8	0	N' too low	25.0 m (height)	Not Stable
Ends	South	Global	Expected	3	1	4	64	5.35	1	0.2	8	8.6	5.2	25.0 m (height)	17.9

Source: AT Geotechnical 2026

8.4 Stope Optimization

8.4.1 Block Model

The mine design and Ore Reserve estimation were based on MRM developed by in-house geologist, with an effective date of 31 December 2025. The model was provided in Damine (.dm) format.

Key parameters of the block model are outlined Table 8-16 below.

Table 8-16: Block Model Parameters in Achmmach Tin Project

Type	X	Y	Z
Minimum	1,400.00	49,700.00	500
User Cell Size (m)	20	20	5
Minimum cell size (m)	5	2.5	2.5
Number of cells (QTY)	110	42	150
User Extents (m)	2,200	840	750
Total extents cell count (QTY)	693,000		

Source: SRK

8.4.2 Stope Optimization

SRK conducted stope optimisation using Deswik.SO software, using the Mineral Resource block model to generate mineable shapes. These shapes were then used to refine and enhance the proposed mine plan. There are no Measured Mineral Resources; therefore, only Indicated Mineral Resources were considered during the optimisation process. For the Ore Reserve estimate, the Inferred Mineral Resource category was assigned a zero grade.

The mineable stope shapes were designed and evaluated as follows:

Geotechnical design criteria

Two methods are used: sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill.

- Shrinkage stoping
  - Stoping is oriented along strike, with a block length of 40 m. Block width is the orebody thickness. Block height corresponds to the height of 50 m.
  - The orebody thickness is < 5 m.
- Sublevel open stoping
  - For blocks with horizontal orebody thickness < 15 m, stopes are arranged along strike.
  - For blocks with horizontal orebody thickness > 15 m, stopes are arranged perpendicular to strike.
  - The orebody thickness is ≥ 5 m.

Stope block definition and evaluation

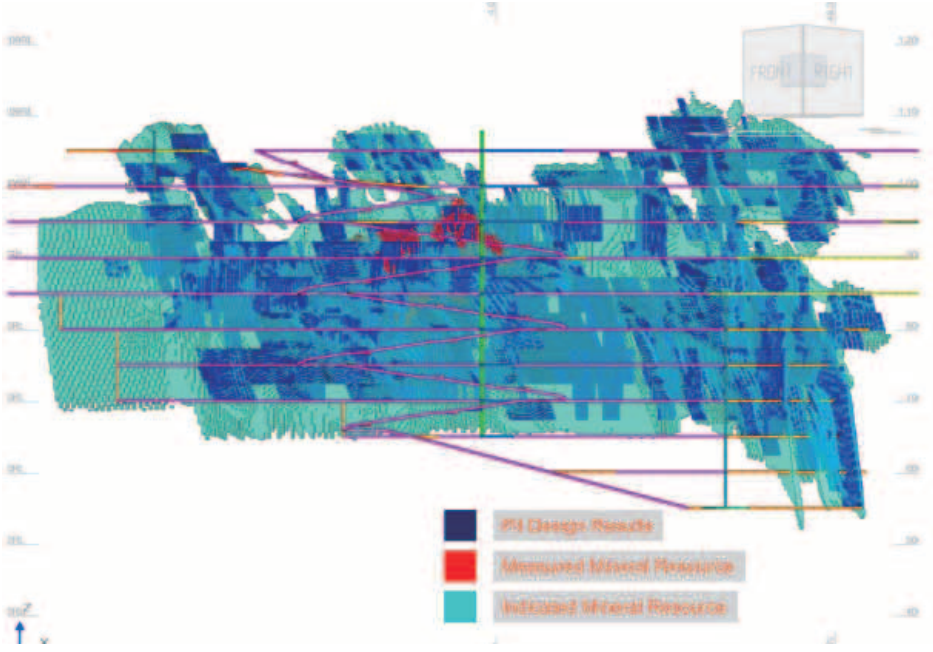
The input parameters used in the Deswik.SO are summarised in Table 8-17. The MSO results are provided in Figure 8-12.

Table 8-17: Deswik.SO Parameters for Achmmach Tin Project

Parameters	Units	Opening Stoping Mining Method
Default Density	g/t	2.9
COG	%	0.35
Default Dip	°	90
Strike azimuth	°	40
Sub-blocking		No
Minimal mining width	M	
Mining height	M	25
Mining length	M	5
HW dilution	M	0.5
FW dilution	M	0.5
Maximum strike change	°	10
Stope maximum side-length ratio	°	10

Source: SRK

Figure 8-12: Deswik.SO Results for Mine Area I at Achmmach Tin Project (Looking from South-East)



Sources: SRK

8.5 Mining Methods

The mine employs two principal underground stoping methods tailored to orebody thickness and geometry. Thin to moderate-thickness blocks are mined using overhand shrinkage stoping with shallow-hole drilling, with 50 m high stopes laid out along strike and broken ore initially left in place to establish as a working platform and then drawn in a controlled sequence to ore passes. Thicker blocks are mined using sublevel open stoping with drill-and-blast, in which 50 m high stopes are subdivided into 25 m sublevels, accessed by dedicated haulage, drilling and ventilation drifts, and extracted using medium-length fan drilling and retreat blasting from pre-cut slots to ore passes.

8.5.1 Shrinkage Stoping

- Stope layout
  - Stopes laid out along strike.
  - Block height = level height 50 m.
  - Block length = 25 m; stope width = horizontal orebody thickness.
- Development
  - Development includes ore haulage drifts, loading drifts, manway/ventilation raises and connecting drifts.
  - Along-strike haulage drifts in the footwall; cross-cuts every 6 m.
  - Manway/ventilation raises at stope ends, connected by crosscuts.
- Mucking and draw control
  - Overhand (bottom-up) shrinkage in 2–2.5 m slices.
  - Emulsion explosive with non-electric initiation.
  - Two-stage draw:
  - Local draw: ~1/3 of broken ore drawn after each slice to maintain 2–2.5 m working height.
  - Final draw: after all slices are blasted, uniform bulk draw with LHDs via loading drifts.

8.5.2 Sublevel Open Stoping with Delayed Backfill

- Stope layout
  - For blocks with horizontal orebody thickness < 15 m:
  - Stopes along strike, length 40 m, height 50 m.
  - For blocks with horizontal orebody thickness > 15 m:
  - Stopes oriented perpendicular to strike.
  - Stope length = horizontal ore thickness; stope width = 8 m; height = 50 m.
  - Each stope divided into two sublevels (sub-blocks) 25 m high.
- Development and drilling

- Development includes haulage drifts, loading drifts, drilling drifts, internal incline, ore passes and draw trenches.
- Draw trench driven along strike inside the stope (formed after slotting); footwall haulage drift along strike connected to ore passes.
- Loading drifts link haulage drift and draw trench to provide ore handling access.
- Drilling drifts at the base of each sublevel, along strike, connected to manway/ventilation raises.
- Slotting by raising from the trench to form a slot raise to the hangingwall and footwall limits, then undercutting (undercut/"drop-bottom") using the slot as a free face.

- Mucking and draw control
  - Production drilling from drilling drifts using up-hole fan patterns with medium-length holes.
  - Hole diameter 75 mm; burden 2 m; toe spacing 2.0–2.5 m.
  - Emulsion explosives; blasting retreating from the slot towards the stope ends, typically two rows of holes per blast.

8.6 Development

8.6.1 Mine Access

During the upper levels, two adits will be developed at elevations of 1,050 m and 1,000 m, respectively. The 1,050 m level will serve as a return-air drift, and the 1,000 m level will function as the production level. Material from the remaining levels will be hauled to surface via the decline.

8.6.2 Development

The shaft system in Achmmach Tin Project comprises the main ventilation shaft, the west return air shaft, return air raise, the east return shaft and blind east return shaft.

- Main ventilation shaft: 6 m diameter, concrete lined from surface to bedrock.
- East return air shaft: 4 m diameter, concrete lined from surface to 850 m levels in the east of the mining area.
- East blind return air shaft: 4 m diameter, concrete lined from 850 m levels to 550 m levels.
- Wast return air shaft: 4 m diameter, concrete lined from surface to 850 m levels in the west of the mining area.
- Decline: 4.5 m × 4.0 m sections, from the 1050 m levels to 550 m levels.

8.7 Mining Service

8.7.1 Material Handling

The Achmmach Tin Project is currently developed by a decline system comprising the main decline, the ventilation shaft and the return air shaft, forming a complete production system. Ladderways are installed in all shafts and serve as escapeways.

8.7.2 Power

A 60 kV / 20,000 kVA Toulal substation is located approximately 38 km in a straight line from the mine site. A 22 kV / 6,000 kVA Boufakrane substation is located approximately 34 km in a straight line from the mine site.

Surface substations will be installed at the collars of the intake shaft, the west return air shaft and the east return air shaft. Underground substations will be located at the 850 m pumping station and in the production area. An additional substation will be constructed at the 650 m pumping station.

8.7.3 Maintenance

The general repair workshop, a spare parts and materials warehouse will be constructed at the intake shaft collar area. The workshop will be responsible for the maintenance and repair of LHDs and other trackless equipment, and will also undertake maintenance and certain emporary breakdown repairs of drill rigs and related equipment

8.7.4 Compressed Air

A centralized compressed-air supply system will be adopted. The maximum compressed-air demand of the underground equipment is 90 m^3/min. A new compressor station will be constructed at the intake shaft collar area, equipped with three model DLGF315 screw air compressors, providing a total installed air delivery capacity of 145 m^3/min. Two compressors will operate and one will be on standby, supplying compressed air to all underground mining equipment requiring compressed air.

Each screw air compressor has the following parameters: discharge capacity 55 m^3/min, discharge pressure 0.85 megapascals, and motor power 315 kilowatts.

8.7.5 Backfill

Achmmach Tin Project will be equipped with a single backfill preparation system with a nominal capacity of 120 m^3/h. Stopes are divided into two mining stages. The first-stage stopes will be filled with slurry prepared from full tailings, with a cement to tailings ratio of 1:8 and a slurry concentration not less than 65 percent. The second-stage stopes will be filled with slurry prepared from full tailings, with a cement to tailings ratio of 1:15 and a slurry concentration not less than 63 percent.

8.7.6 Dewatering

Pump stations will be constructed on the 850 m levels and 550 m levels. The 550 m levels pump station will operate in series with the 850 m levels pump station to discharge mine water to surface.

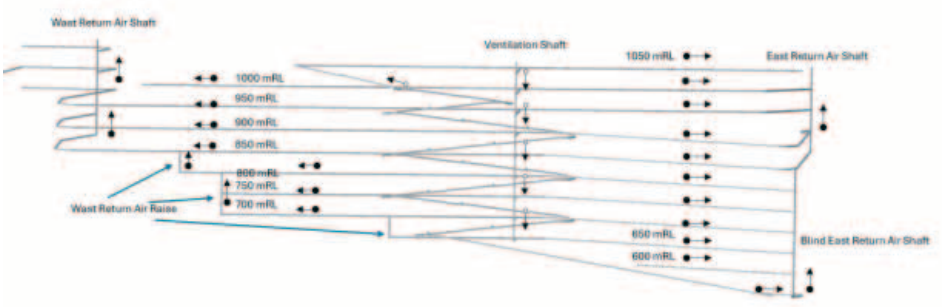
The 850 m levels pump station will be equipped with three model MD360-40×7 multi-stage centrifugal pumps. Each pump has a discharge capacity (Q) of 360 m^3/h, a pump head (H) of 280 m and a motor power of 450 kilowatts.

The 550 m levels pump station will be equipped with three model MD360-40×10 multi-stage centrifugal pumps. Each pump has a discharge capacity (Q) of 360 m^3/h, a pump head (H) of 400 m and a motor power of 630 kilowatts.

8.7.7 Ventilation

The mine ventilation system is designed as a central intake with two-wing diagonal configuration, employing a mechanical exhaust system. Fresh air will enter mainly through the central intake shaft, pass through and sweep the working faces, and the contaminated return air will be exhausted to surface through the return air shafts and the return air raise located on the eastern and western wings.

Figure 8-13: Overall View Ventilation System for Achmmach Tin Project



Source: AT 2026, summarized by SRK

8.8 Mining Equipment

Based on the detailed designs for underground material handling compressed air, mine dewatering and the primary and auxiliary ventilation systems, all major fixed and mobile equipment has been specified in terms of type. The complete list of required equipment is presented in Table 8-18.

Table 8-18: Underground Mining Equipment Fleet at Achmmach Tin Project

Equipment Type	Model	Quantity
Drill jumbo	SIMBA 1254	3
Drill jumbo	CYTJ45A	2
Drill rig	YSP-45	12
Rock drill	YT-28	12
Diesel LHD	CY-2	7

Equipment Type	Model	Quantity
Diesel LHD	CY-3	7
Scaling jumbo	XMPYT-54/450	2
Materials truck	FL-1	1
Underground haul truck	UK-30	7
Trackless personnel carrier	RU-6	2
Trackless personnel carrier	RU-20	2
Main fan	FKZN№21/2×160	2
Auxiliary fan	FKN№5/11	14
Auxiliary fan	FKN№15/15	1
Bolting jumbo	DS311	1
Shotcrete machine	SPB9-T	2
Mobile crusher	XYSJ-400	2
Dewatering pump	MD360-40×7	3
Dewatering pump	MD360-40×10	3
Compressor	DLGF31	3

Source: Achmmach Mine

8.9 Mine Production Plan

The life of mine (LOM) schedule for Achmmach Tin Project has been developed using the Deswik suite software. The production schedule is organized on an annual basis, with the following assumptions applied during production scheduling:

- There are Measured Mineral Resource and Indicated Mineral Resources are reported. Inferred Mineral Resources were assigned a zero grade.
- The Mineral Resource mined in stopes accounts for necessary dilution and loss and is reported as ROM material.
- The scheduled start date is 1 January 2026. The first two years will be devoted to mine construction and development, with production scheduled to commence in 2028.
- Mining operations primarily follow a retreat direction, progressing from the development end towards the main shaft area.
- The maximum annual ROM is capped at 1.2 Mtpa for Achmmach Tin Project.

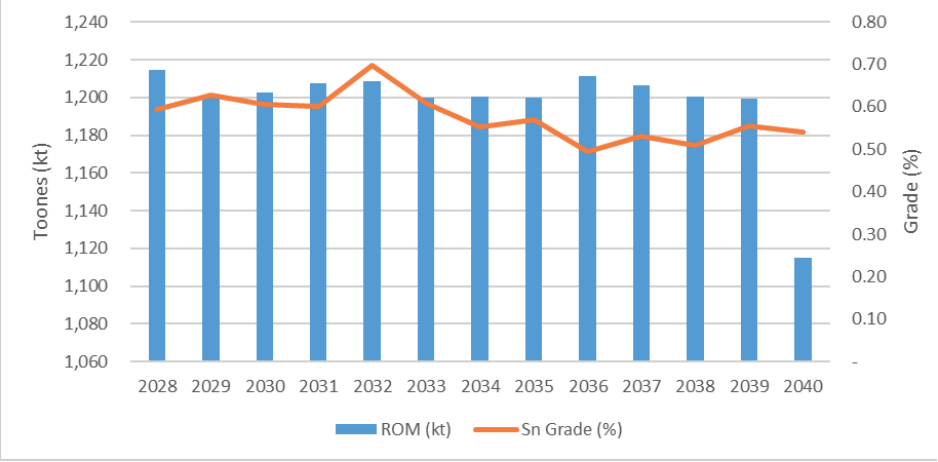
The results of the mining scheduling are shown in Table 8-19 and Figure 8-14. The LOM is 15 years and start in January 2026. The total ROM amount is 15,567 kt, with average grades of 0.58% tin, containing 89.68 kt of tin.

Table 8-19: Annual Mining Production Schedule for Achmmach Tin Project

Achmmach Tin Project	Unit	Sub-total	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
ROM Tonnes	kt	15,566	1,215	1,201	1,202	1,207	1,208	1,200	1,200	1,200	1,211	1,206	1,201	1,199	1,115
Sn Grade	%	0.58	0.59	0.63	0.61	0.60	0.70	0.61	0.55	0.57	0.50	0.53	0.51	0.55	0.54
Sn Metal	kt	89.68	7.20	7.52	7.28	7.26	8.42	7.29	6.65	6.84	6.00	6.41	6.12	6.65	6.03

Source: SRK

Figure 8-14: Annual Mining Production Schedule for Achmmach Tin Project



Sources: SRK

9 Mineral Processing Assessment

9.1 Overview

The main tin-bearing mineral in the Achmmach tin deposit is cassiterite, with minor stannite and hydrous cassiterite. ALS and China University of Mining and Technology ("CUMT") each conducted mineralogical studies and processing testwork on representative composite samples.

Based on the ALS testwork results, Lycopodium, together with several consulting firms, published the "*Achmmach Tin Project 2018 Definitive Feasibility Study Report"* ("2018 DFS") in July 2018. The 2018 DFS was based on a utilization of 7.0 Mt of ore reserves and a processing plant with a design capacity of 0.75 Mtpa. The flowsheet incorporates Ore Sorter pre-concentration, with the pre-sorted concentrates ground and classified, followed by a combined process of coarse-grained gravity separation and fine-grained flotation to produce a high-grade gravity tin concentrate and a medium-grade flotation tin concentrate. The average concentrate grade is 60%, with an overall recovery of 77%.

Based on the testwork results of CUMT and the expanded ore reserves, Shanjin Design & Consulting Co., Ltd. ("Shanjin") completed the "*Feasibility Study Report on the Mining, Processing and Tailings Design Project of the Atlas Tin SAS Achmmach Tin Mine in Morocco*" ("2026 FS") in March 2026. In the 2026 FS, the design capacity of the processing plant was increased to 1.2 Mtpa. Considering that pre-concentration waste reject requires industrial-scale test verification, the pre-concentration waste reject stage was omitted. Instead, a combined process of magnetic separation, gravity concentration, and flotation was adopted to produce a medium-grade tin concentrate and a low-grade tin concentrate. The average concentrate grade is 11%, with an overall recovery of 65%.

At Achmmach, cassiterite occurs mainly as medium- to fine-grained disseminations. Cassiterite is brittle and readily breaks down during grinding, and the recovery of fine-grained cassiterite by processing is difficult. Therefore, the choice of appropriate grinding fineness, grinding method, and processing flowsheet is a key factor affecting cassiterite processing performance. Based on a review of the ALS and CUMT testwork results, SRK considers the design parameters in the 2018 DFS to be overly optimistic, whereas those in the 2026 FS are overly conservative. SRK recommends adopting the 2018 DFS process flowsheet and producing three grades of concentrates (high-, medium- and low-grade), with an average concentrate grade of 23% and an overall recovery of 65%.

9.2 Process Mineralogy

9.2.1 Multi-Element Chemical Analysis of ROM

The results of the multi-element chemical analysis of Run of Mine ("ROM") are shown in Table 9-1. Tin is the only valuable element in the ore; the contents of other elements are low and do not warrant recovery. It is noteworthy that the content of the deleterious element arsenic is relatively high and must be rejected during the processing process.

Table 9-1: Multi-Element Chemical Analysis Results of ROM

Element	Sn	Cu	WO_3	Zn	Fe	As	S

Content (%)	0.65	0.05	0.015	0.03	5.37	0.12	0.95
Element	**SiO_2**	**Al_2O_3**	**MgO**	**CaO**	**K_2O**	**Na_2O**	**C**
Content (%)	68.12	14.38	2.11	0.91	1.83	0.68	0.19

Source: *Processing Test Report on the Achmmach Tin Deposit in Morocco,* China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

The results of the chemical phase analysis of tin are shown in Table 9-2. A total of 95.9% of the tin occurs in cassiterite, while the proportion of tin hosted in other minerals is low. Cassiterite is therefore the primary target mineral for processing recovery.

Table 9-2: Chemical Phase Analysis Results of Tin

Tin phase	Content (%)	Distribution (%)
Tin in cassiterite	0.585	95.9
Tin in sulfides	0.01	1.64
Tin in hydrous tin oxide	0.009	1.48
Tin in silicates	0.006	0.98
Total tin	0.61	100.0

Source: *Processing Test Report on the Achmmach Tin Deposit in Morocco,* China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

9.2.2 Minerals Composition of Ore

The principal tin mineral in the ore is cassiterite, with minor stannite and hydrous tin minerals. Other metallic minerals occur at low contents and mainly include pyrite, chalcopyrite, pyrrhotite, arsenopyrite, rutile, and iron oxides. The main gangue minerals are quartz, tourmaline, and mica. Tin minerals are the sole target minerals for processing recovery. It is noteworthy that the tourmaline content is relatively high, and the potential for its comprehensive utilization should be considered.

Table 9-3: Main Minerals and Contents in the ROM

Mineral	Content (%)	Mineral	Content (%)
Cassiterite	0.76	Quartz	39.34
Stannite	0.04	Ferrotourmaline	29.09
Hydrous tin oxide	0.02	Mica	11.69
Chalcopyrite	0.12	Microcline	2.72
Tungsten minerals[1]	0.01	Albite	3.99
Pyrrhotite, magnetite	0.63	Chlorite	5.09
Hematite, limonite	2.25	Apatite, xenotime	0.49
Pyrite	1.54	Calcite	0.43
Arsenopyrite	0.26	Fluorite	0.16
Sphalerite	0.04	Others	0.1
Galena, berthierite	＜0.01	Total	100.0
Rutile	1.23		

Source: *Processing Test Report on the Achmmach Tin Deposit in Morocco,* China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

Note: [1]Tungsten minerals are mainly ferberite, with minor scheelite.

9.2.3 Occurrence of Main Target Minerals

- Cassiterite (SnO_2)

Cassiterite is the principal target mineral for processing in the ore samples. It has a Mohs hardness of 6–7, is brittle, and has a specific gravity of 6.8–7.0 g/cm³. Crystals commonly occur as bipyramidal or prismatic forms, while aggregates are usually irregular granular, often appearing as polycrystalline or intergrown textures. Its colour is typically brown to black. Cassiterite is generally non-magnetic, although some iron-rich cassiterite exhibits electromagnetic response.

Based on the occurrence characteristics of cassiterite in the samples, it can be classified into three types:

- The first type occurs as semi-euhedral to anhedral short-prismatic or granular cassiterite disseminated in gangue minerals. This type has relatively coarser grain sizes and commonly occurs as aggregates. The particle size range is wide, from 0.001–0.8 mm, with some grains reaching up to 2 mm.
- The second type occurs as semi-euhedral short-prismatic or irregular grains distributed around metallic sulfides, commonly in granular aggregates, with particle sizes ranging from 0.005–0.3 mm.
- The third type occurs as very fine anhedral granular cassiterite disseminated within quartz and ferrotourmaline, with particle sizes between 0.005–0.2 mm.

The host minerals of cassiterite include metallic sulfides such as pyrite, sphalerite, chalcopyrite, as well as gangue minerals. Among the three types described above, the first type is the most abundant; the approximate proportions of the three occurrence types in the run-of-mine ore are 60:25:15. Due to the intergrowth of cassiterite with various minerals, it is easy for non-cassiterite minerals to be present in the tin concentrate at relatively high levels, or for cassiterite to be distributed into different process products together with other minerals.

Micro-area EDS analysis of cassiterite indicates that its chemical composition is relatively uniform, with an average tin content of 78.43% and oxygen content of 20.82%. A small number of grains contain a certain amount of impurity Fe, with an average iron content of 0.51%.

- Stannite (Cu_2FeSnS_4)

Stannite exhibits a steel-grey colour with an olive-green tint. Well-formed crystals are rare; it mainly occurs as irregular grains. It commonly replaces minerals such as sphalerite, chalcopyrite, cassiterite and arsenopyrite, and is distributed around these minerals. Reaction rims are occasionally observed along the boundaries with cassiterite, sphalerite, galena and other minerals. Stannite is also overprinted and refined by later gangue minerals. The grain size ranges from 0.001–0.1 mm. Stannite is the principal tin-bearing sulfide mineral in the samples. EDS analysis shows that the average Sn content in stannite is 27.53%.

- Hydrous tin oxide ($Sn_3O_2(OH)_2$)

Hydrous tin oxide typically appears yellow-brown, red-brown or yellow-green in hand specimen, with an external appearance similar to rosin. It has a resinous lustre, a Mohs hardness of about 2, is brittle and easily broken, and shows electromagnetic response. Its specific gravity is about 3.27 g/cm³, and it commonly occurs as irregular granular, colloform or banded aggregates. In these samples, hydrous tin oxide occurs as irregular fine grains or thin veinlets, mainly distributed along the edges of chalcopyrite, magnetite, pyrite and other minerals, or disseminated within gangue minerals. Vein

widths are about 0.002–0.01 mm, and grain sizes range from 0.001–0.08 mm. EDS analysis shows that the average Sn content in hydrous tin oxide is 69.95%.

- Rutile

Rutile mostly occurs as irregular granular grains disseminated in the gangue mineral matrix. It is mainly distributed along the edges of cassiterite or enclosed within gangue minerals. The grain size ranges from 0.001–0.03 mm. Some rutile grains contain tin, with an average Sn content of approximately 0.48%.

- Chalcopyrite

Chalcopyrite is the main metallic sulfide in the samples. It has a Mohs hardness of 3–4, is brittle, and has a specific gravity of 4.1–4.3. It mainly occurs as irregular grains disseminated in gangue minerals, with particle sizes ranging from 0.005–0.5 mm, and is commonly intergrown with cassiterite, stannite, sphalerite, arsenopyrite and pyrrhotite. A small proportion occurs as fine grains within sphalerite or gangue minerals, with smaller particle sizes of 0.001–0.02 mm.

- Arsenopyrite

Arsenopyrite is the main arsenic-bearing mineral in the samples. It mostly occurs as anhedral granular crystals, with a smaller proportion as semi-euhedral to euhedral rhombic, prismatic or spear-shaped crystals. It is mainly distributed in gangue minerals, with grain sizes ranging from 0.01–2 mm, corresponding to a medium grain size of dissemination. Arsenopyrite is a high-temperature mineral and shows a strong correlation with volatile components; therefore, cassiterite is commonly observed in samples with higher arsenopyrite content. Arsenopyrite is often intergrown with cassiterite or encloses fine cassiterite grains, indicating a close paragenetic relationship between the two. Arsenic is a deleterious impurity element in tin concentrates.

- Pyrite

Pyrite occurs in low abundance and has a Mohs hardness of 6–6.5. It mainly appears as irregular granular aggregates, with particle sizes ranging from 0.005–0.6 mm. Pyrite is disseminated within the gangue mineral matrix, and a small number of grains contain fine inclusions of sphalerite, chalcopyrite and other minerals.

- Sphalerite

Sphalerite has a Mohs hardness of 3.5–4 and a specific gravity of 3.9–4.1. It mainly occurs as irregular aggregate masses distributed in the gangue matrix, with grain sizes of approximately 0.05–2 mm, corresponding to a medium grain-size dissemination. Sphalerite grains are characterized by well-developed fractures and abundant cavities. Most crystals contain fine inclusions of chalcopyrite, galena, stannite, arsenopyrite and gangue minerals. Because of its close association with stannite, attention should be paid during processing to potential losses of stannite to the sulfide concentrate.

- Gangue minerals (non-metallic minerals)

The main gangue minerals are quartz, tourmaline, feldspar, mica (including biotite, sericite and muscovite), and fluorite.

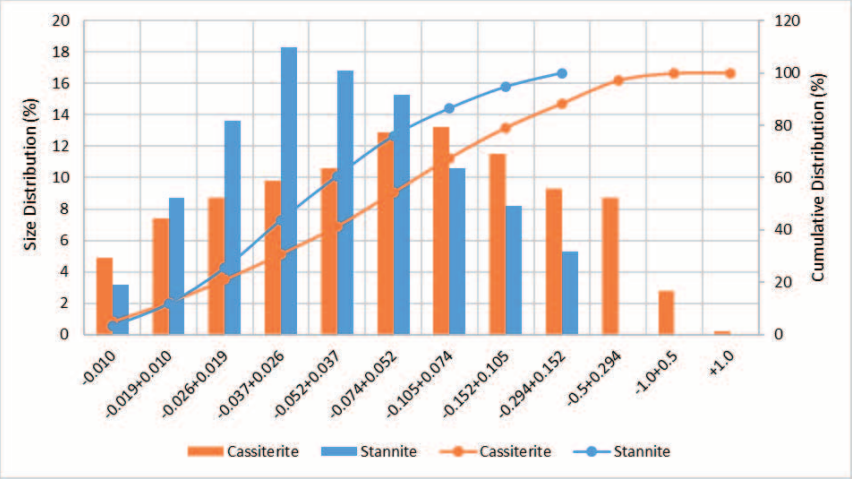
Quartz is the principal gangue mineral in the samples and occurs predominantly as irregular aggregates. Tourmaline occurs as prismatic or irregular grains, commonly intergrown with quartz; together, quartz and tourmaline are the main host minerals for cassiterite. Two types of feldspar are observed—K-feldspar and albite—occurring as granular crystals associated with quartz and mica. Mica is present as biotite, muscovite and sericite, all occurring as euhedral platy crystals.

Quartz, feldspar, mica and tourmaline show a close spatial and paragenetic relationship with cassiterite and other target minerals.

9.2.4 Dissemination Size and Liberation Degree of Main Minerals

The grain size distribution of the main minerals in the ore is an important basis for determining the grinding fineness and designing the processing flowsheet. The grain size distribution of the primary target minerals is shown in Figure 9-1. It can be seen that both cassiterite and stannite occur mainly as medium- to fine-grained disseminations, and that, overall, stannite is finer grained than cassiterite.

Figure 9-1: Grain Size Distribution of Cassiterite and Stannite



Source: Prepared by SRK based on process mineralogy study results

- Cassiterite

Coarse fraction (+0.5 mm): The distribution is very low (0.2%–2.8%), with the cumulative proportion being only about 3%, indicating that cassiterite is essentially not present as coarse grains.

Medium size fraction (−0.5 mm to +0.074 mm): The proportion increases progressively, with the distribution in individual size fractions being about 8.7%–13.2%, and a cumulative distribution of 45.7%.

Fine fraction (−0.074 mm): Cassiterite still shows a relatively high distribution, with the highest proportion in the −0.074 mm to +0.052 mm size fraction (12.9%). In the ultra-fine fraction of −0.010 mm, 4.9% of cassiterite is still present.

Overall trend: Cassiterite is mainly distributed in the medium- to fine-grained fraction (−0.152 mm), with a cumulative distribution of 79%. A relatively high proportion (12.30%) is still present in the ultra-fine fraction (−0.019 mm).

- Stannite

Coarse fraction (+0.294 mm): the distribution is very low, only about 5.3%.

Medium size fraction (−0.294 mm to +0.074 mm): the distribution gradually increases, reaching up to 10.6% in individual size fractions, with a cumulative proportion of 24.1%.

Fine fraction (−0.074 mm): the distribution is higher, particularly in the −0.037 mm to +0.026 mm range, where it reaches 18.3%.

Finest fraction (−0.010 mm): 3.2% of the stannite is still present, indicating the existence of ultra-fine particles.

Overall, compared with cassiterite, stannite shows a stronger tendency toward fine-grained occurrence, being particularly concentrated in the −0.074 mm to +0.019 mm range, where the cumulative distribution exceeds 60%.

- Tourmaline

In the ore, the main gangue minerals are quartz and tourmaline, with tourmaline accounting for about 30%. Tourmaline shows uneven coarse–medium–fine dissemination and has a close paragenetic relationship with cassiterite. Its floatability is also similar to that of cassiterite, so it can be recovered together with cassiterite; however, the separation of tourmaline from cassiterite is a problem that needs to be addressed.

Cassiterite liberation was measured at different grinding fineness:

At a grinding fineness of 35% −0.074 mm, cassiterite liberation is 53%, with 44% occurring as lean intergrowths (1/4 and 1/2 intergrowth).

At a grinding fineness of 42% −0.074 mm, cassiterite liberation is 62%, with 35% occurring as lean intergrowths.

At a grinding fineness of 49% −0.074 mm, cassiterite liberation is 68%, with 28% occurring as lean intergrowths.

At a grinding fineness of 57% −0.074 mm, cassiterite liberation is 73%, with 22% occurring as lean intergrowths, and cassiterite in the −0.038 mm size fraction accounts for 35.27%.

Overall, a high proportion of cassiterite occurs in the fine and ultrafine size fractions, with a low degree of liberation, making recovery difficult.

9.3 Mineral Processing Testwork

9.3.1 Pre-concentration Testwork

Pre-concentration waste rejection can selectively discard low-grade waste rock from the ore in advance, thereby improving the mill head grade, reducing the throughput of subsequent grinding and separation operations, and lowering processing costs. Pre-concentration tests using an ore sorter were conducted on coarse-grained ore, and heavy liquid separation (HLS) tests were carried out on fine-grained ore.

Pre-concentration using Ore Sorting Technology

Eight core batches were combined into four bulk samples of approximately 500 kg each:

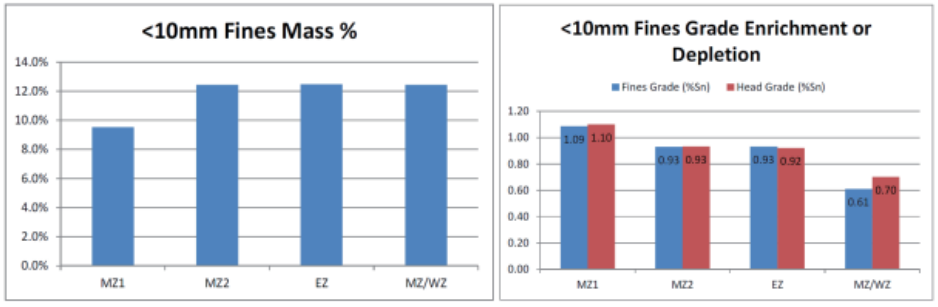
- EZ: Eastern Zone (Lot 1 + 2)

- MZ1: Middle Zone (Lot 3 + 4)
- MZ/WZ: Middle +Western Zone (Lot 5 + 6)
- MZ2: Middle Zone (Lot 7 + 8)

In the laboratory, each batch was crushed to 100% passing 30 mm, then wet-screened to remove the -10 mm fraction. Only the 10–30 mm particles were retained for the processing testwork. The fines were dried, weighed, and sampled for grade analysis, with the remaining material reserved for subsequent tests such as HPGR. Due to the slender shape of the drill core, some particles that passed through the 30 mm screen still had a longest dimension clearly greater than 30 mm. These were manually picked out and broken to ensure the aspect ratio (length to thickness) of individual particles did not exceed approximately 3:1, in order to avoid adverse effects on sorting performance.

The proportion and grade of the screened reject -10 mm size fraction are shown in Figure 9-2. Total fines generation (<10mm) in the feed preparation of Achmmach bulk samples using a laboratory crusher was less than 13% of the initial sample mass in all cases. The proportion of fines generation from crushing and screening ROM ore to 10~30mm feed in commercial operation is expected to be around 24%~30% of ROM feed.

Figure 9-2: Yield and Grade of the -10 mm Fines Fraction Generated during Pre-concentration Test Sample Preparation



Source: Kasbah Resources Acmmach Tin Project Ore Pre-concentration using Ore Sorting Technology, Tony Parry & Associates, 10 July 2018.

A pilot test was first conducted on 50 kg of artificially blended ore using a Steinert KSS multi-sensor ore sorter, with the aim of identifying suitable algorithms (ore sorter operating parameters) and evaluating waste-rejection performance. The results were encouraging, achieving a 38% waste-rejection rate with 7% tin metal loss. Based on the conditions and algorithm determined in this pilot test, full-scale tests were then carried out on the four bulk samples, targeting a 45% waste-rejection rate.

The combined mass flow and tin distribution achieved, including the rejects scavenge runs (MZ1 and MZ2) and the accepts cleaner run (MZ2), are shown in Table 9-4.

Table 9-4: Ore Sorting Test Results

Sample ID	Product	Mass (kg)	Mass (%)	Sn Grade (%)	Sn Distribution (%)
Middle Zone 1 (MZ1)	Accepts	255	55.0	1.81	90
	Rejects	209	**45.0**	**0.237**	**10**

Sample ID	Product	Mass (kg)	Mass (%)	Sn Grade (%)	Sn Distribution (%)
Middle Zone 2 (MZ2)	Feed	464	100	1.101	100
	Accepts	266	56.4	1.464	88
	Rejects	206	**43.6**	**0.247**	**12**
Eastern Zone (EZ)	Feed	472	100.0	0.933	100
	Accepts	215	48.6	1.797	94
	Rejects	227	**51.4**	**0.11**	**6**
Middle +Western Zone (MZ+WZ)	Feed	442	100	0.931	100
	Accepts	187	41.1	1.51	87
	Rejects	268	**58.9**	**0.155**	**13**
MZ1 with rejects scavenge run	Feed	455	100	0.712	100
	Accepts 1	255	55.0	1.810	90
	Accepts 2	78	16.8	0.320	5
	Rejects	131	28.2	0.185	5
MZ2 with rejects scavenge and accepts clean runs	Feed	464	100	1.101	100
	Accepts 1	180	38.1	1.979	81
	Accepts 2	73	15.5	0.323	5
	Rejects 1	86	18.2	0.387	8
	Rejects 2	133	28.2	0.205	6
	Feed	472	100	0.933	100

Source: Kasbah Resources Acmmach Tin Project Ore Pre-concentration using Ore Sorting Technology, Tony Parry & Associates, 10 July 2018.

The first bulk runs (all with the same sorter algorithm) exhibited relatively consistent results in terms of tin recovery to accepts – grouped around 90% recovery, and all achieving in excess of 40% reject rate. This is considered to be a positive outcome from the testwork, which had the overall initial aim of demonstrating 90% recoveries could be achieved with a reject rate of at least 40%. The MZ1 and MZ2 samples produced closely grouped results with reject rates in the range 43-45% and recoveries between 88.5% and 90.3%. The best results were achieved with the Eastern Zone sample, which recorded the highest tin recovery and at the same time a reject rate in excess of 50%. The Main Zone/Western zone mixed sample exhibited a very high comparative reject rate of nearly 60% (not surprising given that this was the lowest grade sample with possibly a higher gangue representation) and a tin recovery just over 87%.

A scavenger sort was carried out on the first-run rejects of MZ1 and MZ2, targeting the "recovery" of a further 10–20% of mass from the waste. In addition, a cleaner sort was conducted on the first-run accepts of MZ2, targeting the rejection of a further 10–20% low-grade waste, in order to build a more complete relationship between reject rate, recovery and grade.

A straight-line algorithm has been developed:

$$RG = MF \times (RR - 0.4) + (GF \times HG)$$

Where:

MF = Mass factor = 0.003

RG = Reject Tin Grade (%)

RR = Sorter Reject Rate (%)

GF = Grade Factor = 0.23

HG = ROM Tin Head Grade (%)

The algorithm predicts an operating envelope broadly in line with the operating envelope of data points for the MZ1 and MZ2 multiple runs.

Pre-concentration Using Heavy Liquid Separation (HLS) Technology

The ore was crushed to different particle sizes and wet-screened to remove the fine fraction below 100 µm. The +100 µm fraction was then subjected to HLS tests at different densities. The results indicated that the -10,000+100 µm size fraction presents the best results when using a heavy liquid with a density of 2.8 g/cm³, as shown in Table 9-5 and Table 9-6.

Table 9-5: Screen Analysis Results of the -10 mm Fraction Ore

Size Fraction (mm)	Weight (%)	Sn Grade (%)	Sn Distribution (%)
-10000+100	95.73	0.72	93.75
-100	4.27	1.22	6.25
ROM	100.00	0.74	100.00

Source: Laboratory study report - DMS concentration of Achmmach tin ore, REMINEX Research Center, Mach 2024

Table 9-6: HLS Test Results for the -10000 +100 µm Size Fraction at a Heavy Liquid Density of 2.8 g/cm³

Product	Weight (%)	Sn Grade (%)	Sn Distribution (%)
Sink	56.6	1.09	85.96
Floating	43.4	0.23	14.04
Feed	100.0	0.72	100.00

Source: Laboratory study report - DMS concentration of Achmmach tin ore, REMINEX Research Center, Mach 2024

Concerning the synthesis of the HLS study, noteworthy conclusions have been drawn:

- The impact of particle size on separation in heavy liquid at densities of 2.6 to 3.1 was investigated with the aim of preconcentrating the ore and eliminating a final reject. The studied grain sizes were 17 mm (as received), 15 mm, 10 mm and 5 mm.
- The HLS laboratory study disclosed an optimal preconcentration at a density of 2.8 and a grain size of -10000 +100µm, resulting in a final reject of approximately 43.4% by weight, with a tin content of 0.23% and tin losses of 14.04%.
- This preliminary study at laboratory scale will allow to conduct the next phase of the project in the pilot on the density media separation (DMS) technology.

9.3.2 Gravity Separation Flowsheet Testwork

Cassiterite is an oxide mineral of tin with a high specific gravity (6.8–7.0 g/cm³), and can therefore be concentrated and recovered using gravity separation. In industrial practice, gravity separation is the most commonly used method for cassiterite beneficiation. However, gravity separation is not

suitable for recovering fine-grained minerals, so fine cassiterite is typically recovered by flotation. A typical process flowsheet for cassiterite therefore consists of gravity separation for the coarse fraction and flotation for the fine fraction. However, magnetic minerals and sulphide minerals in the ore also often have relatively high specific gravities and tend to report to the gravity concentrates. To obtain a high-quality tin concentrate, it is usually necessary to subject the gravity concentrate to magnetic separation for demagnetisation (removal of magnetic minerals) and flotation for desulphurisation (removal of sulphide minerals). In the fine-grained fraction, some gangue minerals are often already slimes; this increases pulp viscosity, which is detrimental to the flotation process. In addition, the sulphide minerals in the pulp tend to be readily floatable and can adversely affect the flotation concentration of fine cassiterite. Therefore, desliming and desulphurisation of the fine-grained pulp are required.

Mineralogical testwork indicates that cassiterite is the predominant tin mineral in the Achmmach ores, with stannite and stannite hydrate as secondary tin minerals, and small amounts of tin also occurring in some gangue minerals. Cassiterite is therefore the primary target mineral for processing recovery.

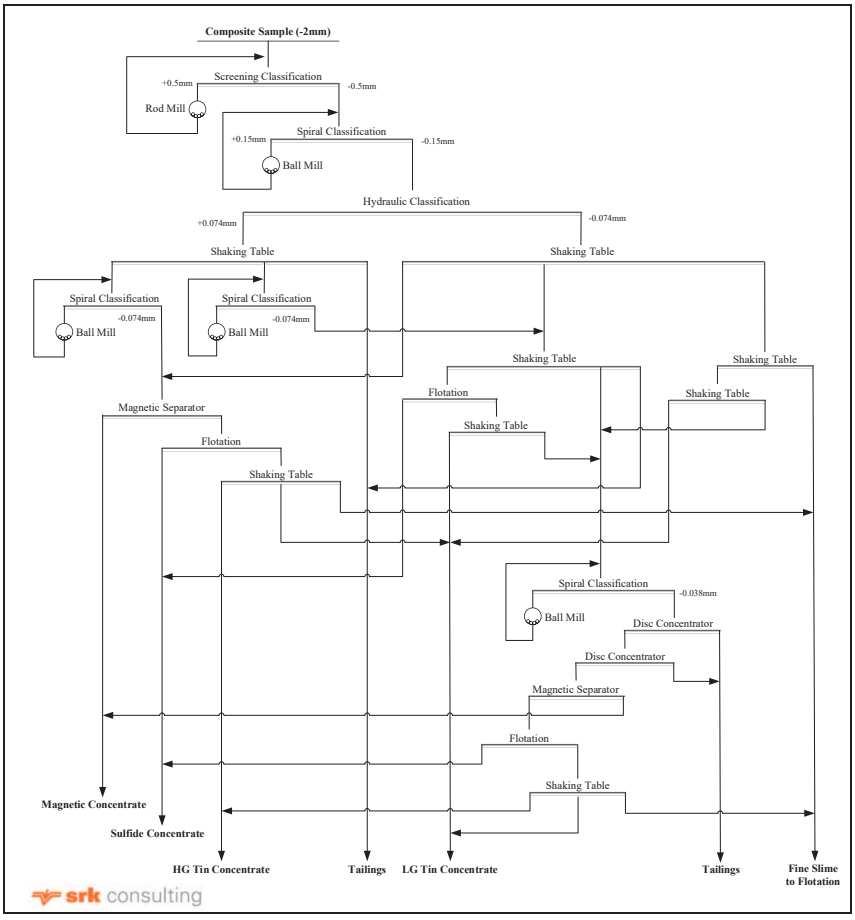
Cassiterite occurs in the ore as medium- to fine-grained disseminations. At a grinding fineness of 57% passing 0.074 mm, the liberation degree of cassiterite is only 73%, with a further 22% occurring in low-grade composite particles. In the -0.038 mm fine size fraction, cassiterite accounts for as much as 35.27%. Nearly 5% of the fine cassiterite is encapsulated in gangue minerals and is difficult to liberate. Part of the cassiterite occurs in association with, or is enclosed by, sulphide minerals such as pyrite, arsenopyrite, chalcopyrite and pyrrhotite. The processing testwork is therefore designed in line with these mineralogical characteristics, in order to evaluate suitable processing methods and flowsheets that can effectively separate cassiterite from other minerals and enrich it into a tin concentrate.

China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd. jointly carried out processing testwork on Achmmach ore samples. Following the conventional principle of gravity separation for the coarse fraction and flotation for the fine fraction, the program included: Whole-size (–4 mm) jig pre-concentration (waste-rejection) tests under coarse particle conditions; Spiral chute pre-concentration (waste-rejection) tests; Grinding conditions tests; Exploration test for the feed particle size for gravity separation. On the basis of these tests, detailed conditions tests and full-flowsheet tests were conducted for the following two process options:

- Flowsheet Option 1: Gravity separation – flotation – gravity separation combined flowsheet
- Flowsheet Option 2: Gravity separation – magnetic separation – flotation – gravity separation combined flowsheet.

Both flowsheets produced a high-grade concentrate, a low-grade concentrate, and a fine slime fraction requiring further treatment. Flowsheet Option 1 yielded a high-grade concentrate with a tin grade of 48.99% and a tin recovery of 34.99%, and a low-grade concentrate with a tin grade of 2.89% and a tin recovery of 13.2%. Flowsheet Option 2 yielded a high-grade concentrate with a tin grade of 45.59% and a tin recovery of 51.96%, and a low-grade concentrate with a tin grade of 3.56% and a tin recovery of 12.3%. As the performance of Flowsheet Option 2 is clearly superior to that of Option 1, Option 2 was ultimately recommended as the preferred flowsheet. The detailed flowsheet is shown in Figure 9-3, and the results are summarised in Table 9-7. The slimes generated in the gravity separation testwork had a tin grade of 0.34% and contained 13.2% of tin metal. Flotation was selected for recovering, and flotation tests were carried out accordingly.

Figure 9-3: Recommended Coarse-grained Processing Flowsheet (Flowsheet Option 2)



Source: Processing Test Report on the Achmmach Tin Deposit, Morocco, China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

Table 9-7: Test Results Obtained from the Recommended Flowsheet

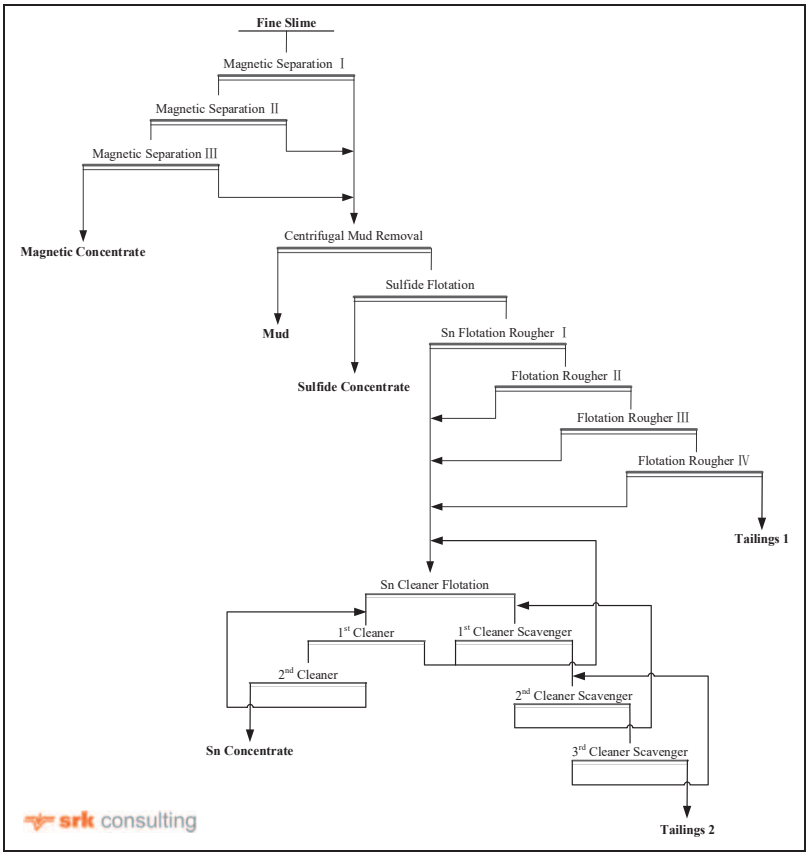
Product	Mass yield (%)	Sn Grade (%)	Sn Recovery (%)
Magnetic Concentrate	0.84	2.45	3.05
Sulfide Concentrate	0.98	1.69	2.50
HG Sn Concentrate	0.76	**45.59**	**51.96**
LG Sn Concentrate	2.32	**3.56**	**12.30**
Tailings	64.61	0.15	14.89
Fine Slime	30.49	**0.34**	**15.30**
Feed	100.00	0.67	100.00

Source: Processing Test Report on the Achmmach Tin Deposit, Morocco, China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

9.3.3 Fine Slime Flotation Testwork

Flotation tests were carried out on the fine slime fraction generated from the gravity separation flowsheet in order to recover tin. Based on a series of conditions tests and investigations, the following flowsheet was defined: initial magnetic separation to remove magnetic minerals, followed by desliming with a centrifugal unit, then flotation to remove sulphide minerals. After demagnetisation, desliming and desulphurisation, the pulp was treated in a multi-stage roughing circuit and a cleaning circuit comprising one rougher, three scavengers and two cleaners, to produce a low-grade tin concentrate. The detailed flowsheet is shown in Figure 9-4, and the results are presented in Table 9-8. The tin concentrate obtained had a tin grade of 1.56% and an operational tin recovery of 62.46%. As the tin grade was relatively low, a centrifugal concentrator was tested for upgrading, increasing the tin grade from 1.34% to 3.88%, with an operational tin recovery of 57.61%. This indicates that centrifugal separation can improve the grade of low-grade tin concentrates to some extent, but further work is still required.

Figure 9-4: Fine Slime Flotation Flowsheet



Source: Processing Test Report on the Achmmach Tin Deposit, Morocco, China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

Table 9-8: Test Results of the Fine Slime Flotation Flowsheet

Product	Mass yield (%)	Sn Grade (%)	Sn Recovery (%)
Magnetic Concentrate	0.52	0.13	0.20
Sulfide Concentrate	2.43	0.88	6.30
LG Sn Concentrate	13.60	1.56	62.46
Tailings 1	30.72	0.07	6.33
Tailings 2	24.11	0.17	12.07
Mud	28.62	0.15	12.64
Feed (Fine Slime)	100.00	0.34	100.00

Source: Processing Test Report on the Achmmach Tin Deposit, Morocco, China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

By combining the results of the gravity separation flowsheet tests and the fine slime flotation tests, the overall flowsheet performance is summarised in Table 9-9. The high-grade tin concentrate achieved a grade of 45.59% Sn with a tin recovery of 51.96%. The low-grade tin concentrate had a tin grade of 3.64% with a tin recovery of 17.04%, giving a total tin recovery of 69.0%.

Table 9-9: Final Test Results for the Achmmach Tin Ore

Product	Wt (%)	Sn Grade (%)	Sn Recovery (%)
Magnetic Concentrate	1.00	2.08	3.08
Sulfide Concentrate	1.72	1.34	3.46
HG Sn Concentrate	0.76	**45.59**	**51.96**
LG Sn Concentrate	3.15	**3.64**	**17.04**
Tailings[1]	93.37	0.18	24.46
Run-of-mine	100.00	0.67	100.00

Source: Processing Test Report on the Achmmach Tin Deposit, Morocco, China University of Mining and Technology (Beijing) and Liuzhou Huaxi Nonferrous Metals Design & Research Institute Co., Ltd., August 2025

Note: [1]Tailings includes the final tailings and slimes produced at each processing stage.

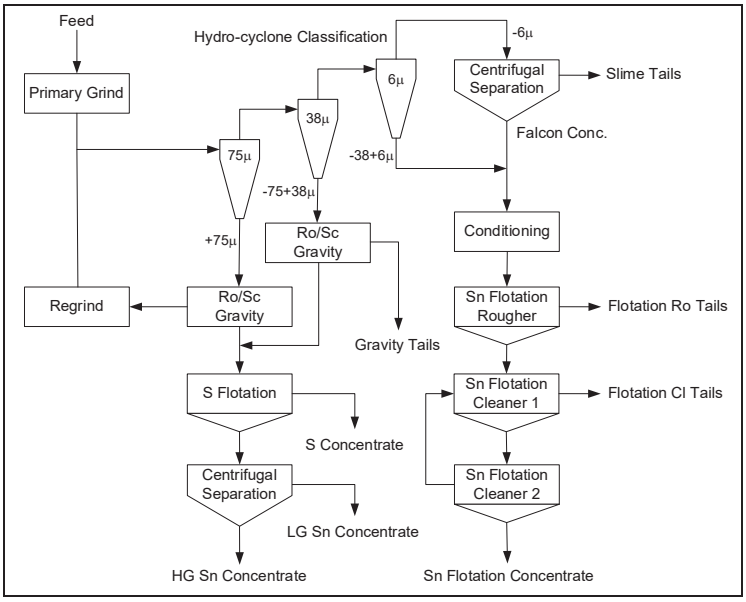
9.3.4 ALS Flowsheet Testwork

In February 2016, ALS Metallurgy conducted flowsheet testwork on an ore sample using a "classified gravity separation – fine desliming flotation" process. The principle flowsheet is shown in Figure 9-5. The ore was ground to -0.15 mm and then classified using multi-stage cyclones. The +75 µm and +38 µm fractions were treated by shaking tables for gravity separation, with the gravity concentrates subjected to flotation for desulphurisation, followed by upgrading using a centrifugal concentrator to produce a high-grade tin concentrate and a low-grade tin concentrate. The -38 µm fine slime fraction was deslimed using three-stage cyclones; the cyclone overflow was treated with a centrifugal concentrator, and the cyclone underflow and the centrifugal underflow were combined and subjected to flotation to recover tin, producing a medium-grade tin concentrate.

The overall test results are summarised in Table 9-10. The high-grade tin concentrate had a tin grade of 59.4% with a tin recovery of 32.6%; the medium-grade tin concentrate had a tin grade of 27.77%

with a tin recovery of 36.0%; and the low-grade tin concentrate had a tin grade of 4.59% with a tin recovery of 6.7%. The overall tin recovery was 75.3%. However, the sulphur content in the tin concentrates exceeded the specification and requires further flotation desulphurisation, which may result in a small additional tin loss.

Figure 9-5: Simplified Flowsheet of ALS Laboratory Testwork



Source: Metallurgical Assessment of Achmmach Meknes Tin Resource for Toyota Tsusho (Report T0966), ALS Metallurgy, Feb 2016

Table 9-10: Results of ALS Laboratory Flowsheet Testwork

Stream	Wt (%)	Grade (%)		Recovery (%)	
		Sn	S	Sn	S
HG Sn Concentrate	0.50	**59.40**	2.27	**32.6**	1.7
LG Sn Concentrate	1.33	**4.59**	16.25	**6.7**	33.1
Gravity Tails	32.74	0.17	0.18	6.0	8.9
Slime Tails	37.30	0.34	0.38	14.1	21.7
Sulfide Concentrate	0.59	1.68	25.60	1.1	23.2
Sn Flotation Concentrate	1.17	**27.77**	5.15	**36.0**	9.3
Sn Flotation Rougher Tails	18.77	0.04	0.03	0.9	0.7
Sn Flotation Cleaner Tails	7.60	0.30	0.13	2.5	1.5
Feed (Calculated)	100.0	0.90	0.65	100.0	100.0

Source: Metallurgical Assessment of Achmmach Meknes Tin Resource for Toyota Tsusho (Report T0966), ALS Metallurgy, Feb 2016

9.3.5 Conclusions of Processing Testwork

- The main tin mineral in the ore is cassiterite, with minor amounts of stannite and hydrated stannite. Other metallic minerals occur at very low contents, mainly pyrite, chalcopyrite, pyrrhotite, arsenopyrite, rutile and iron oxides; the main non-metallic minerals are quartz, tourmaline and mica. Tin minerals are the target minerals for processing and recovery. Tin occurs predominantly in cassiterite, which accounts for about 95.07% of the total tin; hydrous cassiterite and stannite account for 2.23% and 1.76% respectively. Small amounts of tin also occur in rutile and other minerals. Cassiterite is therefore the primary target mineral for processing recovery.
- Cassiterite in the ore shows a non-uniform grain-size distribution, dominated by medium to fine grains. It is closely associated with quartz, calcite and tourmaline. In particular, more than 30% of the cassiterite occurs as fine disseminations in other minerals, making both its liberation during grinding and its recovery by processing relatively difficult.
- Ore Sorter pre-concentration tests on the -30 +10 mm size fraction achieved a mass rejection of approximately 45% with around 10% tin loss, demonstrating that pre-concentration waste rejection by Ore Sorter is feasible. In industrial application, the operating parameters of the Ore Sorter must be adjusted to accommodate ore variability. Such adjustments are made through equipment algorithm settings and self-learning, and industrial-scale trials are required to validate the pre-concentration performance.
- Heavy liquid pre-concentration tests using a liquid of density 2.8 g/cm³ on the -10 +0.1 mm size fraction gave: head grade 0.72% Sn; sinks (accepts) grade 1.09% Sn; floats (rejects) grade 0.23% Sn; mass rejection 43%; tin loss 14%. These results indicate that dense-media pre-concentration of the fine size fraction is feasible and provide a basis for subsequent industrial-scale DMS pre-concentration trials.
- China University of Mining and Technology (Beijing) applied a principle flowsheet of "gravity – magnetic separation – flotation – gravity separation – flotation – gravity separation". The test results were: run-of-mine ore grade 0.67% Sn; high-grade tin concentrate at 45.59% Sn with 51.96% tin recovery; low-grade tin concentrate at 3.64% Sn with 17.04% tin recovery; giving a combined tin recovery of 69.00%.
- ALS adopted a principle flowsheet of "classified gravity separation – fine-particle desliming flotation". The test results were: ROM grade 0.90% Sn; high-grade tin concentrate at 59.4% Sn with 32.6% tin recovery; medium-grade tin concentrate at 27.77% Sn with 36.0% tin recovery; low-grade tin concentrate at 4.59% Sn with 6.7% tin recovery; giving an overall tin recovery of 75.3%.

9.4 Processing Plant

9.4.1 Introduction

The processing plant has not yet been constructed. Kasbah completed a Definitive Feasibility Study ("2014 DFS") for the project in 2014, which was updated by Lycopodium in 2018 ("2018 DFS"). Ausenco carried out Front-End Engineering Design ("FEED") in 2019. Shanjin updated the project feasibility study in January 2026 ("2026 FS"). China ENFI is currently undertaking the Preliminary Engineering Design for the project ("ENFI PED").

The 2018 DFS, based on a cut-off grade of 0.55% and an ore reserve of 7.0 Mt, proposed a processing plant with a capacity of 750 ktpa. The flowsheet adopts a conventional two-stage closed-circuit crushing process to reduce the ore size to 100% passing 32 mm (100% -32 mm). The -8 mm fines are screened out, and the -32 +8 mm fraction is fed to an Ore Sorter for pre-concentration, with a mass rejection of approximately 30%. The pre-concentrated ore (accepts) is then combined with the fines, yielding about 530 ktpa of pre-concentration enriched, higher-grade ore for feed to the HPGR, grinding and separation circuits to produce tin concentrates.

There is an old fluorite processing plant, called the Samine Plant, located 7 km from Achmmach. A preliminary availability assessment/diagnostic of the equipment at the Samine plant and crushing station was carried out. In April 2024, the "*Achmmach–Samine Scoping Report*" was prepared to evaluate the feasibility of utilising the Samine plant for Achmmach ("Achmmach–Samine") from the following two aspects:

- Based on the 2018 DFS and subsequent testwork, a staged development option was evaluated: constructing an underground tin mine at Achmmach and trucking ore 7 km to the idle Samine processing plant for treatment to produce a 60% Sn tin concentrate.
- Making use of the existing Samine infrastructure (crushing, grinding, flotation, filtration, power supply, road access, camp and offices), with partial refurbishment and the addition of pre-concentration and gravity separation equipment, instead of building a completely new processing plant at Achmmach. This approach would reduce upfront capital, shorten the construction period, and minimise the environmental footprint.

The scoping-level study reached the following preliminary conclusions:

- From a technical standpoint, and using the existing Samine plant and infrastructure together with a flowsheet combining ore pre-concentration + dense media pre-concentration (DMS) + gravity + flotation, the Achmmach–Samine project is feasible and economically attractive.
- The project is expected to have relatively limited incremental environmental and social impacts, and good ESG performance can be achieved through tailings backfill and optimised water management.
- The project exhibits significant upside potential (resource growth, capacity expansion and downstream processing).

However, the 2018 DFS was designed for a plant throughput of 750 ktpa. With the rise in tin prices, a lower cut-off grade can now be adopted. The lower cut-off grade will increase the ore reserve, making a larger-scale operation possible. The 2026 FS has therefore increased the mining and processing capacity to 1.2 Mtpa.

9.4.2 Design Capacity and Product Scheme

The processing plant is designed for a throughput of 3,636 tpd, operating continuously 365 days per year, with an operating rate of 90.41%. This corresponds to 330 effective operating days per year and an annual ore throughput of 1.2 Mtpa.

The designed final product is tin concentrate, produced in three different grades:

- High-grade tin concentrate: 42.74% Sn
- Low-grade tin concentrate 1: 3.30% Sn

- Low-grade tin concentrate 2: 4.20% Sn

9.4.3 Process Flowsheet Design

The 2018 DFS adopted a combined flowsheet of crushing + pre-concentration + fine crushing + grinding/classification + gravity separation + flotation, summarised as follows.

- Coarse crushing

  A two-stage closed-circuit crushing circuit consisting of a jaw crusher, a cone crusher and a double-deck vibrating screen reduces the ore to 100% –32 mm, and screens it into two size fractions: –32 +8 mm and –8 mm. The –32 +8 mm fraction is conveyed by belt conveyor to the pre-concentration buffer bin, and the –8 mm fraction is conveyed to the HPGR buffer bin.

- Pre-concentration (waste rejection)

  Two ore sorters are used to pre-concentrate the –32 +8 mm crushed ore. The –8 mm fraction is classified by a spiral classifier; the classifier underflow (sand) is treated by a dense-medium cyclone for pre-concentration, and the classifier overflow is pumped to the classified-gravity separation feed tank. Low-grade waste from pre-concentration is transported to the waste dump, while the pre-concentrated product (accepts) is fed to the HPGR for fine crushing.

- Fine crushing

  The pre-concentrated ore is treated in a high-pressure grinding roll (HPGR) to a product size of 80% –6 mm and conveyed by belt conveyor to the grinding fine ore bin. The HPGR circulating load is returned to the HPGR, forming a closed fine-crushing circuit.

- Grinding

  A single-stage closed-circuit grinding circuit, comprising a ball mill, hydrocyclones and a high-frequency vibrating screen, is employed. The high-frequency screen (aperture size 150 μm) treats the cyclone underflow to promptly screen out adequately liberated heavy minerals, avoiding their return to the mill and over-grinding, which would increase recovery difficulty. The cyclone overflow is controlled at 80% –106 μm. The cyclone overflow and the undersize from the vibrating screen are combined and fed to the classified gravity-separation feed tank.

- Sized gravity separation

  A three-stage hydrocyclone system is used to classify the ground slurry into three size fractions for separate treatment.

  The first-stage cyclone underflow is controlled at –150 +75 μm (coarse fraction). This fraction is treated by spiral chute roughing followed by shaking table cleaning to produce a coarse fraction rough concentrate, middlings and tailings. The tailings are sent as final tailings to the tailings thickener. The concentrate is combined with the –75 +38 μm (medium fraction) concentrate and sent to the cleaning circuit. The middlings are combined with the medium-fraction middlings for regrinding. The first-stage cyclone overflow is combined with the discharge from the regrind mill and pumped to the second-stage cyclone.

  The second-stage cyclone underflow is controlled at –75 +38 μm (medium fraction). This fraction is treated by spiral chute roughing and shaking table cleaning to produce concentrate, middlings and tailings. The concentrate is combined with the coarse-fraction concentrate and sent to the cleaning circuit. The middlings are combined with the coarse-fraction middlings for regrinding.

The second-stage cyclone overflow is combined with the spiral chute tailings and pumped to the third-stage cyclone.

The third-stage cyclone performs desliming; the overflow is controlled at –7 µm and is discharged as final tailings to the tailings thickener. The underflow, at –38 +7 µm, is fed to the fine-particle flotation circuit for recovery of fine cassiterite.

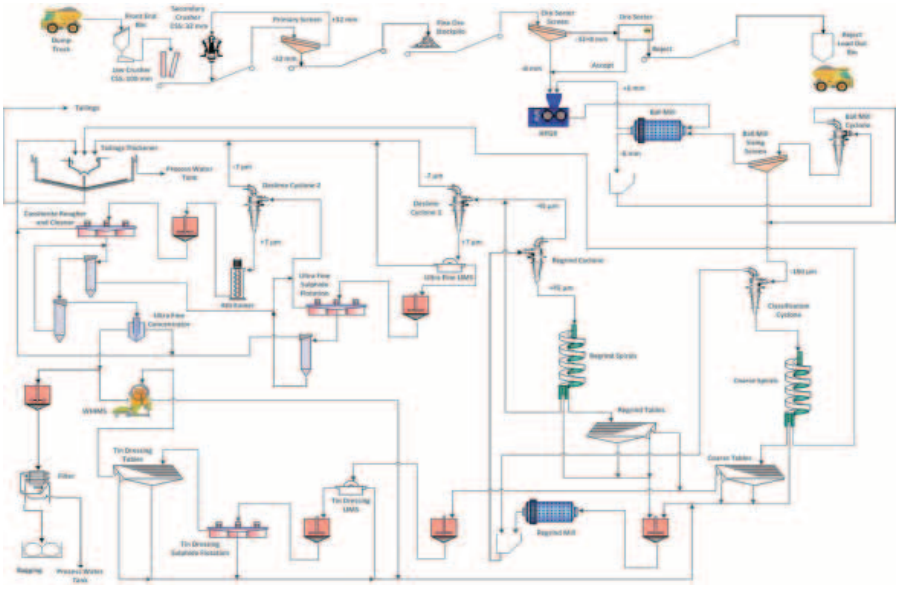
- Cleaning of gravity concentrates

  The coarse- and medium-fraction gravity concentrates are subjected to magnetic separation to remove magnetic minerals, followed by flotation to remove sulphide minerals, and then cleaned on shaking tables to produce a tin concentrate. This concentrate is further treated by wet high-intensity magnetic separation to remove residual magnetic minerals and produce the final high-grade tin concentrate. The final concentrate is filtered, dewatered, packaged and stored for sale. The shaking table cleaning tailings and the wet high-intensity magnetic separation tailings are returned as middlings to the regrind circuit.

- Flotation of fine cassiterite

  The third-stage cyclone underflow is first treated by magnetic separation (demagnetisation) and flotation (desulphurisation), and is then fed to the flotation circuit to recover cassiterite, producing a fine fraction tin concentrate (low-grade tin concentrate).

Figure 9-6: Process Flowsheet of the Achmmach Processing Plant



Source: Achmmach Tin Project 2018 Definitive Feasibility Study Report, July 2018

9.4.4 Technical Performance Indicators

The designed technical parameters in the 2018 DFS are summarised in Table 9-11. The ore feed grade is 0.8% Sn, with a pre-concentration mass rejection of 30.4% and a tin loss of 6.4%, increasing the mill feed grade from 0.8% to 1.1% Sn. The gravity concentrate has a tin grade of 65% with a recovery of 62.3% approximately; the flotation concentrate has a tin grade of 29% with a recovery of 15.6% approximately. The combined concentrate has an overall tin grade of 60% and a total tin recovery of 77% approximately.

SRK considers that the flowsheet and design targets are based on ore pre-concentration testwork and ALS processing test results, but do not take into account:

- the need for industrial-scale demonstration of the pre-concentration;
- tin losses associated with demagnetisation and desulphurisation of the concentrates;
- the effect of grade variability on recovery; and
- the impact of the processing plant design, operation and management on performance.

Allowing for the influence of the above four factors, SRK considers that the overall recovery should be reduced by about 10%, to around 67%.

Table 9-11: Design Processing Indicators of the Processing Plant in 2018 DFS

Items	Mass Yield (%)	Sn Grade (%)	Sn Distribution (%)	Operational Recovery (%)
Ore Sorting				
Ore Feed	100.0	0.8	100.0	
<8mm Fines	24.0	0.8	24.0	
>8mm Coarses	76.0	0.8	76.0	
Ore Sorting Accepts	**45.6**	**1.4**	**69.6**	91.6
Accepts + Fines	69.6	1.1	93.6	
Ore Sorting Rejects	30.4	0.2	6.4	8.4
Ore Dressing				
Plant Feed	**69.6**	**1.1**	**93.6**	-
Gravity Concentrate	1.5	35.0	65.5	70.0
Dressed Gravity Conc	**0.8**	**65.0**	**62.3**	95.0
Coarse Gravity Tail	19.5	0.2	5.0	-
Fine Gravity Tail	5.5	0.5	3.0	-
Deslime Tail	12.3	0.6	9.0	-
Flotation Feed	37.0	0.4	17.4	-
Flotation Concentrate	**0.4**	**29.0**	**15.6**	90.0
Total Concentrate	**1.2**	**60.0**	**77.0**	-

Source: Achmmach Tin Project 2018 Definitive Feasibility Study Report, July 2018

The 2026 FS has been developed for a processing plant with a capacity of 1.2 Mtpa, an average head grade of 0.56% Sn, and an overall tin recovery of 65%, including 47.32% recovery to the high-grade tin concentrate. The designed technical parameters are shown in Table 9-12, and are clearly based on the processing testwork carried out by CUMT. In CUMT's tests, demagnetisation and desulphurisation stages were incorporated in the flowsheet, resulting in low-sulphur

concentrates and a total tin recovery of 69%. As the ore pre-concentration and dense-media pre-concentration (DMS) waste-rejection stages still require further testwork, the designed processing indicators in the 2026 FS do not yet include the pre-concentration circuit.

Table 9-12: Design Production Performance of the Processing Plant in 2026 FS

Product	Output (ktpa)	Yield (%)	Grade (%)			Recovery (%)		
			Fe	S	Sn	Fe	S	Sn
Gravity Concentrate	10.08	0.84	65.00	0.15	2.40	10.17	0.13	3.60
Sulphur concentrate	20.64	1.72	3.00	41.00	1.69	0.96	74.23	5.19
High-grade tin concentrate	7.44	0.62	-	-	42.74	-	-	47.32
Low-grade tin concentrate 1	19.20	1.60	-	-	3.30	-	-	9.43
Low-grade tin concentrate 2	13.20	1.10	-	-	4.20	-	-	8.25
Tailings	1,129.44	94.12	5.07	0.26	0.16	88.90	25.60	26.20
ROM	1,200.00	100.00	5.37	0.95	0.56	100.00	100.00	100.00

Source: 2026 Feasibility Study Report by Shandong Gold Design & Consulting Co., Ltd.

9.4.5 Facilities and Equipment in Processing Plant

The main processing equipment in the 2026 FS design is listed in Table 9-13. As ore sorter pre-concentration and dense-media pre-concentration (DMS) still require further testwork, the 2026 FS does not yet include a pre-concentration circuit or the associated equipment. However, space has been reserved in the plant layout so that, following additional laboratory testwork, pre-concentration equipment can be installed for industrial trials and future production.

Table 9-13: Main Processing Plant Equipment in the 2026 FS design

No.	Equipment	Model & specification	Power (kW)	Quantity
	Crushing and screening building			
1	Heavy-duty apron feeder	GBZ220-12	45	1
2	Jaw crusher (primary)	C120	160	1
3	Cone crusher (secondary)	HP600e	500	1
4	Cone crusher (tertiary)	HP450e	355	1
5	Double-deck circular vibrating screen	2YA3673	45	1
6	Electromagnetic iron remover	RCDB-08	4	1
	Grinding and flotation building			
7	Belt feeder	PG=1000x2500	7.5	4
8	Grid-type ball mill	MQG4867	2600	1
9	Spiral classifier	2FG-2000	36	1
10	Slurry pump	100ZJ-I-A42	30	2
11	High-frequency fine screen	2SG48-60W-5STK	1.5	9
12	Rod mill (coarse concentrate regrind)	MB1530	45	1
13	Hydrocyclone	FX-150×2		1
14	Classification feed slurry pump	100ZJ-I-A36	15	2
15	Rod mill (middlings regrind)	MB2740	160	1

No.	Equipment	Model & specification	Power (kW)	Quantity
16	Hydrocyclone	FX-300×3		1
17	Classification feed slurry pump	150ZJ-I-A50	45	2
18	Rod mill (secondary middlings regrind)	MB2740	355	1
19	Hydrocyclone	FX-350×6		1
20	Slurry agitator tank	Φ1200×1500	4	1
21	Wet vertical-ring pulsating high-gradient magnetic separator (for concentrate regrind)	SLon-800	20	1
22	Vertical-ring feed slurry pump	80ZJ-I-A33	11	2
23	Slurry agitator tank	Φ2000×2200	11	1
24	Wet vertical-ring pulsating high-gradient magnetic separator (before tin flotation)	SLon-1200	49	1
25	Vertical-ring feed slurry pump	50ZJ-I-A52	45	2
26	Rougher (cyclone desliming)	Φ300×2		2
27	Feed slurry pump	100ZJ-I-A42	22	4
28	Cleaner (cyclone desliming)	Φ250×2		2
29	Feed slurry pump	80ZJ-I-A39	15	4
30	Scavenger (cyclone desliming)	Φ200×2		2
31	Feed slurry pump	65ZJ-I-A30	11	4
32	Permanent-magnet dry low-intensity drum separator	CTG-1230	11	1
33	Pulp agitator tank	XB-3.0	5.5	1
34	Flotation cell (desulphurisation of gravity concentrate)	XCF-4	11	2
35	Flotation cell	KYF-4	11	2
36	Flotation cell	XCF-1	11	2
37	Slurry pump	4/3C-AH	11	2
38	Scavenger tailings pump	3/2C-AH	7.5	2
39	Pulp agitator tank	Φ1.0×1.0	3	1
40	Flotation cell (desulphurisation of gravity middlings)	XCF-8	11	2
41	Cleaner flotation cell	XCF-4	11	3
42	Concentrate pump	FPB25-10	0.37	1
43	Pulp agitator tank	Φ3.0×3.0 m	37	2
44	Flotation cell (desulphurisation prior to cassiterite flotation)	XCF-24	37	6
45	Flotation cell (desulphurisation prior to cassiterite flotation)	XCF-24	37	3
46	Concentrate pump	4/3C-AH	5.5	2
47	Pulp agitator tank	Φ3.5×3.5 m	37	1
48	Flotation cell (cassiterite rougher/scavenger)	XCF-24	37	6
49	Flotation cell (cassiterite rougher/scavenger)	KYF-24	37	6
50	Flotation cell (cassiterite cleaner)	XCF-16	37	2
51	Flotation cell (cassiterite cleaner)	KYF-16	37	1
52	Concentrate pump	4/3C-AH	11	2
53	Reagent mixing tank	Φ0.6×0.6 m	0.37	2
54	Centrifugal concentrator (upgrading of flotation concentrate)	C2000	2	8
55	Blower	ZSH200	37	2
	Gravity separation building			
56	Coarse-sand shaking table	YT-4500	1.5	96
57	Fine-sand shaking table	YT-4500	1.5	210

No.	Equipment	Model & specification	Power (kW)	Quantity
58	Second-stage shaking table	YT-4500	1.5	48
59	Second-stage fine-sand shaking table	YT-4500	1.5	72
60	Cleaner shaking table	YT-4500	1.5	30
61	Middlings cleaner shaking table	YT-4500	1.5	9
	Product dewatering building			
62	Box-type lamella thickener	QXB1200		2
63	Underflow slurry pump	100ZJ-I-A42	30	2
64	Belt filter	DU200/2000	11	1
65	Thickener	NZS-12		1
66	Slurry pump	100ZJ-I-A42	30	2
67	Disc vacuum filter	GP-12	32.8	1
68	Lamella thickener	XG-3000		2
69	Underflow slurry pump	100ZJ-I-A42		2
70	Lamella thickener	ZQN500	共 4.5	2
71	Single-screw pump	G25-1	1.5	2
72	Lamella thickener	XTN-500		1
73	Underflow screw pump	G25-1	1.5	2
74	Chamber filter press	XMY20/630-UB	6.25	1
75	Lamella thickener	XGQ-5		1
76	Slurry pump	50ZJ-I-A33	4	2
77	Belt vacuum filter		10.5	1

Source: 2026 Feasibility Study Report by Shandong Gold Design & Consulting Co., Ltd.

9.5 Tailings Storage Facility

The 2026 FS designs a processing plant with a capacity of 1.2 Mtpa, treating 3,636.36 tpd of feed. 2026 FS considered the total tailings production will be 24.54 Mt. A total of 13.27 Mt is planned to be used as backfill for underground mining, with 11.27 Mt to be discharged to the tailings storage facility ("TSF"). Assuming a dry bulk density of 1.5 t/m³, the required effective storage capacity is 7.51 Mm³. Considering the existing reserve estimation and updated LOM plan, the designed capacity of this TSF is sufficient to accommodate all tailings generated throughout the mine life.

The proposed TSF is located in a valley approximately 1.2 km southwest (straight-line distance) of the processing plant and is of the valley-type. The designed total volume is 10.70 Mm^3 and effective volume is 8.02 Mm^3 when the total dam height reaches 35 m, which can fully meet the requirements for the tailings storage. As classified tailings are to be used for cemented backfill, the tailings sent to the TSF will be too fine to allow construction by direct hydraulic fill. Both the starter dam and the subsequent raises are therefore designed as compacted earth–rockfill dams. The starter dam has a foundation elevation of 915.0 m and a crest elevation of 945.0 m, giving a height of 30.0 m. The crest width is 5.0 m, and the dam axis length is 247.7 m. The dam is a compacted earth–rockfill structure incorporating internal filter and anti-seepage layers. The subsequent raises are constructed on top of the starter dam using the downstream method and are also compacted earth–rockfill dams. The final crest elevation of the ultimate dam is 980 m, with a total raise height of 35 m and an axis length of 546.6 m. The raises are formed by multiple sub-dams, each 3 m high with a crest width of 3 m. The internal and external slopes of the tailings dam are designed in accordance with applicable

standards, with an overall external slope of 1:3.5. Drainage ditches are provided on the outer slope surface and at the dam shoulders.

The flood system is arranged on the left abutment of the TSF and adopts a combination of decant wells and discharge tunnels. In total, three decant wells, two branch discharge tunnels and one main discharge tunnel are provided. The outlet of the main discharge tunnel connects to an open channel, which in turn leads to a stilling basin, and then to a reclaim water pond. Around the perimeter of the TSF, diversion ditches are constructed to intercept runoff from surrounding slopes and discharge it away from the facility.

When tailings are used for mining backfill, the tailings are pumped from the processing plant to the backfill plant through two pressure pipelines, each 500 m in length. From the backfill plant to the TSF, the slurry flows by gravity through a single 1,500 m long pipeline. When backfilling is not undertaken, the tailings are pumped directly from the processing plant to the TSF via two pressure pipelines, each 1,600 m long. At the lowest point along the tailings pipeline, a discharge valve is installed, with an emergency sump (capacity 150 m^3) located below the valve to allow rapid draining of slurry from the pipeline in the event of an emergency.

A floating pump station is arranged in the clarification zone at the tail of the TSF, returning water via a pressure pipeline (1,200 m long) to the high-level process water tank at the plant. A reclaim water pond and pump house are constructed downstream of the tailings dam; seepage collected from the dam is pumped back into the TSF, enabling zero discharge of contaminated water.

The TSF adopts a full geomembrane liner for seepage control. Four groundwater monitoring wells are installed around the TSF to allow regular sampling and analysis of water quality. Safety monitoring is implemented through a combination of manual inspections and online monitoring systems. The main monitoring items include dam surface deformation, internal dam displacement, phreatic line, seepage, slope condition, pond water level, rainfall, dry beach length and gradient, as well as video surveillance and patrol inspections of critical locations.

10 Workforce Assessment

The Achmmach Tin Project is planned to be mined using a contract mining fleet, supplying an on-site processing plant with a design throughput of approximately 1.2 Mtpa.

The mine and processing plant are planned to operate on a continuous three-shift basis, 330 operating days per year. Auxiliary production services and administrative functions, except where continuous coverage is specifically required, will generally operate on an intermittent (day-shift) basis.

10.1 Workforce Numbers

Based on the 2026 FS prepared by Shanjin, total site staffing for the Achmmach Tin Project is planned at 455 personnel.

Table 10-1: Summary of labour quota

Item	Category	Unit	Headcount	Notes
1	Total workforce	persons	455	
1.1	Mining workers	persons	269	
1.2	Processing (plant) workers	persons	96	
1.3	Auxiliary workers	persons	27	
1.4	Management and services staff	persons	63	Includes Chinese and foreign staff
1.4.1	of which: Chinese staff	persons	23	Sub-set of management and services staff
1.4.2	of which: foreign staff	persons	40	Sub-set of management and services staff

Source: AT 2026

10.2 Assessment of Workforce

Based on current project conditions and prevailing salary levels for comparable operations, the PFS (2026 FS) assumes an average employee remuneration of approximately CNY 118,500 per person per year.

On this basis, total labour cost for the PFS has been estimated at approximately CNY 80 per tonne of ore mined.

11 Project Infrastructure

11.1 Access Road

The preferred access to the Achmmach site is from Rabat, travelling approximately 150 km east along the A2 expressway via Meknès, then a further 35 km south on a sealed road to the town of Agourai. From Agourai, a narrow sealed rural road extends approximately 20 km southwest towards the project. The final approximately 5 km to the Achmmach site is via an unsealed road that is trafficable under normal weather conditions.

Internal haulage within the project is primarily by truck and consists of ore and waste rock transport. Minor materials and consumables are moved from the central warehouse to individual plant buildings using light vehicles.

Ore hauled from underground via the decline is trucked on surface to the run-of-mine (ROM) stockpile. Waste rock is transported by truck to the designated waste rock storage area.

Within the mining and processing industrial area, the main internal access road is 6 m wide and approximately 6,700 m long. A secondary road providing access to the ventilation shaft industrial area is 4.5 m wide and approximately 600 m long. All internal roads are designed as concrete pavements, comprising a 220 mm concrete wearing slab over a 250 mm graded crushed-stone sub-base.

11.2 Power Supply

The project power supply has been designed with a primary grid connection, a fully redundant standby grid connection and an emergency diesel-generation facility to ensure reliable supply to all critical loads.

11.2.1 Primary and Standby Supply

The primary supply is taken from the Toulal substation via a 60 kV overhead line (approximately 38 km of LGJ-240 ACSR), which feeds the mine main step-down substation. This supply is sized to meet the full site demand.

A standby supply is taken from the Boufakrane substation via a 22 kV LGJ-240 overhead line (~34 km). This line is capable of supplying all Category I (critical) loads in the event of a primary supply interruption.

In addition, a 2,500 kW, 22 kV diesel generator will be installed adjacent to the main substation and connected to the 22 kV busbar to provide emergency power for key equipment.

11.2.2 Main Mine Substation

The main step-down substation is located within the mining and processing industrial area. The 60 kV side uses an unsectioned single-bus arrangement. On the 22 kV side, a sectionalised single bus with a bus-tie is adopted. This substation distributes power to all mining, processing and auxiliary loads.

11.2.3 Mining Power Distribution

At surface, dedicated 22/0.4 kV substations are installed at the:

- Intake shaft collar – sectionalised 22 kV bus, unsectioned 0.4 kV bus; dual 22 kV feeders from the main substation; supplies the backfill plant, maintenance shop and compressor station.
- West return shaft – sectionalised 22 kV and 0.4 kV buses; dual 22 kV feeders from the main substation; supplies the West return shaft main fan and associated loads.
- East return shaft – sectionalised 22 kV and 0.4 kV buses; dual 22 kV feeders from the main substation; supplies the East return shaft main fan and associated loads.

Underground, pump-station and district substations include:

- 850 m pump-station substation – sectionalised 22 kV and 0.4 kV buses; supplied via two 22 kV feeders from the intake shaft substation; supplies the main dewatering pumps and nearby low-voltage loads. Pump motors are split across the two 22 kV sections and their controls across the two 0.4 kV sections to meet Category I reliability requirements.
- 650 m pump-station substation – similar arrangement and supply philosophy as the 850 m level; supplies deep-level dewatering and associated low-voltage loads.

11.2.4 Processing Power Distribution

Within the concentrator area:

- A crushing and screening substation is installed adjacent to the crushing plant. The 0.4 kV side uses an unsectioned single bus and is supplied from the 22 kV bus of the main substation; it feeds all low-voltage loads in the crushing and screening plant.
- A milling and flotation substation is installed adjacent to the grinding/flotation plant. The 22 kV side uses an unsectioned bus, and the 0.4 kV side a sectionalised bus. This substation supplies the grinding and flotation circuits, gravity/secondary recovery, filtration plant and assay laboratory.

11.2.5 System Configuration and Cabling

The overall distribution system combines trunk and radial arrangements. Long-distance outdoor distribution is by ACSR overhead lines, while indoor and short-distance feeders use power cables. High-voltage cables (10–22 kV) are XLPE-insulated armoured types, with low-smoke, halogen-free specifications underground. Low-voltage cables (1 kV class) are XLPE or PVC-insulated, with armoured, low-smoke, halogen-free types underground. Cables are installed by direct burial, in cable trenches or on racks at surface, and by shaft clamping, wall mounting or trench installation underground, with cable types selected according to orientation (horizontal or inclined/vertical) and fire-safety requirements.

11.3 Water Supply

Water supply for the Project has been designed to meet production, processing, domestic and fire-fighting requirements, with seasonal variation in sources taken into account. New water demand for mining and processing is estimated at approximately 3,520 m³/d (excluding backfill), with domestic demand of about 50 m³/d.

11.3.1 Water Sources and Storage

Production Water – Wet Season (Surface Water Reservoir)

During the wet season, the primary source of process and mining water is surface runoff collected in an existing storage dam located approximately 450 m from the mining area.

The storage dam has a capacity of about 300,000 m³ and can supply the required make-up water volume.

Water is pumped from the dam to a high-level production water tank via duty/standby multistage pumps, and then distributed by gravity to the mine and plant.

Production Water – Dry Season (Mine Dewatering)

Once the mine reaches its target depth, mine inflows are estimated at approximately 4,500 m³/d.

This mine water is pumped to the high-level production water tank and is used as the primary production water source during the dry season.

Domestic Water (Groundwater)

Domestic (potable and sanitary) demand is estimated at 50 m³/d.

Groundwater is abstracted from wells near the accommodation and services area. Pumping test data indicate a sustainable yield of approximately 7.35 L/s, which is sufficient in both quantity and quality for domestic use.

Two large-diameter wells and associated duty/standby submersible pumps deliver water to a domestic storage tank after treatment.

11.3.2 Production and Process Water Systems

Mining production water system

Total mining water demand is estimated at 1,780 m³/d, comprising:

- 1,200 m³/d for mining operations (drilling, dust suppression, equipment wash-down, etc.);
- 580 m³/d for backfill operations; and
- approximately 180 m³/d of new water make-up.

A 1,000 m³ high-level tank is constructed at the intake shaft collar at an elevation of approximately 1,090 mRL.

Water from the surface dam and mine dewatering is stored in this tank.

Distribution to underground levels is via gravity flow through steel pipelines installed in the intake shaft, using the elevation difference to supply water for production, drilling, backfilling, dust suppression and general services.

Processing Plant Water System

New water supply to plant

- New water demand for the concentrator is estimated at approximately 2,999 m³/d (excluding backfill), plus about 400 m³/d for other plant uses.
- New water is supplied from the mining high-level tank, via gravity, to a 1,000 m³ underground new-water storage tank at the plant site.
- Due to insufficient static head from the storage elevation, booster pumps are used to pressurise the distribution system from the plant new-water tank to the various users in the concentrator.

Reclaim water system

- Total process water demand for the concentrator is approximately 14,544 m³/d.
- Reclaim water from the plant and tailings system is estimated at about 11,545 m³/d and is collected in a 4,000 m³ reclaim water tank.
- Booster pumps supply reclaim water to the plant through buried steel pipelines.
- Local booster pumps are installed where higher local pressures are required.

Domestic (Potable) Water System

Domestic water (approximately 50 m³/d) is used for workers' daily needs, canteen, offices, dormitories and ablutions.

Groundwater is treated through an automatic filtration/purification unit to meet domestic water quality standards and then flows by gravity to a 50 m³ covered domestic water tank.

A pressure-controlled distribution system supplies domestic water from this tank to all consumption points in the accommodation and plant service areas via buried pipelines (laid below the frost depth where applicable).

Hot Water Supply

Hot water for dormitory showers and ablutions is provided by a solar thermal system.

The system comprises roof-mounted solar collectors, hot-water storage tanks, circulation pumps and control valves.

Auxiliary electric heating in the storage tanks is included to maintain constant hot-water supply when solar input is insufficient, ensuring 24-hour availability of hot water.

Detailed design of the solar-hot-water system will be finalised by the specialist supplier during the construction-design phase.

Fire-fighting Water System

The fire-fighting water system has been designed based on a single simultaneous fire event scenario.

Design fire flows and durations are as follows:

- Underground: 15 L/s for 3 hours (≈162 m^3 per event);
- Surface industrial area (outdoor hydrants): 20 L/s for 2 hours (≈144 m^3 per event);
- Surface (other outdoor protection): 15 L/s for 2 hours (≈108 m^3 per event).

Total fire reserve volume is approximately 414 m^3, stored within the 1,000 m^3 mining water head tank.

The elevation of this tank is sufficient to meet fire water pressure requirements by gravity; local booster pumps are installed only where additional pressure is required.

Fire water distribution uses DN150 galvanised steel pipelines, feeding an appropriate number of above-ground fire hydrants spaced to achieve a protection radius of 150 m.

The combined production/fire tank is fitted with level indicators and high/low level alarms. Operating procedures and control logic ensure that the dedicated fire-water reserve (414 m^3) is not utilised for production purposes.

Portable fire-fighting equipment (extinguishers) is installed at prominent locations in production buildings, accommodation blocks and electrical rooms in accordance with fire safety regulations.

11.4 General Layout and Facilities

The site layout comprises several functional areas, including the ramp industrial area, fresh air shaft industrial area, West and East return air shaft industrial areas, the 1,050 m adit industrial area, the processing plant area, camp/administration area, tailings storage facility and waste rock dump.

Within the mining industrial area, a maintenance workshop is provided. The fresh air shaft industrial area accommodates the compressor house, substation, backfill plant, head tank, fresh-water tank, reclaim-water tank and pump station canopy. The West and East return air shaft areas each contain a fan house and associated substation.

The processing plant area includes the ROM ore bin, crushing and screening buildings, fine ore bin, grinding and flotation plant, high-frequency screening and classification building, filtration and product storage building, gravity concentration plant, thickeners, laboratory, main step-down substation and diesel generator house.

The camp and services area incorporates office buildings, canteen and accommodation facilities.

The surface infrastructure for the Achmmach Tin Project has been laid out to support decline access, ventilation, ore handling, processing, waste management and site services, taking advantage of local topography to minimise earthworks and energy consumption.

A new decline industrial area will be constructed, with the decline portal at an elevation of approximately +1,040 mRL. The decline will provide the primary access for ore, waste, personnel, equipment and materials. All ore will be hauled by underground trucks through the decline and transported to a ROM stockpile located on the eastern side of the decline industrial area.

A new fresh-air shaft industrial area will be established approximately 120 m northeast of the decline area, with a collar elevation of about +1,080 mRL.

A new western return air shaft industrial area will be constructed approximately 370 m northwest of the decline area, with a collar elevation of about +1,100 mRL.

A new eastern return shaft industrial area will be constructed approximately 430 m northeast of the decline area, with a collar elevation of about +1,055 mRL.

The processing industrial area will be located east of the decline industrial area. The plant layout will utilise the natural topographic fall to allow stepped arrangement of facilities and to reduce energy requirements for materials handling and pumping.

The office and accommodation complex will be sited approximately 300 m east of the decline industrial area, providing an appropriate environment for site administration and worker housing.

The TSF will be located approximately 150 m south of the decline industrial area. The TSF is classified as a third-class facility, with a total ultimate dam height of 65 m and a total design storage capacity of approximately 10.70 million m³, sufficient for the life-of-mine tailings production.

The waste rock dump will be located in a valley approximately 750 m northeast of the decline industrial area. Waste rock hauled from underground via the decline will be trucked to this facility. The final crest elevation of the waste dump is planned at approximately +1,050 mRL, with a toe elevation of about +990 mRL, giving a maximum stacked height of about 60 m. The total storage capacity of the dump is estimated at approximately 4.8 million m³, which is sufficient for the planned life-of-mine waste rock disposal.

12 Environmental and Social Considerations, and Permitting

12.1 Review Process, Scope, and Standards

This section presents an overview and assessment of the environmental and social aspects of the Achmmach Tin Project, located in El Hajeb Province, Morocco. The Project comprises the development of an underground mine at the Achmmach deposit, the construction of an associated processing facility for the treatment of tin-bearing ore as well as associated infrastructure.

The current Project configuration is defined in the Feasibility Study Report on the Mining, Processing and Tailings Design Project of the Atlas Tin SAS Achmmach Tin Mine in Morocco, completed by Shanjin Design & Consulting Co., Ltd. ("Shanjin") in March 2026 (the "2026 FS"). Commercial tin production has not yet commenced.

The environmental and social assessment has been undertaken with reference to the 2026 Feasibility Study, supporting documentation provided by Atlantic Tin (AT), and observations made during the May 2026 site visit. The review has considered available environmental impact assessment documentation, permitting records, and relevant technical information. The findings presented are based on the information available at the time of reporting. Accordingly, this assessment focuses on:

- baseline environmental and social conditions;
- the status and scope of environmental and ancillary permits;
- the applicability of existing environmental approvals to the current Project configuration; and
- anticipated material environmental and social risks associated with development and operation at the scale defined in the 2026 FS.

The review has evaluated the Project's environmental and social framework with reference to:

- applicable Moroccan environmental and social regulatory requirements;
- relevant international good practice, including the World Bank/IFC Performance Standards; and
- environmental and social considerations relevant to the Modifying Factors defined under the JORC Code (2012).

As mining under the proposed tin development has not yet commenced, no material ESG impacts associated with the current Project configuration have occurred to date. The conclusions presented herein relate to development-stage readiness, permitting alignment, and material environmental and social risks that may influence future project execution and Ore Reserve declaration.

12.2 Environmental & Social Regulatory Framework

12.2.1 Morocco Environmental and Social National Regulatory Framework

The regulatory and policy framework governing environmental and social performance for mining projects in Morocco is defined by a combination of national legislation and implementing decrees.

The following instruments are most applicable to the Project and establish the primary requirements for environmental approval, permitting, land access, and ongoing compliance.

Environmental and social regulation of mining projects in Morocco is primarily governed by the Environmental and Social Impact Assessment ("ESIA") process, established under **Law No. 12-03 on Environmental Impact Assessments (2003)**, promulgated by Dahir No. 1-03-60 of 12 May 2003. The ESIA constitutes the principal regulatory instrument for identifying, assessing, and mitigating environmental and social impacts and defines the approved project scope, footprint, and operating parameters.

Approval of the ESIA is formalised through an Environmental Acceptability Decision (*"Décision de conformité environnementale"*), issued in accordance with **Decree No. 2-04-563 (2008)**. The approval renders ESIA commitments legally binding and applies strictly to the project configuration assessed; material modifications or capacity expansions require further environmental approval.

The "*Programme de Surveillance et de Suivi Environnemental (PSSE)"*, or Environmental Monitoring and Surveillance Programme, is derived from the approved ESIA and defines the monitoring, reporting, and compliance framework applicable during project implementation. The PSSE provides the basis for demonstrating ongoing compliance with ESIA commitments.

Mining projects are also subject to broader environmental and social legislation, including **Law No. 36-15 on Water (2016**) governing surface and groundwater abstraction and discharge, **Law No. 28-00 on Waste Management (2006)**, and **Mining Law No. 33-13 (2015**), which requires compliance with environmental and social regulations as a condition of mining title issuance and renewal.

Labour and occupational health and safety matters are governed by the **Moroccan Labour Code (Law No. 65-99, enacted in 2004)** and related decrees, which regulate employment conditions, worker representation, occupational safety, and accident prevention for mining operations.

At a national policy level, Morocco's environmental and social regulatory framework is reinforced by national sustainable development policy instruments, notably the **National Charter for Environment and Sustainable Development (2011**) and its implementing Framework **Law No. 99-12 (2014).** This framework establishes overarching principles for environmental governance, pollution prevention, rational use of natural resources, protection of ecosystems, and the integration of environmental and social considerations into sectoral development planning, including extractive industries.

These policy instruments provide national direction for sustainable development but are implemented through sector-specific legislation and project-level regulatory mechanisms and do not replace the permitting, approval, and compliance obligations applicable to individual mining projects.

12.2.2 Applicable International Standards and Guidelines

While environmental and social performance for mining projects in Morocco is governed primarily by national legislation, international standards and guidelines are commonly used as reference benchmarks, particularly for projects seeking international financing or involving foreign joint venture partners.

For the Project, relevant international frameworks include:

- The **Equator Principles**, which provide a risk management framework for financial institutions financing large-scale projects;
- The **IFC Performance Standards**, which define international good practice for environmental and social risk management and are widely applied by international lenders; and
- The **UN Guiding Principles on Business and Human Rights**, which set out expectations for the identification, prevention, and management of human rights impacts associated with business activities.

Alignment with these frameworks is typically driven by lender, investor, or partner requirements rather than by Moroccan regulation. As such, they provide a useful benchmark for assessing the Project's environmental and social management practices in the context of international expectations.

12.2.3 Voluntary Commitments and Corporate Policies

Since 2024, Atlantic Tin Ltd. is a member of the **International Tin Association (ITA)** Explorers & Developers Group, which promotes responsible practices within the tin sector. Membership reflects a voluntary commitment to the ITA Tin Code, addressing environmental, social, and governance principles, although it does not entail independent certification or audited compliance.

The Company has been a participant in the **United Nations Global Compact** since 2024, reflecting a commitment to align its operations with internationally recognised principles on human rights, labour, environment, and anti-corruption. Participation is voluntary and does not constitute certification or independent verification of ESG performance.

The Company has reported that, in 2024, it undertook a review of the existing tailings storage facilities (TSFs) at the Samine operations site with the objective of aligning safety and closure practices with the **Global Industry Standard on Tailings Management** (**GISTM**). No documentation detailing the scope, outcomes, or independent verification of this review has been provided to demonstrate the level of alignment achieved.

12.3 Proposed Infrastructure and Facilities

The surface and underground infrastructure configuration for the Achmmach Tin Project has been updated and defined in detail in the 2026 Feasibility Study. The Project is designed for a processing capacity of approximately 1.2 Mt per annum, producing tin concentrate.

The layout comprises dedicated mining industrial areas (including decline access and ventilation shafts), an integrated processing plant, a life-of-mine Tailings Storage Facility (TSF), a waste rock dump (WRD), and associated camp and service facilities.

The TSF is designed with an ultimate storage capacity of approximately 10.7 million m^3 and an ultimate dam height of approximately 65 m, sufficient for planned life-of-mine tailings production. The waste rock dump is designed with a total storage capacity of approximately 4.8 million m^3 and a maximum stacked height of approximately 60 m, sized to accommodate projected life-of-mine waste rock volumes.

Relative to earlier project concepts, the 2026 FS establishes a consolidated and self-contained development at the Achmmach site, with dedicated tailings and waste rock storage infrastructure sized for the planned production capacity and mine life.

From an ESG perspective, the defined infrastructure footprint provides the basis for assessing land disturbance, water management requirements, tailings and waste storage, and associated environmental and social considerations under the current project configuration. The analysis presented in the following sections reflects the infrastructure layout and production capacity defined in the 2026 FS.

12.4 Permitting

This section summarises the key mining, land access, and environmental and social permits and approvals applicable to the Project, and reviews their reported status based on documentation provided by Atlantic Tin ("AT").

12.4.1 Mining Tenure

Mining activities in Morocco are governed by Mining Law No. 33-13, under which mineral rights are vested in the State and granted to operators through defined mining titles. The principal mining titles applicable to the Project comprise the **Exploration Permit ("*Permis de Recherche*")** and the **Operating Permit ("*Permis d'Exploitation*")**.

- **Exploration Permits** authorise prospecting and mineral exploration activities, including geological mapping, geophysical and geochemical surveys, and drilling, for the purpose of identifying and evaluating mineral resources. Such permits are granted for an initial term of up to three years and may be renewed, subject to compliance with permit conditions. Exploration Permits confer exclusive exploration rights within the defined permit area but do not authorise commercial extraction. Delineation of economically viable mineral resources is a prerequisite for application for an Operating Permit.
- **Operating Permits** authorise the commercial extraction and processing of mineral resources within an approved permit area. These permits are granted following demonstration of technical and economic viability and approval of the required supporting studies, including mine design and environmental and social assessments. Operating Permits are typically issued for an initial term of up to ten years and are renewable for successive ten-year periods until mineral reserves are exhausted.

SRK has reviewed the mining tenure documentation made available for the Achmmach and Bou El Jai (BEJ) project areas. The Achmmach deposit is held under Operating Licence LE 332912, which is valid until 17 January 2032. The BEJ area is covered by two exploitation licences held by Hamada Minerals: Licence LE 333172, valid until 21 November 2028, and Licence LE 333313, which has an expiry date of 07 March 2026 and is reported to be under renewal. Supporting documentation confirming renewal of LE 333313 has not been reviewed by SRK.

Based on the documentation available, no material tenure risks have been identified in relation to Achmmach (LE 332912) or BEJ Licence LE 333172. The reported renewal status of LE 333313 remains subject to confirmation. Continued validity of all licences is conditional upon compliance with applicable Moroccan mining legislation.

12.4.2 Land Tenure and Access

Land tenure in Morocco comprises state-owned land, private land ("melk"), and collective land. Within the Project area, land is predominantly collective land, administered by local Jmaâ through appointed Naibs, under the supervision of the Ministry of the Interior. While collective and state land cannot be sold, Moroccan law permits land access for mining through long-term lease or occupation agreements subject to administrative approval and compensation arrangements. Surface land access for mining projects is therefore secured through formal agreements rather than land ownership.

SRK has reviewed the "droit de cession" issued by ONHYM and the associated investment agreement, which confirm the transfer of subsurface mining rights to the Company. These instruments do not address surface land tenure or community land access.

During the May 2026 site visit, active livestock grazing was observed within areas proposed for the processing plant, tailings storage facility (TSF), and waste rock dump (WRD). This indicates existing pastoral land use within portions of the planned surface footprint.No land access or occupation agreements with landowners or local communities were available for review, and the existence and applicability of surface land access arrangements to the current Project footprint have not been independently confirmed.

12.4.3 Environmental and Ancillary Approvals

The Project requires a range of environmental and ancillary approvals to support mining and processing activities, including environmental approval under the ESIA process, water abstraction and discharge permits, and authorisations for processing facilities, tailings storage facilities, waste rock dumps, and associated infrastructure.

SRK has reviewed the environmental and ancillary permits made available by AT to assess their reported applicability to the current Project configuration and development scenario. The review was based on documentation provided and did not include independent verification with regulatory authorities. The reported status of the key environmental and ancillary approvals relevant to the Project is summarised in Table 12-1.

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Table 12-1: Summary of AT Environmental and Ancillary Approvals (May 2026)

Site	Title	Issued Date	Expiry Date	Validity Period	Status	Reviewed by SRK (Y/N)	Remark
ACHMMACH:							
	2019 EIA Approval (ACHMMACH)	27-07-19	26-07-24	Approval becomes void if the project is not implemented within five years from the approval date.	Expired	Yes	The 2019 EIA approval predates the 2026 FS scope and is not aligned with the current Project scope, footprint, or production capacity. The approved EIA addressed environmental aspects only and did not include a social component. An updated ESIA, aligned with the revised Project configuration, is required to support development under the current scope.
	Environmental Monitoring and Surveillance Programme - PSSE (ACHMMACH)	17-05-19	NA	NA		Yes	The PSSE is linked to the 2019 EIA and therefore applies only to the project scope assessed at that time. It is not aligned with the 2026 FS scope and does not automatically cover changes in project footprint, mining configuration, production capacity, or associated infrastructure. An updated management and monitoring framework is required to reflect the revised Project scope. Including a socio-economic component
SAMINE:							
	2019 EIA Approval (SAMINE)	09-04-19	08-04-19	Approval becomes void if the project is not implemented within five years from the approval date.	Expired	Yes	The environmental approval is limited to the project scope assessed in the EIA for fluorite operations and does not cover tin processing, increased throughput, or modifications to tailings management. No social component included.

Site	Title	Issued Date	Expiry Date	Validity Period	Status	Reviewed by SRK (Y/N)	Remark
	Environmental Monitoring and Surveillance Programme - PSSE (SAMINE)	21-05-19	NA	NA		Yes	As the PSSE is associated with the 2019 EIA, it applies only to the project scope assessed at that time and does not automatically cover conversion to tin processing, increased throughput, or modifications to tailings management aligned with the 2026 FS. Social components to be added.
	Surface Water Abstraction Licence					No	Reportedly a surface water abstraction licence was granted for the SAMINE Mine, but documentation was not provided for review.
	Groundwater Abstraction Licence					No	No groundwater abstraction licence provided for review.
	Wastewater Discharge Authorisation					No	No wastewater discharge authorisation provided for review.

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12.4.4 Environmental and Social Impact Assessment ("ESIA") Status

Two separate environmental approval processes have historically been undertaken in relation to the Project:

- An EIA for the Achmmach underground mine site; and
- An EIA for the Samine (El Hammam) fluorite processing site

These approvals relate to distinct physical locations and operational components and have therefore been considered independently for permitting purposes.

1.4.4.1 Achmmach Mine Site ESIA

An Environmental and Social Impact Assessment for the Achmmach Tin Project was initially prepared in 2013 and presented to the "Comité National des Études d'Impact sur l'Environnement (CNEI)" in March 2014. Environmental acceptability was reportedly granted in December 2014.

An updated ESIA document (Ref: C355/R397-03) was subsequently prepared in July 2019 to reflect project optimisation undertaken between 2016 and 2018.

Under Moroccan environmental law (***Law No. 12-03 on Environmental Impact Assessment, Article 19***), an environmental acceptability decision ceases to be valid if the project has not been implemented within five (5) years of the approval date. As construction did not commence within the prescribed period and no formal renewal or revalidation has been issued, the 2019 Achmmach environmental approval is considered no longer valid.

Additionally, the 2019 ESIA update was prepared based on the project configuration defined at that time. The development scenario set out in the 2026 Feasibility Study introduces a materially expanded and redefined project configuration, including updated production capacity, underground development extent, and dedicated life-of-mine tailings and waste rock storage facilities.

Based on a comparison of the 2019 ESIA documentation and the 2026 FS, the current Project configuration extends beyond the scope originally assessed. In particular:

- The proposed mining rate, mine life, and underground infrastructure differ from those defined in 2019;
- The processing plant configuration has been modified and expanded; and
- A new life-of-mine TSF and waste rock dump have been incorporated into the Project layout.

No evidence has been provided to confirm that these modifications have been formally assessed and approved under Moroccan environmental procedures. Accordingly, the 2019 ESIA cannot be considered to fully cover the Project as defined in the 2026 FS, and updated environmental and social assessment and regulatory approval may be required prior to construction and operation.

Furthermore, while the documentation is titled as an environmental and social impact assessment, the social component within the 2019 update appears limited in scope. A comprehensive socio-economic baseline and structured social impact assessment consistent with current international good practice were not clearly evidenced in the documentation reviewed.

1.4.4.2 Samine (El Hammam) Processing Site ESIA

A separate environmental approval process was undertaken historically for the Samine (El Hammam) processing site, which previously processed fluorite ore. The Samine site has an established operational history and associated environmental permitting framework.

However, the prior ESIA and environmental approvals at Samine were understood to relate to fluorite processing operations.

The environmental approvals issued in 2019 are no longer valid and do not correspond to the Project configuration defined in the 2026 Feasibility Study. The currently proposed mining, processing, and tailings arrangements therefore lack confirmed environmental authorisation under Moroccan law.

As a result, environmental and social permitting alignment represents a material regulatory risk and a key Modifying Factor. Updated ESIA documentation and formal approval will be required prior to construction and operation under the 2026 development scenario.

12.4.5 Water Abstraction and Discharge Permitting

This subsection summarises the reported water supply sources for the Project and reviews the status of water abstraction permitting for the Samine and Achmmach sites based on documentation made available by Atlantic Tin (AT).

The 2026 Feasibility Study defines total new water demand of approximately 3,520 m³/d (excluding backfill), with seasonal variation in supply sources. During the wet season, production water is sourced from an existing surface water storage dam (capacity approximately 300,000 m³). During the dry season, mine dewatering (estimated at approximately 4,500 m³/d at target depth) becomes the primary source of production water. Domestic water demand (approximately 50 m³/d) is supplied from groundwater abstraction wells located near the accommodation and services area.

Under Law No. 36-15 on Water (2016), abstraction and use of both surface water and groundwater are subject to authorisation by the competent River Basin Agency (Agence du Bassin Hydraulique). Accordingly, the Project would require:

- Authorisation for surface water abstraction associated with the storage dam;
- Authorisation for groundwater abstraction from domestic supply wells;
- Authorisation from the competent River Basin Agency for abstraction and operational use of groundwater intercepted during mining (mine dewatering); and
- Confirmation that any inter-site transfer or discharge of abstracted water complies with basin allocation conditions and authorisation requirements.

The Company reports that a surface water abstraction licence ("Autorisation de prélèvement des eaux superficielles") is in place at the Samine site. However, supporting documentation has not been reviewed to confirm the current validity of this authorisation, the permitted abstraction volumes, seasonal constraints, or its applicability to the tin processing configuration and associated water demand defined in the 2026 FS.

No documentation has been provided to confirm that abstraction permits covering the volumes and sources defined in the 2026 FS are currently in place. Accordingly, alignment of water abstraction permitting with the proposed operational water balance remains to be confirmed.

12.5 Environmental and Social Management Systems (ESMS)

12.5.1 Corporate Policies and Governance

AT has established a suite of corporate policies intended to support responsible project development and governance. These include, inter alia, a Risk Policy, Sustainability Policy, Anti-Bribery and Corruption Policy, Code of Conduct, Community Policy, Whistleblower Protection Policy, and Safety and Health Policy. Collectively, these documents define the Company's commitments in relation to ethical conduct, risk management, environmental and social responsibility, and workforce standards. The policies provide a high-level governance framework applicable to the Project.

12.5.2 Project Management Framework

The Project is supported by a structured Project Management Plan (PMP) framework, comprising defined management plans covering organisation and roles, document control, quality management, planning and controls, engineering management, contract management, risk management, human resources, community engagement, and HSE management. These plans establish formal procedures for project execution, reporting, and internal controls during the development phase.

12.5.3 Health, Safety and Environmental (HSE) Management System

An HSE Management Plan has been developed for the Project and is supported by documented procedures and site-level controls, including hazard reporting, incident investigation, permit-to-work systems, training and induction requirements, inspection and audit protocols, and emergency preparedness measures. Standardised forms, checklists, and work instructions are in place to support implementation. The documented framework is intended to provide structured risk management and regulatory compliance during construction and future operations.

12.5.4 Occupational Health, Safety, and Hygiene

Occupational health and safety for the Project is governed by the Moroccan Labour Code (Law No. 65-99) and associated occupational safety regulations applicable to mining and construction activities. These regulations establish requirements relating to safe working conditions, worker representation, accident prevention, training, and emergency preparedness.

The proposed development of an underground mining operation introduces typical occupational risks associated with underground ventilation, ground control, explosives handling, mobile equipment operation, confined space entry, and processing plant activities. During the construction and refurbishment phase, additional risks relate to contractor management, working at height, electrical installations, and plant commissioning.

As described in Section 12.7.3, the Project is supported by an HSE Management Plan and associated procedures intended to provide structured risk management during development and future operations.

Implementation of site-specific risk assessments, emergency response planning, and workforce training programs will be required prior to commencement of construction and underground development. Based on the documentation reviewed, no fundamental occupational health and safety constraints have been identified that would preclude development of the Project, subject to implementation of the proposed management framework.

12.6 Key Environmental Considerations

The Achmmach Tin Project is currently at the feasibility stage. The environmental management systems described below are based on the March 2026 Feasibility Study ("2026 FS") and associated engineering documentation. Construction has not yet commenced, and the measures described represent the planned design configuration rather than implemented operational systems. Accordingly, their effectiveness will depend on detailed engineering, regulatory approval, construction quality, and operational management controls.

Environmental baseline information referenced in this section is derived primarily from the 2019 EIA documentation and publicly available regional data. Given the time elapsed and the updated 2026 FS configuration, the baseline dataset will require updating as part of future ESIA processes aligned with the current development scope.

12.6.1 Water Management

The 2026 FS presents an integrated water management strategy designed to minimise freshwater abstraction through seasonal source optimisation and high levels of internal recycling.

Total new water demand for mining and processing operations is estimated at approximately 3,520 m³/d (excluding backfill recirculation), with domestic demand of approximately 50 m³/d. Process plant total circulating water demand is estimated at approximately 14,544 m³/d, of which approximately 11,545 m³/d is expected to be supplied from reclaim water recovered from the tailings system.

During the wet season, make-up water is planned to be sourced from an existing surface water storage dam with an estimated capacity of approximately 300,000 m³. Water will be pumped to a 1,000 m³ high-level storage tank located near the intake shaft and distributed by gravity to underground and surface users.

During the dry season, mine dewatering flows, estimated at approximately 4,500 m³/d once full depth is reached, are intended to become the primary production water source. Mine water will be pumped to surface and reused within the processing and mining circuits.

Tailings reclaim water will be collected in a reclaim pond and returned to the process plant via a pump station. Seepage collected downstream of the TSF is designed to be returned to the facility, with the stated objective of achieving zero routine discharge of contaminated process water.

While the overall water management concept is consistent with standard industry practice for maximising reuse, several aspects remain dependent on further confirmation, including:

- Verification of sustainable mine inflow rates over the life of mine;
- Long-term hydrological balance under variable rainfall conditions;
- Regulatory approvals for surface and groundwater abstraction;

- Operational controls to ensure separation of clean and contact water.

At feasibility stage, the water management system appears conceptually robust; however, detailed water balance validation and permitting alignment remain critical implementation factors.

Subject to confirmation of abstraction authorisations and validation of the long-term water balance under the 2026 FS configuration, water supply is not considered a fundamental constraint to Project development.

12.6.2 Tailings Management

The 2026 FS designs the TSF with 11.27 Mt tailings to be discharged to. Assuming a dry bulk density of 1.5 t/m³, the required effective storage capacity is 7.51 Mm³.

The TSF is designed as a compacted earth–rockfill dam with an initial 30 m high starter dam and upstream raises to a total height of approximately 65 m. The facility incorporates internal filter and anti-seepage zones and is designed with an overall external slope of 1:3.5. A full geomembrane liner is proposed to control seepage. Surface water diversion channels are designed to intercept runoff from surrounding slopes and prevent uncontrolled inflows.

The decant and flood discharge system comprises decant wells and discharge tunnels directing water to a reclaim pond. Seepage collection downstream of the dam is designed to allow return pumping to the TSF, supporting a closed-loop water management approach.

Monitoring systems proposed include deformation monitoring, phreatic surface control, seepage measurement, groundwater monitoring wells (four wells), rainfall monitoring, and surveillance systems.

As the TSF has not yet been constructed, key risk considerations include:

- Performance of the geomembrane liner and seepage control measures;
- Stability of upstream raises under site-specific seismic and hydrological conditions;
- Tailings geochemical characteristics and long-term acid generation potential; and
- Operational beach management to maintain adequate freeboard and dry beach length.

The TSF design appears conceptually consistent with standard industry practice; however, confirmation of geochemical characteristics and long-term performance parameters will be required prior to construction.

12.6.3 Waste Rock Management

Waste rock generated from underground development is expected to be primarily reused as backfill material, with only residual quantities placed in a surface Waste Rock Dump (WRD). The WRD is planned as a valley-fill facility with a total estimated capacity of approximately 4.8 million m³ and a maximum stacked height of approximately 60 m.

At feasibility stage, the design documentation describes the physical configuration of the WRD but does not include detailed geochemical characterisation of waste rock or assessment of acid rock drainage (ARD) or metal leaching potential.

Given that the orebody contains sulphide minerals associated with tin mineralisation, the absence of documented static and kinetic geochemical testing represents a material uncertainty. Without such data, it is not possible to confirm:

- The proportion of potentially acid forming (PAF) material;
- Long-term leachate quality;
- Requirements for segregation, encapsulation, or cover systems; and
- Long-term water management controls for the WRD.

Accordingly, implementation of the WRD design should be contingent upon completion of a comprehensive waste rock geochemical characterisation programme and development of an ARD management plan consistent with international good practice.

In the absence of documented geochemical characterisation and ARD assessment, long-term waste rock environmental performance remains a material technical uncertainty requiring resolution prior to implementation.

12.6.4 Hazardous Waste Management

Hazardous materials are substances that may exhibit corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, and therefore pose potential risks to human and the environment.

The proposed mining and processing configuration will require the use of standard mineral processing reagents (e.g., flotation collectors, frothers and pH modifiers), cementitious binders for underground backfill, diesel fuel for mobile equipment, lubricants and hydraulic oils, explosives, and laboratory chemicals. Surface facilities will include fuel storage, a standby diesel generator, compressor stations and maintenance workshops.

Based on the planned operations, the Project is expected to generate the following hazardous or potentially hazardous waste streams:

- Used oils and lubricants from underground and surface equipment;
- Oil filters, grease cartridges, oily rags and absorbent materials;
- Waste hydraulic fluids and coolants;
- Empty reagent containers and residual chemical packaging;
- Laboratory chemical wastes and assay residues;
- Waste batteries and electrical components;
- Explosives-related packaging and detonator waste; and
- Sediments and residues from oil–water separators and maintenance areas.

The feasibility documentation identifies reagent storage and process facilities within the plant layout; however, detailed design information relating to secondary containment, fuel storage bunding, hazardous waste storage areas, spill control infrastructure, and off-site disposal arrangements have not been presented in the documentation reviewed.

Effective management of these materials will require:

- Bunded and impermeable chemical and fuel storage areas;
- Dedicated hazardous waste storage facilities with weather protection and controlled access;
- Oil–water separation systems in maintenance and wash-down areas;
- Formalised waste segregation and tracking procedures;
- Contractual arrangements with licensed hazardous waste transport and disposal operators; and
- Spill prevention and emergency response procedures.

In the absence of detailed engineering specifications and confirmed disposal pathways, the adequacy of hazardous materials management and regulatory compliance cannot yet be fully verified. Preparation of a comprehensive Hazardous Materials and Waste Management Plan prior to construction would be consistent with international good practice.

Hazardous materials management arrangements are typical of underground mining operations and are considered manageable subject to detailed engineering design and regulatory compliance.

12.6.5 Explosives Management

Underground mining operations will require the use of explosives for development and stoping activities. While the 2026 FS confirms conventional drill-and-blast mining, detailed information regarding explosives storage facilities, magazine design, transport arrangements, security controls, blast vibration management, and misfire procedures has not been presented in the documentation reviewed.

Compliance with Moroccan explosives regulations and implementation of appropriate storage, handling and security measures will be required prior to commencement of underground operations. At this stage, explosives management arrangements remain to be defined at detailed engineering level.

Explosives management represents a standard underground mining requirement and is considered manageable through compliance with Moroccan explosives legislation and implementation of appropriate storage and security controls.

12.6.6 Air Emissions and Ventilation

Underground ventilation is designed to deliver approximately 184 m^3/s of airflow using dual main fans. The system is intended to manage diesel exhaust, blasting fumes and dust generated during underground operations. Surface emission sources will include crushing and screening, grinding and flotation circuits, haulage activities, compressors and standby diesel generation.

Dust suppression and plant ventilation systems are incorporated into the design; however, as the plant has not yet been constructed, the actual effectiveness of dust control will depend on detailed enclosure design, water spray systems, material handling practices and operational management.

No quantitative air dispersion modelling results were presented in the feasibility summary documentation reviewed.

Air emissions associated with the proposed underground and processing operations are typical of the mining industry and are considered manageable through standard engineering and operational controls.

12.6.7 Noise

Primary operational noise sources will include crushing equipment, grinding mills, ventilation fans, compressors, mobile equipment and standby diesel generators. Major mechanical equipment is proposed to be housed within dedicated buildings, and accommodation facilities are located approximately 300 m from the primary industrial areas.

At feasibility stage, no detailed baseline noise survey or predictive noise modelling has been presented. Noise mitigation measures will require confirmation during detailed engineering and permitting.

Noise impacts are expected to be typical of comparable mining developments and are not considered a material environmental constraint, subject to confirmation during detailed design and permitting.

12.6.8 Land access

The proposed Achmmach underground mining operation and associated infrastructure are located within the granted exploitation permit area and on land identified as collective and State land. Based on documentation reviewed, no physical resettlement has been identified in relation to the current project configuration.

During the May 2026 site visit, active livestock grazing was observed within portions of the planned surface footprint, including areas proposed for the processing plant, tailings storage facility (TSF), and waste rock dump (WRD). While this does not indicate physical displacement, it confirms existing pastoral land use within areas of planned disturbance and may give rise to compensation or access regularisation requirements under Moroccan land administration procedures. The 2019 environmental approval was granted based on the project footprint assessed at that time. The extent to which the updated scoping study configuration aligns spatially with the previously assessed footprint has not been independently verified. Any material modification to infrastructure layout, disturbance limits, or access corridors may require updated environmental assessment and confirmation of surface land access arrangements.

Existing site access infrastructure appears to utilise established road connections. No documentation was available confirming whether additional third-party land access agreements would be required for construction or expanded operational infrastructure.

Land access risk is therefore considered manageable, subject to confirmation that the final development footprint aligns with regulatory approvals and that surface access arrangements are formalised for all areas of disturbance prior to construction.

Land access risk is considered manageable, subject to confirmation that the final development footprint aligns with regulatory approvals and formalised surface access arrangements.

12.6.9 Mine Closure and Rehabilitation

The 2026 Feasibility Study ("2026 FS") describes the proposed underground mining operation at Achmmach together with associated surface infrastructure, including a new processing plant, tailings storage facility (TSF), and waste rock dump (WRD). However, no dedicated Mine Closure and Rehabilitation Plan has been identified in the documentation reviewed.

The 2026 FS does not present a comprehensive closure framework. In particular, the following elements have not been defined:

- A conceptual closure strategy covering underground workings, surface infrastructure, the TSF and the WRD;
- Progressive rehabilitation measures to be implemented during operations;
- Post-closure landform design criteria and final land-use objectives;
- A long-term surface water and groundwater management strategy;
- Closure cost estimates; and
- Financial provisioning or rehabilitation bonding arrangements.

The historical Samine processing plant is not proposed to be reused under the current project configuration. The Samine site includes legacy infrastructure and historical tailings areas that remain in place. As Samine remains a corporate asset associated with the broader project area, its eventual decommissioning, rehabilitation, and long-term environmental management should be addressed at a conceptual level within the overall closure framework.

While the ultimate storage capacities of the proposed TSF and WRD are defined in the 2026 FS, the long-term stability criteria, rehabilitation approach and post-closure environmental performance objectives have not been described.

Under Moroccan mining and environmental legislation, mine closure and site rehabilitation form part of the project approval framework. Closure planning also constitutes a key Modifying Factor under the JORC Code (2012), as it influences long-term environmental liability and financial evaluation.

At the effective date of this report, closure planning for the Achmmach Project and associated Samine assets remains at a preliminary stage. Preparation of a conceptual Mine Closure and Rehabilitation Plan, supported by closure cost estimation and appropriate financial assurance mechanisms, will be required to align with regulatory requirements and international good practice.

12.7 Key Socio-economic Considerations

The Project is located in a rural area of El Hajeb Province characterised by dispersed settlement patterns and predominantly agricultural land use. Available socio-economic information is limited to high-level regional data referenced in the 2019 EIA. No comprehensive project-specific demographic surveys, livelihood assessments, vulnerability analysis, or infrastructure capacity studies were identified in the documentation reviewed. As such, the current socio-economic baseline dataset is considered limited and will require updating as part of any future ESIA process aligned with the 2026 FS configuration.

12.7.1 Socio-Economic Baseline

The 2019 EIA documentation does not include a comprehensive socio-economic baseline aligned with current international ESIA standards. The absence of detailed livelihood and vulnerability analysis limits the ability to fully assess social risk associated with the updated project scope.

12.7.2 Land Use and Economic Displacement

Although no physical resettlement has been identified, the Project is located on collective and State land in a rural setting where informal land use occurs.

Livestock grazing was observed within portions of the planned surface footprint, including areas proposed for the processing plant, tailings storage facility (TSF) and waste rock dump (WRD), indicating existing pastoral use of parts of the Project area.

The extent of community dependence on land within or adjacent to the Project footprint has not been formally documented through a detailed livelihood or land-use survey. While the observed land use does not indicate physical displacement, potential economic displacement associated with loss or restriction of grazing access may require assessment and, where applicable, compensation or access regularisation in accordance with Moroccan regulatory procedures.

12.7.3 Stakeholder Engagement and Social License

While a corporate Community Policy and grievance mechanism are in place, limited project-specific stakeholder engagement documentation (including stakeholder mapping, consultation records or engagement plans aligned with the current project configuration) was available for review. As the Project progresses toward construction, formalisation of stakeholder engagement processes consistent with Moroccan regulatory requirements and international good practice would be required to demonstrate maintenance of social licence to operate.

12.7.4 Construction-Phase Social

Potential future social considerations include workforce influx, traffic impacts, and pressure on local services. These risks are typical for rural mining developments and are expected to be manageable with appropriate mitigation planning.

12.8 ESG and Regulatory Modifying Factors

The assessment of ESG and regulatory Modifying Factors has considered environmental permitting alignment, tenure security, social licence, technical design maturity, and long-term environmental liabilities under Moroccan law and the JORC Code (2012).

Based on the documentation reviewed, the following matters are considered material dependencies for Project development under the 2026 FS configuration.

12.8.1 Environmental Approvals

The environmental approvals issued in 2019 for both the Achmmach and Samine sites are no longer valid and do not correspond to the project configuration defined in the 2026 FS, including revised production capacity (1.2 Mtpa), dedicated life-of-mine TSF (10.7 Mm^3), and WRD (4.8 Mm^3).

Updated ESIA documentation and formal regulatory approval will therefore be required prior to construction and operation. This represents a regulatory dependency but is not considered a fatal constraint, provided that a compliant ESIA aligned with the 2026 FS is prepared and approved.

12.8.2 Waste Rock Geochemistry

The feasibility documentation does not present static or kinetic geochemical testing of waste rock or assessment of acid rock drainage (ARD) potential.

Given the presence of sulphide-associated mineralisation, the absence of documented ARD assessment introduces uncertainty regarding long-term leachate quality and WRD design requirements. Completion of a comprehensive geochemical characterisation programme and development of an ARD management strategy will be required prior to construction.

12.8.3 Mine Closure Planning

The 2026 FS does not include a conceptual Mine Closure Plan, closure cost estimate, or financial provisioning framework.

In addition, the historical Samine processing plant is not proposed for reuse under the current configuration and includes legacy infrastructure and historical tailings areas. As Samine remains an asset associated with the broader project area, its eventual decommissioning and rehabilitation should be addressed within the overall closure framework.

Closure planning constitutes a Modifying Factor under the JORC Code (2012), as it affects long-term environmental liability and financial modelling. Development of a conceptual closure strategy, including treatment of legacy assets and associated cost estimation, will be required to align with regulatory requirements and international good practice.

12.8.4 Mine Tenure

The Project is supported by exploitation licences covering the Achmmach and Bou El Jai (BEJ) areas. Licence LE 332912 (Achmmach) and Licence LE 333172 (BEJ) are valid as at the effective date of this report.

Licence LE 333313 (BEJ) has an expiry date of 07 March 2026 and is reported to be under renewal. Supporting documentation confirming renewal has not been reviewed by SRK.

Confirmation of renewal will be required to ensure continued tenure security for the BEJ area.

12.8.5 Land Use

The Project is located on collective and State land in a rural setting. Livestock grazing has been observed within portions of the planned surface footprint, including areas proposed for the processing plant, TSF and WRD, indicating existing pastoral land use.

While no physical resettlement has been identified, potential economic displacement associated with loss or restriction of grazing access may require assessment and appropriate compensation or formalisation of access arrangements prior to construction.

No evidence of material land disputes or organised community opposition has been presented.

12.8.6 Social Licence and Stakeholder Engagement

The 2019 environmental approval did not include a comprehensive socio-economic baseline aligned with current international standards. While a corporate Community Policy and grievance mechanism are in place, project-specific stakeholder engagement documentation aligned with the 2026 FS configuration remains limited.

On the basis of the information reviewed, no social factors have been identified that would materially prevent development of the Project or constitute a material impediment to Ore Reserve declaration under the JORC Code (2012). However, further formalisation of stakeholder engagement processes will be required as development progresses.

13 Capital Expenditures and Operating Expenses

This section summarizes the Capital expenditures ("Capex") and Operating expenditures ("Opex") for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan"). The Achmmach Project is currently in the construction stage, and project costs have been estimated by Shanjin (2026 FS).

13.1 Capital Expenditures

The Capex for the Project is categorized into Future Capex.

13.1.1 Future Capex

Future Capex is estimated based on historical expenditure and the Life of Mine (LOM) production schedule. The total projected Future Capex is CNY 1,257 million. The summary of LOM Capex is presented in Table 13-1.

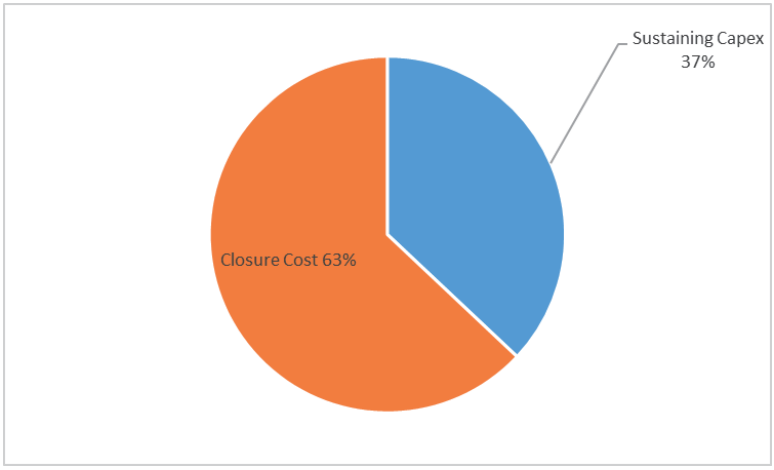
The expenditure is divided into three primary categories as shown in Figure 13-1. Sustaining Capex accounts for 37% of the total, followed by Closure Cost at 63%.

Table 13-1: Summary of LOM Capex

CAPEX	Unit	LOM
Initial Capex	Million CNY	1,204
Infrastructure	Million CNY	361
Underground Development	Million CNY	602
Equipment Installation	Million CNY	241
Sustaining Capex	Million CNY	19
Land Use Rights	Million CNY	-
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	-
Buildings	Million CNY	-
Underground Development	Million CNY	16
Others	Million CNY	4
Closure Cost	Million CNY	33
Total Capex	Million CNY	1,257

Source: summarized by SRK

Figure 13-1: Capex Investment Plan Distribution over LOM

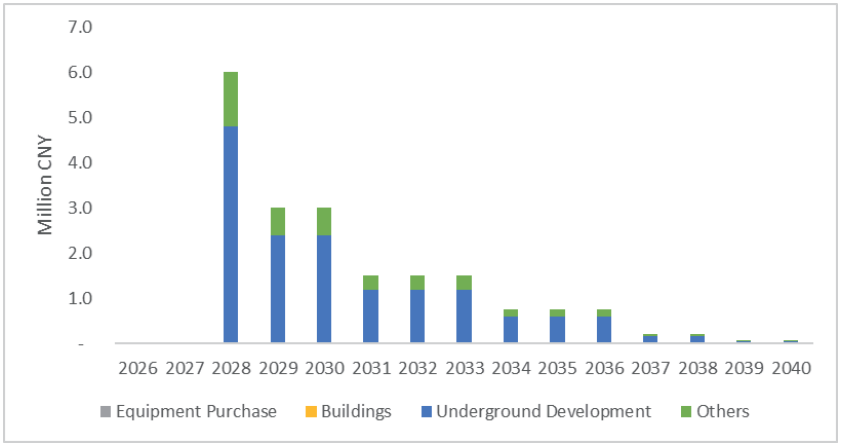


Source: summarized by SRK

Sustaining Capex

As shown in Figure 13-2, As this is a development project, the first two years are treated as the construction period and no sustaining capital is forecast during this time. Sustaining capital is projected to commence in 2028, with an initial peak of approximately CNY 6 million, after which it is expected to decline.

Figure 13-2: Sustaining Capex Investment Plan over LOM (in Million CNY)

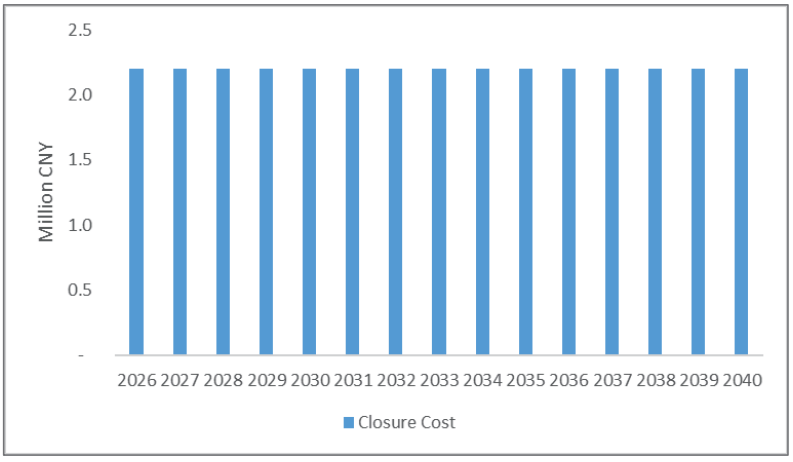


Source: summarized by SRK

Closure Cost

As shown in Figure 13-3, closure and rehabilitation costs are allocated as a fixed annual provision of CNY 2.2 million across the entire LOM.

Figure 13-3: Closure Capex Investment Plan over LOM (in Million CNY)



Source: summarized by SRK

13.2 Operating Costs

Opex have been estimated by Shanjin (2026 FS). The OPEX estimates are based on the LoM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortization (D&A) are excluded.

13.2.1 Operating Costs

The operating cash cost estimates in 2026 FS are summarized in Table 13-2. Total expenditure during this period is CNY 13,072 million.

Table 13-2: Cash Opex Estimated for Achemmach

Item	Unit	Total
COGS		
Labor Costs	Million CNY	2,085
Materials	Million CNY	7,603
Fuel & Power	Million CNY	1,463
OHS Expenses	Million CNY	643
D&A	Million CNY	-
Others	Million CNY	647
Taxes and Surcharges	Million CNY	-
Selling Expenses	Million CNY	214
General & Admin	Million CNY	16
R&D Expenses	Million CNY	400
Total OPEX	Million CNY	13,072

Source: 2026 FS

13.2.2 Unit Operating Costs

The estimated unit cash costs are provided in Table 13-3.

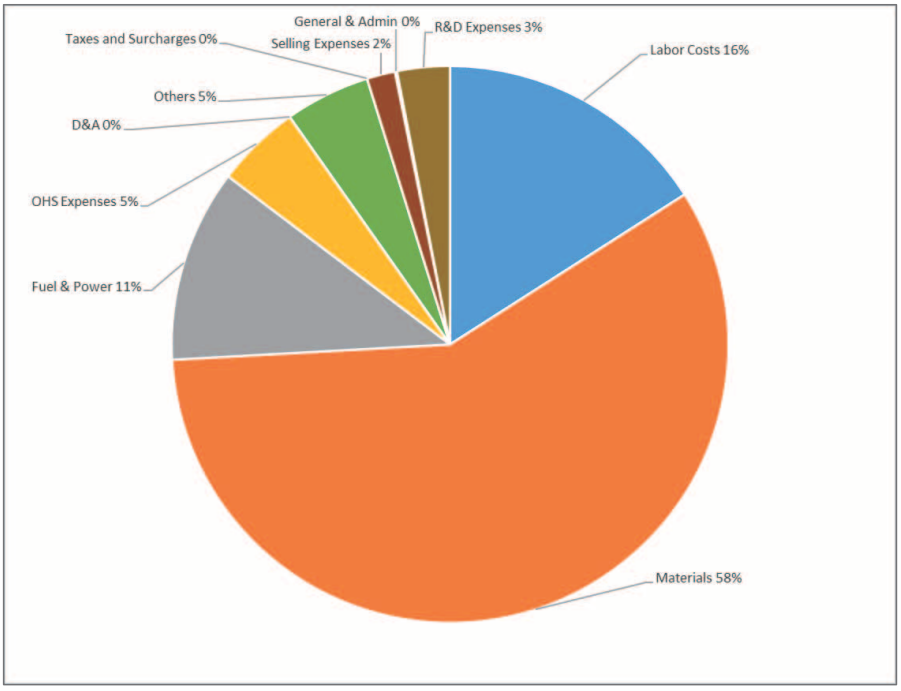
Table 13-3: Unit Cash Opex

OPEX - By Element	Unit	Average
COGS		
Labor Costs	CNY/t	79.99
Materials	CNY/t	291.65
Fuel & Power	CNY/t	56.13
OHS Expenses	CNY/t	24.66
D&A	CNY/t	-
Others	CNY/t	24.81
Taxes and Surcharges	CNY/t	-
Selling Expenses	CNY/t	8.22
General & Admin	CNY/t	0.60
R&D Expenses	CNY/t	15.34
Total OPEX	CNY/t	**501.41**

Source: 2026 FS

The cash Opex distribution, based on the 2026 FS estimates, is shown in Figure 13-4. materials (58%), Labor costs (16%), and fuel & Power (11%) represent the primary cost drivers.

Figure 13-4: Opex Estimated Distribution over LOM



Source: 2026 FS, summarized by SRK

13.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from 2026 FS to the projected production schedule.

The annual cash Opex projection over the LoM is shown in Figure 13-5.

Figure 13-5: Opex Plan over LOM (in Million CNY)



Source: summarized by SRK

14 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis was conducted using conventional Discounted Cash Flow ("DCF") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived Net Present Values ("NPVs") do not indicate the fair market values or the profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and financing costs were not considered.

The NPV was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and pricing.

14.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Achmmach Project. The assumptions are as follows:

- The ROM and finial products of Achmmach Tin Project are based on the LOM schedule.
- The local currency for Achmmach Tin Project is Moroccan Dirham (MAD). However, as the 2026 FS was prepared in CNY, the economic analysis in this report have been conducted and estimated in CNY for consistency with the 2026 FS assumptions.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LOM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Mineral Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LOM.
- The reference date or effective date is 31 December 2025.

14.1.1 LOM Physical

The mine production and key technical inputs parameters are described in the previous section. The summary of the key physical assumptions is presented in Table 14-1.

Table 14-1: LOM Physical Inputs for Economic-Analysis

Item	Unit	LOM
Mining		
Ore Reserves	kt	15,566
Average Grade		
Sn Grade	%	0.58
Total Metal		
Sn Metal	t	89,678
Capacity (average over LOM)	ktpa	1,197
Mine life	yrs	13
Processing		
Total Sn Recovery	%	70
High Sn Recovery	%	30
Low Sn Recovery - 1	%	30
Low Sn Recovery - 2	%	10 [1]

Sources: SRK

Note:

[1] Process recovery is assumed to be 5% in Year 1, increasing to 8% in Year 2, and reaching the planned steady-state recovery of 10% in Year 3 and thereafter.

14.1.2 Pricing Assumptions

Table 14-2 shows the prices for Tin. These commodity prices are dynamic and are derived from CMF, published by Consensus Economics Inc., to which SRK subscribes annually.

Table 14-2: Pricing Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	2031	LTP
Tin	(USD/t)	34,200	33,300	32,100	32,200	29,600	27,600	27,600

Source: CMF, 15 December 2025

14.1.3 Tax and Royalties

The tax, government charges and royalties for Achmmach Tin Project are mainly corporate income tax, resource tax, which is in term of royalties, and value added tax ("VAT").

- Corporate Income Tax ("CIT")

The standard corporate tax rate in Morocco is 17.5% of taxable income.

- Resource Tax (Royalties)
  - 3% of the net sales from tin (Sn) mineral products
- Value Added Tax

In Morocco, industrial minerals prices include a VAT, which is 20% of sales, excluding revenue from gold (Au) if any.

14.1.4 Depreciation

The initial capital and sustaining expenditures, including development costs, have been depreciated on a unit production basis. The assumed depreciation follows the straight-line method over a period of 10 years.

14.1.5 Working Capital

Working capital is the capital needed to fund operations before revenue is received from the finished product. Working Capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

14.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 14-3.

Table 14-3: LOM Key Economic Results

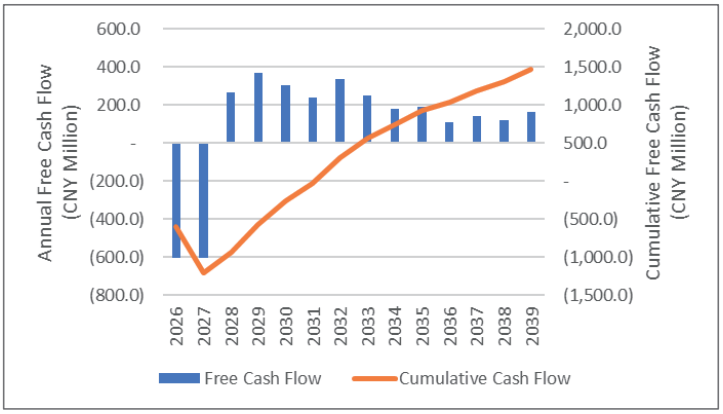
Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Discount rate	%	8.0%
Net Present Value, pret-tax	Million CNY	797.0
Net Present Value, post-tax	Million CNY	560.7
IRR	%	17.0%
Payback	in year	5

Sources: SRK

The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 560.7 million. The sensitivity of NPV against discount rate is presented in Figure 14-2. The annual cash flows are presented graphically in Figure 14-1 and in tabular form in Table 14-4.

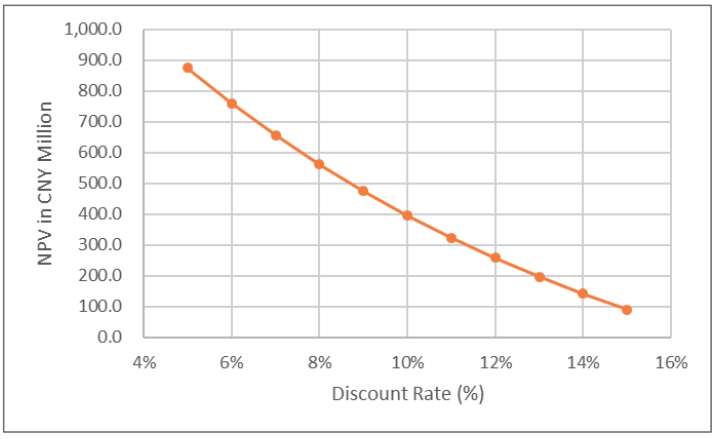
Project cash flows are negative during the initial two-year construction period (from 2026) but become positive from 2028 with the start of commercial production. Positive cash flows are maintained thereafter, with full capital payback achieved in 2033.

Figure 14-1: Cash Flow Profile



Source: SRK

Figure 14-2: ACHMMACH Tin Project NPV versus Discount Rate



Source: SRK

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Table 14-4: LOM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
COGS																	
Labor Costs	CNYm	1,245.1	-	-	97.2	96.0	96.2	96.6	96.6	96.0	96.0	96.0	96.9	96.5	96.0	95.9	89.2
Materials	CNYm	4,539.8	-	-	354.3	350.2	350.7	352.1	352.4	349.9	350.0	349.9	353.3	351.8	350.2	349.8	325.2
Fuel & Power	CNYm	873.8	-	-	68.2	67.4	67.5	67.8	67.8	67.3	67.4	67.3	68.0	67.7	67.4	67.3	62.6
OHS Expenses	CNYm	383.8	-	-	30.0	29.6	29.6	29.8	29.8	29.6	29.6	29.6	29.9	29.7	29.6	29.6	27.5
D&A	CNYm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	CNYm	386.2	-	-	30.1	29.8	29.8	30.0	30.0	29.8	29.8	29.8	30.1	29.9	29.8	29.8	27.7
Taxes and Surcharges	CNYm	343.6	-	-	29.5	32.3	29.3	27.1	31.4	27.2	24.8	25.5	22.4	23.9	22.8	24.8	22.5
Selling Expenses	CNYm	128.0	-	-	10.0	9.9	9.9	9.9	9.9	9.9	9.9	9.9	10.0	9.9	9.9	9.9	9.2
General & Admin	CNYm	9.4	-	-	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
R&D Expenses	CNYm	238.7	-	-	18.6	18.4	18.4	18.5	18.5	18.4	18.4	18.4	18.6	18.5	18.4	18.4	17.1
Total	**CNYm**	**8,148.4**	**-**	**-**	**638.5**	**634.3**	**632.2**	**632.4**	**637.3**	**628.8**	**626.6**	**627.0**	**629.8**	**628.7**	**624.8**	**626.2**	**581.6**
Sn Sold Opex Unit Cost	**CNY / t**	**131,845**	**-**	**-**	**136,406**	**123,978**	**124,060**	**124,445**	**108,077**	**123,273**	**134,690**	**131,051**	**149,958**	**140,065**	**145,815**	**134,475**	**137,696**

Capital costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Initial Capex	CNYm	1,204.2	602.1	602.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Sustaining Capex - Mining	CNYm	19.4	-	-	6.0	3.0	3.0	1.5	1.5	1.5	0.8	0.8	0.8	0.2	0.2	0.1	0.1
Closure	CNYm	33.0	-	-	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Total	**CNYm**	**1,256.6**	**602.1**	**602.1**	**8.6**	**5.6**	**5.6**	**4.0**	**4.0**	**4.0**	**3.3**	**3.3**	**3.3**	**2.8**	**2.8**	**2.6**	**2.6**
	CNYm																

Cash flow		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Net revenue	CNYm	11,453	-	-	982	1,076	978	903	1,048	906	827	850	746	798	761	827	750
Operating costs	CNYm	(7,805)	-	-	(609)	(602)	(603)	(605)	(606)	(602)	(602)	(602)	(607)	(605)	(602)	(601)	(559)
Royalties	CNYm	(344)	-	-	(29)	(32)	(29)	(27)	(31)	(27)	(25)	(26)	(22)	(24)	(23)	(25)	(23)
Closure Costs	CNYm	(33)	-	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Change in net working capit:	CNYm	(0)	-	-	(31)	(11)	7	7	(11)	10	7	(1)	9	(4)	2	(5)	2
Capex	CNYm	(1,257)	(602)	(602)	(6)	(3)	(3)	(2)	(2)	(2)	(1)	(1)	(1)	(0)	(0)	(0)	(0)
Tax paid	CNYm	(390)	-	-	(38)	(58)	(43)	(31)	(57)	(35)	(23)	(28)	(11)	(21)	(16)	(28)	0
Free Cash Flows	CNYm	1,625	(602)	(602)	266	368	305	242	338	248	181	190	111	142	120	165	169

Sources: SRK

14.3 Sensitivity Analysis

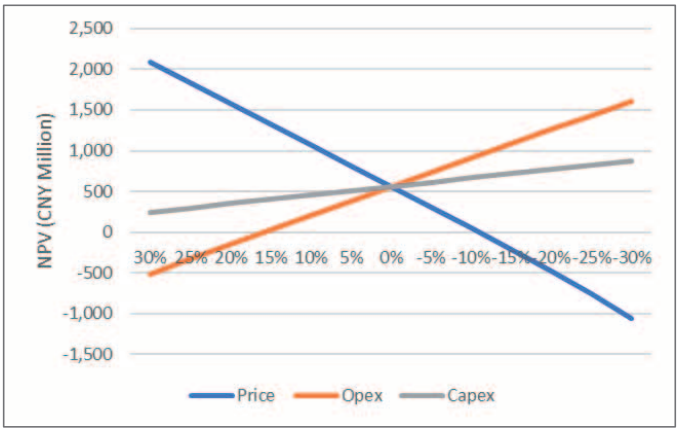
SRK conducted a single-factor sensitivity analysis for the Achmmach Tin Project to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range. The results showed that the Project is most sensitive to changes in metal prices and least sensitive to variations in Capex. Results of the sensitivity tests are presented in Table 14-5 and Figure 14-3.

Table 14-5: Sensitivity Analysis Result (@8% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	2,092	-517	245
25%	1,839	-330	298
20%	1,583	-146	351
15%	1,328	33	403
10%	1,072	211	456
5%	816	386	508
0%	561	561	561
-5%	305	736	613
-10%	49	911	666
-15%	-211	1,086	718
-20%	-478	1,261	771
-25%	-760	1,436	823
-30%	-1,054	1,611	876

Sources: SRK

Figure 14-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK

It can be seen that the changes in prices have the greatest impact on the Achmmach Tin Project's NPV, while Opex and Capex have smaller effects.

To clarify the effects of prices on the Achmmach Tin Project's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -11% from the base scenario prices

used in the model, i.e. if the price drops to about 89% of the forecasting price, the Achmmach Tin Project NPV will become negative.

15 Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Achmmach Tin Project in relation to their likelihood of occurrence within the LoM and consequence.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Achmmach Tin Project is an advanced project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Achmmach Tin Project. SRK's final Risk Assessment is presented in the following table.

Table 15-1: Risk Assessment for Achmmach Tin Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves	Possible	Moderate	Medium
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LoM)	Unlikely	Major	Low
Pumping System Adequacy	Unlikely	Moderate	Low
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Possible	Moderate	Medium
Poor Road Transportation/Safety	Possible	Minor	Low
Ore Processing and Metallurgy			
Process Adaptability	Unlikely	Moderate	Low
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Unlikely	Moderate	Low
Low Plant Reliability	Unlikely	Minor	Low
Environmental and Social			
Environmental Approval Renewal and Alignment with 2026 FS	Possible	Major	Medium
Waste Rock & Tailings Geochemical Uncertainty	Possible	Major	Medium
Water Management & Abstraction Permit Alignment	Possible	Moderate	Medium
Closure Planning	Likely	Moderate	Medium
Stakeholder Engagement / Social Licence	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

16 Conclusions and Recommendations

16.1 Geology and Mineral Resources

The Achmmach tin deposit is an epigenetic vein–stockwork–breccia system associated with a strongly boron-enriched paleo hydrothermal event. Mineralization comprises fine-grained cassiterite with minor associated sulphides hosted within tourmalinised sandstone and siltstone. The system is interpreted to be controlled by two cross-cutting swarms of tourmaline-altered structures: (i) a set of east–west–striking, sub-vertical zones commonly referred to as "feeders," and (ii) a stacked array of oblique, gently to steeply north-dipping "branch" structures.

Over its 1.6 km strike length, the mineralized system is hosted by folded and metamorphosed shale and sandstone sequences. The lodes define an across-strike corridor approximately 300 m wide, with individual structures ranging from about 1 m to 30 m in true width. Tin mineralization occurs predominantly as breccia infill and quartz–cassiterite veining and has been intersected in diamond drilling to a vertical depth of roughly 600 m below surface.

Most of the currently defined mineralization lies between about 1,000 m RL and 700 m RL. The system remains open both at depth and along strike.

The Bou El Jaj Project is about 5 Km southwest of the Achmmach project. They are sharing the similar geological and mineralisation background. At the Bou El Jaj project, mineralisation is hosted by interbedded turbiditic sandstones and siltstones of Early Carboniferous age.

The Mineral Resource Statement presented herein represents a Mineral Resource evaluation prepared for the Achmmach and Bou El Jaj Projects in accordance with the JORC Code guidelines. For the Achmmach Project, SRK has reviewed, but not re-modelled nor re-estimated the Mineral Resource and the Mineral Resource model was prepared by Cube in 2024. For the Bou El Jaj Project, the mineralised wireframes were interpreted by Kasbah in 2013 and SRK has reviewed the wireframes, re-estimated the Mineral Resource.

For the Achmmach Project, the estimates are based on 378 DD holes with a total length of 30,214 m up to December 2025. For the Bou El Jaj Project, the Mineral Resource database consist of 60 DD holes totalling 6,519 m.

The Achmmach and Bou El Jaj Projects, as of December 31, 2025 and at Sn cut-off grades of 0.13% for OP and 0.27% for UG , are estimated to contain 2.1 Mt of Measured Mineral Resources with Sn average grade of 0.85%, 25.3 Mt of Indicated Mineral Resources with Sn average grade of 0.62%, and 10.3 Mt of Inferred Mineral Resources with Sn average grade of 0.34%.

For both Achmmach and Bou El Jaj Projects, the mineralisation remains open both at depth and along strike. The reported Mineral Resources are mainly concentrated within the drilling zones. The interpreted domains have only been extrapolated 20 m beyond the limits of drilling. There is potential to expand the Mineral Resource through further exploration work. Especially for Bou El Jaj Project, there is certainly potential for extensions at depth and along strike to the current mineralised domains. As shown in Figure 5-3, there is an approximately 5 km strike length between Achmmach and Bou El Jaj where the geological setting is similar to that of these two projects and likewise has good mineralization potential.

For the Achmmach Project, SRK suggests conducting infill drilling to update confidence at the Sidi Addi Trend, particularly in the high-grade zones. And a few diamond grade control holes are recommended from underground before final stope design, as there is still some uncertainty about exact locations of the ore/waste boundaries. For the Bou El Jaj Project, down dip drilling is recommended to test for depth and strike extensions of the mineralisation.

16.2 Mining and Ore Reserves

The Achmmach Tin Project has been designed as an underground operation. SRK conducted stope optimization and updated LOM plan, determining that the revised mine design is appropriate to guide the extraction of eligible Mineral Resources. The mining methods employed at Achmmach Tin Project include sub-level open stoping with delayed backfill, and shrinkage stoping. After reviewing the mining methodology, equipment list, and mining services, SRK considers that operations are conducted in accordance with industry standard practices. Overall, the mining methods applied at Achmmach Tin Project are deemed suitable to support future production.

Achmmach Tin Project primarily relies on contractors for development and mining activities, while mine management, technical services, and supervisory staff are provided by the company.

Inferred Mineral Resources, if can be upgraded into higher categories (Inidcated or even Measured Resources, may have a significant impact on Ore Reserve estimation. It is recommended that additional geological work be conducted to improve confidence in the Mineral Resource, which will also support more robust LOM planning.

16.3 Mineral Processing

- The 2018 DFS flowsheet of crushing circuit – two-stage closed-circuit crushing + ore sorter pre-concentration + HPGR fine crushing is technically reasonable. In view of the fact that ore sorter pre-concentration has not yet been tested at industrial scale, SRBG Design & Consultancy Co., Ltd. reverted to a conventional three-stage closed-circuit crushing flowsheet in the 2026 FS. SRK considers that pre-concentration is an important development direction for tin ore processing and is technically feasible. It is recommended that the plant layout continue to follow the 2018 DFS concept by reserving an industrial area for ore sorter pre-concentration, so that on-site industrial trials can be carried out.
- The principle flowsheet for cassiterite recovery is gravity separation for coarse-fraction and desliming flotation for fine-fraction. The designed processing flowsheet (excluding pre-concentration) is well supported by processing testwork and conforms to the standard processing principles for cassiterite. However, due to the large variety of gravity separation equipment and the flowsheet complexity, the flowsheets designed in the 2018 DFS and 2026 FS differ significantly. SRK recommends taking the 2018 DFS flowsheet as the base case and adding demagnetisation and desulphurisation stages to update the processing flowsheet. It is further recommended that, based on the updated flowsheet and the 1.2 Mtpa capacity, the selection and sizing of equipment be recalculated.
- The 2026 FS is based on a plant capacity of 1.2 Mtpa and produces three tin concentrates with grades of 42.7%, 3.3% and 4.2% Sn, with respective recoveries of 47.3%, 9.4% and 8.3%, giving a total tin recovery of 65%. Compared with the 69% overall recovery achieved in the CUMT testwork and the 77% reported by ALS, the design recovery is 4% to 12 % lower than the test

results. Taking into account the impact of design factors and operating factors on plant performance, SRK considers the designed performance indicators to be reasonable.

- SRK recommends that the project be evaluated on the basis of constructing a new processing plant at Achmmach, while at the same time carrying out detailed investigations and assessments of the potential utilisation of the old Samine processing plant. A technical and economic comparison between utilizing and not utilizing the Samine processing plant should also be carried out.

16.4 Environmental and Social Considerations, and Permitting

Based on the documentation reviewed, including the 2026 Feasibility Study, the Achmmach Project is technically capable of being developed in compliance with Moroccan environmental and social regulatory requirements, subject to updated permitting aligned with the current project configuration. The 2019 environmental approvals have lapsed and do not reflect the scope, capacity (1.2 Mtpa), and infrastructure defined in the 2026 FS; accordingly, updated ESIA processes will be required prior to construction. In addition, confirmation of renewal of one BEJ exploitation licence (LE 333313) will be required to ensure continued tenure security for that area.

Environmental management measures for water supply, tailings storage, waste rock disposal, hazardous materials handling, and site rehabilitation are conceptually defined at feasibility level. However, further technical work, including waste rock and tailings geochemical characterisation, development of a conceptual mine closure plan incorporating legacy Samine infrastructure, closure cost estimation, and confirmation of abstraction permits, will be required to support detailed design and regulatory approval.From a social perspective, the Project is located within an established mining permit area on collective and State land. No physical resettlement has been identified; however, livestock grazing occurs within portions of the planned surface footprint, indicating potential economic displacement that may require assessment and formalisation of access or compensation arrangements. While socio-economic baseline information and project-specific stakeholder engagement documentation remain limited, no social factors have been identified that would reasonably preclude development.

In conclusion, environmental, social and regulatory matters are considered manageable, subject to completion of updated permitting, confirmation of tenure renewal and implementation of appropriate management systems prior to construction.

Closure

This report, Competent Person's Report on Achmmach and Bou El Jai Projects in Morocco, was prepared by

Falong Hu
Principal Consultant (Mining)

and reviewed by

Dr Yonglian Sun
Corporate Consultant (Geotech & Project Evaluation)

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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1. *Technical Report, Mineral Resource Estimate Achmmach Tin Project, Morocco*, Cube Consulting Pty Ltd, August 12, 2024
2. *ACHMMACH – SAMINE Scoping Study Report 2024*, Atlantic Tin Ltd, April 2024
3. *ACHMMACH TIN PROJECT 2018 Definitive Feasibility Study Report*, Atlas Tin SAS, July 2018.
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10. *Metallurgical Assessment of Achmmach Meknes Tin Resource for Toyota Tsusho (Report T0966)*, ALS Metallurgy, Feb 2016
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Appendix A Mining Licenses



Royaume du Maroc
Ministère de la Transition Energétique et du Développement Durable

المملكة المغربية
وزارة الانتقال الطاقي والتنمية المستدامة

Département de la Transition Energétique
Direction Régionale de Fès

قطاع الانتقال الطاقي
المديرية الجهوية بفاس

مقرر تجديد رخصة الاستغلال

DECISION DE RENOUVELLEMENT DE LA LICENCE D'EXPLOITATION

N° : 332912 : رقم

Le Wali de la Région de Fès Meknès

والي جهة فاس مكناس

- ✓ بناء على القانون رقم 33.13 المتعلق بالمناجم الصادر بتنفيذه الظهير الشريف رقم 1.15.76 بتاريخ 14 من رمضان 1436 (فاتح يوليو 2015)؛
- ✓ وعلى المرسوم رقم 2.15.807 الصادر في 12 من رجب 1437 (20 أبريل 2016) بتطبيق أحكام القانون رقم 33.13 المتعلق بالمناجم بشأن مسطرة منح السندات المنجمية كما تم تغييره وتتميمه؛
- ✓ وعلى قرار وزير الصناعة والتجارة والاستثمار والاقتصاد الرقمي، وزير الطاقة والمعادن والماء والبيئة بالنيابة، رقم 2360.16 الصادر في 9 ربيع الأول 1438 (9 دجنبر 2016) بتفويض السلطة إلى ولاة الجهات والعمراء الجهويين لقطاع الطاقة والمعادن؛
- ✓ Vu la loi n°33-13 relative aux mines promulguée par le dahir n°1-15-76 du 14 ramadan 1436 (1er Juillet 2015) ;
- ✓ Vu le décret n° 2-15-807 du 12 Rajeb 1437 (20 Avril 2016) pris pour l'application des dispositions de la loi n°33-13 relative aux mines portant sur la procédure d'octroi des titres miniers tel qu'il a été modifié et complété;
- ✓ Vu l'arrêté du Ministre de l'Industrie, du Commerce, de l'Investissement et de l'Economie Numérique, Ministre de l'Energie, des Mines, de l'Eau et de l'Environnement par intérim n° 2360-16 du 9 rabii I 1438 (9 décembre 2016) portant délégation de pouvoir aux Walis des régions et aux Directeurs Régionaux du Département de l'Energie et des Mines ;
- ✓ وعلى طلب تجديد رخصة الاستغلال المودع لدى المديرية الجهوية للطاقة والمعادن بفاس.
- ✓ Vu la demande de renouvellement de la licence d'exploitation déposée à la direction régionale de l'énergie et des mines de Fès.

Enregistrée sous le n°08/33 en date du 05/07/2021 ..... بتاريخ ..... والمسجل تحت رقم .....

pour le compte de la Société ATLAS TIN sas ..... لفائدة .....

par laquelle demande le renouvellement de la licence d'exploitation n° 332912 ..... : متلمسا به تجديد رخصة الاستغلال رقم

La licence exploitation n° 332912 ..... تجدد رخصة الاستغلال رقم .....

est renouvelée pour une période de dix (10) ans ..... لمدة عشر(10) سنوات .....

à compter du 18 janvier 2022 ..... ابتداء من تاريخ .....

au 17 janvier 2032 ..... إلى غاية .....

carte(s) de : Meknès ..... الخريطة .....

delimitation du périmètre : تحديد حدود المحيط :

X1=465 196.91	Y1=329 081.73	X2=468 762.61	Y2 = 329 081.78
X3=468 760.96	Y3=325 742.45	X4=465 197.06	Y4= 325 742.54

d'une superficie de 11,9036Km²

Fès, le 18 JAN 2022 ..... فاس، في .....

Royaume du Maroc
Wali de la Région Fès Meknès
Gouverneur de la Préfecture de Fès
Ministère de l'Intérieur

Signé : ESSAID ZNIBER



Royaume du Maroc

Ministère de l'Energie, des Mines et du Développement Durable
Département de l'Energie et des Mines

Direction Régionale de Rabat

المملكة المغربية

وزارة الطاقة والمعادن والتنمية المستدامة
قطاع الطاقة والمعادن

المديرية الجهوية بالرباط

مقـــــرر منح رخصة الاستغلال

DECISION DE LA LICENCE D'EXPLOITATION

N°: 343180 رقم:

Le Wali de la Région Rabat-Salé-Kénitra

والي جهة الرباط – سلا - القنيطرة

بناء:

- ✓ على القانون رقم 33.13 المتعلق بالمناجم الصادر بتنفيذه الظهير الشريف رقم 1.15.76 بتاريخ 14 من رمضان 1436 (فاتح يوليو 2015)؛
- ✓ وعلى المرسوم رقم 2.15.807 الصادر في 12 من رجب 1437 (20 أبريل 2016) بتطبيق أحكام القانون رقم 33.13 المتعلق بالمناجم بشأن مسطرة منح السندات المنجمية؛
- ✓ وعلى قرار وزير الصناعة والتجارة والاستثمار والاقتصاد الرقمي، وزير الطاقة والمعادن والماء والبيئة بالنيابة، رقم 2360.16 الصادر في 9 ربيع الأول 1438 (9 ديسمبر 2016) بتفويض السلطة إلى ولاة الجهات والعمداء الجهويين لقطاع الطاقة والمعادن؛

- ✓ Vu la loi n°33-13 relative aux mines promulguée par le dahir n°1-15- 76 du 14 ramadan 1436 (1er Juillet 2015) ;
- ✓ Vu le décret n° 2-15-807 du 12 rejeb 1437 (20 Avril 2016) pris pour l'application des dispositions de la loi n°33-13 relative aux mines portant sur la procédure d'octroi des titres miniers ;
- ✓ Vu l'arrêté du Ministre de l'Industrie, du Commerce, de l'Investissement et de l'Economie Numérique, Ministre de l'Energie, des Mines, de l'Eau et de l'Environnement par intérim n° 2360.16 du 9 Rabiaa I (9 décembre 2016) portant délégation de pouvoir aux Walis des régions et aux Directeurs régionaux du Département de l'Energie et des Mines ;

- ✓ وعلى الطلب المودع لدى المديرية الجهوية للطاقة والمعادن بالرباط
- ✓ Vu la demande déposée à la Direction Régionale de l'Energie et des Mines de Rabat
le .....10 août 2017..... بتاريخ
par ..... Société Anonyme d'Entreprises Minières (SAMINE) ..... من طرف
ملتمسة الحصول على رخصة الاستغلال داخل محيط الرخص المعدنية أرقام **2685** المنشأة بتاريخ 18 نونبر 1990 و**2694** و**2695** المنشأة بتاريخ 17 دجنبر 1990 و**213156** و**213157** و**213158** و**213159** المنشأة بتاريخ 18 أكتوبر 2000.
Qui demande la licence d'exploitation dans le périmètre des permis miniers n° **2685** institué le 18 novembre 1990 **et 2694 et 2695** institués le 17 décembre 1990 et **213156, 213157, 213158 et 213159** institués le 18 octobre 2000.
- ✓ Vu les justifications produites à l'appui de la demande.
- ✓ وعلى ما يساند الطلب من مبررات

DECIDE :

قرر ما يلـــي :

ARTICLE UNIQUE:

مادة فريدة:

تمنح رخصة الاستغلال التي حدد موقعها أسفله، لمدة عشر (10) سنوات ابتداء من تاريخ **05 يوليوز 2019** إلى **04 يوليوز 2029**

Une licence d'exploitation dont l'emplacement est défini, ci-dessous, est accordée pour une période de dix (10) ans allant du **05 Juillet 2019** au **04 Juillet 2029**

Carte de : **MEKNES au 1/100.000**

الخريطة : مكناس مقياس 1/100.000

Délimitation du périmètre:

تحديد حدود المحيط

X1= 469477,6 ; Y1= 333738,8	X8= 457197,1 ; Y8= 328742,5
X2= 469477,6 ; Y2= 329756,4	X9= 457477,6 ; Y9= 328742,5
X3= 465197,7 ; Y3= 329756,4	X10= 457477,6 ; Y10= 332656,3
X4= 465197,7 ; Y4= 321742,6	X11= 461477,6 ; Y11= 332656,4
X5= 461197,1 ; Y5= 321742,6	X12= 461477,6 ; Y12= 333756,4
X6= 461197 ; Y6= 320742,5	X13= 465478,5 ; Y13= 333756,4
X7= 457197,1 ; Y7= 320742,5	

D'une superficie de **111,39** km²

مساحتها **111,39** كلم²

Le Wali de la Région de Rabat - Salé - Kénitra
Gouverneur de la Préfecture de Rabat

Signé : Mohamed MAGOUSSI

Rabat, le .....

الرباط في



Royaume du Maroc
Ministère de l'Energie, des Mines et de l'Environnement

المملكة المغربية
وزارة الطاقة والمعادن والبيئة

Département de l'Energie et des Mines
Direction Régionale de Fès

قطاع الطاقة والمعادن
المديرية الجهوية بفاس

مقرر تجديد رخصة الاستغلال

DECISION DE RENOUVELLEMENT DE LA LICENCE D'EXPLOITATION

N° : 333313 : رقم

Le Wali de la Région de Fès Meknès — **والي جهة فاس مكناس**

- ✓ بناء على القانون رقم 33.13 المتعلق بالمناجم الصادر بتنفيذه الظهير الشريف رقم 1.15.76بتاريخ 14 من رمضان 1436 (فاتح يوليو 2015)؛
- ✓ وعلى المرسوم رقم 2.15.807 الصادر في 12 من رجب 1437 (20 أبريل 2016) بتطبيق أحكام القانون رقم 33.13 المتعلق بالمناجم بشأن مسطرة منح السندات المنجمية كما تم تغييره وتتميمه؛
- ✓ وعلى قرار وزير الصناعة والتجارة والاستثمار والاقتصاد الرقمي، وزير الطاقة والمعادن والماء والبيئة بالنيابة، رقم 2360.16الصادرفي 9 ربيع الأول 1438(9 دجنبر 2016) بتفويض السلطة إلى ولاة الجهات والعمداء الجهويين لقطاع الطاقة والمعادن؛
- ✓ Vu la loi n°33-13 relative aux mines promulguée par le dahir n°1-15-76 du 14 ramadan 1436 (1er Juillet 2015) ;
- ✓ Vu le décret n° 2-15-807 du 12 Rajeb 1437 (20 Avril 2016) pris pour l'application des dispositions de la loi n°33-13 relative aux mines portant sur la procédure d'octroi des titres miniers tel qu'il a été modifié et complété;
- ✓ Vu l'arrêté du Ministre de l'Industrie, du Commerce, de l'Investissement et de l'Economie Numérique, Ministre de l'Energie, des Mines, de l'Eau et de l'Environnement par intérim n° 2360-16 du 9 rabii I 1438 (9 décembre 2016) portant délégation de pouvoir aux Walis des régions et aux Directeurs Régionaux du Département de l'Energie et des Mines ;
- ✓ وعلى طلب تجديد رخصة الاستغلال المودع لدى المديرية الجهوية للطاقة والمعادن بفاس.
- ✓ Vu la demande de renouvellement de la licence d'exploitation déposée à la direction régionale de l'énergie et des mines de Fès.

Enregistrée sous le n°130110 en date du 12/02/2016 ..... بتاريخ ..... والمسجل تحت رقم .....

Pour le compte de **la Société HAMADA MINERALS** ..... لفائدة .....

Par laquelle demande le renouvellement de la licence d'exploitation n° **193313** ..... ملتمسا به تجديد رخصة الاستغلال رقم .....

La licence exploitation n° 333313 ..... تجدد رخصة الاستغلال رقم .....

Est renouvelée pour une période de dix (10) ans ..... لمدة عشر (10) سنوات .....

A compter du 09 MARS 2016 ..... ابتداء من تاريخ .....

Au 7 MAR 2026 ..... إلى غاية .....

Carte(s) de : **Aguelmous** ..... الخريطة .....

Delimitation du périmètre : ..... تحديد حدود المحجل :

X1=462121.990	**Y1=321736.064**	**X2=463985.579**	**Y2= 321738.861**
X3=463986.346	**Y3= 318902.969**	**X4=462121.872**	**y4= 318908.697**

D'une superficie de **5,625Km²**

Fès, le ..... 12 JAN. 2021 ..... فاس، في .....

Wali de la Région Fès Meknès
Gouvernement de la Préfecture de Fès

Signé - ESSAID ZNIBER



Royaume du Maroc
Ministère de l'Energie, des Mines et de l'Environnement

المملكة المغربية
وزارة الطاقة والمعادن والبيئة

Département de l'Energie et des Mines
Direction Régionale de Fès

قطاع الطاقة والمعادن
المديرية الجهوية بفاس

مقرر تجديد رخصة الاستغلال

DECISION DE RENOUVELLEMENT DE LA LICENCE D'EXPLOITATION

N° : 333172 : رقم

Wali de la Région de Fès Meknès

والي جهة فاس مكناس

- بناء على القانون رقم 33.13 المتعلق بالمناجم الصادر بتنفيذه الظهير الشريف رقم 1.15.76 بتاريخ 14 من رمضان 1436 (فاتح يوليو 2015)؛
- وعلى المرسوم رقم 2.15.807 الصادر في 12 من رجب 1437 (20 أبريل 2016) بتطبيق أحكام القانون رقم 33.13 المتعلق بالمناجم بشأن مسطرة منح السندات المنجمية كما تم تغييره وتتميمه؛
- وعلى قرار وزير الصناعة والتجارة والاستثمار والاقتصاد الرقمي، ووزير الطاقة والمعادن والماء والبيئة بالنيابة، رقم 2360.16 الصادر في 9 ربيع الأول 1438 (9 ديسمبر 2016) بتفويض السلطة إلى ولاة الجهات والعمراء الجهويين لقطاع الطاقة والمعادن؛

Vu la loi n°33-13 relative aux mines promulguée par le dahir n°1-15-76 du 14 ramadan 1436 (1er Juillet 2015) ;

Vu le décret n° 2-15-807 du 12 Rajeb 1437 (20 Avril 2016) pris pour l'application des dispositions de la loi n°33-13 relative aux mines portant sur la procédure d'octroi des titres miniers tel qu'il a été modifié et complété ;

Vu l'arrêté du Ministre de l'Industrie, du Commerce, de l'Investissement et de l'Economie Numérique, Ministre de l'Energie, des Mines, de l'Eau et de l'Environnement par intérim n° 2360-16 du 9 rabii I 1438 (9 décembre 2016) portant délégation de pouvoir aux Walis des régions et aux Directeurs Régionaux du Département de l'Energie et des Mines ;

- وعلى طلب تجديد رخصة الاستغلال المودع لدى المديرية الجهوية للطاقة والمعادن بفاس

Vu la demande de renouvellement de la licence d'exploitation déposée à la direction régionale de l'énergie et des mines de Fès.

Enregistrée sous le **n°33/0011 en date du 13/03/2018** بتاريخ والمسجل تحت رقم

Pour le compte de **la Société HAMADA MINERALS** لفائدة

Par laquelle demande le renouvellement de la licence d'exploitation **n° 213172** والذي يطلب بموجبه تجديد رخصة الاستغلال رقم

La licence exploitation n° 333172 تجدد رخصة الاستغلال رقم

Est renouvelée pour une période de dix (10) ans لمدة عشر (10) سنوات

A compter du 22 NOV 2018 ابتداء من تاريخ

Au 21 NOV 2028 إلى غاية

Carte(s) de **Agueimous** الخريطة

Delimitation du périmètre تحديد محدود المحيط

X1=461196.137	Y1=321738.861
X2=462121.990	Y2= 321736.064
X3=462121.872	Y3= 318908.697
X4=461194.563	y4= 318904.646

D'une superficie de **2,289Km²**

Fès, le.....12 JAN 2021..... فاس، في

Wali de la Région Fès Meknès
Gouverneur de la Préfecture de Fès

Signé : ESSAID ZNIBER



Royaume du Maroc

Ministère de l'Energie, des Mines et du Développement Durable
Département de l'Energie et des Mines

Direction Régionale d'Oujda

المملكة المغربية

وزارة الطاقة والمعادن والتنمية المستدامة
قطاع الطاقة والمعادن

المديرية الجهوية بوجدة

مقرر منح رخصة الاستغلال

DECISION DE LA LICENCE D'EXPLOITATION

N° 323295 رقم

Le Wali de la région de l'oriental

والي جهة الشرق

✓ بناءا على القانون رقم 33.13 المتعلق بالمناجم الصادر بتنفيذه الظهير الشريف رقم 1.15.76 بتاريخ 14 من رمضان 1436 (فاتح يوليو 2015)؛

✓ و على المرسوم رقم 2.15.807 الصادر في 12 رجب 1437 (20 ابريل 2016) بتطبيق أحكام القانون رقم 33.13 المتعلق بالمناجم بشأن مسطرة منح السندات المنجمية؛

✓ و على قرار وزير الصناعة و التجارة و الإستثمار و الاقتصاد الرقمي و زير الطاقة و المعادن و الماء و البيئة بالنيابة رقم 2380.16 الصادر في 9 ربيع الأول 1438 (9 دجنبر 2016) بتفويض السلطة إلى ولاة الجهات و العمداء الجهويين لقطاع الطاقة و المعادن؛

✓ Vu la loi n°33-13 relative aux mines promulguée par le dahir n°1-15-76 du 14 ramadan 1436 (1er Juillet 2015) ;

✓ Vu le décret n° 2-15-807 du 12 rejeb 1437 (20 Avril2016) pris pour l'application des dispositions de la loi n°33-13 relative aux mines portant sur la procédure d'octroi des titres miniers ;

✓ Vu l'arrêté du Ministre de l'Industrie, du Commerce, de l'Investissement et de l'Economie Numérique, Ministre de l'Energie, des Mines, de l'Eau et de l'Environnement par intérim n°2380-16 du 9 rabii I 1438 (9 décembre 2016) portant délégation de pouvoir aux Walis des régions et aux Directeurs Régionaux du Département de l'Energie et des Mines;

✓ و على الملف المودع لدى المديرية الجهوية لوزارة الطاقة والمعادن بوجدة

✓ Vu la demande déposée à la Direction Régionale de l'Energie et des Mines d'Oujda

le :	22/03/2018	بتاريخ
Par	Société ATLAS TIN	من طرف
Qui demande la licence d'exploitation dans le périmètre		ملتمسة الحصول على رخصة الاستغلال داخل المحيط
des permis miniers n°:	223197, 223198 et 223203	رخص المعدنية رقم
Institués respectivement le :	17/11/2007, 17/11/2007 et 17/11/2007	المنشأة على التوالي بتاريخ

✓ Vu les justificatifs produites à l'appui de la demande

✓ و على ما يسند الطلب من مبررات

DECIDE:

قرر مـــايلـــي

ARTICLE UNIQUE:

مادة فريدة

Une licence d'exploitation dont l'emplacement est défini, ci-dessous, est accordée pour une période de dix (10) ans

تمنح رخصة الاستغلال التي حدد موقعها اسفله لمدة (10) سنوات

Allant du	10/05/2019		ابتداءا من تاريخ
Au :	10/05/2029		الى
Carte(s) :	ZELMOU		الخريطة (الخرائط)
Délimitation du périmètre :	X1= 730290	Y1=174220	تحديد حدود المحيط
	X2= 733190	Y2=174220	
	X3= 733190	Y3=172052	
	X4= 732670	Y4=172052	
	X5= 732670	Y5=171510	
	X6= 730290	Y6=171510	
D'une superficie de :	7,57 km²		مساحتها

Oujda, le 31 MAI 2018 وجدة بتاريخ

Le Wali

Appendix B JORC Code Table 1

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond core drilling was used at both Achmmach and Bou El Jaj. At Achmmach, mineralised intervals were identified visually and with a handheld Niton XRF (used only as a screening tool, not in the resource database) and sampled on nominal 1.0 m intervals, shortened or lengthened where required to honour geological contacts; core was sawn longitudinally and half-core submitted for assay, with the remaining half retained for reference and potential re-sampling..docx Only visually mineralised zones were routinely sampled, with clearly barren material generally left unsampled; these gaps in assay coverage are explicitly considered in the resource modelling methodology. • At Bou El Jaj (Ain Karma), diamond core was similarly sampled on nominal 1.0 m intervals (minimum 0.6 m, maximum 1.4 m) adjusted to geological boundaries, with half-core submitted for assay and half retained; density samples (HQ core) were collected on fixed-length intervals within mineralised sequences. • Initial sample preparation for both projects was undertaken at the Achmmach core processing/on-site preparation facility, where half-core samples were crushed in two stages to achieve at least 80% passing 2 mm and ~250 g sub-samples were obtained by rotary or automatic riffle splitting. Sub-samples were dispatched in sealed, tamper-evident containers to ALS Loughrea (independent commercial laboratory), where they were pulverised to ~85% passing 75 µm and analysed for Sn by fused-bead XRF ("total" method) and for multi-elements by four-acid ICP-AES; sample security included retention of half-core, storage of coarse rejects and pulps, and sealed shipping drums with security tags to maintain chain of custody. • Representivity of sampling is supported by high core recoveries (~99–100% in mineralised zones), comprehensive geological logging of the entire length of all drillholes, use of oriented core, application of fixed nominal sample lengths moderated by geology, and systematic

Criteria	JORC Code explanation	Commentary
		specific-gravity measurements (initially by callipers, then predominantly by water-immersion with daily scale calibration) on mineralised core, providing a dense and representative bulk-density dataset. • Analytical quality and instrument/laboratory performance were monitored through comprehensive QA/QC programmes including insertion of certified Sn reference materials (OREAS 140, 141, 142) at ~5% of samples, blanks at ~2–3%, and coarse-crush and pulp duplicates (~10%), as well as umpire checks at independent laboratories (Bureau Veritas and SGS). Control charts, precision plots and inter-laboratory comparisons indicate good precision, minimal contamination, and only a very slight conservative (low) bias at moderate to high Sn grades, confirming that the sampling and assay data are of sufficient quality and are fit for Mineral Resource estimation purposes.
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).*	• All drilling used in the MRE was diamond core, with PQ or HQ at the surface and reducing to NQ at depth when required. • For the WZ, all core was HQ or HQ3. • Orientation has been performed using the ACT/ Reflex tool method.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recover was routinely recorded for all drill holes during geological logging. The rock is very competent, with average recovery of 99%. Low recoveries are associated with faults or other structures that are not related to the mineralisation. The recovery in the mineralisation zones is almost always 100%. • Where difficult ground conditions were encountered, drill runs were reduced to less than a meter. • There is no relationship between Sn grade and recoveries.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core logged for lithology, alteration, mineralization, structural features, and rock quality and other geotechnical information was also logged. • Logging was to geological boundaries/contacts. • All core was photographed both dry and wet. • The entire length of all drillholes is logged.
Sub-sampling techniques	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• For both Achmmach and Bou El Jaj, all samples are from diamond core. Core was cut longitudinally with a core saw and half-core was

Criteria	JORC Code explanation	Commentary
and sample preparation	• *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.*	taken for assay; the remaining half was retained in the core trays for reference and potential re-sampling. Selected HQ-size core intervals were also taken as density (SG) samples, typically ~0.6 m in length. • N/A • Achmmach core processing facility, where half-core samples were dried and put through a two-stage crushing circuit to achieve at least 80% passing 2 mm, and ~250 g sub-samples were taken using rotary/automatic riffle splitters. These sub-samples were dispatched in sealed containers to ALS Loughrea, Ireland, where they were pulverised in a ring mill to approximately 85% passing 75 µm; a 0.25 g pulp split was taken for analysis. The crushing, riffle-splitting and fine pulverising procedures are standard industry practice for hard-rock tin deposits and are considered appropriate to the grain size and style of the cassiterite-bearing mineralisation. • Quality control during sub-sampling included routine coarse crush duplicate samples (approximately 10% at Bou El Jaj and similar programmes at Achmmach), which test the representativity of the crushed splits and the repeatability of the preparation process; results show strong correlations between original and duplicate Sn assays, with modest scatter largely confined to low-grade samples, indicating acceptable precision. Additional pulp repeats at the primary laboratory demonstrate excellent analytical precision. • High core recoveries (~99–100% in mineralised zones), systematic use of half-core, fixed nominal sample lengths moderated by geological contacts, and the absence of any routine quarter-core sampling all support representativity of the samples relative to in-situ material. • Overall, sample sizes and preparation methods are considered appropriate for the style and grain size of the mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks,*	• Since 2012, all exploration drill samples from both Achmmach and Bou El Jaj have been analysed at ALS Laboratories in Loughrea, Ireland, an independent commercial laboratory. • Tin (Sn) is assayed by a fused-bead XRF method (eg ALS XRF-12k), which is regarded as a "total" technique designed to measure essentially all tin in the sample; multi-element analyses are undertaken by four-acid ICP-AES (eg ALS ME-ICP61). These methods are appropriate and standard for hard-rock tin deposits.

Criteria	JORC Code explanation	Commentary
	duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Historical Kasbah samples were previously analysed at Reminex in Morocco, with check/umpire work completed at ALS Seville and Bureau Veritas Perth, both independent laboratories. A Niton handheld XRF analyser was used on core to assist with mineralisation and alteration interpretation • Comprehensive QA/QC programmes include insertion of certified Sn reference materials (OREAS 140, 141 and 142) at ~5% of samples, blanks at ~2–3%, and coarse crush and pulp duplicates at ~10%, together with external umpire/check assays. Performance of CRMs at both projects shows good precision with results generally within ±2 standard deviations of certified values and a consistent minor negative bias (slightly low Sn) at moderate to high grades, indicating conservative but acceptable accuracy. Blanks at Achmmach return very low Sn values with only isolated, non-systematic elevated results; at Bou El Jaj, a higher proportion of blanks show low-level Sn above detection, interpreted as either minor contamination or variability in the blank material, but not material to the Mineral Resource estimates. Duplicate data (coarse crush and pulp repeats) demonstrate high correlations and low absolute differences, confirming good precision in both preparation and analysis, and inter-laboratory comparisons (ALS vs Bureau Veritas, ALS vs SGS) show very high correlation with no significant systematic bias. Overall, the assaying and laboratory procedures are considered appropriate, with acceptable levels of accuracy and precision established for Mineral Resource estimation.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Assay and sampling quality have been independently reviewed and verified. At Achmmach, QA/QC programmes in place since 2009 have been assessed by external consultants, who consider the data suitable for Mineral Resource estimation, with consistent results and only a slight low bias in tin grades. • No twin holes used. • All core is systematically logged, photographed and stored, and no modifications to tin assays have been made other than routine data handling and exclusion of handheld XRF readings.
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.*	• Drill collars were located using Top-Con or a Leica SR530 Geodetic RTK receiver. • Downhole surveys were conducted using a multi-shot Reflex

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	instrument at 8m from the collar and then at 25m intervals. • All coordinates recorded in the UTM Zone 30 North (WGS84 datum) grid system. • A local grid was introduced over the Achmmach Project with rotating 20° anticlockwise from the UTM system. • A local grid was also introduced over the Bou El Jaj Project. • The Digital Elevation Model topographic surface was derived from a stereo image pair of GeoEye-1 acquisition from December 2011, which has 1 m vertical accuracy.
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 drill sections are at 20 m to 80 m spacing (Easting). Multiple holes were drilled from the same drill pad in a fan configuration with about 40 m x 40 m to about 20 m x 10 m grid. • The mineralised envelopes have sufficiently geological and grade continuity to support the definition of Mineral Resource. • Samples have been composited to 1 m, which is the most frequent raw sampling interval.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of the holes have been drilled at -60° to grid south at Meknes Trend which was designed to intersect tourmaline structures and mineralised zones perpendicularly. In the EZ, some flatter holes have been drilled to intersect the near surface mineralisation. A number of holes have been drilled at -50° to grid north to check cross cutting structures. • For the WZ of the Sidi Addi Trend, the majority of the holes have been drilled in a fan pattern to grid SSW. The orientation of the holes is perpendicular to the major geological structure. • For Bou El Jaj project, all holes have been drilled to grid east with a dip of -50° or -60°. • No material sampling bias related to drilling orientation and key mineralized structures was reported.
Sample security	• *The measures taken to ensure sample security.*	• Drill core was logged, photographed (wet and dry) and stored on site, with half - core retained in core trays as a permanent reference. Coarse crush rejects (typically 3 – 5 kg per sample) and returned pulps were stored in clearly labelled drums/containers in secure facilities. For both Achmmach and Bou El Jaj, sample bags and shipping drums were sealed and fitted with tamper-evident/security

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Criteria	JORC Code explanation	Commentary
		tags prior to dispatch, and transported to ALS laboratories under a documented chain of custody to minimise the risk of tampering or contamination.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• QG Consulting visited site in 2009 and 2010 to review all aspects of the operation. Recommendations such as submitting blank standards to the lab and checks on the adequacy of sample preparation were subsequently implemented by the company.

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.*	• See Section 3.2.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Achmmach project was discovered in 1985 by BRPM following stream sediment anomalies. BRPM undertook extensive regional and project scale geological mapping, soil geochemistry, gravity surveying, surface trenching, 32 diamond drill holes totalling 14,463 m, an 85 m deep exploratory shaft with 827 m of UG cross and drives, an UG bulk sampling and metallurgical test work. • The WZ was discovered by Kasbah Resource in 2012 from mapping and surface sampling and has only been drilled from 2013 onwards. • For the Bou El Jaj project, a total of 60 (totalling 9,028 meters) diamond drillholes were completed, of which 5 holes (1,075m) were drilled by BRPM in 1998, and 55 holes (7,953m) were drilled by Hamada in 2012.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Achmmach project is hosted in a tightly folded sedimentary sequence of Visean – Namurian turbidite beds locally showing shear corridors overprinted by tourmaline alteration. The area has also been

Criteria	JORC Code explanation	Commentary
		intruded by magmatic sills of intermediate and mafic composition. • The current geological model sees the Achmmach project as a sector cross-cut by several NNE-WSW trending vertical mineralised structures. These vertical structures (the feeders) are the presumed conduits for the granite emanated fluids that have been produced the tourmaline alteration breccias and deposited mineralisation in favourable trap sites pervading up and down dip from them in the sedimentary country rock (the branches). • The tin mineralisation occurs as cassiterite in disseminated form within the tourmaline, in association with sulphide veins or within quartz veins. • The Bou El Jaj Project is about 5 Km southwest of the Achmmach project. They are sharing the similar geological and mineralisation background.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The data set used for the Achmmach project Mineral Resource estimate consisted of 378 holes totalling 30,214 m. • The Bou El Jaj mineral database consisted of 60 holes totalling 6,519 m.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The main mineralisation outlier value samples have been capped. • Exploration Results are not being reported here. • Sample compositing for estimation was 1 m down to hole length. • No metal equivalent values are used for reporting exploration results or for the Mineral Resource estimate.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drill holes were generally oriented perpendicular to the mineralized structures to achieve representative sampling. • For the Achmmach project, the tin mineralised envelopes are dominantly NNW dipping with some sub vertical component related to the feeding structures. The deposit is mostly drilled to grid south for MRE. The intersection angles for the drilling appear virtually perpendicular to the mineralised envelopes thereby minimizing the difference between down hole intersections and true depth. • For the Bou El Jaj project, the holes were drilled to the grid east with declination between -40 ° to -70 ° .
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.*	• Appropriate maps and sections were reported in this Report.
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.*	• Exploration Results are not being reported here. The Mineral Resource estimate itself is a weighted and balanced estimate of the contained mineralisation.
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.*	• Detailed logging of lithology, alteration, mineralization, structural features, and Rock Quality Designation (RQD) conducted throughout exploration. • Bulk density and Metallurgical test results were detailed in the report, and can support resource evaluation. • RQD data collected to assess rock characteristics.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration is underway in the Bou El Jaj project.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK conducted spot checks of the database against historical exploration program tables and maps and found no flaws in the data. • Visual checks of the different generations and types of sampling data against each other also ensure database integrity.
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.*	• SRK visited the Achmmach and Bou El Jaj Projects site on between 11 to 14 May 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the overall geological interpretation is good. • The Achmmach Project is hosted in a sedimentary sequence of turbidite beds that very from thin-bedded to graded-bedded cyclic. Tourmaline-silica breccias were formed during subsequent deformation and following this a number of pulses of mineralisation occurred, with the tin mineralisation preferentially precipitating in the pre-existing tourmaline silica breccias. • The tin occurs as disseminated cassiterite associated with sulphide and/or quartz veins. • The databases are checked for errors and compared to previous database. • For the MRE, the main aim was to produce an interpretation of the tourmaline breccias. This consists of a series of E-W trending "vertical feeders" from 2 to 5 m thick, and a series of moderately north dipping mineralised zones that extend up and down dip of the vertical feeders in the sedimentary package.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• For the Achmmach project, over its 1.6 km strike length, the mineralized system is hosted by folded and metamorphosed shale and sandstone sequences. The lodes define an across-strike corridor approximately 300 m wide, with individual structures ranging from about 1 m to 30 m in true width. Tin mineralization occurs predominantly as breccia infill and quartz–cassiterite veining and has been intersected in diamond drilling to a vertical depth of roughly 600 m below surface. Most of the currently defined mineralization lies between about 1,000 m RL and 700 m RL. The system remains open both at depth and along strike.

Criteria	JORC Code explanation	Commentary
		• For the Bou El Jay project, The Bou El Jaj Project is about 5 Km southwest of the Achmmach project. They are sharing the similar geological and mineralisation background.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The Mineral Resource estimation work for Achmmach was completed by Cube in 2024. SRK have reviewed the database, estimation methodologies and models used to prepare the Mineral Resource estimate using Leapfrog and were satisfied that they comply with reasonable industry practice. • For the Bou El Jaj Project, the mineralised wireframes were interpreted by Kasbah in 2013 and SRK has reviewed the wireframes, re-estimated the Mineral Resource. • The key assumptions are detailed in the report. • Three-dimensional (3D) block grade estimation approach was applied for the Mineral Resource estimation. • Prior to modelling and estimation, the database was verified by SRK. • Wireframes of mineralised zones were modelled according to the interpretation made based on lithological, assay, and structure and geotechnical information. • Cube/SRK has chosen 1.0m as composite length. • Visual validation of block grades against drillhole grades and global statistical validation of the mean composite grades versus block estimates have been applied.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade of Sn 0.13% for open pit (Bou El Jaj) mining, Sn 0.27% respectively for underground (Achmmach) mining. • Details are in section 7.13.
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*	• Modified sublevel open stoping with delay backfill, and shrinkage stoping with delayed backfill mining method have been appled at Achmmach Tin Project. • Mining dilution is accounted for at 11%.

Criteria	JORC Code explanation	Commentary
	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.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• ALS and China University of Mining and Technology (CUMT) carried out process mineralogical studies and beneficiation testwork, respectively. The principal tin mineral is cassiterite, with a small amount of stannite. The tin minerals occur as medium- to fine-grained disseminations. The conceptual beneficiation flowsheet consists of gravity separation for the coarse size fraction and flotation for the fine size fraction. The tin concentrate recovery achieved in ALS testwork was 75%, and that in CUMT testwork was 69%, indicating that the Achmach tin ore is amenable to beneficiation and can be classified as having moderate beneficiation amenability. • Based on the ALS beneficiation test results, the processing plant in the feasibility study (2018 DFS) prepared by Lycopodium is designed to adopt a process of "ore crushing – sensor-based ore sorting (pre-concentration) – grinding – coarse gravity separation – fine-particle flotation," producing a high-grade tin concentrate and a medium-grade tin concentrate, with a designed tin recovery of 77%. Based on the CUMT laboratory results, the feasibility study (2026 FS) prepared by Shanjin Design Consulting Co., Ltd. is designed to use a combined "magnetic separation – gravity separation – flotation" process to produce a high-grade tin concentrate and a low-grade tin concentrate, with an overall tin recovery of 65%.
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.*	• Ore Reserve estimation assumes that tailings will be disposed of in a purpose-built TSF (10.7 Mm^3 capacity) and waste rock in a dedicated WRD (4.8 Mm^3 capacity) as defined in the 2026 FS. • It is assumed that updated ESIA approval consistent with the 2026 FS configuration will be obtained prior to construction. • It is further assumed that waste rock and tailings geochemical characterisation will confirm non-acid generating or manageable material, and that appropriate mitigation measures will be implemented where required. • Closure obligations and environmental management measures are assumed to be achievable under Moroccan regulatory requirements.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density and specific gravity measurements were performed during historical programs. • SRK did not observe a correlation between mineralization and density measurements nor a significant relationship between lithology and density. • For the Achmmach Project, a total of 5,909 bulk density samples (Figure 7-6) has been collected by Kasbah since 2010. The value of the block bulk density was estimated using Ordinary Kriging ("OK") method by Cube. The details were described in the following sections. • For the Bou El Jaj Project, a total of 35 bulk density samples were collected, with the minimum of 2.68 t/m^3, the maximum of 3.18 t/m^3 and the mean of 2.86 t/m^3. The formular density = 0.1952 × Sn (%) + 2.7793 was used for block model bulk density assignment by SRK for the Bou El Jaj Project.
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.*	• Resource Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. • Measured Mineral Resources were limited to the sample spacing of less than 20 m × 20 m. • Indicated Mineral Resources were with drill spacing of less than 40 m × 40 m, where the lode positions exhibit good continuity and predictability. • Inferred Mineral Resources were assigned to portions of the deposit where drill spacing exceeds approximately 20 m limit in mineralisation
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews of the Mineral Resource estimate have been taken place. • SRK carried out an internal peer review on the Mineral Resource estimate.
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*	• The input data, including geological mapping and drillhole data are comprehensive in their coverage of the mineralisation. • The Mineral Resource estimates appropriately reflect the view of the Competent Person. • The relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied.

Criteria	JORC Code explanation	Commentary
	discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate was performanced by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 December 2025 • Reported Mineral Resource is inclusive of potential Ore Reserve material.
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.*	• Mr. Falong Hu, the Competent Person for this Ore Reserve statement is a full-time employee of SRK Consulting (China) Ltd. • Mr. Falong Hu conducted the site visit from 11 to 14 May 2026.
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.*	– Mining related data acquired by SRK through virtual data request and site visit. Mining review is primarily based on the following information and results: – Definitive Feasibility Study for the Achmmach Tin Project, conducted by Atlantic Tin Limited. In July 2018 (AT 2018) – *Feasibility Study Report on the Mining, Processing and Tailings Design Project of the Atlas Tin SAS Achmmach Tin Mine in Morocco*, Shanjin Design & Consulting Co., Ltd., March 2026 (2026 FS) – Study of Water Resources and Mine Site Water Supply for the Achmmach Tin Project, conducted by CYSK Resource LTD. In January 2026 (AT Hydrogeology 2026) – Geotechnical Study for the Achmmach Tin Project, Conducted

Criteria	JORC Code explanation	Commentary
		by Entech Pty LTD. in April 2025 (AT Geotechnical 2025)
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The Mineral Resources of Cygnet Project contain Sn element. The Sn grade was used for COG to define the "Ore". • Below are the parameters used for COGs calculations:

Item	Parameters	Unit	Achmmach Tin Project	By Product
	Exchange Rate	USD : CNY	7.1	7.1
P	Sn Price	CNY/t	3,887	3,887
Pa	Treatment & Impurity Charges	%	0.08	0.08
Pr	Processing Recovery	%	72.00	72.00
Rt	Royalties	%	3.00	3.00
Cm	Mining Cost	CNY/t ore	4.32	
Cp	Processing Cost	CNY/t ore	2.65	2.65
Cg	G&A Cost	CNY/t ore	0.95	0.95
Cc	Contingency to Cost	%	10	10
A	COG	%	0.35	0.16

Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*	• The Ore Reserve is planned for extraction by underground methods. • SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. • The scope of the Ore Reserves estimation considers the boundaries of the mining tenure. • Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices. • The underground mine design and planning used for further planning is based on the review of the technical and economical consideration. • Mining dilution is accounted for at 11%, which includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 15%, to allow for unplanned losses during mining and material transportation to the processing plant. • The cut-off grade (COG) is used to define the economic viability of the stopes.

Criteria	JORC Code explanation	Commentary
	• *The infrastructure requirements of the selected mining methods.*	• The effective date is as of 31 December 2025.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The payable minerals in the Achmmach tin deposit are mainly cassiterite with a small amount of stannite, occurring as medium- to fine-grained disseminations. • ALS and CUMT have respectively carried out mineralogical studies and beneficiation testwork. The adopted conceptual flowsheet is "coarse-fraction gravity separation – fine-fraction flotation – magnetic separation to remove magnetic impurities – flotation to remove sulfide impurities." This conceptual flowsheet is consistent with general industrial practice for cassiterite beneficiation. • Based on the ALS beneficiation test results, the Lycopodium 2018 DFS designed a concentrator with a capacity of 0.75 Mt/a, adopting a flowsheet of "crushing – screening – pre-concentration – grinding – classification – coarse gravity separation – fine-fraction flotation" to produce two grades of tin concentrate (high-grade and medium-grade), with a tin recovery of 77%. • Based on the test results of CUMT, the 2026 FS prepared by Shanjin Design Consulting Co., Ltd. designed a concentrator with a capacity of 1.2 Mt/a, adopting a combined process of "crushing – grinding – magnetic separation – coarse gravity separation – fine-fraction flotation" to produce a high-grade tin concentrate and a low-grade tin concentrate, with an overall tin recovery of 65%. • The content of the deleterious element arsenic in the ore is very low and unlikely affect product quality. The sulfur content in the ore is relatively high; desulfurization by flotation to upgrade the concentrate is feasible, but sulfur remains a non-negligible factor affecting both the quality and the recovery of the tin concentrate. • Based on general industrial practice for tin ore beneficiation, together with the mineralogical study results for Achmmach and the two sets of beneficiation test results, SRK considers that by combining the flowsheet features of ALS and CUMT and producing three grades of tin concentrate (high-, medium- and low-grade), the overall tin recovery should be in the range of 65–70%.
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*	• 2019 environmental approvals for Achmmach and Samine have lapsed and do not align with the 2026 FS configuration (1.2 Mtpa, dedicated TSF and WRD). Updated ESIA approval is required prior to development.

Criteria	JORC Code explanation	Commentary
	residue storage and waste dumps should be reported.	• TSF and WRD designs are conceptually defined; however, waste rock and tailings geochemical characterisation (ARD assessment) has not been documented. • Closure planning and closure cost estimates are not presented in the 2026 FS and require further development. No environmental fatal flaws identified.
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.*	• See Chapter 11.
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.*	• See section 13.1 for the capital costs. • See section 13.2 for the operating costs.
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.*	• See section 14.1.2 for the prices. • See Chapter 9 for the recovery rate. • Just United States dollar is utilised.
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.*	• Mature channel for selling of products has been built and maintained well.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic*	• See section 14.1 for the assumptions.

Criteria	JORC Code explanation	Commentary
	inputs including estimated inflation, discount rate, etc. • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The Project is located on collective and State land within an established exploitation permit area. No physical resettlement identified. • No evidence of material land disputes or organised opposition has been identified. • Further socio-economic baseline refinement and structured stakeholder engagement will be required prior to construction. • No social fatal flaws identified.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• See chapter 15 for the risks.
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).*	• See sections 7.5 and 7.6.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• This report has been peer reviewed by Dr Yonglian Sun, FAusIMM, a Corporate Consultant (Geotech).
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*	• See chapter 15 for the risks.

Criteria	JORC Code explanation	Commentary
	discussion of the factors which could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Appendix C Compliance with *Chapter 18*

	Chapter 18			Sections in SRK's Report
18.01	DEFINITIONS AND INTERPRETATION			
18.02-18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has			
	applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must:—			
	(1)	establish to the Exchange's satisfaction that it has the right to participate actively in		6
		the exploration for and/or extraction of Natural Resources, either:—		
		(a)	through control over a majority (by value) of the assets in which it has invested	
			together with adequate rights over the exploration for and/or extraction of	
			Natural Resources; or	
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the	
			Exchange), which gives it sufficient influence in decisions over the exploration	
			for and/or extraction of the Natural Resources;	
	(2)	establish to the Exchange's satisfaction that it has at least a portfolio of:—		6.13
		(a)	Indicated Resources; or	
		(b)	Contingent Resources,	
			identifiable under a Reporting Standard and substantiated in a Competent Person's	
			Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs		13.2
		including the costs associated with:—		
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note:	*A Mineral Company must:*	
			• set out the components of cash operating costs separately by category;	

			• explain the reason for any departure from the list of items to be included	
			under cash operating costs; and	
			• discuss any material cost items that should be highlighted to investors.	
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for		14.1.5
		125% of the group's present requirements, that is for at least the next 12 months,		
		which must include:—		
		(a)	general, administrative and operating costs;	
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	
		Note:	Capital expenditures do not need to be included in working capital	
			requirements. Where they are financed out of borrowings, relevant interest	
			and loan repayments must be included.	
	(5)	ensure that its working capital statement in the listing document under Listing		14.1.5
		Rule 8.21A states it has sufficient available working capital for 125% of the group's		
		present requirements, that is for at least 12 months from the date of its listing		
		document.		
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market			not applicable
	capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			
	Note: *A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.*			
18.05-18.08	CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document:—			
	(1)	a Competent Person's Report;		Whole report
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		2.4
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		3
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		15
	(6)	if relevant and material to the Mineral Company's business operations, information on the following:—		12
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	

		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06-18.08	*Additional disclosure requirements that apply to certain new applicant Mineral Companies*			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			13.2
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			not applicable
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			6.1
18.09-18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION**			not applicable
	OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS			
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly			
	Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must:—			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		
	(2)	produce a Competent Person's Report, which must form part of the relevant circular,		
		on the Resources and/or Reserves being acquired or disposed of as part of the		
		Relevant Notifiable Transaction;		
		Note:	*The Exchange may dispense with the requirement for a Competent Person's*	
			Report on disposals where shareholders have sufficient information on the	
			assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must		
		form part of the relevant circular, on the Mineral or Petroleum Assets being acquired		
		as part of the Relevant Notifiable Transaction; and		
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets		
		being acquired.		
	Note:	*Material liabilities that remain with the issuer on a disposal must also be discussed.*		
18.10-18.11	*Requirements that apply to listed issuers*			
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum			
	Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.			
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or			
	Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated			
	as a Mineral Company.			
18.12-18.13	*Requirements that apply to Mineral Companies and listed issuers*			
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's			
	Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer			
	has available a previously published Competent Person's Report or Valuation Report (or			
	equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the			
	report is no more than six months old. The issuer must provide this document and a no			
	material change statement in the listing document or circular for the Relevant Notifiable			
	Transaction.			
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent			
	Evaluator for their material to be included in the form and context in which it appears in			
	a listing document or circular for the Relevant Notifiable Transaction, whether or not such			

	person or firm is retained by the listing applicant or the issuer.		
18.14-18.17	CONTINUING OBLIGATIONS		not applicable
18.14	*Disclosure in reports*		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details		
	of its exploration, development and mining production activities and a summary of		
	expenditure incurred on these activities during the period under review. If there has been		
	no exploration, development or production activity, that fact must be stated.		
18.15-18.17	*Publication of Resources and Reserves*		
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an		
	update of those Resources and/or Reserves once a year in its annual report, in accordance		
	with the reporting standard under which they were previously disclosed or a Reporting		
	Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual		
	report in accordance with the Reporting Standard under which they were previously		
	disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note:	*Annual updates are not required to be supported by a Competent Person's Report*	
		and may take the form of a no material change statement.	
18.18-18.27	STATEMENTS ON RESOURCES AND/OR RESERVES		
18.18	*Presentation of data*		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing		6.10; 7.4
	document, Competent Person's Report, Valuation Report or annual report, must be		
	presented in tables in a manner readily understandable to a non-technical person. All		
	assumptions must be clearly disclosed and statements should include an estimate of		
	volume, tonnage and grades.		
18.19	*Basis of evidence*		
18.19	All statements referring to Resources and/or Reserves:—		
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable	Whole report
		Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	
18.20	*Petroleum Competent Persons' Reports*		not applicable
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or		
	extraction of Petroleum Resources and Reserves must include the information set out in		
	Appendix 25.		
18.21-18.22	*Competent Person*		
18.21	A Competent Person must:—		
	(1)	have a minimum of five years' experience relevant to the style of mineralization	2.10
		and type of deposit under consideration or to the type of Petroleum exploration,	
		reserve estimate (as appropriate), and to the activity which the Mineral Company is	
		undertaking;	
	(2)	be professionally qualified, and be a member in good standing of a relevant	2.10
		Recognised Professional Organisation, in a jurisdiction where, in the Exchange's	
		opinion, the statutory securities regulator has satisfactory arrangements (either by	
		way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the	
		Exchange) with the Commission for mutual assistance and exchange of information	
		for enforcing and securing compliance with the laws and regulations of that	
		jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management		2.11
	and advisers. Specifically the Competent Person retained must:—		
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets	
		being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's	
		Report;	

	(3)	in the case of an individual, not be an officer, employee or proposed officer of the		
		issuer or any group, holding or associated company of the issuer; and		
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer.		
		Any of the firm's partners or officers must not be officers or proposed officers of any		
		group, holding or associated company of the issuer.		
18.23	*Additional requirements of Competent Evaluators*			
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator			2.7
	must:—			
	(1)	have at least ten years relevant and recent general mining or Petroleum experience		
		(as appropriate);		
	(2)	have at least five years relevant and recent experience in the assessment and/or		
		valuation of Mineral or Petroleum Assets or securities (as appropriate); and		
	(3)	hold all necessary licences.		
	Note:	*A Competent Person's Report or Valuation Report may be performed by the same*		
		Competent Person provided he or she is also a Competent Evaluator.		
18.24	*Scope of Competent Persons' Reports and Valuation Reports*			
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard			2.2
	as modified by this Chapter, and must:—			
	(1)	be addressed to the Mineral Company or listed issuer;		2.1
	(2)	have an effective date (being the date when the contents of the Competent		2.4
		Person's Report or Valuation Report are valid) less than six months before the		
		date of publishing the listing document or circular relating to a Relevant Notifiable		
		Transaction required under the Listing Rules; and		
	(3)	set out what Reporting Standard has been used in preparing the Competent		2.2
		Person's Report or Valuation Report, and explain any departure from the relevant		
		Reporting Standard.		
18.25-18.26	*Disclaimers and Indemnities*			
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections			2.3
	or topics outside their scope of expertise in which the Competent Person or Competent			
	Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the			
	report in its entirety.			
18.26	The Competent Person or Competent Evaluator must prominently disclose in the			2.9
	Competent Person's Report or Valuation Report the nature and details of all indemnities			
	provided by the issuer. Indemnities for reliance placed on information provided by issuers			
	and third party experts (for information outside the Competent Person's or Competent			
	Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence			
	are generally unacceptable.			
18.27	*Obligations of sponsor*			not applicable
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must			not applicable
	ensure that any Competent Person or Competent Evaluator meets the requirements of			
	this Chapter.			
18.28-18.34	REPORTING STANDARD			
18.28-18.30	*Mineral reporting standard*			
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a			
	Mineral Company exploring for and/or extracting mineral Resources and Reserves must			
	also satisfy rules 18.29 and 18.30.			
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or			
	exploration results either:—			
	(1)	under:		
		(a)	the JORC Code;	2.2
		(b)	NI 43-101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market		not applicable
		from time to time, provided the Exchange is satisfied that they give a comparable		
		standard of disclosure and sufficient assessment of the underlying assets.		

	Note:	*The Exchange may allow presentation of Reserves under other reporting standards*		
		provided reconciliation to a Reporting Standard is provided. A Reporting Standard		
		applied to specific assets must be used consistently.		
18.30	A Mineral Company must ensure that:—			
	(1)	any estimates of Ore Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		7.1
	(2)	estimates of Ore Reserves and mineral Resources are disclosed separately;		7.6; 6.13
	(3)	Indicated Resources and Measured Resources are only included in economic		6.12
		analyses if the basis on which they are considered to be economically extractable		
		is explained and they are appropriately discounted for the probabilities of their		
		conversion to Ore Reserves. All assumptions must be clearly disclosed.		
		Valuations for Inferred Resources are not permitted;		
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and		6.10
		valuations of Indicated Resources, Measured Resources and Reserves:—		
		(a)	the methods to determine those commodity prices, all material assumptions	
			and the basis on which those prices represent reasonable views of future	
			prices are explained clearly; and	
		(b)	if a contract for future prices of Ore Reserves exists, the contract price is	
			used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher		14.1; 14.3
		and lower prices are supplied. All assumptions must be clearly disclosed.		
18.31-18.33	*Petroleum reporting standard*			not applicable
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a			
	Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must			
	also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves			
	either:—			
	(1)	under PRMS as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a		
		comparable standard of disclosure and sufficient assessment of the underlying		
		assets.		
	Note:	*A Reporting Standard applied to specific assets must be used consistently.*		
18.33	A Mineral Company must ensure that:—			
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of		
		estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in		
		PRMS). Where the probabilistic method is used, the underlying confidence levels		
		applied must be stated;		
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are		
		disclosed, they are presented on a post-tax basis at varying discount rates (including		
		a reflection of the weighted average cost of capital or minimum acceptable rate of		
		return that applies to the entity at the time of evaluation) or a fixed discount rate of		
		10%;		
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and		
		principal assumptions (including prices, costs, exchange rates and effective date) and		
		the basis of the methodology are clearly stated;		
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a		
		forecast price as a base case or using a constant price as a base case. The bases		
		for the forecast case must be disclosed. The constant price is defined as the		
		unweighted arithmetic average of the closing price on the first day of each month		
		within the 12 months before the end of the reporting period, unless prices are		
		defined by contractual arrangements. The basis on which the forecast price is		
		considered reasonable must be disclosed and Mineral Companies must comply with		
		rule 18.30;		
		Note:	*In the forecast case under PRMS, the economic evaluation underlying the*	

			investment decision is based on the entity's reasonable forecast of future	
			conditions, including costs and prices, which will exist during the life of the	
			project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are		
		disclosed, relevant risk factors are clearly stated;		
		Note :	*Under PRMS, wherever the volume of a Contingent Resource is stated,*	
			risk is expressed as the chance that the accumulation will be commercially	
			developed and graduate to the reserves class. Wherever the volume of a	
			Prospective Resource is stated, risk is expressed as the chance that a potential	
			accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or		
		Prospective Resources; and		
	(7)	where an estimate of future net revenue is disclosed, whether calculated without		
		discount or using a discount rate, it is prominently disclosed that the estimated		
		values disclosed do not represent fair market value.		
18.34	*Mineral or Petroleum Asset Valuation Reports*			not applicable
18.34	A Mineral Company must ensure that:—			
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN		
		Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from		
		time to time;		
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions		
		and the reason why a particular method of valuation is considered most appropriate,		
		having regard to the nature of the valuation and the development status of the		
		Mineral or Petroleum Asset;		
	(3)	if more than one valuation method is used and different valuations result, the		
		Competent Evaluator comments on how the valuations compare and on the reason		
		for selecting the value adopted; and		
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in		
		rule 18.23.		

Appendix D Chapter 2.6 of the Guide for New Listing Applicants

Chapter 2.6		Section in SRK's Report
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	6.10; 8; 14.1.2
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	not applicable
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	12.6
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	3.1
(v)	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	7; 8
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("NPV"), and the basis on which the discount rates are considered appropriate;	14
(vii)	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/Resources, cost forecasts and other data relating to the mines/ oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	not applicable
(viii)	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	15

FINAL

Competent Person's Report of Qianjinda Project in Inner Mongolia, China

Qianjinda Silver Polymetallic Project, Inner Mongolia, People's Republic of China

Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ▪ SCN977 ▪ 14 May 2026

srk consulting

FINAL

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Qianjinda Silver Polymetallic Project, Inner Mongolia, People's Republic of China

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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	Percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
Qianjinda	Zhengxiangbai Banner Qianjinda Mining Co., Ltd. (正镶白旗乾金达矿业有限责任公司)
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
Ag	the element symbol of silver
AusIMM	Australasian Institute of Mining and Metallurgy
BGRIMM	Beijing General Research Institute of Mining and Metallurgy
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold
CIP	Carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions
CIT	corporate income tax
cm	Centimetres
COG	cut-off grade
Xingye Silver & Tin	Inner Mongolia Xingye Silver & Tin Mining Co., Limited (内蒙古兴业银锡矿业股份有限公司)
CPR	Competent Person's Report
Cu	the element symbol of copper
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram

Term / Abbreviation	Meaning / Definition
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne
Guangzhou Institute	the Institute of Resources Comprehensive Utilization, Guangdong Academy of Sciences
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd
Hunan Institute	Hunan Nonferrous Metals Research Institute
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Joint Ore Reserves Committee (JORC) Code. It is the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
K	the element symbol of potassium
Kg	kilogram, equivalent to 1,000 grams
Km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
Kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral

Term / Abbreviation	Meaning / Definition
	Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
Pb	the element symbol of lead
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	Tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
US$	United States dollar

Term / Abbreviation	Meaning / Definition
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WRD	waste rock dump
VAT	value-added tax
Zn	the element symbol of zinc

Executive Summary

Introduction

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Qianjinda Silver Polymetallic Project ("**Qianjinda Project**" or "**QJD Project**" or the "**Project**") which is located in Inner Mongolia and operated by Qianjinda Mining Co., Ltd., a subsidiary company of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver & Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and resource models provided by Xingye Silver & Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit conducted on 9 to 10 April 2026, to the Qianjinda Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the silver-lead-zinc mineralisation, ore processing plant, ore and waste stockpiles, tailings storage facilities ("**TSF**"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- discussion with Qianjinda Mining and Xingye Silver & Tin management and technical personnel.

- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Qianjinda Mining and Xingye Silver & Tin and the related third party for comments and finalisation of the draft based on the feedback.

Results

Overall

Mining License

The Company has obtained a mining license to carry out mining and processing activities. In addition, it has acquired other approvals and permits including two safety production permits, a water use permit and various land use permits.

Geology and Mineralogy

Geotectonically the Qianjinda Project is situated at the zone in the southern margin of the Wenduermiao Caledonian Fold Belt within the Inner Mongolia Fold Belt, which belongs to the North China Plate System.

The geological formations exposed within the mining area are relatively simple, predominantly consisting of the Upper Jurassic Manketou Ebo Formation and the Holocene Series of the Quaternary System.

The Qianjinda silver-lead-zinc deposit is intimately associated with WNW-trending (310°–330°) joint fractures, which intersect the Ariwubulizhe Thrust Fault at an angle of approximately 77°. Fractures in this orientation provide favorable structures for ore accommodation and storage. Mineralised Domain 1, for instance, infills fractures oriented between 314° and 330°. These fractures exhibit characteristics of initial shear followed by extension, with no significant displacement observed in the adjacent wall rocks.

A total of 11 mineralized bodies has been delineated in the mining licence zone. The primary one is Domain 1, and are followed by Doman 1-1, Domain 4, Domain 5, Domain 6, Domain 7, Domain 8, Domain 20, Domain 22, Domain 23 and Domain 25.

The mineralized bodies are mainly located in the northwestern part of the license area, extending about 850 m east–west (from the western license boundary to east of Line P24) and 520 m north–south from the northern boundary. They occur as veins within continental volcaniclastic rocks of the Upper Jurassic Manketou Ebo Formation and Jurassic granitic porphyry, hosted in tuff, lithic tuff, and brecciated tuff west of Line P02 and in K-feldspar quartz porphyry to the east.

Mineralization is controlled by NWW-trending tensional–shear fractures and secondary fissures, with mineralised bodies striking 116°–147°, dipping 50°–88° toward 206°–237°, and showing local dip reversals. The largest ore body, Domain 1, is the main exploration target, extending from Lines P5 to P18 between elevations of 1342–720 m, with a surface burial depth of 136 m, a strike length of 634 m, and a down-dip extent of 673 m; it is defined by 140 engineering works, including 59 surface

drill holes, 49 crosscuts, 1 drift, 29 underground drill holes, and 2 raises, while most other mineralised bodies occur below 200 m depth.

The deposit is categorized as a post-volcanic, low-temperature hydrothermal filling polymetallic deposit controlled by fault structures, with an industrial classification of continental volcanic and subvolcanic rock-hosted lead-zinc and silver deposit.

Silver in the ore occurs mainly in silver sulfide minerals, with lesser amounts in galena and native silver; copper is chiefly in primary, and partly in secondary, copper sulfides, while lead and zinc are mainly present as sulfides. The deposit is overwhelmingly primary sulfide ore, with only minor mixed ore between 1,340–1,300 m elevation.

Metallic minerals are dominated by sulfides such as galena, sphalerite, chalcopyrite, pyrite, arsenopyrite, magnetite, rhodochrosite, and cerussite, accompanied by numerous trace minerals including freibergite, native silver, argentite and other complex Ag-, Cu-, Pb-, Zn-, and Sn-bearing phases. Gangue minerals are mainly quartz, mica, feldspar, garnet, fluorite, carbonates (calcite, dolomite, magnesite), pyroxene, chlorite, titanite, and various accessory phosphates, titanates, and sulfates.

Harmful Hg is low (21.4–742 ppb averaging 124.22 ppb) whereas As is high (0.0086–2.62%, averaging 0.71%), chiefly in arsenopyrite and qualifies as an associated component, with visible arsenopyrite west of the L0; Sb is relatively low (0.017–0.16%, averaging 0.09%). Fluorine occurs as CaF_2 in fluorite, mainly in Domain 1, with 0.27–4.31% F (averaging 2.73%) but does not meet the criteria for comprehensive utilization.

Exploration and QAQC

From 1971 to 1974, a 1:200,000 regional geological survey by the Inner Mongolia Geological Bureau established the basic stratigraphic framework, intrusive rock phases, major structural features, and mineralization controls in the area.

From 2008 to 2013, the Fifth Institute of Geology and Mineral Resources of Inner Mongolia carried out general exploration and submitted a general exploration report on the Donghu Ag-Pb-Zn polymetallic deposit.

From 2013 to 2015, the institute advanced directly to detailed and advanced exploration, completing 69 surface drill holes with a total drilling length of 39,291.68 m and submitting an advanced exploration report in February 2015.

From March 2015 to March 2016, the Inner Mongolia Geological Exploration Institute of the China Chemical Geology and Mine Bureau verified the resource reserves through 10 underground drill holes and 23 crosscuts, re-delineated the mineralised bodies and submitted a reserve verification report for the Donghu Ag-Pb-Zn polymetallic deposit.

Core and channel sampling procedures, intervals and documentation are consistent with standard hard-rock industry practice and Chinese regulatory guidelines. Sampling is considered representative and suitable for JORC-compliant resource estimation. Sample preparation, which include sample crushing, pulverising and splitting procedures and control of mass, loss and contamination are adequate and compliant with recognised standards. Analytical procedures: Use

of accredited regional laboratories, standard AAS methods and an independent umpire laboratory is appropriate and provides acceptable analytical quality.

Reliance on internal and external repeat analyses provides a reasonable level of QAQC. The principal limitation is the lack of documented routine CRMs, blanks and field/coarse duplicates in the project database. This is not considered to materially compromise the current resource estimate but should be remedied in future drilling and sampling programs.

Mineral Resource Estimation

The database and estimation domains were first prepared by Xingye Silver & Tin, and SRK then reviewed and updated the wireframes model. Mr Huaixiang (Hubert) Li (Member of Australian Institute of Geoscientists ("MAIG")), Senior Geologist has reviewed the database, updated the estimation domains and was satisfied that they complied with reasonable industry practice. SRK has generated the block models, performed the grade estimation and prepared the Mineral Resource statement.

The Competent Person responsible for the Mineral Resources is Mr Huaixiang Li (MAIG #8667), who is full time employee of SRK.

The estimates are based on 210 DD holes and 1,921 tunnel workings up to December 2025. With respect to surface and underground sample information available for the December 2025 Mineral Resource estimates, SRK believes the current drilling and channel sampling information is sufficiently reliable to interpret with confidence the boundaries for the QJD Project and that the assay data is sufficiently reliable to support the Mineral Resource estimation.

The Mineral Resources have been estimated in accordance with JORC Code guidelines. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserves. Leapfrog and Gslib softwares were used for data compilation and grade estimation.

The effective date of the Mineral Resource Statement is 31 December 2025.

The reasonable prospects for eventual economic extraction ("**RPEEE**") requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade that considers extraction scenarios and processing recoveries. To meet this requirement, SRK considers that major portions of the QJD Project are amenable for underground mining. The assumptions made to determine the cut-off for underground mining for the QJD Mine are shown in Table ES-1.

Table ES-1: RPEEE Assumptions

Item	Unit	Parameter
Mining		
Mining Cost	CNY/t ore	204
Mining Dilution	%	
Mining Loss	%	
Processing		
Processing Cost	CNY/t ore	103

Item	Unit	Parameter
Ag Recovery Rate	%	91
Other		
G&A + Sale Cost	CNY/t ore	180
Oz to gram	oz: gram	31.1035
Revenue		
Silver CMF Price	USD/oz	42.25
Exchange Rate	USD: CNY	7.10
Silver Price	CNY/g	9.64
Payable-Ag in Conc.	%	89
REV		7.78
Cash Cost		487
COG		63

Note: The price refers to the long-term prediction published by Consensus Market Forecasts in December 2025.

As of 31 December 2025, at a cut-off grade of 63 g/t AgEq (AgEq = Ag + 21.1049×Pb + 21.1813×Zn), the Mineral Resources of the QJD Mine are summarized in Table ES-2.

Table ES-2: Mineral Resource Statement for QJD Project, as of 31 December 2025

Class	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Ag (t)	Pb (Kt)	Zn (Kt)
Measured	0.37	122	3.57	4.12	45	13	15
Indicated	1.01	85	1.97	2.09	86	20	21
Measured and Indicated	**1.38**	**95**	**2.39**	**2.63**	**131**	**33**	**36**
Inferred	2.35	53	1.55	1.91	126	37	45

Notes:

[1] Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.

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

[3] Mineral Resource are reported at a cut-off grade of 63 g/t AgEq, AgEq = Ag + 21.1049×Pb + 21.1813×Zn, based on the price of Ag 42.25 USD/oz, Pb 2,600 USD/t and Zn 3,650 USD/t, the recoveries of Ag 90.61%, Pb 92.74% and Zn 79.55%,the payable of Ag 89%, Pb -107.02 USD/metal contained, Zn -733 USD/metal contained.

[4] The information in this report which relates to Mineral Resource is based on information reviewed and compiled by Mr Huaixiang Li who is a full-time employee of SRK Consulting China Ltd. Mr Li is a Member of AIG. He has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as the appropriate Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Mr Li consents to the reporting of this information in the form and context in which it appears.

[5] Mineral Resources are inclusive of Ore Reserves that have been converted from Measured and Indicated Mineral Resources.

[6] The effective date of the Mineral Resource Statement is December 31, 2025.

The QJD Project, as of December 31, 2025 and at a cut-off grade of 63 g/t AgEq within the mining licence, is estimated to contain 0.37 Mt of Measured Mineral Resources with average grades of 122 g/t Ag, 3.57% Pb, 4.12% Zn, 1.01 Mt of Indicated Mineral Resources with average grades of 85 g/t Ag, 1.97% Pb, 2.09% Zn, and 2.35 Mt of Inferred Mineral Resources with average grades of 53 g/t Ag, 1.55% Pb, 1.91% Zn.

Exploration Potential

After SRK's review of the exploration databased, SRK finds that the mineralised domains are still open at depths. And there are some holes intersected mineralisation at the NE and central zone of the mine. The reported Mineral Resources are mainly concentrated within the drilling and tunnelling zones. There is potential to expand the Mineral Resource through further exploration work.

SRK suggests QJD mine to insert more QA/QC samples at the least frequency of 10%, such as certified reference standards (representing high, medium, and low grades), as well as a coarse blank, pulp blank, coarse duplicate, and pulp duplicate.

Ore Reserves

SRK has estimated the Ore Reserves for the Qianjinda underground deposits in accordance with the guidelines outlined in the JORC Code. These Ore Reserve estimates are supported by Modifying Factors derived from technical studies and ongoing operational records, which are considered to meet the confidence level of a Pre-Feasibility Study.

Key factors applied in the estimation process include design scope, pit optimization, pit design, mining losses, and dilution. Additional factors, such as processing capabilities, market conditions, environmental considerations, legal and political constraints, and other elements that may influence the quantity and classification of the Ore Reserves, were also taken into account.

The portions of Measured and Indicated Mineral Resources within the designed underground stopes, inclusive of diluting materials and allowances for losses, have been classified as Proved Ore Reserves and Probable Ore Reserves, respectively. The Ore Reserve statement is shown in Table ES-3.

Table ES-3: Ore Reserves Statement for the Qianjinda Mine, as of 31 December 2025

Category	Tonnage	Average Grade			Metal Contained		
		Ag	Pb	Zn	Ag	Pb	Zn
	Mt	g/t	%	%	t	kt	kt
Proved	0.34	97.09	2.89	3.41	32.79	9.74	11.52
Probable	0.95	70.97	1.66	1.77	67.50	15.77	16.81
Total	**1.29**	**77.81**	**1.98**	**2.20**	**100.29**	**25.52**	**28.33**

Source: SRK

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr Rui Shen and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Mr Falong Hu is a Fellow of AusIMM. Mr Falong Hu has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which is undertaking 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. Mr Rui Shen and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[3] Total may not add due to rounding discrepancies

[4] The mining dilution rate is 17.59%. Mining loss rate is 3.46%.

Mining Assessment

Qianjinda Mine is scheduled to commence production in 2026 and is anticipated to cease the opreration by 2030. Stopes adjacent to the shaft are scheduled for extraction in the final years of the production schedule.

Qianjinda Mine employs a modified sub-level stoping method with waste backfill and shrinkage stope to achieve a production rate of 1,000 tonnes per day ("tpd"). The design incorporates 50 m level intervals, 50 m stope, length, with stope thickness defined by orebody thickness. A 3 m thick crown pillar and 7 m wide rib pillars are retained to ensure geotechnical stability.

Material is mucked in stopes by 1.0 m³ diesel or electric LHDs and dumped into ore passes, then fed by vibratory feeders into 1 m³ side-tipping mine cars on the rail levels. Trains hauled by ZK7-6/250 trolley electric locomotives transport ore to the shaft station, where it is hoisted to the 1,460 m main haulage level and hauled along the adit to the coarse ore stockpile at the process plant. Waste rock is discharged into waste passes, loaded into 1 m³ side-tipping mine cars, hoisted, and trammed to designated backfill or waste disposal areas in mined-out stopes.

Mineral Processing

The valuable minerals in Qianjinda Donghu polymetallic deposit are mainly galena, sphalerite, chalcopyrite and silver minerals. The silver minerals are primarily tetrahedrite-tennantite, native silver, stromeyerite, freibergite and pyrargyrite/proustite, which occur closely associated with galena. Chalcopyrite is mainly associated with galena, sphalerite, tetrahedrite-tennantite and arsenopyrite. The copper and silver minerals are finely disseminated and difficult to liberate by grinding. Galena and sphalerite occur with a non-uniform grain size but are relatively coarse and disseminated, allowing good liberation at a relatively coarse grinding size. As a result, lead and zinc are easy to separate, producing high-quality lead and zinc concentrates, with silver and copper also being enriched in the lead concentrate.

The processing plant was designed for a capacity of 300 ktpa (1,000 tpd), but due to grinding capacity constraints, the actual throughput is 800 tpd. Since 2021, plant technical and management personnel have carried out multiple optimisations of the processing flowsheet and equipment configuration, significantly improving both plant throughput and metallurgical performance. The current crushing, grinding, flotation and dewatering circuits are conventional process, with stable operation and consistent metallurgical indicators.

Over the past three years (see Table ES-4), the lead concentrate grade has averaged 62.55% Pb and 2,336 g/t Ag, with lead and silver recoveries of 92.76% and 90.5%, respectively. The zinc concentrate grade has averaged 53.91% Zn, with zinc recovery improving from 72.65% in 2023 to 82.46% in 2025.

Table ES-4: Historical Production Performance of the Qianjinda Processing Plant

Item	Unit	2023	2024	2025	Total/Average
Ore processed	t	265,051	330,923	358,638	954,612
Head grade	Pb, %	4.71	3.94	3.84	4.12
	Zn, %	2.89	2.88	3.12	2.97
	Ag, g/t	202.0	150.0	132.0	157.67

Item	Unit	2023	2024	2025	Total/Average
Metal in fed ore	Pb, t	12,486	13,051	13,782	39,319
	Zn, t	7,664	9,524	11,201	28,390
	Ag, kg	53,588	49,534	47,392	150,514
Ag–Pb concentrate output	t	18,064	19,623	20,621	58,308
Ag–Pb concentrate grade	Pb, %	64.24	62.12	61.46	**62.55**
	Ag, g/t	2,650	2,320	2,077	**2,336**
Metal in Ag–Pb concentrate	Pb, t	11,604	12,191	12,675	36,470
	Ag, kg	47,874	45,526	42,822	136,222
Ag–Pb concentrate recovery	Pb, %	92.94	93.41	91.97	**92.76**
	Ag, %	89.34	91.91	90.36	**90.50**
Zinc concentrate output	t	10,216	14,349	17,368	41,933
Zinc concentrate grade	Zn, %	54.50	54.37	53.18	**53.91**
	Ag, g/t	175.0	137.0	110.0	134.9
Metal in zinc concentrate	Zn, t	5,568	7,802	9,237	22,606
	Ag, kg	1,785	1,960	1,911	5,657
Zinc concentrate recovery	Zn, %	72.65	81.91	82.46	**79.63**
	Ag, %	3.33	3.96	4.03	3.76

Source: Production Reports of the Qianjinda Donghu Processing Plant

Based on the records of the actual concentrates stored in the Zinc and Lead concentrate bins provided by the company finacial department, the metals contained are calculated as shown in Table ES-5. Please note, copper, as a by-product, has also been included in the concentrate sales report.

Table ES-5: Historical Production Performance from Production and Sales Reports

Actual Recovered Metal	Unit	2023	2024	2025
Pb	kt	11.69	12.22	12.70
Zn	kt	5.59	7.83	9.26
Ag	t	47.84	46.07	43.18
Actual By Product Metal		**2023**	**2024**	**2025**
Cu	kt	0.02	0.10	0.08

Source: Production and Sales Reports from the finacial department

Workforce Assessment

According to information provided by the Human Resources Department, a total of 120 full-time employees is planned to operate the Qianjinda Project, excluding contractor personnel. Considering the ongoing operating status of the mine and the local mining market, SRK is of the opinion that the risk of human resource shortages is minor.

Project Infrastructure

QJD Mine has been commercial operated since 2020. Both the surface and underground infrastructure has been established.

Environmental and Social Impacts

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. The environmental and social risks for the Project are:

- Impacts to the local ecological system due to land disturbance
- Dust impacts from the TSF and waste rock dump area; and
- Impacts to groundwater from the waste dump and the TSF

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex is estimated based on historical expenditure and the Life of Mine ("LOM") production schedule. The total projected Future Capex is CNY 86.94 million. The summary of Capex is presented in Table ES-6.

Table ES-6: Summary of Capex for Qianjinda

CAPEX	Unit	LOM
Initial Capex		-
Infrastructure	Million CNY	-
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		**38.74**
Land Use Rights	Million CNY	-
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	19.55
Buildings	Million CNY	1.31
Underground Development	Million CNY	9.60
Others	Million CNY	8.28
Closure Cost	Million CNY	**48.2**
Total Capex	Million CNY	**86.94**

Source: summarized by SRK

Operating Costs

The Opex are shown in Table ES-7, which provides a summary of the unit costs in years 2023 to 2025. SRK considers the historical three-year weighted average cost to be reasonable and uses it

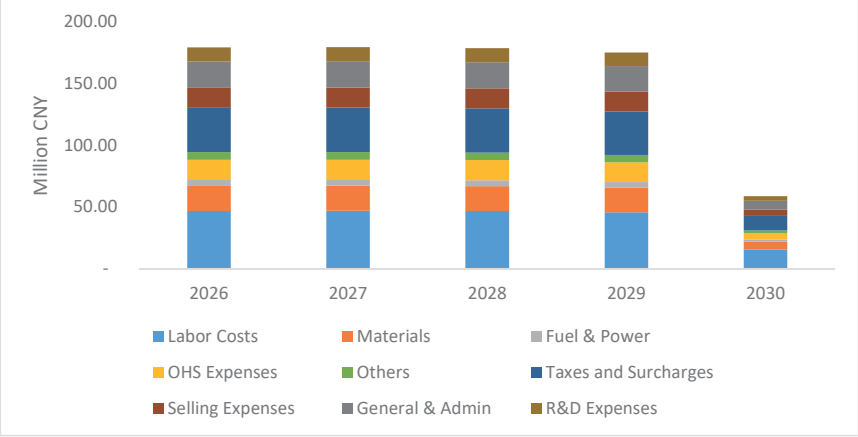
for future economic evaluations. The annual cash Opex projection over the LOM is shown in Figure EX-1.

Table ES-7: Summary of Opex Historical & Forecasted for Qianjinda

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Mined	kt	266.67	370.26	354.30	991.23
Milled	kt	265.05	330.92	358.64	954.61
COGS					
Labor Costs	CNY/t	169.50	125.04	174.32	155.90
Materials	CNY/t	84.80	56.92	65.45	67.87
Fuel & Power	CNY/t	21.13	14.18	13.17	15.73
OHS Expenses	CNY/t	63.48	46.63	55.75	54.73
D&A	CNY/t	-	-	-	-
Others	CNY/t	17.21	20.44	23.29	20.61
Taxes and Surcharges	CNY/t	124.21	118.66	118.66	120.20
Selling Expenses	CNY/t	55.27	53.98	53.80	54.27
General & Admin	CNY/t	87.50	65.90	63.47	70.99
R&D Expenses	CNY/t	31.48	51.76	30.25	38.05
Total OPEX	CNY/t	**654.58**	**553.50**	**598.16**	**598.35**

Source: summarized by SRK

Figure EX-1: Opex Plan over LOM (in Million CNY)



Source: summarized by SRK

Economic Analysis

The net present values ("NPVs") at different discount rates were estimated by SRK through DCF model, presented in Table ES-8.

Table ES-8: Estimated NPVs at Different Discount Rate

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	532	524	516	509	501	494	488	481	475	468	462

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors most significantly impact its economics when considered independently. The analysis focused on metal prices, CAPEX, and OPEX, each tested within a ±30% range.

The changes in metal prices have the greatest impact on the Project's NPV, while OPEX and CAPEX have a lesser effect.

To clarify the effects of prices on the Qianjinda Mine's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -49% from the base scenario prices used in the model. In other words, the price drops to about 51% of the forecasting price, the Project NPV will become negative.

Risk Assessment

SRK completed a risk assessment of the risks identified for the Qianjinda Project in relation to their likelihood of occurrence and consequence.

SRK considers various technical aspects which may affect the feasibility and future cash flow of each operating mine and conducts risk assessments for the Qianjinda Project based on similar techno-economic conditions among the different deposits or mines, which have been summarized in Table ES-9.

Table ES-9: Risk Assessment for Qianjinda Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Moderate	Medium
Lack of Significant Ore Reserves	Possible	Moderate	Medium
Unexpected Groundwater Ingress	Possible	Minor	Low
Significant Unexpected Geological Faulting	Possible	Minor	Low
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Minor	Low
Pumping System Adequacy	Unlikely	Minor	Low
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Unlikely	Minor	Low
Poor Road Transportation/Safety	Unlikely	Minor	Low
Ore Processing and Metallurgy			
The processing flowsheet and equipment configuration are unreasonable, failing to meet the required operational parameters of the process. As	Unlikely	Moderate	Low

Risk Source/Issue	Likelihood	Consequence	Risk
a result, the designed processing capacity and indicators cannot be achieved. No separate copper concentrate produced, resulting the value of copper in the ore not obtained	Possible	Minor	Low
Environmental and Social			
Impacts to the local ecological system due to land disturbance	Possible	Moderate	Medium
Dust impacts from the TSF and waste rock dump area	Possible	Moderate	Medium
Impacts to groundwater from the waste dump and the TSF	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

1 Introduction and Scope of Report

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Qianjinda Silver Polymetallic Project ("**Qianjinda Project**" or the "**Project**") which is located in Inner, Mongolia and operated by Qianjinda Mining, a subsidiary company of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver & Tin to support the proposed listing on the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risks and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the Australian Institute of Geoscientists ("**AIG**").

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK. Rather than ordinary production, SRK is not aware of any material changes to the Mineral Resources and Ore Reserves post the statement.

2.5 Work Program

- review of dataset and wireframes provided by Xingye Silver & Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit conducted on 9 to 10 April 2026, to the Qianjinda Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the silver mineralisation, the ore processing plant, ore and waste stockpiles, tailings storage facilities ("TSF"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("EIA") reports, mineral processing technology and mining methodologies, capital expenditures ("Capex") and operating costs ("Opex"), etc.
- discussion with Qianjinda Mining and Xingye Silver & Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the report to Xingye Silver & Tin and the related third party for comments and finalisation of the report based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
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 HKEx
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 HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Falong Hu	Principal Consultant (Mining)	Project Manager, Overall Responsibility
Huaixiang (Hubert) Li	Senior Consultant (Geology)	Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	QA&QC
Erwei Lu	Senior Consultant (Mining)	Mining and Ore Reserve Review
Donghao Luo	Consultant (Mining)	Mining and Ore Reserve Review
Rui Shen	Consultant (Mining)	Mining and Ore Reserve Review
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Economic Analysis
Xu Huang	Consultant (Mining)	Economic Analysis
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Yuanhai (Andy) Li	Principal Consultant (Environment)	Environment, Social, and Permitting
Qiong (Amy) Wu	Project Coordinator	Project Coordination
Dr Yonglian Sun	Corporate Consultant (Geotech & Project Evaluation)	Internal Peer Review and Quality Control

Falong Hu, *MBA, B.Eng, FAusIMM, PMP*, is a Principal Consultant (Mining) and the manager of the mining, processing, and environmental department. He has worked as a mining engineer and mine planner in two different international mining companies. He is familiar with both underground and open-pit mines' production systems, mine design, scheduling, and cost estimates, as well as long-hole blasting and production operation, rock mechanics, ventilation, and back-fill. As a consulting engineer, he has accumulated extensive experience in over 100 projects, including due diligence review and audit, mine project evaluation and valuation, scoping/pre-feasibility/feasibility studies, mining optimization, and competent person reporting for the public financial market. His experience covers a range of minerals including gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate, and graphite, as well as quartzite, marble, bentonite, and construction aggregate, in various regions such as China, other parts of Asia, America, Africa, and Oceania. He is skilled in both technical and economic modeling and is proficient in digital modeling using Geovia, Datamine, and Deswik Suites.

Frank Li, *BEng, MSc*, *FAusIMM*, is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, etc. He has a deep understanding of analysis and mineral resource reporting conversions between of Chinese and JORC Code standards and has abundant experience in exploration management and quality control.

Huaixiang (Hubert) Li, *MEng, MAIG,* is a senior consultant (geology) with SRK China. He graduated from the China University of Geosciences (Beijing) and used to work in a geological exploration company for more than 6 years and gained lots of experiences and expertise in geological and

mineral resources exploration. As a consulting geologist, he has participated a number of metal mineral projects, including exploration design review, data verification, due diligence reviews and mineral resource estimation. He is familiar with the principles and methods for metal ore deposits prospecting and exploration including lithium, gold, silver, PGE, REE, copper, lead, zinc, molybdenum, bauxite, etc. He is proficient in geological modelling, resources estimation, data processing and GIS/RS application.

Erwei Lu, *M.Eng.;* Senior Consultant (Mining) at SRK China***,*** he obtained his bachelor's degree and master's degree in mining engineering from Central South University. He has over five years of practice of underground operation, and about one year's mineral project evaluation experience. He worked as an on-site mining engineer in Zambia for China Nonferrous Metal Mining (Group) Co., Ltd. after graduation in 2017. He also worked for an autonomous driving application and mineral project investment companies since 2022. He is familiar with large scale underground mobile equipment operation and training, long-hole blasting, mine design and scheduling, and production management, as well as autonomous driving application in open pit mine, and project evaluation.

Donghao Luo, *BEng*, Consultant (Mining) at SRK China. He obtained his Bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

TzuHsuan (Shan) Chuang, *M.Eng., MAusIMM*, is a Senior Consultant (Mining) at SRK China. She has experience in consulting and operation management. After graduating from Colorado School of Mines, she conducted scoping studies, pre-feasibility, feasibility studies, and project valuation in Zijin mining design company, with projects in China, Serbia, Tajikistan, Australia, Colombia, and Guyana. She then worked at Buritica underground gold mine of Continental Gold in Colombia, and was responsible for LoM plan, production operation, and grade control optimization. Her expertise includes pit optimization, mine design, and scheduling in metal mine, and is skilled in using Deswik, Whittle, Surpac, Minesched, and AutoCAD.

Shen Rui, *BEng*, is an Assistant Consultant (Mining) at SRK China. He obtained his bachelor's degree in mining engineering from Central South University, demonstrating outstanding academic performance along with solid professional knowledge and skills during his studies. After graduation, he joined SRK, where he has participated in various projects, including technical due diligence for the Indonesian laterite nickel project and the Shanxi coal mine project. He possesses expertise in both underground and open-pit mining research, reflecting his versatility and deep professional knowledge in the mining field. His strong capabilities in both underground and open-pit mining further underscore his proficiency in the profession.

Lanliang Niu, *B.Eng, MAusIMM*, is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals projects. With SRK, he has been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

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

Dr Yonglian Sun, *BEng, PhD, FAusIMM, FIEAust, CPEng*, is a Corporate Consultant (Geotech & Project Evaluation) with over 30 years' experience in geotechnical and mining engineering in five countries across four continents. He has extensive international mining experience with an emphasis on site investigation, analysis, and modelling of geotechnical issues in open pits, underground mines, and civil tunnels. He also possesses extensive experience in evaluating mining projects. Over the last two decades, Dr Sun has coordinated and led dozens of due diligence projects for many minin companies, most of them have been successfully financed or listed in the Stock Exchange of Hong Kong Limited. Dr. Sun provided internal peer review to ensure the quality of the report meets the required standard.

2.8 Warranties

Xingye Silver & Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver & Tin 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 Xingye Silver & Tin or to Xingye Silver & Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Huaixiang Li, a Member of Australian Institute of Geoscientists ("MAIG", registration #8667. He is full-time employees of SRK. Mr Huaixiang Li 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 JORC Code". Mr Huaixiang Li consents to the

inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Ms Shan Chuang, MAusIMM, and reviewed by Mr Falong Hu, FAusIMM. Both are full-time employees of SRK. Mr Falong Hu and Ms Shan Chuang have 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 JORC Code". Mr Falong Hu and Ms Shan Chuang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This Report is a Competent Person's Report in line with the Listing Rules of HKEx. As Mineral Resource and Ore Reserve reporting is a teamwork. Besides the Competent Persons aforementioned, other contributing Competent Persons with relevant areas of expertise are listed below, including

- Mr Lanliang Niu, MAusIMM, Principal Consultant (Processing); and
- Dr Yuanhai Li, MAusIMM, Principal Consultant (ESG)

Peer review and quality control of the Report were conducted by Dr Yonglian Sun, FAusIMM, a Corporate Consultant (Geotech & Project Evaluation) at SRK.

2.11 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 Xingye Silver & Tin or employees of Xingye Silver & Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver & Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

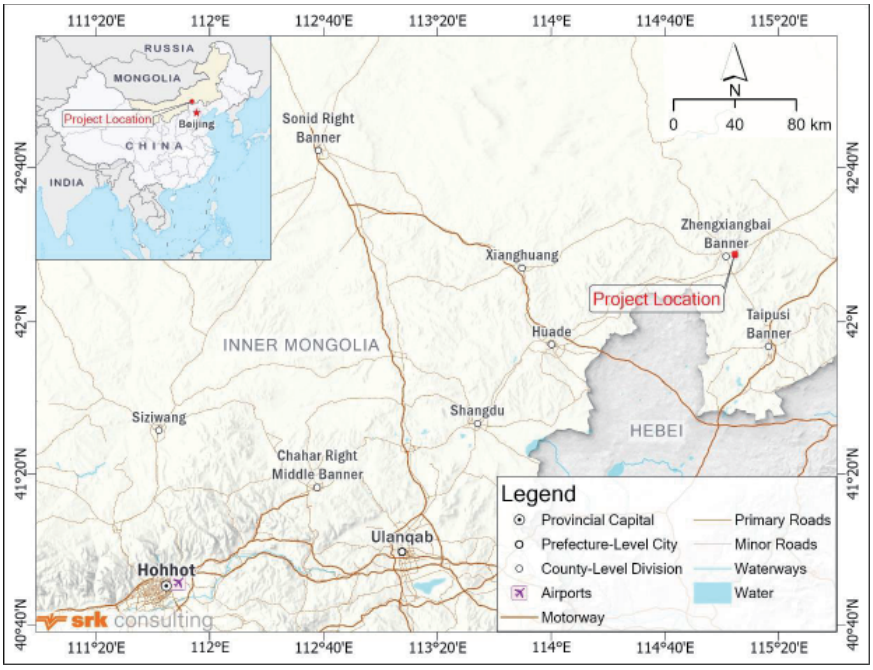
3 Project Description

3.1 Property Location

The Qianjinda Donghu silver–lead–zinc polymetallic deposit in Zhengxiangbai Banner is located approximately 8 km southeast of Ming'antu Town, the administrative centre of Zhengxiangbai Banner in Xilingol League, Inner Mongolia, and falls within the jurisdiction of Ming'antu Town.

The mining licence corner coordinates range approximately from 115° 02′ 57″ E to 115° 05′ 57 ″ E and from 42° 15′ 01″ N to 42° 18′ 01″ N. The deposit lies about 8 km northwest of Ming' antu and 12 km north of the Baiyin Chagan – Arongqi provincial trunk highway. The Jining–Tongliao railway passes south of the licence area. From Ming'antu, the provincial corridor connects to Baiyin Chagan and onwards by expressway to Jining, Zhangjiakou and Baotou. Local gravel roads provide direct vehicle access within the project area, and overall site access is considered very good.

Figure 3-1: Project Location Map



Source: SRK.

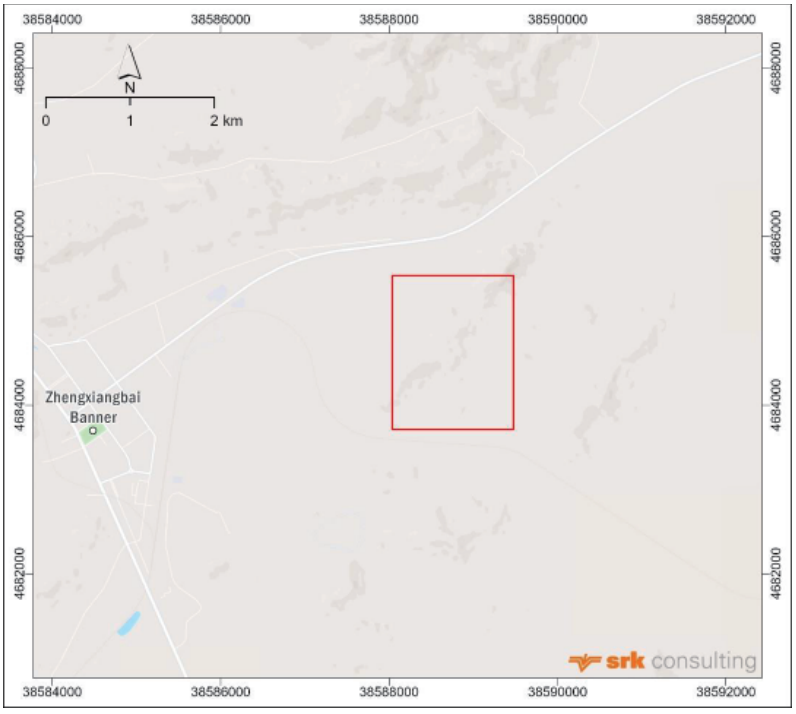
3.2 Mineral Tenure

SRK was provided a mining licence for the Project with details shown in Table 3-1 and the location shown on Figure 3-1, and a scanned original copy is provided in the appendix A of this report.

Table 3-1: Mining License

Project	Donghu Silver-Lead-Zinc Mine
Mining License No.	C1500002017063210144700
Issued To	Zhengxiangbai Banner Qianjinda Mining Co., Ltd.
Issued By	Xilingol League Bureau of Natural Resources
Issue Date	28 June 2023
Expiry Date	28 June 2030
Area (km^2)	2.6277
Mining Type	Underground Mining
Ore Type	Lead, Zinc, Silver, Copper, Arsenic, Indium, Gallium, Cadmium

Figure 3-2: Detailed Map of Mining License



Source: SRK.

3.3 Physiography and Climate

The project area lies in low to medium hilly terrain. The eastern part of the licence is mountainous, while the north-western part is relatively gentle but at higher elevation. Topography is higher in the

central portion and lower to the north and south, with elevations ranging from approximately 1,356 m to 1,503 m above sea level and a typical local relief of about 147 m.

The climate is mid-temperate, semi-arid continental monsoon. Summers are hot and winters cold, with low but seasonally concentrated precipitation, high evaporation and generally dry air. Historical data indicate a maximum temperature of 33.3 °C and a minimum of –35.2 °C, with a frost-free period of just over 100 days. Mean annual precipitation is about 371 mm, of which 60–70% falls in June–August. In drought years, annual rainfall can fall to roughly half that of wet years, and the longest continuous rain-free period recorded is 36 days. Average annual evaporation is approximately 1,883.5 mm, mean relative humidity is about 59%, and spring is typically windy with prevailing westerlies; the maximum recorded wind speed is 23 m/s and the mean wind speed is 2.8 m/s. Maximum seasonal frost penetration is about 3.8 m. The peak ground acceleration for seismic design is 0.05 g. According to Chinese standard GB18306-2001, the area is classified as a zone of low seismic activity (Intensity VI), although felt earthquakes can occur.

3.4 Regional Resources and Economy

The broader region is relatively well endowed with mineral resources, with more than 40 recorded commodities including iron, limestone, lead-zinc, quartz, mirabilite and rock salt. Zhengxiangbai Banner has a total grassland area of about 5,768 km², of which approximately 5,081 km² is considered usable pasture.

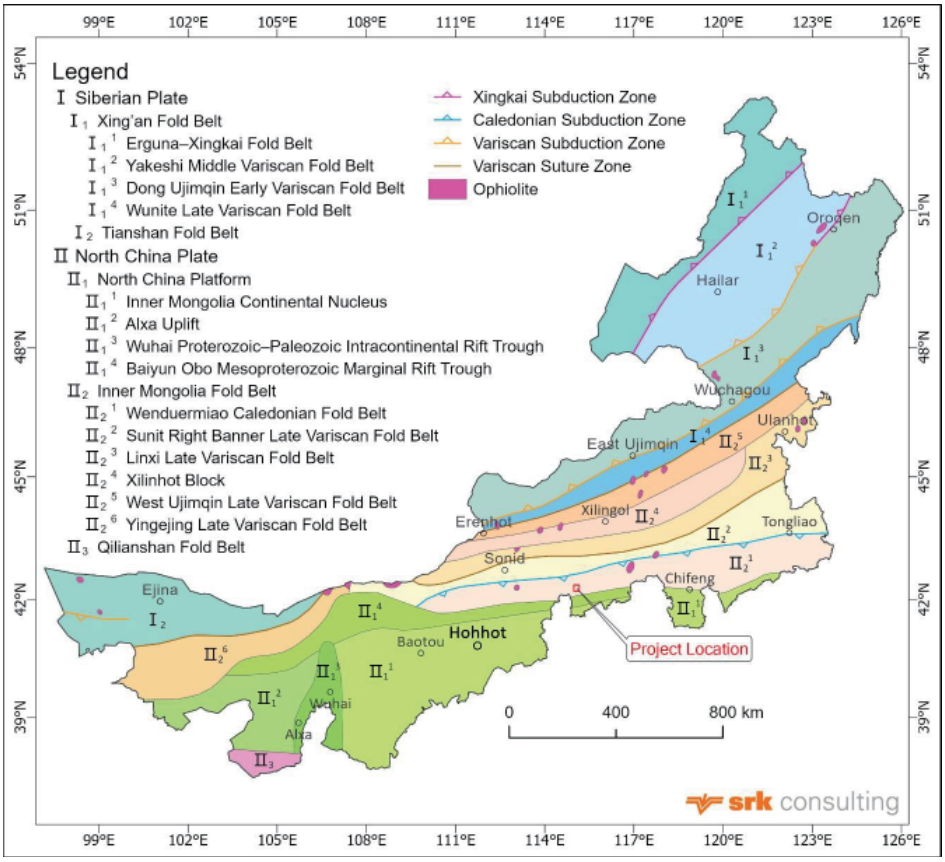
The local economy is based primarily on processing of agricultural and livestock products, forage processing, petroleum and coal extraction, mineral mining and beneficiation, building materials and renewable energy. These sectors have progressively formed an integrated and diversified industrial structure. By around 2010, industrial structure had improved, environmental conditions had been enhanced, and enterprise strength had increased, with a growing degree of industrial clustering. Reported industrial value added was increasing at an average annual rate of about 58%, reaching approximately CNY 1.3 billion, and the industrial sector accounted for more than 36% of the local economy.

4 Geological Setting and Mineralisation

The contents of this section are mainly sourced from the technical report prepared by the Fifth Institute of Geology and Mineral Resources Exploration and Development of Inner Mongolia Autonomous Region in 2015 and the Inner Mongolia Geological Exploration Institute of China Chemical Geology and Mine Bureau in 2016.

Geotectonically the Qianjinda Project's situated at the zone in the southern margin of the Wenduermiao Caledonian Fold Belt(Ⅱ$_2^1$) within the Inner Mongolia Fold Belt (Ⅱ$_2$), which belongs to the North China Plate System (Ⅱ). Additionally, the Kangbao–Chifeng Fault traverses the central-southern part of the area in an east–west direction.

Figure 4-1: Regional Geology Map

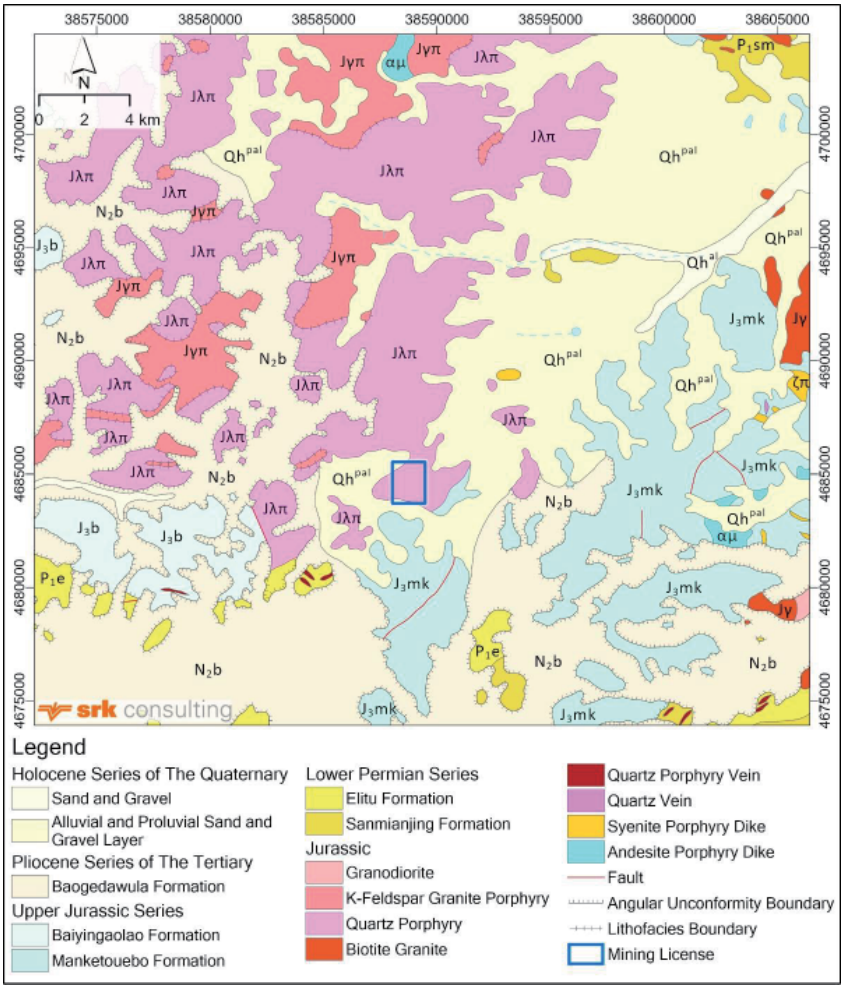


Source: Modified from Geological Exploration Institute of China Chemical Geology and Mine Bureau, 2016.

4.1 Regional Geology

The regional geology map is shown in Figure 4-2.

Figure 4-2: Regional Geology Map



Source: Modified from Geological Exploration Institute of China Chemical Geology and Mine Bureau, 2016.

The region's Paleozoic stratigraphic subdivision belongs to the North China Stratigraphic Region, specifically the Inner Mongolia Grassland Stratigraphic Region and the Chifeng Stratigraphic Subregion. For the Mesozoic–Cenozoic strata, it falls under the Coastal Pacific Stratigraphic Region, within the Boketu– Erenhot Stratigraphic Subregion.

Exposed strata in the area include: the Lower Permian Sanmianjing Formation and Elitu Formation; the Upper Jurassic Manketou'ebo Formation, Manitu Formation, and Baiyin'gaolao Formation; the Neogene Pliocene Series; as well as the Quaternary Pleistocene Series and Holocene Series.

The principal tectonic structures within the region trend predominantly northeast (NE), north-northeast (NNE), and east-northeast (ENE). The southern portion constitutes a platform area,

referred to as the Inner Mongolian Axis. Following the Lüliang Orogeny, which induced folding and uplift, this area remained subaerially exposed over an extended period. From the entire Paleozoic era until the Middle Jurassic, no significant sedimentation occurred. Subsequently, influenced by the Early Yanshanian tectonic movement, major faults along the margins of the axis were reactivated, accompanied by extensive magmatic eruptions. This led to the formation of widespread volcanic rock cover.

Within the region, intrusive rocks are extensively distributed and are predominantly of Early Yanshanian (Jurassic) age. These intrusions represent multiple magmatic pulses derived from a common parental magma source. Their spatial distribution exhibits a strong structural control, with the long axes of major plutons aligned along a northeast trend—consistent with the dominant regional structural fabric. Key exposed plutons include the Baiqi–Gongwusu and Daolangshan intrusions. Lithologically, the suite comprises granodiorite, potassium feldspar–rich granite porphyry, quartz porphyry and biotite granite.

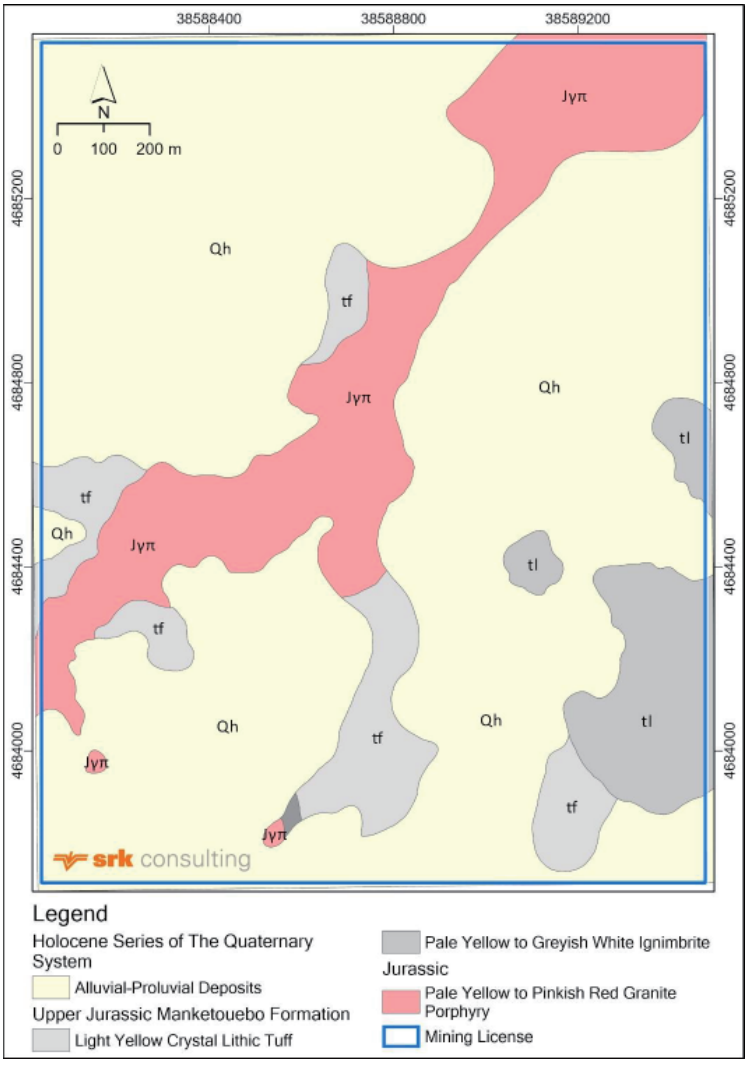
Vein systems are well developed throughout the study area and are predominantly associated with the late Variscan (Late Paleozoic) and early Yanshanian (Early Mesozoic) magmatic phases. Identified vein lithologies include alkaline syenite porphyry, granitic porphyry, quartz porphyry, and intermediate-to-felsic diorite and diorite porphyry dikes. Veins typically exhibit WNW–ENE to E–W strike orientations, with lengths ranging from several tens of meters to 700 m and widths from 1 to 400 m.

Known mineral occurrences in the region include the Sanmianjing Ag–Pb–Zn deposit, the Xiaonangou Cu prospect, the Daolangshan quartz–fluorite occurrences, and Fe–W mineralized zones such as Doubi.

4.2 Property Geology

The property geology map is shown in Figure 4-3.

Figure 4-3: Property Geology Map



Source: Modified from Geological Exploration Institute of China Chemical Geology and Mine Bureau, 2016.

4.2.1 Stratum

The geological formations exposed within the mining area are relatively simple, predominantly consisting of the Upper Jurassic Manketou Ebo Formation and the Holocene Series of the Quaternary System.

In the southern part of the mining area, the exposed lithology consists of acidic volcanic lavas, acidic pyroclastic rocks, and volcaniclastic sedimentary rocks, occasionally interbedded with intermediate

volcanic rocks. To the west of exploration line P04, tuff commonly exhibits kaolinization, sericitization, and ferromanganese mineralization. Within the acidic pyroclastic rocks, some quartz shows recrystallization, while volcanic dust has undergone varying degrees of kaolinization and sericitization. Sericite occurs as microscopic scaly aggregates, primarily formed through the secondary alteration of feldspar minerals. Ferromanganese mineralization is manifested at the surface as infillings and infiltrations along joint fissures. In the gully east of exploration line P08, ferromanganese veinlets controlled by three sets of joints can be observed traversing the tuff, which serves as a conspicuous prospecting indicator in this region.

Acidic Crystal Tuff: Grayish yellow with a slight purplish tint, exhibiting a crystal fragment texture and tuffaceous cement structure. The crystal fragments (>25%) consist mainly of quartz (15%), plagioclase (5%), and potassium feldspar (5%), displaying angular to cleaved flaky shapes with often corroded residual features, and grain sizes ranging from 0.1 to 2 mm. Additionally, minor lithic fragments of tuff areobserved. The cement (70%) is tuffaceous, appearing dirty with slight recrystallization and containing numerous incomplete spherulites, while retaining a tuffaceous texture.

Lithic Vitric Tuff: Grayish white, characterized by a lithic-vitriclastic texture and cryptocrystalline cement structure with massive fabric. The pyroclastic components are dominated by vitric fragments (60%) exhibiting flow structure (of trachytic-rhyolitic composition), followed by lithic fragments (20%) (derived from trachyte and rhyolite), along with minor quartz and feldspar crystal fragments. These fragments are predominantly angular, with minor sub-angular grains, mostly ranging from 0.5 to 2 mm in size, occasionally exceeding 2 mm. The cement (15%) consists of tuffaceous material in cryptocrystalline form. This rock type is observed near the Sijiaotan Agricultural Team.

Breccia Tuff: Gray with a slight purplish tint, showing brecciated texture and tuffaceous cement structure. The volcanic breccias (50%) are mainly composed of andesite and tuff, with occurrences of rhyolite and trachyte, having grain sizes between 2 and 6 mm. The cement comprises tuffaceous material (25%) as well as quartz and feldspar crystal fragments (10%) and minor tuff lithic fragments. The tuffaceous material has undergone weak recrystallization and surface argillization, yet the tuffaceous texture remains distinct, with secondary crustiform chalcedony observed in rock cavities.

The Manketou Ebo Formation was formed during the first phase of intense volcanic effusion in the Late Jurassic, associated with relatively moderate explosive volcanic activity. The pyroclastic rocks in this formation show maximum Cu content up to 0.01%, Pb up to 0.04%, Zn generally $\leqslant$0.01%, and W and Mo contents below 0.001%.

hese deposits are distributed in the low-lying areas of the mining region and consist of unconsolidated alluvial-diluvial gravel layers. In some locations, aeolian, colluvial, and residual deposits are also present, with compositional variations corresponding to their specific positions within the terrain.

4.2.2 Structure

The primary structural framework within the mining area is oriented predominantly northeast-southwest, characterized mainly by fault structures with minor folding. The mining area is situated on the northern side of the southwestern extremity of the Daolaohudeg Syncline. This syncline hosts the axial Ariwubulizhe Thrust Fault, which traverses the southeastern corner of the mining area with a strike of 47°, a dip direction of NW 317°, and a dip angle of 68°, thereby controlling the overall trend

of porphyry and volcanic rocks in the region. The mineralised bodies in the Donghu mining area are distributed on the northwestern side of the Ariwubulizhe Thrust Fault.

Fault exposures in the mining area are poorly developed due to thick surface cover; geological mapping did not reveal any fault outcrops. Subsequent underground exploration identified several minor fractures, though these are of limited scale and show almost no displacement in the adjacent wall rocks.

Structural joints are highly developed in the rocks of this area, frequently forming compressional joints manifested as conjugate shear joints. These joints primarily strike WNW and NE. As regional joints of considerable scale and stable attitude, they represent the dominant joint sets in the area, reflecting the regional tectonic stress field during rock mass formation. Geological structures serve as the principal controls on mineralization: major faults act as primary channels for magmatic and hydrothermal activities, while minor secondary fractures provide key loci for endogenic ore deposition.

Multiple joint sets are developed within the intrusive rocks and volcaniclastic rocks of the mining area, closely related to regional tectonics. The joints mainly trend NE (30°–50°) and WNW (310°–330°), with subordinate near NS and near EW orientations.

The Qianjinda silver-lead-zinc deposit is intimately associated with WNW-trending (310°–330°) joint fractures, which intersect the Ariwubulizhe Thrust Fault at an angle of approximately 77°. Fractures in this orientation provide favorable structures for ore accommodation and storage. Mineralised Domain 1, for instance, infills fractures oriented between 314° and 330°. These fractures exhibit characteristics of initial shear followed by extension, with no significant displacement observed in the adjacent wall rocks.

4.2.3 Magmatic Rock

The northern mining area is intruded by the third-phase Early Yanshanian intrusive rocks, which represent the marginal facies of the Baiqi-Gongwusu pluton, composed of K-feldspar quartz porphyry.

The Baiqi-Gongwusu pluton is lithologically divided into two main facies: a central facies of K-feldspar granite porphyry and a marginal facies. The K-feldspar granite porphyry is characterized by coarse-grained phenocrysts with a minor proportion of groundmass. Some specimens resemble porphyritic granite, and this lithology covers an extensive area, forming the principal component of the intrusive body. The main rock type is K-feldspar quartz porphyry, along whose margins rhyolite and tuffaceous rocks are observed. This facies universally contains lithic fragments with sharp, highly irregular boundaries. A gradual transition exists between the K-feldspar granite porphyry and the K-feldspar quartz porphyry, with no distinct contact between the latter and the associated rhyolite and tuff.

The K-feldspar quartz porphyry facies consist of the same rock type, with phenocrysts accounting for less than 50% of the composition. These phenocrysts include K-feldspar (20–30%), quartz (15%), and minor oligoclase, all significantly finer-grained than those in the K-feldspar granite porphyry. The mineral composition and proportion of the groundmass are largely similar to those of the phenocrysts.

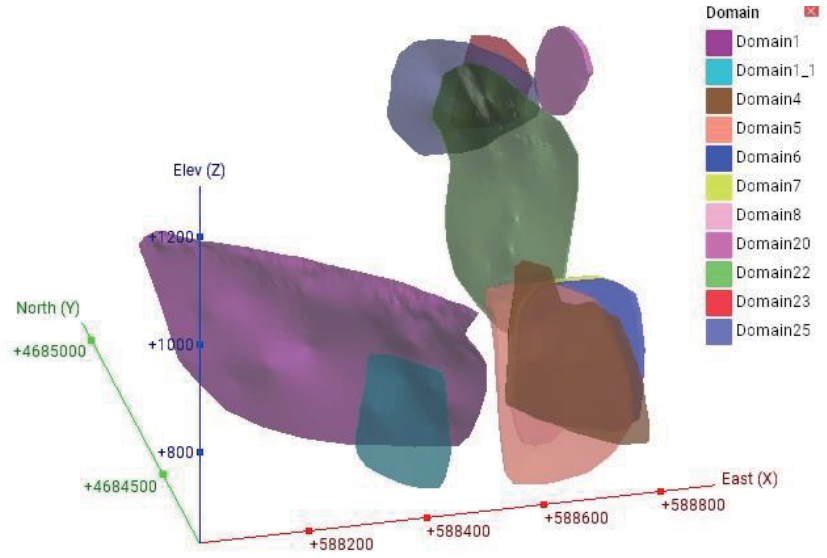
In summary, this intrusive phase is distinguished from other rock bodies by its light gray to grayish-yellow coloration, porphyritic texture, resorbed phenocrysts, smoky quartz, recrystallized groundmass, and abundant lithic fragments.

Analysis of the clastic components indicates that the fragments are entirely derived from volcanic rocks of the Manketou Ebo Formation. Some larger lithic fragments retain the original texture and structural characteristics of the Manketou Ebo Formation volcanic rocks.

4.3 Mineralization

A total of 11 mineralized bodies (detailed in Figure 4-4) has been delineated in the mining licence zone. The primary one is Domain 1, and the others are Doman 1-1, Domain 4, Domain 5, Domain 6, Domain 7, Domain 8, Domain 20, Domain 22, Domain 23 and Domain 25.

Figure 4-4: Mineralised Domain of Qianjinda Project



Source: SRK

The mineralized bodies are predominantly concentrated in the northwestern sector of the exploration license area, extending approximately 850 meters in an east-west direction—from the western boundary of the license area to the east of Exploration Line P24—and spanning 520 meters in a north-south orientation from the northern boundary southward.

The mineralized bodies occur as veins within continental volcaniclastic rocks of the Upper Jurassic Manketou Ebo Formation and Jurassic granitic porphyry. To the west of exploration line P02, the host rocks are predominantly tuff, lithic tuff, and brecciated tuff; to the east, they are primarily K-feldspar quartz porphyry.

These mineralized bodies are hosted in NWW-trending tensional-shear fractures and secondary fissures. The mineralised bodies exhibit generally stable attitudes, with an overall strike of 116°–147°, a dip direction of 206°–237°, and a dip angle of 50°–88°. Local reversals in dip direction are observed.

The largest ore body in the mining area is Domain 1, which has a controlled length of 634 m, occurs at elevations between 720 m and 1342 m, and has a top burial depth of 136 m. Most other mineralised bodies are situated below 200 m from the surface.

Domain 1, the major steeply dipping ore body occurring below 136 meters from the surface, represents the principal mineralization target within the exploration area. It extends between prospecting lines P5 and P18, within an elevation range of 1342 to 720 meters, and is constrained by a total of 140 engineering works including 59 surface drill holes, 49 crosscuts, 1 drift, 29 underground drill holes, and 2 raises. The ore body measures 634 meters in an east–west direction and extends 673 meters along the dip.

Domain 1 is hosted in NWW-trending tensional-shear fractures and secondary fissures, exhibiting sinuous continuity along the strike and gentle, undulating geometry in the dip direction. It strikes between 109° and 165°, dips to the southwest at 199°–255°, with dip angles ranging from 65° to 89° and averaging 77°. Based on level plans at elevations of 1250 m, 1200 m, and 1150 m, the strike of the ore body shows a tendency to shift eastward with increasing depth, accompanied by a southward inclination. East of line 10 the strike ranges from 297° to 332°. Notable changes in attitude, including localized reversals in dip, occur near elevations of 1000 m and between 1150 m and 1100 m. These variations are especially.

Analysis of mineral phases indicates that silver in the ore primarily occurs in silver sulfide minerals, followed by galena and native silver. The majority of copper exists in the form of primary copper sulfide minerals, with a minor portion occurring as secondary copper sulfide minerals. Lead and zinc are predominantly present as sulfide compounds. No oxidized ore is identified, except for a limited amount of mixed ore observed at elevations between 1,340 and 1,300 meters in the upper part of the orebody. The vast majority of the ore within the deposit consists of primary sulfide ore.

The metallic minerals in the ore are predominantly sulfides, characterized by a wide variety and high abundance. The primary metallic minerals include galena, sphalerite, chalcopyrite, pyrite, arsenopyrite, magnetite, rhodochrosite, and cerussite, while trace metallic minerals comprise freibergite, native silver, argentite, digenite, covellite, stromeyerite, polybasite, pearceite, stannite, siderite, smithsonite, mimetite, hetaerolite, cassiterite, and limonite, among others.

The gangue minerals in the ore are primarily composed of quartz, mica, feldspar, garnet, fluorite, kaolinite, rutile, calcite, dolomite, magnesite, pyroxene, chlorite, titanite, synchysite, strontianite, apatite, zircon, anhydrite, and monazite.

Based on comprehensive and combined analytical results, the Hg content, which has a detrimental effect on the grade and recovery rate of the selected concentrate, is relatively low at $21.4–742\times10^{-9}$, with an average of 124.22×10^{-9}. In contrast, the As content is notably elevated, ranging from 0.0086% to 2.62% (averaging 0.71%), and predominantly occurs as arsenopyrite (FeAsS), meeting the criteria for associated components. Macroscopically observable arsenopyrite deposits appear west of the zero line. The Sb content is relatively low, between 0.017% and 0.16%, with an average of 0.09%. Fluorine exists primarily as CaF_2 within fluorite, which is mainly distributed in Ore Body I. Its concentration ranges from 0.27% to 4.31%, averaging 2.73%, yet it does not meet the comprehensive evaluation standards.

4.4 Deposit Types

The Qinajinda silver-lead-zinc deposit is hosted within structural fractures and is classified as an epithermal deposit related to Mesozoic volcanic hydrothermal activity, with mineralization predominantly formed through filling processes. Surface volcanic activities and their byproducts merely provided the host spaces for mineralization, while the mineralised bodies resulted from prolonged hydrothermal convective circulation systems that operated after the primary phase of volcanic activity had essentially ceased.

The deposit should be categorized as a post-volcanic, low-temperature hydrothermal filling polymetallic deposit controlled by fault structures, with an industrial classification of continental volcanic and subvolcanic rock-hosted lead-zinc and silver deposit.

Spatial distribution of the deposit exhibits clear regularity, strictly governed by NWW-trending faults and fractures. Surface alteration is widespread, characterized by Fe- and Mn-mineralized veinlets with widths ranging from 1 mm to several millimetres. These veinlets display irregular orientations and variable lengths, covering an extensive area that largely corresponds to the AS1 geochemical anomaly. They are collectively identified as a surface mineralization veinlet zone. Due to their fine and dispersed nature, this zone does not constitute an economically viable deposit but serves as a critical indicator for mineral exploration. At approximately 200 meters below the surface, silver-lead-zinc mineralised bodies are encountered, comprising primary massive sulfide orebodies with steeply dipping attitudes and excellent continuity. These form a large-vein zone, which constitutes the primary host of the major industrial mineralised bodies.

5 Exploration

5.1 Exploration History

From 1971 to 1974, the Regional Geological Survey Team of the Inner Mongolia Geological Bureau conducted a 1:200,000 regional geological survey in this area. This work established a comprehensive stratigraphic framework, delineated intrusive rock phases, identified key structural features, and elucidated the distribution patterns of mineral occurrences as well as the geological controls on mineralization.

From 2008 to 2013, the Fifth Institute of Geology and Mineral Resources Exploration and Development of Inner Mongolia Autonomous Region conducted general exploration work in the area and submitted the "General Exploration Report on the Donghu Silver-Lead-Zinc Polymetallic Deposit in Zhengxiangbai Banner, Inner Mongolia Autonomous Region" in 2013.

From 2013 to 2015, the Fifth Institute of Geology and Mineral Resources Exploration and Development of Inner Mongolia Autonomous Region advanced its exploration work directly from the general exploration phase to the advanced exploration stage. The operations conducted in both 2013 and 2014 were categorized under the detailed exploration phase. During this period, a total of 69 surface drill holes were completed in the mining area, amounting to a total drilling meterage of 39,291.68 meters. In February 2015, the institute submitted the "Advanced Exploration Report on the Silver-Lead-Zinc Polymetallic Deposit in the Donghu Mining Area of Zhengxiangbai Banner, Inner Mongolia Autonomous Region."

From March 2015 to March 2016, the Inner Mongolia Geological Exploration Institute of China Chemical Geology and Mine Bureau conducted a verification of resource reserves for the project. The work involved the construction of 10 underground drill holes and 23 crosscuts. Based on the actual positions of the mineralised bodies observed through drilling and tunnelling engineering, the mineralised bodies were re-delineated, and resource reserves were estimated. The final report, titled "Verification Report on Silver-Lead-Zinc Polymetallic Ore Resource Reserves in the Donghu Mining Area, Zhengxiangbai Banner, Inner Mongolia Autonomous Region," was submitted.

5.2 Tunnelling Exploration

5.2.1 Pre-2015

During this phase, the mining area completed the excavation of two inclined shafts with a total advance of 575 m; three adits alongside the vein (at the 1250 m, 1200 m, and 1150 m levels) with a total advance of 1,437.54 m; and 26 crosscuts (24 of which intersected the orebody, accounting for 92.31%) with a total advance of 992.50 m.

The tunnelling work was undertaken by Wenzhou Mine Shaft Engineering Co., Ltd. High-quality excavation standards were maintained to meet design requirements. Advancements were conducted segment by segment under close surveying control, with the azimuth of the tunnels precisely positioned using total stations. The adits were driven generally along the trend of Vein I, while the crosscuts showed minimal deviation from the designed alignment and gradient.

Inclined Shaft No. 1 was driven with an azimuth of 140°, a cross-section of 2.70 m × 2.70 m, an inclined length of 247 m, and a gradient of 25°. Inclined Shaft No. 2 was driven with an azimuth of 330°, a cross-section of 2.70 m × 2.70 m, an inclined length of 328 m, and a gradient of 25%.

The second level (YM2) extended 693.56 m, and the fourth level (YM4) extended 274 m, both driven along the footwall of Domain 1. The third level (YM3) extended 469.98 m, driven along the footwall west of survey line 10 and along the hanging wall east of line 10, connecting at line P10. Both the second and third levels interconnected with the two inclined shafts. The adits generally maintained a distance of 5–10 m from the orebody footwall, though in certain sections this distance increased due to changes in the domain trend, reaching a maximum of 30 m (as observed at 3CM8). The adits had a cross-section of 2.70 m × 2.70 m, with a floor gradient of less than 3‰.

The crosscuts were driven from exploration lines toward the orebody, with all excavated crosscuts fully delineating both the hanging wall and footwall of the orebody, typically penetrating about 5 m beyond the orebody. The cross-section of the crosscuts was 2.70 m × 2.70 m, with a floor gradient of less than 3‰.

The tunnelling operations successfully exposed the orebody and alteration zones, meeting the requirements for geological logging and sampling. The quality of the excavated tunnels was high and reliable. Key quality indicators, including alignment and gradient, complied with design specifications and industry standards, thereby fulfilling the objectives of the exploration program.

5.2.2 Post-2015

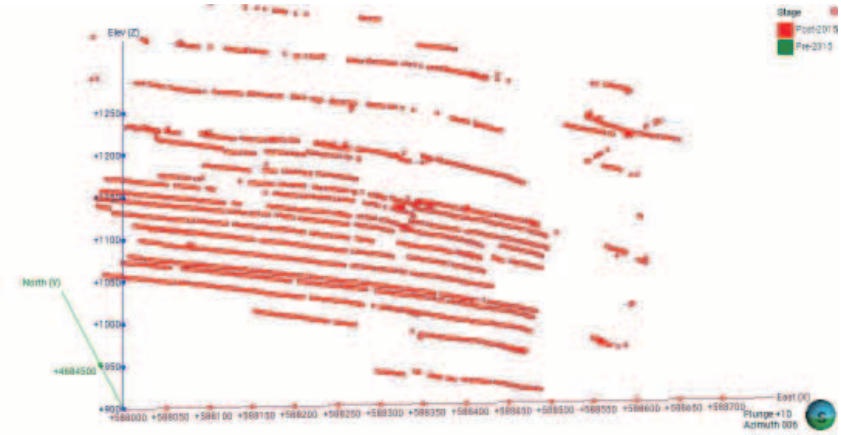
As detailed in Table 5-1 and Figure 5-1, the tunnelling project was constructed by Wenzhou Mine Shaft Engineering Co., Ltd. The excavation quality standards were stringent, and to ensure compliance with design requirements, the tunneling was conducted in sequential segments under close coordination with survey operations, with tunnel azimuths precisely located using total station measurements. The drift tunneling followed the general trend of No. 1 ore vein, while the cross-cut tunnelling remained largely consistent with the designated direction and gradient without deviation.

Table 5-1: Summary of Tunnels of the Post-2015 Stage

Stage	Tunnels	Length	Samples
Post-2015	1921	6519.76	6986

Source: SRK

Figure 5-1: Tunnel Locations of the Post-2015 Stage



Source: SRK

The level at 1300 m (designated as YM1) spans 119 m, situated between exploration lines P01 and P04, and connects with the No. 1 inclined shaft. The level at 1100 m (designated as YM5) extends 272 m between lines P03 and P20 and intersects with the No. 2 inclined shaft. Both levels were excavated along the footwall of Domain 1. The 1150 m level drift (4YM) is developed within the ore vein, located east of exploration line P12, with a length of 140 m. It follows the strike direction of No. 1 ore body towards the southeast for continuity control. The drift cross-section measures 2.50 m × 2.50 m with a floor gradient of less than 3‰.

Crosscuts were driven along exploration lines toward the mineralised bodies. With the exception of 1CM0-2, 1CM2, and 1CM4, which failed to expose the hanging wall of sub-vein I-2, all other crosscuts successfully intersected both the hanging wall and footwall of the ore body, generally penetrating 1–5 m beyond the ore boundary. The cross-section of crosscuts also measures 2.50 m × 2.50 m, with a floor gradient under 3‰.

The tunnels feature flat roofs and vertical walls, effectively exposing the ore body and alteration zones, thus meeting the requirements for geological logging and sampling with high quality and reliability. Key construction parameters such as the centreline azimuth and the excavated gradient align with design specifications and industry standards, fulfilling the objectives of verification.

5.3 Drilling Exploration

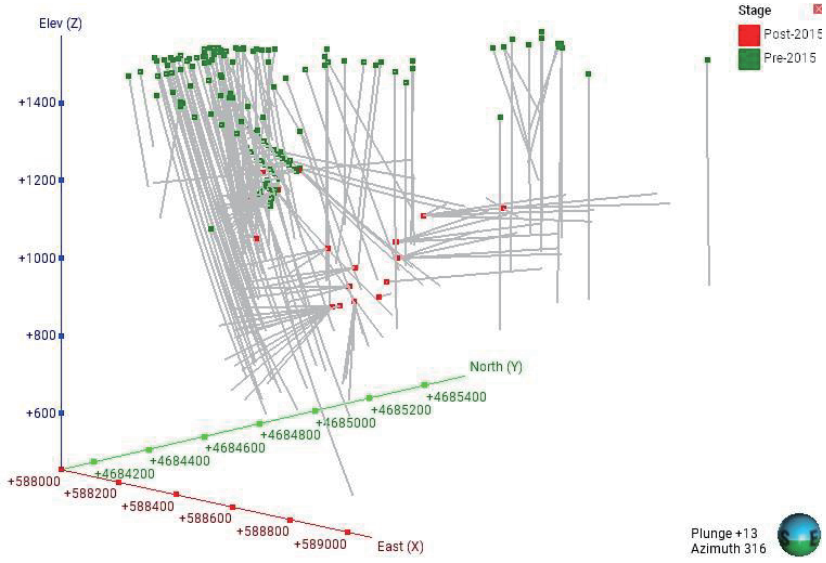
The both pre-2015 and post-2015 stage drillholes are summarized in Table 5-2 and Figure 5-2.

Table 5-2: Summary of Drillholes of Each Stage

	Holes	Length	Samples
Pre-2015	139	59764.38	5421
Post-2015	71	17180.9	1654
Total	210	76945.28	7075

Source: SRK

Figure 5-2: Drillhole Locations of the Each Stage



Source: SRK

5.3.1 Pre-2015

Surface and underground drilling operations were conducted by the Inner Mongolia Fifth Geological and Mineral Exploration and Development Institute. Surface boreholes were drilled using XY-4 type rigs, commencing with Φ110mm, Φ108mm, Φ98mm, or Φ91mm tools. After penetrating 1–2 meters into bedrock, 110–89mm casing pipes were installed to seal the loose surface strata. Drilling then continued to the target depth using Φ75mm tools (internal diameter Φ53mm).

A small number of boreholes within the mining area were drilled using ET600-type small-diameter hydraulic rigs. A total of 18 holes were completed, achieving a drilled length of 7,176.22 meters. These commenced with Φ95mm tools and were reduced to Φ60mm after reaching 300 meters, continuing to the final depth.

Underground drilling was performed horizontally or at shallow angles. The 29 holes completed in 2014 were all drilled using Model 250 rigs produced by the Chifeng Kuangyuan Drilling Machinery Plant, employing Φ33mm drill tools.

Wireline coring was used for surface drilling, while single-tube coring was adopted for underground holes. Core recovery rates for all boreholes ranged from 85% to 100%, with recovery in mineralized or altered zones exceeding 90%.

All boreholes drilled in the mining area underwent tool calibration with a steel tape measure at 50-meter intervals and upon completion, as required.

For surface boreholes, inclined holes were initiated at azimuths of 17° (for pre-2012 drillings) and 23°. Inclination and azimuth measurements were taken every 50 meters during drilling. The

maximum allowable vertical deviation for vertical holes was limited to 2° per 100 meters, while for inclined holes it was 3° per 100 meters.

Cores were packed in sequentially numbered wooden core boxes. Prior to the conclusion of field operations, all core samples were transported and stored in the client's core repository.

5.3.2 Post-2015

Ten exploratory adits (five of which intersected mineralization, representing a 50% success rate) were constructed. Among these, seven boreholes (four mineralized) were drilled using an XY-4 kilometric drill rig. These holes were initiated with Φ91 mm or Φ89 mm drill tools, after which Φ89 mm casing was installed at depths between 0.7 m and 6.50 m into bedrock to stabilize unconsolidated formations. Drilling then continued to the target depth using Φ75 mm tools (inner diameter Φ53 mm), except for borehole 20ZKK01, which was drilled entirely with Φ75 mm tools.

Three additional holes (one mineralized) were drilled using an ET600 small-diameter hydraulic drill rig, starting with Φ95 mm or Φ75 mm tools and switching to Φ60 mm after advancing 0.8–1.5 m, continuing to final depth.

Core sampling in all adits employed single-tube coring, achieving recovery rates between 98.10% and 100%, with mineralization or altered-mineralized zones exceeding 96% recovery.

As all boreholes were inclined, standard procedure required calibration of the drill string using a steel tape measure at 50 m intervals and upon completion.

Eight of the ten boreholes had an initial azimuth of 23°, while ZKK00-1 and ZKK00-2 commenced at azimuths of 21° and 24°, respectively. Inclination and azimuth were measured every 50 m during drilling, with the maximum allowable deviation in hole angle limited to 3° per 100 m.

Surveying was performed using JTL-50A small-diameter gyro inclinometers and electronic single-shot inclinometers. All boreholes exhibited inclination errors within the permissible limit of 3° per 100 m and azimuth errors within 2° per 100 m, resulting in a 100% compliance rate.

Field acceptance was jointly conducted by the mineral exploration right holder and the surveying entity, confirming that engineering quality met exploration standards, that data and samples were completely collected, and that project deliverables were reliable and approved.

5.4 Sampling, Sample Preparation and Analyses

Samplings for the Qianjinda Project have been completed over all historical explorations, using diamond drilling and underground channel sampling as the primary methods. All sampling was undertaken in accordance with the Chinese industry standard "Code for Geological Exploration of Copper, Lead, Zinc, Silver, Nickel and Molybdenum Deposits" (DZ/T 0214-2002) and related regulations, which prescribe sampling intervals, methods and quality control requirements appropriate for sulphide vein and vein-like deposits, summarized in sections below.

5.4.1 Sampling

Drill core sampling

Drill holes (surface and underground) were cored, with typical core diameters sufficient to provide representative half-core samples and additional material for duplicate, petrographic and density determinations. Water-supply / engineering holes are documented as having approximately 50 mm core diameter, which is considered indicative of the core size used more generally. Core was logged in detail prior to sampling. Sampling was conducted predominantly by half-core sawing using a YQS-2 portable core cutting machine. The core was split longitudinally along or close to a plane perpendicular to mineralisation to ensure representative sampling of the mineralised interval. One half was submitted for assay and the other half retained in core trays as a permanent record and for potential re-sampling.

Sample intervals were defined based on geological criteria (lithology, mineralisation style and intensity, and recovery) but were generally:

1. nominal 1.0 m in mineralised zones;
2. maximum 1.5 m and minimum 0.1 m; and
3. massive ore segments >0.10 m were sampled separately to avoid grade smearing.

To avoid loss of low-grade but potentially economic mineralisation and to support robust orebody interpretation, all visually mineralised intervals as well as appropriate hanging-wall and footwall "control" samples were collected, including where grades were expected to be below cut-off. Sampling was extended into barren host rocks to ensure complete coverage of mineralised structures and to assist correlation between drill holes.

Core recovery in mineralised zones and their wall rocks was generally better than 85–90%; no systematic bias relating to core loss is reported.

Underground channel sampling

Underground sampling was completed on multiple levels by cutting continuous channels across mineralised structures in development drives and cross-cuts. For the original exploration, channels were cut on the east wall at approximately 1.0 m above the drive floor; for the later verification program most channels were located along the drive roof centreline, with a small number of edge-control samples on the east wall.

Channels were cut perpendicular to the vein or ore zone using SSD-230 portable channel-sampling machines. For exploration, channel cross-sections were approximately 10 cm × 5 cm; for the verification program 10 cm × 3 cm.

Individual channel sample lengths were typically 1.0 m, with a maximum of 1.5–1.6 m. Massive ore segments >0.10 m were sampled individually, consistent with the core sampling protocol.

Channels were laid out strictly within individual lithological and mineralised units; sampling across multiple ore types in a single sample ("cross-layer" sampling) was specifically avoided. Hanging-wall and footwall control samples were collected on both sides of the orebody wherever possible to constrain ore boundaries; only a small number of cross-cuts did not capture the full upper contact.

Before cutting, faces were washed with high-pressure water to remove loose material and oxidation products; sampling mats were used to prevent sample loss and contamination.

Other sample types

In addition to routine grade control samples, the program included:

- petrographic thin and polished sections for rock and ore characterisation;
- composite (metallurgical) samples, prepared from multiple drill core and underground samples across representative ore types and grade ranges;
- specific gravity samples;
- whole-rock and multi-element samples; and
- hydrogeological water samples and geotechnical samples.

These ancillary samples support geological interpretation, metallurgical testwork and geotechnical assessments but are not used directly in grade estimation.

Sampling quality and representativeness

Sampling locations, intervals and methods were documented in standardised sample cards and registers; all samples were uniquely numbered.

Field checks during the verification program confirmed that sample spacing, interval selection and orientation are appropriate for the style and thickness of the mineralisation and that there is no evidence of systematic bias between drill core and channel samples.

No instances of systematic re-sampling or missing sample intervals are reported. Overall, the sampling techniques and density are considered suitable for Mineral Resource estimation under the JORC Code for the proposed classification

5.4.2 Sample Preparation and Analyses

Sample preparation

Sample preparation was carried out by accredited laboratories with national "Class A" or "Class B" qualifications, predominantly:

- Inner Mongolia Mineral Resources Experimental Institute (Class A);
- Inner Mongolia Ninth Geological and Mineral Exploration and Development Institute (Class B);
- Chemical Geology & Mine Second Laboratory (Class B).

Key preparation procedures were: On receipt, samples were logged, checked against dispatch lists, and stored in a controlled environment. Any damp samples were oven-dried prior to crushing. Crushing was performed using jaw crushers followed by roll crushers to achieve the required particle size for splitting; fine pulverisation to analytical fineness was performed using disc mills.

Sample homogenisation and splitting were conducted manually following the Chechott formula ($Q = K \times d^2$) which is a widely used empirical method in mineral exploration to determine the minimum representative mass of samples during preparation and splitting,

- $Q = Kd^2$, where Q is the minimum representative sample mass (kg), d is the maximum particle size (mm), and K is a constant set at 0.2 for this deposit based on ore texture and mineralisation characteristics.

Before processing each sample, crushers and mills were cleaned thoroughly, typically by compressed air, to minimise cross-contamination. Oversize grains after sieving were re-ground until all material passed the target mesh size.

According to laboratory QA records and periodic audits, total sample loss during preparation was typically <5% and splitting error was generally <3%, which complies with Chinese national laboratory quality standards and is considered acceptable for JORC type resource estimate.

Analytical methods

Analytical work focused on silver, lead, zinc and copper, with additional elements analysed where appropriate for metallurgy and environmental assessment.

During the main exploration phase, flame atomic absorption spectrometry (AAS) was adopted to analysis the Ag, Pb, Zn, Cu.

For the later verification program, assays followed the national standard GB/T 14353-2010 "Chemical Analysis Methods for Copper, Lead and Zinc Ores":

- Pb, Zn, Cu grades >5% were analysed by EDTA titrimetric methods;
- Pb, Zn, Cu grades <5% were analysed by AAS; and
- Ag was analysed exclusively by AAS.

Composite and whole-rock analyses

Selected composite ("combination") samples were prepared from stored secondary splits, proportionally to individual sample lengths, to investigate additional elements relevant to metallurgy and environmental performance, including Cu, Cd, Hg, Ge, Ga, As. A small number of whole-rock samples were analysed for major oxides (SiO_2, Al_2O_3, TFe, MgO, CaO, Na_2O, K_2O, TiO_2, P_2O_5, MnO, S) and base/precious metals to characterise ore and host-rock chemistry.

These extended analyses inform metallurgical testwork and by-product potential but are not directly used in resource grade interpolation.

5.4.3 Specific Gravity Data

Bulk density (specific gravity, SG) was determined through samples collected from drill core and underground workings across all major ore types and grade ranges.

Samples were typically cut to approximately 5 × 5 × 5 cm, with volumes of at least 60–120 cm³ and minimum lengths >10 cm for core samples. Sampling was conducted by ore type (massive vs disseminated mineralisation) and by mining/engineering level to ensure spatial coverage and representativity. Immediately after collection, samples were sealed in wax and measured using the wax-coated water-displacement method (wax density ~0.93 g/cm³). This is a standard method for irregular-shaped core samples that accounts for open porosity and gives a reasonable approximation to in-situ bulk density.

A total of 203 SG samples were collected from historical explorations. Density was calculated from measured masses and water displacement volumes using standard formulae that correct for wax mass and density and for the mass of the suspending string and displaced water.

Sampling focused on fresh, unoxidised ore and host rock; samples were taken from intervals where mineralisation and texture were macroscopically uniform.

The deposit is deeply buried, and mineralogical studies and oxidation-state testing (phase analysis of Ag, Pb, Zn, Cu) indicate that the mineralisation is dominantly primary sulphide with oxidation ratios <10% and effectively no significant supergene or oxide zone at the depths relevant to the resource.

The specific gravity value of QJD project is discussed in section 7.5 of this report.

In the underlying Chinese resource estimations, these mean SG values were applied by ore type (massive vs disseminated) for tonnage calculations. The sampling coverage by ore type, the use of wax-coated water-displacement determinations on representative core and underground samples, and the predominantly primary sulphide nature of the mineralisation are considered consistent with JORC expectations for bulk density data.

Overall, the quantity and quality of the SG data are adequate to support Mineral Resource estimation and classification at the levels proposed, provided that SG assignment in the resource model remains appropriately domained by ore type and, where relevant, by lithology.

5.5 Quality Assurance and Quality Control Programs

5.5.1 Certified reference standards

The reports do not state that project-supplied CRMs were routinely inserted into the sample stream. Laboratories operated under DZ/T 0130-2006, which requires internal quality control (including control charts and standard materials), but those internal standards and results are not detailed in the project documentation. The absence of documented CRMs means that independent verification of absolute assay accuracy at the project level is limited. Nevertheless, the consistency of internal/external repeats and the use of an independent umpire laboratory provide reasonable confidence in the assay dataset for the deposit scale. Future drilling should incorporate routine insertion of certified reference standards at appropriate frequencies (typically 1 in 20–25 samples).

5.5.2 Blank samples

There is no explicit mention of the insertion of field or coarse blanks in the sample stream. Cross-contamination was controlled operationally through thorough mechanical cleaning between samples and maintenance of separate sample ID ranges for different campaigns and sample types. No contamination issues or anomalous high-grade results attributed to carry-over are reported. While the preparation procedures reduce the risk of contamination, the lack of documented blank assays is a weakness in the QAQC program. Future campaigns should include regular insertion of appropriate blanks (crushed barren rock and/or analytical blanks) to monitor contamination at both preparation and laboratory stages. While the preparation procedures reduce the risk of contamination, the lack of documented blank assays is a weakness in the QAQC program. Future campaigns should include regular insertion of appropriate blanks (crushed barren rock and/or analytical blanks) to monitor contamination at both preparation and laboratory stages.

5.5.3 Duplicate samples

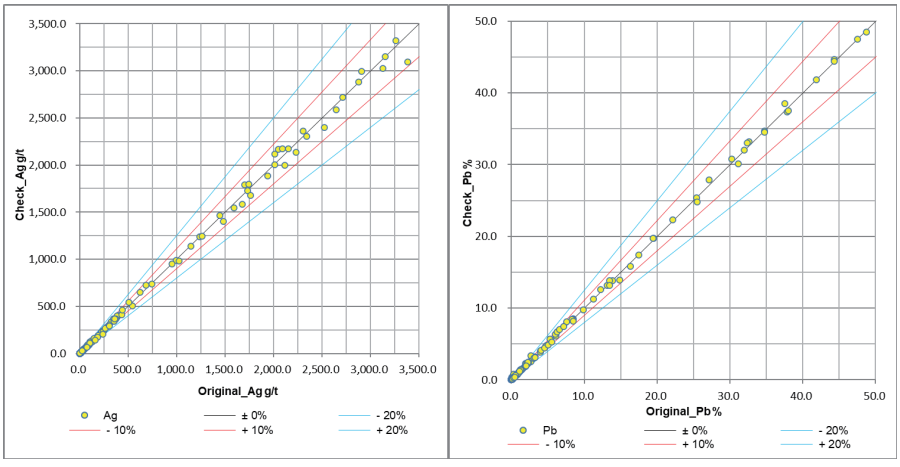
The documentation distinguishes between: "Internal checks" – repeat analyses of the same prepared sample by the primary laboratory. "External checks" – re-assay of selected samples by the umpire laboratory. Field or coarse duplicates (second, independently prepared splits from the same original sample) are not explicitly reported.

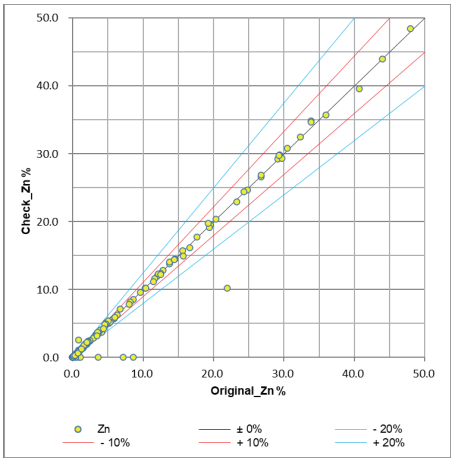
Internal repeat analyses

- **Prospecting stage (subset used in current work)**:
  - 997 basic samples (Ag, Pb, Zn) were utilised in the current verification.
  - 105 internal check samples (10.53%) were re-analysed; Ag, Pb, Zn all achieved 100% pass rate against DZ/T 0130-2006 precision limits.
- **Exploration stage**:
  - 1,814 basic samples were used; internal repeats totalled 273 samples for Ag, Pb, Zn (10.49%) and 273 for Cu (28.59%).
  - Pass rates exceeded 98% for all four elements.
- **Verification campaign (2015–2016)**:
  - Internal and external repeat programs (totalling 44 external checks over 734 basic samples, ~6%) showed high pass rates (≥95%) and generally balanced positive/negative bias, with no significant systematic bias indicated for Ag, Pb, Zn, Cu within the DZ/T 0130-2006 criteria.

SRK was provided with the original internal check data and are plotted in Figure 5-3 below.

Figure 5-3: Internal Check Data of all Explorations





Source: Plotted by SRK from the Internal Check Raw Data

Although classical field/coarse duplicate data are not documented, the relatively high proportion of laboratory repeat analyses and their good performance provide evidence for acceptable analytical precision. For future work, addition of field and coarse duplicates (nominally 1 in 20–30 samples) is recommended to separately quantify sampling and preparation variance.

5.5.4 Check (umpire) samples

External umpire checks form a key part of the QAQC program. Selected samples across high, medium and low grades were re-analysed at the Taiyuan Mineral Resources Supervision & Testing Center after initial results were available.

Prospecting stage (subset used)

- 63 external check samples (6.32% of 997 basic samples) were re-assayed for Ag, Pb, Zn.
- Pass rates: Ag 93.65%, Pb 98.41%, Zn 96.83%, all within DZ/T 0130-2006 tolerance limits.

Exploration stage

- 135 external checks (5.50% of 1,814 basic samples) for Ag, Pb, Zn; 135 external checks (14.14% of 955 Cu samples) for Cu.
- Pass rates were >97% for all elements. Analysis of positive/negative deviations indicated generally small biases, with some elements displaying slightly higher negative than positive deviation frequencies, suggesting possible minor systematic under- or over-estimation; however, all remained within regulated allowable limits.

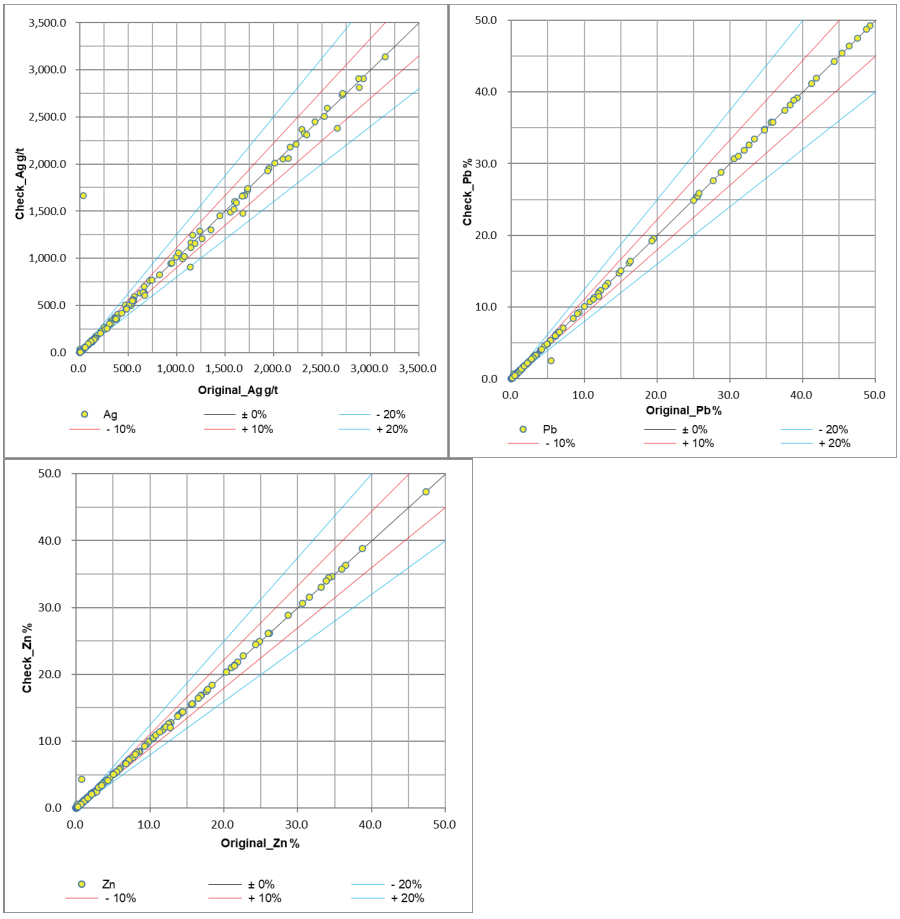
Verification campaign

- 44 external check samples out of 734 (5.99%) were analysed.

- Pass rates were 95–100% for Ag, Pb, Zn, Cu. Evaluations of relative deviations again did not indicate any material systematic bias.

SRK was provided with all raw check samples database, and plotted in Figure 5-4 below.

Figure 5-4: External Check Data of all Explorations



Source: Plotted by SRK from the Internal Check Raw Data

The external umpire program is of adequate scale and distribution for this project and demonstrates that the primary laboratory data are generally accurate and free of significant bias, within the precision framework of DZ/T 0130-2006. Combined with the internal repeat data, this provides sufficient confidence in the assay dataset for the purpose of reporting Mineral Resources under JORC.

5.6 SRK Data Verification

In accordance with the JORC Code guidelines, SRK team conducted a site visit to the project from 9 to 10 April 2026, with the following verification procedures:

- Site inspection by SRK's Competent Persons.
- Met with Company representatives.
- Discussed with the technical personnels.
- Checked the historical exploration work.
- Inspection of the core warehouse.
- Witnessed underground channel sampling.
- Witnessed the underground mining development.
- Re-sampled historical pulp samples.

5.6.1 Site Visit

Adequacy of Data

SRK considers the check assay program adequate to provide reliable data. Exploration, sampling, security and analysis procedures are being conducted in acceptable industry standard practices.

Figure 5-5: Photographs of Core Sampling and Analysis



Core Diameter Core Sampling



Core Cutting



Core Storage



Core Crusher



Core Drying Oven



CRMs



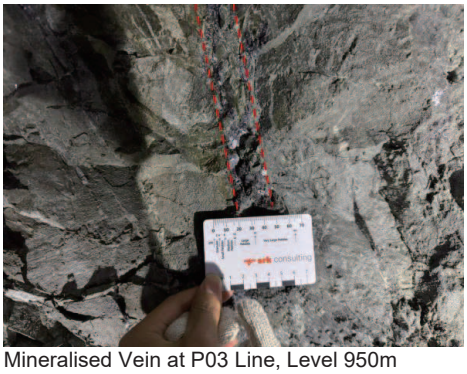
AAS

Source: SRK site visit, 2026

Geology Verification

SRK verified and validated the geological data available by observing the geology and mineralisation, which corresponded to the general description in previous reports.

Figure 5-6: Photographs of Geology and Mineralisation



Mineralised Vein at P03 Line, Level 950m



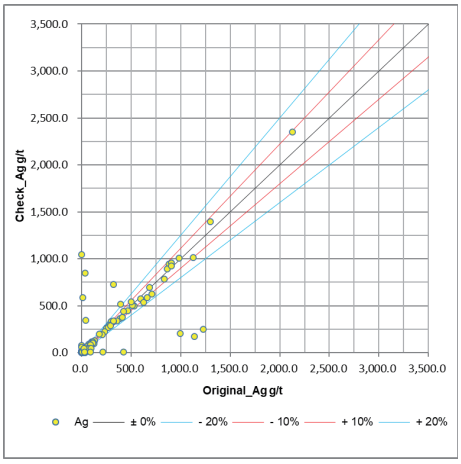
Mineralisation at 850ZK10-4(285m)

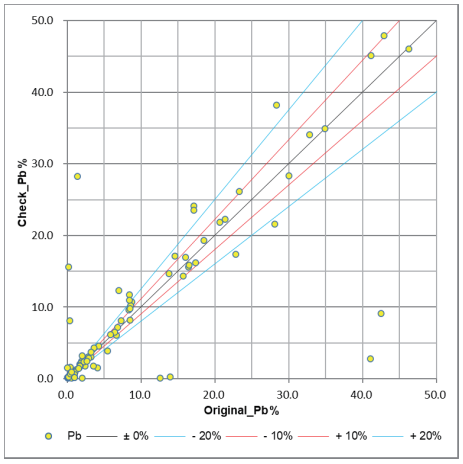
Source: SRK site visit, 2026

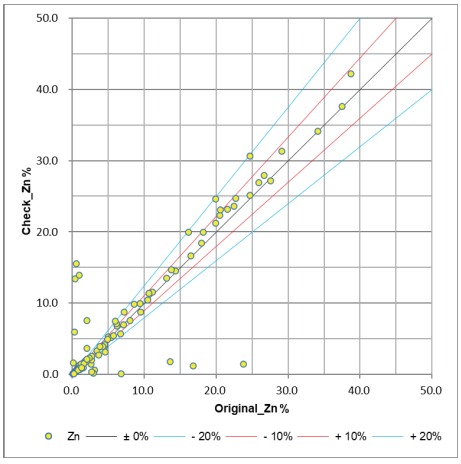
5.6.2 SRK Independent Pulp Check

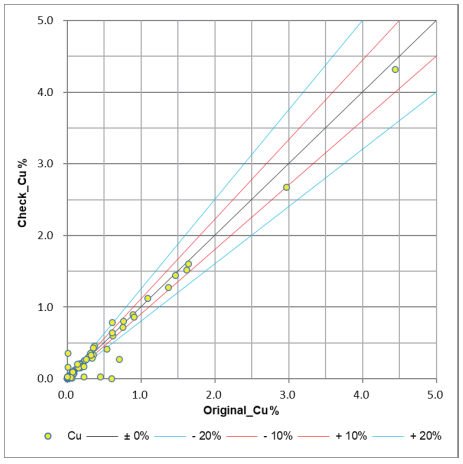
Random sampling was undertaken on archived historical pulp duplicates, with 115 samples submitted to the Tianjin SGS laboratory for Ag, Pb, Zn and Cu assay. Assay results are shown in Figure 5-7 below; most data pairs fall within ±20% deviation, confirming acceptable repeatability of the historical dataset and competent laboratory analytical performance.

Figure 5-7: SRK Independent Pulp Check Results









Source: Samples analysised in SGS vs original

5.7 SRK Comments

Overall, SRK is satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.

6 Mineral Resource Estimates

6.1 Introduction

The Mineral Resource Statement presented herein represents Mineral Resource estimation prepared for the Qianjinda ("**QJD**") Silver-Lead-Zinc Project in accordance with the JORC Code.

The effective date of the Mineral Resource Statement is 31 December 2025.

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global Mineral Resources found in the project at the current level of sampling. The Mineral Resources are reported in accordance with the JORC Code. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve.

The database used to estimate the QJD Project Mineral Resources was audited by SRK. SRK is of the opinion that the current drilling, tunnelling and trenching information is sufficiently reliable to interpret with confidence the boundaries for silver-lead-zinc mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

The Leapfrog Geo and Edge ("**Leapfrog**") software was used to construct the grade solids, prepare assay data for analysis, construct the block model, estimate grades, and tabulate Mineral Resources.

6.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

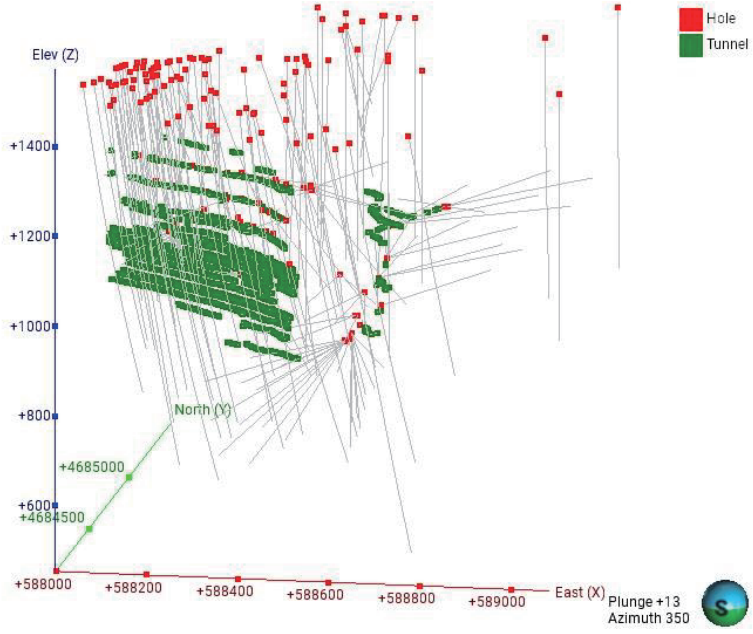
- Database compilation and verification;
- Geological interpretation for estimation domain;
- Data preparation (compositing and capping) and Variogram;
- Block model and grade interpolation;
- Mineral Resource classification;
- Model validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("**RPEEE**") and selection of appropriate cut-off grades ("**COG**"); and
- Preparation of the Mineral Resource statement.

6.3 Resource Database

The database of drillholes and channel samples consists of collar details, down-hole surveys, geological codes and assay data such as Ag, Pb and Zn. The collar and down hole "to" and "from" intervals are in metric units, under the Gauss Kruger Projection system (CM 114E) with the datum of CGCS2000.

Detailed information is shown in Table 6-1, and the drillhole and underground sample locations are shown in Figure 6-1.

Figure 6-1: Drillholes and Underground Sampling Location



Source: Generated by SRK from the data provided by QJD mine

Table 6-1: Resource Database Summary

Type	Holes Number	Depth(m)	Samples
DD holes	210	76,945.28	7,075
Tunnel	1,921	6,519.76	6,986

Source: Summaried by SRK from the database provided by QJD mine

The data were loaded into Leapfrog software for the following validations:

- Checks for holes without samples
- Checks for duplicate samples
- Checks and adjusts the missing or wrong intervals

SRK has reviewed the database used to estimate the Mineral Resources and is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the mineralization boundaries, and that the assay data are sufficiently reliable to support the Mineral Resource estimation.

6.4 Domain Modelling

The estimation domains were first prepared by Xingye Silver & Tin, and the wireframes were updated by SRK after the review.

The wireframes were constructed using Leapfrog. The mineralization interpretations were prepared using a nominal 20 g/t AgEq (AgEq = Ag + 21.1049×Pb + 21.1813×Zn) cut-off grade value. A total of 11 mineralized domains has been recognised to date (Figure 4-4).

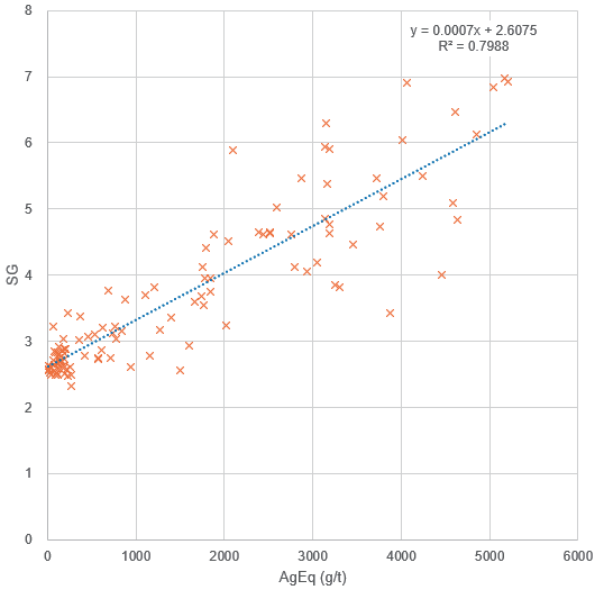
SRK has reviewed and updated the wireframe models of the mineralized domains and believes that they are reasonable and can be used for the Mineral Resource estimation.

6.5 Specific Gravity

SRK was provided with a total of 113 density data by the QJD mine. The density samples were from silver-lead-zinc mineralised bodies.

Assay result of AgEq (AgEq = Ag + 21.1049×Pb + 21.1813×Zn) and density values were used for regression analysis. High regression coefficient (R^2=0.7988) was obtained, and the regression formula was obtained for density assignment. The regression analysis is shown in Figure 6-2.

Figure 6-2: Regression Analysis of AgEq and Density



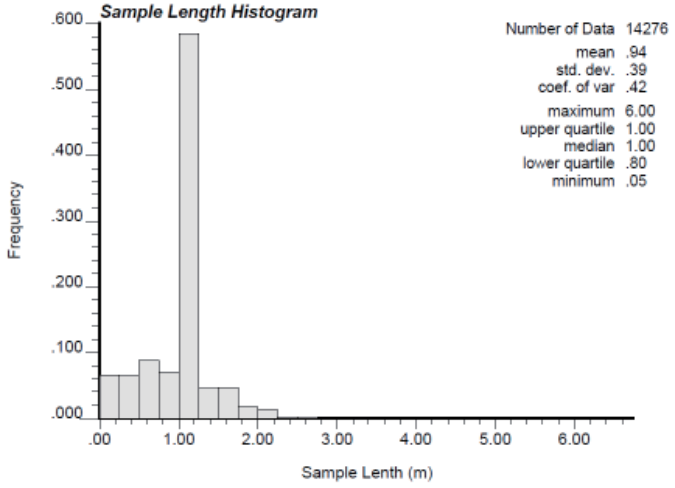
Source: Generated by SRK from the data provided by QJD mine

The SG formula (SG = 0.0007 × AgEq + 2.6075) was assigned to the block model.

6.6 Compositing

The samples were combined so the length of each sample was essentially equivalent. The basic statistics of geological sampling length of original samples were carried out and shown in Figure 6-3. The database indicates that most of the sample intervals are 1 m, so a 1 m interval composite length was selected for compositing. All raw samples were composited to 1 m downhole lengths, and was applied by SRK for subsequent statistic, and grade interpolation. The distribution of sample grade before and after compositing is provided in Table 6-2, Table 6-3 and Table 6-4.

Figure 6-3: Histogram of Raw Sample Length



Source: Generated by SRK from the data provided by QJD mine

Table 6-2: Statistics of Ag Grade before and after Compositing

Domain	Type	Samples	Min	Max	Mean	SD	COV
Domain1	Composite	1,349	0.00	1723.00	151.71	251.65	1.66
	Raw	1,479	0.00	2796.00	150.68	357.73	2.37
	Difference (%)	-8.79%	/	-38.38%	0.69%	-29.65%	-30.13%
Domain1_1	Composite	26	0.00	206.20	14.75	41.40	2.81
	Raw	26	0.00	229.00	13.40	44.50	3.32
	Difference (%)	0.00%	/	-9.96%	10.09%	-6.95%	-15.48%
Domain4	Composite	31	0.00	131.00	14.17	26.53	1.87
	Raw	30	0.00	243.00	14.32	29.58	2.07
	Difference (%)	3.33%	/	-46.09%	-1.02%	-10.29%	-9.37%
Domain5	Composite	80	0.00	350.20	31.62	53.63	1.70
	Raw	74	0.00	667.00	32.74	74.23	2.27
	Difference (%)	8.11%	/	-47.50%	-3.40%	-27.75%	-25.20%
Domain6	Composite	56	0.00	753.00	51.09	127.95	2.50
	Raw	55	0.00	753.00	51.37	153.89	3.00

Domain	Type	Samples	Min	Max	Mean	SD	COV
	Difference (%)	1.82%	/	0.00%	-0.55%	-16.86%	-16.40%
Domain7	Composite	26	0.00	459.78	29.49	91.34	3.10
	Raw	24	0.00	655.00	29.62	112.51	3.80
	Difference (%)	8.33%	/	-29.81%	-0.45%	-18.82%	-18.46%
Domain8	Composite	13	2.50	804.99	73.99	220.27	2.98
	Raw	14	2.40	1141.00	75.16	268.46	3.57
	Difference (%)	-7.14%	4.17%	-29.45%	-1.56%	-17.95%	-16.65%
Domain20	Composite	24	0.00	170.00	31.26	40.33	1.29
	Raw	24	0.00	701.00	31.64	72.03	2.28
	Difference (%)	0.00%	/	-75.75%	-1.21%	-44.01%	-43.32%
Domain22	Composite	288	0.00	4660.00	131.82	383.99	2.91
	Raw	317	0.00	4660.00	101.23	337.25	3.33
	Difference (%)	-9.15%	/	0.00%	30.21%	13.86%	-12.56%
Domain23	Composite	36	7.00	182.35	50.59	47.29	0.93
	Raw	38	7.00	191.00	49.79	50.89	1.02
	Difference (%)	-5.26%	0.00%	-4.53%	1.60%	-7.07%	-8.53%
Domain25	Composite	68	0.00	3386.00	199.46	438.60	2.20
	Raw	77	0.00	3837.00	147.41	426.96	2.90
	Difference (%)	-11.69%	/	-11.75%	35.31%	2.73%	-24.08%

Source: Summaried by SRK from the database provided by QJD mine

Table 6-3: Statistics of Pb Grade before and after Compositing

Domain	Type	Samples	Min	Max	Mean	SD	COV
Domain1	Composite	1,349	0.00	60.52	4.79	7.96	1.66
	Raw	1,479	0.00	81.57	4.74	11.24	2.37
	Difference (%)	-8.79%	/	-25.81%	1.01%	-29.17%	-29.88%
Domain1_1	Composite	26	0.00	3.29	0.45	0.70	1.54
	Raw	26	0.00	3.61	0.44	0.77	1.75
	Difference (%)	0.00%	/	-8.86%	2.72%	-9.61%	-12.00%
Domain4	Composite	31	0.00	1.57	0.49	0.46	0.94
	Raw	30	0.00	10.64	0.49	0.73	1.48
	Difference (%)	3.33%	/	-85.24%	-0.87%	-36.62%	-36.06%
Domain5	Composite	80	0.00	8.70	0.81	1.59	1.96
	Raw	74	0.00	35.88	0.86	2.64	3.06
	Difference (%)	8.11%	/	-75.77%	-5.81%	-39.79%	-36.08%
Domain6	Composite	56	0.00	18.71	1.91	3.92	2.05
	Raw	55	0.00	25.54	1.92	5.09	2.65
	Difference (%)	1.82%	/	-26.74%	-0.55%	-23.11%	-22.69%
Domain7	Composite	26	0.00	11.07	0.91	2.16	2.37
	Raw	24	0.00	15.47	0.91	2.67	2.94

	Difference (%)	8.33%	/	-28.47%	0.38%	-19.04%	-19.35%
Domain8	Composite	13	0.18	25.72	2.61	6.97	2.67
	Raw	14	0.18	36.32	2.65	8.50	3.22
	Difference (%)	-7.14%	0.00%	-29.20%	-1.34%	-18.00%	-16.88%
Domain20	Composite	24	0.00	1.49	0.28	0.41	1.46
	Raw	24	0.00	3.32	0.29	0.48	1.65
	Difference (%)	0.00%	/	-55.12%	-2.92%	-14.08%	-11.50%
Domain22	Composite	288	0.00	59.73	2.20	5.82	2.64
	Raw	317	0.00	70.04	1.80	6.21	3.45
	Difference (%)	-9.15%	/	-14.72%	22.29%	-6.24%	-23.33%
Domain23	Composite	36	0.12	6.01	1.82	1.76	0.97
	Raw	38	0.05	8.14	1.77	1.96	1.11
	Difference (%)	-5.26%	133.04%	-26.22%	2.51%	-10.49%	-12.69%
Domain25	Composite	68	0.00	30.55	2.55	4.43	1.74
	Raw	77	0.00	64.50	2.06	6.16	2.99
	Difference (%)	-11.69%	/	-52.64%	23.44%	-28.10%	-41.75%

Source: Summaried by SRK from the database provided by QJD mine

Table 6-4: Statistics of Zn Grade before and after Compositing

Domain	Type	Samples	Min	Max	Mean	SD	COV
Domain1	Composite	1,349	0.00	51.24	4.72	6.35	1.35
	Raw	1,479	0.00	55.53	4.61	8.46	1.83
	Difference (%)	-8.79%	/	-7.73%	2.21%	-24.93%	-26.55%
Domain1_1	Composite	26	0.00	1.57	0.51	0.43	0.85
	Raw	26	0.00	3.14	0.55	0.71	1.29
	Difference (%)	0.00%	/	-49.86%	-7.22%	-38.74%	-33.97%
Domain4	Composite	31	0.00	2.99	0.67	0.63	0.93
	Raw	30	0.00	2.99	0.66	0.65	0.98
	Difference (%)	3.33%	/	0.00%	1.36%	-3.82%	-5.11%
Domain5	Composite	80	0.00	21.68	0.98	2.93	2.99
	Raw	74	0.00	30.63	1.09	3.71	3.40
	Difference (%)	8.11%	/	-29.22%	-10.21%	-21.00%	-12.02%
Domain6	Composite	56	0.00	19.37	2.68	4.41	1.64
	Raw	55	0.00	28.71	2.70	6.13	2.27
	Difference (%)	1.82%	/	-32.55%	-0.49%	-28.02%	-27.66%
Domain7	Composite	26	0.00	15.66	2.03	3.28	1.61
	Raw	24	0.00	35.18	2.01	4.95	2.47
	Difference (%)	8.33%	/	-55.48%	1.08%	-33.90%	-34.60%
Domain8	Composite	13	0.47	8.85	2.18	2.77	1.27
	Raw	14	0.45	21.50	2.20	4.09	1.86
	Difference (%)	-7.14%	4.33%	-58.84%	-0.91%	-32.26%	-31.63%
Domain20	Composite	24	0.00	1.39	0.28	0.34	1.21

	Raw	24	0.00	3.41	0.28	0.45	1.58
	Difference (%)	0.00%	/	-59.31%	-1.59%	-24.88%	-23.67%
Domain22	Composite	288	0.00	32.24	1.81	2.79	1.55
	Raw	317	0.00	34.20	1.63	3.08	1.89
	Difference (%)	-9.15%	/	-5.73%	10.98%	-9.43%	-18.39%
Domain23	Composite	36	0.09	9.87	2.40	2.89	1.20
	Raw	38	0.09	13.10	2.32	3.24	1.39
	Difference (%)	-5.26%	0.00%	-24.68%	3.20%	-10.87%	-13.63%
Domain25	Composite	68	0.00	13.57	1.65	2.49	1.51
	Raw	77	0.00	16.15	1.45	2.60	1.79
	Difference (%)	-11.69%	/	-15.98%	13.43%	-4.29%	-15.63%

Source: Summaried by SRK from the database provided by QJD mine

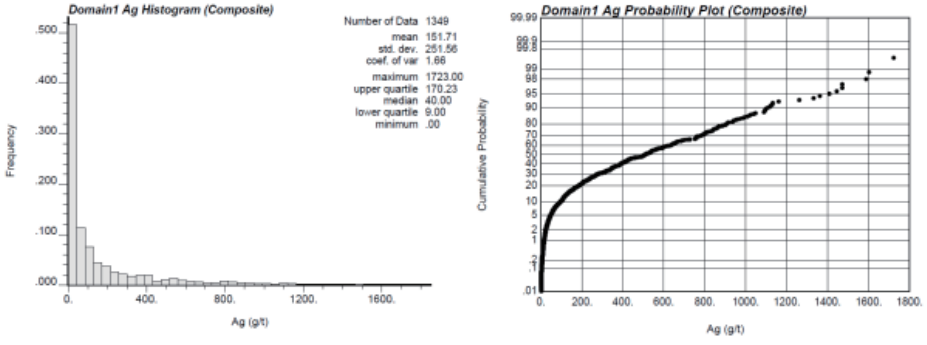
Based on the above results, SRK notes that there is a good correspondence in the basic statistics between the raw assay dataset and composites.

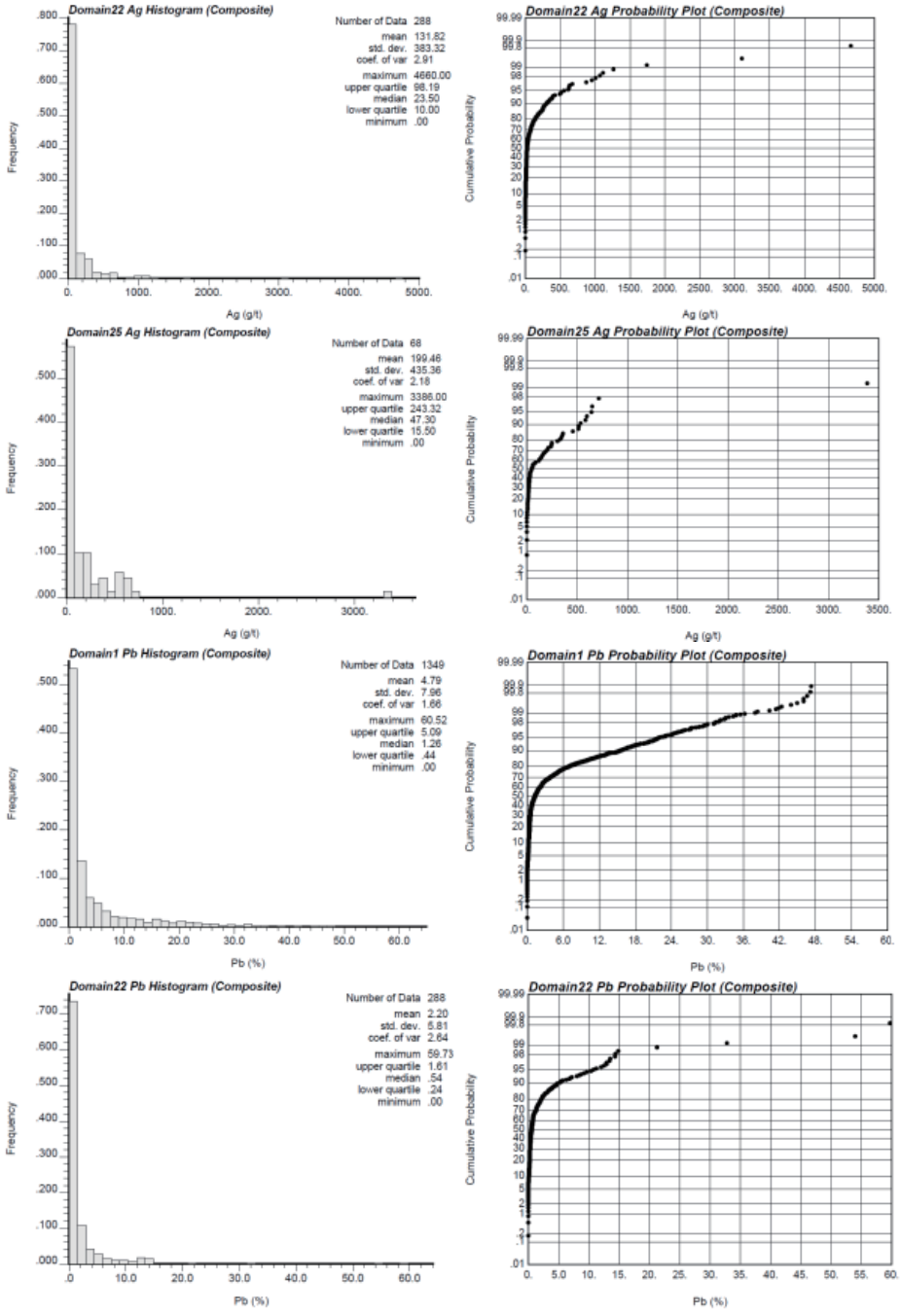
6.7 Evaluation of Outliers

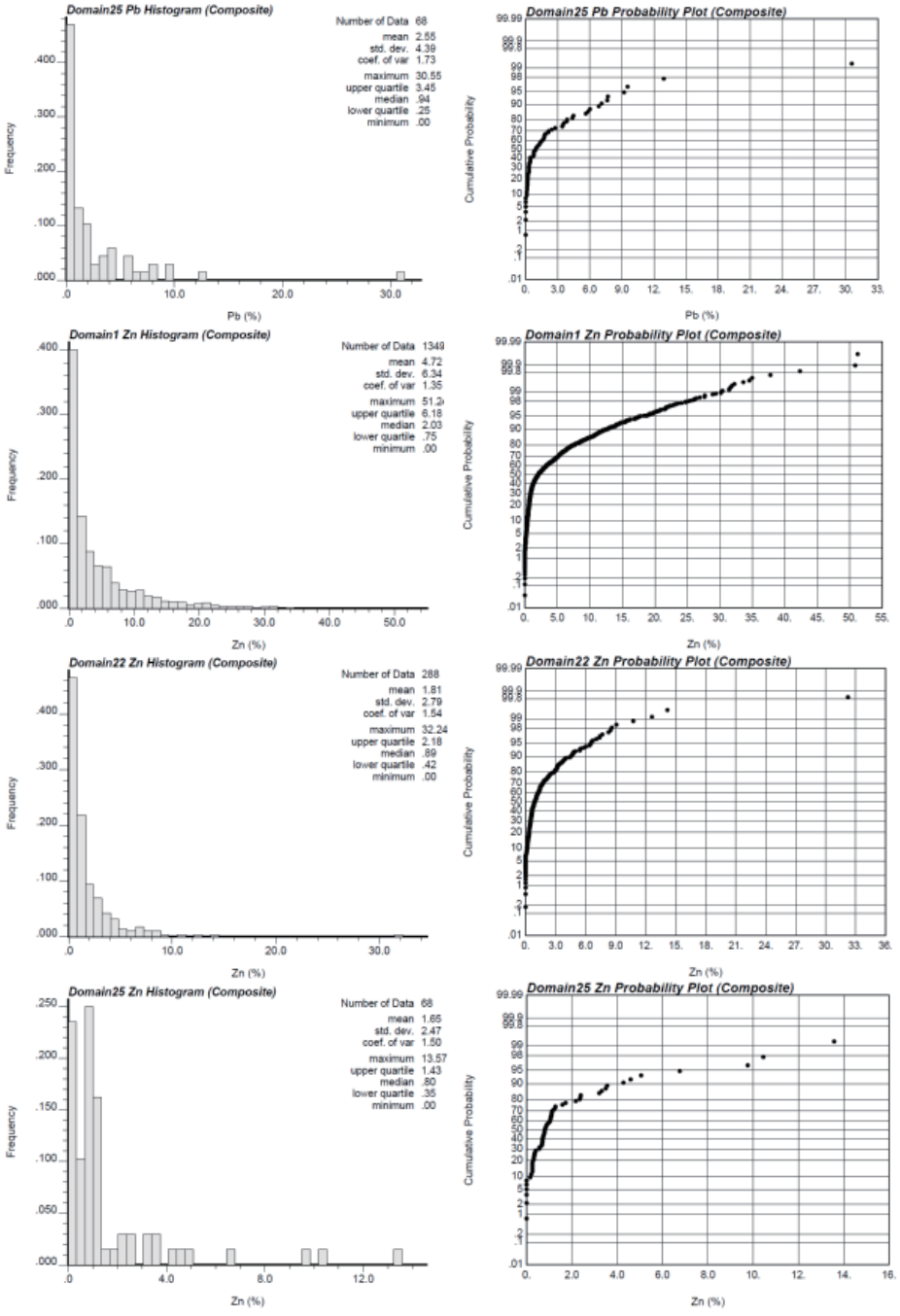
Histograms and probability plots for silver, lead and zinc were reviewed to evaluate grade distributions in the 1m composited database and to identify anomalous high-grade outliers. Following examination of the spatial positions of potentially erratic samples relative to surrounding data, it was concluded that these samples should be controlled during block grade interpolation using a combination of conventional top-capping and outlier restriction.

The histogram and probability plots of the domains are presented in Figure 6-4. Capping values were selected for each vein and variable based on the visual assessment of the distribution and the outliers, detailed in Table 6-5, Table 6-6 and Table 6-7.

Figure 6-4: Histogram and Probability Plots for the Domains




Domain22 Ag Histogram (Composite)
Number of Data 288
mean 131.82
std. dev. 383.32
coef. of var 2.91
maximum 4660.00
upper quartile 98.19
median 23.50
lower quartile 10.00
minimum .00
Frequency
Ag (g/t)
Domain22 Ag Probability Plot (Composite)
Cumulative Probability
Ag (g/t)
Domain25 Ag Histogram (Composite)
Number of Data 68
mean 199.46
std. dev. 435.36
coef. of var 2.18
maximum 3386.00
upper quartile 243.32
median 47.30
lower quartile 15.50
minimum .00
Frequency
Ag (g/t)
Domain25 Ag Probability Plot (Composite)
Cumulative Probability
Ag (g/t)
Domain1 Pb Histogram (Composite)
Number of Data 1349
mean 4.79
std. dev. 7.96
coef. of var 1.66
maximum 60.52
upper quartile 5.09
median 1.26
lower quartile .44
minimum .00
Frequency
Pb (%)
Domain1 Pb Probability Plot (Composite)
Cumulative Probability
Pb (%)
Domain22 Pb Histogram (Composite)
Number of Data 288
mean 2.20
std. dev. 5.81
coef. of var 2.64
maximum 59.73
upper quartile 1.61
median .54
lower quartile .24
minimum .00
Frequency
Pb (%)
Domain22 Pb Probability Plot (Composite)
Cumulative Probability
Pb (%)



Source: Generated by SRK from the data provided by QJD mine

Table 6-5: Summary of Outlier Data of Ag

Domain	Assay Cap Ag (g/t)	Number of Replaced Samples	Capped Ratio (%)	Ag Mean (g/t)		Difference (%)
				Before Capping	After Capping	
Domain1	1050	20	1.48%	151.71	148.15	-2.35%
Domain22	700	9	3.13%	131.82	98.94	-24.94%
Domain25	700	2	2.94%	199.46	159.71	-19.93%

Source: Summaried by SRK from the database provided by QJD mine

Table 6-6: Summary of Outlier Data of Pb

Domain	Assay Cap Pb (%)	Number of Replaced Samples	Capped Ratio (%)	Pb Mean (%)		Difference (%)
				Before Capping	After Capping	
Domain1	36	15	1.11%	4.79	4.7	-1.88%
Domain22	13	13	4.51%	2.20	1.78	-19.09%
Domain25	9	4	5.88%	2.55	2.16	-15.29%

Source: Summaried by SRK from the database provided by QJD mine

Table 6-7: Summary of Outlier Data of ZN

Domain	Assay Cap Zn (%)	Number of Replaced Samples	Capped Ratio (%)	Zn Mean (%)		Difference (%)
				Before Capping	After Capping	
Domain1	30	15	1.11%	4.72	4.65	-1.48%
Domain22	9	5	1.74%	1.81	1.69	-6.63%
Domain25	5	5	7.35%	1.65	1.35	-18.18%

Source: Summaried by SRK from the database provided by QJD mine

Regarding the large differences in average grade before and after capping the ultra-high grades in Domain 22 and 25, SRK carried out an additional review. The main reason is that there are relatively few composite samples within two domains, and the presence of several extremely high-grade values has caused this effect.

6.8 Statistical Analysis and Variography

Spatial variability in a mineral deposit depends on both the separation distance and the direction between pairs of samples. In general, variability increases as the distance between samples increases. Where variability also changes systematically with direction, the mineralization is said to be anisotropic, and this directional dependence is typically represented using an anisotropic search ellipse. The semi-variogram is the most commonly used function to quantify spatial variability in this context.

A variogram is characterized by three principal components: the nugget, the sill, and the range. Even samples taken at very short distances apart, including nominally at the same location, usually show some variability. Consequently, the variogram curve commonly intercepts the y-axis above the origin; this intercept is termed the nugget. The nugget effect reflects both very short-range natural variability and any additional variability introduced through sampling, sample preparation, and analytical error.

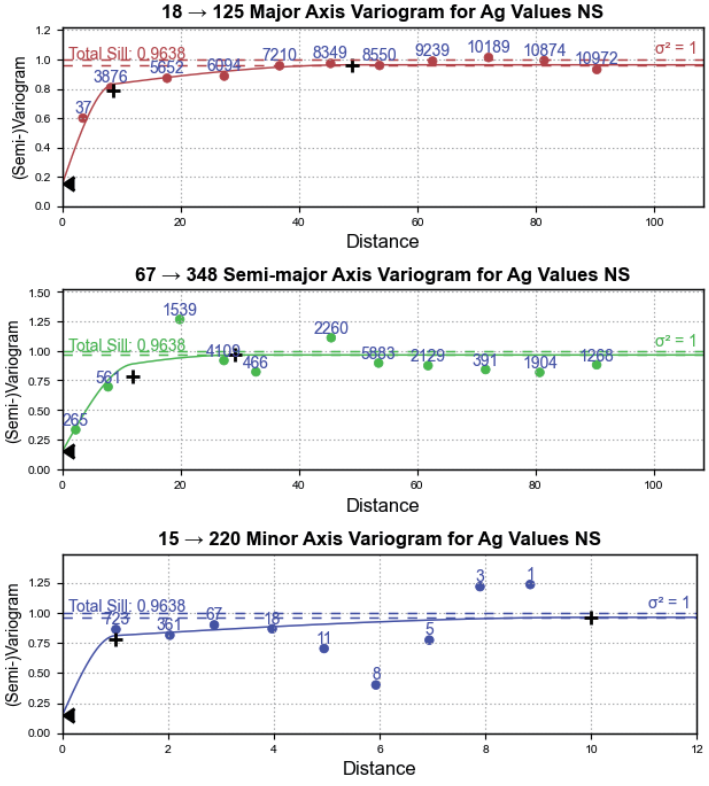
SRK has constructed the Ag-Pb-Zn variogram model of Domain 1 and Domain 22. The structure of the variogram is detailed in Table 6-8. Figure 6-5 and Figure 6-6 are the variogram models of Ag of Domain 1 and Domain 22.

Table 6-8: Variogram Structure of QJD Project

Domain	Element	Dip	Dip Azimuth	Pitch	Nugget		Sill	Major	Semi-major	Minor
Domain1	Ag	75.45	40.13	161.8	0.24	Structure1	0.64	8.63	11.87	1
						Structure2	0.11	49.03	29.22	10
Domain1	Pb	75.45	40.13	161.8	0.24	Structure1	0.62	8.63	9.25	1
						Structure2	0.17	54.57	29.22	10
Domain1	Zn	75.45	40.13	11.62	0.21	Structure1	0.56	10.84	9.25	1
						Structure2	0.13	55.76	29.22	10
Domain22	Ag, Pb, Zn	83.22	24.27	130.7	0.13	Structure1	0.52	59.23	9.6	15.95
						Structure2	0.37	150.8	111.8	30.59

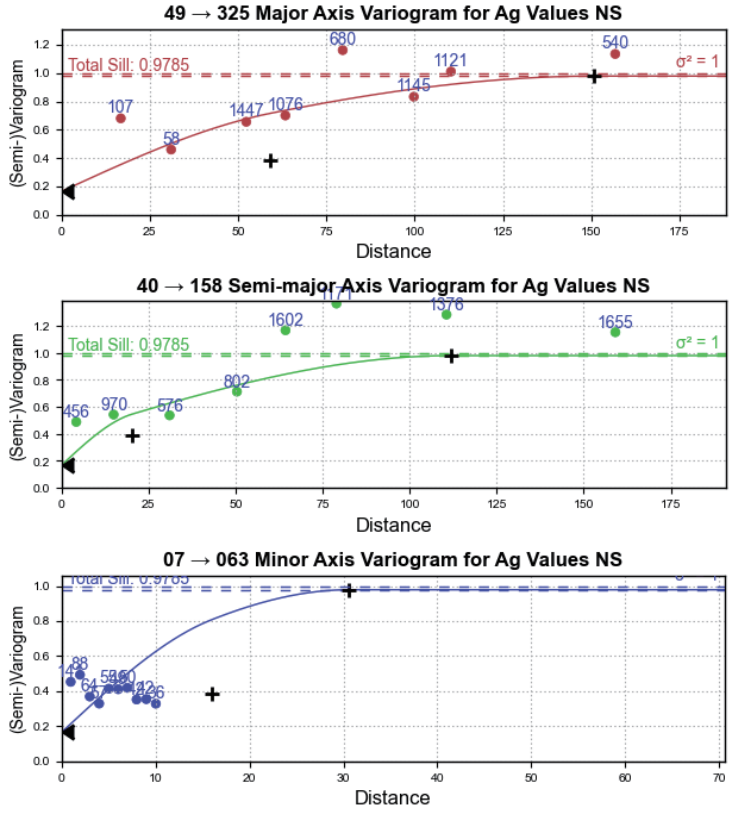
Source: Summaried by SRK from the database provided by QJD mine

Figure 6-5: Variogram Model of Ag for Domain 1



Source: Generated by SRK from the data provided by QJD mine

Figure 6-6: Variogram Model of Ag for Domain 22



Source: Generated by SRK from the data provided by QJD mine

6.9 Block Model and Grade Estimation

The block model was created using Leapfrog by SRK. Appropriate block cell size was selected for the deposit. The block size was set to 10 m × 10 m × 4 m (East × North × Elevation), and the sub bock size was set to 0.625 m × 0.625 m × 0.5 m (East × North × Elevation). The block model parameter summary is presented in Table 6-9.

Table 6-9: Block Model Specification of the QJD Project

Deposit	Coords	Min	Max	Block Size	Sub Block Size	Rotation
QJD	N	4684000	4685600	10	0.625	0
	E	587900	589100	10	0.625	
	Z	400	1600	4	0.5	

Source: SRK

The attribute and description of the block model are presented in Table 6-10.

Table 6-10: Block Model Attributes and Description

Attribute	Description
Pb_pct	Pb grade (%).
Zn_pct	Zn grade (%).
Ag_gpt	Ag grade (g/t).
AgEq	AgEq = Ag + 21.1049×Pb + 21.1813×Zn.
Licence	in = inside, out = outside
Domain	Each domain
Cate	Measured, Indicated, Inferred
SG	Specific Gravity. SG = 0.0007 × AgEq + 2.6075.

Source: SRK

The estimation method of Ag-Pb-Zn grade for Domain 1 and Domain 22 was Ordinary Kriging ("**OK**"). The Inverse Distance Square ("**IDW2**") method was used for grade estimation for the other domains.

Search parameters for each domain are listed Table 6-11 and Table 6-12.

Table 6-11: Search Parameters for Each Domain

Domain	Dip	Dip Azimuth	Pitch	major/semi-major	major/minor
Domain1	75.45	40.13	161.8	1.67	5
Domain1_1	85.56	41.08	88.6	1	5
Domain4	89.05	161.89	42.2	1.67	5
Domain5	89.05	161.89	20	1.67	5
DOmain6	89.05	161.89	30	1	5
Domain7	89.05	161.89	20	1	5
Domain8	89.05	161.89	42.2	1	5
Domain20	87.35	242.82	4.5	1	5
Domain22	83.32	242.7	130.7	1.4	5
Domain23	85.57	222.24	175.72	1	5
Domain25	89.98	44.33	8.82	1	5

Source: SRK

Table 6-12: Search Distance and Samples for Each Domain

Domain	Pass	Search distance (m)	Min Samples	Max Samples
Domain1	1	25	8	24
	2	50	8	24
	3	100	2	24
	4	200	2	24
Domain1_1	1	50	4	24
	2	100	2	24
Domain4,5,6,7,23	1	100	4	24

Domain	Pass	Search distance (m)	Min Samples	Max Samples
Domain8,20	2	200	2	24
	1	100	2	24
Domain22	1	75	8	24
	2	150	8	24
	3	300	2	24
Domain25	1	50	8	24
	2	100	4	24
	3	200	2	24

Source: SRK

6.10 Model Validation and Sensitivity

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the resource data used and of the estimation method applied. Other issues such as the relationship between the model-selectivity assumptions and mining practices are equally important when determining the appropriateness of the resource estimate.

SRK adopted the swath plot validation approaches to validate the model.

Swath plots of Ag, Pb and Zn were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown in Figure 6-7, Figure 6-8 and Figure 6-9. The block models and composites match reasonably well in all orthogonal directions. This comparison shows close agreement between the block model and composites in terms of overall distribution as a function of X, Y, and Z location

Figure 6-7: Ag Swath Plots for Domain 1

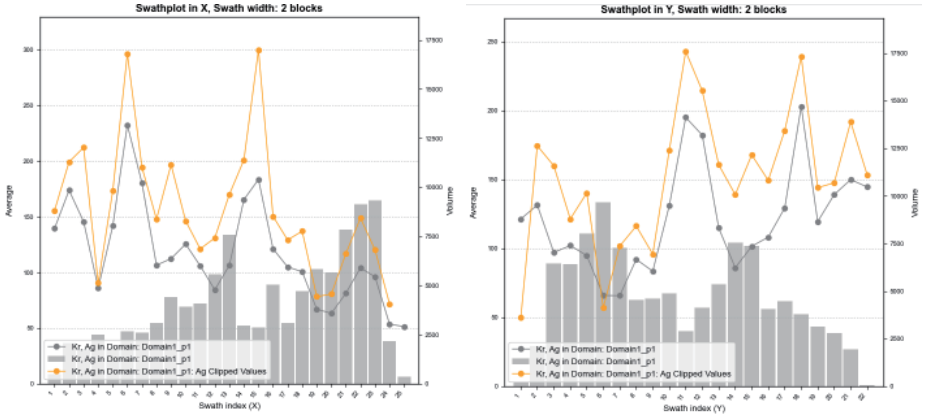
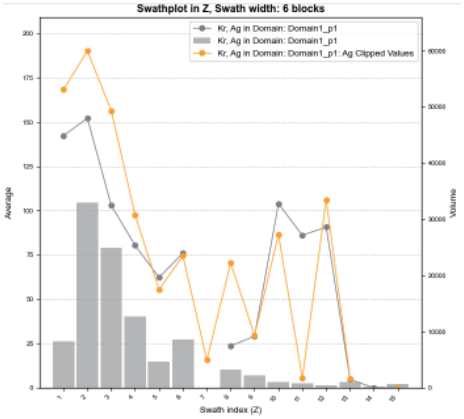


Figure 6-7: Ag Swath Plots for Domain 1



Source: SRK

Figure 6-8: Pb Swath Plots for Domain 1

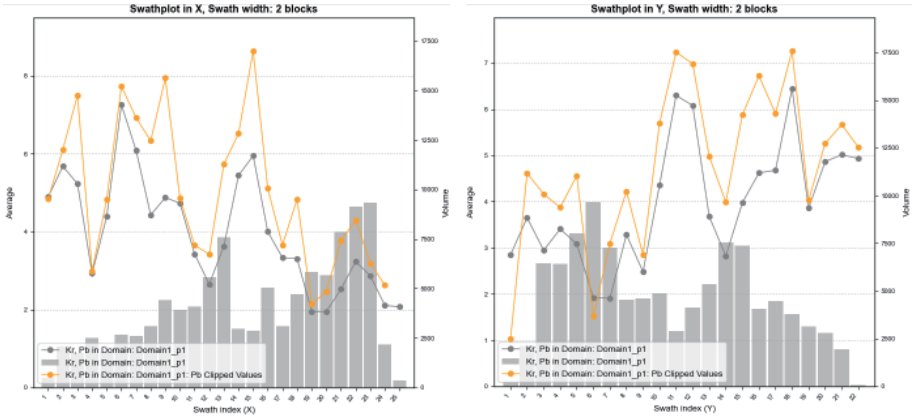
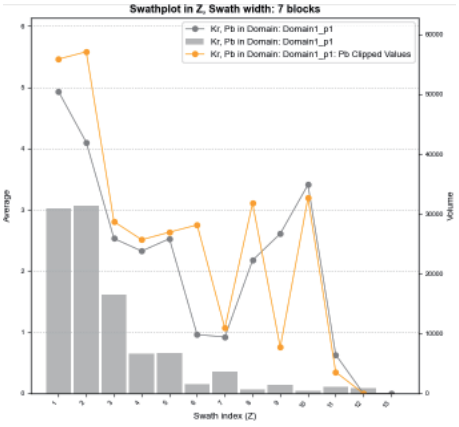


Figure 6-8: Pb Swath Plots for Domain 1



Source: SRK

Figure 6-9: Zn Swath Plots for Domain 1

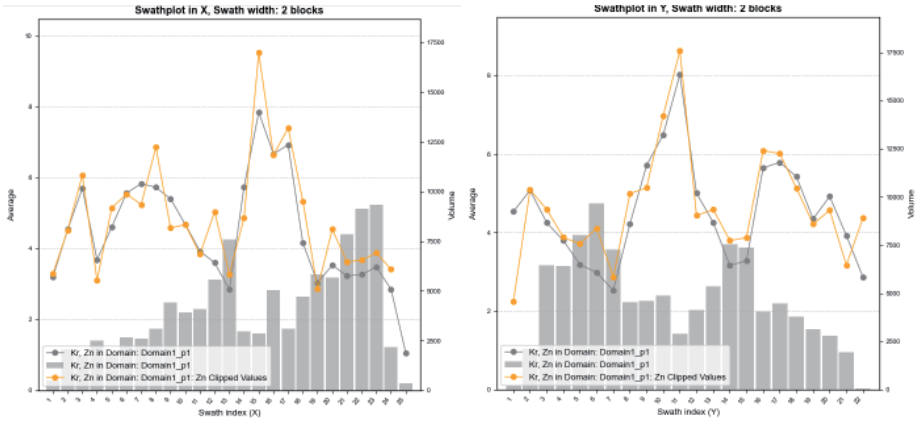
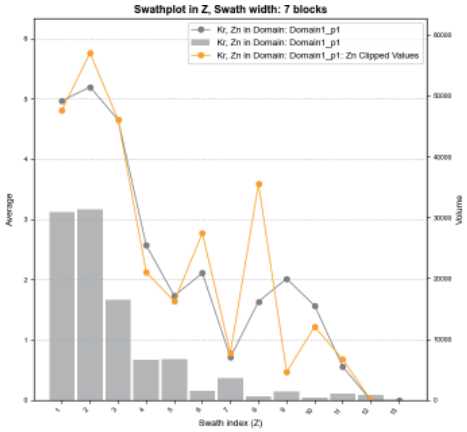


Figure 6-9: Zn Swath Plots for Domain 1



Source: SRK

These data indicate that the block model constructed by SRK is reliable.

6.11 Mineral Resource Classification

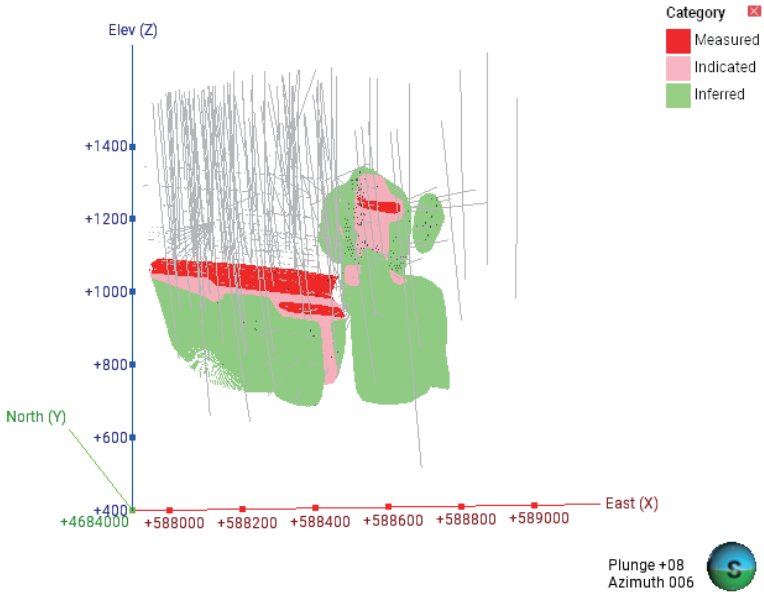
Mineral resource classification is typically a subjective concept. Industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating both concepts to delineate regular areas at similar resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation.

SRK considers the geological continuity, sampling interval, sampling data quality and variation range.

Measured Mineral Resources were limited to the sample spacing of less than 25 m × 25 m, and where underground development has been completed. Indicated Mineral Resources were with drill spacing of less than 50 m × 50 m, where the lode positions exhibit good continuity and predictability. These spacing criteria were considered appropriate for assigning Measured and Indicated classifications, considering the style of mineralization and grade continuity, the relatively low to moderate nugget effect, low coefficients of variation, and variogram ranges on the order of about 50 m of Ag. Inferred Mineral Resources were assigned to portions of the deposit where drill spacing exceeds approximately 100 m × 100 m in the domains, where small, isolated pods of mineralization occur outside the main lodes, and in geologically complex areas.

Figure 6-10: Mineral Resource Classification



Source: SRK

6.12 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

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

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that the QJD Project is amenable for underground mining. The assumptions made to determine the cutoffs for the QJD Project are shown in Table 6-13.

Table 6-13: RPEEE Assumptions

Item	Unit	Parameter
Mining		
Mining Cost	CNY/t ore	204
Mining Dilution	%	

Item	Unit	Parameter
Mining Loss	%	
Processing		
Processing Cost	CNY/t ore	103
Ag Recovery Rate	%	91
Other		
G&A + Sale Cost	CNY/t ore	180
Oz to gram	oz: gram	31.1035
Revenue		
Silver CMF Price	USD/oz	42.25
Exchange Rate	USD: CNY	7.10
Silver Price	CNY/g	9.64
Payable-Ag in Conc.	%	89
REV		7.78
Cash Cost		487
COGs		63

Note: The price refers to the long-term prediction published by Consensus Market Forecasts in December 2025.

The Mineral Resource was estimated assuming a long-term silver price of USD 42.25/oz.

As of 31 December 2025, at a cut-off grade of 63 g/t AgEq (AgEq = Ag + 21.1049×Pb + 21.1813×Zn), the Mineral Resources of the QJD Mine are summarized in Table 6-14.

Table 6-14: Mineral Resource Statement for QJD Project, as of 31 December 2025

Class	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Ag (t)	Pb (Kt)	Zn (Kt)
Measured	0.37	122	3.57	4.12	45	13	15
Indicated	1.01	85	1.97	2.09	86	20	21
Measured and Indicated	**1.38**	**95**	**2.39**	**2.63**	**131**	**33**	**36**
Inferred	2.35	53	1.55	1.91	126	37	45

Notes:

[1] Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.

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

[3] Mineral Resource are reported at a cut-off grade of 63 g/t AgEq, AgEq = Ag + 21.1049×Pb + 21.1813×Zn 13, based on the price of Ag 42.25 USD/oz, Pb 2,600 USD/t and Zn 3,650 USD/t, the recoveries of Ag 90.61%, Pb 92.74% and Zn 79.55%, the payable of Ag 89%, Pb -107.02 USD/metal contained, Zn -733 USD/metal contained.

[4] The information in this report which relates to Mineral Resource is based on information reviewed and compiled by Mr Huaixiang Li who is a full time employee of SRK Consulting China Ltd. Mr Li is a Member of AIG. He has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as the appropriate Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Mr Li consents to the reporting of this information in the form and context in which it appears.

[5] Mineral Resources are inclusive of Ore Reserves that have been converted from Measured and Indicated Mineral Resources.

[6] The effective date of the Mineral Resource Statement is December 31, 2025.

The QJD Project, as of December 31, 2025 and at a cut-off grade of 63 g/t AgEq within the mining licence, is estimated to contain 0.37 Mt of Measured Mineral Resources with average grades of 122

g/t Ag, 3.57% Pb, 4.12% Zn, 1.01 Mt of Indicated Mineral Resources with average grades of 85 g/t Ag, 1.97% Pb, 2.09% Zn, and 2.35 Mt of Inferred Mineral Resources with average grades of 53 g/t Ag, 1.55% Pb, 1.91% Zn.

6.13 Grade Sensitivity Analysis

The Mineral Resources of the QJD Project is sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the quantities and grade are presented in at different cut-off grades in Table 6-15. The reader is cautioned that the figures presented should not be misconstrued with a Mineral Resource statement. Figure 6-11 and Figure 6-12are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

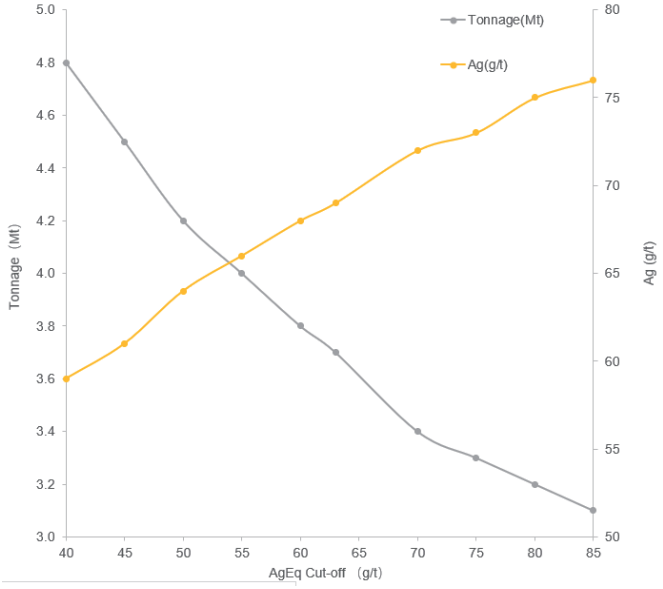
Table 6-15: Block Model Quantities and Grade Estimates at Various AgEq Cut-off Grades

Cutoff	Tonne	Grade		
AgEq (g/t)	(Mt)	Ag (g/t)	Pb (%)	Zn (%)
40	4.8	59	1.59	1.9
45	4.5	61	1.66	1.9
50	4.2	64	1.73	2.02
55	4.0	66	1.80	2.1
60	3.8	68	1.84	2.2
63	**3.7**	**69**	**1.86**	**2.2**
70	3.4	72	1.96	2.3
75	3.3	73	2.00	2.3
80	3.2	75	2.04	2.4
85	3.1	76	2.06	2.4

Sources: SRK

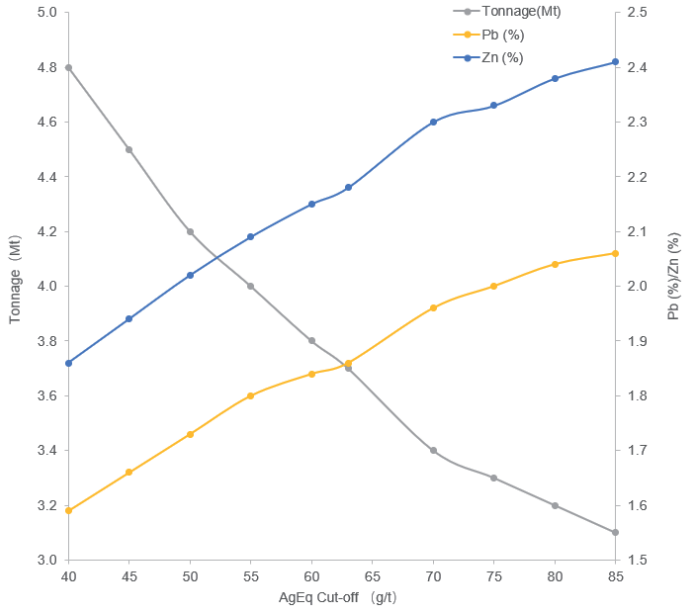
Notes: The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 6-11: Ag Grade-Tonnage Curve for QJD Project at Various AgEq Cutoff Grades



Source: SRK

Figure 6-12: Pb and Zn Grade-Tonnage Curve for QJD Project at Various AgEq Cutoff Grades



Source: SRK

6.14 Exploration Potential and Recommendations

After SRK's review of the exploration databased, SRK finds that the mineralised domains are still open at depths. And there are some holes intersected mineralisation at the NE and central zone of the mine. The reported Mineral Resources are mainly concentrated within the drilling and tunnelling zones. There is potential to expand the Mineral Resource through further exploration work.

SRK suggests QJD mine to insert more QA/QC samples at the least frequency of 10%, such as certified reference standards (representing high, medium, and low grades), as well as a coarse blank, pulp blank, coarse duplicate, and pulp duplicate.

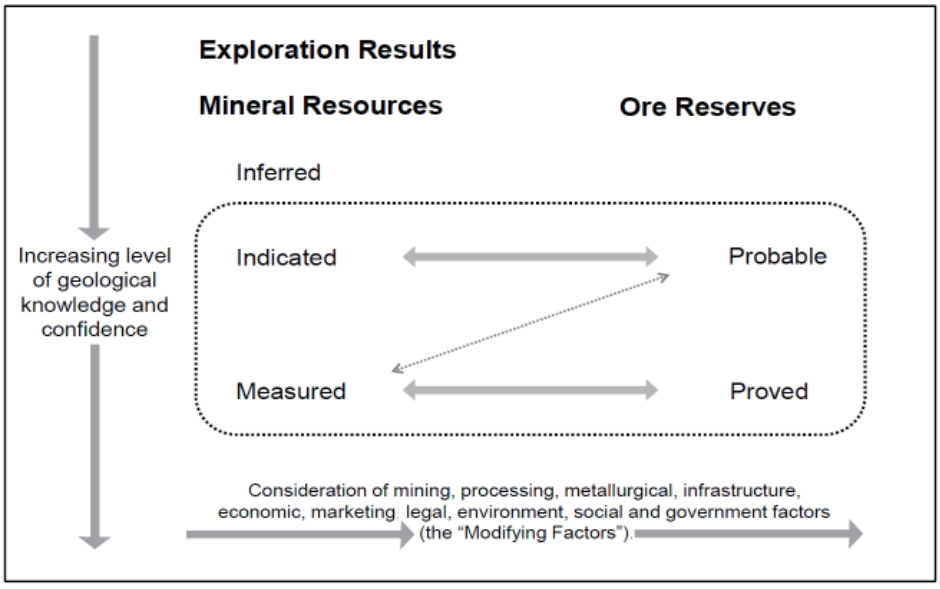
7 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the JORC Code is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 7-1.

Figure 7-1: General relationship between Mineral Resources and Ore Reserves



Sources: JORC Code (2012)

Qianjinda Mine contains several lodes, with ongoing or planned operations utilizing underground mining methods. The Ore Reserves were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with on-going operation and have been adjusted to meet a Pre-Feasibility study ("PFS") standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore Reserve estimation methodology and summarizes the key assumptions considered. In the opinion of SRK, the Ore Reserve estimation reported are in accordance with the JORC Code guidelines.

Qianjinda Mine have historically been in production, with all development system completed during that time. Current mining activities are focused on the residual mining areas, so only essential development is required to support ongoing production.

7.1 Technical Studies

SRK has received the following technical studies:

- Basic Design Report on the Qianjinda Mine, conducted by Lanzhou Engineering & Research Institute of Nonferrous Metallurgy Co., Ltd. In April 2018 (QJD 2018)
- Feasibility Study on Optimization of Mining Methods in Qianjinda Mine, conducted by Changsha Institute of Mining Research Co., Ltd. in February 2024 (QJD 2024)

7.2 Modifying Factors

In accordance with the JORC Code, the Measured and Indicated Mineral Resources are converted to Ore Reserves through the application of appropriate modifying factors. The primary factors considered in the Ore Reserve estimation include stope optimisation, mine design, mining losses, and mining dilution. Additional parameters, such as processing capabilities, market conditions, and environmental, legal, and political constraints, are also taken into account, as these may impact the quantity and classification of the Ore Reserves.

The modifying factors applied to the Reserve estimates for Qianjinda Mine are listed as below:

- The Ore Reserve is planned for extraction by underground mining methods.
- SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation.
- The scope of the Ore Reserves estimation considers the boundaries of the mining tenure.
- Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices.
- The underground mine design and planning used for further planning is based on the review of the technical and economical consideration.
- Based on historical production data for the Qianjinda Mine, the mining loss rate is 3.46% and the dilution rate is 17.59%.
- The cut-off grade ("COG") is used to define the economic viability of the stopes.
- The effective date is as of 31 December 2025.

7.3 Cut-off Grade

The cut-off grades for the Qianjinda Mine are presented in Table 7-1. Key considerations include:

- Price: The silver prices are dynamic and derived from consensus market forecasts ("CMF") provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/administrative ("G&A") are based on average historical three-year cost.
- The COG for sliver in the Run-of-Mine ("ROM") feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{P * P_a * P_r * (1 - R_t)}$$

The parameters used in estimating the COG are detailed in the Table 7-1. The preferred COG value is rounded up to the nearest 0.1 for practical application.

Table 7-1: Cut-Off Grade Estimation Inputs for Qianjinda Mine

Item	Parameters	Unit	QJD Mine	By Product
	Exchange Rate	USD : CNY	7.10	7.10
P	Sliver Price	CNY/g	7.42	7.42
Pa	Payable	%	89	89
Pr	Processing Recovery	%	91	91
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	204	
Cp	Processing Cost	CNY/t ore	103	103
Cg	G&A Cost	CNY/t ore	180	180
A	COG	g/t	81	47

Source: SRK

Note:

[1] The COG for by-products is calculated using the breakeven cut-off grade method, which takes mining costs out of estimation. This COG is specifically used to determine the material excavated during development.

The equivalent factor of Pb and Zn against Ag is estimated considering prices, recovery rates and payable factors differences. The estimates are presented in Table 1-2 below.

Table 7-2: Estimation for Equivalent Factors of Pb and Zn to Ag

Item	Unit	Pb	Zn	Ag
Recovery	%	93	80	91
Payable	USD/ metal contained	-105.51	-563	-
	%	-	-	89
Price	USD/t	2,000	2,800	1,044,898
Equivalent Factors against Ag		20.8497	21.1168	1.0000

Source: SRK

7.4 Ore Reserve Estimation

The property is an operating mine, with underground exploration workings developed on several levels.

From the footwall side of orebody, Exploration Decline #1 has been driven eastward from surface elevation 1,407 m to the central part of the orebody. The decline has an azimuth of 140° and a dip of 25°, with truck bays established at the 1,300 m and 1,250 m levels and a main station at the 1,200 m level.

From the hanging wall side of Orebody, Exploration Decline #2 has been driven westward from surface elevation 1,420 m to the central part of the orebody. This decline has an azimuth of 330° and a dip of 25°, with truck bays at the 1,300 m, 1,250 m, 1,200 m, and 1,150 m levels and a main station at the 1,100 m level.

The mine currently uses shrinkage stoping and sublevel open stoping method. The mine employs shrinkage stoping for veins with a thickness of less than 1 m. Open stoping is used for veins with a thickness greater than 1 m.

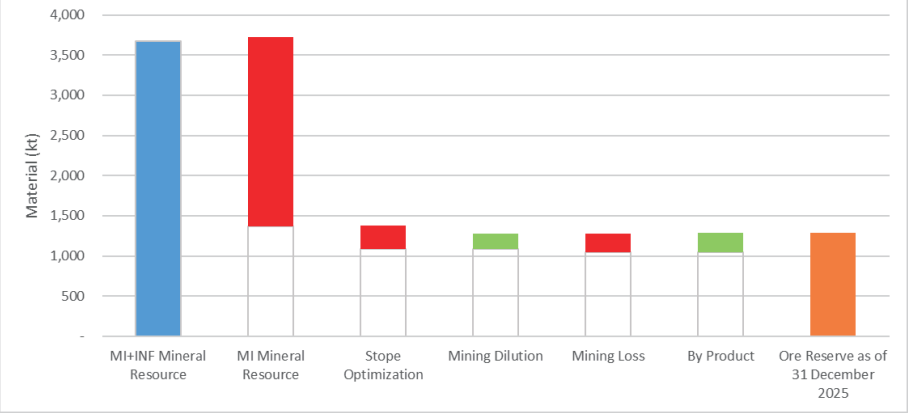
The estimated process details are provided in Table 7-3, with the corresponding waterfall charts illustrated in Figure 7-2 and Figure 7-3.

Approximately 35% of tonnage and 39% of metal have been converted from Mineral Resources to Ore Reserves. A key negative factor impacting this conversion is the presence of Inferred Mineral Resources.

Table 7-3: Estimate Process Summary for Qianjinda Mine

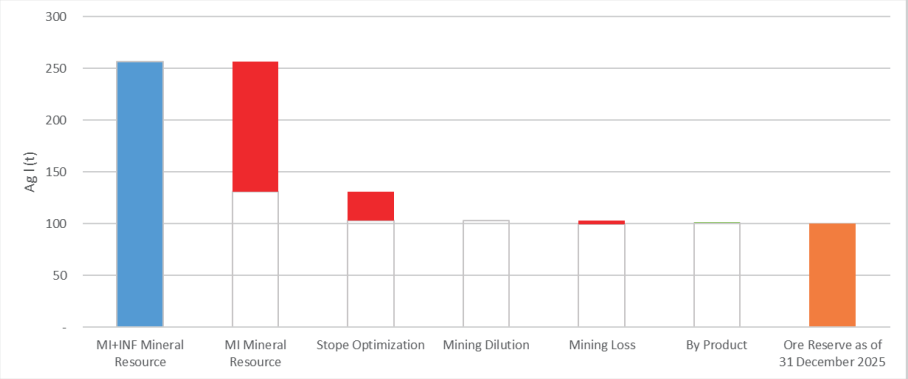
Description	Material Tonnes (kt)	Contained Ag (t)
MI+INF Mineral Resource	3,671	257
MI Mineral Resource	-2,355	-126
Stope Optimization	-293	-27
Mining Dilution	191	-
Mining Loss	-228	-4
By Product	240	1
Ore Reserve as of 31 December 2025	1,289	100

Figure 7-2: Estimates Process for Qianjinda Mine - Change in Contained Material Tonnes



Sources: SRK

Figure 7-3: Estimates Process for Qianjinda Mine - Change in Contained Ag Metal



Sources: SRK

7.5 Ore Reserve Statement

SRK has estimated the underground Ore Reserves for the Qianjinda Mine in accordance with the JORC Code guidelines. The Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a Pre-Feasibility Study.

The economically mineable portions of Measured and Indicated Mineral Resources within the designed underground stopes have been classified as Proved and Probable Ore Reserves, respectively, including allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code framework.

As of 31 December 2025, the underground Ore Reserves for the Qianjinda Mine is estimated at 1.29 Mt, with an average grade of 77.81 g/t sliver (Ag),1.98 % lead (Pb) and 2.2% zinc (Zn), containing 100.29 t of sliver (Ag), 25.52 kt lead (Pb) and 28.33 kt of zinc (Zn).

These reserves are all classified as Proved and Probable Ore Reserves provided in Table 7-4.

Table 7-4: Ore Reserves Estimate of the Qianjinda Mine as of 31 December 2025

Category	Tonnage	Average Grade			Metal Contained		
		Ag	Pb	Zn	Ag	Pb	Zn
	Mt	g/t	%	%	t	kt	kt
Proved	0.34	97.09	2.89	3.41	32.79	9.74	11.52
Probable	0.95	70.97	1.66	1.77	67.50	15.77	16.81
Total	**1.29**	**77.81**	**1.98**	**2.20**	**100.29**	**25.52**	**28.33**

Source: SRK

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr Rui Shen and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Mr Falong Hu is a Fellow of AusIMM, Who has sufficient

experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which is undertaking 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. Mr Rui Shen and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] Ore Reserves are constrained with in an underground design that uses the following assumption: a sliver price of CNY 7.42/g; silver recoveries 89%; G&S costs of CNY180/ton ore processed.

[3] The equivalent Ag grade (EqAg) is calculated as:EqAg = Ag grade + 20.85 × Pb grade + 21.12 ×Zn grade.

[4] Ore Reserves are estimated at a cut-off grade of 83 g/t EqAg.

[5] Ore Reserves include by product ore, with a cut-off-grade of 48 g/t EqAg.

[6] Mining Stope include the by product ore from cross cut

[7] The minable shapes optimization exclude the mine out area

[8] Numbers have been rounded and may not sum precisely.

[9] The mining dilution (waste rock) rate is 17.59%. Mining loss rate is 3.46%.

8 Mining Assessment

8.1 Mine Operating Status

The Qianjinda Mine was developed by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. as a 1,000 tpd operation, with construction commencing in 2018and commercial production starting in 2020. Historical production data for the Qianjinda Mine are summarised in Table 8-1.

Table 8-1: Qianjinda Mine Historical Production

Type	Unit	2021	2022	2023	2024	2025
Ore Mined	kt	117	106	267	370	424
Waste Mined	kt	13	36	65	89	96
Ag Grade	g/t		206.00	202.00	88.40	188.32
Pb Grade	%		3.90	4.71	2.40	4.51
Zn Grade	%		2.48	2.89	2.01	2.97
Cu Grade	%		0.15		0.17	0.16
Ag Metal	Kg		21,824	53,867	32,731	79,782
Pb Metal	t		4,132	12,560	8,886	19,107
Zn Metal	t		2,627	7,707	7,442	12,583
Cu Metal	t		159		629	678
Total Mined	kt	130	142	332	459	519

Source: Qianjinda Mine

8.2 Hydrogeology

The Project area is located in a low to medium relief hilly region. The climate is characterized by hot summers, cold winters, low but concentrated precipitation, and high evaporation. Mean annual precipitation is approximately 371 mm, while mean annual evaporation is about 1,883.5 mm. Rainfall is strongly seasonal, with approximately 60–70% of the annual total occurring during June, July, and August.

There are no significant permanent surface water bodies within the licence area. Local gullies are typically dry and act as seasonal streams, carrying flow only during the rainy season and snowmelt periods. Short-duration flash floods may occur in the gullies following intense rainfall events.

The principal aquifers and aquitards in the Project area are:

- Unconsolidated pore (phreatic) aquifer
  - This aquifer occurs in relatively flat areas and along valley floors. It is hosted in Quaternary alluvial–proluvial sand and gravel, including pebbly medium to coarse sand. The aquifer thickness is typically 2.90–3.70 m, with groundwater depths of 2.09–3.20 m below surface. The specific discharge is approximately 0.00983 L/s·m, indicating weak groundwater abundance.
- Clastic rock fracture (phreatic) aquifer

- This aquifer is mainly hosted in tuffaceous rocks. Groundwater occurs in weathering and structural fractures and represents the principal bedrock aquifer. The hydraulic conductivity is approximately 0.01416 m/d, with a specific discharge of 0.0208 L/s·m. Groundwater abundance is weak.

- Igneous rock fracture (phreatic) aquifer
  - This aquifer is hosted in quartz porphyry and granitic porphyry. The hydraulic conductivity is approximately 0.01677 m/d, with a specific discharge of 0.0314 L/s·m, also indicating weak groundwater abundance.

At depth, unweathered, relatively unfractured fresh bedrock forms a regional aquitard with low permeability.

Groundwater recharge is primarily derived from atmospheric precipitation and regional groundwater inflow. Groundwater discharge is dominated by mine dewatering, with secondary contributions from evaporation and subsurface outflow.

Mine inflows are principally controlled by fracture water entering underground workings via weathering and structural fracture zones. Given that rainfall in the area is highly concentrated and often occurs as heavy rain or cloudbursts, there is a risk of rapid inflow where surface water can access the mine via portals, poorly sealed boreholes, or other openings. Appropriate measures are required to prevent such inflows.

The local base level of erosion is at approximately 1,356 m elevation. The main orebodies are located between elevations of 570 m and 1,342 m, i.e., below this base level. The direct water-bearing horizon affecting mine workings is the fractured rock aquifer, which has weak groundwater abundance, limited recharge, and relatively poor runoff conditions.

8.3 Geotechnical Condition

Changsha Institute of Mining Research Co., Ltd. has carried out a rock mass engineering geological investigation for Zhengxiangbai Banner Qianjinda Mining Co., Ltd. to characterise rock mass conditions and evaluate rock mass stability within the mining area. The scope of work includes: (1) sampling of host rocks and laboratory testing to determine the physical and mechanical properties of the mine rock mass; and (2) systematic investigation of structural discontinuities, including statistical analysis of the orientation and characteristics of dominant joint sets in different rock units.

Discontinuity mapping was completed using SIROVISION engineering geological survey equipment and software in combination with conventional geological mapping methods, to record the orientation, trace length, surface roughness, infilling characteristics, water inflow and weathering condition of the rock mass. Survey locations were selected at the 1,100 m, 1,150 m and 1,120 m levels where rock mass exposure is considered to be representative and of good quality

8.3.1 Rock Mass Physical and Mechanical Properties

Laboratory testing of rock mass physical and mechanical properties was undertaken to provide input data for geotechnical design. The test programme comprised: (1) uniaxial compressive strength tests to determine the mechanical behaviour of ore and host rocks under unconfined loading; and (2) Brazilian (splitting) tensile strength tests. The results were compiled to derive the natural-state

physical and mechanical parameters of crystal-vitric tuff, breccia tuff, granitic porphyry, ore and sedimentary tuff (Table 8-2). Based on these data, equivalent rock mass strength parameters were then calculated using the Hoek–Brown criterion with RocScience RocLab 1.0 software, and the adopted design parameters are presented in Table 8-3.

Table 8-2: Physical and Mechanical Properties of Ore and Host Rock

Lithology	Unit Weight (kN/m³)	Compressive Strength (MPa)	Tensile Strength (MPa)	Elastic Modulus (GPa)	Poisson's Ratio
Crystal–vitric tuff	23.83	85.2	12.45	19.27	0.14
Breccia tuff	24.52	127.6	18.4	67.9	0.15
Granitic porphyry	25.56	72.48	10.17	46.99	0.23
Ore	57.16	57.16	6.46	22.23	0.21
Sedimentary tuff	39.07	104.9	21.03	72.96	0.3

Source: QJD 2024

Table 8-3: Rock Mass Mechanical Parameters of Ore and Host Rock

Lithology	Compressive Strength σ_c (MPa)	Tensile Strength σ_t (MPa)	Elastic Modulus E (GPa)	Poisson's Ratio μ	Cohesion c (MPa)	Internal Friction Angle j (°)
Crystal–vitric tuff	6.57	0.19	12.23	0.14	4.75	35.05
Breccia tuff	7	0.18	9.77	0.15	6.66	33.88
Granitic porphyry	4.53	0.05	9.1	0.23	4.96	41.38
Ore rock	2.14	0.03	5.52	0.21	2.57	36.9
Sedimentary tuff	2.36	0.07	4.96	0.3	2.9	28.84

Source: QJD 2024

8.3.2 Rock Mass Engineering Geological Investigation and Assessment

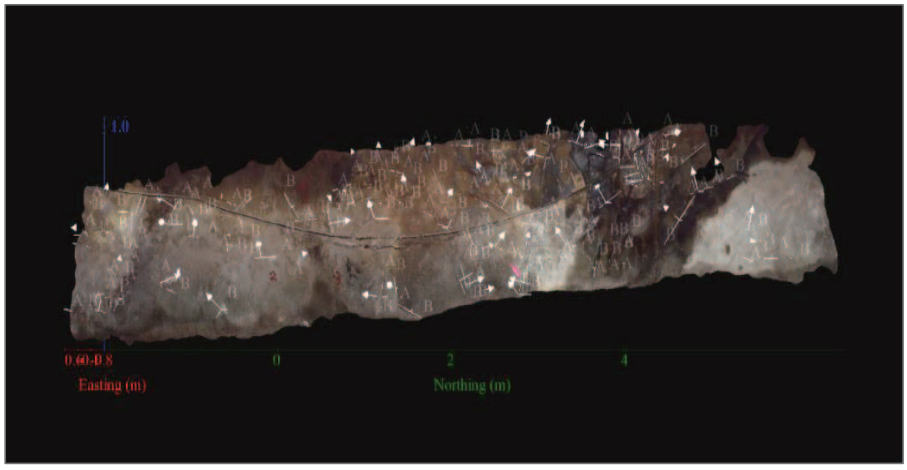
SIROVISION industrial cameras and 3D image-processing software were used, together with conventional tools (compass, tape, steel tape and geological hammer), to carry out detailed, continuous measurements of structural discontinuities, including spacing, orientation, aperture and infilling, trace length, surface morphology, seepage conditions and degree of weathering.

Crystal-vitric tuff

Using SIROVISION geotechnical survey equipment and software, detailed mapping of joints and fractures was undertaken in the crystal–vitric tuff. The 3D joint classification is shown in Figure 8-1, the pole plot of structural planes in Figure 8-2, and the dominant joint sets in Figure 8-3.

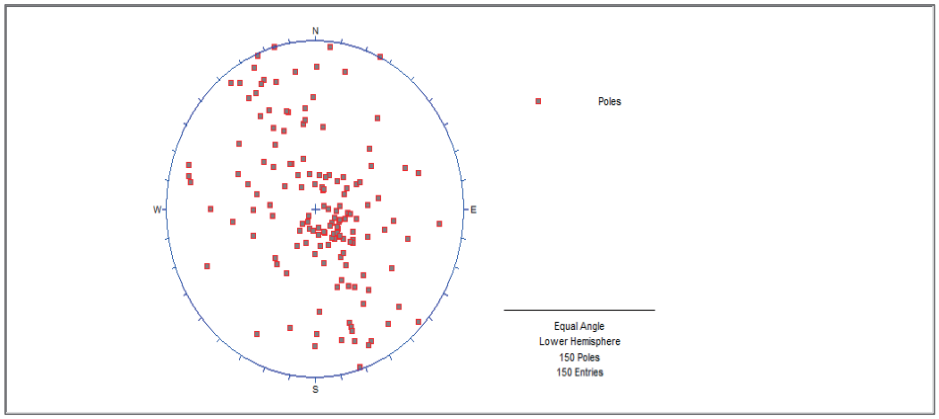
Statistical analysis indicates two major joint sets with orientations of 134°/69° and 159°/13°. The joints are generally closed, with planar surfaces, moderate wall roughness and largely unweathered rock. The mean trace length is approximately 0.18 m, and the joint density is about 15.6 joints/m².

Figure 8-1: 3D Joint Classification



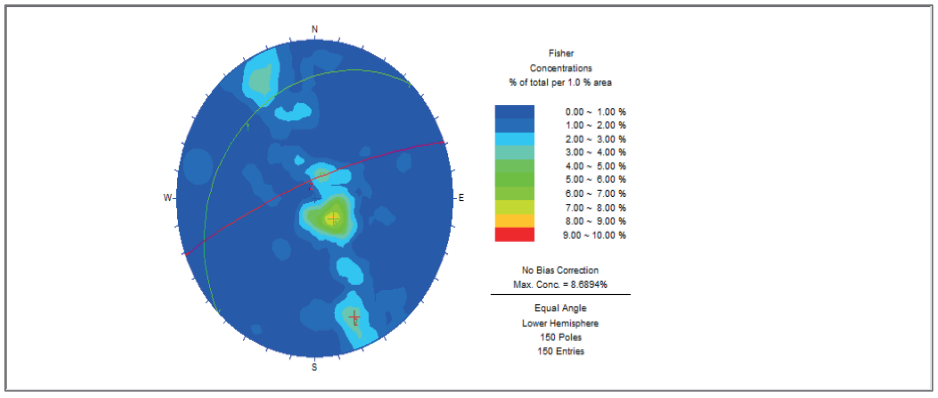
Source: QJD 2024

Figure 8-2: The Pole Plot of Structural Planes



Source: QJD 2024

Figure 8-3: The Dominant Joint Sets



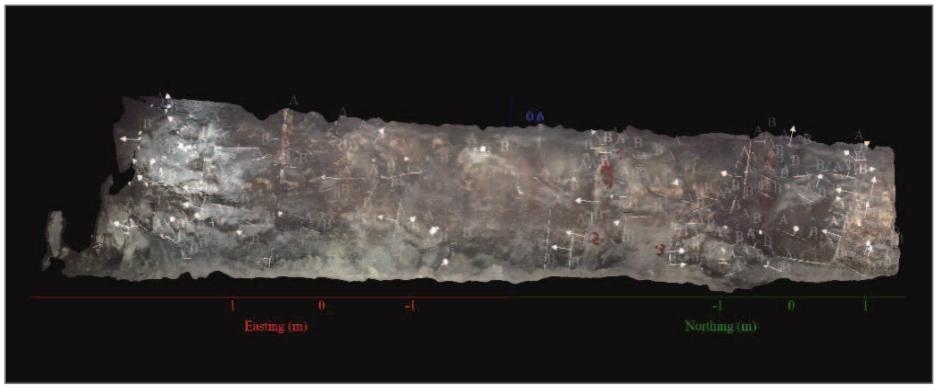
Source: QJD 2024

Breccia tuff

Using SIROVISION geotechnical survey equipment and software, detailed mapping of joints and fractures was carried out in the breccia tuff. The 3D joint classification is shown in Figure 8-4, the pole plot of structural planes in Figure 8-5, and the dominant joint sets in Figure 8-6.

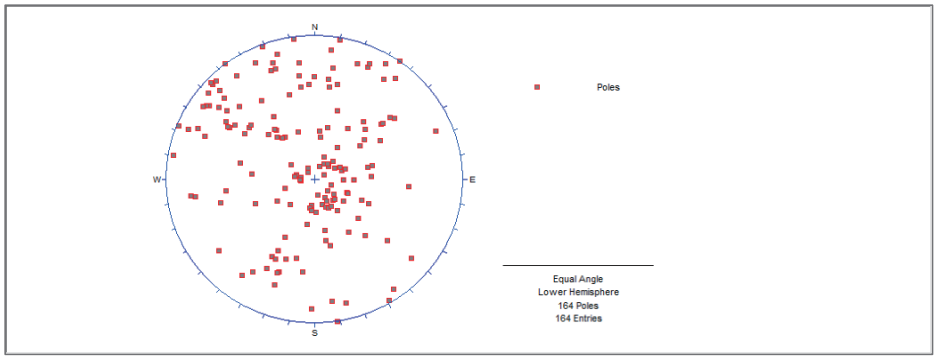
Statistical analysis indicates two major joint sets with orientations of 308°/59° and 156°/70°. The discontinuities are generally closed, predominantly planar, mainly unweathered, with moist rock walls and coarse surface roughness. The mean trace length is approximately 0.18 m, and the joint density is about 14.9 joints/m².

Figure 8-4: 3D Joint Classification



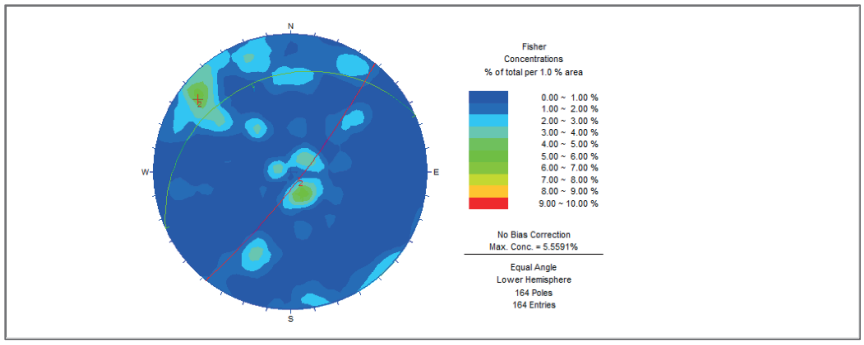
Source: QJD 2024

Figure 8-5: The Pole Plot of Structural Planes



Source: QJD 2024

Figure 8-6: The Dominant Joint Sets



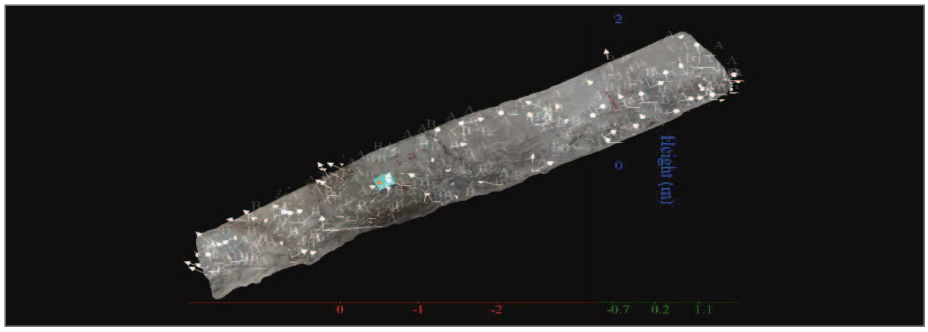
Source: QJD 2024

Granitic porphyry

Using SIROVISION geotechnical survey equipment and software, detailed mapping of joints and fractures was carried out in the Granitic porphyry. The 3D joint classification is shown in Figure 8-7, the pole plot of structural planes in Figure 8-8, and the dominant joint sets in Figure 8-9.

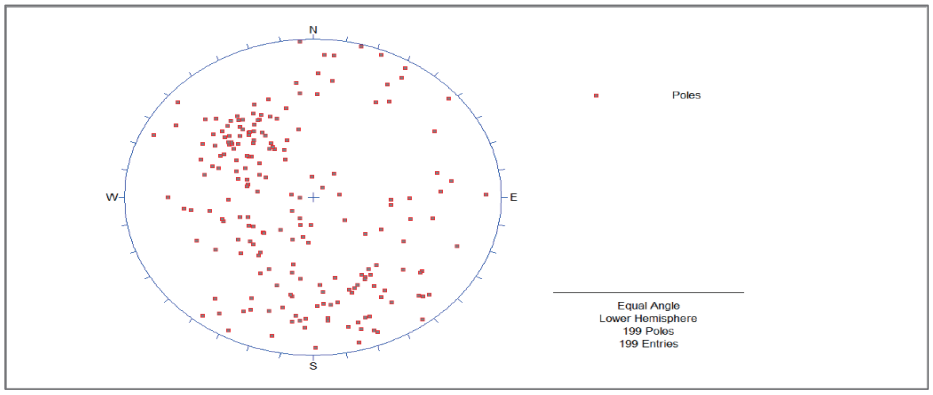
Survey data indicate that two dominant joint sets are developed in the granitic porphyry, with orientations of 315°/31° and 179°/19°. The discontinuities are generally closed and mainly planar, with predominantly unweathered, dry rock walls and moderate surface roughness. The mean trace length is approximately 0.38 m, and the joint density is about 15.3 joints/m².

Figure 8-7: The 3D Joint Classification



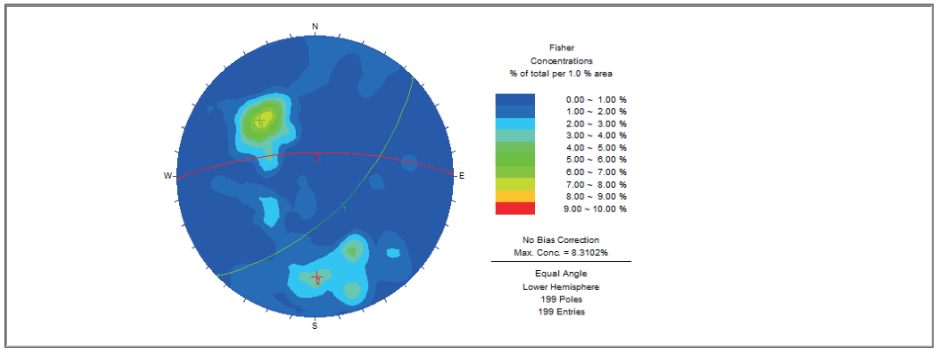
Source: QJD 2024

Figure 8-8: The Pole Plot of Structural Planes



Source: QJD 2024

Figure 8-9: The Dominant Joint Sets



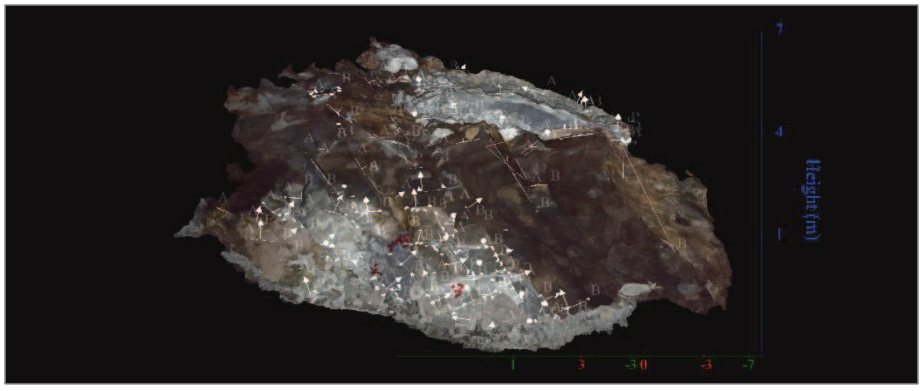
Source: QJD 2024

Ore

Using SIROVISION geotechnical survey equipment and software, detailed mapping of joints and fractures was carried out in the Ore. The 3D joint classification is shown in Figure 8-10, the pole plot of structural planes in Figure 8-11, and the dominant joint sets in Figure 8-12.

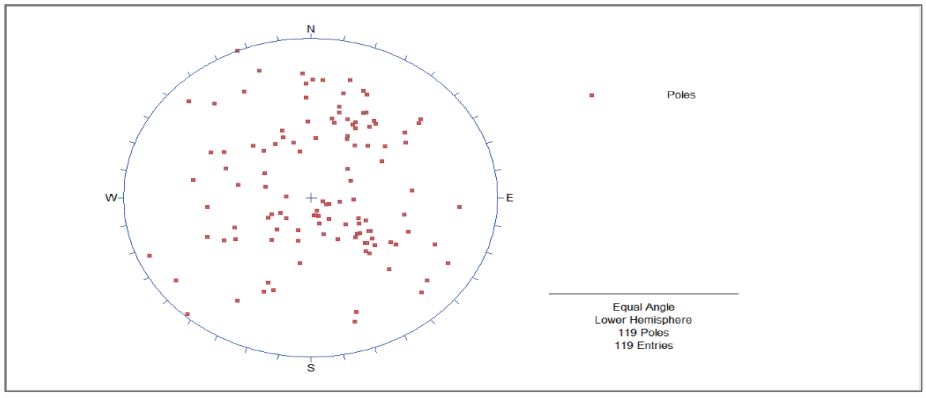
Survey data show that three dominant joint sets are developed in the ore rock, with orientations of 130°/49°, 29°/34° and 153°/79°. The discontinuities are slightly open with apertures of 1–2 mm and are infilled with clayey or gouge material. Many surfaces are undulating, with slight weathering, generally dry rock walls and coarse surface roughness. The mean trace length is approximately 0.15 m, and the joint density is about 9.9 joints/m².

Figure 8-10: The 3D Joint Classification



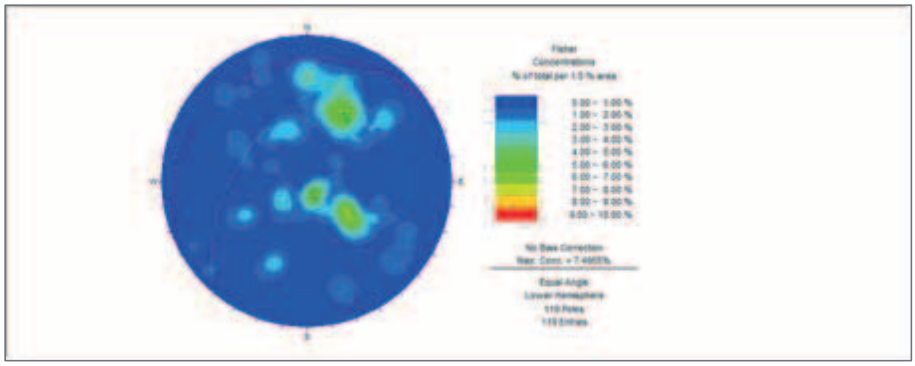
Source: QJD 2024

Figure 8-11: The Pole Plot of Structural Planes



Source: QJD 2024

Figure 8-12: The Dominant Joint Sets



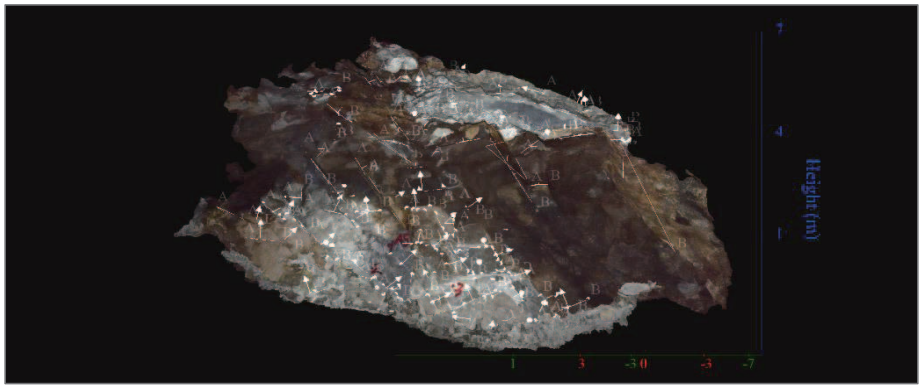
Source: QJD 2024

Sedimentary tuff

Using SIROVISION geotechnical survey equipment and software, detailed mapping of joints and fractures was carried out in the Sedimentary tuff. The 3D joint classification is shown in Figure 8-13, the pole plot of structural planes in Figure 8-14, and the dominant joint sets in Figure 8-15.

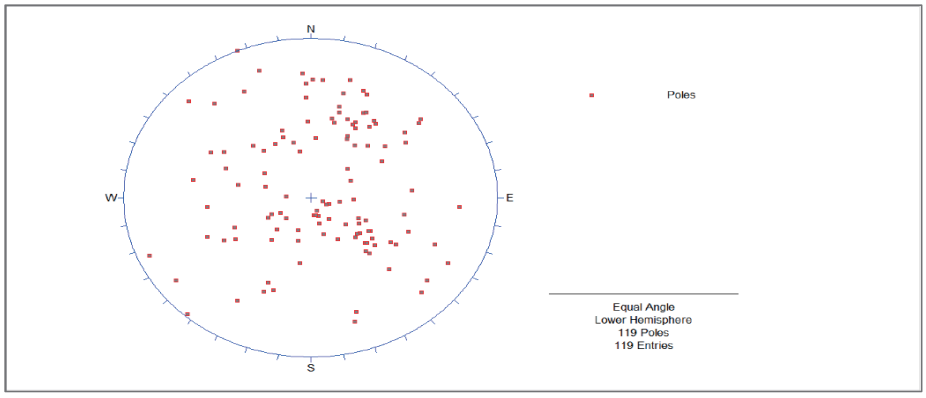
Survey data indicate that three dominant joint sets are developed in the sedimentary tuff, with orientations of 248°/26°, 48°/46° and 128°/13°. The discontinuities are generally closed, with many surfaces planar, predominantly unweathered rock, and rock walls that are moist to dripping. Surface roughness is moderate, the mean trace length is about 0.10 m, and the joint density is approximately 26.1 joints/m².

Figure 8-13: 3D Joint Classification



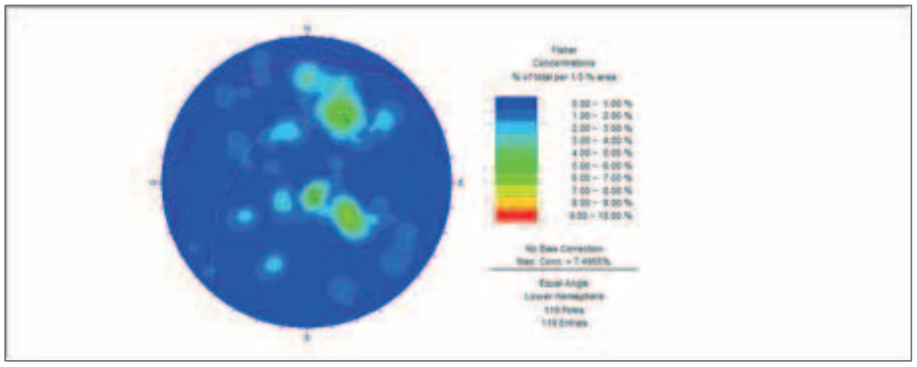
Source: QJD 2024

Figure 8-14: The Pole Plot of Structural Planes



Source: QJD 2024

Figure 8-15: The Dominant Joint Sets



Source: QJD 2024

8.3.3 Rock mass quality classification and stability assessment

Rock mass quality classification and stability assessment were carried out for the exposed crystal-vitric tuff, breccia tuff, granitic porphyry, ore rock and sedimentary tuff within the mining area using RQD as a single index and the Q and RMR systems as multi-parameter classification methods.

- Crystal-vitric tuff
  - UCS ≈ 79.4 MPa
  - Joints mostly closed; surfaces rough and dry
  - Overall rock mass quality: Good
- Breccia tuff

  - UCS ≈ 119.0 MPa
  - Joints generally closed; surfaces fresh and moist
  - Overall rock mass quality: Fair to good
- Granitic porphyry
  - UCS ≈ 68.1 MPa
  - Joints essentially closed; surfaces fresh and dry
  - Overall rock mass quality: Good
- Ore
  - UCS ≈ 41.6 MPa
  - Joints slightly open; surfaces slightly weathered and dry
  - Overall rock mass quality: Fair
- Sedimentary tuff
  - UCS ≈ 64.7 MPa
  - Joints generally closed; surfaces fresh, moist with local dripping
  - Overall rock mass quality: Fair to good

The detailed classification results based on RQD, Q-system and RMR are presented in Table 8-4, Table 8-5 and Table 8-6, respectively.

Table 8-4: RQD classification

Item	Crystal–vitric tuff	Breccia tuff	Granitic porphyry	Ore rock	Sedimentary tuff
RQD (%)	63.5	65.8	64.5	71.4	61.2
Rock mass quality	Fair to good	Fair to good	Fair to good	Fair to good	Fair to good

Source: QJD 2024

Table 8-5: Q-system classification

Item	Crystal–vitric tuff	Breccia tuff	Granitic porphyry	Ore rock	Sedimentary tuff
RQD (%)	63.50	65.80	64.50	71.40	61.20
Number of joint sets	2 joint sets + random fractures	2 joint sets + random fractures	2 joint sets + random fractures	3 joint sets + random fractures	3 joint sets + random fractures
Jn	6	6	6	12	12
Joint roughness description	Rough, planar	Rough, planar	Rough, planar	Rough, undulating	Rough, undulating
Jr	1.5	1.5	1.5	3	3

Item	Crystal–vitric tuff	Breccia tuff	Granitic porphyry	Ore rock	Sedimentary tuff
Joint condition / alteration	Closed	Closed	Slightly open	Slightly altered	Closed
Ja	0.75	0.75	1	2	0.75
Joint water reduction description	Tunnel dry or very slight seepage (<5 L/min)	Tunnel dry or very slight seepage (<5 L/min)	Tunnel dry or very slight seepage (<5 L/min)	Tunnel dry or very slight seepage (<5 L/min)	Tunnel dry or very slight seepage (<5 L/min)
Jw	1	1	1	1	1
Stress reduction description	Moderate stress	Moderate stress	Moderate stress	Moderate stress	Moderate stress
SRF	1	1	1	1	1
Q	21.16	21.93	16.13	8.92	20.4
Rock mass class	II	II	II	III	II
Rock mass quality	Good	Good	Good	Fair	Good

Source: QJD 2024

Table 8-6: RMR classification

Parameter	Detail / Unit	Crystal–vitric tuff	Breccia tuff	Granitic porphyry	Ore rock	Sedimentary tuff
Uniaxial compressive strength	σ_c (MPa)	85.2	127.6	72.48	57.16	104.9
Uniaxial compressive strength	Rating	10.5	12.5	9.3	7.8	12.1
RQD	RQD (%)	63.5	65.8	64.5	71.4	61.2
RQD	Rating	10.7	11.2	10.9	12.2	10.2
Joint spacing	Spacing (m)	0.15	0.2	0.2	0.3	0.16
Joint spacing	Rating	5	8	8	8	5
Joint condition	Joint length (m)	0.2	0.18	0.38	0.15	0.1
Joint condition	Rating (length/condition)	8	7.8	8.7	5.8	5.6
Joint condition	Aperture (mm)	Closed	Closed	1–3 mm	1–3 mm	Closed
Joint condition	Rating (aperture)	6	6	1	1	6
Joint condition	Roughness	Moderate	Rough	Rough	Rough	Rough
Joint condition	Rating (roughness)	3	5	5	5	3

Parameter	Detail / Unit	Crystal –vitric tuff	Breccia tuff	Granitic porphyry	Ore rock	Sedimentary tuff
Joint condition	Infilling	None	Soft infill < 5 mm	Soft infill < 5 mm	Soft infill < 5 mm	None
Joint condition	Rating (infilling)	6	2	2	2	6
Joint condition	Weathering	Unweathered	Slightly weathered	Unweathered	Slightly weathered	Unweathered
Joint condition	Rating (weathering)	6	5	6	5	6
Groundwater	Condition	Dry	Moist	Dry	Dry	Dripping
Groundwater	Rating	15	7	15	15	5
Joint orientation	Description	Moderate	Moderate	Moderate	Moderate	Moderate
Joint orientation	Rating	-5	-5	-5	-5	-5
RMR	Total RMR	65.2	59.5	60.9	56.8	53.9
RMR	Class	II	III	II	III	III
RMR	Rock mass quality	Good	Fair	Good	Fair	Fair

Source: QJD 2024

8.3.4 Study of Stope Structural Design Parameters

The stability of the back and walls of the caving backfilled stopes was assessed using the Mathews stability chart method. This approach requires calculation of two key parameters: the stability number and the shape factor. The stability number reflects the self-supporting capacity of the rock mass under given stress conditions, while the shape factor accounts for the size and geometry of the exposed stope surface. The shape factor is expressed as the hydraulic radius of the exposure. The Mathews stability number was calculated using the standard formulation for this method:

$$N = Q' \times A \times B \times C$$

Notes:

- N - the Mathews stability number
- **Q'** - the modified Q-value
- **A** - the rock stress factor
- **B** - the joint orientation factor; and
- **C** - the gravity adjustment factor

Modified Q-value

The Mathews stability chart method uses a modified NGI rock mass quality index Q′, in which the joint water reduction factor and the stress reduction factor ("SRF") are both taken as 1. The modified Q′ value is therefore calculated as:

$$Q' = \frac{RQD}{J_n} \times \frac{J_r}{J_a}$$

The calculated Q-values used for deriving Q′ are presented in Table 8-7.

Table 8-7: Q′ Value

Lithology	RQD (%)	Jn	Jr	Ja	Q' value
Crystal–vitric tuff	63.50	6	1.5	0.75	21.17
Breccia tuff	65.80	6	1.5	0.75	21.93
Granitic porphyry	64.50	6	1.5	1	16.13
Ore rock	71.40	12	3	2	8.93
Sedimentary tuff	61.2	12	3	0.75	20.4

Source: QJD 2024

Rock Stress Factor A

The overlying strata at the mine are predominantly tuff, with an estimated vertical in-situ stress of approximately 5.6 MPa due to self-weight. The uniaxial compressive strengths of the main rock types are: crystal-vitric tuff 79.4 MPa, breccia tuff 119 MPa, granitic porphyry 68.1 MPa, ore 41.6 MPa, and sedimentary tuff 64.7 MPa.

Based on the graphical relationship between vertical stress and UCS used in the Mathews method, the corresponding stress adjustment factors (A) were selected for each rock type, as summarised in Table 8-8.

Table 8-8: Rock Stress Factor

Lithology	Crystal–vitric tuff	Breccia tuff	Granitic porphyry	Ore rock	Sedimentary tuff
Rc/σ	14.7	21.2	12.1	7.4	11.6
A	1	1	1	0.84	1

Source: QJD 2024

Joint Orientation Factor B

The joint orientation factor B is determined from the relative orientation between the dominant structural discontinuities and the exposed stope surfaces, based on analysis of field joint mapping data. Using the standard graphical relationship for B in the Mathews stability method, the following values were adopted: crystal-vitric tuff 0.3, breccia tuff 0.9, granitic porphyry 0.95, ore rock 0.3, and sedimentary tuff 0.2.

Gravity Adjustment Factor C

Due to gravitational effects, the stability of the stope roof is lower than that of the sidewalls. Based on the Preliminary Design for the Zhengxiangbaiqi Donghu Silver–Lead–Zinc Polymetallic Mine (300 kt/a), the orebody dip angle is taken as 77°.

Using the Mathews method, the gravity adjustment factor C is calculated as:

$$C = 8 - 6COS77° = 6.65$$

Analysis of Calculation Results N

Based on the calculated input parameters for the Mathews stability method, the stability number N and the allowable hydraulic radius HR for unsupported conditions were obtained from the standard equations and the N–HR correlation charts.

For a stope height of 47 m (shrinkage stoping), the corresponding maximum allowable stope length was calculated, and the results are presented in Table 8-9.

Table 8-9: Mathews Stability Analysis Results – Shallow-Hole Shrinkage Stoping

Lithology	Q′	A	B	C	N	Allowable HR at transition from stable to unsupported zone	Allowable Maximum Length (m)
Crystal–vitric tuff	21.17	1	0.3	6.65	44.18	11.30–14.27	71.05
Breccia tuff	21.93	1	0.9	6.65	137.37	15.86–19.74	100
Granitic porphyry	16.13	1	0.95	6.65	106.65	14.73–18.35	100
Sedimentary tuff	20.4	1	0.2	6.65	28.4	9.36–12.32	50.97

Source: QJD 2024

For a stope height of 45 m (sublevel open stoping), the maximum allowable stope length determined using the Mathews stability chart method is summarised in Table 8-10.

Table 8-10: Mathews Stability Analysis Results – Sublevel Open Stoping

Lithology	Q′	A	B	C	N	Allowable HR at transition from stable to unsupported zone	Allowable Maximum Length (m)
Crystal–vitric tuff	21.17	1	0.3	6.65	44.18	11.3~14.27	78.5
Breccia tuff	21.93	1	0.9	6.65	137.37	15.86~19.74	100
Granitic porphyry	16.13	1	0.95	6.65	106.65	14.73~18.35	100
Sedimentary tuff	20.4	1	0.2	6.65	28.4	9.36~12.32	54.5

Source: QJD 2024

8.3.5 Geotechnical Result

The stability of the ore and surrounding rock was assessed using field sampling, laboratory rock mechanics testing, engineering geological mapping, rock mass classification and stope stability analysis. The main conclusions are:

- Laboratory testing (uniaxial compression, Brazilian tensile and point-load tests) provided the key rock mechanical parameters for ore and host rocks.
- Field engineering geological mapping and statistical analysis show that:
  - Crystal–vitric tuff contains 2 dominant discontinuity sets.
  - Breccia tuff contains 2 dominant discontinuity sets.
  - Granitic porphyry contains 2 dominant discontinuity sets.
  - Ore rock contains 3 dominant discontinuity sets.
  - Sedimentary tuff contains 3 dominant discontinuity sets.
- Rock mass quality was evaluated using RQD, Q-system and RMR classifications. Integrating all three methods indicates:
  - Crystal–vitric tuff: fair to good quality.
  - Breccia tuff: fair to good quality.
  - Granitic porphyry: fair to good quality.
  - Ore rock: fair quality.
  - Sedimentary tuff: fair to good quality.
- Stope stability was assessed using the Mathews stability chart to determine maximum stope lengths under different wall-rock conditions:
  - For shrinkage stoping:
    - Crystal–vitric tuff: recommended stope length ≤ 70 m.
    - Breccia tuff: recommended stope length ≤ 100 m.
    - Granitic porphyry: recommended stope length ≤ 100 m.
    - Sedimentary tuff: recommended stope length ≤ 50 m.
  - For sublevel open stoping:
    - Crystal–vitric tuff: recommended stope length ≤ 80 m.
    - Breccia tuff: recommended stope length ≤ 100 m.
    - Granitic porphyry: recommended stope length ≤ 100 m.
    - Sedimentary tuff: recommended stope length ≤ 55 m.

8.4 Stope Design

8.4.1 Block Model

The mine design and Ore Reserve estimation were based on MRM developed by inhouse geologist, with an effective date of 31 December 2025. The model was provided in Datamine (.dm) format.

Key parameters of the block model are outlined Table 8-11 below.

Table 8-11: Block Model Parameters in Qianjinda Mine

Type	X	Y	Z
Minimum	587,900.00	4,684,000.00	400.00
User Cell Size (m)	10	10	4
Number of cells	120	160	300
User Extents	1,200	1,600	1,200
Total extents cell count	5,760,000		

Source: SRK

8.4.2 Stope Design

The mineable stope shapes were designed and evaluated as follows:

Geotechnical design criteria

- Where the host rock comprises breccia tuff and granitic porphyry:
  - Maximum stope length: 100 m
  - Minimum rib pillar width: 5 m
  - For orebody thickness < 5 m: minimum crown pillar thickness 3 m
  - For orebody thickness ≥ 5 m: minimum crown pillar thickness 7 m
- Where the host rock comprises sedimentary tuff and crystal tuff:
  - Maximum stope length: 70 m
  - Minimum rib pillar width: 5 m
  - For orebody thickness < 5 m: minimum crown pillar thickness 3 m
  - For orebody thickness ≥ 5 m: minimum crown pillar thickness 7 m

Stope block definition and evaluation

- Geological mineralization wireframes were intersected with the stope design envelopes to generate mineable stope blocks.
- Boolean operations were performed with the end-of-year surveyed stope voids to confirm mined versus remaining material.

- The resulting stope blocks were interrogated against the grade (block) model to obtain key parameters, including Mineral Resource classification, grade, thickness, and other relevant attributes.

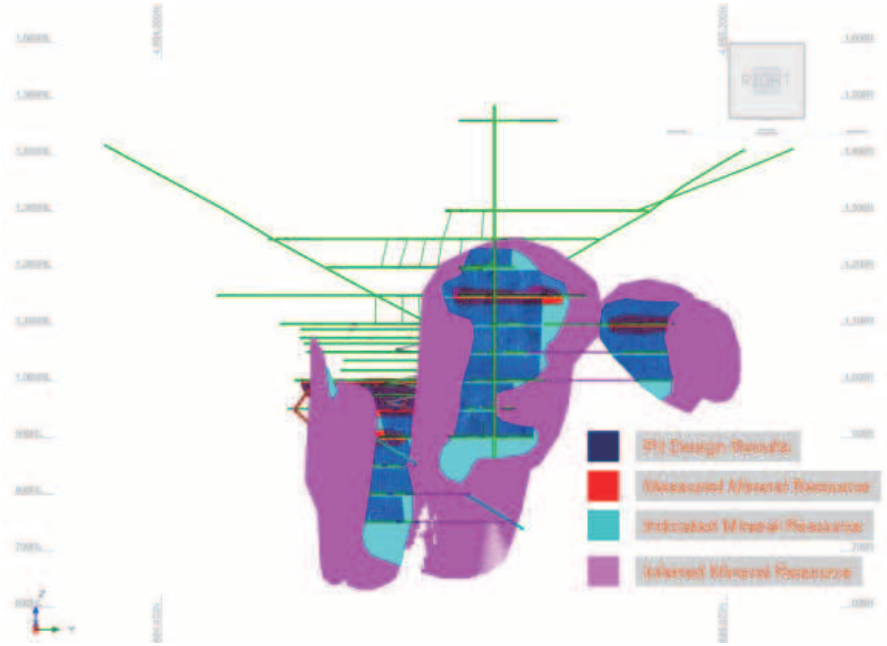
The parameters used in the stope design are summarised in Table 8-12. The stope design results are provided in Figure 8-16.

Table 8-12: Key Design Parameters

Parameters	Shrinkage stoping	Units	Sublevel Open Stoping	Units
Minimum mining width	0.5	m	1	m
Mining height	50	m	20	m
Mining length	50	m	50	m
Minimum HW angle	45	°	60	°
Minimum FW angle	45	°	60	°

Source: QJD

Figure 8-16: Stope Design Results for Qianjinda Mine (Looking from East)



8.5 Mining Methods

Qianjinda Mine is planned to be mined using shrinkage stoping method and sub-level stoping method with dry rock post backfill. When the orebody thickness is less than 1m, shrinkage stoping is used, and when the orebody thickness is 1 m or greater, sublevel open stoping is adopted. The methods have been chosen to achieve a target production rate of 1,000 tpd,

8.5.1 Shrinkage stope

Stopes are designed to dimensions of 50 m in length, less than 1m in width, and 50 m in height. Ore is extracted through an ore drive drift developed at the bottom of the orebody. For each draw, approximately one-third of the blasted ore is removed, with the remaining broken ore temporarily retained in the stope to provide a working platform for the subsequent slice. Following each mucking cycle, the exposed backs are controlled to a height not exceeding 2.0 m.

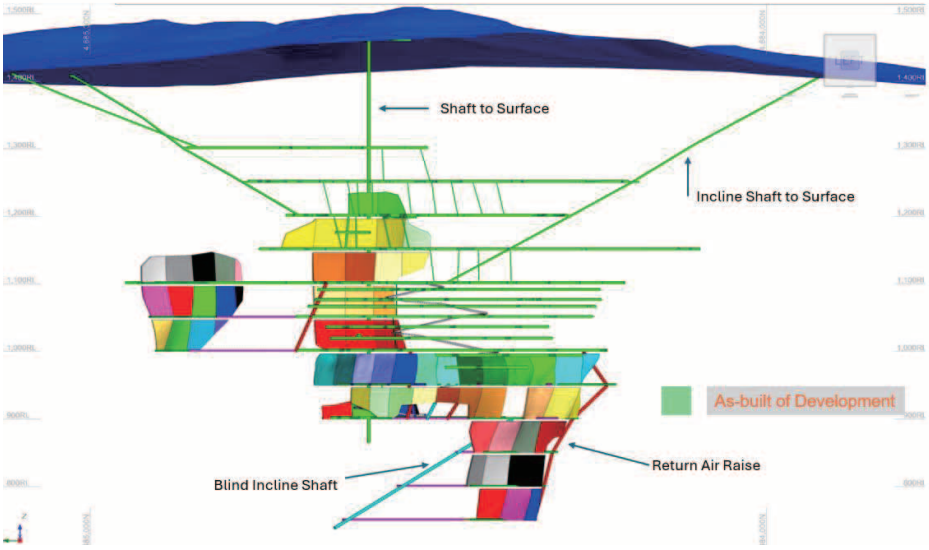
The level development design includes hanging footwall drifts excavated along one side of the orebody. These drifts provide critical infrastructure for mining activities, including ventilation, material haulage, and personnel movement. Crosscuts are developed to connect the footwall drifts, forming the foundation for stope development. Stopes are extracted from the crosscuts towards the drifts, enabling efficient ore removal and material handling. The orientation of drifts and crosscuts is carefully aligned with the geometry of the orebody, minimizing waste development and maximizing operational efficiency.

8.5.2 Sub-Level Stoping

The sublevel open stoping method stope are oriented along strike, with each block 50 m in length and 50 m in height. A 3 m thick crown pillar and 7 m wide rib pillars are maintained, with no sill pillar left. Ore draw drifts are spaced at 7 m. The layout includes a footwall drift running parallel to the orebody, providing primary access for ore transport, ventilation, and personnel movement. Crosscuts are driven perpendicular to the orebody's strike, connecting the footwall drift to the stopes and facilitating efficient ore extraction in a transverse stoping configuration.

Isometric views of Qianjinda Mine presented are shown in Figure 8-17.

Figure 8-17: Isometric view of Qianjinda Mine



Source: SRK

8.6 Development

Mine Access

The mine is an operating underground operation. The access and development system consists of a main haulage adit at elevation 1,460 m combined with a vertical shaft.

The vertical shaft is proposed with a hoisting capacity of 300,000 t/a. The shaft will handle ore hoisting and will also serve for waste, personnel, materials, and large equipment (e.g., LHDs, loaders) transport. The shaft collar elevation is 1,488 m and the shaft bottom elevation is 865 m, providing service to levels down to 900 m. The shaft has a finished internal diameter of 5.0 m and is equipped with a three-deck cage system with balance weight, operated by a multi-rope tower hoist (2.8 m × 6 m drum, 1,000 kW motor).

Based on the selected mining method and geotechnical conditions, level spacing is 50 m. From top to bottom the planned levels are at 1,300 m, 1,250 m, 1,200 m, 1,150 m, 1,100 m, 1,050 m, 1,000 m, 950 m, 900 m, 850 m, 800 m, 750 m and 700 m elevations (13 levels in total). The 1,300 m level functions as the return air level. Rail haulage is planned on the 1,250 m, 1,200 m, 1,150 m, 1,100 m, 1,000 m, 900 m, 800 m and 700 m levels; trackless haulage is used on the 1,050 m, 950 m, 850 m and 750 m levels. As of the effective date, development has been completed on the 1,250 m, 1,200 m, 1,150 m, 1,100 m, 1,050 m, 950 m and 900 m levels.

Below the 900 m level, due to limited ore tonnage and short orebody strike length, access is provided by a blind incline shaft. This incline extends from 900 m to 700 m elevation, with a length of 473 m and a dip of 25°. The 850 m, 800 m and 750 m levels are connected to the incline shaft via hanging

bridges; the 700 m level serves as the main loading station. The incline has a clear width of 2.6 m and is equipped with a single-drum hoist (type JK2.5×2-20) hauling 1 m³ side-tipping mine cars.

The Table 8-13 summarises the design cross-sectional dimensions of the principal development.

Table 8-13: Dimensions of the principal development in Qianjinda Mine

Development Name	Cross-sectional Dimensions m (WxH)
Level Access	3.2×3.0
Double-track haulage drive	4.2×3.4
Access decline – straight section	3.2×3.0
Access decline – curved section	3.8×3.1
Ore Drive	3.2×3.0
Footwall Drive	3.2×3.0
Exploration Drive	3.2×3.0
Return Air Drive	3.2×3.0
Return Air Raise	Ø4.0
Ore pass	Ø4.0
Ore drive (sublevel slice)	3.0×3.0
Footwall drive (sublevel slice)	3.0×3.0
Crosscut	2.7×2.5
Manway/Temporary Air Raise	Ø1.5
Raise connection drive	1.2×1.6
Slot raise	1.4×1.4
Loading bays	3.2×3.0

Source: QJD Mine

8.7 Mining Service

8.7.1 Material Handling

Ore is mucked in the stopes using 1.0 m³ diesel or electric LHDs (CY-1.0 or CYE-1.0) and trammed to ore passes. From the ore passes, material is drawn by vibrating feeders into 1 m³ side-tipping mine cars on the rail haulage levels. Trains are hauled by ZK7-6/250 trolley electric locomotives to the shaft station, hoisted in the cage to the 1,460 m main haulage level, then re-marshalled and

hauled by ZK7-6/250 locomotives along the 1,460 m adit to the coarse ore stockpile at the process plant.

Waste rock is discharged into waste passes and dropped to the rail haulage levels. Vibrating feeders load 1 m³ side-tipping mine cars, which are hauled by ZK7-6/250 trolley locomotives to the shaft station. Waste is hoisted to an upper level and trammed to designated backfill or waste disposal areas in mined-out stopes.

Personnel, materials and equipment are transported via the shaft cage to the working levels. Large equipment is disassembled into transportable components and lowered through the shaft cage for reassembly underground.

8.7.2 Backfill

Full tailings from the concentrator are pumped via slurry pumps and pipelines to the feed well of a new deep-cone thickener. In the feed well, self-dilution reduces slurry density to the required level, after which flocculant is added to promote rapid settling. Within the deep-cone thickener, the tailings quickly form compression, settling and clarified zones. Clarified overflow is returned by gravity to the tailings storage facility for further settling and then recycled to the concentrator.

When backfilling is required, the underflow valve at the cone bottom is opened and the high-density tailings underflow is pumped to the mixing system. The mixing system consists of two stages (a first-stage horizontal mixer and a second-stage vertical high-density mixer). Binder from the cement silo is metered by twin-screw feeders and a single-screw weigh belt feeder into the mixers, where it is blended with the thickener underflow and water to produce a homogeneous backfill slurry. The prepared slurry is then delivered directly to the underground voids via backfill boreholes.

The main components of the system are:

- Tailings thickening – one new 12 m diameter deep-cone thickener with associated ancillaries.
- Binder storage and feed – one new 180 m³ binder silo with screw feeding and metering equipment.
- Mixing system – a two-stage mixing plant comprising a horizontal first-stage mixer and a vertical high-density second-stage mixer, with a design capacity of 60–80 m³/h.
- Backfill delivery system – two new backfill boreholes, each equipped with an internal backfill pipeline.
- Backfill preparation building – a new backfill plant housing the above equipment, plus power distribution and automation, flocculant dosing, sample laboratory, platforms and other auxiliaries.
- Tailings feed to thickener – two additional full-tailings slurry pumps and associated pipelines at the concentrator to supply the deep-cone thickener.

8.7.3 Power

A 220 kV substation of Xilinhot City is located approximately 2 km from the mine. Following agreement between the owner and the local power utility, two independent 10 kV overhead feeders will be routed from this substation to the mine, with the existing 10 kV rural distribution line retained as a standby supply for Category I (critical) loads. A new 10 kV main substation will be constructed

within the mine area to meet power requirements for all stages of construction, production and site services.

Within the mining area, a 10/0.4 kV main substation will be installed at the production site and supplied by dual 10 kV overhead feeders from the 220 kV substation, with the mine's own 10 kV rural line as backup for critical loads. The main substation will house two 500 kVA power transformers, with all switchgear installed indoors. The 10 kV system will use a single-busbar arrangement with sectionalisation and a bus-tie, and will distribute power radially to the hoist, underground district substations, underground dewatering substations and the local transformers; the hoist and dewatering substations will be supplied by dual-circuit feeders. Box-type substations in the living area, and pole-mounted substations at the tailings storage facility and explosives magazine, will each be supplied by a single 10 kV overhead feeder.

8.7.4 Maintenance

Given the relatively small maintenance workload and the short distance between the mining and processing areas, a single maintenance workshop is located at the processing plant industrial site. The electrical maintenance section is housed within this workshop, forming a combined mechanical and electrical workshop. A separate workshop is provided at the shaft collar for repair of locomotives and mine cars.

Common spare parts and consumables are largely sourced externally or through specialist contractors. The mine's own facilities focus on routine maintenance and repair of mechanical equipment, limited emergency spares, simple high-wear components, production consumables, and refurbishment of selected worn parts.

Electrical maintenance is undertaken as far as possible through external cooperation with specialist manufacturers or repair companies under technical service agreements. On-site electrical facilities are limited to essential tasks that are frequent and critical for operations, such as disassembly and fitting (in coordination with the mechanical shop), minor machining, rewinding and impregnation, drying, testing, and small equipment repairs. A separate electrical workshop is not provided; instead, these activities are carried out within the electrical section of the combined mechanical–electrical workshop.

8.7.5 Compressed Air

An air compressor station is located at surface near the 1,488 m main shaft collar. The station is equipped with two JN110-8 air-cooled screw compressors, each with a capacity of 21.55 m³/min at a discharge pressure of 0.8 MPa and driven by 110 kW motors, and two SCR3401 air-cooled screw compressors, each with a capacity of 42 m³/min at 0.8 MPa and driven by 250 kW motors. A 5t electric single-girder overhead crane is installed in the station for equipment installation and maintenance.

Compressed air for mining operations on each level is supplied from the compressor station via a main pressure air line of φ219×6 mm seamless steel pipe, routed along the main adit and then down the shaft to each level loading station. From there, φ159×6 mm main air distribution lines are installed along the level haulage drifts to the crosscuts, with branch lines feeding individual air consumption points.

8.7.6 Dewatering

The mine dewatering system is designed as a staged relay pumping arrangement. For levels above the 900 m horizon, the normal groundwater inflow is estimated at 1,800 m³/d, with a maximum inflow of 5,000 m³/d.

In the initial stage, pump stations are installed at the 900 m and 1,200 m levels. All underground inflows, including groundwater and process water, are collected in a sump at the 900 m level. From this sump, multistage centrifugal pumps lift the water to a second sump located at the 1,200 m level. From the 1,200 m sump, multistage centrifugal pumps discharge the water via the shaft to a high-level storage tank on surface. After sedimentation in this surface tank, part of the water is recycled for underground use, while the surplus water is discharged to an existing surface storage reservoir with a capacity of 1.0×10^5 m³.

In the later stage of mining, water inflows from the 700–900 m interval will be collected in a sump at the 700 m level. Water from this sump will be pumped to the 900 m level sump, where it will enter the existing relay dewatering system and be handled as described above.

8.7.7 Ventilation

The mine is designed to use a mechanical ventilation system with a diagonal layout and an exhaust (negative pressure) configuration. Fresh air will enter the mine through the main adit, the vertical shaft, and the inclined shaft #2, while a dedicated return-air inclined shaft will be used to exhaust air to surface. The overall ventilation system shows in Figure 8-18.

Fresh air enters the mine mainly via the adit–shaft system and the inclined shaft #2, then flows along the level haulage drifts and through manway ventilation raises to the stoping faces. After ventilating the workplaces, contaminated air returns via the manway raises to the upper-level return drifts, then passes through the 1,300 m return winze and is finally exhausted to surface through the return inclined shaft. The total mine airflow is 85 m³/s, corresponding to a specific air requirement of 2.83 m³/s per 10,000 t of ore, and the calculated ventilation resistance under the most adverse conditions is 2,323.60 Pa. The Equipment list shows in the Table 8-14.

Dust control at underground dust-generating points has been specifically addressed. The main dust sources are loading and unloading points and development faces. Dust is controlled by water spray and mist systems and by the use of wet drilling. At the stoping faces, auxiliary fans and plastic ventilation ducting are used to exhaust contaminated air from the faces to the return airways on the levels above.

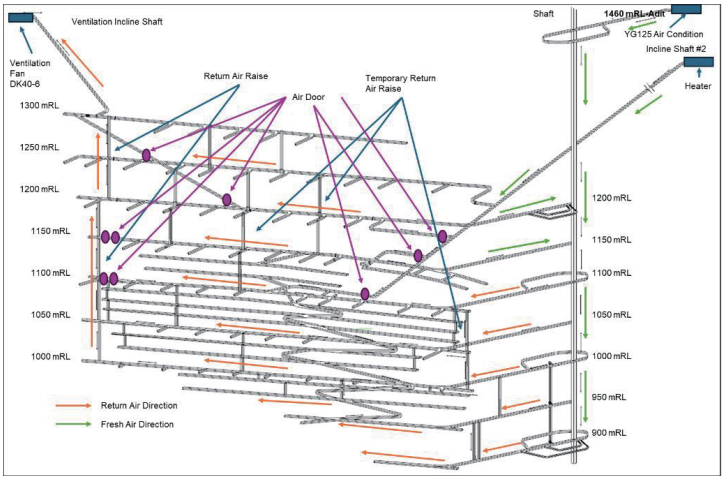
A single DK40-6-No21 exhaust fan is selected as the primary mine fan, located at the return inclined shaft collar. Development headings and stoping panels are ventilated by auxiliary fans providing local forced or exhaust ventilation through ducting.

Table 8-14: Ventilation Equipment List

Equipment Name	Unit	Working	Standby	Sub Total
DK40-6-No21 main fan	Set	1		1
JK58-1 No.4.5 auxiliary fan	Set	11	3	14
JK58-2 No.4.0 auxiliary fan	Set	5	1	6

Source: QJD

Figure 8-18: Overall View Ventilation System



Source: QJD

8.7.8 Mining Equipment

Based on the detailed designs for underground material handling, power supply and distribution, compressed air and mine dewatering, all major fixed and mobile equipment has been defined by type and quantity. The underground mining equipment list is provided in the following Table 8-15.

Table 8-15: Underground Mining Equipment Fleet at Qianjinda Mine

Category	Equipment Type	Model / Specification	Quantity
Compressed air	Air compressor	JN110-8	2
Compressed air	Air compressor	JN75-8	1
Compressed air	Air compressor	JN90-8	1
Compressed air	Air receiver tank	4 m³ 0.8 MPa	3
Load/haul – surface	Front-end loader	XG950	1
Load/haul – surface	Front-end loader	50 loader	1
Pumping	Sewage pump	45 kW	2
Pumping	Sewage pump	WQN40-180-37 kW	2
Pumping	Sewage pump	WQ40/75/22 kW	2
Pumping	Sewage pump	WQ40/180/37 kW	2
Underground haulage – mine cars	Fixed mine car	MCC1.0 (≈1.0 m³)	20
Underground haulage – mine cars	mine car	1 m³ tipping car	21
Underground haulage – mine cars	mine car	1.2 m³ side-dump car	90
Underground LHDs	Diesel LHD	XYWJ-1	2
Underground LHDs	LHD (XYWJ-1D)	XYWJ-1D	4
Power supply	Underground transformer	KSG13-500 kVA 10/0.4 kV	1

Category	Equipment Type	Model / Specification	Quantity
Power supply	Underground transformer	KSG13-160 kVA 10/0.4 kV	1
Power supply	Underground transformer	KSG-500 kVA 10/0.4 kV	4
Drilling	Track-mounted drill jumbo	CYJ1-14	1
Drilling	Down-the-hole drill	QZJ100B/D	1
Control	Air control cabinet	–	3
Light vehicles	Pickup	–	1
Light vehicles	Explosives pickup	–	1
Light vehicles	Off-road vehicle (4×4)	–	1
Personnel / utility	Battery personnel carrier	ZKC-90/290	6

Source: QJD

8.8 Mine Production Plan

The Life of Mine ("LOM") production schedule for Qianjinda Mine has been developed using Deswik software, based on the underground mining design provided by Qianjinda Mine. The Deswik software suite facilitates detailed production planning by aggregating the pit inventory according to stages, benches, and predefined grade bins, enabling the prioritization of early sliver production to optimize economic returns.

The underground production schedule, detailed in Table 8-16, includes contributions from the Qianjinda Mine.

8.8.1 Operating Schedule and Production Capacity

The schedule is organized on an annual basis, and the following key assumptions were applied during production planning:

- Only blocks classified as Measured and Indicated Mineral Resources, with an overall stope sliver grade exceeding 82 g/t were considered as ROM.
- Blocks classified as Inferred Mineral Resources or those located outside the defined stope areas were categorized as waste material.
- The maximum annual production rate is limited to 300 ktpa.

8.8.2 Production Plan and LoM

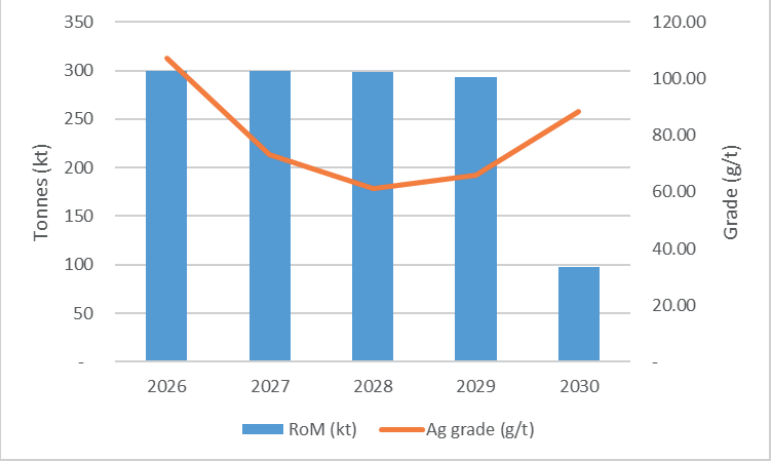
The results of the mining scheduling are shown in Table 8-16, Figure 8-19 and Figure 8-20. The LOM is 5 years and start in January 2026. The total ROM amount is 1,289 kt, with average grades of 77.81 g/t sliver, 1.98% lead and 2.2% zinc, containing 100,289 kg of sliver, 25.52 kt of lead and 28.33 kt zinc.

Table 8-16: Underground Mine Production Schedule

QJD Mine	Unit	Sub-total	2026	2027	2028	2029	2030
RoM	Kt	1,288.87	299.56	299.86	298.61	292.84	97.99
Ag grade	g/t	77.81	107.20	73.17	61.20	65.87	88.49
Pb grade	%	1.98	2.31	2.62	1.75	1.36	1.56
Zn grade	%	2.20	2.74	3.20	1.75	1.30	1.53
Ag Metal	T	100.29	32.11	21.94	18.27	19.29	8.67
Pb Metal	Kt	25.52	6.91	7.86	5.21	3.99	1.53
Zn Metal	Kt	28.33	8.21	9.59	5.22	3.81	1.50

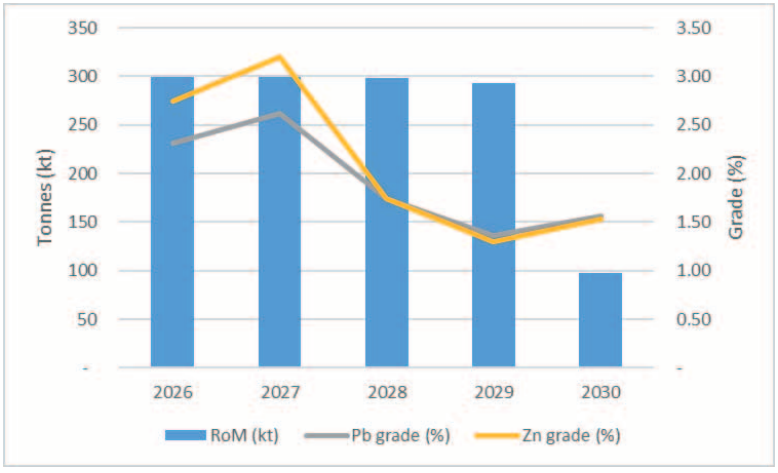
Source: SRK

Figure 8-19: Annual Mining Production Schedule for Ag



Source: SRK

Figure 8-20: Annual Mining Production Schedule for Pb and Zn



Source: SRK

9 Mineral Processing Assessment

9.1 Overview

In June 2015, the Beijing General Research Institute of Mining and Metallurgy ("BGRIMM") completed process mineralogy and processing testwork for the Donghu polymetallic deposit. Using two different flotation flowsheets, the testwork produced qualified copper, lead and zinc concentrates.

Based on BGRIMM's test results, Lanzhou Nonferrous Metallurgy Design and Research Institute Co., Ltd. ("Lanzhou Institute") completed a feasibility study on the 300 ktpa mining and processing project of Donghu deposit in May 2017, followed by detailed engineering design. The processing plant was designed at a processing capacity of 1,000 tpd (300 ktpa), with copper, lead and zinc concentrates as products. The plant was commissioned in 2020, but due to the low copper grade in the ore and the fine dissemination of copper minerals, it failed to produce a qualified copper concentrate. In addition, a bottleneck in grinding capacity has limited the actual plant throughput to 800 tpd.

In February 2021, the Institute of Resources Comprehensive Utilization, Guangdong Academy of Sciences ("Guangzhou Institute") completed process flowsheet optimisation testwork for the Donghu polymetallic deposit. Based on the test results, Qianjinda processing technical and management team implemented optimisation and retrofit works to the plant flowsheet and equipment configuration, including:

- Replacing the screens in the crushing circuit with finer mesh to reduce the size of the crushed product;
- Converting the original single-stage closed-circuit grinding to a two-stage closed-circuit grinding system, thereby overcoming the grinding capacity bottleneck and improving the grinding fineness; and
- Installing a flash flotation column in the lead flotation circuit, which stabilised the process and metallurgical performance, reduced the mutual contamination between the lead and zinc concentrates, and improved concentrate grades and metal recoveries.

Through continuous technical modifications and flowsheet optimisation, as well as strengthened equipment maintenance and production management, the equipment availability and utilisation have progressively improved, and plant throughput has steadily increased. In 2025, the actual ore processed reached 358,600 t. Over the past three years, the processing plant has achieved good metallurgical performance: the lead concentrate grade has averaged 62.55% Pb and 2,336 g/t Ag, with lead and silver recoveries of 92.76% and 90.5%, respectively; the zinc concentrate grade has averaged 53.91% Zn, with zinc recovery improving from 72.65% in 2023 to 82.46% in 2025.

9.2 Process Mineralogy

9.2.1 Multi-Element Chemical Analysis of the Run-of-Mine

The results of the multi-element chemical analysis of the run-of-mine ("RoM") are shown in Table 9-1. The economically valuable elements in the ore are mainly Cu, Pb, Zn and Ag. The content of the deleterious impurity element As is relatively high, at 0.37%.

Table 9-1: Results of Multi-Element Chemical Analysis of the RoM

Element	Cu	Pb	Zn	Ag (g/t)	Au (g/t)	S	TFe	Sb	Cd	Hg	As
Content (%)	0.44	4.65	4.95	310.92	0.08	3.92	3.21	0.025	0.027	<0.0005	0.37
Element	SiO2	Al2O3	CaO	MgO	K2O	Na2O	Ti	Mn	P	C	
Content (%)	57.76	13.26	0.74	0.42	4.54	0.086	0.38	0.82	0.17	0.30	

Source: Processing Testwork Report on the Donghu Silver-Polymetallic Deposit, Zhengxiangbai Banner, Inner Mongolia Autonomous Region, Beijing General Research Institute of Mining and Metallurgy, June 2015.

The results of the chemical phase analysis of Cu, Pb, Zn and Ag are shown in Table 9-2. Most of the silver in the ore is contained in silver sulphide minerals, followed by galena and native silver. Copper occurs predominantly as primary copper sulphide minerals, with a minor proportion as secondary copper sulphides. Lead and zinc occur mainly in sulphide form. Industrially, the ore is classified as a copper-bearing lead–zinc sulphide ore.

Table 9-2: Chemical Analysis Results of Major Valuable Metals

Silver phase	Native silver	Sulfuric silver mineral	Galena	Sphalerite	Other minerals	Total silver
Silver content (g/t)	31.57	207.57	48.62	10.75	13.74	312.25
Occupancy (%)	10.11	66.48	15.57	3.44	4.40	100.00
Copper phase	**Free copper oxide**	**Secondary copper sulfide**	**Primary copper sulfide**	**Other copper**	**Total copper**	
Content (g/t)	0.016	0.045	0.375	0.006	0.442	
Occupancy (%)	3.69	10.14	84.79	1.38	100.00	
Lead phase	**Lead-titanium**	**Cerussite**	**Sulfide**	**Other lead**	**Total lead**	
Content (g/t)	0.031	0.162	4.441	0.014	4.648	
Occupancy (%)	0.67	3.49	95.54	0.30	100.00	
Zinc phase	**Oxide[1]**	**Sulfide[1]**	**Other zinc**	**Total zinc**		
Content (g/t)	0.188	4.713	0.052	4.953		
Occupancy (%)	3.8	95.15	1.05	100		

Source: Processing Testwork Report on the Donghu Silver-Polymetallic Deposit, Zhengxiangbai Banner, Inner Mongolia Autonomous Region, Beijing General Research Institute of Mining and Metallurgy, June 2015.

Note: [1]In oxides, zinc mainly refers to zinc in carbonate compounds, while in sulfides, zinc is mainly found in sphalerite.

9.2.2 Ore Mineralogical Composition

The main metallic minerals in the run-of-mine ore are chalcopyrite, galena, sphalerite, tetrahedrite, pyrite, arsenopyrite, cerussite, siderite and rhodochrosite. The main non-metallic minerals are quartz, mica and feldspar.

The mineralogical composition of the ore is shown in Table 9-3. The principal target minerals for recovery are metallic sulphide minerals such as chalcopyrite, galena, sphalerite and tetrahedrite. These minerals exhibit good floatability, indicating that they are amenable to recovery by flotation. The non-metallic (or gangue) mineral assemblage is relatively simple, with a low content of clay minerals. This suggests that the gangue minerals will have limited adverse impact on the flotation of the target minerals, and that the ore is relatively easy to concentrate.

Table 9-3: Ore Mineral Composition

Name	Content	Name	Content
Chalcopyrite	0.38	Quartz	37.29
Galena	6.70	Mica	30.25
Sphalerite	7.43	Feldspar	8.43
Tetrahedrite	0.15	Garnet	1.75
Polybasite	0.01	Apatite	1.25
Stromeyerite		Rhodochrosite	1.15
Stannite	0.01	Fluorite	0.47
Pyrite	0.64	Kaolinite	0.39
Arsenopyrite	0.58	Manganite	0.35
Blue chalcocite	0.02	Calcite	0.25
Magnetite	0.35	Rutile	0.13
Siderite	1.00	Sphene	0.12
Bonamite	0.08	Dolomite	0.04
Cerussite	0.35	Chlorite	0.07
Minetisite	0.12	Other minerals	0.24

Source: Processing Testwork Report on the Donghu Silver-Polymetallic Deposit, Zhengxiangbai Banner, Inner Mongolia Autonomous Region, Beijing General Research Institute of Mining and Metallurgy, June 2015.

9.2.3 Occurrence Characteristics of the Main Target Minerals

- Chalcopyrite

In the ore, chalcopyrite mainly occurs in association with galena, sphalerite, tetrahedrite and arsenopyrite, and only rarely with pyrite. Coarse-grained chalcopyrite particles are occasionally observed as discrete grains within gangue minerals. Based on the grain size of chalcopyrite and its intergrowth relationships with other metallic minerals, the occurrence of chalcopyrite in this ore has the following characteristics:

1) Medium- to coarse-grained chalcopyrite commonly encloses fine-grained tetrahedrite (silver-bearing), galena, chalcocite and gangue minerals, and occurs in association with medium- to coarse-grained sphalerite and galena. As this portion of chalcopyrite is relatively coarse, it can readily achieve sufficient liberation from the medium- to coarse-grained galena and sphalerite during grinding, which is favourable for flotation separation of chalcopyrite.
2) Chalcopyrite occurs in irregular forms closely intergrown with fine-grained arsenopyrite.
3) Fine-grained chalcopyrite occurs as inclusions within sphalerite, or in irregular forms along grain boundaries between sphalerite and galena. This portion of chalcopyrite can only be liberated as free particles under relatively fine grinding conditions.
4) At the margins of chalcopyrite grains, covellite is occasionally observed replacing chalcopyrite, forming a typical rim (reaction) texture.
5) The grain size of chalcopyrite in the ore is mainly between 0.02 mm and 0.3 mm, with a maximum size of 0.4 mm.

- Galena

Galena is the main carrier of lead in the ore and an important target mineral for processing, with a relative mineral content of 6.70%.

In addition to occurring as medium- to coarse-grained irregular grains independently disseminated in gangue minerals, galena is commonly closely intergrown with sphalerite, chalcopyrite, tetrahedrite, pyrite and arsenopyrite. Locally, small amounts of fine-grained galena are also observed as independent grains in the gangue. In different polished sections, galena shows locally pronounced enrichment and commonly forms compact, massive lead–zinc sulphide ore together with sphalerite. Based on its grain size and intergrowth relationships with other metallic minerals, galena in the ore has the following occurrence characteristics:

1) Medium- to coarse-grained galena occurs in relatively concentrated zones within gangue minerals and in close association with sphalerite. However, the intergrowth grain size between the minerals is generally coarse, so they can be readily liberated from each other during grinding.
2) Medium- to coarse-grained galena commonly contains fine inclusions of chalcopyrite, tetrahedrite, argentiferous tetrahedrite and native silver, and occasionally fine- to medium-grained sphalerite. This portion of galena is relatively coarse-grained, while the included sulphide minerals are generally 0.01–0.10 mm in size. In comparison, sphalerite inclusions are coarser, and most can be liberated from galena under fine grinding conditions. However, very fine to fine inclusions of native silver, tetrahedrite, argentiferous tetrahedrite and chalcopyrite are difficult to liberate from galena even at fine grind sizes; consequently, these silver- and copper-bearing minerals will tend to be enriched together with galena.
3) Fine- to medium-grained galena occurs in irregular forms intergrown with chalcopyrite, sphalerite and tetrahedrite. The resulting sulphide aggregates are generally coarse, with most metallic minerals having grain sizes greater than 0.07 mm, so they can be readily liberated from each other during grinding.
4) Fine, irregular galena grains occur independently within gangue minerals, and occasionally in association with fine-grained sphalerite, tetrahedrite, native silver, chalcopyrite, strontianite (lead-bearing) and cerussite. Because this portion of galena is finely disseminated and the associated metallic minerals are also fine-grained, these minerals are difficult to fully liberate from each other during grinding.
5) The grain size of galena in the ore is mostly in the range of 0.03–0.40 mm, with a maximum size of up to 15 mm.

- Sphalerite

Sphalerite is the most important zinc mineral in the ore and the principal carrier of zinc. Its relative mineral content is 7.43%, making it the most abundant metallic sulphide in the ore. Sphalerite contains isomorphic iron, with an average iron content of 3.49%.

The grain size of sphalerite in the ore is unevenly distributed: coarse sphalerite grains can reach sizes greater than 20 mm, and medium- to coarse-grained sphalerite is common. Based on its grain size and intergrowth relationships with other metallic minerals, sphalerite in the ore has the following occurrence characteristics:

1) Medium- to coarse-grained sphalerite occurs irregularly disseminated in gangue minerals, with most grains larger than 0.15 mm. This portion of sphalerite is relatively coarse, making it easy to achieve sufficient liberation during grinding, which is favourable for zinc flotation.
2) In addition to occurring independently in gangue, sphalerite is also commonly closely intergrown with galena, chalcopyrite and tetrahedrite. Sphalerite associated with galena is mostly coarser than 0.1 mm, and they often form coarse-grained sulphide aggregates.

Occasional inclusions of galena in sphalerite are observed, with galena grain sizes generally in the range of 0.07–0.2 mm. Given this relatively simple association, most sphalerite can be adequately liberated from galena during grinding. By contrast, sphalerite forming complex mutual-boundary textures with galena, or tightly intergrown aggregates with galena, chalcopyrite, tetrahedrite and other metallic minerals, is more difficult to fully liberate during grinding, which in turn adversely affects the separation of copper, lead and zinc.

3) Sphalerite is often associated with medium- to coarse-grained tetrahedrite in simple mutual-boundary relationships, jointly disseminated in gangue minerals. Occasionally, fine-grained sphalerite is seen in association with freibergite, argentiferous tetrahedrite and other silver–copper sulphosalts. It should be emphasised that tetrahedrite is a copper-rich mineral and also the main carrier of silver in this ore. Because tetrahedrite is closely intergrown with fine-grained sphalerite, part of the tetrahedrite and silver–copper sulphosalts cannot be fully liberated from sphalerite during grinding. During zinc flotation, these composite particles of tetrahedrite tend to be enriched together with sphalerite, which is the fundamental reason for the presence of silver and copper in the zinc concentrate.
4) Where sphalerite shows local enrichment in the ore, it is also commonly associated with arsenopyrite. Occasionally, fine arsenopyrite inclusions are observed within medium- to coarse-grained sphalerite.
5) Overall, sphalerite in the ore is relatively coarse, with most grains larger than 0.05 mm and maximum sizes exceeding 20 mm. Most sphalerite can therefore be readily liberated as free particles during grinding. Although a minor portion of sphalerite is closely intergrown with galena, chalcopyrite, tetrahedrite and argentiferous tetrahedrite, the relatively coarse grain size and high relative abundance of sphalerite mean that even if a small amount of copper minerals is enriched together with sphalerite into the zinc concentrate, the impact on zinc concentrate quality is limited.

- Argentiferous Tetrahedrite

Tetrahedrite is an important copper mineral in this ore and also a major carrier of silver. Based on slight differences in chemical composition, tetrahedrite containing more than 8% Ag is referred to as argentiferous tetrahedrite. Most tetrahedrite in the ore contains silver, with an average composition of Cu 36.69%, Zn 3.72%, Fe 4.45%, Ag 2.08%, As 0.28%, Sb 26.96% and S 25.82%.

In the ore, tetrahedrite commonly occurs in close association with galena, sphalerite, chalcopyrite and silver–copper sulphides, forming very complex mineral aggregates disseminated together in gangue minerals. Occasionally, very fine to fine tetrahedrite and argentiferous tetrahedrite are observed as inclusions in galena, and fine- to medium-grained galena is also seen as inclusions within tetrahedrite. In addition, tetrahedrite is often closely associated with native silver, whose grain size can reach more than 0.3 mm.

The grain size of tetrahedrite in the ore is mainly in the range of 0.02–0.35 mm, with a maximum size of 1.5 mm.

- Native Silver, Stromeyerite and Silver Sulfosalt Minerals

Native silver, stromeyerite and silver sulfosalt minerals are the main independent silver-bearing minerals in this ore. Silver sulfosalts identified under the scanning electron microscope include argentiferous tetrahedrite (described above), stromeyerite, freibergite, and argentiferous arsenic–copper sulphosalts.

In the ore, native silver is most closely associated with tetrahedrite, and also commonly occurs in close association with sphalerite, stromeyerite and galena. The grain size of native silver is mainly in the range of 0.005–0.25 mm. Stromeyerite commonly occurs with galena, chalcopyrite, freibergite, argentiferous tetrahedrite, argentiferous arsenic–copper sulphosalts and sphalerite, with most grains smaller than 0.1 mm. Freibergite typically forms mineral aggregates with galena and argentiferous tetrahedrite, with relatively complex mutual boundaries, and cerussite is occasionally observed along the margins of freibergite.

Overall, the grain size of native silver and silver sulfosalt minerals in the ore is mainly in the range of 0.01–0.20 mm.

- Arsenopyrite

Arsenopyrite is the main carrier of arsenic in the ore, with a relative mineral content of 0.58%. It occurs predominantly as euhedral to subhedral crystals independently disseminated in gangue minerals, and secondarily in association with sphalerite; minor arsenopyrite is associated with chalcopyrite and galena.

The grain size of arsenopyrite in the ore is mainly in the range of 0.01–0.20 mm.

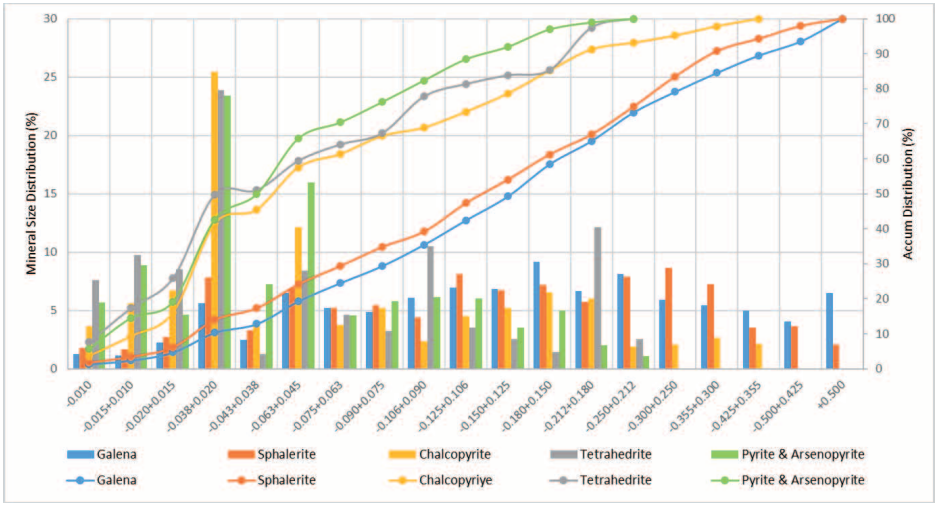
- Pyrite

Pyrite is the main sulphur-bearing mineral in the ore, with a relative mineral content of 0.64%. It occurs predominantly as subhedral crystals independently disseminated in gangue minerals. Its association with sphalerite, galena and chalcopyrite is relatively simple and has little impact on the flotation of copper, lead and zinc or on the quality of the corresponding concentrates.

The grain size of pyrite in the ore is mainly in the range of 0.02–0.20 mm.

As shown in Figure 9-1, the grain-size distribution of the main metallic minerals is uneven. Galena and sphalerite are relatively coarse, occurring with variable grain sizes from coarse to fine. In contrast, chalcopyrite, tetrahedrite and arsenopyrite are relatively fine grained. In the −0.020 mm size fraction, the distribution ratios of chalcopyrite, tetrahedrite and pyrite (including arsenopyrite) are 16.04%, 25.87% and 19.18%, respectively.

Figure 9-1: Grain Size Distribution of the Main Metallic Minerals



Source: Prepared by SRK based on the process mineralogy study results of BGRIMM

9.2.4 Distribution of Target Metals in the Main Minerals

- Silver

Silver in the ore is mainly hosted in minerals such as argentiferous tetrahedrite, native silver, stromeyerite, freibergite and argentiferous arsenic–copper sulphosalts. These silver minerals are most closely associated with galena, with which they commonly form highly complex mineral aggregates disseminated together in gangue; they are next most commonly associated with sphalerite. In addition, native silver is often closely intergrown with tetrahedrite, stromeyerite and freibergite, while stromeyerite commonly occurs with galena, chalcopyrite, freibergite, argentiferous tetrahedrite, argentiferous arsenic–copper sulphosalts and sphalerite. The grain size of silver minerals in the ore is mainly in the range of 0.01–0.20 mm, with a maximum size of about 0.35 mm. Because most silver minerals are intimately associated with galena, and galena itself is also an important carrier of silver, silver will be significantly enriched in the lead concentrate during lead flotation.

- Copper

Most of the copper in the ore is hosted in sulphide minerals such as chalcopyrite and tetrahedrite, with a low degree of oxidation. Chalcopyrite mainly occurs in association with galena, sphalerite, tetrahedrite and arsenopyrite, and only rarely with pyrite; coarse-grained chalcopyrite is occasionally observed independently disseminated in gangue minerals. Compared with the contents of galena and sphalerite, the relative abundances of chalcopyrite and tetrahedrite in this ore are low, and in the grinding products a portion of chalcopyrite remains in tight intergrowth with galena and sphalerite.

- Lead

Most of the lead in the ore occurs as galena, with a relatively low degree of oxidation. In addition to occurring as medium- to coarse-grained irregular grains independently disseminated in gangue,

galena commonly shows close intergrowth with sphalerite, chalcopyrite, tetrahedrite, pyrite and arsenopyrite. Locally, small amounts of fine-grained galena occur independently in the gangue. In different polished sections, galena shows locally significant enrichment and often forms compact massive sulphide ore together with sphalerite. During grinding, most galena grains are readily liberated, and at finer grind sizes the liberation degree of galena is even higher, with only a very small proportion remaining in intergrowth with chalcopyrite and sphalerite. As a result, a significant portion of galena in the ore can be efficiently recovered by flotation. To achieve higher metallurgical performance, attention should be paid to the recovery of very fine to fine liberated galena particles during lead flotation.

It is important to note that although the ore contains only a small amount of copper, the mineral content of galena is 17.63 times that of chalcopyrite. If all chalcopyrite and galena were floated together into a bulk Cu–Pb concentrate, the theoretical grades of the mixed concentrate would be 1.86% Cu and 82.37% Pb. Therefore, to produce a higher-grade lead concentrate, copper–lead separation would be required. However, due to the fine grain size of chalcopyrite, Cu–Pb separation would require regrinding to a fine size and is difficult to achieve in practice.

- Zinc

Sphalerite is the principal zinc mineral in the ore. Chemical phase analysis indicates that 95.15% of zinc occurs in sulphide form. Sphalerite is generally iron-bearing, with an average composition of Fe 3.49% and Zn 63.37%, i.e., the actual zinc content is slightly lower than the theoretical value for pure sphalerite (Zn 67.1%). Overall, sphalerite in the ore is relatively coarse-grained, and most sphalerite can be well liberated as free particles during grinding, which is highly favourable for zinc flotation. However, as the ore contains a minor amount of arsenopyrite, effective depression of arsenopyrite should be emphasised during zinc flotation in order to achieve optimal metallurgical performance.

9.3 Processing Testwork

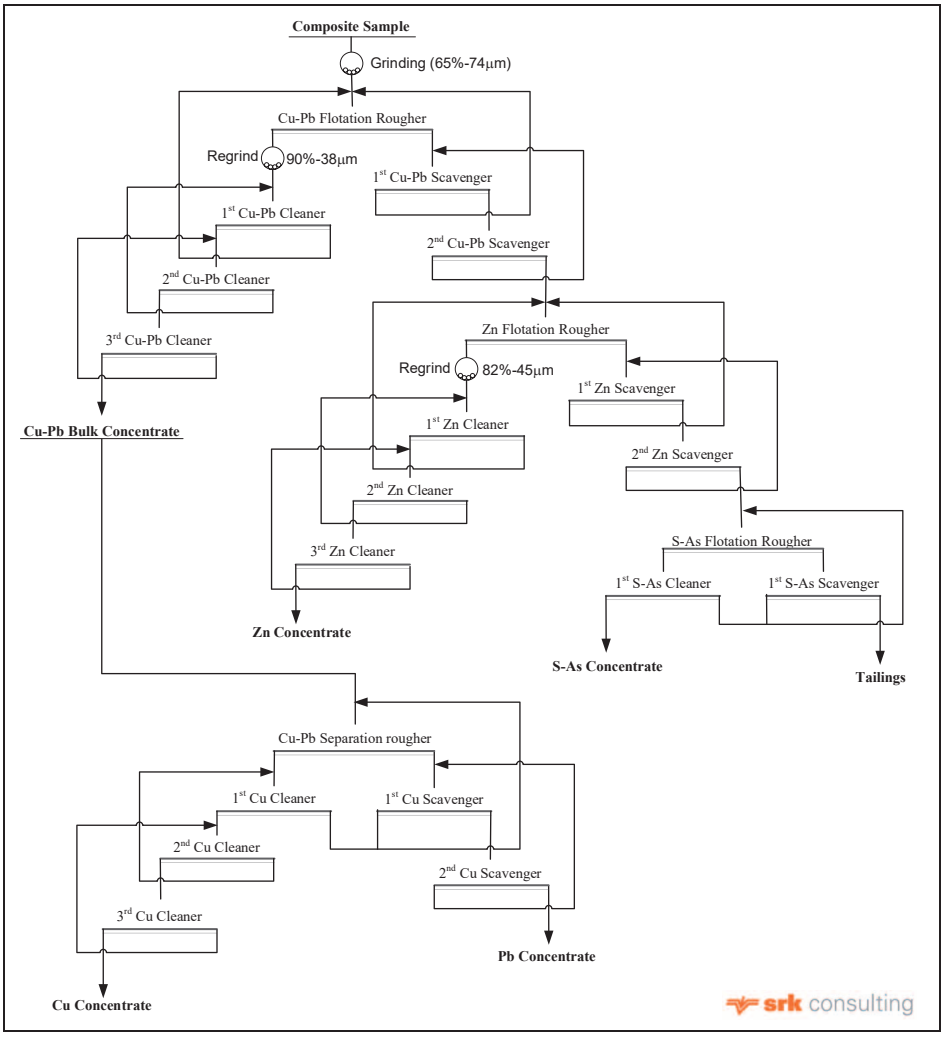
9.3.1 BGRIMM Testwork

In 2015, BGRIMM carried out exploratory tests on three alternative process flowsheets. The results indicated that Flowsheet Option 1, a conventional Cu–Pb–Zn full preferential flotation process, could not achieve an effective separation of copper, lead and zinc. Considering the low copper grade and relatively high lead and zinc grades in the feed, detailed testwork was then focused on Flowsheet Options 2 and 3. Closed-circuit flotation tests ultimately showed that Options 2 and 3 produced broadly similar results. However, as Flowsheet Option 3 is more complex, Flowsheet Option 2 was recommended as the design process for the processing plant, as shown in Figure 9-2.

This work was used to determine the optimum flotation flowsheet for the ore tested in this study.

- Flowsheet Option 1: Full preferential flotation of Cu, Pb and Zn (sequential flotation)
- Flowsheet Option 2: Bulk Cu–Pb flotation followed by Cu–Pb separation and Zn flotation
- Flowsheet Option 3: Partial preferential Cu–Pb flotation followed by Cu–Pb separation and sequential Pb–Zn flotation

Figure 9-2: Flowsheet Recommended by BGRIMM (Flowsheet Option 2)



Source: Processing Testwork Report on the Donghu Silver-Polymetallic Deposit, Zhengxiangbai Banner, Inner Mongolia Autonomous Region, Beijing General Research Institute of Mining and Metallurgy, June 2015.

The final test results for the recommended flowsheet are shown in Table 9-4. Qualified copper concentrate, lead concentrate, and zinc concentrate were produced, with copper, lead and zinc recoveries of 53.6%, 88.4% and 89.5%, respectively. Silver was enriched into the three concentrates, with a combined recovery of 93.4%. Arsenic contents in all three concentrates were relatively low and below penalty levels. A low-grade arsenic–sulphur concentrate containing 12.4% As and 11.9% S was also produced.

Table 9-4: BGRIMM Test Results

Item		Product					
		Cu Concentrate	Pb Concentrate	Zn Concentrate	S-As Concentrate	Tailings	Run-of-mine
Mass Yield (%)		1.38	5.34	7.96	2.17	83.15	100.0
Grade (%)	Ag (g/t)	**4,368**	**3,867**	**283**	122	21.37	310
	Pb	7.36	**76.91**	1.57	1.39	0.34	4.65
	Zn	2.17	4.02	**55.48**	1.44	0.29	4.94
	Cu	**17.23**	1.45	0.73	0.74	0.07	0.44
	S	18.36	15.60	30.75	11.92	0.16	3.93
	As	0.24	0.09	0.16	12.39	0.09	0.36
Recovery (%)	Ag	**19.46**	**66.68**	**7.27**	0.85	5.74	100.0
	Pb	2.19	**88.39**	2.69	0.65	6.08	100.0
	Zn	0.61	4.35	**89.53**	0.63	4.89	100.0
	Cu	**53.62**	17.47	13.11	3.61	12.19	100.0
	S	6.45	21.22	62.37	6.57	3.39	100.0
	As	0.92	1.32	3.53	74.40	19.83	100.0

Source: Processing Testwork Report on the Donghu Silver-Polymetallic Deposit, Zhengxiangbai Banner, Inner Mongolia Autonomous Region, Beijing General Research Institute of Mining and Metallurgy, June 2015.

9.3.2 Guangzhou Institute Testwork

A processing plant was designed and constructed based on the flowsheet recommended by BGRIMM. In this design, one additional scavenger stage was added to both the Cu–Pb bulk flotation circuit and the Zn flotation circuit. As there was no market for an arsenic–sulphur concentrate, the As–S flotation circuit was omitted. After commissioning, the plant achieved good operating performance. However, as ore grades declined, mineral processing performance decreased, and Guangzhou Institute was therefore engaged to carry out testwork aimed at improving concentrate grades and recoveries.

Given the low copper grade in the ore, no specific copper recovery was considered, and copper was enriched incidentally to the lead concentrate. A flowsheet involving preferential lead flotation followed by zinc flotation was adopted, with the specific process as follows:

- Grinding fineness: 60.1%-74 μm
- Lead flotation circuit: one roughing and two scavenging; roughing concentrate reground to 90.1% passing 45 μm, followed by three stages of cleaning
- Zinc flotation circuit: one roughing, two scavenging and three cleaning. The zinc roughing concentrate is not reground, simplifying the BGRIMM flowsheet.

The closed-circuit test results are shown in Table 9-5 and are satisfactory. The lead concentrate assayed 71.25% Pb, with a Pb recovery of 91.44%; Zn grade was 2.15%, corresponding to a zinc loss of 4.12%, indicating good Pb–Zn separation. The zinc concentrate grade assayed 55.6% Zn, with a Zn recovery of 86.46%. Silver was mainly enriched in the lead concentrate, with a recovery of 86.37%.

Table 9-5: Processing Testwork Results of Guangzhou Institute

Product	Mass Yield (%)	Grade (%)				Recovery (%)		
		Pb	Zn	Ag (g/t)	As	Pb	Zn	Ag
Pb Concentrate	7.24	71.25	2.15	3,411	0.15	**91.44**	4.12	86.37

Product	Mass Yield (%)	Grade (%)				Recovery (%)		
		Pb	Zn	Ag (g/t)	As	Pb	Zn	Ag
Zn Concentrate	5.88	1.62	55.60	188.6	0.16	1.69	86.46	3.88
Tailings	86.88	0.45	0.41	32.11	0.24	6.87	9.42	9.76
Run-of-mine	100.0	5.64	3.78	285.96	0.23	100.0	100.0	100.0

Source: Small-Scale Processing Flowsheet Testwork Report for the Pb–Zn–Ag Polymetallic Ore of Qianjinda Mining Co., Ltd. in Zhengxiangbai Banner, Institute of Resources Comprehensive Utilization, Guangdong Academy of Sciences, February 2021.

9.3.3 Conclusions of Processing Tests

- The Qianjinda Donghu Ag–Pb–Zn polymetallic ore contains galena, sphalerite, chalcopyrite and silver minerals as the main valuable minerals. The principal silver minerals are argentiferous tetrahedrite, native silver, stromeyerite, freibergite and argentiferous arsenic–copper sulphosalts. Galena and sphalerite are relatively coarse-grained, favourable for recovery under relatively coarse grinding conditions. Chalcopyrite and silver minerals are fine-grained, but they are closely associated with galena and can readily be enriched together with galena. From a process mineralogy perspective, the ore exhibits good beneficiation amenability.
- Using a "coarse grinding and roughing, regrinding of roughing concentrate followed by cleaning" flowsheet, both the BGRIMM and Guangzhou Institute testwork achieved good mineral processing performance, producing high-quality lead concentrate and zinc concentrate with high recoveries of silver, lead and zinc. The Guangzhou Institute testwork showed that satisfactory zinc recovery can be achieved without regrinding the zinc roughing concentrate; the key to achieving good overall performance is strengthening zinc depression in the lead flotation circuit.
- A portion of galena occurs as inclusions in chalcopyrite and tetrahedrite, and part occurs in composite intergrowths with these copper minerals. Some Pb–Cu composite particles in the lead concentrate are very fine, with individual galena grains in such composites being smaller than 2 μm. Under these conditions, it is difficult to achieve effective Pb–Cu separation by grinding and especially given the low copper grade in the ore, it is not feasible to produce a separate copper concentrate.

9.4 Processing Plant

9.4.1 Processing Flowsheet

The processing flowsheet comprises crushing, grinding, flotation and concentrate dewatering circuits, as shown in Figure 9-3, and is briefly described below.

- Crushing circuit

A two-stage, one-closed-circuit crushing flowsheet is adopted. The ore feed size is ≤500 mm, and the crushed product size is 100% passing 12 mm.

RoM is hauled by mine trucks and road trucks to the RoM stockpile at the processing plant. After blending, it is fed by a front-end loader into the RoM bin. A B1000-6 medium-duty apron feeder is installed under the bin to feed the ore to a C80 jaw crusher for primary crushing. The product from the primary crusher, together with the product from secondary crushing, is conveyed by Belt Conveyor No. 1 to a YAH1536 circular vibrating screen. The oversize product is returned via Belt Conveyor No. 2 to the buffer bin ahead of the secondary crushing and is then fed by a GLD800

mobile belt feeder to a GP11F cone crusher for secondary crushing. The undersize is the final crushed product, with a particle size of less than 12 mm, and is transported by Belt Conveyor No. 3 to the fine ore bin.

- Grinding and flotation circuit

The grinding–flotation flowsheet is basically the same as that recommended in the BGRIMM testwork report. One additional scavenging stage has been added to both the Cu–Pb bulk flotation circuit and the Zn flotation circuit. In addition, given the low grade and poor marketability of the arsenic–sulphur concentrate, and in order to reduce capital and operating costs, the As–S flotation circuit has been omitted.

The designed grinding and flotation flowsheet comprised a single-stage closed-circuit grinding system, with a target grind size of 65%-74 μm, feeding the Cu–Pb bulk flotation circuit. The Cu–Pb bulk flotation employed one roughing and three scavenging stages to produce a bulk roughing concentrate. The Cu–Pb bulk roughing concentrate was then reground in a single-stage closed-circuit regrind mill to 82%-45 μm, followed by three stages of cleaning to produce the Cu–Pb bulk concentrate. Because the first-stage grinding product did not reach the required fineness and the grinding capacity was low, a flowsheet modification of the grinding–flotation circuit was carried out in 2021. The grinding system for the Cu–Pb roughing concentrate was converted into a second-stage grinding system for the RoM, effectively changing the original single-stage closed-circuit grinding into a two-stage closed-circuit grinding system for the RoM. The Pb roughing concentrate and Zn roughing concentrate were no longer reground and were sent directly to cleaning. After this grinding system upgrade, plant throughput was increased, the particle size distribution of the ground product was optimised, and the Pb and Zn flotation performance was improved.

The Cu–Pb bulk concentrate was thickened and then fed to the Cu–Pb separation circuit, where one roughing, three scavenging and three cleaning stages were designed to depress lead and float copper, producing separate copper concentrate and lead concentrate. However, due to the fine grain size of copper minerals and the low copper grade in the ore, Cu–Pb separation has not been implemented in actual production. The installed regrind system for Cu–Pb separation was instead converted to serve as the second-stage RoM grinding. The resulting Cu–Pb bulk concentrate, with a high silver content, is sold as a silver–lead concentrate.

In 2023, a flash flotation column was added to the Cu–Pb circuit to produce a preferential lead concentrate. This successfully reduced the zinc content in the lead concentrate and the lead content in the zinc concentrate, stabilised the flotation process, and improved concentrate quality and metal recoveries.

The tailings from the Cu–Pb bulk flotation are treated in the zinc circuit, with one roughing and three scavenging stages, producing a zinc roughing concentrate and final tailings. The zinc roughing concentrate was designed to be reground to 82% -45 μm and then cleaned in three stages to produce the zinc concentrate. In practice, however, the zinc roughing concentrate has not been reground, and the bypass of the installed regrind system is currently not in use.

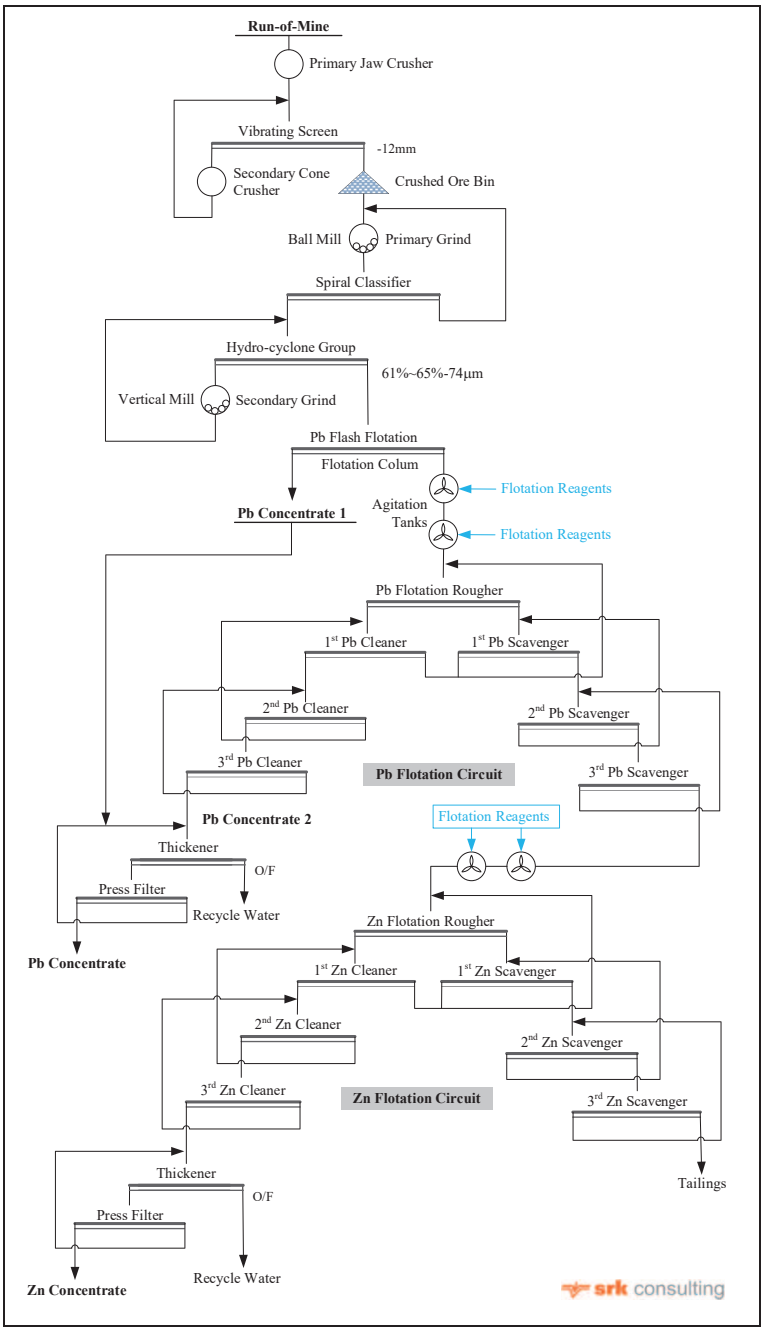
- Dewatering circuit

To increase the pulp density for Cu–Pb separation flotation, the Cu–Pb bulk concentrate slurry was designed to be thickened in a concentrate thickener, with underflow density controlled at 45–55%.

As Cu–Pb separation is not carried out in practice, the bulk concentrate thickener is currently not in use.

Dewatering of the copper concentrate, lead concentrate and zinc concentrate is carried out using a two-stage process of thickening in a concentrate thickener followed by filtration with a vacuum ceramic filter. Final concentrate moisture is controlled below 12%.

Figure 9-3: Upgraded Processing Flowsheet of the Qianjinda Processing Plant



Source: SRK site visit

9.4.2 Facilities and Equipment

The processing plant is located on a hillside approximately 200 m east of the mine area. In accordance with the processing flowsheet, the plant is arranged from top to bottom and includes RoM stockpile, RoM bin, crushing workshop, screening workshop, fine ore bin, grinding workshop, flotation workshop, concentrate dewatering workshop and concentrate storage bin. Auxiliary facilities include a lime preparation room and lime storage silo, reagent preparation room and reagent warehouse, assay and analytical laboratory, mechanical and electrical workshops, central warehouse, boiler house and coal shed, processing plant office and accommodation building, 10 kV substation, and a weighbridge.

The main equipment of the processing plant is listed in Table 9-6, and the photos of the main workshops and equipment are show in Figure 9-4. The plant features a compact layout of workshops and equipment, achieving efficient use of space. The plant is equipped with one head freshwater tank and one head return water tank, with a capacity of 600 m³ and 1000 m^3, respectively. Freshwater for the head tank is sourced from mine water inflows after settling, and return water for the head return water tank is sourced from tailings impoundment. The overflow from each concentrate thickener flows into a dedicated 50 m³ water tank and is recycled back to the corresponding flotation circuit. In addition, one 100,000 m³ water pond have been constructed to store settled mine inflow water for use in mining and processing operations.

Table 9-6: Main Equipment of the Qianjinda Processing Plant

No.	Name	Model	Motor (kW)	Amount	Remark
	Crushing Plant				
1	Medium-duty apron feeder	B1000-6	11	1	Feed to primary crusher
2	Jaw crusher	C80	75	1	Primary crushing
3	Belt conveyor No.1	B=650mm, L=91.5m	30	1	Feed to vibrating screen
4	Cone crusher	GP11F	160+25.4	1	Secondary (fine) crushing
5	Mobile belt feeder	GLD800	5.5	1	Feed to secondary crusher
6	Circular vibrating screen	YA1536	11	1	Screening of crushed product
7	Belt conveyor No.2	B=650mm, L=86.7m	22	1	Feed to secondary crusher
8	Electromagnetic iron remover	RCDB-8	4	1	
	Grinding & Flotation Plant				
9	Mobile belt feeder	GLD800	5.5	2	Feed to ball mill
10	Wet grate ball mill	MQG2740	400	1	First-stage grinding

No.	Name	Model	Motor (kW)	Amount	Remark
11	Spiral classifier	2FG-20	30	1	Classification of mill discharge
12	Vertical stirred mill	JM-1800	250	2	Regrinding of roughing concentrate
13	Hydrocyclone cluster	FX150×4		2	Classification of regrind product
14	Slurry pump	40ZBD-160	7.5	4	Feed to cyclones
15	Flotation column	Φ3.2m×8.0m	90	1	Pb flash flotation
16	Flotation cell	XCF/KYF-16	37	22	Roughing and scavenging
17	Flotation cell	XCF/KYF-6	15	17	Cleaning
18	Lifting/agitation tank	Φ2500CBX	22	2	Slurry conditioning
19	Lifting/agitation tank	Φ1500	11	1	Slurry conditioning
20	Agitation tank	BC2.5x2.5	7.5	2	Slurry conditioning
21	Agitation tank	BC1.5x1.5	2.2	2	Slurry conditioning
22	Automatic dosing system	BRFS-PLC (55 point)			Reagent dosing
	Dewatering Plant				
23	Peripheral-roller drive thickener	NG-15	5.5	3	Concentrate thickening
24	Central drive thickener	NZS-6	1.1	1	Concentrate thickening
25	High-density agitation tank	XBN-1500×1500	18.5	4	Thickener underflow buffer
26	Automatic filter press	CJXA-8/12/30	5.5+0.5	1	Concentrate filtration
27	Automatic filter press	CJXA-13/24/30	11+0.5	2	Concentrate filtration
28	Screw air compressor	FHOG75A 10m^3/min	55	2	Compressed air for filter presses
	Reagent Preparation				
29	Reagent agitation tank	RJW-2000	5.5	2	Reagent preparation
30	Reagent agitation tank	RJW-1500	3	3	Reagent preparation
31	Reagent agitation tank	RJW-1000	1.5	3	Reagent preparation
32	Cone-bottom reagent tank	Φ2000×2000	4	1	Lime milk preparation
33	Flat-bottom reagent tank	Φ2000×2000	4	2	Lime milk preparation
	Tailings transport				
34	Slurry pump	Q=99~198m^3/h, H=35~29m	37	2	Tailings transport

Source: Qianjinda

Figure 9-4: Photos of Qianjinda Processing Plant



Source: SRK site visit

9.4.3 Technical Indicators

The processing plant was designed for a processing capacity of 1,000 tpd, operating continuously with an annual operation rate of 82.2%, equivalent to 300 effective operating days per year and an annual ore processing capacity of 300 ktpa. Through continuous technical modifications and flowsheet optimisation, as well as strengthened equipment maintenance and production management, equipment availability and utilisation have progressively improved, and plant throughput has steadily increased. In 2025, the actual ore processed reached 358,600 t . Over the past three years, the processing plant has achieved strong operating performance (see Table 9-7). The lead concentrate grade averaged 62.55% Pb and 2,336 g/t Ag, with lead and silver recoveries

of 92.76% and 90.5%, respectively. The zinc concentrate grade averaged 53.91% Zn, and zinc recovery improved from 72.65% in 2023 to 82.46% in 2025.

According to the sales contract, the minimum payable grade for copper in lead concentrate is 2%. From 2023 to 2025, a total of 1,786 batches of lead concentrate were sold, with copper grades ranging from 1.14% to 2.70%, and a dry weight of 28.6–32.2 tonnes per batch. The weight with a copper grade of 2% or higher accounted for approximately 20% of the total lead concentrate tonnage (6.9% in 2023, 22.5% in 2024, and 19.9% in 2025), and the copper contained in these batches was sold using a 30% payable factor. The copper grade in the remaining lead concentrate was below the payable standard.

Qianjinda has commissioned the Hunan Nonferrous Metals Research Institute ("Hunan Institute") to carry out laboratory testwork on Cu–Pb separation, with the aim of producing a saleable copper concentrate. Although the copper minerals are finely disseminated and copper–lead separation is difficult, SRK considers that attempting this separation is meaningful and that it is quite possible to produce, in addition to a normal lead concentrate, a lead concentrate with a copper grade high enough to be payable.

Table 9-7: Production Performance of the Qianjinda Processing Plant

Item	Unit	2023	2024	2025	Total/Average
Ore processed	t	265,051	330,923	358,638	954,612
Head grade	Pb, %	4.71	3.94	3.84	4.12
	Zn, %	2.89	2.88	3.12	2.97
	Ag, g/t	202.0	150.0	132.0	157.67
Metal in fed ore	Pb, t	12,486	13,051	13,782	39,319
	Zn, t	7,664	9,524	11,201	28,390
	Ag, kg	53,588	49,534	47,392	150,514
Ag–Pb concentrate output	t	18,064	19,623	20,621	58,308
Ag–Pb concentrate grade	Pb, %	64.24	62.12	61.46	**62.55**
	Ag, g/t	2,650	2,320	2,077	**2,336**
Metal in Ag–Pb concentrate	Pb, t	11,604	12,191	12,675	36,470
	Ag, kg	47,874	45,526	42,822	136,222
Ag–Pb concentrate recovery	Pb, %	92.94	93.41	91.97	**92.76**
	Ag, %	89.34	91.91	90.36	**90.50**
Zinc concentrate output	t	10,216	14,349	17,368	41,933
Zinc concentrate grade	Zn, %	54.50	54.37	53.18	**53.91**
	Ag, g/t	175.0	137.0	110.0	134.9
Metal in zinc concentrate	Zn, t	5,568	7,802	9,237	22,606
	Ag, kg	1,785	1,960	1,911	5,657
Zinc concentrate recovery	Zn, %	72.65	81.91	82.46	**79.63**
	Ag, %	3.33	3.96	4.03	3.76

Source: Production reports of the Qianjinda Processing Plant

10 Workforce Assessment

The Qianjinda Project is planned to be mined by a contract mining fleet, with an on-site processing plant designed for a throughput of approximately 300 ktpa. Based on the local climatic conditions and operating requirements, the mine is scheduled to operate 300 days per year, on a three-shift basis, with 8-hour shifts.

10.1 Workforce Numbers

According to information provided by the Human Resources Department, a total of 120 full-time employees is planned to operate the Qianjinda Project, excluding contractor personnel. The planned staffing complement is broken down by department in Table 10-1.

Table 10-1: Summary of Labour Quota

Department	Qianjinda Project.
General Manager Office	7
Technical Department	16
Safety & Environment	23
Equipment & Power	10
Production Department	24
Processing Plant	12
R&D Center	
Quality Control	2
Administration	7
Laboratory	5
Finance Department	10
Commercial Department	4
Rescue Team	
Total Staff	120

10.2 Assessment of Workforce

The Qianjinda Project is an operating mine. The Human Resources Department maintains the current personnel roster, and the Finance Department has prepared detailed labour cost schedules, including cost breakdowns for the General Manager Office, Technical Department, Safety & Environment, Equipment & Power, Production Department, Processing Plant, R&D Center, Quality Control, Administration, Laboratory, Finance Department, Commercial Department and Rescue Team.

Based on these records, the average annual labour expenditure over the past three years is estimated at approximately CNY 148.82 million, equivalent to about CNY 150.14 per tonne mined.

11 Project Infrastructure

11.1 Access

The deposit is located approximately 8 km northwest of Ming'antu Town, the administrative centre of Zhengxiangbai Banner, and about 12 km north of the Baiyin Chagan–Arongqi provincial trunk highway (the Bai-A corridor). The Jining–Tongliao railway passes south of the licence area. From Ming'antu, the Bai-A corridor connects to Baiyin Chagan, where expressways provide access to Jining, Zhangjiakou and Baotou, and the site can be reached by both road and rail. Within the project area, a network of simple gravel roads provides direct vehicle access to the mine.

11.2 Power Supply

Based on the external power supply and the internal load distribution, a 10/0.4 kV main substation is installed at the mining area. This substation is supplied by two independent 10 kV overhead feeders from the Xilinhot 220 kV substation, with the mine's own 10 kV rural distribution line retained as a standby supply for Category I (critical) loads. The substation is equipped with two 500 kVA transformers and indoor switchgear. On the 10 kV side, a sectionalised single-bus arrangement with a bus-tie is used. Radial 10 kV feeders supply the hoist, underground district substations, underground dewatering substations and the local 0.4 kV transformers; the hoist and the underground dewatering substations are provided with dual-circuit 10 kV supplies.

The concentrator 10 kV substation is fed by a 10 kV cable and also uses a sectionalised single-bus configuration with a bus-tie. It contains two 2,000 kVA transformers with all switchgear installed indoors. Radial 10 kV feeders, via overhead lines or cables, supply the mining 10 kV substation, ball mills, camp box-type substations, water-supply box-type substations, and pole-mounted substations at the explosives magazine and the tailings storage facility.

The camp box-type substation, the tailings facility pole-mounted substation and the explosives magazine pole-mounted substation are each supplied by a single-circuit 10 kV overhead feeder.

Within the mine, the high-voltage distribution voltage is uniformly 10 kV. Low-voltage distribution is at 220/380 V, and the designated safety voltage is 36 V. Except for low-voltage mobile equipment underground, which uses an IT system with an insulated neutral, all other low-voltage systems use directly earthed TN-C-S or TN-S earthing arrangements.

11.3 Water Supply

Water management at the mine is based on maximising the use of settled mine water and process reclaim, with fresh water used only as a supplement. Underground inflows are collected, settled and then supplied by gravity as make-up water to both the mining operation and the concentrator, with surplus stored in a large surface pond for later pumping back to the plant. The process plant uses a segregated reclaim system, recycling decant water from the tailings facility and thickener overflows to meet most of its ~5,300 m³/d demand, while a dedicated high-level tank provides fresh water and fire-water reserve. Domestic supply for the camp is treated through a chlorination system and small high-level tank, with electric water heating installed to meet hot-water and space-heating needs.

11.4 Workshops and Repair Facilities

Maintenance and workshop support for the mine are organised around three main functions—mechanical, electrical and vehicle repair—supported by a central warehouse.

Mechanical maintenance is carried out in a surface workshop at the processing plant, which combines mechanical and electrical repair sections. The mechanical shop is responsible for fabrication and repair of welded and structural components, machining and assembly of mechanical spares and consumables, manufacture and repair of non-standard tools and jigs, and field maintenance of mining equipment. Repair coverage assumes approximately 10% for mining and processing plant equipment, 5% for workshop equipment, 9% for locomotives and mine cars, and 10% for other services (e.g. water and heating equipment), with about 25% of the mechanical workload handled in-house and the balance outsourced. A dedicated workshop is provided at the shaft collar for locomotive and mine-car repairs.

The electrical maintenance function focuses on repair and testing of low-voltage AC motors (⩽135 kW), manufacture of certain electrical components in cooperation with the mechanical shop, maintenance of plant distribution lines and on-site servicing of mine electrical equipment. Routine testing includes insulation resistance, withstand and no-load/short-circuit tests for equipment up to 10 kV. High-voltage and DC motor repairs, transformer repairs and oil reclamation, and instrument repairs are outsourced to specialist service providers. Light-vehicle maintenance is also fully outsourced under technical cooperation agreements with professional automotive workshops.

A single central warehouse is located at the processing plant area for ease of management and control. It stores metal materials, equipment and spare parts, refractory materials, solid fuels, hazardous materials, gas cylinders, electrical and hardware items, personal protective equipment and general consumables.

11.5 Buildings and Accommodation

The operation has a compact surface layout comprising a mining industrial area, processing plant, camp/administration area, tailings storage facility, explosives magazine, ventilation and exploration portals, and associated water-supply works. The overall arrangement is suitable to support the planned underground mining and processing activities.

Mining industrial area

Located near the 1,460 m main adit, and includes a portal mechanical workshop, mine services/crew building and a portal control room (dispatch and scheduling). Around the vertical shaft collar are the hoist house and electrical control room, a 10 kV mining substation, surface compressor house, return-water treatment shop, mine-water settling pond, chlorination room and a 50 m³ elevated domestic water tank. The return-air incline portal is situated about 200 m northeast of the former #1 exploration incline, with a dedicated fan house at an elevation of approximately 1,410 m.

Processing plant (concentrator) area

Situated on the eastern hillside at elevations of about 1,426–1,460 m. The flowsheet is two-stage crushing in closed circuit, ball milling, flotation and dewatering. From top to bottom, the plant layout

comprises the ROM stockpile, coarse ore bin, crushing and screening buildings, fine ore bin, grinding building, copper–lead bulk flotation and zinc flotation workshop, thickener building, filtration building and concentrate storage bins.

Camp and administration area

Located immediately south of the concentrator at an elevation of about 1,428 m, and includes a concentrator complex building (canteen, heat-exchange room, offices and accommodation) and a separate camp complex (offices and accommodation).

Water supply

Process water is sourced primarily from underground mine inflows after settling, while domestic water is obtained from local wells within the lease.

Explosives magazine

Designed for a capacity of 10 t, located about 900 m east of the concentrator at an elevation of ~1,388 m. The site includes separate detonator and explosives stores, a 200 m³ fire-water pond about 350 m to the southwest (pond base elevation ~1,418 m), and a magazine guard house about 830 m to the northwest along the access road.

Waste rock

During production, waste rock is used for underground backfill and for TSF embankment construction; no separate waste rock dump is planned. During construction, most waste from the main adit is used as fill to level the mining industrial area, with the remainder used in TSF dam construction.

11.6 Tailings Storage Facility

Over the life of mine, total tailings production is estimated at 2.416 Mt. Assuming a dry-stacked bulk density of 1.45 t/m³, the required effective tailings storage capacity is 1.666 Mm³.

The tailings storage facility ("TSF") is located in a gully approximately 540 m northeast of the concentrator. It is a valley-type TSF, with storage capacity formed by a tailings dam and the flanking valley walls. The dam is an impermeable compacted earth–rock fill dam, constructed in a single stage using locally sourced earth and rock materials. The design parameters of the tailings dam are as follows: the lowest elevation of the dam axis is 1,389.0 m asl, the crest elevation is 1,416.0 m asl, giving a dam height of 27.0 m; the crest width is 5.0 m, and the dam axis length is 695.0 m. The resulting total storage capacity is 2.12 Mm³. Using a storage utilisation factor of 80%, the effective storage capacity is 1.696 Mm³, which meets the tailings storage requirements for the mine life.

The TSF is classified as a Category IV facility and has been designed for a 1-in-200-year flood event. Flood control within the pond is achieved using a spillway located on the southeast side of the TSF. The spillway is a masonry structure with a base width of 2.5 m and a height of 2.0 m. Downstream of the spillway, the flow is collected in a stilling basin (collection pool) with a capacity of 180 m³, constructed in reinforced concrete.

Tailings are transported by pressurised pipeline, using a twin-pipeline system, each line being 1.4 km in length. Tailings slurry from the concentrator is pumped to the TSF using slurry pumps and pipeline pumps. The pipelines are laid along the dam crest, with discharge spigots installed at 15 m intervals, and a uniform discharge method is adopted along the upstream face of the dam.

A composite geomembrane anti-seepage layer is laid on the upstream slope of the tailings dam. A trench is excavated along the toe of the upstream face of the starter dam, and an anti-seepage layer is placed in the trench. A DN300 PE drainage pipe is laid within the trench; circular holes of 12 mm diameter are drilled in a staggered ("plum blossom") pattern over the upper half of the pipe, with an open area ratio of 8–12%. The pipe is wrapped with one layer of 300 g/m² geotextile. A DN200 PE solid (non-perforated) water-conveyance pipe is buried in the foundation of the starter dam and connected to the drainage pipe, discharging downstream into the collection pool. The junction between the composite geomembrane on the upstream slope and the conveyance pipe is welded. Within 5.0 m around the conveyance pipe, compaction is carried out using small mechanical compactors. Seepage water collected in the stilling/collection pool is pumped back into the TSF.

An artificial lining system is installed over the entire tailings storage area and implemented in two stages. In the first stage, the liner is installed up to elevation 1,400.0 m; after installation, the surface is fully covered with sandbags to protect the composite geomembrane from damage. In the second stage, the liner will be extended up to the dam crest elevation, and this phase can be completed progressively over several years.

An internal water reclamation system is adopted. A reclaim water floating barge is installed at the upper end (tail) of the TSF, equipped with a reclaim pump station that pumps clarified supernatant water from the TSF via pipeline to the reclaim water treatment plant.

Under normal operating conditions, the inflow to the TSF is 2,618 m³/d. After accounting for evaporation and water entrained in the tailings, the remainder is reused.

The TSF is classified as a Category IV facility. In accordance with TSF safety monitoring requirements, separate monitoring modules are installed at different locations within the facility, including a pond water level monitoring module and a dam body monitoring module. These systems provide real-time monitoring of key physical parameters such as dam displacement, dry beach length, position of the phreatic surface within the dam, pond water level and rainfall. A combination of manual monitoring and online video monitoring is used to record and manage these data.

Three displacement monitoring points are set on the crest of the tailings dam. Three longitudinal phreatic surface monitoring sections are arranged across the dam: the central main section has four monitoring holes, and each of the two side sections has three monitoring holes, giving a total of 10 monitoring holes. Monitoring is conducted using a combination of manual readings and online video surveillance. Within the impoundment, water level gauges and rainfall monitoring equipment are installed, and four groundwater quality monitoring wells are arranged around the perimeter of the TSF.

12 Environmental Studies, Permitting, Social or Community Impact

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

The objective of this review is to identify and verify the existing and potential Environmental, Social, and Occupational Health and Safety ("OHS") liabilities and risks and assess any associated proposed remediation measures for the Project. An environmental site visit was conducted in April 2026. At the time of this report was written, the Project's mining and processing are operational.

12.2 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprised a review and inspection of the Project'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.

12.3 Status of Environmental Approvals and Operational Permits

SRK was provided with the EIA reports and associated approvals shown in Table 12-1.

Table 12-1: EIA Reports and Approvals

Project	Produced By	Production date	Approved By	Approval date
Donghu Silver-Lead-Zinc Mine Construction Project	Zhonghuan Guoping (Beijing) Technology Co., Ltd.	May 2017	Xilingol League Environmental Protection Bureau	3 June 2017
Donghu Silver-Lead-Zinc Polymetallic Ore Processing Project	Inner Mongolia Xinchuang Environmental Technology Co., Ltd.	October 2019	Xilingol League Bureau of Ecology and Environment	8 October 2019

SRK was provided an underground mining safety operation production permit and a TSF safety operation permit for the Project, and the details are shown in Table 12-2.

Table 12-2: Safety Operation Production Permits

Project	Donghu Silver-Lead-Zinc Mine
Safety Production Permit No.	(Meng) FM [2025] No. 006531
Issued To	Zhengxiangbai Banner Qianjinda Mining Co., Ltd.
Issued By	Mine Safety Supervision Bureau of Inner Mongolia Autonomous Region
Licensed Activity	TSF Operation
Issue Date	23 August 2024
Expiry Date	22 August 2027
Project	Donghu Silver-Lead-Zinc Mine
Safety Production Permit No.	(Meng) FM [2025] No. 006673
Issued To	Zhengxiangbai Banner Qianjinda Mining Co., Ltd.
Issued By	Mine Safety Supervision Bureau of Inner Mongolia Autonomous Region
Licensed Activity	Underground mining of lead, zinc, silver, copper, arsenic, indium, gallium, cadmium ore (above 900-meter elevation level)
Issue Date	7 November 2025
Expiry Date	6 November 2028

SRK was provided a water use permit for the Project with details shown in Table 12-3.

Table 12-3: Water Use Permit

Water Use Permit No.	C152529G2021-0043
Issued To	Zhengxiangbai Banner Qianjinda Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Xilingol League Water Resources Bureau
Issue Date	23 December 2021
Expiry Date	22 December 2026
Type of Water Source	Groundwater and Surface Water from Chaogewendu Development Zone, Mingantu Town, Zhengxiangbai Banner, Xilingol League, Inner Mongolia Autonomous Region
Water Allocation	Total: 319,300 m^3/year Surface Water: 213,300 m^3/year Ground Water: 106,000 m^3/year

A Site-discharge Permit was granted by Xilingol League Municipal Ecology and Environment Department dated 6 September 2024, with a valid period as of September 2029. The Company states that it has obtained proper land use accesses to carry out mining and processing activities, and related land use permits have also been provided to SRK for review. In addition, the Company plans to obtain additional land use permits for the future mining and processing.

The significant environmental and social aspects for the Project are associated with the mining and mineral processing activities at the Project 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 Project 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 reports mentioned above and

other related documents, as well as those environmental and social aspects that have not been addressed.

12.4 Environmental Aspects

Site Ecological Assessment

The development of mining and mineral processing activities may result in impacts to or loss of flora and fauna habitat. The EIA reports 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 EIA reports should also propose effective measures to reduce and manage these potential impacts.

The EIA reports for this Project makes the following statements in respect to flora and fauna:

- The Project area is located in a grass land in a hilly area with elevations ranging from 1,390 m to 1,510 m asl;
- No protected flora and fauna species are recorded in this area, and the regional natural vegetation comprises grasses and very few shrubs, and the local vegetation cover is thin; and
- 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.

Waste Rock and TSF Management

The Project's waste rock generation rates and the waste rock dump have been previously discussed in the Mining Assessment section. SRK observed that the waste rock generated by the underground mining occupying a surface area near the main portal. According to the EIA reports, waste rocks are either recycled as construction materials or be backfilled into mined out space underground, and the rest is stored in the waste rock dump area.

Tailings are generated from the processing plant, and a portion of coarse tailings are used for backfilling in the mined-out space underground, and the remaining (fine) tailings are sent to the TSF. SRK opines that tailings backfilling is a recognized international industry practice to mitigate the impact of surface subsidence and to save space in the TSF, which can limit the land surface subsidence caused by the underground mining. The bottom of this TSF is placed by impermeable HDPE layers to prevent tailings leachate from entering the aquifer causing groundwater pollution. In addition, HDPE layers are also installed on the dam inside to prevent tailings' leachate horizontal migration. A water pump station is installed downstream of the outlet from the TSF underdrain, which sends the supernatant of tailings back to the processing plant for reuse and limit the discharge from the TSF. SRK notes that a new processing plant and a new TSF will be built in the next few years.

The Company states that no geochemical characterization of tails or acid rock drainage ("ARD") assessment has been carried out for the Project operations. Since pyrite may exist in the waste rock

or tailings, potentially some heavy metal leaching occurs to pollute the environment. SRK recommends such a geochemical characterization be conducted.

Water Management

The main water protection objective (as stated in the EIA reports) for this project is to protect surface water resources and groundwater resources, and to maximize water conservation and recycling. There are only some small seasonal creeks near the mine site. Water use for this project site is mainly for the mining and the processing plant including processing, dust suppression, as well as domestic water for the office and dormitories in the mining camp. The Project sources water from multiple groundwater production wells near this mine site. There are scattered drinking water wells for herdsmen around the mining area. 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.

In addition to the return water from the supernatant of The TSF, operational water in the processing plant is treated and recycled, which saves both water volume and operational cost. A preliminary mine water sediment facility is installed underground to treat wastewater mainly by flocculation. The treated mine water can be used for underground dust suppression and other operational use. The rest is 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 wastewater is treated by an underground facility on site, and the Company states that the treated domestic wastewater is generally used for on-site irrigation or supplement of the processing water.

Dust and Gas Emissions

The dust emission sources for the project are from the mining area and the processing plant during operation. The EIA reports state that crushing, screening, and hauling activities are conducted with water spraying to reduce dust generation. However, no dust control measures for the waste rock dump areas were noted by SRK, although these areas contribute to dust emissions.

Gas emissions in the mining area are mostly from heavy equipment. SRK is of the opinion that heavy equipment appeared to be maintained properly and may not discharge significant gas emissions to the environment. SRK noted one on-site boiler supplying heat to the processing plant and the office buildings and dormitories. According to the EIA reports, dust collectors were installed to reduce the dust from the emission. In addition, low sulphur coal produced in the Inner Mongolia was used for the boiler, which generates lower amounts of sulphur pollutants.

Noise Emissions

The main noise sources for this project are from mining operations (mainly haulage activities) and the operation of the processing plant (mainly crushing and screening). SRK noted that noise impacts from the underground mining were negligible to the local people since the sites are remote, the nearest residence is more than 1 km away from the Project site, and the local population is sparse. All processing activities are conducted in an enclosed warehouse with anti-vibration and sound

absorbing materials installed, and no residents live near the plant. Therefore, noise impacts from this Project are minor.

Hazardous Materials Management

Hazardous materials for the Project comprise hydrocarbons (e.g., fuel, oils, and lubricants) and processing reagents. At the time of this site visit, SRK noted that a permanent fuel and reagent storage facility stored dry reagent storage and above ground tanks for wet reagent storage. No obvious surface staining was observed in the industrial area. Waste oil is collected and treated by a certified waste oil recycling Company off site, which is in compliance with the hazardous waste management regulation. As evidence, SRK was provided a waste oil handling contract.

Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under *Chapter 4 of the Mineral Resources Law of People's Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China (2025), 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.

SRK was provided with a *Mine Site Geological Environment Protection and Site Rehabilitation Plan for the Donghu Silver-Lead-Zinc Mine* dated August 2023, and this plan provides the following with respect to the proposed site closure and rehabilitation measures:

- Site rehabilitation objective – The rehabilitation program is aimed at rehabilitating land disturbed by mining operations to control soil loss and improve ecological environment.
- Progressive rehabilitation – The rehabilitation will be conducted progressively with mining, for example, mined out areas underground will be backfilled with tailings from the processing plant or waste rocks from the waste rock dumps to prevent surface subsidence or side lope failure.
- Replanting – where required, seeding will be undertaken and seedlings will be planted. The species used will be local perennials that are capable of growing in the local weather conditions prevailing on site.
- The waste dump area and the TSF at the time of the project completion, the associated land will be rehabilitated by covering with topsoil and seeds to allow for revegetation.
- Rehabilitation monitoring – Monitoring activities and rehabilitation will be carried out throughout the project lifetime.
- A cost estimate and financial accrual process for site closure is established, and the total environmental rehabilitation cost is estimated to be CNY 48.2M, but SRK was not provided with a letter from the local land and resources bureau proving the deposit payment made into a designated bank.

SRK notes that the proposed approach to the site rehabilitation is generally in line with the relevant recognised Chinese industry practices.

12.5 Social Aspects

The Project area is located 4km west of Ming'andong Township of Zhengxiangbai Banner in Xilingol League. The local economy is dominated by livestock husbandry and agriculture, as well as small mining industry. This mine site is in a remote area and sparsely populated, and there are no residents or other mining sites within 1 km of the site. Only a few herdsmen's households are scattered sporadically. The Company states that there are no reported cultural heritage sites in the Project area.

Several runs of public consultation were held in the nearby communities, and the majority are supportive of the Project since they believe that local residents will gain some benefits from the Project including job opportunities and others. According to the Company, this Project will contribute to improve the local economy by employment of local labours and purchasing of local supplies. In addition, the Company states that it will proactively attend to mitigate any potential environmental impacts to the local communities. SRK did not notice any evidence of community opposition to this Project.

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 project.

12.6 Occupational Health and Safety

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

- OHS administration
- Establishment of an emergency response plan
- Regular OHS training for relevant employees
- Safety and hazard signage
- Dust/ gases monitoring and control within the workplace
- Distribution of Personal Protective Equipment ("PPE") to all relevant employees
- Fire prevention and fire fighting
- Lightning strike prevention
- Mining, crushing, blasting and explosives handling
- Traffic management
- Waste rock disposal
- Sanitary provision
- Power provision, and
- Labour and supervision.

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

Company states that no operational related incidents have occurred in the past three years, and therefore no incident statics or incident analysis reports were available for SRK to review.

12.7 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. The environmental and social risks for the Project are:

- Impacts to the local ecological system due to land disturbance;
- Dust impacts from the TSF and waste rock dump area; and
- Impacts to groundwater from the waste dump and the TSF.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

13 Capital Expenditures and Operating Expenses

This section summarizes the Capital expenditures ("Capex") and Operating expenditures ("Opex") for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan").

13.1 Capital Expenditures

The Capex for the Project is categorized into Sunk Capex and Future Capex.

13.1.1 Sunk Capex

The sunk Capex covers the three-year period from 2023 to 2025, which primarily includes initial infrastructure, underground development, and sustaining Capex.

The summary of sunk Capex is presented in Table 13-1.

Table 13-1: Historical Sunk Capex (2023 to 2025)

CAPEX	Unit	Historical			
		2023	2024	2025	Average
Initial Capex					
Infrastructure	Million CNY			0.57	0.19
Underground Development	Million CNY			1.75	0.58
Equipment Installation	Million CNY				
Sustaining Capex					
Land Use Rights	Million CNY				
Mining Rights	Million CNY				
Equipment Purchase	Million CNY	4.38	4.19	9.91	6.16
Buildings	Million CNY		1.24		0.41
Underground Development	Million CNY			9.08	3.03
Others	Million CNY			7.83	2.61
Total Capex	Million CNY	4.38	5.43	29.14	12.98

Source: summarized by SRK

13.1.2 Future Capex

Future Capex is estimated based on historical expenditure and the Life of Mine ("LOM") production schedule. The total projected Future Capex is CNY 86.94 million. The summary of LOM Capex is presented in Table 13-2.

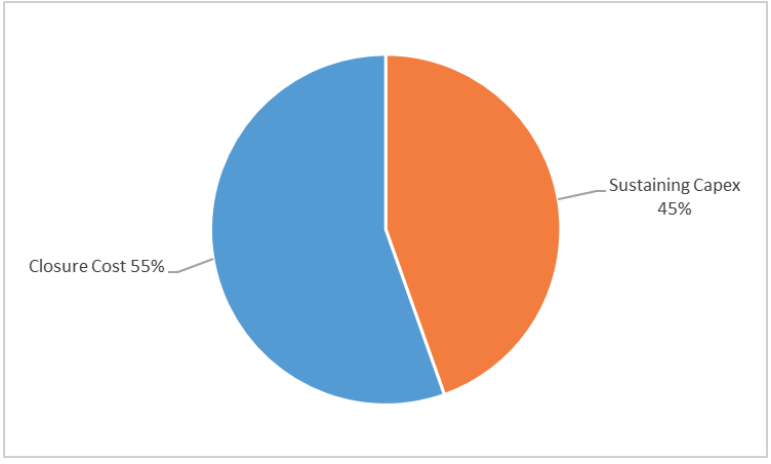
The expenditure is divided into three primary categories as shown in Figure 13-1. Sustaining Capex accounts for 45% of the total, followed by Closure Cost at 55%.

Table 13-2: Summary of LOM Capex

CAPEX	Unit	LOM
Initial Capex		
Infrastructure	Million CNY	-
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		**38.74**
Land Use Rights	Million CNY	-
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	19.55
Buildings	Million CNY	1.31
Underground Development	Million CNY	9.60
Others	Million CNY	8.28
Closure Cost	Million CNY	**48.2**
Total Capex	Million CNY	**86.94**

Source: summarized by SRK

Figure 13-1: Capex Investment Plan Distribution over LOM

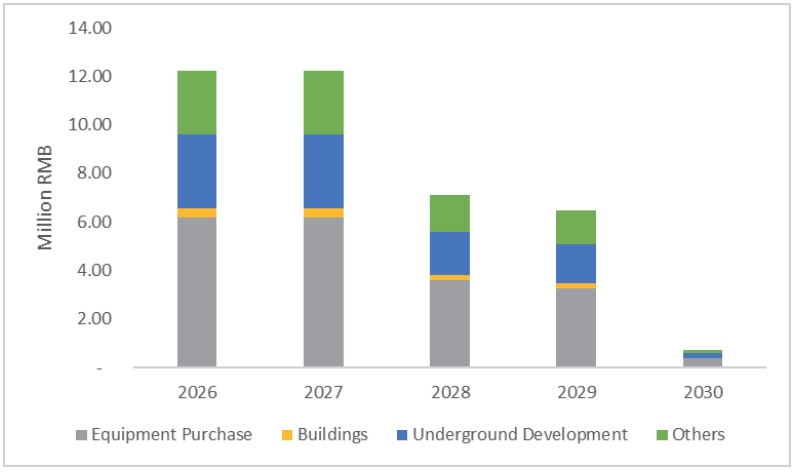


Source: summarized by SRK

Sustaining Capex

As shown in Figure 13-2, sustaining costs remain consistent at approximately CNY 12.21 million per year through 2027. These costs include land use rights, equipment purchase, and building maintenance, with a scheduled reduction in the final three years of the LoM.

Figure 13-2: Sustaining Capex Investment Plan over LOM (in Million CNY)

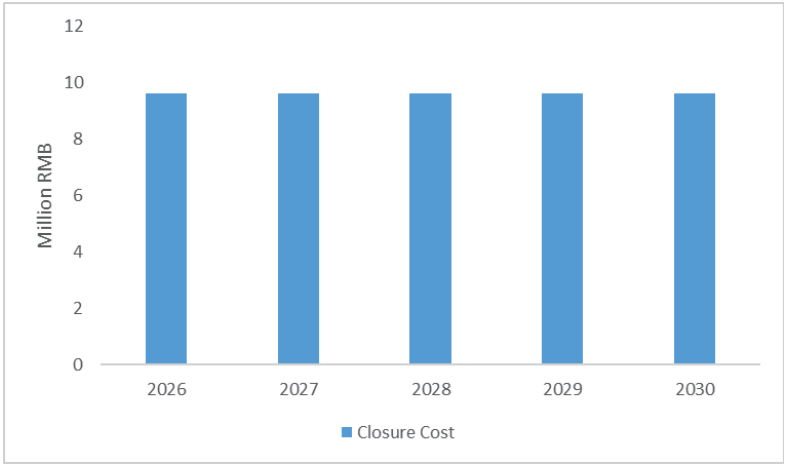


Source: summarized by SRK

Closure Cost

As shown in Figure 13-3, closure and rehabilitation costs are allocated as a fixed annual provision of CNY 9.64 million across the entire LoM.

Figure 13-3: Closure Capex Investment Plan over LOM (in Million CNY)



Source: summarized by SRK

13.2 Operating Costs

Opex estimates are based on historical cash costs and the LoM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortization (D&A) are excluded.

13.2.1 Historical Operating Costs

Historical operating cash cost for the 2023 to 2025 period is summarized in Table 13-3. Total expenditure during this period was CNY 571.19 million.

Table 13-3: Historical Cash Opex (2023 to 2025)

Item	Unit	2023	2024	2025	Total
COGS					
Labor Costs	Million CNY	44.93	41.38	62.52	148.82
Materials	Million CNY	22.48	18.84	23.47	64.79
Fuel & Power	Million CNY	5.60	4.69	4.72	15.02
OHS Expenses	Million CNY	16.82	15.43	19.99	52.25
D&A	Million CNY	-	-	-	-
Others	Million CNY	4.56	6.76	8.35	19.68
Taxes and Surcharges	Million CNY	32.92	39.27	42.56	114.74
Selling Expenses	Million CNY	14.65	17.86	19.29	51.81
General & Admin	Million CNY	23.19	21.81	22.76	67.76
R&D Expenses	Million CNY	8.34	17.13	10.85	36.32
Total OPEX	Million CNY	173.50	183.17	214.52	**571.19**

Source: summarized by SRK

13.2.2 Unit Operating Costs

The historical unit cash costs for the 2023 to 2025 period are provided in Table 13-4.

Table 13-4: Historical Unit Cash Opex (2023 to 2025)

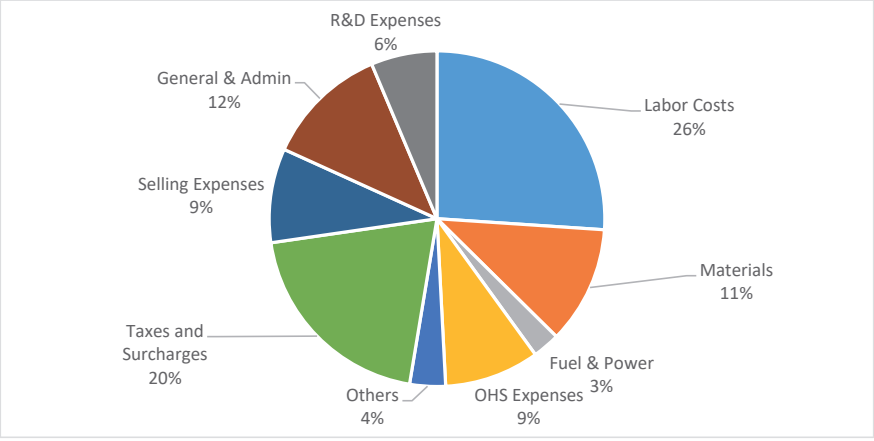
OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Mined	kt	266.67	370.26	354.30	991.23
Milled	kt	265.05	330.92	358.64	954.61
COGS					
Labor Costs	CNY/t	169.50	125.04	174.32	155.90
Materials	CNY/t	84.80	56.92	65.45	67.87
Fuel & Power	CNY/t	21.13	14.18	13.17	15.73
OHS Expenses	CNY/t	63.48	46.63	55.75	54.73
D&A	CNY/t	-	-	-	-
Others	CNY/t	17.21	20.44	23.29	20.61
Taxes and Surcharges	CNY/t	124.21	118.66	118.66	120.20
Selling Expenses	CNY/t	55.27	53.98	53.80	54.27

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
General & Admin	CNY/t	87.50	65.90	63.47	70.99
R&D Expenses	CNY/t	31.48	51.76	30.25	38.05
Total OPEX	CNY/t	**654.58**	**553.50**	**598.16**	**598.35**

Source: summarized by SRK

The cash Opex distribution, based on the three-year historical average, is shown in Figure 13-4. Labor costs (26%), materials (11%), and taxes (20%) represent the primary cost drivers.

Figure 13-4: Opex Estimated Distribution over LOM



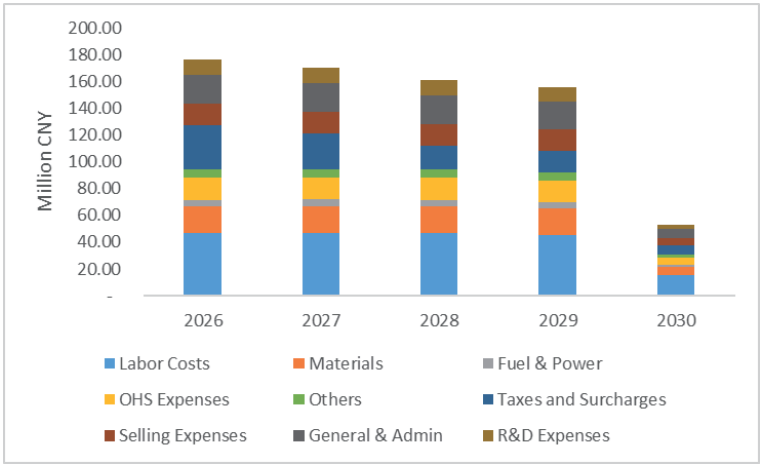
Source: summarized by SRK

13.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from the 2023 to 2025 period to the projected production schedule.

The annual cash Opex projection over the LoM is shown in Figure 13-5.

Figure 13-5: Opex Plan over LOM (in Million CNY)



Source: summarized by SRK

14 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis of the was conducted using conventional Discounted Cash Flow ("DCF") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived NPVs do not indicate the fair market values or the profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and financing costs were not considered.

The Net Present Value ("NPV") was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and pricing.

14.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Qianjinda Mine. The assumptions are as follows:

- The ROM and finial products of Qianjinda Mine are based on the LOM schedule.
- The local currency for Qianjinda Mine is CNY.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LOM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Mineral Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LOM.
- The reference date or effective date is 31 December 2025.

14.1.1 LOM Physical

The mine production and key technical inputs parameters are described in the previous section. The summary of the key physical assumptions is presented in Table 14-1.

Table 14-1: LOM Physical Inputs for Economic-Analysis

Item	Unit	LOM
Mining		

Item	Unit	LOM
Ore Reserves	kt	1,289
Average Grade		
Ag Grade	g/t	77.81
Pb Grade	%	1.98
Zn Grade	%	2.20
Total Metal		
Ag Metal	t	100
Pb Metal	t	25,516
Zn Metal	t	28,334
Capacity (average over LOM)	ktpa	258
Mine life	yrs	5
Processing		
Pb Concentrate		
Pb Recovery	%	92.00
Ag Recovery	%	91.00
Pb Grade in Pb Concentrate	%	63.00
Zn Concentrate		
Zn Recovery	%	80.00
Ag Recovery	%	3.50
Zn Grade	%	53.50

Sources: SRK

14.1.2 Pricing Assumptions

Table 14-2 shows the prices for Silver, Lead, Zinc. These commodity prices are dynamic and are derived from CMF, published by Consensus Economics Inc., to which SRK subscribes annually.

Table 14-2: Pricing Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	LTP
Silver	US$/oz	51.25	44.75	42.00	40.00	37.50	32.50
Lead	US$/t	2,000	1,950	1,950	1,900	1,950	2,000
Zinc	US$/t	2,800	2,650	2,600	2,600	2,650	2,800

Source: CMF, 15 December 2025

14.1.3 Tax and Royalties

The tax, government charges and royalties for Qianjinda Mine are mainly corporate income tax, resource tax, which is in terms of royalties, and value added tax ("VAT").

- Corporate Income Tax ("CIT")

The standard corporate tax rate in China is 25% of taxable income. However, Qianjinda Mine has informed SRK that, as a New Hi-Tech enterprise, the subsidiary entities operating the Qianjinda Mine benefit from a reduced enterprise income tax rate of 15% for a three-year term, which is renewable.

- Resource Tax (Royalties)
  - 6% of the net sales from lead (Pb) and zinc (Zn) mineral products
  - 5% of the net sales from silver (Ag) mineral products

- Value Added Tax

In China, industrial minerals prices include a VAT, which is 13% of sales, excluding revenue from gold (Au) if any.

- Surtax/Surcharge
  - City Maintenance and Construction Tax: 5% of VAT payable.
  - Education Surcharge: 3% of VAT payable.
  - Local Education Surcharge: 2% of VAT payable.

14.1.4 Depreciation

The sustaining expenditures, including development costs, have been depreciated on a unit production basis over the LOM. The assumed depreciation follows the straight-line method over a period of 5 years.

14.1.5 Working Capital

Working capital is the capital needed to fund operations before revenue is received from the finished product. Working Capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

14.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 14-3.

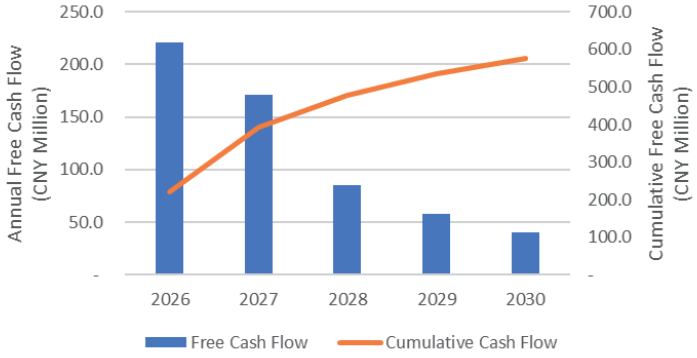
Table 14-3: LOM Key Economic Results

Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Discount rate	%	8.0%
Net Present Value, pret-tax	Million CNY	600.0
Net Present Value, post-tax	Million CNY	508.6
IRR	%	N/A
Payback	in year	N/A

Sources: SRK

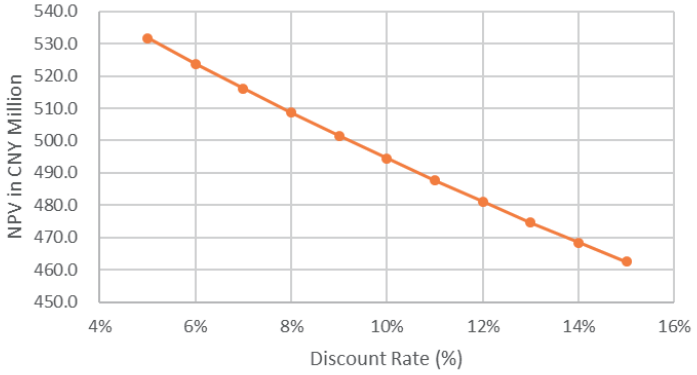
The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 508.6 million. The sensitivity of NPV against discount rate is presented in Figure 14-2. The annual cash flows are presented graphically in Figure 14-1 and in tabular form in Table 14-4.

Figure 14-1: Cash Flow Profile



Source: SRK

Figure 14-2: Qianjinda Mine NPV versus Discount Rate



Source: SRK

Table 14-4: LOM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030
COGS							
Labor Costs	CNYm	200.9	46.7	46.7	46.6	45.7	15.3
Materials	CNYm	87.5	20.3	20.4	20.3	19.9	6.7
Fuel & Power	CNYm	20.3	4.7	4.7	4.7	4.6	1.5
OHS Expenses	CNYm	70.5	16.4	16.4	16.3	16.0	5.4
D&A	CNYm	-	-	-	-	-	-
Others	CNYm	26.6	6.2	6.2	6.2	6.0	2.0
Taxes and Surcharges	CNYm	99.8	33.0	26.5	18.0	15.8	6.5
Selling Expenses	CNYm	69.9	16.3	16.3	16.2	15.9	5.3
General & Admin	CNYm	91.5	21.3	21.3	21.2	20.8	7.0
R&D Expenses	CNYm	49.0	11.4	11.4	11.4	11.1	3.7
Total	**CNYm**	**716.1**	**176.2**	**169.9**	**160.8**	**155.8**	**53.4**

Capital costs		LOM	2026	2027	2028	2029	2030
Initial Capex	CNYm	-	-	-	-	-	-
Sustaining Capex - Mining	CNYm	38.7	12.2	12.2	7.1	6.5	0.7
Closure	CNYm	48.2	9.6	9.6	9.6	9.6	9.6
Total	**CNYm**	**86.9**	**21.9**	**21.9**	**16.8**	**16.1**	**10.4**
	CNYm						

Cash flow		LOM	2026	2027	2028	2029	2030
Net revenue	CNYm	1,481	494	387	266	236	97
Operating costs	CNYm	-616	-143	-143	-143	-140	-47
Royalties	CNYm	-100	-33	-27	-18	-16	-6
Closure Costs	CNYm	-48	-10	-10	-10	-10	-10
Change in net working capital	CNYm	0	-29	6	10	3	9
Capex	CNYm	-87	-12	-12	-7	-6	-1
Tax paid	CNYm	-102	-46	-31	-14	-10	-2
Free Cash Flows	CNYm	528	221	172	86	57	41

Sources: SRK

14.3 Sensitivity Analysis

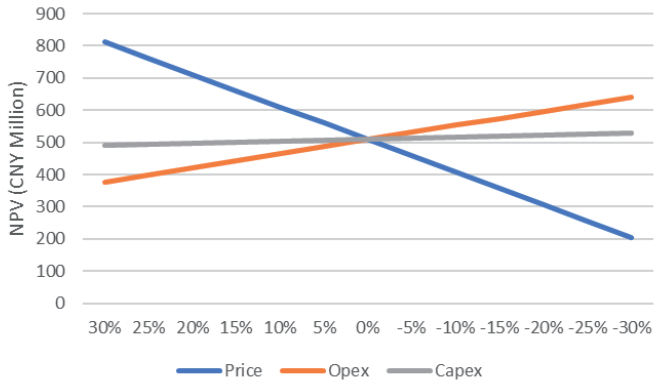
SRK conducted a single-factor sensitivity analysis for the Qianjinda Mine to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range. The results showed that the Project is most sensitive to changes in metal prices and least sensitive to variations in Capex. Results of the sensitivity tests are presented in Table 14-5 and Figure 14-3.

Table 14-5: Sensitivity Analysis Result (@ 8% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	813	376	490
25%	762	398	493
20%	711	420	496
15%	661	442	499
10%	610	464	502
5%	559	487	505
0%	509	509	509
-5%	458	531	512
-10%	407	553	515
-15%	356	575	518
-20%	305	597	521
-25%	254	619	525
-30%	203	641	528

Sources: SRK

Figure 14-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK

It can be seen that the changes in prices have the greatest impact on the Qianjinda Mine's NPV, while Opex and Capex have smaller effects.

The Qianjinda Mine's NPV remains positive for price reductions of approximately 30% relative to the base scenario prices used in the model.

To clarify the effects of prices on the Qianjinda Mine's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -49% from the base scenario prices used in the model, i.e. if the price drops to about 51% of the forecasting price, the Qianjinda Mine NPV will become negative.

15 Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Qianjinda Project in relation to their likelihood of occurrence within the LoM and consequence.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Qianjinda Project is an advanced project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Qianjinda Project. SRK's final Risk Assessment is presented in the following table.

Table 15-1: Risk Assessment for Qianjinda Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Moderate	Medium
Lack of Significant Ore Reserves	Possible	Moderate	Medium
Unexpected Groundwater Ingress	Possible	Minor	Low
Significant Unexpected Geological Faulting	Possible	Minor	Low
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Minor	Low
Pumping System Adequacy	Unlikely	Minor	Low
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Unlikely	Minor	Low
Poor Road Transportation/Safety	Unlikely	Minor	Low
Ore Processing and Metallurgy			
The processing flowsheet and equipment configuration are unreasonable, failing to meet the required operational parameters of the process. As a result, the designed processing capacity and indicators cannot be achieved.	Unlikely	Moderate	Low
No separate copper concentrate produced, resulting the value of copper in the ore not obtained	Possible	Minor	Low
Environmental and Social			
Impacts to the local ecological system due to land disturbance	Possible	Moderate	Medium
Dust impacts from the TSF and waste rock dump area	Possible	Moderate	Medium
Impacts to groundwater from the waste dump and the TSF	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

16 Conclusions and Recommendations

16.1 Geology and Mineral Resources

Exploration works undertaken within the QJD Silver-Lead-Zinc deposit by several geological brigades since the 1970s has established that the mineralization is a post-volcanic, low-temperature hydrothermal filling polymetallic deposit controlled by fault structures, with an industrial classification of continental volcanic and subvolcanic rock-hosted lead-zinc and silver deposit.

This Technical Report provides a summary of all exploration work conducted at the QJD Project. After reviewing the exploration database provided by QJD mine, SRK considers that the sample preparation, analysis and security at the Project are consistent with generally accepted industry best practices and the primary sample results are therefore reliable for use in the Mineral Resource estimation.

Based on 210 drillholes and 1,921 underground tunnel workings up to December 2025, Mineral Resources were reported for the QJD Project. The Mineral Resource estimate followed the JORC code guidelines.

The QJD Project, as of December 31, 2025 and at a cut-off grade of 63 g/t AgEq within the mining licence, is estimated to contain 0.37 Mt of Measured Mineral Resources with average grades of 122 g/t Ag, 3.57% Pb, 4.12% Zn, 1.01 Mt of Indicated Mineral Resources with average grades of 85 g/t Ag, 1.97% Pb, 2.09% Zn, and 2.35 Mt of Inferred Mineral Resources with average grades of 53 g/t Ag, 1.55% Pb, 1.91% Zn.

After SRK's review of the exploration databased, SRK finds that the mineralised domains are still open at depths. And there are some holes intersected mineralisation at the NE and central zone of the mine. The reported Mineral Resources are mainly concentrated within the drilling and tunnelling zones. There is potential to expand the Mineral Resource through further exploration work.

SRK suggests QJD mine to insert more QA/QC samples at the least frequency of 10%, such as certified reference standards (representing high, medium, and low grades), as well as a coarse blank, pulp blank, coarse duplicate, and fine duplicate.

16.2 Mining and Ore Reserves

Ore Reserves have been estimated for one underground deposits, with the majority of the reserves hosted in the Qianjinda Mine.

As of 31 December 2025, the total Ore Reserves at the mine are as follows:

- Proved: 0.34 Mt grading 97.09 g/t sliver, 2.89 % lead and 3.41 % zinc, containing 32.79 t of sliver,.9.74 kt lead and 11.52 kt zinc.
- Probable: 0.95 Mt grading 70.97 g/t sliver, 1.66 % lead and 1.77 % zinc, containing 67.5 t of sliver,.15.77 kt lead and 16.81 kt zinc.
- Proved and Probable: 1.29 Mt grading 77.81 g/t sliver, 1.98 % lead and 2.2 % zinc, containing 100.29 t of sliver,.25.52 kt lead and 28.33 kt zinc.

Underground Operations:

- Underground operations at Qianjinda are expected to cease production by 2030.
- Stopes adjacent to the shaft are planned for extraction in the final years of the production schedule.
- Qianjinda Mine employs a modified sub-level stoping method and shrinkage stope mining method to ensure geotechnical stability and achieve a production rate of 1,000 tpd.

16.3 Mineral Processing

- The Qianjinda Donghu Ag–Pb–Zn polymetallic deposit is a sulphide orebody. The main valuable minerals are galena, sphalerite, chalcopyrite and silver minerals. The principal silver minerals include tetrahedrite, native silver, stromeyerite, freibergite and argentiferous arsenic–copper sulphosalts. These silver minerals are most closely associated with galena and commonly form highly complex mineral aggregates with it. Silver and copper minerals are finely disseminated; chalcopyrite mainly occurs in association with galena, sphalerite, tetrahedrite and arsenopyrite and is difficult to liberate by grinding, making Cu–Pb separation challenging. However, silver and copper minerals are readily enriched into the lead concentrate. Galena and sphalerite occur with variable grain sizes but are relatively coarse overall and can achieve good liberation at relatively coarse grind sizes. From a lead–zinc perspective, the ore can be classified as an easily processed Pb–Zn ore.
- At a grinding fineness of 60–65% passing 74 μm, laboratory processing tests using a preferential Cu–Pb flotation flowsheet can produce high-grade Cu–Pb bulk concentrate and zinc concentrate, with silver mainly being enriched to the Cu–Pb bulk concentrate. By applying ultra-fine grinding followed by separation flotation to the Cu–Pb bulk concentrate, it is possible to produce a qualified copper concentrate. However, due to the low copper grade in the RoM, the copper grade in the Cu–Pb bulk concentrate often does not reach the payable level for copper sales (>2%), and a copper concentrate cannot always be produced. In actual plant operation, Cu–Pb separation is not carried out, and the Cu–Pb bulk concentrate is sold as an Ag–Pb concentrate.
- The processing plant was designed for a processing capacity of 1,000 tpd, operating continuously with an annual operation rate of 82.2%, equivalent to 300 effective operating days per year and an annual ore processing capacity of 300 ktpa. Through continuous technical modifications and flowsheet optimisation, as well as strengthened equipment maintenance and production management, equipment availability and utilisation have progressively improved, and plant throughput has steadily increased. In 2025, the actual ore processed reached 358,600 t. Over the past three years, the processing plant has achieved strong operating performance. The lead concentrate grade averaged 62.55% Pb and 2,336 g/t Ag, with lead and silver recoveries of 92.76% and 90.5%, respectively. The zinc concentrate grade averaged 53.91% Zn, and zinc recovery improved from 72.65% in 2023 to 82.46% in 2025.
- The technical and management team of Qianjinda processing plant has been continuously optimising the process flowsheet and equipment configuration. The technical upgrades implemented over the past few years have delivered significant improvements, and the current flowsheet and equipment layout represent the best operating configuration in the plant's history. As the copper grade in the Cu–Pb bulk concentrate does not yet reach payable levels for copper, laboratory testwork is currently being conducted to separate copper and lead from the bulk concentrate and produce a separate copper concentrate. SRK recognises this innovative effort

and recommends that, based on the test results, a technical-economic feasibility study be undertaken for the proposed Cu–Pb separation.

16.4 Environmental Studies, Permitting, Social or Community Impact

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. The environmental and social risks for the Project are:

- Impacts to the local ecological system due to land disturbance;
- Dust impacts from the TSF and waste rock dump area; and
- Impacts to groundwater from the waste dump and the TSF.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

Closure

This report, Competent Person's Report of Qianjinda Project in Inner Mongolia, China, was prepared by

Falong Hu, FAusIMM
Principal Consultant (Mining)

and reviewed by

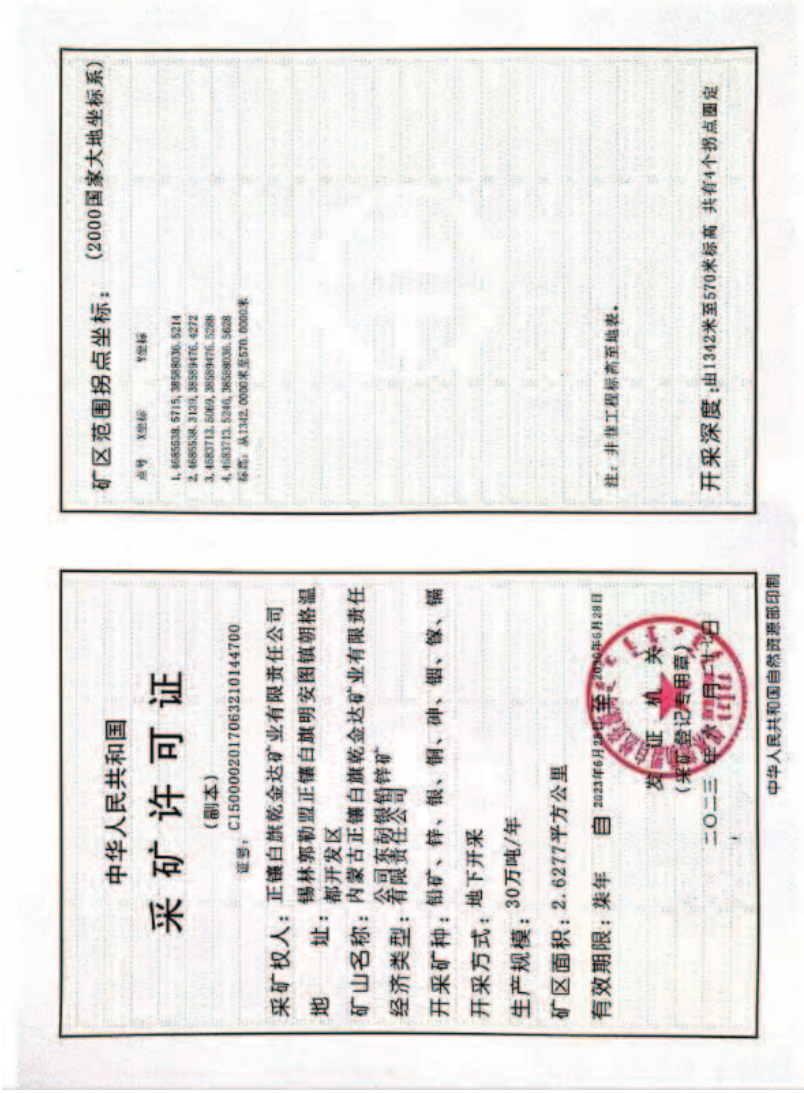
Dr Yonglian Sun, FAusIMM
Corporate Consultant (Geotech & Project Evaluation)

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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Appendix A Mining License



中华人民共和国

采矿许可证

（副本）

证号：C1500002017063210144700

采矿权人：正镶白旗乾金达矿业有限责任公司

地　　址：锡林郭勒盟正镶白旗明安图镇朝格温都开发区

矿山名称：内蒙古正镶白旗乾金达矿业有限责任公司查刻敖银铅锌矿

经济类型：有限责任公司

开采矿种：铅矿、锌、银、铜、砷、铟、镓、锗

开采方式：地下开采

生产规模：30万吨/年

矿区面积：2.6277平方公里

有效期限：自 2023年6月28日至2026年6月28日

发证机关：（来自登记专用章）

二〇二三年六月二十七日

中华人民共和国自然资源部印制

矿区范围拐点坐标：（2000国家大地坐标系）

点号	X坐标	Y坐标
1	4685538.5715	38588036.5214
2	4685538.3139	38589476.4272
3	4683713.5069	38589476.5288
4	4683713.5246	38588036.5628

标高：从1342.000米至570.000米

开采深度：由1342米至570米标高 共有4个拐点圈定

注：井筒工程标高至地表。

Appendix B JORC Code Table 1

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drill core was sampled as half core at nominal 1-metre intervals to geological contacts. Minimum samples of 0.1 metres were taken. • Underground channel samples were sampled at nominal 1-metre intervals to geological contacts. Minimum samples of 0.1 metres were taken. • To ensure representative sampling, industry standard practice has been applied. The laboratory has applied appropriate QAQC to sample preparation and appropriate calibration to analytical instruments. • Industry standard work has been undertaken for both diamond and channel samples.
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).*	• Pre-2015 Drilling Drill Type: Diamond drilling. Rig Type: XY-4 and ET600 for surface holes and Model 250 for UG holes. Core Diameter: NQ (5.3 cm). Core Handling: Unweathered cores sawn onsite; Recovery ranged from 85–100 %. • Post-2015 Drilling Drill Type: Diamond drilling. Rig Type: XY-4.

Criteria	JORC Code explanation	Commentary
		Core Diameter: NQ (5.3 cm). Core Handling: Unweathered cores sawn onsite; Recovery ranged from 98.1–100 %.
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.*	• Recording and Assessing Recoveries: Core recoveries: Pre-2015 stage 85-100%, Post-2015 stage 98.1-100%. • Maximizing Sample Recovery: Core cleaning, careful handling, and secure transport/storage. Sampling intervals aligned with lithological/mineralization boundaries. • Sample Recovery and Bias: High recovery rates suggest minimal loss or bias. No explicit link between recovery and grade noted.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core logged for lithology, alteration, mineralization, structural features, supporting resource estimation, mining, and metallurgical studies. • Qualitative (descriptions) core logged. • All drill core logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core were sawn through central axis, half core was taken. • Channel sample were cut approximately 10 cm × 5 cm; for the verification program 10 cm × 3 cm at length of 1 to 1.5m. • For routine chemical assay samples, diamond core was split lengthwise with a portable core cutting machine (YQS-2), producing half-core for analysis and half retained in the core box. Sampling generally used 1.0 m intervals (max 1.5–1.6 m; minimum 0.10 m for visually distinct massive ore), based on mineralisation type, intensity and recovery. • Underground channel samples were collected using mechanical channel samplers (SSD-230) with typical channel dimensions of 10 cm × 5 cm (earlier work) or 10 cm × 3 cm (verification), and lengths generally 1.0 m across the full ore thickness.

Criteria	JORC Code explanation	Commentary
		• Sample preparation in all stages followed the empirical mass–particle size relationship $Q = K \cdot d^2$ ("Chayes/Chittick" formula) with K = 0.2 selected according to ore composition and structural characteristics. Samples were crushed (jaw and roll crusher), pulverised (disc mill), homogenised and manually split. • Moist samples were dried in an oven prior to crushing; oversize particles not passing the target mesh were re-ground until compliant. • Reported total sample loss during preparation was <5%, with splitting error generally <3%, and periodic checks indicated that preparation met specification requirements. • Composite and whole-rock samples were taken from assay pulps in proportion to original sample length and combined to ~200 g per composite, which is appropriate for multi-element characterisation. • Specific gravity samples were hand-selected from homogeneous, mineralised core/underground exposures (5 × 5 × 5 cm, 60–120 cm^3) and measured by sealed-wax water-displacement, a standard and appropriate method for hard-rock sulphide ores.
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.*	• Routine assaying focused on Ag, Pb, Zn and Cu. For the prospecting and main exploration stages, assays were carried out by the Inner Mongolia Mineral Experimental Research Institute (Grade A) and other accredited regional laboratories, using Chinese industry methods: • Pb, Zn, Cu: flame atomic absorption spectrophotometry (AAS) in accordance with DZG93 01 "Methods for Non ferrous Metal Ore Analysis". • Ag: AAS in accordance with DZG93 09 "Methods for Precious Metal Ore Analysis". • Standards, blanks were not used in the sample submission, internal duplicates and external laboratory checks were applied, showing good repeatability.
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.*	• SRK has done independent sampling, such samples were sent to SGS laboratory for re-analysis. • N/A. • Primary data, verification data were stored both electronically and physically.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were located using RTK. • Downhole surveys were conducted every 50 meters. • All coordinates recorded in the Gauss Kruger Projection CM 114E (CGCS2000 datum) grid system. • Topographic control was deemed adequate and accurate, providing sufficient detail for Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Surface holes 50-meter intervals and upon. • The data spatial distribution and geological continuity were sufficient to allow the Mineral Resource Estimation and classification under the JORC Code guidelines. • Sample compositing has been applied during the estimate.
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.*	• Sampling consistently respected geological and mineralization boundaries, minimizing bias. • Drill holes were generally oriented perpendicular to key mineralized structures to ensure unbiased sampling, though deeper holes intersected structures at a shallower angle due to practical constraints. • No material sampling bias related to drilling orientation and key mineralized structures was reported.
Sample security	• *The measures taken to ensure sample security.*	• Information provided by the QJD mine shows that the sample security meets the Chinese standards
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Site visit has been performed by SRK personnel. • A review of sampling techniques and other relevant data provide by the QJD mine suggest that the data collected was reliable for Mineral Resource estimation.

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	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint*	• Mineral tenement is shown in Section 3.2.

Criteria	JORC Code explanation	Commentary
land tenure status	*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.*	
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• From 1971 to 1974, the Regional Geological Survey Team of the Inner Mongolia Geological Bureau conducted a 1:200,000 regional geological survey in this area. This work established a comprehensive stratigraphic framework, delineated intrusive rock phases, identified key structural features, and elucidated the distribution patterns of mineral occurrences as well as the geological controls on mineralization. • From 2008 to 2013, the Fifth Institute of Geology and Mineral Resources Exploration and Development of Inner Mongolia Autonomous Region conducted general exploration work in the area and submitted the "General Exploration Report on the Donghu Silver-Lead-Zinc Polymetallic Deposit in Zhengxiangbai Banner, Inner Mongolia Autonomous Region" in 2013. • From 2013 to 2015, the Fifth Institute of Geology and Mineral Resources Exploration and Development of Inner Mongolia Autonomous Region advanced its exploration work directly from the general exploration phase to the advanced exploration stage. The operations conducted in both 2013 and 2014 were categorized under the detailed exploration phase. During this period, a total of 69 surface drill holes were completed in the mining area, amounting to a total drilling meterage of 39,291.68 meters. In February 2015, the institute submitted the "Advanced Exploration Report on the Silver-Lead-Zinc Polymetallic Deposit in the Donghu Mining Area of Zhengxiangbai Banner, Inner Mongolia Autonomous Region." • From March 2015 to March 2016, the Inner Mongolia Geological Exploration Institute of China Chemical Geology and Mine Bureau conducted a verification of resource reserves for the project. The work involved the construction of 10 underground drill holes and 23 crosscuts. Based on the actual positions of the mineralised bodies observed through drilling and tunnelling engineering, the mineralised bodies were re-delineated, and resource reserves were estimated. The final report, titled "Verification Report on Silver-Lead-Zinc Polymetallic Ore Resource Reserves in the Donghu Mining Area,

Criteria	JORC Code explanation	Commentary
		Zhengxiangbai Banner, Inner Mongolia Autonomous Region," was submitted.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Qianjinda Project is located at the junction between the southern margin of the Duolun Anticlinorium in the Ondor Sum–Ongniud Banner Caledonian geosynclinal fold belt and the northern margin of the Zhesi–Linxi Synclinorium in the Sonid Right Banner Late Variscan geosynclinal fold belt, both belonging to the Inner Mongolia Geosynclinal Fold System. • The geological formations exposed within the mining area are relatively simple, predominantly consisting of the Upper Jurassic Manketou Ebo Formation and the Holocene Series of the Quaternary System. • The Qianjinda silver-lead-zinc deposit is intimately associated with WNW-trending (310°–330°) joint fractures, which intersect the Ariwubulizhe Thrust Fault at an angle of approximately 77°. Fractures in this orientation provide favorable structures for ore accommodation and storage. Mineralised Domain 1, for instance, infills fractures oriented between 314° and 330°. These fractures exhibit characteristics of initial shear followed by extension, with no significant displacement observed in the adjacent wall rocks. • A total of 11 mineralized bodies has been delineated in the mining licence zone. The primary one is Domain 1, and the others are Doman 1-1, Domain 4, Domain 5, Domain 6, Domain 7, Domain 8, Domain 20, Domain 22, Domain 23 and Domain 25.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Based on the data, SRK constructed a mineral resource database, composed of borehole collar, survey, lithology, assay, and SG data.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The main mineraliseation outlier value samples have been capped. • All raw samples were composited to 1 m downhole lengths. • No metal-equivalence approaches were applied.
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').*	• The drill holes were generally oriented perpendicular to the mineralized structures to achieve representative sampling. • For deeper holes, mineralization was intersected at shallower angles due to practical limitations, but the geometry was understood.
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.*	• Appropriate maps and sections were reported in this Report.
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.*	• Details of individual drill holes are not considered Material to the overall Mineral Resource estimate presented in this Report and are omitted.
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.*	• Detailed logging of lithology, alteration, mineralization, structural features conducted throughout exploration. • Bulk density and Metallurgical test results were detailed in the report and can support resource evaluation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• SRK suggests QJD mine to insert more QA/QC samples at the least frequency of 10%, such as certified reference standards (representing high, medium, and low grades), as well as a coarse blank, pulp blank, coarse duplicate, and pulp duplicate.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK conducted spot checks of the database against historical exploration program tables and maps and found no flaws in the data. • Visual checks of the different generations and types of sampling data against each other also ensure database integrity
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.*	• Mr. Huaixiang Li, the Competent Person for QJD Mineral Resource statement is a full-time employee of SRK Consulting (China) Ltd. • Mr. Huaixiang Li conducted the site visit from 9 to 10 April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• This dataset provides a good definition of the dimensions for resource estimation. • SRK has adequate confidence in the geological interpretation. The overall interpretation of the continuity, extent, and orientation of the mineralised domains, based on the various phases of exploration, has been confirmed by operation
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in section 5.3.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• The Mineral Resource estimation presented in SRK's report was completed using Leapfrog (V 2025.3) software. • The key assumptions are detailed in the report. • Prior to modelling and estimation, the database was verified by SRK. • Wireframes of mineralised zones were modelled according to the interpretation made based on lithological, assay, and structure and geotechnical information. • SRK has chosen 1.0m as composite length. • No oxide resources were interpreted and estimated as oxidation is not developed in this area and no oxide assay carried out. • Block grades were estimated using OK and IDW. • In theory, a small size of support will generate a higher block variance, but to keep the global mean unchanged. The block models for the QJD Project were produced with dimensions of 10m x 10m x 4m along the X (east), Y (north), and Z (elevation) axes for cell block,

Criteria	JORC Code explanation	Commentary
	• *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.*	0.625m x 0.625m x 0.5m for sub-block. • Visual validation of block grades against drillhole grades and global statistical validation of the mean composite grades versus block estimates have been applied.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The cut-off grade of 63 g/t AgEq for all domains for underground (UG) mining • Details are in section 7.3
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.*	• SRK considers that the QJD Project is amenable underground mining. • Details are in section 7.2
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Detailed process mineralogy studies were carried out. The main valuable minerals in the Donghu polymetallic ore are galena, sphalerite, chalcopyrite and silver minerals. The principal silver minerals are tetrahedrite, native silver, stromeyerite, freibergite and argentiferous arsenic–copper sulphosalts, which are closely associated with galena. Chalcopyrite is mainly associated with galena, sphalerite, tetrahedrite and arsenopyrite. Copper and silver minerals are finely disseminated and difficult to liberate by grinding. Galena and sphalerite occur with variable grain sizes but are relatively coarse, and can achieve good liberation at relatively coarse grind sizes; therefore, lead and zinc can be readily separated to produce high-quality lead and zinc concentrates, with silver and copper also enriched in the lead concentrate. • Multiple alternative flowsheets were tested at laboratory scale, confirming that the ore is suitable for treatment by a preferential

Criteria	JORC Code explanation	Commentary
		flotation process, capable of producing high-quality silver–lead concentrate and zinc concentrate. • Based on the processing testwork results, the processing plant has been optimised through flowsheet and equipment upgrades, achieving good and stable operating performance. The 2025 production indicators can be used for resource and reserve estimation and for project technical-economic analysis.
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.*	• Please refer to Chapter 12 for detailed information.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density and specific gravity measurements were performed during historical exploration. • SRK was provided with a total of 113 density data by the QJD mine. The density samples were from silver-lead-zinc mineralised bodies.Assay result of AgEq (AgEq = Ag + 21.1049×Pb + 21.1813×Zn) and density values were used for regression analysis. High regression coefficient (R2=0.7988) was obtained, and the regression formula was obtained for density assignment. • SG = 0.0007 × AgEq + 2.6075.
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.*	• Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. • Measured Mineral Resources were limited to the sample spacing of less than 25 m × 25 m, and where underground development has been completed. • Indicated Mineral Resources were with drill spacing of less than 50 m × 50 m, where the lode positions exhibit good continuity and predictability.

Criteria	JORC Code explanation	Commentary
		• Inferred Mineral Resources were assigned to portions of the deposit where drill spacing exceeds approximately 100 m × 100 m in the domains.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews of the Mineral Resource estimate have been taken place. • SRK carried out an internal peer review on the Mineral Resource estimate.
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 relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied. • The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource Estimate ("MRE") was reviewed by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 December 2025 • Reported Mineral Resource is inclusive of potential reserve material.
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.*	• Mr. Falong Hu, the Competent Person for this Ore Reserve statement is a full-time employee of SRK Consulting (China) Ltd. • Mr. Falong Hu conducted the site visit on 9-10 April 2026.

Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• This project is an operating mine with a processing plant, fed from 1 underground pit. • The technical study was updated by Qianjinda Mine in 2024. • SRK reviewed technical studies, as well as the current mining plan and actual operation data, and supportive studies, the level of accuracy of the Modifying Factors proposed in the studies and/or modified by the Company, are considered by SRK to be akin to a pre-feasibility level study ("PFS"), which are suitable for the Ore Reserve Estimates.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The COG is based on equivalent silver (EqAg) grade, the EqAg grade is calculated as: EqAg = Ag grade + 20.85 × Pb grade + 21.12 ×Zn grade. **Item** / **Parameters** / **Unit** / **QJD Mine** / **By Product** Exchange Rate — USD : CNY — 7.10 — 7.10 P — Sliver Price — CNY/g — 7.31 — 7.31 Pa — Payable — % — 89 — 89 Pr — Processing Recovery — % — 91 — 91 Rt — Royalties — % — - — - Cm — Mining Cost — CNY/t ore — 204 Cp — Processing Cost — CNY/t ore — 103 — 103 Cg — G&A Cost — CNY/t ore — 180 — 180 A — COG — g/t — 81 — 47
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*	• Shrinkage stope and sublevel stoping mining method have been applied at the Qianjinda Mine. • Based on operational practice review, SRK has applied mining dilution factors of 17.59% for the Qianjinda underground stopes in the Ore Reserve estimation. • Similarly, mining loss factors of 3.46% for the Qianjinda underground stopes have been applied in the Ore Reserve estimation, reflecting operational practices.

Criteria	JORC Code explanation	Commentary
	slopes, stope sizes, etc), grade control and pre-production drilling. • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The end-of-month survey dated 31 December 2025 serves as the latest data source for the cutoff date. • Inferred Mineral Resources is not converted to Ore Reserves.
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?*	• Detailed process mineralogy studies were carried out. The main valuable minerals in the Donghu polymetallic ore are galena, sphalerite, chalcopyrite and silver minerals. The principal silver minerals are tetrahedrite, native silver, stromeyerite, freibergite and argentiferous arsenic–copper sulphosalts, which are closely associated with galena. Chalcopyrite is mainly associated with galena, sphalerite, tetrahedrite and arsenopyrite. Copper and silver minerals are finely disseminated and difficult to liberate by grinding. Galena and sphalerite occur with variable grain sizes but are relatively coarse, and can achieve good liberation at relatively coarse grind sizes; therefore, lead and zinc can be readily separated to produce high-quality lead and zinc concentrates, with silver and copper also enriched in the lead concentrate. • Multiple alternative flowsheets were tested at laboratory scale, confirming that the ore is suitable for treatment by a preferential flotation process, capable of producing high-quality silver–lead concentrate and zinc concentrate. Copper is enriched in the silver–lead concentrate. After ultra-fine grinding, Cu–Pb separation flotation could potentially produce a saleable copper concentrate, but the economic viability of Cu–Pb separation requires further evaluation. • Through flowsheet optimisation and equipment upgrades, the processing plant has achieved good and stable operating performance. Over the past three years, the lead concentrate grade has averaged 62.55% Pb and 2,336 g/t Ag, with lead and silver recoveries of 92.76% and 90.5%, respectively. The zinc concentrate grade has averaged 53.91% Zn, with zinc recovery improving from 72.65% in 2023 to 82.46% in 2025. • The deleterious element arsenic occurs mainly as arsenopyrite and is depressed together with pyrite into the tailings during flotation. Arsenic

Criteria	JORC Code explanation	Commentary
		contents in the lead and zinc concentrates are both low (<0.2%) and do not affect concentrate quality. Although recovery of sulphur and arsenic (pyrite and arsenopyrite) could produce a low-grade sulphur–arsenic concentrate, no such circuit has been designed or constructed due to market limitations and cost considerations.
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.*	• Please refer to Chapter 13 for detailed information.
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.*	• See Chapter 11.
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.*	• See section 13.1 for the capital costs. • See section 13.2 for the operating costs.
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.*	• See section 14.1.2 for the prices. • See section 14.1.1 for the recovery rate. • Just United States dollar is utilised.
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*	• Mature channel for selling of products has been built and maintained well.

Criteria	JORC Code explanation	Commentary
	acceptance requirements prior to a supply contract.	
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.*	• See section 14.1 for the assumptions.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Please refer to Chapter 12 for detailed information.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• See chapter 0 for the risks.
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).*	• See section 7.5.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• This report has been peer reviewed by Dr Yonglian Sun, FAusIMM, a Corporate Consultant (Geotech).
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*	• See chapter 15 for the risks.

Criteria	JORC Code explanation	Commentary
	estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Appendix C Compliance with *Chapter 18*

	Chapter 18			Sections in SRK's Report
18.01	DEFINITIONS AND INTERPRETATION			
18.02-18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has			
	applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must:—			
	(1)	establish to the Exchange's satisfaction that it has the right to participate actively in		3.2
		the exploration for and/or extraction of Natural Resources, either:—		
		(a)	through control over a majority (by value) of the assets in which it has invested	
			together with adequate rights over the exploration for and/or extraction of	
			Natural Resources; or	
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the	
			Exchange), which gives it sufficient influence in decisions over the exploration	
			for and/or extraction of the Natural Resources;	
	(2)	establish to the Exchange's satisfaction that it has at least a portfolio of:—		6.12
		(a)	Indicated Resources; or	
		(b)	Contingent Resources,	
			identifiable under a Reporting Standard and substantiated in a Competent Person's	
			Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs		
		including the costs associated with:—		
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note:	*A Mineral Company must:*	
			• set out the components of cash operating costs separately by category;	

			• explain the reason for any departure from the list of items to be included	
			under cash operating costs; and	
			• discuss any material cost items that should be highlighted to investors.	
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for		14.1.5
		125% of the group's present requirements, that is for at least the next 12 months,		
		which must include:—		
		(a)	general, administrative and operating costs;	
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	
		Note:	Capital expenditures do not need to be included in working capital	
			requirements. Where they are financed out of borrowings, relevant interest	
			and loan repayments must be included.	
	(5)	ensure that its working capital statement in the listing document under Listing		14.1.5
		Rule 8.21A states it has sufficient available working capital for 125% of the group's		
		present requirements, that is for at least 12 months from the date of its listing		
		document.		
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market			not applicable
	capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			
	Note: *A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.*			
18.05-18.08	CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document:—			
	(1)	a Competent Person's Report;		Whole report
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		2.4
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		3
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		15
	(6)	if relevant and material to the Mineral Company's business operations, information on the following:—		15
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	

		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06-18.08	*Additional disclosure requirements that apply to certain new applicant Mineral Companies*			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			13.2
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			not applicable
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			7
18.09-18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION**			not applicable
	OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS			
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly			
	Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must:—			
	(1)	comply with Chapter 14 and Chapter 14A, if relevant;		
	(2)	produce a Competent Person's Report, which must form part of the relevant circular,		
		on the Resources and/or Reserves being acquired or disposed of as part of the		
		Relevant Notifiable Transaction;		
		Note:	*The Exchange may dispense with the requirement for a Competent Person's*	
			Report on disposals where shareholders have sufficient information on the	
			assets being disposed of.	
	(3)	in the case of a major (or above) acquisition, produce a Valuation Report, which must		
		form part of the relevant circular, on the Mineral or Petroleum Assets being acquired		
		as part of the Relevant Notifiable Transaction; and		
	(4)	comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets		
		being acquired.		
	Note:	*Material liabilities that remain with the issuer on a disposal must also be discussed.*		
18.10-18.11	*Requirements that apply to listed issuers*			
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum			
	Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.			
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or			
	Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated			
	as a Mineral Company.			
18.12-18.13	*Requirements that apply to Mineral Companies and listed issuers*			
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's			
	Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer			
	has available a previously published Competent Person's Report or Valuation Report (or			
	equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the			
	report is no more than six months old. The issuer must provide this document and a no			
	material change statement in the listing document or circular for the Relevant Notifiable			
	Transaction.			
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent			
	Evaluator for their material to be included in the form and context in which it appears in			
	a listing document or circular for the Relevant Notifiable Transaction, whether or not such			

	person or firm is retained by the listing applicant or the issuer.		
18.14-18.17	CONTINUING OBLIGATIONS		not applicable
18.14	*Disclosure in reports*		
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details		
	of its exploration, development and mining production activities and a summary of		
	expenditure incurred on these activities during the period under review. If there has been		
	no exploration, development or production activity, that fact must be stated.		
18.15-18.17	*Publication of Resources and Reserves*		
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an		
	update of those Resources and/or Reserves once a year in its annual report, in accordance		
	with the reporting standard under which they were previously disclosed or a Reporting		
	Standard.		
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual		
	report in accordance with the Reporting Standard under which they were previously		
	disclosed.		
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.		
	Note:	*Annual updates are not required to be supported by a Competent Person's Report*	
		and may take the form of a no material change statement.	
18.18-18.27	STATEMENTS ON RESOURCES AND/OR RESERVES		
18.18	*Presentation of data*		
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing		7.4; 7.3; 6.9
	document, Competent Person's Report, Valuation Report or annual report, must be		
	presented in tables in a manner readily understandable to a non-technical person. All		
	assumptions must be clearly disclosed and statements should include an estimate of		
	volume, tonnage and grades.		
18.19	*Basis of evidence*		
18.19	All statements referring to Resources and/or Reserves:—		
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable	Whole report
		Transaction must be substantiated in a Competent Person's Report which must form part of the document; and	
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.	
18.20	*Petroleum Competent Persons' Reports*		not applicable
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or		
	extraction of Petroleum Resources and Reserves must include the information set out in		
	Appendix 25.		
18.21-18.22	*Competent Person*		
18.21	A Competent Person must:—		
	(1)	have a minimum of five years' experience relevant to the style of mineralization	2.10
		and type of deposit under consideration or to the type of Petroleum exploration,	
		reserve estimate (as appropriate), and to the activity which the Mineral Company is	
		undertaking;	
	(2)	be professionally qualified, and be a member in good standing of a relevant	2.10
		Recognised Professional Organisation, in a jurisdiction where, in the Exchange's	
		opinion, the statutory securities regulator has satisfactory arrangements (either by	
		way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the	
		Exchange) with the Commission for mutual assistance and exchange of information	
		for enforcing and securing compliance with the laws and regulations of that	
		jurisdiction and Hong Kong; and	
	(3)	take overall responsibility for the Competent Person's Report.	
18.22	A Competent Person must be independent of the issuer, its directors, senior management		2.11
	and advisers. Specifically the Competent Person retained must:—		
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets	
		being reported on;	
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's	
		Report;	

	(3)	in the case of an individual, not be an officer, employee or proposed officer of the		
		issuer or any group, holding or associated company of the issuer; and		
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer.		
		Any of the firm's partners or officers must not be officers or proposed officers of any		
		group, holding or associated company of the issuer.		
18.23	*Additional requirements of Competent Evaluators*			
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator			2.7
	must:—			
	(1)	have at least ten years relevant and recent general mining or Petroleum experience		
		(as appropriate);		
	(2)	have at least five years relevant and recent experience in the assessment and/or		
		valuation of Mineral or Petroleum Assets or securities (as appropriate); and		
	(3)	hold all necessary licences.		
	Note:	*A Competent Person's Report or Valuation Report may be performed by the same*		
		Competent Person provided he or she is also a Competent Evaluator.		
18.24	*Scope of Competent Persons' Reports and Valuation Reports*			
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard			2.2
	as modified by this Chapter, and must:—			
	(1)	be addressed to the Mineral Company or listed issuer;		2.1
	(2)	have an effective date (being the date when the contents of the Competent		2.4
		Person's Report or Valuation Report are valid) less than six months before the		
		date of publishing the listing document or circular relating to a Relevant Notifiable		
		Transaction required under the Listing Rules; and		
	(3)	set out what Reporting Standard has been used in preparing the Competent		2.2
		Person's Report or Valuation Report, and explain any departure from the relevant		
		Reporting Standard.		
18.25-18.26	*Disclaimers and Indemnities*			
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections			2.3
	or topics outside their scope of expertise in which the Competent Person or Competent			
	Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the			
	report in its entirety.			
18.26	The Competent Person or Competent Evaluator must prominently disclose in the			2.9
	Competent Person's Report or Valuation Report the nature and details of all indemnities			
	provided by the issuer. Indemnities for reliance placed on information provided by issuers			
	and third party experts (for information outside the Competent Person's or Competent			
	Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence			
	are generally unacceptable.			
18.27	*Obligations of sponsor*			not applicable
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must			not applicable
	ensure that any Competent Person or Competent Evaluator meets the requirements of			
	this Chapter.			
18.28-18.34	REPORTING STANDARD			
18.28-18.30	*Mineral reporting standard*			
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a			
	Mineral Company exploring for and/or extracting mineral Resources and Reserves must			
	also satisfy rules 18.29 and 18.30.			
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or			
	exploration results either:—			
	(1)	under:		
		(a)	the JORC Code;	2.2
		(b)	NI 43-101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market		not applicable
		from time to time, provided the Exchange is satisfied that they give a comparable		
		standard of disclosure and sufficient assessment of the underlying assets.		

	Note:	*The Exchange may allow presentation of Reserves under other reporting standards*		
		provided reconciliation to a Reporting Standard is provided. A Reporting Standard		
		applied to specific assets must be used consistently.		
18.30	A Mineral Company must ensure that:—			
	(1)	any estimates of Ore Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		7.1
	(2)	estimates of Ore Reserves and mineral Resources are disclosed separately;		7.5; 6.12
	(3)	Indicated Resources and Measured Resources are only included in economic		7.4
		analyses if the basis on which they are considered to be economically extractable		
		is explained and they are appropriately discounted for the probabilities of their		
		conversion to Ore Reserves. All assumptions must be clearly disclosed.		
		Valuations for Inferred Resources are not permitted;		
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and		6.9
		valuations of Indicated Resources, Measured Resources and Reserves:—		
		(a)	the methods to determine those commodity prices, all material assumptions	
			and the basis on which those prices represent reasonable views of future	
			prices are explained clearly; and	
		(b)	if a contract for future prices of Ore Reserves exists, the contract price is	
			used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher		14
		and lower prices are supplied. All assumptions must be clearly disclosed.		
18.31-18.33	*Petroleum reporting standard*			not applicable
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a			
	Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must			
	also satisfy rules 18.32 and 18.33.			
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves			
	either:—			
	(1)	under PRMS as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a		
		comparable standard of disclosure and sufficient assessment of the underlying		
		assets.		
	Note:	*A Reporting Standard applied to specific assets must be used consistently.*		
18.33	A Mineral Company must ensure that:—			
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of		
		estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in		
		PRMS). Where the probabilistic method is used, the underlying confidence levels		
		applied must be stated;		
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are		
		disclosed, they are presented on a post-tax basis at varying discount rates (including		
		a reflection of the weighted average cost of capital or minimum acceptable rate of		
		return that applies to the entity at the time of evaluation) or a fixed discount rate of		
		10%;		
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and		
		principal assumptions (including prices, costs, exchange rates and effective date) and		
		the basis of the methodology are clearly stated;		
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a		
		forecast price as a base case or using a constant price as a base case. The bases		
		for the forecast case must be disclosed. The constant price is defined as the		
		unweighted arithmetic average of the closing price on the first day of each month		
		within the 12 months before the end of the reporting period, unless prices are		
		defined by contractual arrangements. The basis on which the forecast price is		
		considered reasonable must be disclosed and Mineral Companies must comply with		
		rule 18.30;		
		Note:	*In the forecast case under PRMS, the economic evaluation underlying the*	

			investment decision is based on the entity's reasonable forecast of future	
			conditions, including costs and prices, which will exist during the life of the	
			project.	
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are		
		disclosed, relevant risk factors are clearly stated;		
		Note :	*Under PRMS, wherever the volume of a Contingent Resource is stated,*	
			risk is expressed as the chance that the accumulation will be commercially	
			developed and graduate to the reserves class. Wherever the volume of a	
			Prospective Resource is stated, risk is expressed as the chance that a potential	
			accumulation will result in a significant discovery of Petroleum.	
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or		
		Prospective Resources; and		
	(7)	where an estimate of future net revenue is disclosed, whether calculated without		
		discount or using a discount rate, it is prominently disclosed that the estimated		
		values disclosed do not represent fair market value.		
18.34	*Mineral or Petroleum Asset Valuation Reports*			not applicable
18.34	A Mineral Company must ensure that:—			
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN		
		Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from		
		time to time;		
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions		
		and the reason why a particular method of valuation is considered most appropriate,		
		having regard to the nature of the valuation and the development status of the		
		Mineral or Petroleum Asset;		
	(3)	if more than one valuation method is used and different valuations result, the		
		Competent Evaluator comments on how the valuations compare and on the reason		
		for selecting the value adopted; and		
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in		
		rule 18.23.		

Appendix D Chapter 2.6 of the Guide for New Listing Applicants

Chapter 2.6		Section in SRK's Report
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	6.9; 8; 14.1.2
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	not applicable
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	12
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	3.1
(v)	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	6; 7
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("NPV"), and the basis on which the discount rates are considered appropriate;	14
(vii)	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/Resources, cost forecasts and other data relating to the mines/ oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	not applicable
(viii)	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	15

Final

Competent Person's Report of Rongguan Iron-Zinc Project in Dong Ujimqin Banner, Inner Mongolia Autonomous Region, China

Rongguan Iron-Zinc Project, Dong Ujimqin Banner, Inner Mongolia, China,
Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ■ SCN979 ■ 31 March 2026

srk consulting

Final

Competent Person's Report of Rongguan Iron-Zinc Project in Dong Ujimqin Banner, Inner Mongolia Autonomous Region, China

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A Layout of the Rongguan Project

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The opinions expressed in this document have been based on the information available to SRK at the time of preparation. SRK has exercised all due care in reviewing information supplied by others for use on this project. While 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, except to the extent that SRK was hired to verify the data.

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Appendices

Appendix A Mining License
Appendix B Exploration License
Appendix C JORC Code Table 1

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term·/·Abbreviation	Meaning·/·Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
AAS	atomic absorption spectrometry
AIG	Australian Institute of Geoscientists
AISC	all-in sustaining costs, including the operating costs and sustaining capital cost
ALS Lab	ALS Mineral Laboratory
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	capital expenditure(s)
China	the People's Republic of China
CIT	corporate income tax
cm	centimetres
CoG	cut-off grade
Company or Silver & Tin Mining	Inner Mongolia Xingye Silver & Tin Mining Company Ltd.（内蒙古兴业银锡矿业股份有限公司）
CPR	Competent Person's Report
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Fe	the element symbol of iron
FS or feasibility study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne

Term·/·Abbreviation	Meaning·/·Definition
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd.
ID^2	inverse distance Squared
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inner Mongolia	Inner Mongolia Autonomous Region
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	Life of mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
MAusIMM	member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence

Term·/·Abbreviation	Meaning·/·Definition
mg	milligram
mm	millimeter(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
O.K.	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS or pre-feasibility study	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
Rongguan Mining	Inner Mongolia Xingye Group Rongguan Mining Co., Ltd.（内蒙古兴业集团融冠矿业有限公司）
RTK	Real-Time Kinematic
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd.
SEHK or Stock Exchange	The Stock Exchange of Hong Kong Ltd., a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
the *Listing Rules*	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.
TSF	tailings storage facilities
USD	United States dollar

Term·/·Abbreviation	Meaning·/·Definition
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
VAT	value-added tax
WRD	waste rock dump
Zn	the element symbol of zinc

Executive Summary

Introduction

SRK Consulting China Limited ("**Ltd.**"). ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of Inner Mongolia Xingye Group Rongguan Mining Co., Ltd. ("**Rongguan Mining**")'s iron-zinc project (hereafter referred to as "**Rongguan Project**" or the "**Project**"). Rongguan Mining is a wholly owned subsidiary of Xingye Silver & Tin.

The Rongguan Project consists of the following key properties, all of which are located in Dong Ujimqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region ("**Inner Mongolia**") of the People's Republic of China ("**China**"):

- One underground iron-zinc mine (hereafter referred to as "**Rongguan Mine**").
- Two ore processing plants: #1 ore processing plant (hereafter referred to as **"#1 Plant**") and #2 ore processing plant (hereafter referred to as "**#2 Plant**").
- One tailings storage facility ("**TSF**") (hereafter referred to as "**Rongguan TSF**").

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("**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 including the Chapter 18 requirements and other relevant regulations of the Stock Exchange and HKEx.

This Report does not express an opinion as to the value of the minerals (iron & zinc) or other assets involved.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver & Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, etc. of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Main Board of the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and Mineral Resource models provided by Rongguan Mining and Xingye Silver & Tin, and preparation of the data verification plan which was conducted during site inspection.

- two site visits respectively from 16 to 17 March 2026 and 11 to 12 April 2026, to the Rongguan Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the iron-zinc mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, TSF, water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating costs ("**Opex**"), etc.
- discussion with Rongguan Mining and Xingye Silver & Tin management and technical personnel, as well as the professionals, who conducted either the geology and exploration or the preliminary feasibility study ("**PFS**") on the Rongguan Project.
- preparation of a draft report in accordance with the JORC Code and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Xingye Silver & Tin and Rongguan Mining and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

The Rongguan Project is located approximately 180 kilometres ("**km**") northeast of Dong Ujimqin Banner, Xilin Gol League of Inner Mongolia, China, and is under the administrative jurisdiction of Manduhu Baolage Sumu of Dong Ujimqin Banner. All properties including the Rongguan Mine and two processing plants and other supporting facilities are about 30 km south of Wulagai Sumu, or 100 km east-southeast of the Hulingol railway station. Access to these properties is relatively easy via either a natural grassland road or asphalt-paved road.

The Rongguan Project is an operating underground iron ("**Fe**")-zinc ("**Zn**") mine, with one mining licence (No. XC1500020090931100370 46) covering an area of 2.3994 square kilometres ("**km^2**") with a validity period of 9 years 6 months from 29 December 2025 to 15 June 2035. The Rongguan Project is wholly owned and operated by Rongguan Mining, a wholly owned subsidiary of Xingye Silver & Tin.

The production capacity and status of the Rongguan Mine and associated two processing plants are listed in Table ES-1.

Table ES-1: Details of the Rongguan Mine and Associated Processing Plants

Company	Mine/ Plant	Products	Unit	Production Capacity			Status
				Designed [1]	Actual [2]	2025	
Rongguan Mining	Rongguan Mine	Raw Ore	ktpa	≥ Combined Capacity of Two Plants		1,846	Production
	#1 Plant	Raw Ore	t/d	1,500	2,800	2,910	Production
		Fe Concentrate	t			102,345	Production
		Zn Concentrate	t			22,811	Production

Company	Mine/ Plant	Products	Unit	Production Capacity			Status
				Designed [1]	Actual [2]	2025	
	#2 Plant	Raw Ore	t/d	3,000	3,000	2,960	Production
		Fe Concentrate	t			118，144	Production
		Zn Concentrate	t			26，452	Production

Source: Rongguan Mining

Notes:

[1] Designed processing capacity refers to the production scale proposed in the FS 2007

[2] Actual processing capacity refers to the production scale that the Rongguan Project can achieve

Based on reasonable cut-off grade ("**CoG**") of zinc equivalent ("**ZnEq**") for both the iron-zinc domains within the mining licensed area and the iron-zinc domains within the exploration permitted area, SRK has estimated the Mineral Resources and Ore Reserves for the Rongguan Project. As of 31 December 2025, the estimated Mineral Resources and Ore Reserves, as per the *JORC Code* guidelines, were listed in Table ES-2.

Table ES-2: Summary of Mineral Resources and Ore Reserves, as of 31 December 2025

Licensed Area	Category	CoG ZnEq	Tonnage	Average Grade				Metal Contained			
				Zn	Fe	Pb	Ag	Zn	Fe	Pb	Ag
		%	Mt	%	%	%	g/t	kt	kt	kt	t
Mineral Resources [1, 2, 3]											
Mining License	Indicated	1.0	8.63	2.79	23.93			241	2,065		
	Inferred	1.0	11.90	3.08	21.71			366	2,584		
	Total	1.0	**20.53**	**2.96**	**22.65**			**607**	**4,649**		
Exploration License	Indicated	1.2	1.77	2.54		0.25	10.82	45		4	19
	Inferred	1.2	0.20	2.48		0.34	10.07	5		1	2
	Total	1.2	**1.97**	**2.53**		**0.26**	**10.74**	**50**		**5**	**21**
Ore Reserves [4, 5, 6, 7, 8]											
Mining License	Probable	1.3	7.2	2.24	18.34			161	1,321		
	Total	1.3	**7.2**	**2.24**	**18.34**			**161**	**1,321**		

Source: SRK

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Zhuanjian (Leo) Liu and Dr. Yiefei Jia who are both full-time employees of SRK. Mr. Liu is a Member of AIG (No.9464) and Dr. Jia a Fellow of the AusIMM (No. 230607) and a chartered professional in geology (CP Geo). Both 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 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] The Mineral Resources are reported inclusive of Ore Reserves.

[4] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Erwei Lu, MAusIMM (No. 313608), Mr. Falong Hu, FAusIMM (No. 313608) and Dr. Yiefei Jia, FAusIMM CP(Geo), who are full time employees of SRK. Both Dr. Jia and Mr. Lu, Mr.Hu 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 Person as defined in the 2012 edition of the "*Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves*", the *JORC Code*. Mr. Lu, Mr. Hu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[5] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[6] The Ore Reserves reference point is delivery of ore to the crusher at the processing plant.

[7] Total may not add or calculated due to rounding discrepancies.

[8] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

The Rongguan Mine is developed as an underground mine. The main shaft development combined with adits and decline access has been utilised and a combination of sublevel caving, sublevel open stoping with delayed backfill and shrinkage stoping with delayed backfill methods are employed to extract the Mineral Resources. SRK considered that the development and mining methods are technically feasible.

A conventional ore process flowsheet including crushing, grinding and flotation is used in the two processing plants to produce zinc concentrate and tailings. The tailings are further processed through magnetic separation to yield iron concentrate. In the past three years (2023-2025), both plants have achieved recoveries ranging from 88.9% to 89.4% for Zn and 39.4% to 46.9% for Fe, respectively.

The mine and associated plants operated by Rongguan Mining, the subsidiary of Xingye Silver & Tin, are well integrated and well managed operations. The operating standards at all sites are generally following the Chinese national industrial practices.

Based on the current remaining Ore Reserves and production capacity of 1,350 thousand tonnes per year ("**ktpa**"), the life of mine ("**LoM**") is 6 years. The total projected Capex is about Chinese Yuan ("**CNY**") 146.46 million, and the forecasted unit Opex is about CNY 193.50 per tonne of ore mined and processed.

SRK estimated the Rongguan Project's net present value ("**NPV**") using the discount cash flow method, as of 31 December 2025, at a discount rate of 8%, is about CNY 742 million. The positive NPVs for the Project indicate that it is economically viable.

Operational Licenses and Permits

SRK sighted key operational licenses and permits for the Rongguan Project, such as business license, mining license, safety operational permits, water use permit, and site discharge permit.

Geology and Mineralogy At a regional scale, the Project area lies in the eastern segment of the Central Asian Orogenic Belt ("**CAOB**"), on the Uliastai active continental margin of the Paleo-Asian Ocean, within the Erlian–Dong Ujimqin polymetallic belt on the southern margin of the Siberian Plate. Bedrock exposure is relatively discontinuous due to extensive cover by Cenozoic strata. The exposed strata are dominantly Ordovician to Jurassic volcano-sedimentary and clastic sequences, notably the Middle Ordovician Duobaoshan Formation, which is the principal host horizon for Fe–Zn mineralisation in the area.

Regionally, deformation is intense, with well-developed folds and faults. The dominant structural trend is northeast ("**NE**") to north-northeast ("**NNE**"), followed by northwest ("**NW**") and nearly east-west ("**EW**") structures. Major NE–NNE-trending reverse faults and associated fracture zones form the main structural framework and act as key controls on magmatism and mineralisation. Garnet skarn and strong alteration are developed along these structures and at intrusive contacts.

Magmatic activity in the area was multi-phase from the Paleozoic to Mesozoic and dominated by intermediate-felsic intrusions and associated volcanic rocks. Among these, Indosinian quartz diorite and Early Yanshanian monzogranite–granite porphyry intrusions are particularly important. They intrude the Duobaoshan and Baoligaomiao formations, forming skarn and magmatic-hydrothermal systems. The skarn zones along the contacts between the Chagan Aobao quartz diorite and the Duobaoshan Formation are the main hosts of the Fe–Zn mineralisation in the Project area. This combination of favourable ore-host stratigraphy, regional NE–NNE-trending structures, and

multi-phase intrusive activity provides a robust regional geological setting for polymetallic skarn and related mineralisation.

Mineralisation at the Project is hosted primarily by the Middle Ordovician Duobaoshan Formation. This formation is a volcano-sedimentary sequence that has undergone metamorphic overprinting and has been intensely affected by contact metamorphism and metasomatism near the contacts with Jurassic granitic intrusions. Garnet- and epidote-bearing skarn developed along structural fractures in the lower Duobaoshan Formation forms the principal Fe–Zn-bearing horizon. The overlying units comprise Lower Permian volcanic–sedimentary rocks and extensively distributed Quaternary cover, the latter locally obscuring bedrock and its mineralised subcrops.

Locally, the structural framework is dominated by NE-trending compressional faults (notably the F1 fault), with subordinate NW-trending structures. These NE faults and their associated fracture zones, together with the exocontact of a Jurassic porphyritic biotite granite pluton, are the key factors controlling the position, attitude and geometry of the orebodies. Mineralisation occurs mainly as stratiform-like and lenticular Fe–Zn orebodies (e.g. FeZn1, FeZn3, FeZn4, FeZn1-2, FeZn10 and the FeZn36–49 orebody cluster), hosted in garnet and epidote skarn, typically striking NE and dipping NW, with true thicknesses ranging from a few metres ("**m**") to over 20 m. In the southwestern periphery, the K-2 orebody is a zinc-dominant lenticular body hosted in epidote skarn, with good continuity.

Orebodies are dominated by magnetite- and sphalerite-bearing garnet skarn, with relatively simple and stable mineral assemblage. Ore minerals account for about 40 percent ("**%**"), dominated by magnetite and sphalerite, with minor pyrrhotite, pyrite and chalcopyrite, and trace amounts of galena, molybdenite, bismuthinite and Ag-bearing minerals. Gangue minerals make up about 60%, consisting chiefly of andradite garnet with associated epidote, calcite, quartz and diopside. Ore textures are predominantly granular, disseminated, massive and banded, with common replacement and brecciation features. Average grades for the main Fe–Zn ores are approximately 27.9% total iron ("**TFe**"), 24.1% magnetic iron ("**mFe**") and 3.7% Zn, with associated silver ("**Ag**" ~14.8 grams per tonne ("**g/t**")) and indium ("**In**", ~11.7 g/t) at levels favourable for potential by-product recovery. Iron occurs largely as magnetic iron (distribution about 86–88%), and deleterious elements (i.e. arsenic "**As**", and phosphorus "**P**") are low, indicating a relatively clean ore type. The mineralisation records an early iron-rich stage, followed by skarn and sulphide stages related to Early Yanshanian magmatic–hydrothermal activity.

Mineral Resource Estimation

The Mineral Resource statement set out in this Report represents the Mineral Resource estimate for the Rongguan Mine, prepared in accordance with the guidelines of the JORC Code. The effective date of the Mineral Resource statement is 31 December 2025. The Rongguan Mine comprises two reporting areas: (i) the Fe–Zn skarn deposit within the Rongguan Mining Licence, and (ii) the Zn-dominant polymetallic skarn mineralisation (K-2) within the Rongguan Exploration Licence. Separate three-dimensional ("**3D**") block models have been constructed for these areas based on solid wireframe modelling of the mineralised zones.

Within the Mining Licence area, the deposit is classified as a contact-metasomatic to skarn-type Fe–Zn deposit. Mineralisation is predominantly hosted in skarn and altered rocks developed along and adjacent to the granite–country rock contact and is strongly controlled by structural contact/ alteration zones. Mineralised solids were defined using a grade shell cut-off of TFe ≥ 15% or Zn ≥ 1%, with

intervals meeting either criterion, and satisfying minimum mining thickness and minimum economic cut-off requirements, included in the ore wireframes; sub-cut-off, discontinuous intervals were treated as internal waste. The FeZn1 and FeZn3 orebodies are the principal mineralised bodies within the Mining Licence area. Within the Peripheral Exploration Licence, mineralisation is hosted in skarn and altered volcanic breccias formed by Middle Jurassic granitic intruding into the Duobaoshan Formation. This deposit is classified as a contact hydrothermal replacement–skarn-type Zn polymetallic system, with Ag, Pb and Zn occurring together in a single polymetallic ore type that is not amenable to selective mining or processing. Accordingly, a combined domain approach was adopted in modelling: any interval where Pb ≥ 0.5% or Zn ≥ 0.7% or Ag ≥ 40 g/t, and which meets the minimum industrial cut-off and minimum mining thickness criteria, was included in a single unified Pb-Zn-Ag mineralised solid.

Grades of Fe and Zn in the Fe–Zn skarn orebodies were estimated using two interpolation methods, depending on the level of data support and variography results. For the main FeZn3 domain, Fe and Zn grades were estimated by SRK using Ordinary Kriging ("**OK**") as the primary interpolation method, based on 1 m length-weighted, top-cut composites coded by mineralised domain. Variogram models derived for the FeZn3 were used to define the search ellipses, including ranges and anisotropy ratios, ensuring alignment with the principal mineralised trend and orientation along directions of maximum and secondary continuity. A multi-pass search strategy was adopted to balance data usage in both well-drilled and sparsely drilled areas and to support subsequent resource classification. For the remaining Fe–Zn domains, data density and spatial distribution were insufficient to support robust variogram modelling. In these domains, Fe and Zn were estimated using inverse distance squared ("**ID^2**") interpolation, again using 1 m length-weighted, top-cut composites coded by domain, and applying search ellipses derived from the interpreted orebody geometries and geological continuity.

Table ES-3 and Table ES-4 presents a summary of the estimated Mineral Resources at a CoG of 1.0% ZnEq within the mining licenses area and a CoG of 1.2% ZnEq within the exploration permitted area of the Rongguan Project, respectively as of 31 December 2025.

Table ES-3: Mineral Resource Statement [1, 2, 3, 4] for the Mining Licensed Area of the Rongguan Mine, as of 31 December 2025

Domain	Category	Tonnage	Average Grade		Material Content	
		Mt	Zn (%)	TFe (%)	Zn (kt)	TFe (kt)
FeZn1	Measured	-	-	-	-	-
	Indicated	2.83	2.58	20.65	73	585
	Measured + Indicated	2.83	2.58	20.65	73	585
	Inferred	0.55	3.72	21.00	20	115
FeZn3	Measured	-	-	-	-	-
	Indicated	5.80	2.90	25.52	168	1,480
	Measured + Indicated	5.80	2.90	25.52	168	1,480
	Inferred	-	-	-	-	-
FeZn4	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	3.13	2.81	24.81	88	777
FeZn1_2	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	1.43	3.32	24.68	47	352
FeZn36-49	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-

Domain	Category	Tonnage	Average Grade		Material Content	
		Mt	Zn (%)	TFe (%)	Zn (kt)	TFe (kt)
FeZn10	Inferred	5.39	3.69	19.50	199	1,052
	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	1.40	0.84	20.50	12	288
Total	**Measured**	-	-	-	-	-
	Indicated	**8.63**	**2.79**	**23.93**	**241**	**2,065**
	Measured + Indicated	**8.63**	**2.79**	**23.93**	**241**	**2,065**
	Inferred	**11.90**	**3.08**	**21.71**	**366**	**2,584**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian (Leo) Liu and Dr. Yiefei Jia who are full-time employees of SRK. Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.0% ZnEq, ZnEq = Zn+0.0228*TFe, based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 43% for Fe concentrate and 89% for zinc concentrate.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

Table ES-4: Mineral Resource Statement [1, 2, 3, 4] for the Exploration Licensed Area of the Rongguan Mine, as of 31 December 2025

Domain	Category	Tonnage	Average Grade			Material Content		
		Mt	Zn (%)	Pb (%)	Ag (g/t)	Zn (kt)	Pb (kt)	Ag (t)
K2	Measured	-	-	-	-	-	-	-
	Indicated	1.77	2.54	0.25	10.82	45	4	19
	Measured + Indicated	**1.77**	**2.54**	**0.25**	**10.82**	**45**	**4**	**19**
	Inferred	0.20	2.48	0.34	10.07	5	1	2

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian (Leo) Liu and Dr. Yiefei Jia who are full-time employees of SRK. Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.2 % ZnEq, ZnEq = Zn+0.025*Ag+0.558*Pb, based on the price of Zn 3,650 USD/t, Ag 42.25 USD/oz and Pb 2,600 USD/t, the recoveries of Zn 90.85% for Zn concentrate, payable 70%.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

Exploration Potential

The Rongguan Fe-Zn deposit is a structurally and contact-replacement-controlled skarn-type system hosted mainly in garnet skarn within the Lower Member of the Ordovician Duobaoshan Formation. Favourable host rocks and skarn/ alteration zones are widespread, but detailed exploration has so far been limited to local areas. Current mining targets the FeZn1 orebody, which remains open down-dip and along strike below the 890 m elevation. Geophysical and geochemical surveys have outlined several high Induced Polarization ("**IP**")–low resistivity, magnetic and multi-element (Fe–Zn-Ag) anomalies around and beneath known orebodies, many of which have not yet been drill tested.

Overall, SRK considers that the Project has reasonable potential for additional exploration upside. It is recommended that further drilling be carried out to test the depth and strike extensions of FeZn1, to investigate priority targets for concealed Fe-Zn orebodies in favourable host-rock and skarn belts, and to conduct follow-up work on key geophysical and geochemical anomalies. It is also recommended to strengthen underground exploration (short-hole drilling and channel sampling) around existing workings, in order to refine orebody geometry, support Mineral Resource growth, and potentially extend the LoM.

Ore Reserves Estimates

SRK has estimated the underground Ore Reserves for the Rongguan Mine in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a PFS.

The Rongguan Mine contains only Indicated Mineral Resources and no Measured Mineral Resources. Consequently, the economically mineable portions of these Mineral Resources, as defined within the designed underground stopes, have been classified as Probable Ore Reserves. There are no Proved Ore Reserves. This classification includes allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code framework.

As of 31 December 2025, the Ore Reserves at Rongguan Mine, at a CoG of 1.3% ZnEq, are estimated to be 7.2 million tonnes ("**Mt**"), with average grades of 2.24% Zn and 18.34% Fe, containing 161 thousand tonnes ("**kt**") of zinc and 1,321 kt of iron.

These Ore Reserves are all classified as Probable Ore Reserves, as shown in Table ES-5 below.

Table ES-5: Ore Reserve Statement for the Mining Licensed Area of the Rongguan Mine [1, 2, 3, 4, 5, 6], as of 31 December 2025

Category	Ore Reserve (Mt)	Zn (%)	Fe (%)	Contained Zn (kt)	Contained Fe (kt)
Proved	-	-	-		
Probable	7.20	2.24	18.34	161	1,321
Total	**7.20**	**2.24**	**18.34**	**161**	**1,321**

Source: SRK

Note:

[1] The information relates to Orel Reserve conversion is based on information compiled by Mr. Erwei Lu, MAusIMM, Mr Falong Hu and Dr. Yiefei Jia, FAusIMM (CP Geo), who are full time employees of SRK. They all 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 Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves", the JORC Code. Mr. Lu, Mr Hu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[2] The Ore Reserve reference point is delivery of ore to the crusher at the processing plant.

[3] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[4] Total may not add due to rounding discrepancies

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

[6] The effective date of the Ore Reserves estimate is 31 December 2025.

Mining Assessment

Rongguan Mine comprises two mining areas: Mine Area I and the East Mine Area. Each area contains several lodes, with both current and planned operations utilising underground mining methods.

In Mine Area I, five lodes have been identified: Lode 1#, Lode 2#, Lode 3#, Lode 4#, and Lode 10#. Of these, only Lode 1# and Lode 3# contain Indicated Mineral Resources. Lode 1# is currently being excavated and is supported by existing underground infrastructure, while Lode 3# will require additional investment for future exploitation. As a result, the Ore Reserve estimation is confined to Lode 1# and Lode 3# only.

In the East Mine Area, Lodes 36-49# include only Inferred Mineral Resources. Therefore, the East Mine Area is excluded from the scope of the Ore Reserve estimation.

The mining methods employed at Rongguan Mine include sublevel caving, sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill. Mine Area I is developed by underground methods using a combination of adits, vertical shafts and decline access. Two phases are planned for the extraction of mineable Mineral Resources in Mine Area I. Phase I will exploit Lode 1# using the existing development system. Phase II will require deepening the existing shaft, extending the current decline, and constructing a new blind auxiliary shaft.

Mining dilution is allowed for at rates of either 10% or 25%, depending on the mining method used, and includes unplanned dilution from the hanging wall and footwall. Mining loss is considered at either 10% or 15%, also depending on the mining method used, to allow for unplanned losses during mining and material transportation to the processing plant. The LoM is six years.

Metallurgical and Processing

The Project is currently equipped with two processing plants, referred to as "#1 Plant" and "#2 Plant". The two plants are centrally located within the mine industrial area, and the process and production systems operate independently.

#1 Plant was commissioned in 2005, with a designed capacity of 1,500 tonnes per day ("**tpd**") (450 ktpa), while #2 Plant was commissioned in 2011, with a designed capacity of 3,000 t/d (900 ktpa). The two plants have a combined design processing capacity of 4,500 tpd (1,350 ktpa). Both plants adopt a combined "flotation + magnetic separation" process, producing zinc concentrate (grade approximately 55% Zn) and iron concentrate (grade approximately 65% Fe) as the main saleable products.

Table ES-6 summarises the historical production data from 2023 to 2025. The data indicated the zinc head grade has fluctuated between 1.62% and 1.69%, while the iron head grade has ranged from 19.45% to 21.82%. Over this period, zinc recovery has remained relatively stable, averaging 88.89% for the #1 Plant and 89.27% for the #2 Plant. In contrast, iron recovery in both plants has shown a clear and continuous downward trend from 2023 to 2025, it decreased from 45.95% to 39.42% in the #1 Plant and from 46.94% to 39.86% in the #2 Plant. This decline is directly correlated with a significant reduction in iron head grade. It is recommended that the cause of the decline be investigated, and that the grinding fineness, magnetic separation parameters and, where applicable, the reagent scheme be optimised to improve iron recovery under lower-grade feed conditions.

Table ES-6: Historical Production Data of Rongguan Plant (Year 2023 to 2025)

Items	Unit	2023	2024	2025
Plant 1（1,500 tpd)				
Processed Tonnes	kt	808	852	874
Feed Grade (Zn)	Zn%	1.69	1.63	1.62
Feed Grade (Fe)	Fe%	21.52	20.16	19.45
Zn Concentrate Yield	%	2.71	2.65	2.61
Fe Concentrate Yield	%	15.21	12.80	11.71
Zn Concentrate Tonnes	kt	22	23	23
Fe Concentrate Tonnes	kt	123	109	102
Zn Concentrate Grade	Zn%	55.46	54.83	55.24
Fe Concentrate Grade	Fe%	65.01	65.23	65.48
Tail Zn Grade	Zn%	0.21	0.20	0.20
Tail Fe Grade	Fe%	14.00	13.81	13.59
Zn Recovery	%	88.99	88.9	88.78
Fe Recovery	%	45.95	41.40	39.42
Plant 2（3,000 tpd)				
Processed Tonnes	kt	931	1,000	987
Feed Grade (Zn)	%	1.69	1.64	1.65
Feed Grade (Fe)	%	21.82	20.45	19.55
Zn Concentrate Yield	%	2.70	2.65	2.68
Fe Concentrate Yield	%	15.75	13.26	11.97
Zn Concentrate Tonnes	kt	25	26	26
Fe Concentrate Tonnes	kt	147	133	118
Zn Concentrate Grade	%	56.15	55.22	55.01
Fe Concentrate Grade	%	65.03	65.07	65.12
Tail Zn Grade	%	0.20	0.20	0.19
Tail Fe Grade	%	14.11	13.90	13.61
Zn Recovery	%	89.36	89.12	89.33
Fe Recovery	%	46.94	42.18	39.86
Total				
Processed Tonnes	kt	1,739	1,852	1,861
Zn Concentrate Yield	%	2.70	2.65	2.65
Fe Concentrate Yield	%	15.50	13.05	11.85
Zn Concentrate Tonnes	kt	47	49	49
Fe Concentrate Tonnes	kt	270	242	221
Zn Recovery	%	89.17	90.02	89.07
Fe Recovery	%	46.48	41.83	39.65
Tail Yield	%	81.80	84.31	85.50

Source: Rongguan Mining database and SRK collected.

Based on records of actual concentrate tonnages stored in the zinc and iron concentrate bins, as provided by the Company's finance department, the contained metal quantities have been calculated and are summarised in Table ES-7.

Table ES-7: Historical Production Performance from Production and Sales Reports (Year 2023 to 2025)

Actual Recovered Metal	Unit	2023	2024	2025
Zn	kt	26.22	26.99	27.19
Fe Concentrate	kt	269.52	241.65	220.49

Source: Production and Sales Reports from the financial department.

Environmental and Social Impacts

SRK has reviewed the above EIA reports and approvals and concludes that the EIAs basically cover the main production facilities, including the mine site, iron and zinc processing plants, TSF and other auxiliary facilities. SRK considers that the Chagan Aobao (i.e. Rongguan) Mine prepared the EIA reports in accordance with the relevant Chinese legal requirements and has obtained the corresponding government approvals.

No nationally or regionally protected areas, key habitats for protected wildlife, national or autonomous region nature reserves, ecological function conservation zones, or other types of protected areas are located within the project area or its assessment boundary.

Mine inflow is settled in underground sumps. Part of the mine inflow is reused for underground operations, while the remainder is pumped to an elevated process water tank for dust suppression, greening, and mineral processing, with no external discharge. Mineral processing wastewater is discharged to the TSF and, after sedimentation, is recycled back into the processing circuit, with no wastewater discharge off-site.

During previous EIA processes, the Project conducted multiple rounds of public participation and environmental information disclosure. No objections were received during the information disclosure periods, and public survey results also indicated no opposition to the Project's development.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex is estimated based on historical expenditure data and the LoM production schedule. The total projected future Capex is CNY 146.46 million. A summary of the Capex is presented in Table ES-8.

Table ES-8: Summary of Capex for Rongguan Project

CAPEX	Unit	LoM
Initial Capex		-
Infrastructure	million CNY	-
Underground Development	million CNY	-
Equipment Installation	million CNY	-
Sustaining Capex		143.06

CAPEX	Unit	LoM
Land Use Rights	million CNY	-
Mining Rights	million CNY	-
Equipment Purchase	million CNY	70.76
Buildings	million CNY	51.51
Underground Development	million CNY	20.80
Others	million CNY	-
Closure Cost	million CNY	3.40
Total Capex	million CNY	146.46

Source: summarised by SRK

Operating Costs

The Opex is shown in Table ES-9, which provides a summary of the unit costs for the years 2023 to 2025. SRK considers the weighted average historical cost over the past three years to be reasonable and has adopted it for subsequent economic evaluations. The projected annual cash Opex over the LoM are shown in Figure EX-1, which shows that, as production gradually decreases from 2026 to 2031, the annual Opex decline accordingly.

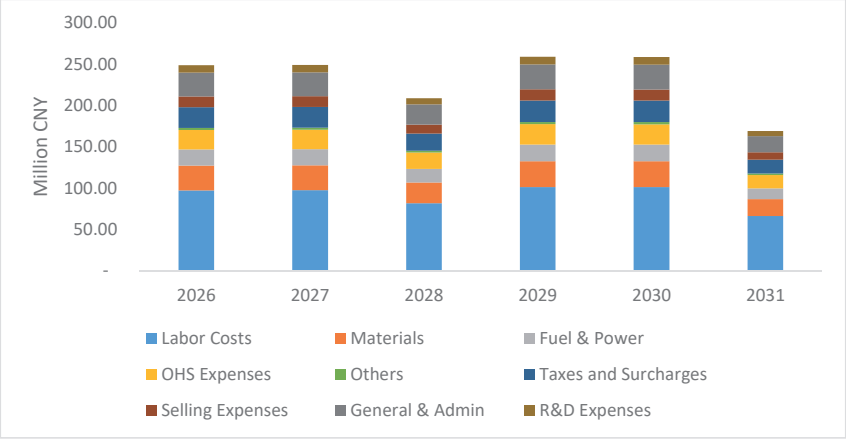
Table ES-9: Summary of Opex Historical & Forecasted for Rongguan Project

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/ Average
Mined	kt	1,883.94	1,809.01	1,846.06	5,539.00
Milled	kt	1,739.00	1,852.00	1,861.00	5,452.00
COGS					
Labor Costs	CNY/t	61.52	73.39	91.23	75.69
Materials	CNY/t	23.61	23.69	22.86	23.38
Fuel & Power	CNY/t	16.59	13.33	15.34	15.05
OHS Expenses	CNY/t	18.28	18.77	18.13	18.40
D&A	CNY/t	-	-	-	-
Others	CNY/t	1.11	1.54	3.27	1.99
Taxes and Surcharges	CNY/t	18.06	20.96	19.21	19.44
Selling Expenses	CNY/t	9.55	10.85	9.73	10.05
General & Admin.	CNY/t	21.36	22.48	23.38	22.43
R&D Expenses	CNY/t	6.41	7.35	7.38	7.06
Total Opex	CNY/t	**176.50**	**192.37**	**210.52**	**193.50**

Source: summarised by SRK

Note: COGS means the cost of goods sold, which includes labour directly tied to production; direct materials needs for the production of goods and services; and taxes on the production facilities.

Figure EX-1: Opex Plan over LoM (unit: million CNY)



Source: summarised by SRK

Economic Analysis

SRK estimated the NPVs at different discount rates using a discounted cash flow ("**DCF**") model, with the results presented in Table ES-10.

Table ES-10: Estimated NPVs at Different Discount Rate

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	813	789	765	742	721	700	680	662	644	626	610

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors have the most significantly impact on its economics when varied independently. The analysis focused on metal prices, Capex, and Opex, each tested over a ±30% range.

The changes in prices have the greatest impact on the Project's NPV, while Opex and Capex have less effects.

To further clarify the effects of prices on the Project's NPV, SRK estimates that, the break-even price (NPV=0, at 8% discount rate) is around a change of -43% from the base scenario prices used in the model. In other words, if the price drops to about 57% of the forecast price, the Project NPV will become negative.

Risk Assessment

SRK completed a risk assessment of the risks identified for the Rongguan Project in relation to their likelihood of occurrence and consequence in accordance with the Listing Rules of the Stock Exchange and the HKEx.

Table ES-11: Risk Assessment for the Rongguan Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Major	Medium
Lack of Significant Ore Reserves	Possible	Major	High
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls	Possible	Moderate	Medium
Pumping System Adequacy	Unlikely	Minor	Low
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Possible	Moderate	Medium
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Unlikely	Minor	Low
Poor Road Transportation/Safety	Unlikely	Minor	Low
Ore Processing and Metallurgy	Possible	Moderate	Medium
Lower Throughput	Unlikely	Moderate	Low
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Air pollution	Possible	Minor	Low
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Moderate	Medium
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

Recommendations

SRK offers the following recommendations:

Geology and Exploration

The Rongguan Project comprises a contact-metasomatic, skarn-type Fe–Zn deposit within the Mining Licence and a Zn-dominant polymetallic skarn system (K-2) within the Peripheral Exploration Licence. Fe–Zn mineralisation (FeZn1, FeZn3, FeZn4, FeZn1-2, FeZn10) is mainly hosted in garnet skarn developed along the contacts between granitic intrusions and the Duobaoshan Formation, as well as within NE-trending structural zones, forming semi-tabular to lenticular orebodies with generally good continuity. In the peripheral area, Pb–Zn–Ag mineralisation in K-2 and related lenses is hosted in skarn and altered volcanic breccias associated with Middle Jurassic intrusions.

The Mineral Resource estimates are based on validated drilling and underground data, 1 m compositing, top-cutting, and 3D wireframe modelling; OK interpolated method was applied to the FeZn3 and ID² was used for the other Fe–Zn domains, and a mixed-domain approach was used for

Pb–Zn–Ag. At cut-off grades of 1% ZnEq (within the Mining Licence) and 1.2% ZnEq (within the Exploration Licence), the reported Indicated and Inferred Mineral Resources all satisfy reasonable prospect for economic extraction ("**RPEEE**") requirements. Adopted bulk densities of 3.87 t/m³ for Fe–Zn ore and 3.53 t/m³ for Pb–Zn–Ag ore are consistent with testwork results and the observed mineralogy.

Within the Mining Licence area, further drilling should target the down-dip and along-strike extensions of the main Fe–Zn orebodies, particularly FeZn1 and FeZn3. Drill spacing should also be tightened (closer spacing) on FeZn4, FeZn1-2 and FeZn10 to improve confidence in the Mineral Resources and support future conversion of Mineral Resources to Ore Reserves. In the Peripheral Exploration Licence area, additional drilling is recommended to continue tracing the K-2 orebody along strike and at depth, and to carry out verification drilling to test priority IP, magnetic and polymetallic geochemical anomalies along the skarn–contact corridor, with the objective of delineating new Pb–Zn–Ag orebodies and extending the project's resource base.

Sampling and assay QA/QC procedures across both the mining and exploration areas should be maintained and, where necessary, strengthened in order to maintain and enhance confidence in future Mineral Resource estimates.

Mining and Ore Reserves

The Rongguan Mine has been designed as an underground operation. SRK conducted stope optimisation and updated the LoM plan, considers that the revised mine design is appropriate to guide the extraction of mineable Mineral Resources. The mining methods employed at Rongguan Mine include sublevel caving, sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill. After reviewing the mining method, equipment configuration, and mining services, SRK considers that operations are conducted in accordance with industry standard practices. Overall, the mining methods applied at Rongguan Mine are deemed suitable to support future production.

Rongguan Mine primarily relies on contractors for development and mining activities, while mine management, technical services, and supervisory staff are provided by the Company. All mobile equipment, along with some minor fixed equipment, is supplied by the mining contractor.

Recommendations:

- Inferred Mineral Resources has a significant impact on Ore Reserve estimation. It is recommended that additional geological work be conducted to improve confidence in the Mineral Resource, which will also support more robust LoM planning.
- Current studies indicate the potential to extract Mineral Resources in deeper areas using sublevel caving. It is recommended to carry out more detailed technical and economic studies to ensure safe extraction and to achieve optimal results.

Processing and Metallurgy

The Project currently has two processing facilities; #1 Plant and #2 Plant, with a combined design capacity of 4,500 tpd (1,350 ktpa). Both plants employ a combined "flotation + magnetic separation" process flowsheet, producing zinc concentrate (grade approximately 55% Zn) and iron concentrate (grade approximately 65% Fe) as the main saleable products.

Production data for the past three years indicate that zinc recovery has remained relatively stable over this period, averaging 88.89% for #1 Plant and 89.27% for #2 Plant. In contrast, iron recovery has exhibited a clear and continuous downward trend in both plants from 2023 to 2025, decreasing from 45.95% to 39.42% in #1 Plant and from 46.94% to 39.86% in #2 Plant.

SRK recommends that the mine collect representative ore samples and carry out systematic and in-depth laboratory beneficiation testwork. The focus should be on investigating and optimising process flowsheet to improve the yield and recovery of the iron concentrate, thereby providing a reliable technical basis for subsequent process adjustments or technical upgrade in production.

Environmental Studies, Social or Community Impact

The EIA reports and associated approvals adequately cover the Project's main production facilities, including the mine, processing plants, TSF, and related auxiliary infrastructure. The EIAs were prepared in compliance with relevant Chinese regulatory requirements and have obtained the necessary government approvals. In addition, there are no nationally or regionally protected areas or sensitive ecological receptors within the Project area or its assessment boundary.

The Project adopts a closed-loop water management approach, where mine inflow and processing wastewater are reused without external discharge. Mine water is collected and reused for underground operations and surface uses such as dust suppression and mineral processing, while processing wastewater is treated in the TSF and recycled. Furthermore, the Project has undertaken multiple rounds of public consultation and information disclosure during the past EIAs, with no objections received and no opposition identified from local stakeholders. It is recommended that the Project conduct regular groundwater monitoring to track changes in groundwater quality in a timely manner and reduce the risk of water contamination.

1 Introduction and Scope of Report

SRK Consulting China Limited ("**Ltd.**"). ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of Inner Mongolia Xingye Group Rongguan Mining Co., Ltd. ("**Rongguan Mining**")'s iron-zinc project (hereafter referred to as "**Rongguan Project**" or the "**Project**") which is located in Dong Ujimqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region ("**Inner Mongolia**") of the People's Republic of China ("**China**").

The Rongguan Project includes the Rongguan underground iron-zinc mine ("**Rongguan Mine**") and associated two ore processing plants: #1 ore processing plant ("**#1 Plant**") and #2 ore processing plant ("**#2 Plant**"). It is operated by Rongguan Mining, a wholly owned subsidiary of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("**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 including the Chapter 18 requirements and other relevant regulations of the Stock Exchange and HKEx.

The Project is an operating underground iron-zinc mine, which is wholly owned and operated by Rongguan Mining, a wholly owned subsidiary company of Xingye Silver & Tin. The Xingye Silver & Tin is a listed company on the Shenzhen Stock Exchange.

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

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver & Tin to support the proposed listing on the Main Board of the Stock Exchange and the HKEx. The SRK report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all the Australasian Institute of Mining and Metallurgy ("**AusIMM**") or Australian Institute of Geoscientists ("**AIG**") members.

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

2.3 Limitations Statement

SRK is not professionally qualified to opine upon and/ or confirm that Xingye Silver & Tin 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 Xingye Silver & Tin has legal right to all underlying tenements as purported. Assessing the legal tenures and rights to the prospects of Xingye Silver & Tin and or any of its subsidiary companies are the responsibility of legal due diligence conducted by entities other than SRK.

2.4 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "**Effective Date**"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK.

2.5 Work Program

- review of dataset and Mineral Resource models provided by Rongguan Mining and Xingye Silver & Tin, and preparation of data verification plan which was conducted during site inspection.
- two site visits between 16 and 17 March 2026, and between 11 and 12 April 2026 to the Rongguan Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the iron-zinc mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("**TSF**"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating costs ("**Opex**"), etc.
- discussion with Rongguan Mining and Xingye Silver & Tin management and technical personnel, as well as the professionals, who conducted either the geology and exploration or the feasibility study ("**FS**") and/ or the preliminary design on the Rongguan Project.
- preparation of a draft report in accordance with the JORC Code and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Xingye Silver & Tin and the related third party for comments and finalise the draft based on the feedback.

2.6 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, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 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 the Chinese mining companies who have completed successfully listed and/ or acquired on the SEHK., as shown in Table 2-1.

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

Company	Year	Nature of Transaction
Citic Dameng Holdings Ltd.	2010	IPO Listing on the HKEx
China Hanking Holdings Ltd.	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Ltd.	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Ltd.	2012	IPO Listing on the HKEx
Hengshi Mining Investments Ltd.	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Ltd.	2014	IPO Listing on the HKEx
King Stone Energy Group Ltd.	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 Ltd.	2016	IPO Listing on the HKEx
Pizu Investment Co. Ltd.	2020	Acquisition of Shareholding in a polymetallic project in China
China Qinfa Group Ltd.	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Ltd.	2022	IPO Listing on the HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd.	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd.	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd.	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Dr. Yiefei Jia	Corporate Consultant (Geology and Project Evaluation)	Project Manager, whole report, CP
Zhuanjian (Leo) Liu	Principal Consultant (Geology)	Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	Geology, Data Verification and QA/QC
Falong Hu	Principal Consultant (Mining)	Mining and Ore Reserve Review
Erwei Lu	Senior Consultant (Mining)	Mining Review
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Mining and Economic Analysis
Donghao Luo	Consultant (Mining)	Mining Review
Xiangfeng Yang	Senior Consultant (Processing)	Processing and Metallurgical Review
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Yuting (Lori) Zhou	BD and Project Coordinator	Project Coordination and Translation

Consultant	Title	Discipline and Task
Pengfei Xiao	Principal Consultant (Geology)	Internal Peer Review and Quality Control
Alexander Thin	Corporate Consultant (Mining and Project Evaluation)	Internal Peer Review and Quality Control

Yiefei Jia, *Doctor of Philosophy ("PhD"), Fellow of the AusIMM ("FAusIMM", CP Geo),* is a Corporate Consultant (Geology and Project Evaluation) with over 25 years' experience in a combination of exploration, resource estimation, mineral deposit evaluation, and the delivery of multidisciplinary technical assessment reports. He is highly experienced in the management of exploration and resource estimation of precious metals (gold ("**Au**"), silver ("**Ag**"), and platinum group elements ("**PGE**")), alkali and base metals (lithium ("**Li**"), potassium ("**K**"), lead ("**Pb**"), zinc ("**Zn**"), copper ("**Cu**"), vanadium ("**V**"), titanium ("**Ti**"), cobalt ("**Co**") and nickel ("**Ni**")), black metals (iron ("**Fe**") and manganese ("**Mn**")) as well as non-metallic metals (fluorite and graphite) and decorative stone (marble) ore deposits in different geological settings in Australia, Africa, China, Mongolia, America and Southeast and Central Asia. He also has over five years' experience in coal deposits exploration and due diligence in China, Indonesia and Mongolia. Yiefei's background has provided him with a firm understanding of key criteria required for the successful delivery of projects across a variety of disciplines. In recent years, he, as Competent Person, has led and coordinated dozens of due diligence projects with technical reports for mergers and acquisitions, financing and exchange listings, such as the SEHK.

Zhuanjian (Leo) Liu, *BEng, Member of the AIG ("MAIG"), Chinese Certified Mine Constructor,* is a Principal Consultant (Geology). He obtained his bachelor's degree in geological engineering from China University of Mining and Technology. Before joining SRK, he worked as an engineer at Salim Group where he focussed on overseas mining project due diligence, mergers and acquisitions, and project management for years. Leo joined SRK China in 2012, and ever since he has been involved in more than 50 projects in the aspect of gap analysis, due diligence, QA/QC, resource/reserve estimation, and Competent Person Reporting, he participated in many large-scale coal enterprise projects, such as Peabody Energy, Shenhua Group, Shaanxi Investment Energy Group, Kinetic Group, Agritrade Resources, Qinfa Group, etc. He is proficient in using multiple modelling software including Surpac, Minex, Leapfrog, etc.

Frank Li, *BEng, MSc, FAusIMM*, is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, etc. He has a deep understanding of analysis and mineral resource reporting conversions between of Chinese and JORC Code standards and has abundant experience in exploration management and quality control.

Falong Hu, *MBA, B.Eng, FAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Chinese Certified Consulting Engineer (Investment),* is a Principal Consultant (Mining). He obtained his Bachelor's degree in mining engineering from Central South University and Master of Business Administration (MBA) in China University of Geosciences (Beijing). Before joining SRK he worked as an on-site and head office mining engineer in 2 different international mining companies which were called Sino Gold Mining Ltd. (later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground and open pit mines' production

systems and has been involved in mining engineering and development design, scheduling, long-hole blasting and production operation, rock mechanics, ventilation, back-fill; and cost accounting. After take part in SRK, he accumulated extensive experience in ore reserve estimation, economic analysis, project valuation, mining assessment, scoping/ pre-feasibility/ feasibility studies and so on. Minerals include gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, bentonite and so on. He is a modeler on both technical and economic and also proficient in digital modelling by using Surpac, Whittle, Minesched, Datamine and AutoCAD.

Erwei Lu, *M.Eng. MAusIMM, a* Senior Consultant (Mining) at SRK***,*** he obtained his bachelor's degree and master's degree in mining engineering from Central South University. He has over five years of practice of underground operation, and about one year's mineral project evaluation experience. He worked as an on-site mining engineer in Zambia for China Nonferrous Metal Mining (Group) Co., Ltd. after graduation in 2017. He also worked for an autonomous driving application and mineral project investment companies since 2022. He is familiar with large scale underground mobile equipment operation and training, long-hole blasting, mine design and scheduling, and production management, as well as autonomous driving application in open pit mine, and project evaluation.

TzuHsuan (Shan) Chuang, *M.Eng.*, *MAusIMM,* is a Senior Consultant (Mining). She has extensive experience in on-site production and consulting, with expertise in technical studies and project evaluations for both open-pit and underground mines. She is capable of independently conducting stope and pit optimisation, mine design, long-term planning, Ore Reserve modeling, and technical-economic analysis. Her project experience spans Asia, Australia, Africa, Europe, and South America. She is proficient in various industry-standard software, including Deswik, Whittle, and Surpac.

Donghao Luo, *BEng,* Consultant (Mining) at SRK China. He obtained his Bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

Xiangfeng Yang, *MEng; MAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Certified Cost Engineer,* is a Senior Consultant (Mineral Processing) with SRK. 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, sulfide ore, iron ore and other projects.

Nan Xue, *MSc, MBA, MAusIMM*, is a Principal Consultant (Environmental) at SRK China. He holds Master of Environmental Science from Nankai University and Master of Business Administration from Beihang University, respectively. He has over Eighteen years' experience in environmental impact

assessment, environmental planning and management, environmental due diligence and ESG-related field. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC as well as in the environmental-planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculation, and impact predictions. He also has an acute understanding of equator principles; International Finance Corporation environmental and social performance standards and other international standards related to ESG. After joining SRK, Nan has been involved in a number of IPO and due diligence projects in China, Laos, Russia, Mongolia, Philippines, Indonesia, Kazakhstan, Kyrgyzstan, South Africa, DRC, Ecuador, Chile, Ghana and Australia; the clients include Zijin Mining, Future Bright Mining, CNMC, China Gold, Shandong Gold, Chifeng Gold, Sino Steel, Tianqi Lithium, etc.

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.

Alexander (Alex) Thin, *BEng, FAusIMM, FIMMM, FSAIMMA*, Corporate Consultant (Mining and Project Evaluation) at SRK, he is an experienced mining professional with over 30 years' experience. His strategy and leadership experience spans feasibility studies, mineral asset audits and evaluations, independent technical reports, techno-economic studies, capital raising, merger and acquisitions, managing joint ventures, local and international stock exchange compliance, business development and investor/ stakeholder relations. Alex's industry experience spans operational (underground and open pit), technical, consulting and corporate within the metalliferous resources sector, covering precious metals, base metals and bulk commodities.

2.8 Warranties

Xingye Silver & Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver & Tin 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 Xingye Silver & Tin or to Xingye Silver & Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources/ Ore Reserves is based on information compiled by Dr. Yiefei Jia, a Competent Person who is a Fellow of AusIMM and a Chartered Professional in Geology (CP Geo), Mr. Zhuanjian (Leo) Liu, a Competent Person who is a Member of AIG, Mr. Erwei Lu, a Competent Person who is a Member of AusIMM and Mr. Falong Hu, a Competent Person who is a Fellow of the AusIMM. Both are full-time employees of SRK.

This Report is a Competent Person's Report in line with the Listing Rules of the Stock Exchange and HKEX.

Dr. Yiefei Jia and Mr. Falong Hu have 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 JORC Code".

Dr. Yiefei Jia and Mr. Falong Hu consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Peer review and quality control of the Report were conducted by Pengfei Xiao, FAusIMM, a Principal Consultant (Geology) and Alexander Thin, FAusIMM (CP Min), a Corporate Consultant (Mining and Project Evaluation).

2.11 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 Xingye Silver & Tin or Xingye Silver & Tin'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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver & Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operational Licences and Permits

This section summarises key operational licences and permits. SRK relies on the information provided by the Company, and SRK does not intend to undertake a legal due diligence review since such work is outside the scope of technical review.

3.1 Business License

The business licence details for the Rongguan Project are presented in Table 3-1.

Table 3-1: Business Licence

Project/ Company	Rongguan Mining
Business License No.	91152525783018337N
Issued To	Inner Mongolia Xingye Group Rongguan Mining Co., Ltd.
Issued By	Administration for Market Regulation of Dong Ujimqin Banner
Issue Date	3 November 2022
Expiry Date	Long-term
Licensed Business Activities	Mining of non-coal Mineral Resources; road freight transport (including dangerous goods); mineral processing (beneficiation); sale of metal ores.

Source: Rongguan Mining.

3.2 Mineral Tenure

The Rongguan Project consists of one mining license and one exploration tenement.

3.2.1 Mining License

The mining licence details for the Project are presented in Table 3-2. A copy of the original mining licence is provided in Appendix B.

Table 3-2: Summary of Mining Licence

Project/ Company	Rongguan Mining
Mining License No.	XC1500002009093110037046
Issued To	Inner Mongolia Xingye Group Rongguan Mining Co., Ltd.
Issued By	Department of Natural Resources of Inner Mongolia Autonomous Region; Xilingol League Bureau of Natural Resources
Issue Date	29 December 2025
Expiry Date	15 June 2035
Area (km^2)	2.3994
Mining Type	Underground
Ore Type	Iron (primary mineral) – Zinc (associated mineral)
Mining Depth	From 1,227 m asl down to 387 m asl, delineated by four inflection points

Source: Rongguan Mining

3.2.2 Exploration Permit

The exploration permit details for the Project are presented in Table 3-3. A copy of the original mining licence is provided in Appendix B.

Table 3-3: Summary of Exploration Tenement

Project/ Company	Rongguan Mining
Exploration License No.	DT1525002008073010012040
Issued To	Inner Mongolia Xingye Group Rongguan Mining Co., Ltd.
Issued By	Xilingol League Bureau of Natural Resources
Issue Date	2 February 2026
Expiry Date	20 July 2030
Area (km^2)	7.9657 (exploration area is delineated by 13 corner-point coordinates)
Ore Type	Zinc

Source: Rongguan Mining

3.3 Safety Production Permits

The safety production permits for the Rongguan Project are presented in Table 3-4.

Table 3-4: Summary of the Safety Production Permits

Project	Rongguan Mining
Safety Production Permit No.	(Meng) FM [2024] No. 003261
Issued To	Inner Mongolia Xingye Group Dongguan Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau
Licensed Activity	Polymetallic underground mining and tailings storage facility operation
Issue Date	2 July 2024
Expiry Date	1 July 2027
Project	Rongguan Mining
Safety Production Permit No.	(Meng) FM [2023] No. 006743
Issued To	Inner Mongolia Xingye Group Dongguan Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Emergency Management Department
Licensed Activity	Tailings storage facility operation
Issue Date	11 April 2023
Expiry Date	10 April 2026
Project	Rongguan Mining
Safety Production Permit No.	Meng) FM [2025] No. 005851
Issued To	Inner Mongolia Xingye Group Dongguan Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau
Licensed Activity	Iron and zinc underground mining
Issue Date	23 August 2025
Expiry Date	22 August 2028

Source: Rongguan Mining

3.4 Pollutant Discharge Permit

According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. The detailed information of the Rongguan Project is listed in Table 3-5.

Table 3-5: Summary of the of the Pollutant Discharge Permit

Pollutant Discharge Permit No.	91152525783018337N001U
Issued To	Inner Mongolia Xingye Group Rongguan Mining Co., Ltd.
Issued By	Xilingol League Ecology and Environment Bureau
Issue Date	29 September, 2022
Expiry Date	28 September, 2027
Main Types of Pollutants	Dust and Wastewater

Source: Rongguan Mining

3.5 Water Extraction Permit

The water extraction permit for the Project is presented in Table 3-6.

Table 3-6: Summary of the Water Extraction Permit

Water Use Permit No.	D152525G2021-0038
Issued To	Inner Mongolia Xingye Group Rongguan Mining Co., Ltd.
Issued By	Dong Ujimqin Banner Water Resources Bureau
Issue Date	15 January, 2023
Expiry Date	14 January, 2028
Water Supply Source	Groundwater
Water Use Allocation	709,300 m³/year

Source: Rongguan Mining

4 Regional Description

4.1 Property Location and Accessibility

The Rongguan Project is located approximately 180 kilometres ("**km**") northeast of Dong Ujimqin Banner of Inner Mongolia, China, and is under the administrative jurisdiction of Manduhu Baolage Sumu of Dong Ujimqin Banner. Its geographic coordinates are East Longitude 118°17′50″–118°19′01″ and North Latitude 45°59′49″–46°00′42″ (see Figure 4-1).

Figure 4-1: Location Map of the Project Area



Source: SRK

The Project is about 23 km north of Eren Gaobi Sumu and 30 km south of Wulagai Sumu, connected to Eren Gaobi by a gravel road and to Wulagai by a natural grassland road.

The main external roads from either the Eren Gaobo Sumu or Wulagai Sumu are:

- Eren Gaobi – Bai'a Line to Wuchagou Railway Station, 190 km.
- Eren Gaobi – Dong Ujimqin Banner – Xilinhot City, 380 km.
- Wulagai – Huolinhe City Railway Station, 100 km.

All of which are asphalt roads. Access to the Project area is relatively convenient.

4.2 Local Resources and Infrastructure

Dong Ujimqin Banner is located in the northeastern part of Xilingol League, Inner Mongolia, on the western flank of the Greater Khingan Range. It borders Xing'an League and Tongliao City to the east, Xilinhot City and Xi Ujimqin Banner to the south, Abag Banner to the west, and Mongolia to the north, with a national border length of 527.6 km. The national first-class land port of Zhuengadabuqi is located 68 km north of Wuliyasitai Town, the banner capital of Dong Ujimqin, and serves as a bridgehead on the Eurasian Continental Bridge after Manzhouli and Erenhot.

The Project area and its surroundings are sparsely populated, with animal husbandry as the main livelihood. The development of Mineral Resources has played a driving role in the local economic development. Rongguan Mining is the most modern large-scale industrial and mining enterprise in the area; it has built processing facilities with a daily ore processing capacity of 4,500 tonnes ("t"), and a high-voltage power transmission line has been extended to the mining area.

4.3 Climate

The Project area has a north temperate continental climate and is located in a high-altitude, mid- to high-latitude inland region, where natural conditions are relatively harsh. Climatic characteristics include cold and strong winds in winter under the influence of the Mongolian High. The mean annual temperature is 1.6 degrees Celsius ("**°C**"), with an average of -18.9°C in January and 21°C in July. The recorded extreme maximum temperature is 39.7°C, and the extreme minimum is -40.7°C.

Annual precipitation is around 300 millimetres ("**mm**"), mainly concentrated from June to August, which accounts for about 70% of the yearly total, while annual evaporation exceeds 3,000 mm. The area has an average of 2,975 hours of sunshine per year, with strong solar radiation. Spring and autumn are generally windy, with an average wind speed of 3.6 metre per second ("**m/s**") and an extreme maximum wind speed of 34.0 m/s. The frost period lasts from early September to May of the following year, with an average maximum depth of seasonal frozen ground of 2.91 meters ("**m**").

The Project area has relatively gentle terrain, and no geological disasters such as landslides, debris flows, or rockfalls have occurred there in history. According to the "Seismic Ground Motion Parameter Zonation Map of China" (GB 18306–2001), the peak ground acceleration ("**PGA**") in this area is 0.05g. By comparison with the "Seismic Intensity Zonation Map of China" (1990), the seismic intensity of this area is degree VI. There have been no destructive earthquakes in the region's recorded history.

4.4 Physiography

The Rongguan Project area is located on the northeastern margin of the Inner Mongolia Plateau, in the low-mountain and hilly zone on the western slope of the Greater Khingan Range. The landforms

within the area are only weakly dissected, with elevations ranging from 1,105 m above sea level ("**asl**") to 1,269 m asl and a relative relief of 164 m.

The terrain is relatively gentle and consists of an alternation of plateau hills and shallow valley basins. Surface drainage is very poorly developed; apart from short-lived streams during the rainy season and seasonal water bodies in depressions, the area is characterised by dry ground and saucer-shaped depressions during the rest of the year.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The Project area is tectonically situated within the eastern segment of the Central Asian Orogenic Belt ("**CAOB**"), specifically along the Uliastai active continental margin on the southern edge of the Siberian Plate. This region represents a superposed zone of the Paleo-Asian Ocean tectonic domain and the Mesozoic Pacific Rim tectonic domain, forms a critical component of the Erlian-Dong Ujimqin polymetallic metallogenic belt. According to regional stratigraphic classification, the Project area belongs to the Northern Xinjiang–Xing'an mega-stratigraphic region, the Xing'an stratigraphic region, and the Dong Ujimqin–Huma stratigraphic subdivision. Due to extensive Quaternary cover, bedrock outcrops are discontinuous, with Paleozoic and Mesozoic strata occurring as sporadic exposures, while Neogene and Quaternary Cenozoic units are widely distributed. The regional crystalline basement is composed mainly of Paleozoic Ordovician, Silurian, and Devonian clastic rocks and intermediate-basic volcano-sedimentary sequences. This basement is overlain by Carboniferous to Jurassic terrestrial clastic rocks and intermediate volcanic sequences, with a distinct angular unconformity between the two successions. The principal exposed stratigraphic units include the Middle Ordovician Duobaoshan Formation (O_2d), the Upper Carboniferous to Lower Permian Baoligaomiao Formation (C_2-P_1bl_2), the Upper Jurassic Manketouebo (J_3mk) and Baiyingaolao (J_3b) Formations, and Holocene (Qh) sediments (Figure 5-1).

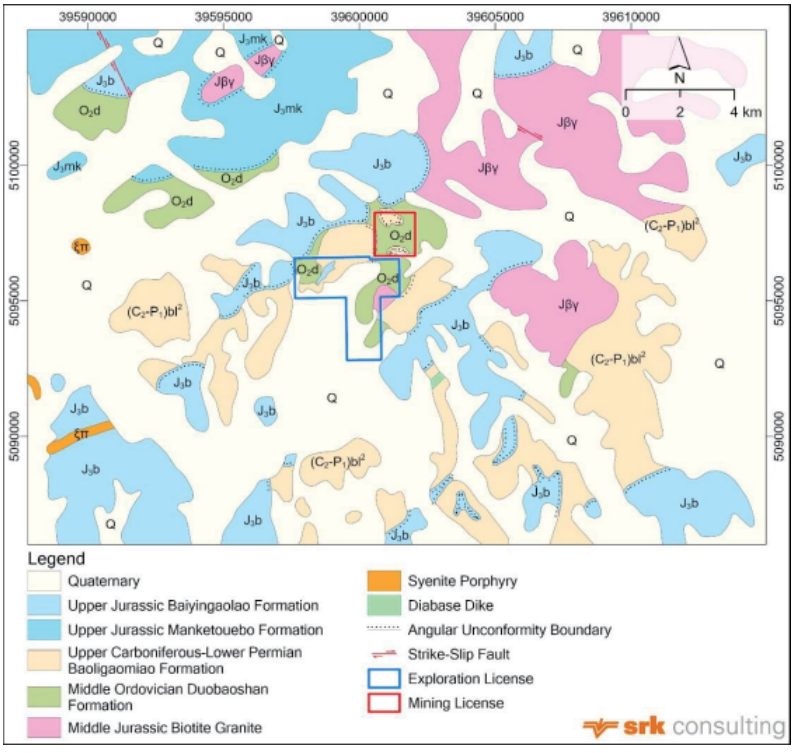
Regional structural deformation is intense, characterized by well-developed folds and faults, with brittle faulting being the dominant structural style. The primary structural fabic trends northeast ("**NE**") to north-northeast ("**NNE**"), followed by secondary northwest ("**NW**") and near east-west ("**EW**") orientations. The Chagan Aobao–Arun Banner deep fault zone forms the principal structural framework of the region, accompanied by secondary-order compressional-shear breccia zones such as Erdentologa and Habatagai. Based on orientation and kinematic characteristics, regional faults are classified into NE, NNE, and NW trending groups, of which the NE faults are the most prominent. Several faults exhibit clear evidence of inheritance and evidence of multi-phase reactivation. Kinematically, the NE and NNE-trending faults are mostly large-scale reverse faults occurring along the axes or limbs of regional folds, consistent with the regional structural trend. NW-trending faults are generally smaller-scale strike-slip faults. Fold in the area formed during multiple orogenic stages, including the Middle-Late Caledonian, Early-Late Variscan, and Early Yanshanian. Among these, Early Variscan folds are the most pervasive, including the Chagan Aobao composite anticline, the Eren-Gobi composite syncline, and the Chaobuleng composite anticline. These structures generally trend NE-NNE and typically appear as tight, linear folds with limb dips generally exceeding 45°. In contrast, Early Yanshanian folds, primarily located in the southeastern sector, are characterised by open geometries with gentle limb dips generally less than 15°.

Magmatic activity in the region is characterised by multiple phases, complex lithological compositions, and large scale, showing intense activity from the Paleozoic through the Mesozoic. The igneous rocks are categorised into intrusive and volcanic types. Intrusive rocks are widely distributed, with lithologies ranging from mafic to felsic, but dominated by intermediate-felsic compositions. Late Variscan intrusions, such as those in the Aqi-ge area, consist mainly of medium-to fine-grained biotite quartz diorite occurring as stocks. Indosinian intrusions are represented by the Chagan Aobao quartz diorite pluton, which intrudes the volcanic-sedimentary sequences of the Baoligaomiao and Duobaoshan formations; skarn zones containing iron-zinc mineralisation are commonly developed

along the contact between this pluton and the Duobaoshan Formation. Early Yanshanian intrusions represent the most significant metallogenic magmatic event in the region and are dominated by biotite monzogranite and granite porphyry. These felsic units have a direct genetic relationship with the formation of regional giant porphyry molybdenum deposits and magmatic-hydrothermal tungsten deposits. Volcanic activity was equally frequent, forming volcanic rock sequences of Early-Middle Ordovician, Carboniferous-Permian, and Late Jurassic age. The Ordovician volcanic rocks comprise a suite of marine basic-to-acidic lavas and pyroclastic rocks, characterised by eruptive cyclicity, sodium enrichment, and overprinting by regional metamorphism.

Dike rocks in the region are well-developed and can be classified into felsic, intermediate, and mafic suites, generally trending NW. Felsic dikes are the most widespread and commonly occur in swarms and including quartz veins, granite dikes, rhyolite porphyry, aplite/ pegmatite, and various monzonitic porphyries. Copper and pyrite mineralisation are locally observed within certain quartz veins. Intermediate dikes (e.g., andesite and diorite porphyrites) and mafic dikes (e.g., diabase and diabase porphyrites) are more sporadically distributed. This multi-phase magmatic and hydrothermal activity provided the necessary ore forming fluids, heat, and metal sources for the regional polymetallic mineralisation.

Figure 5-1: Regional Geological Map of the Rongguan Project



Source: SRK, adapted from Tianxin Exploration Report (2015)

5.2 Local Geology

5.2.1 Stratigraphy

The stratigraphic sequence within the Project area is relatively straightforward, comprising the Middle Ordovician Duobaoshan Formation (O_2d), the Lower Permian Baolige Formation (P_1b), and Quaternary (Qh) cover. Among these, the volcano-sedimentary and metamorphic units of the Duobaoshan Formation are the primary host for the iron-zinc mineralisation.

Middle Ordovician Duobaoshan Formation (O_2d)

The Duobaoshan Formation is predominantly exposed in the central sector of the Project area and constitutes the principal metallogenic horizon. The strata generally strike NE 35°–40° and dip NW at angles of 50°–62°, with a recorded apparent thickness of approximately 498 m. The sequence is characterised by a suite of contact metamorphic rocks—including skarn, marble, and hornfels, resulting from intense metasomatism induced by proximal felsic to intermediate-felsic intrusions.

The primary lithological assemblages include:

- **Skarn Units:** These are subdivided into garnet skarn and epidote skarn. The garnet skarn is typically greyish-yellow-green to dark green and dominated by andradite, which shows a close paragenetic association with magnetite and sphalerite. The epidote skarn, characterised by an epidote content of 85%–90% and a thickness of 80–110 m, acts as the direct host rock for major ore bodies (Nos. 36 through 49).
- **Marble:** Consisting of recrystallised calcitic marble with a thickness of approximately 98 m, this unit often occurs interbedded with or in gradational contact with the skarn. It serves as a critical reactive wall rock for the skarn-type mineralisation.
- **Biotite Hornfels:** Primarily localised along the proximal contact with the intrusions, this 10–25 m thick unit represents the high-temperature thermal metamorphic facies of the contact aureole.

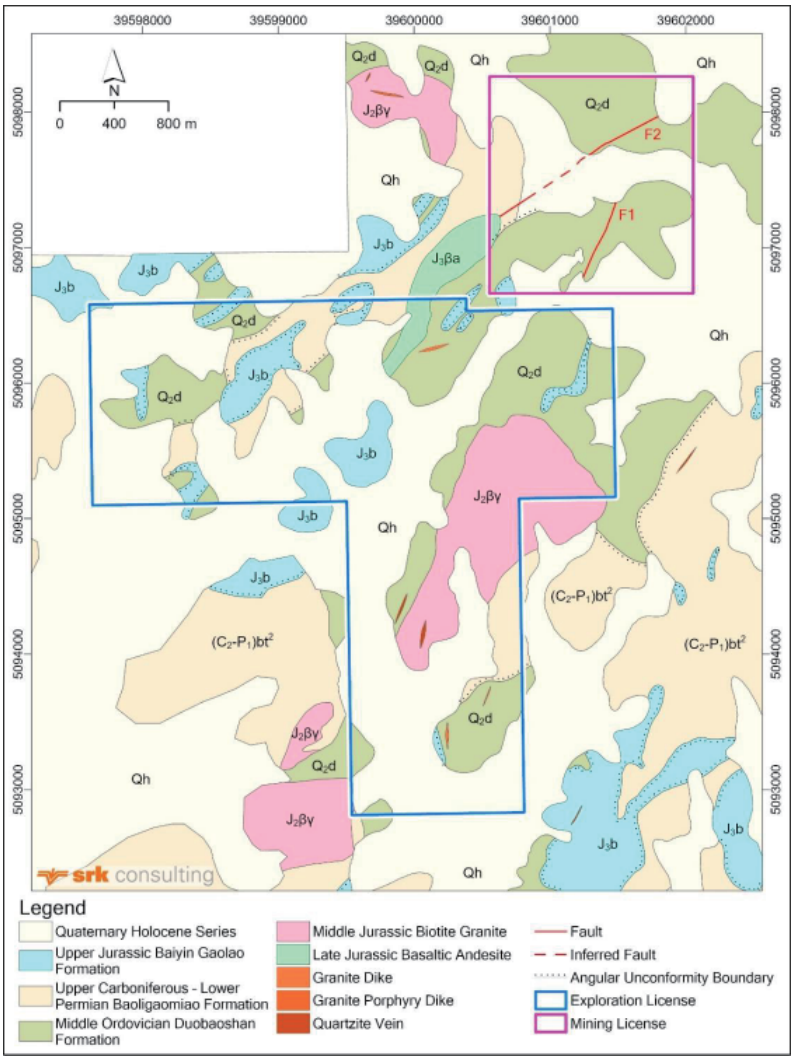
Lower Permian Baolige Formation (P_1b)

the Baolige Formation is mainly exposed in the western and northern parts of the mine area and consists of a volcano-sedimentary sequence dominated by pyroclastic rocks. The assemblage of this sequence includes tuffaceous slate, breccia-bearing lithic tuff, and tuffs of various colours (grey, pink, and pale red). These rocks preserve relict tuffaceous textures and are locally affected by devitrification, sericitisation, and carbonatisation alteration. Although the Baolige Formation is not the primary ore-hostunit, it forms am important cover sequence overlying the Duobaoshan Formation and provides context for the regional volcano-tectonic evolution.

Cenozoic Quaternary (Qh)

Quaternary deposits are extensively distributed across the Project area, infilling valleys and topographic depressions. The sequence consists of residual-eluvial silty sands, gravel layers, and eolian sands, with thicknesses typically ranging from 0.8 to 25 m (locally exceeding 38 m). This overburden blankets the underlying bedrock and mineralised subcrops, necessitating careful consideration during drill program design and Mineral Resource estimation.

Figure 5-2: Geological Map of the Rongguan Deposit



Source: SRK, adapted from Tianxin Exploration Report (2015)

5.2.2 Structural Geology

The structural framework of the Project area is dominated by NE-trending compressional faults, supplemented by minor NW-trending structures. The NE-trending systems served as the primary syn-mineralisation conduits, exerting fundamental control over the localisation and morphology of Fe-Zn ore bodies. Conversely, the NW-trending structures are predominantly post-mineralisation and have negligible impact on the continuity of the mineralised zones.

NE-Trending Faults

The NE-trending structural regime is represented by the F1 and F2 faults, both characterised by compressional kinematics.

- **F1 Fault:** Located in the south-central portion of the mine area, F1 is the preeminent ore-controlling structure. It strikes NE-SW over a strike length of 800 m, with a structural zone width of 20–50 m. The fault plane dips 50°–80° toward 293°–305°. F1 strictly governs the distribution of mineralisation along the exocontact of the granite intrusion, creating distinct lithological zonation between the hanging wall (dominated by garnet skarn hosting ore bodies No. 1, 2, 10, etc.) and the footwall (dominated by epidote skarn hosting ore bodies No. 36–49).
- **F2 Fault:** Situated in the north-central sector, F2 strikes NE over 400 m. While it exhibits similar compressional features to F1, its metallogenic significance is lower, manifesting only as localised zones of weak mineralisation without confirmed industrial-grade ore bodies.

NW-Trending Structures

NW-trending structures are poorly developed, occurring mainly as localised joint and fracture zones. As post-mineralisation features, they do not significantly offset or disrupt the pre-existing mineralised bodies, affecting only the localised permeability and fragmentation of the wall rocks.

5.2.3 Magmatic Rocks

No major igneous intrusions or dike swarms are exposed within the immediate mine boundaries. However, the genetic source for mineralisation is identified as the Jurassic granitic intrusion located approximately 0.5 km northeast of the Project area. This porphyritic biotite granite pluton provided the hydrothermal fluids and thermal energy necessary for mineralisation, with the Fe-Zn bodies localised specifically within the exocontact zone between this intrusion and the Ordovician Duobaoshan Formation.

5.2.4 Metamorphism

Metamorphism within the Project area is characterised by the overprinting of contact thermal metamorphism and contact metasomatism.

- **Contact Thermal Metamorphism:** High-temperature conditions adjacent to the intrusion resulted in the formation of biotite hornfels and marble through the recrystallisation of sedimentary protoliths.
- **Contact Metasomatism:** The interaction between magmatic-derived volatiles and carbonate-bearing host rocks led to extensive skarnification. This process produced the garnet and epidote skarns that are widely exposed across the mine area and serve as the essential hosts for the Fe-Zn polymetallic mineralisation.

5.3 Mineralised Body Geology

5.3.1 Controls on Mineralised Bodies

The distribution of mineralised bodies within the Rongguan Mine area is controlled by a combination of stratigraphic, structural, and magmatic contact factors. The primary ore-hosting horizons are the garnet skarn and epidote skarn units within the lower member of the Ordovician Duobaoshan Formation (O_2d). Structurally, NE-trending compressional faults (notably the F1 fault) and their derived secondary fractures act as the primary conduits for ore-fluid migration and as favorable sites for ore deposition, strictly constraining the strike and attitude of the orebodies. Furthermore, the occurrence of mineralisation is highly dependent on the exocontact zone between the peripheral Jurassic granitic intrusion and the Duobaoshan Formation, where contact metasomatism provided the necessary physicochemical environment for Fe-Zn polymetallic mineral deposition.

The FeZn1 body is a representative associated Fe-Zn mineralised body, delineated and controlled by five exploration lines (Line 0 to Line 7). The depth of the orebody's head varies significantly from surface (0 m) to 337 m. It strikes NE, with a dip direction of 289°–328° and a dip angle of 31°–50°. The structural attitude exhibits a "steep upper part and gentle lower part" geometry, though it remains generally stable overall. The orebody manifests in stratiform-like and lenticular morphologies, hosted within structural fractures of the garnet skarn in the lower member of the Ordovician Duobaoshan Formation. The host rock is a magnetite- and sphalerite-mineralised garnet skarn, and the geological boundary between the orebody and the wall rock is sharp, highlighting the strong structural-fracture control on the mineralisation.

The FeZn3 body represents the primary iron-zinc mineralised unit within the mine area, occurring in a lenticular morphology. It strikes NE, dips between 295° and 313° at an angle of 58°–68°. The true thickness ranges from 3.91 to 35.66 m (averaging 15.35 m), with the top of the body buried at depths of 313 to 395 m. Hosted within structural fractures of the lower Duobaoshan Formation garnet skarn, the body exhibits clear structural control, with the host rock identified as magnetite- and sphalerite-mineralised garnet skarn.

The FeZn4 body is situated in the footwall of FeZn3, striking NE and dipping 297°–309° at an angle of 47°–55°. Also lenticular in form, it has an average true thickness of 16.59 m. Distributed between lines 75 and 85, its hosting environment mirrors that of FeZn3 within the garnet skarn fractures.

The FeZn1-2 body, located southwest of FeZn3, is a smaller-scale blind body with stratiform-like to lenticular morphologies and an average true thickness of 23.55 m, buried at depths of 530 to 590 m.

The FeZn10 body is controlled by seven exploration lines and exhibits stable continuity with an average true thickness of 25.58 m. It occurs as a lenticular body striking NE and dipping NW at 30°–43°. The host rock is garnet skarn, and the body displays sharp boundaries with the wall rock, indicating strong structural fracture control over mineralisation.

The FeZn36–49 cluster is a composite assembly of newly delineated Fe-Zn, Fe, and Zn mineralised bodies. This cluster manifests as an irregular massive-lenticular composite with significant dimensions, featuring thicknesses ranging from 11 to 105 m. The main body is thickest in its central and southern portions, tapering toward the peripheries. Striking NE and dipping NW, this cluster represents the most critical deep-seated resource reserve within the mine area.

The K-2 body, located in the southwestern periphery, is the most significant zinc-dominant mineralised body. It occurs as a lens striking NE with a dip of 41°–69° and an average thickness of 7.09 m. The mineralisation is primarily hosted in epidote skarn and exhibits a stable attitude without significant post-mineralisation faulting. Compared to the central mine area, this body is less affected by structural deformation, showing favourable continuity.

5.3.2 Mineralogical Characteristics

Ore Texture and Structure

The ore textures within of the Rongguan deposit are predominantly xenomorphic to subhedral granular. Magnetite primarily occurs as xenomorphic or subhedral crystals infilling the interstices of euhedral skarn minerals. Replacement textures are well-developed, characterised by sphalerite replacing magnetite, and locally, pyrrhotite replacing magnetite to form skeletal crystals. Due to tectonic stress, cataclastic textures are prevalent, with magnetite fragmented into breccia of various grain sizes. Additionally, interstitial infilling textures are typical, where magnetite occupies the gaps between garnet grains, and sphalerite subsequently infills the interstices within magnetite aggregates.

Ore structures are mainly disseminated, massive, and banded. Metallic sulfides and oxides, including magnetite, sphalerite, and pyrite, occur as both dense and sparse disseminations. Massive structures are expressed as lump-like and medium-to-coarse-grained aggregates of magnetite or sphalerite. Banded structures are defined by the alternating distribution of metallic minerals and garnet skarn. Furthermore, brecciated structures are observed within structural zones, where early-stage ore fragments are cemented by late-stage mineralisation.

Mineral Composition

The mineral composition of the ore is relatively stable, consisting of approximately 40% metallic minerals and 60% gangue minerals. The metallic assemblage is dominated by magnetite and sphalerite, followed by minor amounts of pyrrhotite, pyrite, and chalcopyrite, with trace galena, molybdenite, bismuthinite, and silver-bearing minerals. The gangue is predominantly composed of garnet (andradite), supplemented by epidote, calcite, quartz, and diopside.

Mineral Occurrence and Grain Size

Magnetite is the most significant metallic mineral (82% of total metallics), with grain sizes typically ranging from 0.1 to 0.5 mm, occurring mainly as xenomorphic infills in andradite interstices. Sphalerite accounts for approximately 14% of the metallic content, appearing as xenomorphic crystals or distributed along magnetite margins. Chalcopyrite primarily occurs as disseminations associated with pyrrhotite, partially as emulsions (<0.01 mm) within sphalerite cleavages, or as micro-veinlets. Silver is primarily hosted within bismuthinite and chalcopyrite, exhibiting a uniform distribution.

Chemical Composition and Phase Analysis

Comprehensive chemical and phase analyses confirm that the primary economic elements are total iron ("**TFe**") (avg. 27.89%), magnetic iron ("**mFe**") (avg. 24.08%), and Zn (avg. 3.69%). Iron predominantly occurs in the form of magnetic iron (distribution rate of 86.34%–88.45%). Among associated beneficial components, Silver (Ag at 14.78 g/t) and Indium (In at 11.70 g/t) meet the evaluation criteria for comprehensive utilisation. Indium occurs as roquesite, which is conducive to

recovery. The concentrations of deleterious elements (i.e. arsenic "**As**", and phosphorus "**P**") are low, classifying the ore as a low-impurity type.

Genetic Sequence

The mineralisation process underwent an early iron-formation phase followed by a hydrothermal alteration phase (comprising a skarn stage and a sulfide stage). Driven by the intrusion of Early Yanshanian felsic magmas, hydrothermal fluids interacted with carbonate rocks, sequentially forming skarn minerals, magnetite, and late-stage Zn-polymetallic sulfides.

6 Exploration

6.1 Exploration History

The Chagan Aobao iron-zinc mineralisation is well documented with activity dating back to the 1950s.

1957 – 1960: the Hohhot Regional Survey Team of Inner Mongolia carried out 1:1,000,000-scale regional geological survey work in this area and it provided the first relatively complete set of geological data for the area. The No. 126 Geological Brigade of the Inner Mongolia Geological Bureau ("**Brigade 126**") conducted relatively detailed geological exploration in the Chagan Aobao mining area, successively compiling a 1:10,000 topographic–geological sketch map and a 1:2,000 topographic–geological map, and carrying out some exploration workings

1970 – 1978: the Regional Survey Team of the Inner Mongolia Geological Bureau carried out 1:200,000-scale regional geological surveys of sheets L-50-XVII and XI (Eren Gaobi and Shaergoute sheets) in this area and made a relatively systematic subdivision of the stratigraphic succession, structural framework, and stages of magmatic activity in the region.

From July 2003 to May 2005, Rongguan Mining commissioned the 9th Institute of Geological and Mineral Exploration and Development of Inner Mongolia to carry out detailed exploration of the Chagan Aobao mining area. In May 2005, the "Detailed Exploration Report on the Iron and Zinc Deposit in the Chagan Aobao Mining Area, Dong Ujimqin Banner, Inner Mongolia" was completed.

2004 - 2005, the Institute of Geophysics and Geochemistry of the Chinese Academy of Sciences carried out electrical geophysical surveys over part of the Chagan Aobao iron-zinc mining area, delineating iron mineralisation anomalies and providing a basis for further exploration.

2005 - 2007, the No. 6 Institute of Geological and Mineral Exploration of Shandong Province ("**No. 6 Institute**") carried out prospecting and reconnaissance work in the area. Sparse drilling was conducted to verify geophysical anomalies No. III, IV, and V, yielding good geological results and providing detailed geological data for the present work.

In March 2007, Inner Mongolia Xingye Mining Co., Ltd. ("**Xingye Mining**") commissioned the No. 1 Geological Exploration Institute of the Henan Bureau of Geology and Mineral Exploration and Development ("**No. 1 Geological Exploration Institute**") to carry out detailed exploration in the Mante Aobao area. The work included 1:10,000 geological mapping, 1:2,000 topographic–geological mapping, 1:25,000 hydrogeological mapping, 1:2,000 hydrogeological mapping, 1:10,000 soil geochemical surveying, 1:10,000 intermediate-gradient induced polarization ("**IP**") surveying, trenching and drilling with sampling and analysis.

Through this detailed exploration, a total of 30 mineralisation–alteration zones were discovered in the Mante Aobao polymetallic zinc mining district and its surrounding area. Within the detailed exploration area, 47 mineralised bodies were delineated, and five mineralised bodies were delineated in the periphery, basically determining the occurrence, morphology, distribution, and mineralisation characteristics of the main mineralised bodies.

In 2008, the No. 1 Geological Exploration Institute carried out geological survey and prospecting work in this mining area and in the surrounding area of Mante Aobao. Four drillholes were completed at a depth beneath the main mineralised bodies in this mining area, all of which intersected iron mineralised bodies or zinc mineralised bodies.

In December 2008, Rongguan Mining commissioned Inner Mongolia Tianxin Geological Exploration and Development Co., Ltd. ("**Tianxin**") to carry out a verification of the Mineral Resources and Ore Reserves in accordance with the Chinese Standard in this area and completed the "Verification Report of the Iron and Zinc Mineral Resources and Ore Reserves in the Chagan Aobao Mining Area, Dong Ujimqin Banner, Inner Mongolia".

In May 2010, Rongguan Mining commissioned Chifeng Shengyuan Geological Exploration Co., Ltd. ("**Shengyuan**") to conduct a verification of the Mineral Resources and Ore Reserves in accordance with the Chinese Standard in this area and prepared the "Verification Report of the Iron and Zinc Mineral Resources and Ore Reserves in the Chagan Aobao Mining Area, Dong Ujimqin Banner, Inner Mongolia".

In February 2014, Rongguan Mining commissioned Tianxin to carry out geological reconnaissance work below the 890 m elevation in the Chagan Aobao mining area. In this work, the Mineral Resource and Ore Reserve estimations were carried out for the FeZn1, FeZn1-2, FeZn1-5, FeZn3, and FeZn4 iron-zinc mineralised bodies discovered in the Chagan Aobao mining area (below the 890 m elevation).

On July 11, 2014, Rongguan Mining commissioned Inner Mongolia Taida Geological Mineral Exploration and Development Co., Ltd. ("**Taida**") to carry out production exploration within the mining license area. For Orebody No. 1 and the newly discovered Orebodies No. 1-1 and No. 1-3, a combination of drift workings and underground drilling was used for control, with local densification. Sampling and analysis were conducted, and the orebody boundaries were reasonably delineated in accordance with the relevant standards, the Minera Resource and Ore Reserves were estimated, and the "Production Exploration Report on the Iron-Zinc Deposit in the Chagan Aobao Mining Area, Dong Ujimqin Banner, Inner Mongolia" was compiled.

Table 6-1 summarises the historical exploration work.

Table 6-1: Historical Exploration Work

Project	Unit	Historical Exploration Work		
		Before 2010	2010 Mineral Resource Verification	2024 Production Exploration
Topographic and Geological Survey (1:10,000)	km^2	43.00		
Topographic Survey (1:2,000)	km^2	2.40		
Topographic and Geological Survey (1:2,000)	km^2	2.40	2.40	2.40
Drilling Exploration	m/hole	7,489.08/27		388.47/3
Trenching Exploration	m^3	1,501.21		
Tunnelling Exploration	m	5,206.45	511.50	3,125.00
Assay Samples	Sample	3,814	260	1,576
Internal Check Samples	Sample	390	30	160
External Check Samples	Sample	217	30	80
Specific Gravity Samples	Sample	38	10	10

Source: Rongguan Mining

6.2 Trenching and Tunnelling Exploration

Surface Trenching

A cumulative total of 1,501.21 m^3 of surface trenching was completed. Trenches were oriented perpendicular to the mineralised strike, with standard collar widths of 1.6–2.0 m. Excavation depths were maintained at 0.6 m into fresh bedrock (typically <3 m total depth), ensuring the representativeness of surface sampling and 1:100 scale geological logging

Tunnelling above 890m RL

Underground workings above the 890 m reduced level ("**RL**") totalled over 5,206.45 m. This included:

- **Drifts and Crosscuts:** Standardised at 2.2 × 2.2 m, primarily utilised to delineate the geometry of near-surface bodies.
- **Shafts:** Measuring 3.4 × 3.2 m, with geological logging completed via the four-wall expansion method.

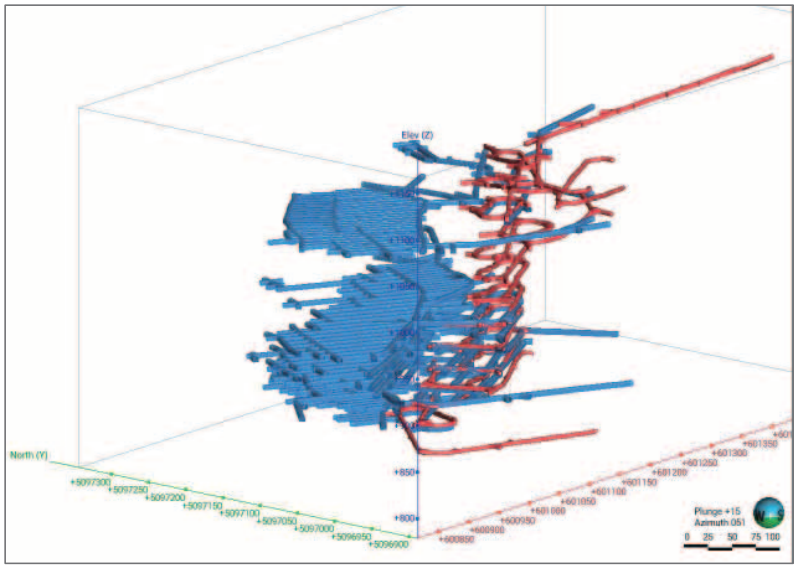
Tunnelling below 890m RL

To support production exploration for large, deep-seated bodies (FeZn1), additional underground works were executed

- **External Drifts:** 912 m completed, with a 2.2 × 2.2 m profile and a 2‰–3‰ gradient.
- **Crosscuts:** 2,303 m completed, with a 2.2 × 2.0 m profile. Rigorous 5 m orientation surveys ensured perpendicular interception, with extensions of 5–10 m into the wall rock.
- **Underground Chambers:** A total of 180 m^3 was excavated, providing operational platforms for the 2014–2015 underground drilling programs.

The development of underground tunnels at the Rongguan Mine is shown in Figure 6-1.

Figure 6-1: Tunnel Development of the Rongguan Mine



Source: SRK

6.3 Drilling Exploration

The Rongguan Mine area and its peripheries have undergone multiple stages of drilling. In 2010, 27 surface boreholes (7,489.08 m) were completed; in 2014, underground drilling (388.47 m) was conducted; in 2015, a deep-seated exploration program below the 890 m RL involved 38 boreholes (24,020.19 m). Subsequent supplementary programs in 2022 and 2025 targeted peripheral and southern polymetallic tenements with 51 combined boreholes (~18,423.72 m). These programs provide the primary geological data for the Mineral Resource estimation.

Diamond core drilling has been the primary technique employed across all campaigns. Since 2015, diamond wireline core recovery technology was fully integrated for deep-seated and supplementary exploration, significantly enhancing operational efficiency and core quality. Borehole designs typically involve collars at 89–108 mm, reducing to a terminal (EOH) diameter of 75 mm. Drilling rigs, such as the Julong JY1000 and modified Y-4 units, were deployed based on the specific requirements of surface or underground exploration.

Topographic surveying and collar positioning have transitioned from the Beijing Geodetic Coordinate System 1954 (BJ54) to the China Geodetic Coordinate System 2000 (CGCS2000). The 2025 campaign utilised RTK-GNSS methods integrated with the NMG-BDCORS system, maintaining horizontal and vertical deviations within 0.05 m. Borehole depth verification was conducted via regular drill-string measurements, with error rates consistently under 1‰.

Downhole deviation surveys were performed using XJL-series and KXP-2 small-bore inclinometers. Measurements were taken at 50 m intervals for inclined boreholes and 100 m for vertical ones, ensuring the spatial accuracy of the mineralised bodies in 3D models.

High core recovery rates have been maintained across all drilling phases. Recovery for mineralised zones and immediate wall rocks typically exceeded 90%, with the 2015 and 2025 campaigns achieving ore zone recoveries of 98.5% to 100%. This high level of recovery ensures sample representativeness, accurately reflecting variations in thickness and grade, and aligning with JORC Code guidelines/ standards for data integrity.

All boreholes were strictly decommissioned upon completion. Mineral-intersecting boreholes were fully sealed with cement grout (Type 325, 425, or P.C 42.5) via the pump-injection method. Non-mineralised boreholes were sealed with heavy mud or cement grout as required. Permanent concrete monuments were established at each collar, inscribed with the Borehole ID, total depth, commencement/ completion dates, and the contractor's name for future reference.

6.4 Sampling, Sample Preparation and Analyses

6.4.1 Sampling

Sampling, sample preparation and analytical work for both the historical and recent exploration campaigns were undertaken in accordance with Chinese industry codes, principally DZ/T0214 (Cu–Pb–Zn–Ag–Ni–Mo exploration), DZ/T0200 (Fe–Mn–Cr), DZ/T0078 (core and channel logging) and DZ/T0130 (laboratory QA).

6.4.2 Sample Preparation and Analyses

Sample types and organisations

Sampling has been based on Underground channel ("cut-channel") samples from exploration and production drifts and cross-cuts and Drill core samples from surface and underground diamond drilling.

Channel and core sampling in the earlier (Fe–Zn) campaign was carried out by geological staff of Inner Mongolia No. 9 Geological Exploration Institute and later by Inner Mongolia Tianxin Geological Exploration Co. Ltd. on behalf of the mine owner. In the more recent 2022 program, trench and drift sampling was undertaken by the Henan Fifth Geological Exploration Institute.

Channel sampling

Underground channels were cut either along drift sidewalls or at the back (roof) across the full mineralised interval. For the Fe–Zn (iron–zinc) mineralisation, standard channel dimensions were nominally 10 cm wide by 5 cm deep in the 2015 campaign and 10 cm wide by 3 cm deep in the 2022 campaign.

Nominal channel length was 1.0 m; individual samples could be up to 1.5 m where necessary but did not cross lithological or grade boundaries.

Sample mass for Fe–Zn channels was typically 2.5–4.0 kg. In the 2022 program, actual masses of 8.76–12.75 kg were recorded against theoretical masses of 7.35–13.0 kg, with deviations less than ±10%.

Geologists marked channel locations and supervised collection. The stated procedure was "no missing, overlapping or cross-bed sampling", and mineralised, altered and wall-rock intervals were sampled continuously where required.

Core sampling

All drilling was diamond core using wireline methods (HQ (63.5 mm)/ PQ (85 mm) equivalents near surface, reducing to ~48–47 mm core diameter at depth). Sampling procedures were essentially identical in both campaigns:

Standard sample length 1.0 m; maximum 1.5–2.0 m, reduced in strongly variable mineralisation or at lithological boundaries.

Mineralised zones, their alteration halos and immediate hanging-wall and footwall (typically 3–5 m) were sampled on a continuous basis.

Core was split along the core axis using a saw. Half-core was submitted for analysis; the remaining half was returned to the core box and stored as a permanent reference sample.

For the Fe–Zn program, core sample mass was 1.5–2.0 kg per metre. In the 2022 program, theoretical single-metre half-core masses were estimated at 2.36–3.52 kg based on core diameter and specific gravity ("**SG**") range (2.72–3.87 t/m³). Actual masses were 2.60–3.48 kg/m, with differences less than ±5%. No evidence of over- or under-sampling of high-grade material is reported.

6.4.3 Specific Gravity Data

Bulk density (specific gravity) data was obtained from small-volume samples collected from mineralised zones and wall-rock:

- In the Fe–Zn program, 15 SG samples were collected from FeZn1 and FeZn1-2 from drifts and core, and a further 20 from FeZn3, FeZn4, FeZn1-2 and FeZn1-5 drillholes during the detailed exploration stage (total 35 new samples, plus 38 from earlier work, giving 73 small SG samples overall).
- In the 2022 program, 30 SG samples were collected from K-2, K-5, K-6, K-7, K-8 and K-11 orebodies from both drifts and deeper drillholes. Drift samples were nominally 5 × 5 × 5 cm; core samples were ~10 cm in length.

All SG samples were selected to be mineralogically homogeneous over the sample volume, immediately wax-sealed and promptly dispatched for laboratory determination, which was carried out by the Inner Mongolia Mineral Experimental Research Institute and other accredited laboratories , For the 2022 program, SG samples were assayed at the same time as the associated basic samples, allowing density to be related to grade.

Use in the Mineral Resource estimation and representativeness

SG sampling covered the total of 70–80 determinations, distributed across the main orebodies, ore types and grade ranges, is considered adequate to support assignment of representative bulk density values to the principal mineralisation domains for current Mineral Resource estimation. The sample population is moderate rather than large; further density work targeted at under-represented zones

(e.g. strongly oxidised or highly silicified material, if present) would enhance confidence but is not expected to materially change global tonnage estimates.

6.5 Quality Assurance and Quality Control Programs

The QA/QC regime documented for the project is based primarily on:

- Compliance of sampling and laboratory procedures with Chinese national standards (DZ/T0130, DZ/T0214, DZ/T0200, DZ/T0078);
- Routine internal (laboratory) check assays on pulp duplicates derived from secondary splits; and
- Umpire analyses at an independent, nationally accredited laboratory.

Internal Checks

Analytical work for TFe and Zn has been carried out over several campaigns by accredited regional laboratories. Samples from exploration before 2010 were mainly submitted to Testing Centre of Inner Mongolia No. 9 Geological and Mineral Exploration & Development Institute, totalling 3,814 samples, analytes TFe and Zn. In the 2010 verification program, a total of 260 samples were submitted to the same laboratory as above. In the 2014 production exploration, a total of 1,576 samples were sent to the Qinhuangdao Laboratory, Hebei Provincial Bureau of Geology and Mineral Resources for analysis TFe and Zn.

SRK was not provided with the internal check data from the laboratory report, the above internal QC result is supported by the SRK independent sampling results discussed in Section 5.6 below.

External Checks

External check assays were conducted by Chifeng Geological and Mineral Exploration & Development Institute for historical and 2010 verification samples. for 2014 production exploration, Shenyang Mineral Resources Supervision and Testing Centre, Ministry of Land and Resources was adopted as the external check laboratory. The involvement of established regional and national laboratories and formal inter-laboratory checks is consistent with accepted QA/QC practice.

SRK was not provided with the external check data from the laboratory report, the above internal QC result is supported by the SRK independent sampling results discussed in Section 5.6 below.

No explicit documentation of systematic insertion of field blanks, certified reference materials ("**CRM**"s) or field duplicate samples into the sample stream has been identified in the available reports. SRK understands that the Chinese accredited laboratories apply CRMs, duplicates and blanks in their own sample streams to control the analysis quality, although that information was not provided.

Overall, internal and external check programs demonstrate high levels of analytical precision and accuracy for the main economic elements (TFe, mFe, Zn), with pass rates well above the 90% threshold specified in DZ/T0130.13-2006.

6.6 SRK Data Verification

SRK geologists Mr. Feng Li and Mr. Zhuanjian Liu have visited the Rongguan Project from March 16th to 17th, core shed and borehole seals were visited and sighted.

Figure 6-2: Core at the core shed



Source: SRK Site Visit

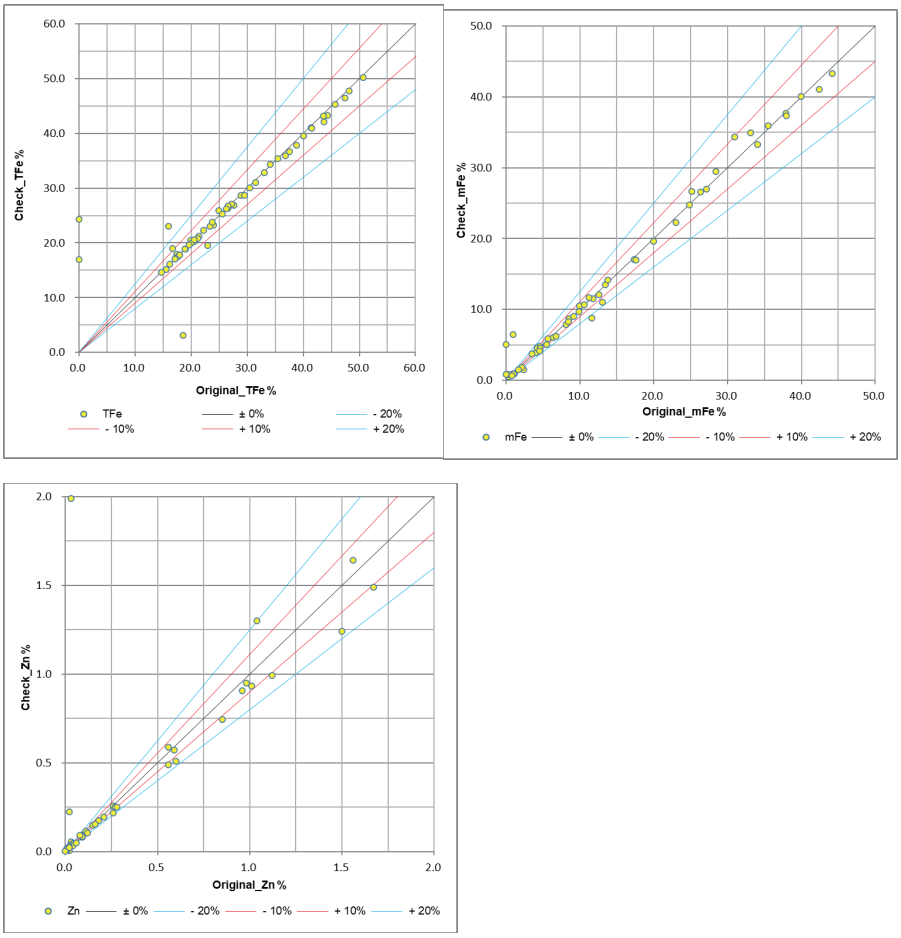
Figure 6-3: Borehole Seal



Source: SRK Site Visit

Random sampling has been undertaken from historical pulp duplicates, a total of 56 samples were sent to the SGS laboratory located in Tianjin, China. Analysis elements include TFe, mFe and Zn, the comparison results are plotted below. Most of data sets are within 20% deviation, showing good repeatability of original analysis results.

Figure 6-4: Independent Checks



Source: SRK

6.6.1 SRK Comments

The sampling procedures (systematic 1 m channels and half-core, strict adherence to geological boundaries, and mass control within ±5 – ±10%) and the described preparation and analytical methods are consistent with industry practice and appropriate for Mineral Resource estimation. The use of independent, accredited laboratories and formal internal/ external QA checks supports the reliability of the analytical data. The main shortcoming is the lack of a fully documented chain-of-custody system, CRMs, blanks records; while there is no evidence of bias or tampering, future work should formalise and document sample security procedures to JORC Code best practice.

7 Mineral Resource Estimates

7.1 Introduction

The Mineral Resource Statement presented herein represents Mineral Resource estimation prepared for the Rongguan Project in accordance with the JORC Code.

The effective date of the Mineral Resource statement is 31 December 2025.

This section describes the Mineral Resource estimation methodology and summarises the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global iron–zinc Mineral Resources found in the Rongguan Project at the current level of sampling. The Mineral Resources are reported in accordance with JORC Code. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve.

The database used to estimate the Rongguan Project Mineral Resources was modelling by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for iron–zinc skarn mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

The database was provided by the Client and was reviewed by SRK and also constructed and completed the geological model in GEOVIA Surpac ("**Surpac**") and Leapfrog 2024.1 ("**Leapfrog**") software using conventional 3D block modelling and Ordinary Kriging ("**OK**") and Inverse Distance Squared ("**ID^2**") estimation techniques.

The Mineral Resource estimation procedure, comprising database compilation, construction of mineralised domains, geostatistical analysis, grade interpolation, and classification of Mineral Resources, was completed by SRK in 2026, with an effective date 31 December 2025.

The Rongguan Project is considered amenable to underground mining, the Mineral Resources are reported on a global basis above an appropriate underground cut-off grade. All supporting datasets, including the drilling database, mineralised wireframes, composites and the block model grade interpolation, were validated and completed by SRK.

7.2 Resource Estimation Procedures

The Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Construction of wireframe models for the boundaries of the iron-zinc mineralisation;
- Definition of Mineral Resource domains;
- Data conditioning (compositing and capping) for geostatistical analysis and Variography;
- Block modelling and grade interpolation;
- Mineral Resource classification and validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("**RPEEE**") and selection of appropriate cut-off grades; and

- Preparation of the Mineral Resource Statement.

7.3 Resource Database

SRK reviewed the database provided by the Client in Excel format and conducted validation. For the Mineral Resource estimation of the Rongguan Mine, the database for Rongguan consists of 269 drillholes with 8,747 assay intervals. All database coordinates and 3D wireframes are in the CGCS2000 grid system.

All drill hole's location is shown in Figure 7-1 and the summary of the database is presented in Table 7-1.

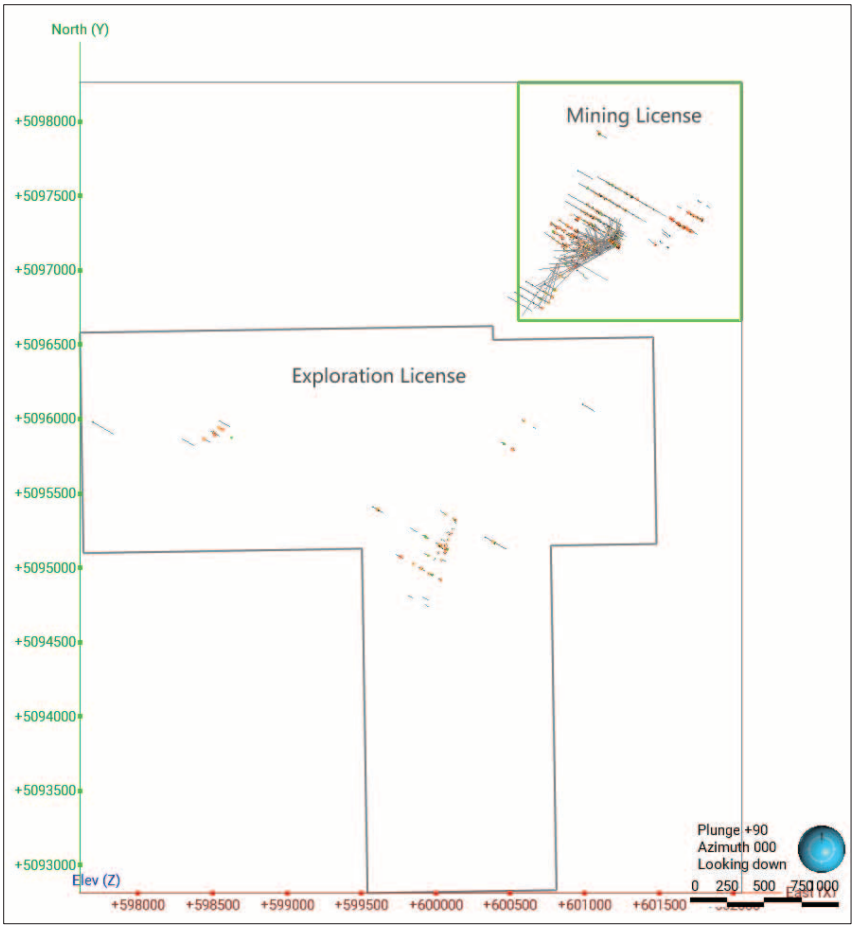
Table 7-1: Summary of the Rongguan Mine Database

License Area	Hole_Type	Number of Holes	Total Length of Drilling (m)	Total Length of Samples in Drilling (m)	Number of samples
Mining License	DBZ	90	37,797.91	4,434.73	4,087
	KNZ	75	17,261.44	3,190.2	2,454
	CM	39	2,153.1	1,741.6	980
	Total	**204**	**57,212**	**9,367**	**7,521**
Exploration License	DBZ	32	10,571.82	1,440.54	1,179
	CM	13	317.95	45.76	47
	Total	**65**	**10,889.77**	**1,394.78**	**1,226**

Source: summarised by SRK based on the database provided by client

Note: Hole_Type codes are defined as follows: DBZ – surface diamond drillholes; KNZ – underground diamond drillholes in tunnels; CM – channel samples collected cross ore drives.

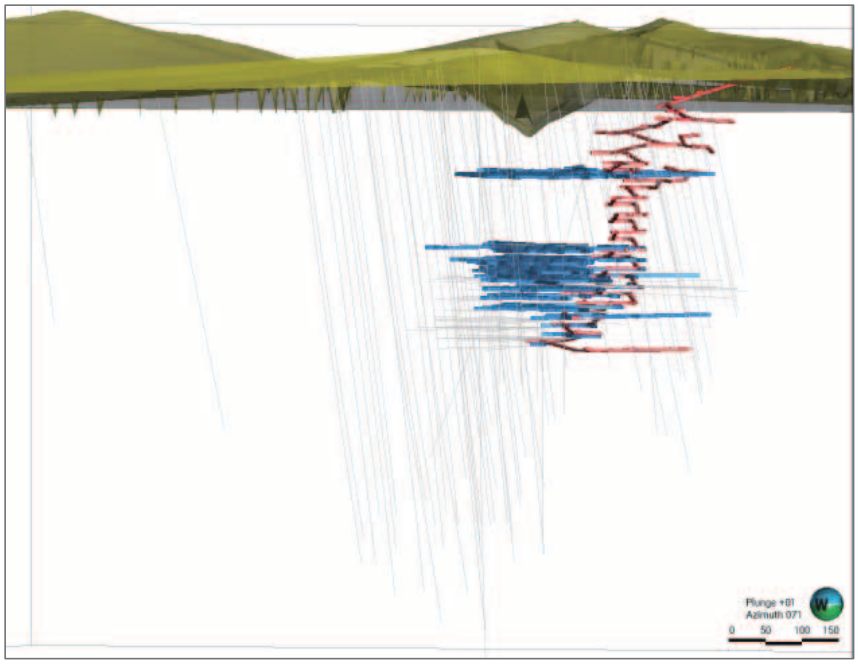
Figure 7-1: Drilling Hole Location of the Database Rongguan Mine



Source: SRK

The topographic surfaces and underground development wireframes (see Figure 7-2), were loaded into Leapfrog for check and audit to ensure that mined areas were appropriately accounted for in the Mineral Resource estimate.

Figure 7-2: Topography Survey and UG Development of the Rongguan Mine



Source: SRK

7.4 Solid Body Modelling

The objective of the solid body modelling was to delineate three-dimensional mineralised bodies that satisfy the specified cut-off grades and minimum mining criteria, to provide a spatial framework for Mineral Resource estimation and subsequent mine design. The modelling was based on comprehensive use of exploration drillhole and underground development (drive and cross-cut) logs, assay data, geological cross-sections and plans, and the current understanding of deposit genesis and ore controls.

Within the Rongguan Mining Licence, the deposit is classified as a contact-metasomatic to skarn-type Fe-Zn deposit. Mineralisation is predominantly hosted in skarn and altered rocks developed along and adjacent to the contact zone between granite and country rocks and is strongly controlled by structural contact/ alteration zones. In the 3D modelling, the structural contact zones and skarn boundaries were used as key geological constraints, in combination with drilling and underground control, to define the geometry and extent of the mineralised solids.

The grade shell (wireframe) cut-off criteria applied were:

- TFe ≥ 15% or Zn ≥ 1%.

Intervals meeting either of the above cut-off criteria and/ or satisfying the minimum mining thickness and minimum economic (operational) cut-off requirements, were included in the mineralised solids. Intervals below the cut-off that are not continuous and cannot be traced as stable, persistent

mineralised zones were treated as internal waste and excluded from the ore wireframes. Within the mining licence area, the FeZn1 and FeZn3 orebodies are the principal mineralised bodies. The spatial locations of each orebody are shown in Figure 7-3.

FeZn1 is an Fe-Zn co-mineralised orebody occurring in semi-tabular and lenticular forms, with relatively large thickness and locally complex geometry. It dips to the northwest at about 31–46°. The orebody is mainly defined by underground development. Level plans and sections, together with assay data, were used to interpret mineralisation at the cut-off grade and delineate the ore envelope. Correlation along strike was carried out on a series of sections; local pinch-outs and splits were treated by limited interpolation or by terminating the wireframe where not supported by geological or engineering evidence.

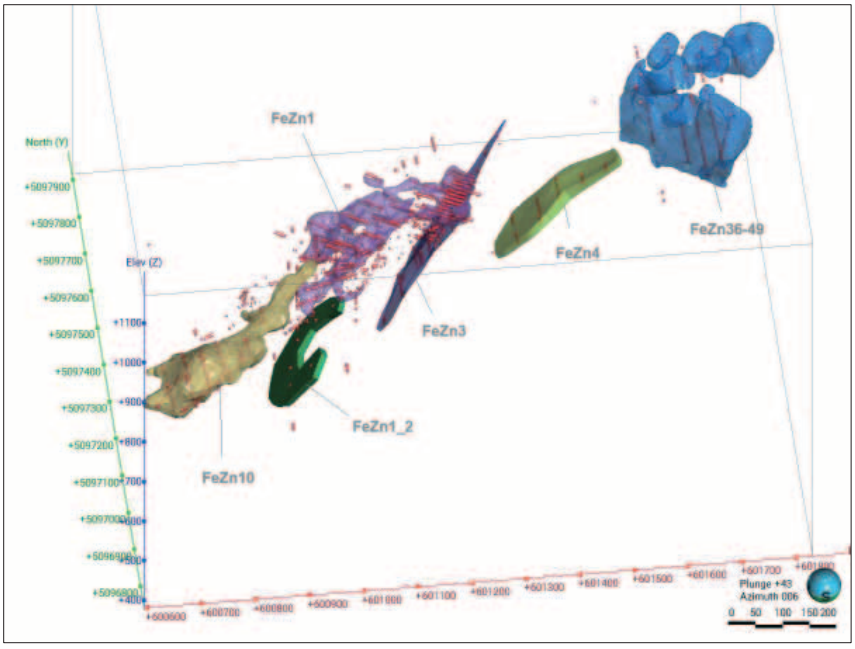
FeZn3 is a concealed Fe-Zn orebody defined by drillholes on five exploration lines spaced approximately 50–100 m apart. It strikes northeast and dips at about 58–68° towards 295–313°, with a lenticular geometry. For modelling, longitudinal sections were oriented along the exploration lines. On each section, drillhole intercepts and grade profiles were used to interpret mineralised outlines at the cut-off grade, thereby defining the 3D shape and extent of the orebody.

FeZn4 is a concealed orebody in the footwall of FeZn3, between lines 75 and 85. The top of the orebody lies at a depth of approximately 380–425 m below surface. It forms a lens hosted in garnet skarn along structural fractures in the Lower Member of the Ordovician Duobaoshan Formation. The orebody strikes northeast, dips at about 47–55° and comprises mainly magnetite- and sphalerite-bearing garnet skarn, with sharp contacts against garnet skarn wall rock. Deep drilling defines a strike length of roughly 150 m and an apparent downdip extent of about 235 m. Thickness is generally stable, iron grades are relatively uniform, and local removable internal waste is present. Mineral Resources were estimated between 773 mRL and 594 mRL.

FeZn1-2 is a concealed Fe-Zn orebody in the footwall of FeZn1, between lines 3 and 4. The orebody top is at a depth approximately 530–590 m below surface. It occurs as semi-tabular to lenticular mineralisation hosted in garnet skarn along fractures in the Lower Member of the Duobaoshan Formation. It strikes northeast and dips at about 41–59°. The ore is magnetite- and sphalerite-mineralised garnet skarn with garnet skarn wall rock and clear ore–waste contacts. Seven mineralised drillholes define a strike length of about 175 m and an apparent downdip extent of about 138 m. True thickness is relatively large and consistent; iron grades are fairly uniform, while zinc grades are more variable but generally economic, with local removable internal waste.

FeZn10 is a newly identified concealed Fe-Zn orebody located between exploration lines 15 and 20. It is controlled by 17 drillholes (13 mineralised) on lines spaced 50–100 m apart. The orebody top is at about 313–395 m below surface. It strikes northeast, dips at about 30–43° and has a lenticular form. Mineralisation is hosted in garnet skarn along fractures in the Lower Member of the Duobaoshan Formation and consists of magnetite- and sphalerite-mineralised garnet skarn with garnet skarn wall rock and well-defined contacts. The average true thickness is relatively large and stable, iron grades are moderate, and drilling has consistently intersected mineralisation. FeZn10 is considered to make a positive contribution to the Mineral Resource inventory of the deposit.

Figure 7-3: Distribution of Fe-Zn Mineralised Domains within the Rongguan Mining Licence



Source: SRK

The deposit within the Rongguan Exploration License is hosted in skarn bodies and altered volcanic breccias formed by Middle Jurassic granitic magma intruding along structural fractures into the Duobaoshan Formation, followed by metamorphism. Mineralisation is generally controlled by structural contact (alteration) zones, and the deposit is classified as a contact hydrothermal replacement–skarn type Zn polymetallic deposit.

The main economic elements in the area are Ag, Pb and Zn. Analytical results indicate that Pb, Zn and Ag occur together in a single polymetallic ore type, with the different metals varying irregularly in space and not amenable to separate mining or processing. Accordingly, a "combined domain" approach was adopted for modelling, with comprehensive utilisation as the objective: once any one useful component meets the boundary cut-off grade, and the average grade of the individual exploration interval meets the minimum industrial cut-off and the minimum mining thickness requirement, that interval is included in a single unified mineralised solid.

The boundary cut-off grades applied were:

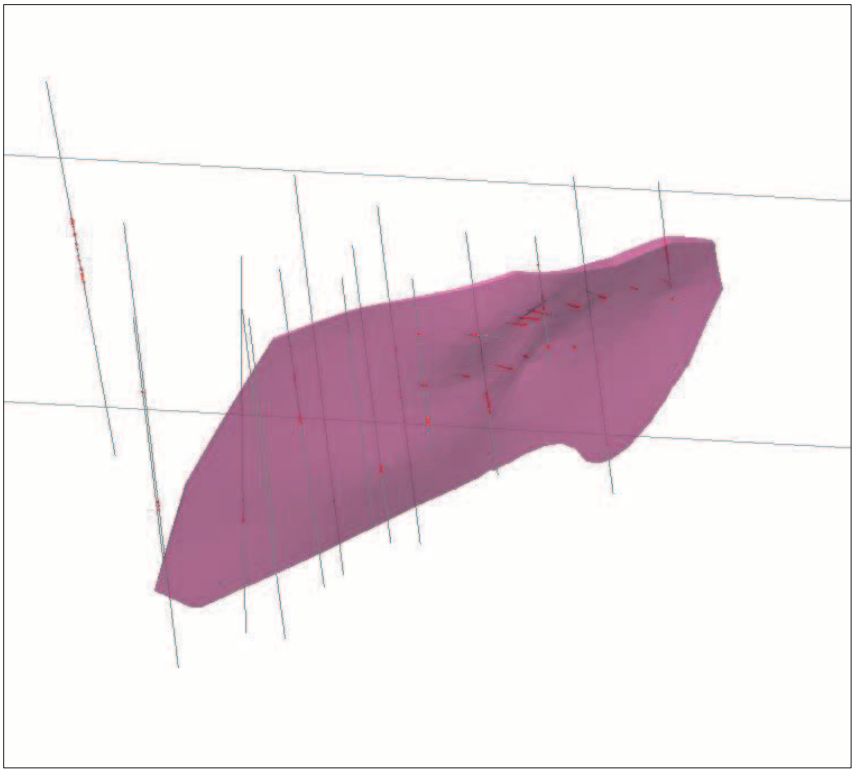
- Pb ≥ 0.5% or Zn ≥ 0.7% or Ag ≥ 40 g/t。

All intervals satisfying any of the above cut-off criteria and meeting the industrial parameters were included in a single Pb-Zn-Ag mineralised solid. Intervals below all cut-off thresholds and not meeting the industrial criteria were treated as waste or internal dilution.

The orebody boundaries were constrained by the skarn body limits and the spatial extent of the structural–alteration zones. Mineralised outlines interpreted on successive sections were linked in

three dimensions to construct the K-2 orebody solid model. The resulting model was checked against drillhole and underground intersections for spatial consistency, and local unreasonable pinch-outs or abrupt changes were adjusted as necessary to ensure that the model is consistent with the geological characteristics of the orebody and its controlling structures, see Figure 7-4.

Figure 7-4: K-2 Polymetallic Mineralisation Domain within the Rongguan Exploration Licence



Source: SRK

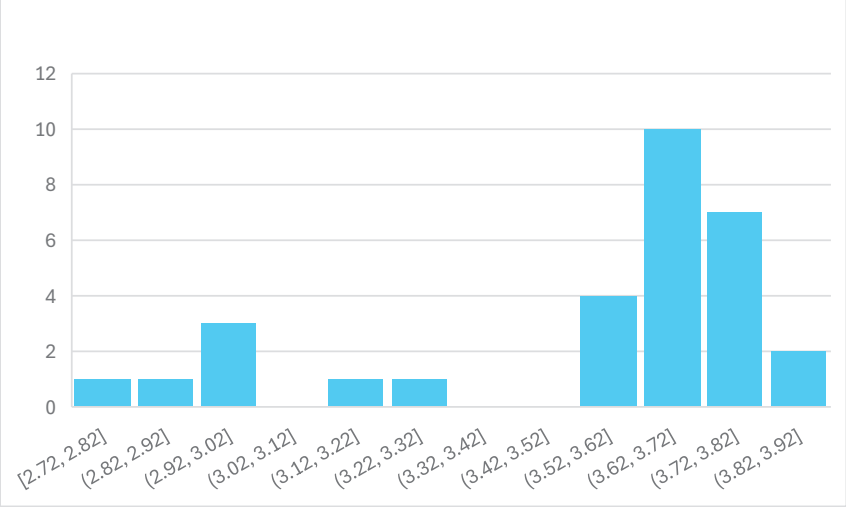
7.5 Bulk Gravity

During the reconnaissance stage, a total of 15 bulk density samples were collected from mineralised intervals in underground workings and drillholes within the FeZn1 and FeZn1-2 orebodies. The corresponding grade ranges were: TFe 15.85–36.38%, mFe 12.35–32.25% and Zn 1.38–10.31%.

During the detailed exploration stage, 20 bulk density samples were collected from drillhole intersections within the FeZn3, FeZn4, FeZn1-2 and FeZn1-5 orebodies. The grade ranges for these samples were: TFe 22.95–38.10%, mFe 19.33–33.90% and Zn 0.85–7.31%. Immediately after collection, samples were sealed with wax to minimise the impact of pores and fractures on the measured volume and were then sent to the laboratory for bulk density determination.

Test results indicate that the average bulk density of the Fe-Zn mineralisation is 3.87 t/m³. The distribution of the small-volume bulk density measurements is shown in Figure 7-5. The exploration-stage results are consistent with those obtained during the reconnaissance stage. An average bulk density of 3.87 t/m³ has been adopted as the representative bulk density parameter for the Fe-Zn orebodies in the Mineral Resource estimation.

Figure 7-5: Bulk Density Frequency Distribution Histogram for Iron-Zinc Deposit

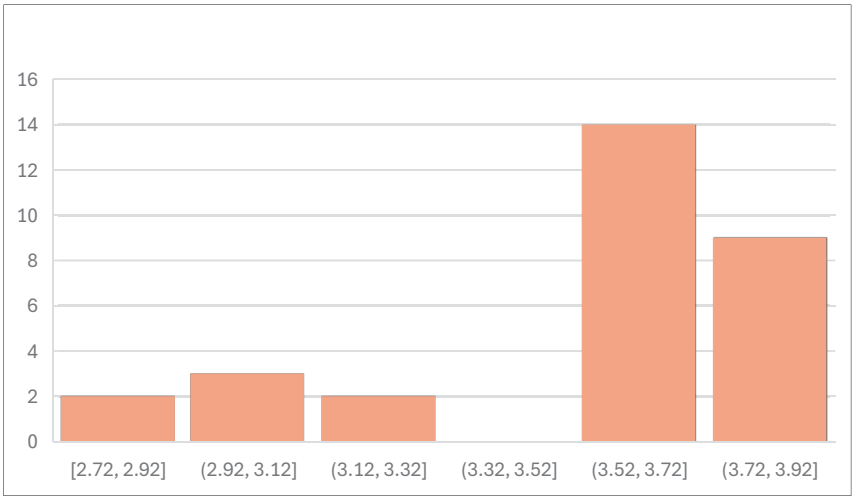


Source: SRK

During exploration within the peripheral exploration licence area, a total of 30 small-volume bulk density samples of primary ore were collected. The Zn grades of these samples range from 1.03% to 6.37% and are considered reasonably representative. The measured bulk densities range from 2.72 to 3.87 t/m³. A histogram was prepared using 0.20 t/m³ class intervals (see Figure 7-5), which shows that the data is mainly concentrated in the 3.60–3.80 t/m³ interval, accounting for more than 63% of all samples. The distribution is relatively tight, with limited variability and no obvious outliers.

Based on the arithmetic mean of all samples, a small-volume bulk density of 3.53 t/m³ has been adopted as the representative density parameter for primary ore in the Mineral Resource estimation (see Figure 7-6).

Figure 7-6: Bulk Density Frequency Distribution Histogram for Zinc Polymetallic Deposit



Source: SRK

7.6 Compositing

Sample intervals for the individual deposit are variable due to different drilling techniques. Before performing statistical analysis, samples need to composite to equal lengths to ensure consistency in sample weighting.

Most diamond core and tunnel cutting were sampled at 1.0 m intervals, while shorter intervals of less than 1.0 m were generally derived from diamond core.

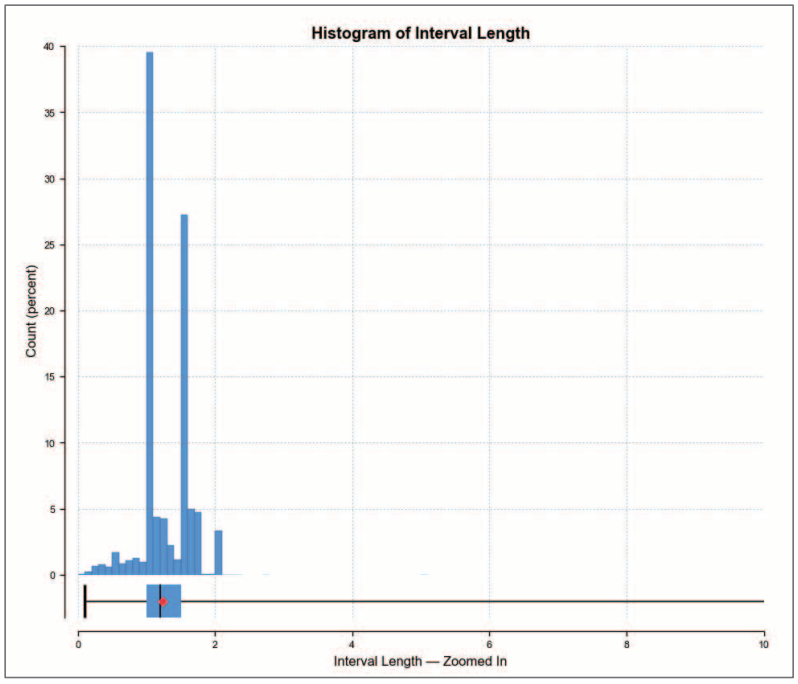
The statistical analysis of sample lengths in the mineralisation domains indicates that the majority of samples have a length of 1 m, as shown in Table 7-2 and Figure 7-7. A 1.0 m downhole composite was applied across all mineralised domains to reduce the variability inherent in raw sample intervals.

Table 7-2: Statistics of Sample Length

Mine	Samples	Minimum value	Maximum value	Mean	Median	Standard deviation
Rongguan	8,747	0.1	2.7	1.26	1.27	0.37

Source: SRK

Figure 7-7: Histogram of Sample Lengths



Source: SRK

SRK performed statistical analysis on the composites based on different mineralisation domains separately, and the comparison results between raw samples and composites of Fe and Zn in the principal iron-zinc domains and Ag, Pb and Zn in polymetallic mineralisation domain are shown in Table 7-3 and Table 7-4.

Table 7-3: Raw Sample and Composite Sample Statistics Within FeZn1 and FeZn3 Domian

Domian	Item	Raw Samples		Composites	
		Fe	Zn	Fe	Zn
FeZn1	Number of samples	2,075	2,075	3,279	3,279
	Minimum value	0	0	0	0
	Maximum value	59.51	51.67	56.96	51.67
	Mean	21.99	1.69	21.62	1.66
	Variance	113.21	13.41	107.49	11.60
	Standard Deviation	10.64	3.66	10.37	3.41
	Coefficient of variation	0.48	2.17	0.48	2.06
FeZn3	Number of samples	605	605	768	768
	Minimum value	0.00	0.00	0.00	0
	Maximum value	69.65	18.01	69.65	18.01
	Mean	21.79	2.61	22.00	2.64

Domian	Item	Raw Samples		Composites	
		Fe	Zn	Fe	Zn
	Variance	129.96	7.60	118.76	6.85
	Standard Deviation	11.40	2.75	10.89	2.62
	Coefficient of variation	0.52	1.06	0.49	0.99

Source: SRK

Table 7-4: Raw Sample and Composite Sample Statistics Within K2 Domian

Domian	Item	Raw Samples			Composites		
		Ag	Pb	Zn	Ag	Pb	Zn
K2	Number of samples	187	196	196	198	207	207
	Minimum value	0.6	0	0.02	0.75	0	0.02
	Maximum value	55.6	1.65	14.02	48.78	1.33	11.69
	Mean	10.98	0.25	2.63	10.96	0.25	2.62
	Variance	93.15	0.07	7.00	71.61	0.05	4.87
	Standard Deviation	9.65	0.27	2.64	8.46	0.23	2.21
	Coefficient of variation	0.88	1.05	1.00	0.77	0.91	0.84

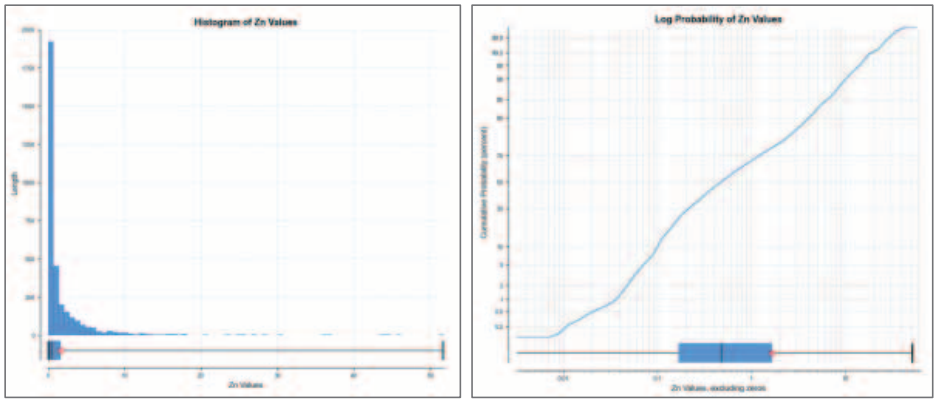
Source: SRK

7.7 Evaluation of Outliers

The statistics for each domain were viewed and key univariate statistical indicators used to describe the nature of each. Each of the population of the composite data from the Rongguan Mine mineralised domains was positively skewed and showed number of high-grade outliers, which is typical of iron-zinc deposits.

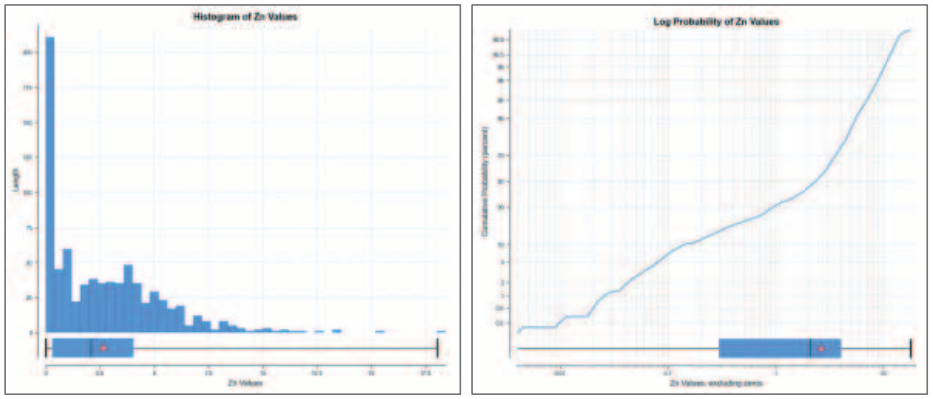
For iron, the grade distributions within the mineralised domains are approximately normal and relatively continuous, with maximum grades generally less than about three times the mean. On this basis, no high-grade capping was considered necessary for Fe. In contrast, Zn shows more pronounced positive skewness and distinct high-grade outliers, and high-grade capping was therefore applied to Zn. The histograms and probability plots for Zn in the principal domains are presented in Figure 7-8 and Figure 7-9, and the summary of the applied capping values is listed in Table 7-5.

Figure 7-8: Histograms and Probability Plot of Zn in FeZn1 Domian



Source: SRK

Figure 7-9: Histograms and Probability Plot of Zn in FeZn3 Domain



Source: SRK

Table 7-5: Zn Capping Statistics

Domain	Assay Cap Zn (%)	Number of Replaced Samples	Capped Ratio (%)	Zn Mean (%)	
				Before Capping	After Capping
FeZn1	18	18	0.55	1.66	1.58
FeZn3	15	2	0.26	2.63	2.63
FeZn4	12	2	1.0	2.39	2.37
FeZn10	10	3	0.29	0.28	0.26
FeZn36-49	20	3	0.28	1.65	1.64

Source: SRK

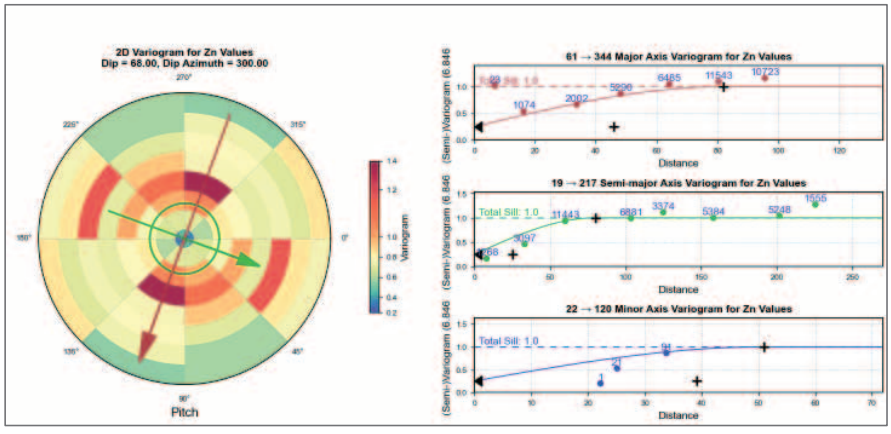
7.8 Statistical Analysis and Variography

The variography program for the iron–zinc domains were designed to characterise the spatial continuity of grades and to derive interpolation parameters used for the Mineral Resource estimation. In principle, experimental variograms would be calculated from 1 m length-weighted composites, after applying domain-specific top cuts, with priority given to the larger and better-informed mineralised domains.

However, for the majority of the iron-zinc orebodies, the current scale of mineralised volumes and the limited level of exploration control mean that there are insufficient data to support the construction of robust experimental variograms. In these domains, the available composites are too few and/ or too sparsely distributed to yield stable structures, and variogram modelling was therefore not considered statistically reliable.

For the better-constrained FeZn3 domain SRK was able to construct experimental variograms for the main estimated variables (Zn) using 1 m composites within the FeZn3 domain. Spatial continuity was analysed in three orthogonal directions, with downhole variograms used primarily to quantify the nugget effect, and directional variograms used to define the principal and secondary continuity axes. Variogram models were then fitted to the Zn experimental structures in FeZn3 and adopted as the basis for defining search neighbourhoods and interpolation parameters for that orebody in the subsequent grade estimation. The principal variogram models for Zn are illustrated in Figure 7-10. The resulting exponential variogram model for FeZn3 domain is summarised in Table 7-6.

Figure 7-10: Zn Variogram Models for FeZn3 Domain



Source: SRK

Table 7-6: Variogram Modelling Structures for FeZn3 Domain

Domain	Domain	No Structures	Dip	Dip Az	Pitch	Major/ Semi	Major/ Minor	Nugget	Sill	Range
FeZn3	Zn	2	68	300	110	1.57	1.83	0.25	0.75	110
	Fe	2	68	300	110	1.57	1.83	0.25	0.75	110

Source: SRK

7.9 Block Model and Grade Estimation

The block model sizes of the Rongguan Mine chosen by SRK to compromise between sample spacing and orientation of mineralisation were with dimensions of 10 m × 10 m × 5 m (Easting × Northing × Elevation), with sub celling to 2.5 mE × 2.5 mN × 1 mZ, see Table 7-7.

Table 7-7: Block Model Parameters for Rongguan Mine

Area	Coordinate	Min	Max	Block Size	Sub Block Size	Rotation
Mining License	Easting (X)	600465	601995	10	2	0
	Northing (Y)	5096630	5097700	10	2	0
	RL (Z)	246	1241	5	1	0
Exploration License	Easting (X)	599655	600315	10	2	0
	Northing (Y)	5094722	5095492	10	2	0
	RL (Z)	665	1235	5	1	0

Source: SRK

Grades for Fe and Zn were interpolated into the block model using two estimation methods, depending on data support and variography.

For the main FeZn3 domain, Fe and Zn grades were estimated using OK as the primary interpolation method. The estimation was based on 1 m length-weighted, top-cut composites coded by mineralised domain. Variogram models derived for FeZn3 were used to define the ranges, anisotropy ratios and search ellipses, which were aligned with the principal mineralised trend and oriented to reflect the directions of maximum and secondary continuity within the plane of mineralisation. A multi-pass search strategy was applied, with successive passes reducing the minimum number of required composites and expanding the search distances to allow estimation in lower data-density areas, while maintaining reasonable control on estimation quality and supporting subsequent resource classification.

For other domains, data density and spatial distribution were insufficient to support robust variogram modelling. In these domains, Fe and Zn grades were therefore estimated using inverse distance squared ("**ID^2**") interpolation, again based on 1 m length-weighted, top-cut composites coded by domain. Search ellipses were defined from the interpreted orebody geometries and geological continuity (strike, dip and down-dip directions), and a similar staged search strategy was adopted to ensure that closer samples were preferentially used in well-drilled areas while still permitting estimation in more sparsely drilled parts of the model.

Search parameters applied to the grade estimation in each domain are summarised in Table 7-8 and Table 7-9.

Table 7-8: Search Parameters for Iron-Zinc Domains

Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
FeZn1	1	60	6	20	3	62	325	177

Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
	2	120	4	16	3			
FeZn3	1	60	8	16	4	68	300	110
	2	120	4	20	4			
FeZn4	1	60	8	16	4	45	300	165
	2	120	4	20	4			
FeZn1-2	1	60	8	20	4	58	283	7
	2	120	6	16	4			
FeZn10	1	60	8	20	4	42	320	115
	2	100	4	16	4			
FeZn36-49	1	60	8	20	4	62	310	178
	2	120	6	16	4			

Source: SRK

Table 7-9: Search Parameters for Ag-Pb-Zn Polymetallic Mineralisation

Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
K2 (Ag-Pb-Zn)	1	60	8	20	4	56	300	178
	2	120	6	16	4			
	3	240	2	16	4			

Source: SRK

7.10 Model Validation

SRK undertook block model validation to confirm the reasonableness of the estimation parameters and estimation results. SRK adopted the following methods for the validation:

- Visual validation of block grades against drill hole grades; and
- Swath analysis.

SRK conducted visual validation of the longitudinal views and cross-section view of the drill holes and block model grades, which demonstrated good correlation between local block estimations and nearby samples, without excessive smoothing in the block model.

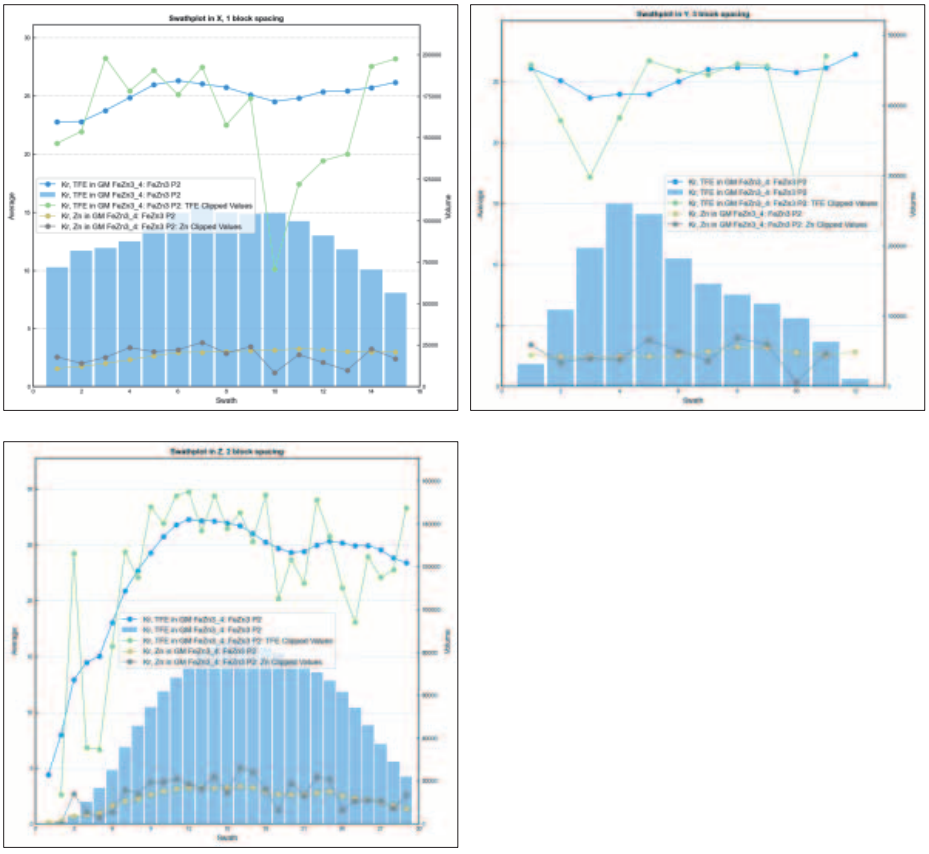
Given the large number of small mineralisation domains at Rongguan Mine, SRK selected the main orebodies FeZn1 and FeZn3 within the mining licence area, and the K2 polymetallic orebody within the exploration licence area, for detailed illustration. Figure 7-11 to Figure 7-13 present east–west, north–south and elevation swath plots for FeZn1, FeZn3 and K2 at Rongguan Mine, respectively.

Figure 7-11: Fe and Zn Swath Plots for the FeZn1 Domian of the Rongguan Mine



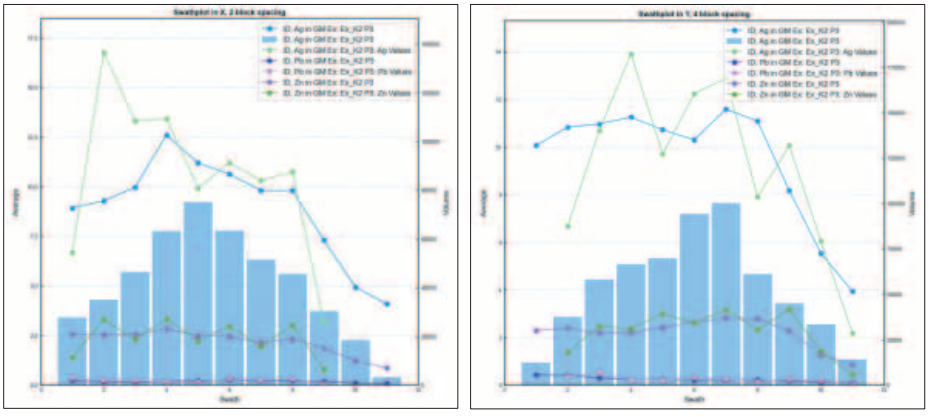
Source: SRK

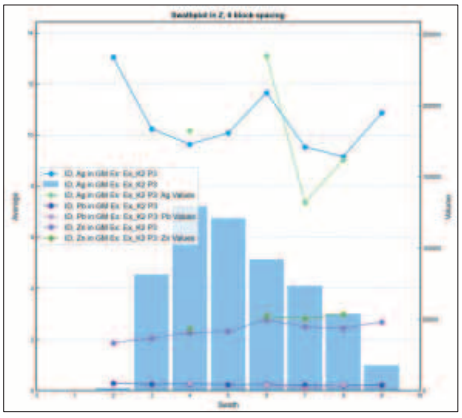
Figure 7-12: Fe and Zn Swath Plots for the FeZn3 Domian of the Rongguan Mine



Source: SRK

Figure 7-13: Ag, Pb and Zn Swath Plots for the K2 Domian of the Rongguan Mine





Source: SRK

7.11 Mineral Resource Classification

Mineral Resource classification is typically a subjective concept, industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support Mineral Resource evaluation.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, the Rongguan Mine follows the JORC Code guideline classification system with individual block classification being assigned using statistical methods and visually taking into account the following factors:

- Drill spacing and drill data quality
- Geological continuity and volume
- Estimation properties including search strategy, number of informing composites, average distance of composites
- Risk or uncertainty present in the estimated grades.

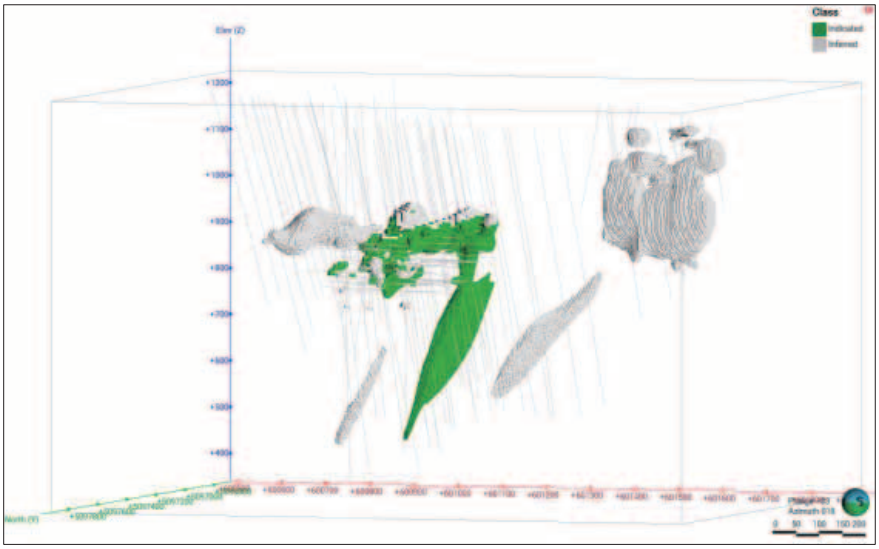
The Mineral Resource classification criteria is summarised in Table 7-10. The distribution of Mineral Resource classification is presented in 3D view in Figure 7-14 and Figure 7-15.

Table 7-10: Mineral Resource Classification Criteria used in the Estimation

Category	Mineral Resource Classification Criteria
Measured (Rescat=1)	Defined by drill spacing and UG development is <50 m × 50 m, with good continuity of mineralisation.
Indicated (Rescat=2)	Defined nominally up to 100 m × 100 m drill spacing. Underground development has confirmed continuity of the mineralisation and is the main orebody in the deposit.
Inferred (Rescat=3)	Defined by drill spacing < 200 m × 200 m, with sufficient confidence that geological and mineralisation continuity can be projected along strike, down dip and/ or down plunge from known mineralisation.

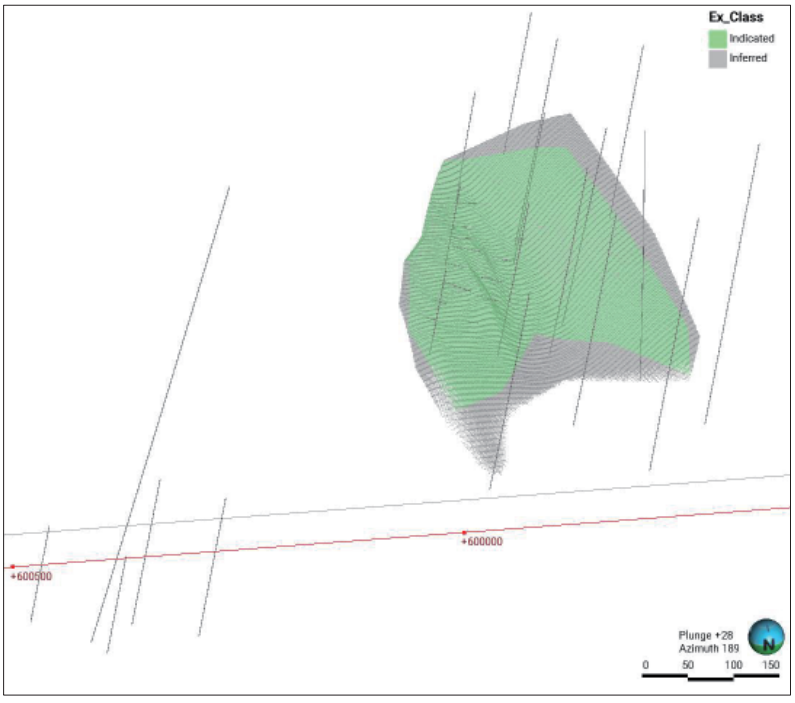
Source: SRK

Figure 7-14: Mineral Resource Classification for Iron-Zinc Domains of the Rongguan Mine



Source: SRK

Figure 7-15: Mineral Resource Classification for Zinc Polymetallic Domain of the Rongguan Mine



Source: SRK

7.12 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

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

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade

taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that major portions of the Rongguan Mine are amenable for underground mining.

The conceptual parameters used to estimate the cut-off grades of zinc equivalent ("**ZnEq**") for the Rongguan Mine are summarised in Table 7-11 and Table 7-12, respectively.

Table 7-11: Assumptions Considered for Iron-Zinc Domains of the Rongguan Mine

Item	Unit	Parameter Mining License
Mining		
Mining Cost	CNY/t ore	94
Processing		
Processing Cost	CNY/t ore	48
Zn Recovery Rate	%	89
Other		
G&A Cost + Sell cost	CNY/t ore	33
Revenue		
Zn CMF Price	USD/t	3,650
Exchange Rate	USD:CNY	7.10
Zn Price	CNY/t	25,915
Payable	CNY/t	-5,877
REV	CNY/t	17,857
Cash Cost	CNY/t ore	175
CoG (ZnEq)	%	1.0

Source: SRK

Note:

[1] The price refers to the long-term prediction published by Consensus Market Forecasts in Dec 2025

Table 7-12: Assumptions Considered for Ag-Pb-Zn Domain of the Rongguan Mine

Item	Unit	Parameter Exploration License
Mining		
Mining Cost	CNY/t ore	164
Processing		
Processing Cost	CNY/t ore	
Zn Recovery Rate	%	90.85
Other		
G&A Cost + Sell cost	CNY/t ore	38
Revenue		
Zinc CMF Price	USD/t	3,650
Exchange Rate	USD:CNY	7.1
Zinc Price	CNY/t	25,915
Payable-Zn in Conc.	%	70
REV	CNY/t	16,480
Cash Cost	CNY/t ore	202
CoGs (ZnEq)	%	1.2

Source: SRK

Note:

[1] The price refers to the long-term prediction published by Consensus Market Forecasts in Dec 2025

As of 31 December 2025, and at a cut-off grade of 1.0 % ZnEq, within the mining license area of the Rongguan Mine is estimated to contain 8.63 Mt of Indicated Mineral Resources with an average grade of 2.79 % Zn and 23.93 % TFe, and 11.90 Mt of Inferred Mineral Resources with an average grade of 3.08 % Zn and 21.71% TFe; no Measured Mineral Resources have been reported. These results are detailed in Table 7-13.

Table 7-13: Mineral Resource Statement [1, 2, 3, 4], Mining License Area of the Rongguan Mine, SRK Consulting China Ltd., as of 31 December 2025

Domain	Category	Tonnage	Average Grade		Material Content	
		Mt	Zn (%)	TFe (%)	Zn (kt)	TFe (kt)
FeZn1	Measured	-	-	-	-	-
	Indicated	2.83	2.58	20.65	73	585
	Measured + Indicated	2.83	2.58	20.65	73	585
	Inferred	0.55	3.72	21.00	20	115
FeZn3	Measured	-	-	-	-	-
	Indicated	5.80	2.90	25.52	168	1,480
	Measured + Indicated	5.80	2.90	25.52	168	1,480
	Inferred	-	-	-	-	-
FeZn4	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	3.13	2.81	24.81	88	777
FeZn1_2	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	1.43	3.32	24.68	47	352
FeZn36-49	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	5.39	3.69	19.50	199	1,052
FeZn10	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
	Measured + Indicated	-	-	-	-	-
	Inferred	1.40	0.84	20.50	12	288
Total	**Measured**	-	-	-	-	-
	Indicated	**8.63**	**2.79**	**23.93**	**241**	**2,065**
	Measured + Indicated	**8.63**	**2.79**	**23.93**	**241**	**2,065**
	Inferred	**11.90**	**3.08**	**21.71**	**366**	**2,584**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian (Leo) Liu and Dr. Yiefei Jia who are full-time employees of SRK Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.0% ZnEq, ZnEq (%) = Zn (%) +0.0228*TFe (%), based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 43% for Fe concentrate and 89% for zinc concentrate.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

As of 31 December 2025, and at a cut-off grade of 1.2 % ZnEq, within the exploration license area of the Rongguan Mine is estimated to contain 1.77 Mt of Indicated Mineral Resources with an average grade of 2.54 % Zn, 10.82 g/t Ag and 0.25% Pb, and 0.2 Mt of Inferred Mineral Resources with an average grade of 2.48 % Zn, 10.07 g/t Ag and 0.34% Pb; no Measured Mineral Resources have been reported. These results are detailed in Table 7-14.

Table 7-14: Mineral Resource Statement [1, 2, 3, 4], Exploration License Area of the Rongguan Mine, SRK Consulting China Ltd., as of 31 December 2025

Domain	Category	Tonnage	Average Grade			Material Content		
		Mt	Zn (%)	Pb (%)	Ag (g/t)	Zn (kt)	Pb (kt)	Ag (t)
K2	Measured	-	-	-	-	-	-	-
	Indicated	1.77	2.54	0.25	10.82	45	4	19
	Measured + Indicated	**1.77**	**2.54**	**0.25**	**10.82**	**45**	**4**	**19**
	Inferred	0.20	2.48	0.34	10.07	5	1	2

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian (Leo) Liu and Dr. Yiefei Jia who are full-time employees of SRK Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.2 % ZnEq, ZnEq (%) = Zn+0.025*Ag (g/t) +0.558*Pb (%), based on the price of Zn 3,650 USD/t, Ag 42.25 USD/oz and Pb 2,600 USD/t, the recoveries of Zn 90.85% for Zn concentrate, payable 70%.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

7.13 Grade Sensitivity Analysis

The Mineral Resources of the Rongguan Mine are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the block model quantities and grade estimates used to constrain the Mineral Resources are presented in Table 7-15 and Table 7-16 at different cut-off grades of zinc equivalent ("ZnEq"). The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. Figure 7-16 and Figure 7-17 presents this sensitivity as grade tonnage curves.

Table 7-15: Sensitivity of Mineral Resources (within the Mining Licence) to Cut-off Grade at the Rongguan Mine [1]

Cut-off Grade ZnEq (%)	Quantity (Mt)	Grade ZnEq (%)	Metal Content (t)
0.50	29.40	2.63	818,358
0.60	26.80	2.83	803,236
0.70	24.75	3.01	789,149
0.80	23.19	3.17	776,792
0.90	21.77	3.32	764,006
1.00	20.53	3.45	752,298
1.10	19.72	3.56	742,591
1.20	19.01	3.65	733,958
1.30	18.40	3.73	725,914
1.40	17.88	3.80	718,476
1.50	17.41	3.86	711,290
1.60	16.95	3.92	703,750
1.70	16.51	3.98	696,006
1.80	16.11	4.04	688,594
1.90	15.76	4.09	681,694

Cut-off Grade ZnEq (%)	Quantity (Mt)	Grade ZnEq (%)	Metal Content (t)
2.00	15.39	4.14	674,192
2.10	15.02	4.19	666,105
2.20	14.63	4.25	657,169
2.30	14.20	4.30	647,024

Source: SRK

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Table 7-16: Sensitivity of Mineral Resources (within Exploration Permit) to Cut-off Grade at the Rongguan Mine [1]

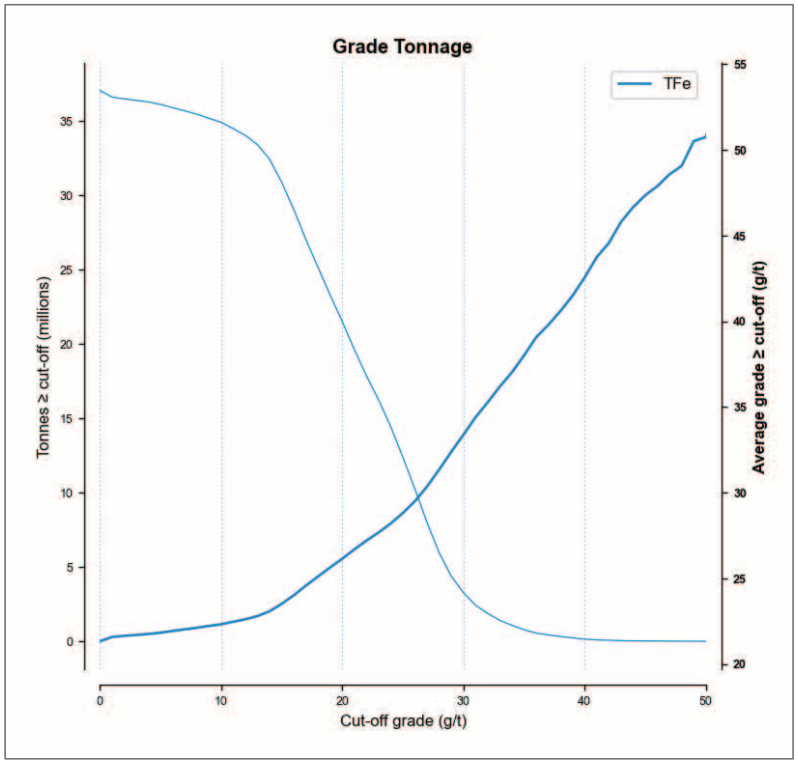
Cut-off Grade EqZn (%)	Quantity (Mt)	Grade EqZn (%)	Metal Content (t)
0.50	2.10	2.82	59,135
0.60	2.08	2.84	59,057
0.70	2.07	2.85	58,944
0.80	2.05	2.86	58,863
0.90	2.03	2.89	58,672
1.00	2.02	2.90	58,527
1.10	2.00	2.92	58,335
1.20	1.97	2.95	57,994
1.30	1.95	2.96	57,803
1.40	1.93	2.98	57,488
1.50	1.91	3.00	57,138
1.60	1.87	3.03	56,556
1.70	1.84	3.05	56,011
1.80	1.80	3.07	55,437
1.90	1.75	3.11	54,416
2.00	1.68	3.16	53,136
2.10	1.61	3.21	51,693
2.20	1.54	3.25	50,239
2.30	1.46	3.31	48,286

Source: SRK

Notes:

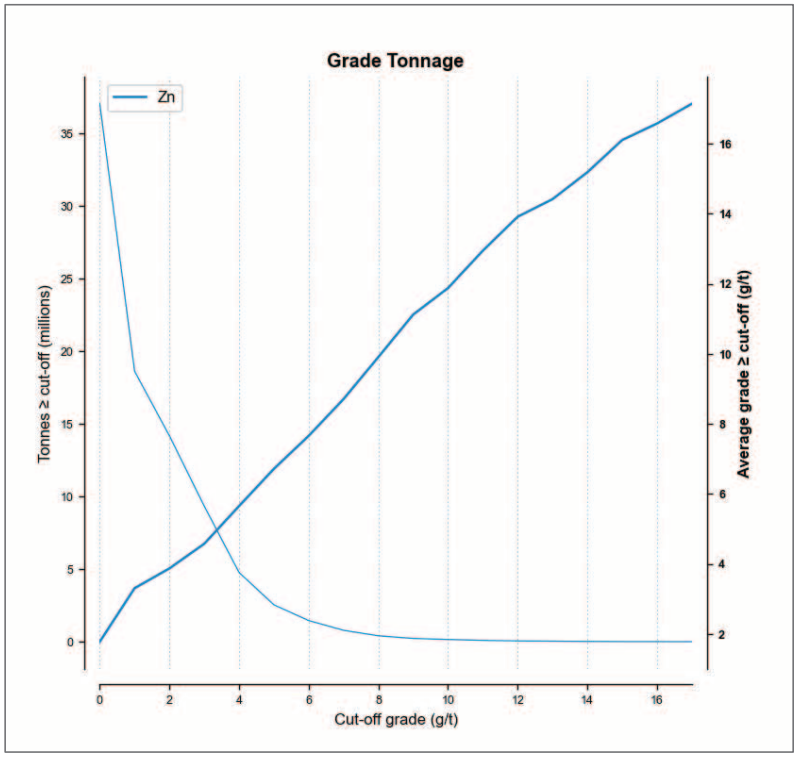
[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-16: Global Grade-Tonnage Curve for the TFe of the Rongguan Mine (within Mining License)



Source: SRK

Figure 7-17: Global Grade-Tonnage Curve for the Zn of the Rongguan Mine (within Exploration Permit)



Source: SRK

7.14 Exploration Potential and Recommendations

The Chagan Aobao Fe-Zn deposit is hosted mainly in garnet skarn developed along structural fractures within the Lower Member of the Ordovician Duobaoshan Formation and is clearly a structurally and contact-replacement-controlled skarn-type system. Favourable host rocks (e.g. limestone, volcanic breccia) and skarn or strongly altered zones related to intrusive contacts are widely developed across the area, whereas intensive exploration has so far been confined to local belts or blocks. From a metallogenic perspective, the overall geological setting indicates good resource potential.

Current mining is focused on the FeZn1 orebody. Below the 890 m elevation, the geometry of the deeper parts of this orebody is constrained mainly by existing underground development (drifts, crosscuts and channel sampling), supported by limited underground drilling. In several areas, the mineralisation remains "open" at the limits of the current drilling and development, and the down-dip and along-strike extents are not yet fully tested. Considering the structural and lithological controls on mineralisation, it is considered that FeZn1 has potential for further extension and additional Mineral Resources both in depth and laterally beyond the present Mineral Resource limits.

Garnet skarn and strongly altered zones follow favourable structural fracture zones within the licence area and provide suitable conditions for the development of multiple lenticular or semi-tabular Fe–Zn orebodies. In the favourable but under-explored lithological belts, contact zones and secondary structures, there is potential to discover new concealed Fe–Zn lenses or sheet-like orebodies similar in style to those already defined.

Geophysical work indicates that skarn-type metallic orebodies and mineralised skarn in the area typically show high IP) and low resistivity responses. The combination of high IP and low resistivity is therefore considered an effective exploration signature in this deposit. Around and beneath known orebodies, several geophysical and geochemical anomalies have been delineated that are similar in size and geometry to the existing mineralisation (including high IP, high magnetic anomalies and multi-element Zn–Pb–Fe–Ag geochemical anomalies). Only part of these anomalies has been tested by drilling or underground workings; a number of areas remain untested and represent further exploration and potential resource targets.

Considering the metallogenic setting, the open nature of some currently defined orebodies, and the outstanding geophysical and geochemical anomalies, the Chagan Aobao Fe–Zn deposit is regarded as having meaningful exploration potential and scope for increasing the Mineral Resource inventory at depth, along strike and within favourable structural–lithological zones in the broader area.

Recommended follow-up work is as follows:

- Conduct additional surface and underground drilling below the 890 mRL elevation and along strike, focusing on areas where mineralisation remains open, to verify continuity and extend the current resource limits where supported by data.
- Select targets in favourable host rocks (limestone, volcanic breccia) and garnet skarn belts based on structural and alteration patterns and test them for concealed lenticular or semi-tabular Fe–Zn orebodies similar to the known deposits.
- Prioritise high IP–low resistivity anomalies, supported by magnetic and multi-element (Zn–Pb–Fe–Ag) anomalies, for targeted drilling to evaluate their mineralisation potential and possible contribution to additional resources.
- Strengthen routine underground exploration (short-hole drilling and channel sampling) around existing workings and smaller orebodies to refine orebody geometry and grades, supporting resource additions and mine life extension.

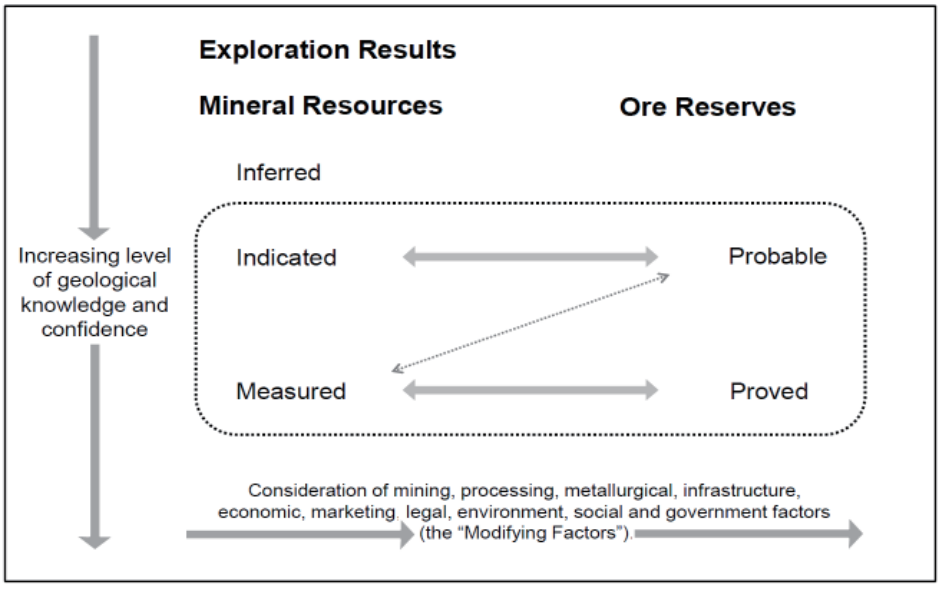
8 Ore Reserve Estimates

The definition of Ore Reserves in accordance with the JORC Code is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 8-1.

Figure 8-1: General relationship between Mineral Resources and Ore Reserves



Source: JORC Code (2012)

Rongguan Mine comprises two mining areas: Mine Area I and the East Mine Area. Each area contains several lodes, with ongoing or planned operations utilising underground mining methods. The Ore Reserves for these mine areas were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with the on-going operations and have been adjusted to meet a pre-feasibility study ("**PFS**") standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore Reserve estimation methodology and summarises the key assumptions considered. In the opinion of SRK, the Ore Reserve estimation reported are in accordance with the JORC Code guidelines.

In Mine Area I, five lodes have been identified: Lode 1#, Lode 2#, Lode 3#, Lode 4#, and Lode 10#. Of these, only Lode 1# and Lode 3# contain Indicated Mineral Resources. Lode 1# is currently being excavated and supported by existing underground infrastructure, while Lode 3# will require additional

investment for future exploitation. As a result, the Ore Reserve estimation is focused solely on Lode 1# and Lode 3#.

In the East Mine Area, Lodes 36-49# include only Inferred Mineral Resources. Therefore, the East Mine Area is excluded from the scope of the Ore Reserve estimation.

The Ore Reserve estimates for Lode 1# and Lode 3# in Mine Area I are primarily based on technical studies completed by Gocom Engineering Design Co., Ltd. ("**Gocom**") in 2022, with further adjustments reflecting ongoing operations.

8.1 Technical Studies

Mining related materials acquired by SRK through virtual data request and site visit. SRK has received the following technical studies:

- Feasibility Study Report for the Deep Expansion of Mine Area Iand Integration of the Eastern Mining Area for the Rongguan Mine, conducted by Gocom in February 2022 ("**RG 2022**")
- Mineral Resources Development and Utilisation Plan for the Rongguan Mine, conducted by Gocom in August 2022 ("**RG 2023**")
- Mining Method Study on the Rongguan Mine, conducted by Changsha Institute of Mining Research Co., Ltd., in July 2024 ("**RG 2024**")

SRK has reviewed the technical studies and all supporting data for Rongguan Mine. Based on this review, SRK determined that the accuracy of the Modifying Factors, with minimal adjustment, is consistent with a PFS level. This level of accuracy is considered appropriate for the Ore Reserve estimates.

8.2 Mineral Resources Models

The Mineral Resource Model ("**MRM**") was built by in-house geologists, based on the latest geological interpretations. The final model was provided in Datamine software format (.dm). SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. The estimate using Deswik. CAD & SCHED software. This was done to report an Ore Reserve in compliance with the JORC Code.

8.3 Modifying Factors

In accordance with the JORC Code, the Measured and Indicated Mineral Resources are converted to Ore Reserves through the application of appropriate Modifying Factors. The primary factors considered in the Ore Reserve estimation include stope optimisation, mine design, mining losses, and mining dilution. Additional parameters, such as processing capabilities, market conditions, and environmental, legal, and political constraints, are also taken into account, as these may impact the quantity and classification of the Ore Reserves.

The Modifying Factors applied to the Reserve estimates for Lode 1# and Lode 3# in Mine Area I are listed as below:

- The Ore Reserve is planned for extraction by underground methods.

- SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation.
- The scope of the Ore Reserves estimation considers the boundaries of the mining tenure.
- Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices.
- The underground mine design and planning used for further planning is based on the review of the technical and economical consideration.
- Mining dilution includes unplanned dilution from both the hanging wall (HW) and footwall (FW). Mining loss is to allow for unplanned losses during mining and material transportation to the processing plant. For sub-level caving, mining dilution is 25% and mining loss is 10%. For sub-level open stoping with delayed backfill, mining dilution is 10% and mining loss is also 10%. For shrinkage stoping, mining dilution is 10% while mining loss is 15%.
- The cut-off grade ("**CoG**") is used to define the economic viability of the stopes.
- The effective date is as of 31 December 2025.

8.4 Cut-off Grade

The CoG for the Rongguan Mine is presented in Table 8-1. Key considerations include:

- Price: The Zinc prices are dynamic and are derived from consensus market forecasts ("**CMF**") provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/ administrative ("**G&A**") costs are based on average historical three-year cost.

The CoG for zinc equivalent ("**ZnEq**") in the Run-of-Mine ("**ROM**") feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{(P + P_a) * P_r * (1 - R_t)}$$

The parameters used in estimating the CoG are detailed in the Table 8-1. The preferred CoG value is rounded up to the nearest 0.1 for practical application.

Table 8-1: Cut-Off Grade Estimation Inputs for Rong Guan Mine

Item	Parameters	Unit	Rongguan Mine	By Product
	Zinc Price	USD/t	2,800	2,800
	Exchange Rate	USD:CNY	7.10	7.10
P	Zinc Price	CNY/t	19,880	19,880
Pa	Payable	CNY/t	-5,877	-4,670
Pr	Processing Recovery	%	89	89
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	94	
Cp	Processing Cost	CNY/t ore	48	48

Item	Parameters	Unit	Rongguan Mine	By Product
Cg	G&A Cost	CNY/t ore	33	33
A	CoG	%	1.3	0.6

Source: SRK

Note:

[1] The CoG for by-products is calculated using the marginal cut-off grade method, which takes mining costs out of estimation. This CoG is specifically used to determine the material excavated during development.

The equivalent factor of Fe against Zn is estimated considering, prices, recovery rates, and payable factors differences. The estimates are presented in Table 8-2 below.

Table 8-2: Estimates for Equivalent Factors of TFe to Zn

	TFe	Zn
Equivalent Factors against Zn	0.0228	1.0000

Source: SRK

8.5 Ore Reserve Estimation

The mine is an underground operation accessed by a main decline with two auxiliary shafts. The main decline, auxiliary shafts and ventilation shafts are located in the footwall, at least 50 m outside the calculated rock movement limit.

Six production sublevels have been developed to date, with level heights of 39–50 m and elevations of 1,158 m asl, 1,018 m asl, 976 m asl, 926 m asl, 876 m asl and 820 m asl. The existing processing facility has a processing capacity of 1.35 Mt of ore per year. In Phase II, six additional sublevels will be developed at 50 m vertical spacing, with elevations of 726 m asl, 676 m asl, 626 m asl, 576 m asl, 526 m asl, and 476 m asl.

Compressed air, water supply, dewatering pipelines, power cables and communication lines are routed down the main shaft and distributed along each underground level.

The estimated key production details are provided in Table 8-3, with the corresponding waterfall charts illustrated in Figure 8-2 and Figure 8-3.

Approximately 30% of the tonnage and 25% of the metal have been converted from Mineral Resources to Ore Reserves. A key negative factor impacting this conversion is the presence of Inferred Mineral Resources. Approximately 74% of the tonnage and 61% of the metal have been converted from Measured and Indicated Mineral Resources to Ore Reserves.

Table 8-3: Key Production Summary for Rongguan Mine

Description	Material Tonne (kt)	Contained EqZn Metal (kt)
Measured+Inferred Mineral Resource	23,650	767
Measured Mineral Resource	-13,870	-451
Stope Optimisation	-224	-16
Designed Loss	-2,504	-82
Mining Dilution	1,189	-

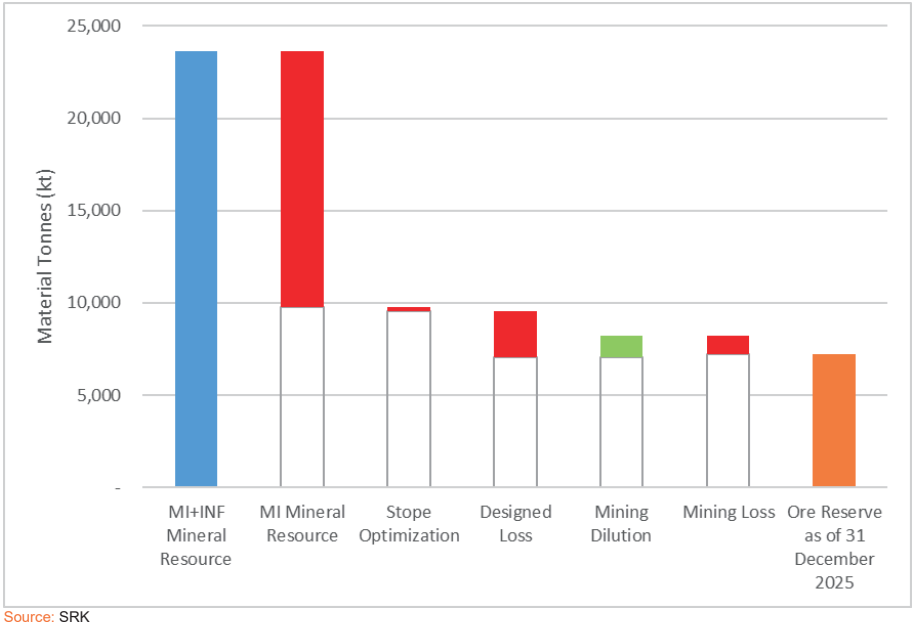
Description	Material Tonne (kt)	Contained EqZn Metal (kt)
Mining Loss	-1,038	-26
Ore Reserve as of 31 December 2025	7,202	191

Source: SRK

Note:

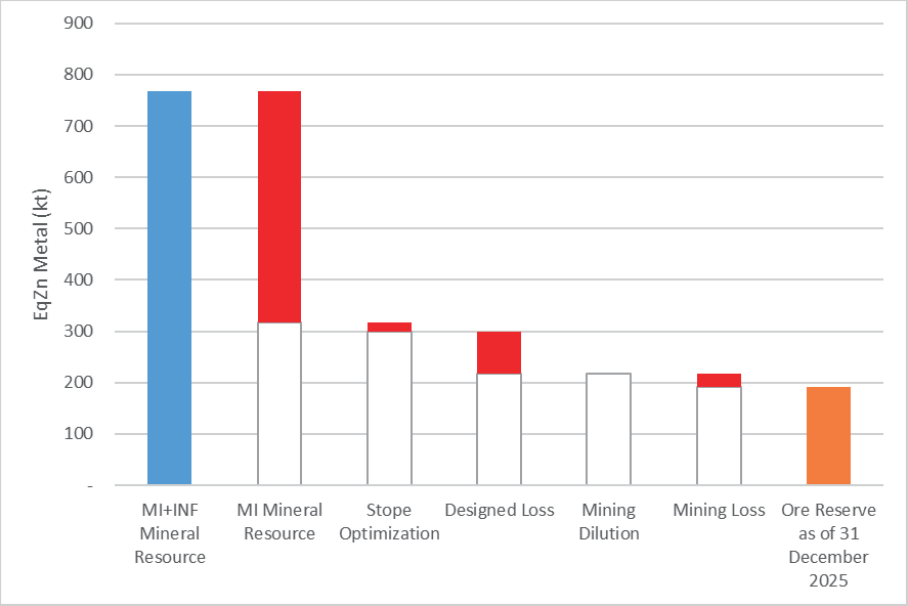
[1] MI+INF means Mesured, Indicated and Inferred; MI means Measured and Indicated.
[2] The equivalent Zn grade (EqZn) is calculated as: EqZn = Zn grade + 0.0228 × Fe grade.

Figure 8-2: Estimates Process for Rong Guan Mine - Change in Material Tonnes



Source: SRK

Figure 8-3: Estimates Process for Rong Guan Mine - Change in Contained EqZn Metal



Source: SRK

8.6 Ore Reserve Statement

SRK has estimated the underground Ore Reserves for Rongguan Mine in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a PFS.

The Rongguan Mine contains only Indicated Mineral Resources. Consequently, the economically mineable portions of these resources, as defined within the designed underground stopes, have been classified as Probable Ore Reserves. There are no Proved Ore Reserves. This classification includes allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code framework.

As of 31 December 2025, the Ore Reserves at Rongguan Mine are estimated to be 7.2 Mt, with average grades of 2.24% zinc and 18.34% iron, containing 161 kt of zinc and 1,321 kt of iron.

These reserves are all classified as Probable Ore Reserves, as shown in Table 8-4.

Table 8-4: Ore Reserves Estimate of Rong Guan Mine [1, 2, 3, 4, 5, 6], as of 31 December 2025

Category	Ore Reserve (Mt)	Zn (%)	Fe (%)	Contained Zn (kt)	Contained Fe (kt)
Proved	-	-	-		
Probable	7.20	2.24	18.34	161	1,321
Total	**7.20**	**2.24**	**18.34**	**161**	**1,321**

Source: SRK

Note:

1 The information relates to Orel Reserve conversion is based on information compiled by Mr. Erwei Lu, MAusIMM and Dr. Yiefei Jia, FAusIMM (CP Geo), who are full time employees of SRK Consulting China Ltd. Both Mr. Lu and Dr. Jia 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 Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves", the JORC Code. Mr. Lu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

2 The Ore Reserve reference point is delivery of ore to the crusher at the processing plant.

3 Number was rounded to the second significant digit to reflect the uncertainties in estimate.

4 Total may not add due to rounding discrepancies

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

6 The effective date of the Ore Reserves estimate is 31 December 2025.

9 Mining Assessment

9.1 Mine Operating Status

The main shafts, level development and surface infrastructure were largely completed by the end of 2016, allowing the project to transition from construction to operation, with commercial production commencing in 2016. Production data for the last three years of operation at Rongguan Mine are summarised in Table 9-2.

Table 9-1: Rongguan Mine Historical Production

Type	Unit	2023	2024	2025
Ore Mined	kt	1,884	1,809	1,846
Waste Mined	kt	147	324	689
Fe Grade	%	21.52	20.16	19.28
Zn Grade	%	1.69	1.63	1.63
Fe Metal	t	405,334	364,736	355,855
Zn Metal	t	31,820	29,569	30,101
Total Mined	kt	2,031	2,133	2,535

Source: Rongguan Mine

9.2 Hydrogeology

There are no perennial rivers or permanent surface water bodies within the mining lease. During the rainy season, small ephemeral streams form and discharge into local depressions in the hills, creating temporary wetlands that ultimately dry out under strong evaporation, leaving saline–alkaline ground.

Regionally, the main aquifers are: (i) Quaternary unconsolidated porous aquifers; and (ii) fracture aquifers in volcaniclastic rocks, sandstone, slate and granite. The Quaternary porous aquifer is hydraulically connected to the underlying weathered fracture zone but is only weakly water-bearing and provides limited recharge. Most orebodies are distant from this aquifer, so its impact on mine dewatering is minor.

For the operating mine, groundwater occurs mainly in the ore-controlling structural zones and in adjacent zones of intense fracturing, which are hydraulically connected with the overlying weathered fracture water. Together they form a unified structural fracture aquifer with a maximum thickness of about 230 m, which is the principal direct source of mine inflow. Atmospheric precipitation is the ultimate recharge source. Because the mine is exploited by sublevel caving, mining can create voids and irregular cavities; once these become connected to lower workings, stored water can be released suddenly into future development or stoping areas and pose a hazard.

The host rocks are predominantly garnet skarn and epidote skarn; the upper parts are strongly fractured by weathering. Rainfall infiltrates through the overlying unconsolidated cover and into the underlying weathered bedrock and structural fracture zones and faults, which are the main pathways for groundwater entering the mine. During the rainy season, especially during heavy or torrential storms, rapid surface runoff cannot be fully drained, and substantial volumes of water may infiltrate

through these pathways and discharge directly into shafts and workings, producing high-intensity inflows.

Above the 776 m asl sublevel caving without sill pillars is used. In the area overlying the orebody, surface subsidence has already developed above the caved zone. After heavy rainfall, large volumes of surface water can enter the underground workings through these subsidence depressions and accumulate in stopes, creating a significant safety risk. The mine should therefore maintain strict control of water inflow, including advance drilling of small-diameter probe and drainage holes to identify voids and water accumulations ahead of mining, and to drain them in a controlled manner to prevent sudden inrushes.

9.3 Geotechnical Condition

9.3.1 Engineering rock groups

- Based on stratigraphy, lithology and rock-mechanical properties, the mining area is divided into two engineering rock groups:
- Massive hard rock group – This group underlies most of the mine area and comprises volcaniclastic rocks, slate and skarn. Below the strongly weathered zone, joints and fractures are moderately developed with lengths of 0.3–0.6 m, generally closed and unfilled; the rock is dense and hard. The near-ore host rocks are predominantly garnet skarn and epidote skarn, with two main joint sets striking NE and NW, apertures of 0.3–3.2 cm, fracture intensity of about 0.55%, and irregular spacing of 0.5–1.0 m. Joints are mainly compressive to compressive-shear, planar and smooth, with siliceous infill; the rock mass is relatively intact to intact. Saturated uniaxial compressive strengths are 77.30–96.25 MPa and the group is classified as hard rock.
- Quaternary loose soil–rock group – Occurs mainly in the eastern part of the area and consists of colluvial–alluvial sandy clay and gravel, with local muddy sand, overlain by 0.3–0.5 m of humus. Thickness ranges from about 0.8 to 25 m. The material is loose, of low stability and poor engineering quality.

9.3.2 Basic physical properties

- Ore bulk density: 3.87 t/m³
- Host rock bulk density: 2.80 t/m³
- Hardness coefficient: ore 8–10; rock 8–10
- Loose (bulking) factor: 1.6

9.3.3 Discontinuity characteristics

- The main structural features are faults and joint sets. On the basis of scale and characteristics, discontinuities are grouped into three classes: III, IV and V.
- Class III discontinuities – Major ore-controlling faults.
- Fault F1 in the central–southern part of the mine strikes for ~800 m, with a 20–50 m wide zone, dip azimuth 293–305°, dip 50–80°, compressive in nature, with relatively well-developed joints and fractures in the fault zone.

- Fault F2 in the central–northern area strikes for ~400 m, with a 10–30 m wide zone, dip azimuth 315–320°, dip 60–70°, also compressive, with well-developed joints and fractures. These faults have limited impact on orebody stability and do not materially constrain mining.
- Class IV discontinuities – Post-mineral faults, mostly NW-striking, generally small and discontinuous, with localised jointing. Fracture intensity is about 0.45%; joints are unevenly developed, a few metres to tens of metres long and a few millimetres to tens of millimetres wide, with no significant damage to the ore or host rock.
- Class V discontinuities – Small joints, minor cleavage or weak foliation with short persistence. They have negligible influence on rock mass stability but slightly reduce intact rock strength.

9.3.4 Weathering characteristics

- Due to differences in structure and mineralogy, weathering depths vary between rock types. Strongly weathered tuff is typically 3–10 m thick; strongly weathered skarn is 5–8 m. Weakly to slightly weathered zones extend to depths of about 20–28 m. Weathering thickness also depends on topography and rock exposure: thicker weathered mantles occur on or near ridges where bedrock is exposed.

9.3.5 Rock mass quality assessment

- Using the rock mass quality coefficient method and the rock mass index method, the near-ore host rock is characterised as blocky, with good to very good rock quality and a relatively intact to intact rock mass. Overall, the rock mass is assessed as of moderate quality, corresponding to a mid-range engineering rock mass class in the Chinese system, and is considered suitable for underground mining.

9.3.6 Hangingwall and footwall stability

- The immediate hangingwall and footwall are predominantly garnet skarn and epidote skarn. The weathered zone is 25–38 m thick; within the strongly weathered zone the rock is loose and broken, with poor rock-mass quality and low stability. In the underlying fresh rock, mechanical properties and overall stability are good and the engineering geological conditions are favourable. Adverse geotechnical problems are not expected, aside from local areas at portal entries and along faulted or highly fractured zones, where support is required. Elsewhere, the hangingwall and footwall have shown good stability, with no significant roof falls or sidewall spalling observed.

9.3.7 Conclusion

- The mining area has relatively simple geomorphology, and the hangingwall and footwall lithologies are uniform, hard, blocky rocks with good intact strength and relatively intact rock mass conditions. Overall, the stability of the roof and floor is considered good and significant geotechnical hazards are unlikely. However, in local areas with more intense fracturing or stronger alteration, roof and floor conditions should be monitored closely and ground control measures strengthened as required.

9.4 Surface Subsidence Assessment

- Surface Subsidence is the downward movement (deformation or displacement) of the ground surface or subsurface strata due to gravity in response to a loss of support at the mining level by the extraction of minerals. The ground surface and whatever is constructed upon it is supported by a structural system that comprises the overburden, mine roof, and mine floor. Excessive deformation or failure of one or more of these components over time can result in surface subsidence. The term surface subsidence used in this assessment encompasses a wide range of surface effects associated with caving and not just the vertical displacement of the surface.

9.4.1 Historical Technical Documentation

The technical documents available for this subsurface assessment are as follows:

- Changsha Institute of Mining Research Co., Ltd., *Study on the Comprehensive Slope Control Plan for the Subsidence Area of the Fe-Zn Mine in Chagan Aobao Mining Area, Inner Mongolia Xingye Group Rongguan Mining Co., Ltd. (referred to as "Report on Subsidence Slopes (2025)")*, August 2025;
- China Institute of Geo-Environment Monitoring & China Aero Geophysical Survey and Remote Sensing Center for Natural Resources, *Technical Research Report on the Comprehensive Remediation of the Mining Subsidence Area of Inner Mongolia Xingye Group Rongguan Mining Co., Ltd. (referred to as "Report on Subsidence Remediation (2025)")*, April 2025;
- Changsha Institute of Mining Research Co., Ltd., Mining Method Appraisal for the Fe-Zn Mine in the Chagan Aobao Mining Area, *Inner Mongolia Xingye Ag-Sn Mining Industry Co., Ltd. and Inner Mongolia Xingye Group Rongguan Mining Co., Ltd. (referred to as "Appraisal of Mining Methods (2024)")*, July 2024.

9.4.2 Report on Subsidence Slopes (2025)

The Report on Subsidence Slopes (2025) integrates multiple methodologies—including site engineering geological investigations, laboratory rock mechanics testing, stereographic kinematic analysis, limit equilibrium analysis (calculating FOS (Factors of Safety) for six representative cross-sections under four distinct load conditions), and numerical simulation using Itasca FLAC3D software, to assess the stability of the subsidence area slope and to develop a detailed construction design for comprehensive slope remediation. The key design parameters established in the report are: OSA (overall slope angle) ⩽ 45°; BFA (bench face angle) = 70°; bench height = 12 m; and bench width = 10–15 m. The report recommends slope trimming and terracing based on the 1,158 m ASL as the optimal approach for slope remediation.

SRK opines that slope failure is merely a symptom of subsidence, and the underlying causes must be addressed as the top priority.

9.4.3 Report on Subsidence Remediation (2025)

The Report on Subsidence Remediation (2025) is based on a comprehensive collection of data, including topography, geology, hydrogeology, climate, ecology, mine development, and the environmental status of the mining subsidence area. Site reconnaissance and drone surveys were conducted to determine the current conditions of the subsidence area. InSAR (Interferometric

Synthetic Aperture Radar) analysis of data from 2008 to 2024 was employed to track changes in land disturbance, reclamation, and ecology, yielding deformation rates and magnitudes over different periods. The report concludes with an assessment of reclamation suitability and the proposal of an integrated remediation strategy focused on terrain remodelling, land reclamation, and ecological restoration.

In SRK's opinion, the Report on Subsidence Remediation (2025) inappropriately treats "subsidence remediation" as synonymous with "land reclamation." Reclamation is a subsequent measure to remediation and cannot replace geohazard prevention.

9.4.4 Appraisal of Mining Methods (2024)

The Appraisal of Mining Methods (2024) demonstrated the feasibility of adopting the non-pillar sublevel caving method and concluded that under the current conditions: geohazards are absent within the mining area; the mining impact on the aquifer is slight; the disturbance to the topography and land resources is limited; and the extent of surface subsidence, movement, and caving is limited in expansion.

SRK has no objection to the adoption of the caving method. However, without sound data to support reasonable analyses, SRK cannot agree with the conclusions regarding subsidence. Mine surface subsidence is undoubtedly a kind of geohazard.

9.4.5 Regulations and Codes on Subsidence Assessment

This subsurface assessment is based on the following Chinese regulations and codes:

- China State Council, *Regulations on Geohazard Prevention (Decree No. 394 of the State Council of the PRC) (referred to as "**State Decree No. 394**")*, March 1, 2004;
- China Ministry of Natural Resources, *Specifications for Risk Assessment of Geohazard (GB/T 40112-2021)*, December 1, 2021;
- China Ministry of Housing and Urban-Rural Development, *Code for Investigation of Geotechnical Engineering (GB 50021-2001, 2009 Edition)*, May 19, 2009.

9.4.6 Identification and Understanding of Subsidence

Information on subsidence identification and investigation has been derived from the three technical documents.

As of September 2024, the subsidence area covers approximately 10 ha, extending about 300 m in width along the dip of the orebody and approximately 450 m in length along the strike. The measured minimum elevation at the bottom of the subsidence crater is approximately 1,100 m, with a maximum subsidence depth of about 150 m. As shown in Figure 9-1 and Figure 9-2, the slopes of the subsidence area are relatively steep and vertical, surrounded by hard rock. Net fences and warning signs have been installed around the perimeter. The formation of the subsidence crater has caused significant damage to the original topography and landscape, with considerable impact and severe consequences.

Figure 9-1: Overview of the Subsidence Area (2024)



Source: Report on Subsidence Remediation (2025)

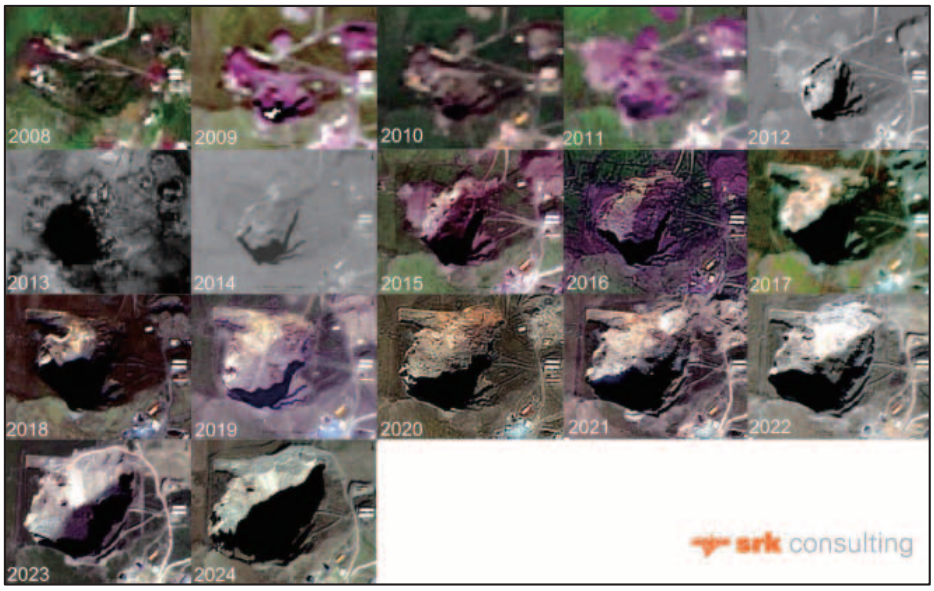
Figure 9-2: Status of the Escarpment on the Subsidence Area Hanging Wall (June 2025)



Source: Report on Subsidence Slopes (2025)

Analysis of the series of satellite images in Figure 9-3 shows that the extent of the subsidence crater has gradually expanded outward with the extraction of the underground orebody. The expansion is more pronounced on the hanging wall, while it is relatively slower on the footwall.

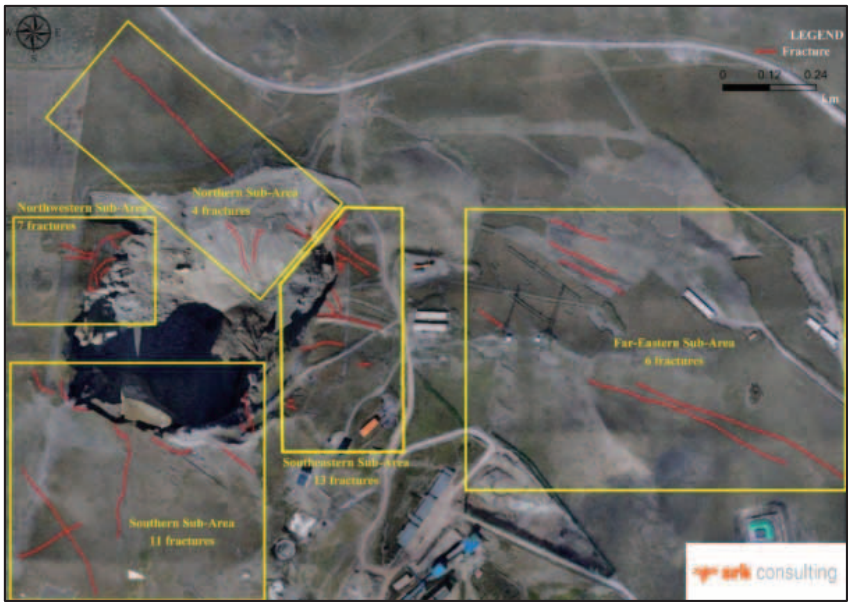
Figure 9-3: Remote Sensing Imagery 2008-2024



Source: Report on Subsidence Remediation (2025)

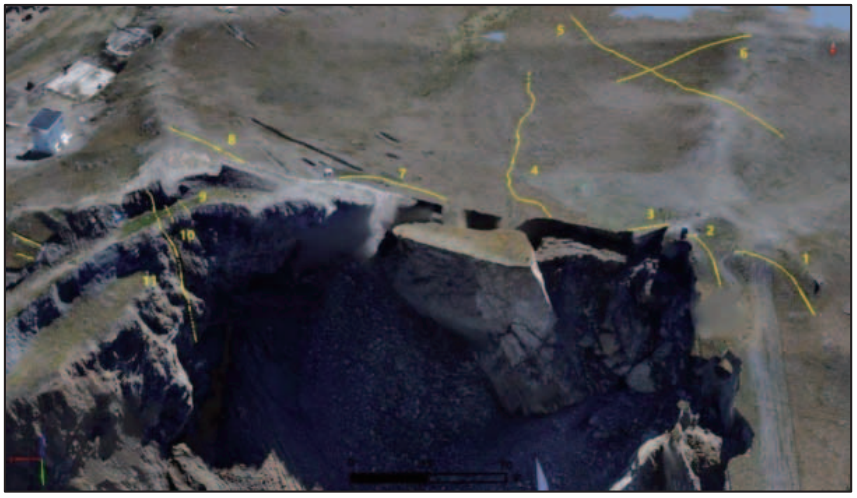
Drone flight data collected on 29 September 2024, identified 41 ground fractures within the subsidence crater, totalling approximately 3 km in length. The fractures average 74 m long, with a maximum of 362.89 m and a minimum of 8.92 m. They are primarily distributed on the northeast, northwest, and south sides of the crater, exhibiting a pronounced orientation of approximately 20° east of south. The overall distribution of these ground fractures is presented in Figure 9-4, which indicates a high degree of fracture development in the subsidence area. For instance, 11 ground fractures are concentrated in the southern sector (Figure 9-5), mainly located on the steep slopes around large upright rock masses, the southern ground surface, and above the steep slopes and benches on the southeast side.

Figure 9-4: Overview of Surface Factures (2024-09-26)



Source: Report on Subsidence Remediation (2025) (Revised by: SRK)

Figure 9-5: 11 Fractures Identified at the Southern Sub-Area (2024-09-26)



Source: 2025 Subsidence Area Remediation Report

For the six major rock types in the subsidence area; Quaternary soil, collapsed rock, weathered skarn, weathered tuff, fresh skarn, and fresh tuff; various methods for determining rock mass strength

("**RMS**") based on intact rock strength ("**IRS**") were integrated. The resulting adopted mechanical parameters for each rock mass are presented in Table 9-2.

Table 9-2: Adopted Mechanical Parameters for Each Rock Mass

Rock Mass	γ (kN/m³)	σ_c (MPa)	σ_t (kPa)	E (MPa)	μ	C (kPa)	φ (°)	K (m/s)
Weathered SKARN	23.5	6.6	18	300	0.33	311	25	6.25E-06
Fresh SKARN	32.4	43.8	3,883	8,187	0.24	780	35	6.25E-08
Weathered TUFF	23.5	6.6	21	349	0.25	308	25	6.25E-06
Fresh TUFF	28.2	58.9	6,016	6,860	0.21	857	37	6.25E-08
Collapsed ROCK	21			300	0.38	200	29	5.00E-03
Quaternary SOIL	20			100	0.32	20	22	5.00E-03

Source: Report on Subsidence Slopes (2025)

Note:

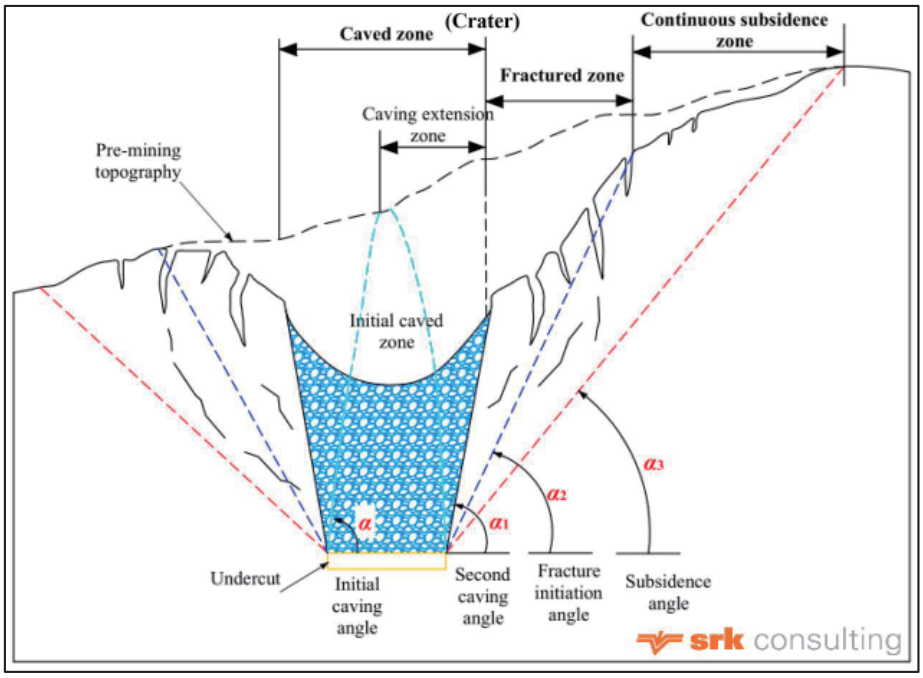
γ is Bulk Density;
σ_c is Compressive Strength
σ_t is Tensile Strength;
E is Young's Modulus;
μ is Poisson's Ratio;
C is Cohesion;
φ is Internal Friction Angle ;
K is Permeability Coefficient.

9.4.7 Causes of Subsidence

The use of non-pillar sublevel caving as a mass mining method is anticipated to result in surface subsidence and settling of ground.

Caving-induced surface subsidence is typically characterised by three key zones (Figure 9-6): the crater (often derived from the mobilised zone), the fractured zone, and the zone of continuous subsidence. The limits and shapes of these zones are mainly controlled by the geological spatial distribution and its associated rock mass strength, in-situ stress, presence of major structures, preferred joint orientations, topography, and footprint depth and shape.

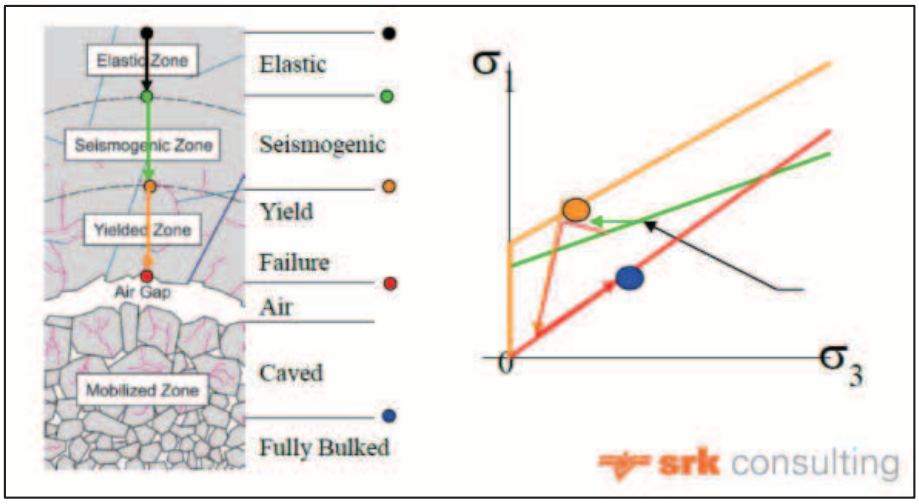
Figure 9-6: Three Key Caving Zones of Caving-induced Surface Subsidence



Source: SRK

Five key geomechanical zones are associated with caving, namely Elastic Zone, Seismogenic Zone, Yielded Zone, Air Gap, and Mobilized Zone, as shown in the conceptual model sketched in Figure 9-7 by Duplancic and Brady (1999).

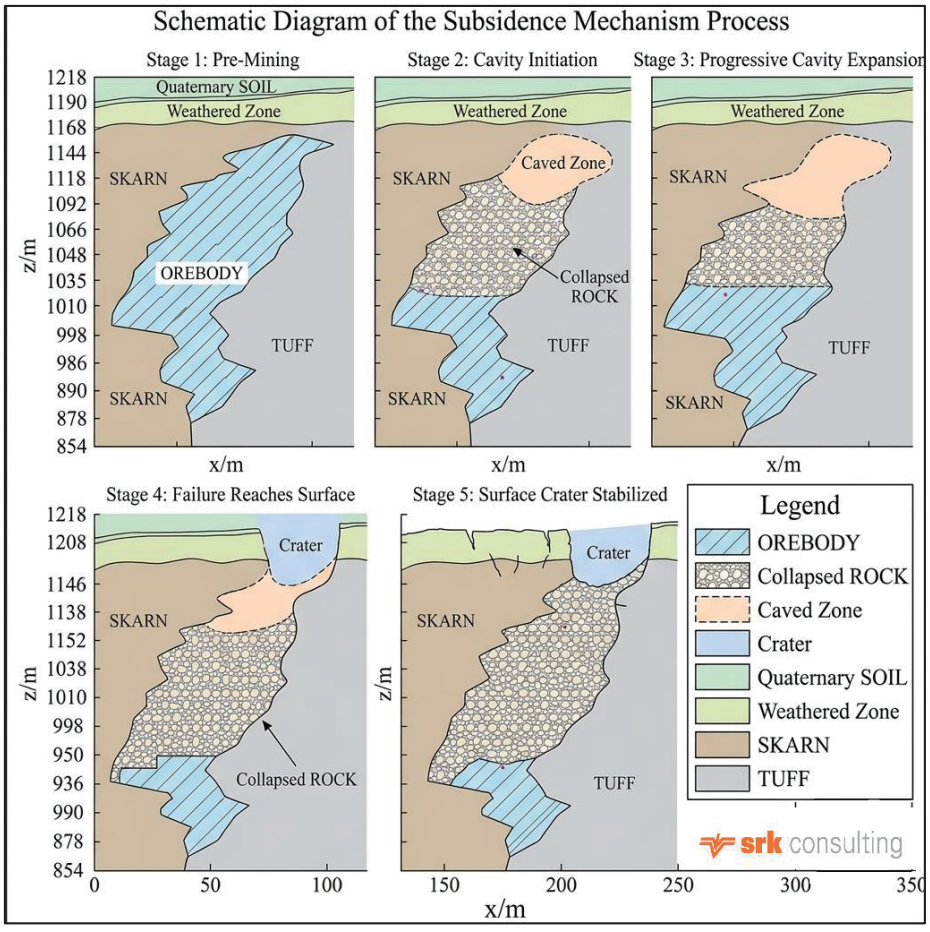
Figure 9-7: Five Key Geomechanical Zones with Corresponding Stress



Source: Duplancic and Brady (1999)

The orebody is extracted using the non-pillar sublevel caving method. After mining, the overlying roof strata collapse. The formation and evolution mechanism of the surface crater is illustrated in Figure 9-8. The progressive caving of the hanging wall can be divided into five stages: (1) pre-mining; (2) caving initiation; (3) progressive cavity expansion; (4) failure reaches surface; and (5) surface crater stabilised.

Figure 9-8: Schematic Diagram of the Subsidence Mechanism Process



Source: SRK

9.4.8 Subsidence Control Measures

The mine has established a surface displacement monitoring system for the subsidence area, as well as an underground microseismic monitoring system. Additionally, to reduce the catchment area of the subsidence crater, concrete intercepting drains have been constructed in the slope treatment areas to divert water from the crests of the treated slopes.

In the future, the mine plans to develop a comprehensive monitoring and early warning system for the subsidence area, covering surface deformation, geological hazards, water resources, and the ecological environment. This system will integrate remote sensing with sample plot monitoring and employ multiple technical methods to enable comprehensive surveillance. Monitoring of surface

displacement and rock mechanics will be intensified by increasing both the frequency of measurements and the density of monitoring points. This will allow for real-time tracking of changes in the subsidence area, facilitating timely adjustments to control measures.

SRK believes that the operation and proper maintenance of the above measures will help mitigate subsidence impacts.

9.4.9 Managing Risks of Subsidence

Caving-induced subsidence is a significant geohazard that may put mine infrastructure at risk and create hazardous conditions. These risks must be controlled to ensure, so far as is reasonably practicable, that the health and safety of workers and other people is not endangered by subsidence. The period requiring risk management spans from the onset of subsidence until the time when subsidence risks to human health and safety become negligible.

According to State Decree No. 394, Article 35: "Geohazards triggered by human activities such as engineering construction shall be managed by the responsible entity." Therefore, a specialised assessment of geohazards in mined-out subsidence areas should be conducted. This involves an in-depth analysis of subsidence formation mechanisms, including mining methods, overburden conditions, and movement patterns, to accurately predict subsidence development trends. It is also essential to optimise engineering prevention and control measures such as backfilling, grouting, monitoring and early warning, and slope management, and on this basis, to re-evaluate feasible reclamation plans.

It should be noted that the ability to predict surface subsidence using numerical modelling has become increasingly important for operational risk and environmental impact assessment. First of all, to understand surface subsidence issues and mitigate geohazard risk, a properly planned and executed mine subsidence investigation, considering expected mine subsidence types, mine conditions, is critical. A subsidence investigation typically involves a desktop assessment, site work, drilling of boreholes, and downhole surveys. Subsequent to the investigation, numerical geomechanical modelling is suggested to be established to evaluate the potential ground collapse and surface deformations associated with caving, based on geometries of mine orebody, mine design, and geotechnical conditions. The geotechnical model should use the latest available geological data, including updated faults and geological spatial definition and properties.

Another critical part of subsidence risk management is the adoption of the wide range of technologies now available to remediate subsidence effects and their broader environmental consequences.

- SRK concludes that surface subsidence risk can be managed to an acceptable level by integrating approved, state-compliant geohazard appraisals with appropriate geomechanical modelling and improved remediation measures based on international best practices.

9.5 Stope Optimisation

9.5.1 Block Model

The mine design and Ore Reserve estimation were based on MRM developed by in-house geologist, with an effective date of 31 December 2025. The model was provided in Datamine (.dm) software format.

Key parameters of the block model are outlined Table 9-3 and Table 9-4 below.

Table 9-3: Block Model Parameters for Lode 1# in Rongguan Mine

Type	X	Y	Z
Minimum	600,788.66	5,096,907.01	645.26
User Cell Size	10	10	5
Minimum cell size	2.5	2.5	1.0
Number of cells	80	80	80
User Extents	800	800	400
Total extents cell count	1,110,448		

Source: SRK

Table 9-4: Block Model Parameters for Lode 3# in Rongguan Mine

Type	X	Y	Z
Minimum	601,047.32	5,097,146.03	415.40
User Cell Size	10	10	5
Minimum cell size	2.5	2.5	1.0
Number of cells	56	47	102
User Extents	560	470	510
Total extents cell count	1,110,448		

Source: SRK

9.5.2 Stope Optimisation

SRK conducted stope optimisation using Deswik.SO software, using the Mineral Resource block model to generate mineable shapes. These shapes were then used to refine and enhance the proposed mine plan. There are no Measured Mineral Resources; therefore, only Indicated Mineral Resources were considered during the optimisation process. For the Ore Reserve estimate, the Inferred Mineral Resource category was assigned a zero grade (i.e. waste).

The mineable stope shapes were designed and evaluated as follows:

Geotechnical design criteria

- Three methods are used: sublevel caving (no sill pillar), sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill.
- Phase I:
  - Sublevel caving: orebodies > 5 m thick in Mine Area I.
  - Waste rock fill stoping: orebodies > 5 m thick in the East Mine Area.
  - Shrinkage stoping: orebodies ≤ 5 m thick in Mine Area I and East Mine Area.
- Phase II:
  - Cemented tailings fill stoping: orebodies > 5 m thick.

– Shrinkage stoping with cemented tailings: orebodies ≤ 5 m thick.

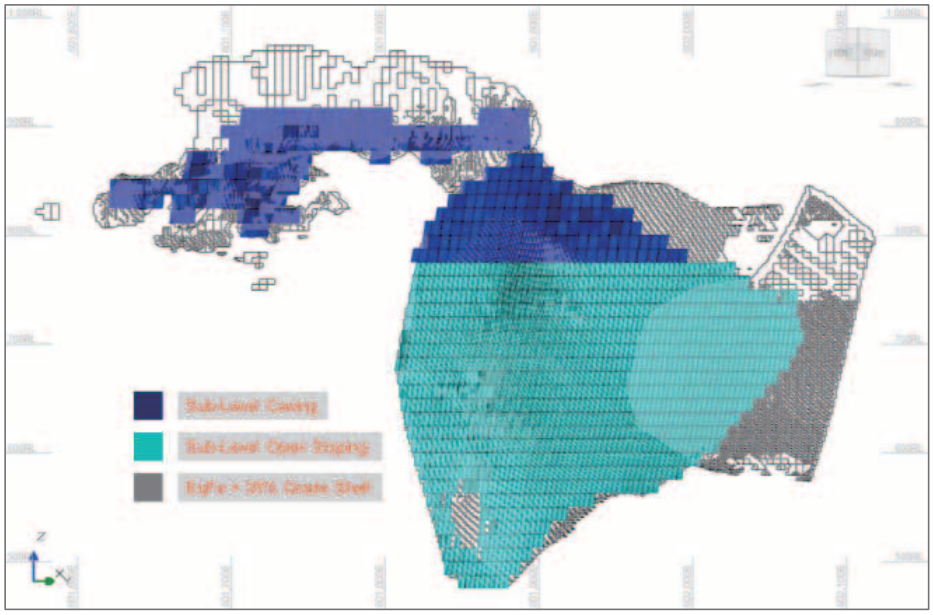
The input parameters used in the Deswik.SO software are summarised in Table 9-5 and Figure 9-9.

Table 9-5: Deswik.SO Parameters for Rongguan Mine

Parameters	Units	Sublevel Opening Stoping Mining Method	Sublevel Caving
Default Density	g/t	2.8	2.8
CoG (ZnEq)	%	1.1	1.1
Default Dip	°	66	66
Strike azimuth	°	27	27
Sub-blocking		yes	yes
Minimal mining width	m	5	20
Mining height	m	12.5	12.5
Mining length	m	5	10
HW dilution	m	0	0
FW dilution	m	0	0
Maximum strike change	°	15	15
Stope maximum side-length ratio	°	15	15

Source: SRK

Figure 9-9: Deswik.SO Results for Rongguan Mine (Looking from South-East)



Source: SRK

9.6 Mining Methods

Rongguan Mine uses a combination of sublevel caving, sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill to match its range of orebody thicknesses and geotechnical conditions, with the caving method dominating thick ore zones and the backfill methods applied to thinner or structurally sensitive areas.

9.6.1 Sublevel caving

- Stope layout
  - Ore thickness > 15 m: blocks arranged down-dip; block length = ore thickness, width 50 m, height = level height; drawpoint drifts at 10 m spacing; sublevel height 12.5 m; 5 drifts per block.
  - Ore thickness ⩽ 15 m: blocks along strike; block length 50 m, width = ore thickness, height = level height; 1 drawpoint drift per block; sublevel height 12.5 m.
- Development
  - Preparation includes footwall ore passes, manway/ ventilation raises, sublevel drifts, decline connections and drill drifts.
  - One ore pass is provided for every two blocks (spacing ~100 m).
- Cutting and drilling
  - Slot raises formed near the hangingwall contact using medium-length holes; parallel up-holes are then drilled to create a free face and establish slot stopes.
  - Production drilling from drawpoint drifts using Simba1354 jumbos or YGZ-90 rigs; up-hole fan patterns, 76 mm holes, 1.5–1.8 m burden, 1.8–2.0 m toe spacing; wall holes inclined ⩾ 50°.
- Blasting and fragmentation
  - Bulk ammonium nitrate and fuel oil explosive ("**ANFO**") (granular) with BQF-100 chargers and non-electric detonators; 1–2 rows of holes per blast.
  - Target fragmentation P80 ≈ 500 mm (80% passing 500 mm); oversize broken with a mobile crusher.
- Mucking and draw control
  - Load-Haul Dump ("**LHD**") trucks muck via drawpoint drifts, sublevel drifts and ore crosscuts to central ore passes, then gravity flow to the haulage level.
  - Buckets sweep from one side of the drift to the other for uniform draw; adjacent drifts are drawn evenly to form similar-height draw ellipsoids, promoting near-horizontal subsidence of the caved cover and minimising loss and dilution.
- Vertical sequencing
  - Typically: one sublevel in production, the next sublevel in production drilling, and the sublevel below in development; blasting is confined to the active production sublevel.

9.6.2 Sublevel open stoping with delayed backfill

- Waste-rock fill stopes
  - Ore thickness > 20 m: stopes down-dip; stope length = horizontal ore thickness; width 15 m; height 50 m (level height); sublevel height 12.5 m; 6 m rib pillars; no sill pillar; 5 m crown pillar; trench-type drawpoint layout.
  - Ore thickness ⩽ 20 m: stopes along strike; length 50 m, width = horizontal ore thickness; height 50 m; sublevel height 16–17 m; 6 m rib pillars; no sill pillar; 5 m crown pillar; trench-type drawpoint layout.
- Cemented tailings fill stopes
  - Ore thickness > 20 m: stopes down-dip and mined in two passes (Step 1 and Step 2 stopes); each step 15 m wide; length = horizontal ore thickness; height 50 m; sublevel height 12.5 m; trench-type drawpoints; no crown pillar.
  - Ore thickness ⩽ 20 m: stopes along strike; length 50 m; width = horizontal ore thickness; height 50 m; sublevel height 16–17 m; 6 m rib pillars; trench-type drawpoints; no crown pillar.
- Development and drilling
  - Preparation includes crosscuts through the ore, sublevel drifts, drill drifts, loading drifts, stope ore passes, decline connections, drill crosscuts and slot raises.
  - Decline is in the footwall; sublevel drifts run along strike and connect to the decline via crosscuts; drill crosscuts connect sublevel drifts to in-ore drill drifts; slot raises are established in each stope.
  - Production drilling from sublevel drill drifts with up-hole fan patterns; 76 mm holes, 1.5–2.0 m burden; 2–3 rows of holes per blast.
  - Charging with bulk ANFO and non-electric initiation.

9.6.3 Shrinkage stoping with delayed backfill

- Stope geometry and development
  - Stopes along strike; length 50 m; 6 m rib pillars; width = horizontal ore thickness; height 50 m (level height); 4 m crown pillar; no sill pillar; flat-floor bottom.
  - Preparation includes ore crosscuts, loading drifts, stope ore passes, manway/ ventilation raises and connecting drifts, and undercut drifts.
- Drilling and blasting
  - Overhand shrinkage mined in 2 m slices from bottom to top.
  - Drilling with YT-28 hand-held drills; 40–45 mm holes, burden 0.8–1.0 m, spacing 0.6–0.8 m.
  - Manual loading of cartridge emulsion explosives; non-electric detonating system.
- Draw strategy
  - After each slice is blasted, approximately one-third of the broken ore is drawn as compensation space; the remainder is left in place until all slices are completed.

- After full shrinkage stoping is completed, bulk drawdown is carried out using loaders (and LHDs in later phases) from the stope floor, with ore hauled to off-reef ore passes.

9.7 Development

Mine Area I is developed by underground methods using a combination of adits, vertical shafts and decline access. Phase I (surface to 770 m asl) is serviced by Adit #1, Adit #2, Shaft #1, Shaft #2, a decline, a northern return air shaft and a blind return raise. Sublevel spacing is 42–50 m, with production levels between approximately 1,118 m asl and 820 m asl, mined in a descending sequence; current stoping is on the 878 m and 866 m levels. In Phase I, thick and massive orebodies are mined by no-sill-pillar sublevel caving, while smaller, thinner orebodies are mined by shrinkage stoping (shallow-hole shrink). Phase II (770–426 m asl) has not yet been developed; the planned access concept is centralised rail haulage with hoisting via Shaft #1, Shaft #2 and a new blind auxiliary shaft adjacent to Shaft #1, with sublevel spacing of about 50 m. Phase II orebodies will be mined using backfill methods, specifically sublevel open stoping with delayed backfill and shrinkage stoping with delayed backfill.

In the East Mine Area, only exploration and limited trial mining have been carried out; two 4.0 m diameter shafts (main and auxiliary) have been sunk. The East Mine Area consists mainly of thin, multilayered orebodies and is planned to be mined by sublevel open stoping with waste-rock delayed backfill and shrinkage stoping with waste-rock delayed backfill.

9.7.1 Mine Access

The mine is being developed in two stages. Phase I covers extraction of orebodies above the 776 m elevation in Mine Area I and all orebodies in the East Mine Area. Key Phase I developments include deepening of Shaft #1, construction of an internal return raise, an intake cable/ pipe raise, the East Mine Area decline, a 776 m pump station and central substation, refuge chamber and mining-district substations. Phase I infrastructure is now essentially complete. Phase II will target orebodies below the 776 m elevation in Mining Area I. Planned Phase II developments include deepening of Shaft #2, construction of a blind auxiliary shaft and blind return shaft, a 476 m pump station and central substation, ore pass and crushing system, fines recovery raise and pump station, a 626 m rail equipment workshop, additional refuge chambers and a traction substation.

9.7.2 Development

Phase I (surface to 776 m)

Shafts and Decline

- Shaft #1: Existing 5.0 m diameter shaft (1,200–746 m); equipped with cage hoist and steel guides; used for personnel and material hoisting, intake air and as a main escapeway; new lower section lined with 300 mm C30 plain concrete.
- Return-air shaft: 4.0 m diameter, 150 m deep (926–776 m); main return airway with ladderway and level connections at 876, 826 and 776 m; 300 mm C30 (C30 means C30 concrete is specified to achieve a 28-day compressive strength of 30 MPa) lining, FBE (i.e. Fusion-Bonded Epoxy)-coated fittings.

- Intake cable/ pipe raise: 4.0 m diameter blind shaft; carries fresh air, services and a ladderway; 300 mm C30 lining with FBE protection.
- East Area decline: Three-centre arch, 4.2 × 3.6 m, from 1,118 m to 1,018 m (~770 m); stable rock supported with 100 mm C25 (C25 means C25 concrete is specified to achieve a 28-day compressive strength of 25 MPa) shotcrete; broken ground with shotcrete + mesh + 2.0 m bolts on 1.0 × 1.0 m pattern.
- 776 m pump station: 4.5 × 4.3 m, 18 m long, 300 mm C30 lining.
- 776 m central substation: 4.5 × 4.5 m, 20 m long, 300 mm C30 lining.
- Other chambers: Refuge chamber (in competent rock, 300 mm C30 lining) and local substations (100 mm C25 shotcrete, locally thickened with plain or reinforced concrete in poor ground).

Phase II (770–340 m and below)

Shafts

- Shaft #2 deepening: 5.0 m diameter shaft deepened from 750 m to 340 m (total depth 860 m); new crushing level at 436 m and conveyor level at 396 m; equipped with skip hoist and wire-rope guides; new section with 300 mm C30 lining and FBE-coated fittings; main ore hoist.
- Blind auxiliary shaft: 4.5 m diameter, 776–446 m (330 m); level stations at 726 m, 676 m, 626 m, 576 m, 526 m and 476 m; cage hoist with steel guides; for waste, personnel, materials and small equipment; includes ladderway; 300 mm C30 lining, FBE fittings.
- Blind return-air shaft: 4.0 m diameter, 776–476 m (300 m); level stations at 726–476 m; main return airway with ladderway; 300 mm C30 lining, FBE fittings.
- Fines recovery shaft: 4.3 × 3.2 m, 476–338 m (138 m); level stations at 396 m and 340 m; used for fines hoisting and personnel access; ladderway provides escapeway from 340 m; 300 mm C30 lining, FBE fittings.

Major Chambers

- 476 m pump station: 4.5 × 4.3 m, 18 m long, 300 mm C30 lining.
- 476 m central substation: 4.5 × 4.5 m, 20 m long, 300 mm C30 lining.
- 436 m crusher chamber: 10 × 11 m, 18 m long; 100 mm C25 shotcrete, 2.0 m × 20 mm bolts at 1.0 × 1.0 m, welded mesh.
- 396 m conveyor drift: 4.0 × 3.0 m, 30 m long, one ore transfer point; same shotcrete + bolt + mesh; feeder chamber with 800 mm C30 reinforced-concrete lining.
- Other chambers: 626 m rail workshop, fines recovery pump chamber, refuge chambers, traction substation; generally, 100 mm C25 shotcrete with 2.0 m × 20 mm bolts at 1.0 × 1.0 m and welded mesh, thickened with plain or reinforced concrete in weak ground.

Ore Passes and Bins

- Primary ore pass + coarse ore bin: 40 m total length between 476 m loading and 436 m crushing level; upper 25 m a 3.0 m diameter ore pass; lower 15 m a 6.0 m diameter coarse ore bin; both

with 500 mm C30 double-layer reinforced concrete and high-manganese steel lining in weak zones and at throats.

- Secondary ore pass + product bin: Similar 40 m system between 436 m loading and 396 m crushing level; upper 25 m a 3.0 m ore pass; lower 15 m a 6.0 m product bin; both with 500 mm C30 double-layer reinforced concrete and high-manganese steel lining.

9.8 Mining Service

9.8.1 Material Handling

Phase I – Development and Haulage (above 776 m)

Phase I covers orebodies above the 776 m elevation in Mine Area I and all orebodies in the East Mine Area. Based on existing development, sublevel spacing is 42–50 m, with seven production levels at 1,068 m, 1,018 m, 976 m, 926 m, 876 m, 826 m and 776 m. A trackless haulage system is used, with a planned production rate of 1.35 Mtpa. Ore and waste are cleared by LHDs to stope ore passes, discharged to the sublevel haulage horizon and then hauled by trucks along the Mine Area I decline to surface.

Phase II – Development and Haulage (776–476 m)

Phase II develops the orebodies between the 776 m and 476 m elevations in Mining Area I. Sublevel spacing is 50 m, with six production levels at 726 m, 676 m, 626 m, 576 m, 526 m and 476 m. Rail haulage is adopted, with central rail levels at 626 m and 476 m. Ore from the production levels is hauled by 7 t trolley locomotives, each hauling 14 YCC1.2(7) side-dump mine cars, to the main shaft loading station, then hoisted to surface via the main shaft. Waste rock is hoisted in stages via the blind auxiliary shaft and Shaft #1 to surface.

A fines recovery shaft is located near Shaft #2, with a 4.3 m × 3.2 m cross-section and extending from 476 m to 338 m. It is used primarily for recovery of fine ore from the 340 m level and also for personnel access to the crushing and conveyor levels.

9.8.2 Power

Power for Rongguan Mine is supplied from the 110 kV Daote North substation/ switchyard via three 10 kV feeders operating on a single-busbar, three-phase 50 Hz system. The substation is equipped with two 40 MVA, 110/10 kV transformers, providing a reliable primary supply.

Three dedicated 10 kV feeders supply the mine complex:

- Feeder I (Rongguan I – mining area):
  - Supplies the underground mining area. The circuit feeds a number of distribution transformers with a combined installed capacity of approximately 16,995 kVA. On-site standby generation totals 880 kW.
- Feeder II (Rongguan II – #1 Plant):

  - Supplies the first processing plant. Installed transformer capacity totals about 4,730 kVA, with two 630 kW, 10 kV high-voltage motors (1,260 kW total). Transformers operate in split-bus mode.
- Feeder III (Rongguan III – #2 Plant):
  - Supplies the second processing plant. Installed transformer capacity totals about 5,700 kVA, with one 1,000 kW and one 1,250 kW, 10 kV motor (2,250 kW total), also operated in split-bus mode.

Within the mine, there are two 10 kV switch rooms. The three incoming feeders are interlinked at these switch rooms and can provide mutual standby. The processing facility switch room is equipped with 22 KYN-28A high-voltage switchgear panels, including one station service transformer panel and one arc-suppression/ neutral earthing cabinet. The mining switch room has 21 KYN-28A panels, including one station service transformer panel and three capacitor banks, providing distribution and power-factor correction for underground loads.

9.8.3 Maintenance

A surface workshop is already established at the mine and is used for maintenance and repair of trackless mobile equipment and processing plant equipment/ infrastructure. The current design continues to use this existing facility.

In Phase II, maintenance chambers will be constructed on the main production levels to provide basic underground repair capability. These chambers will be equipped initially with bench vices, grinding machines, AC arc welders and small overhead cranes, with additional equipment to be installed progressively as operational needs require.

9.8.4 Compressed Air

Based on the compressed-air demand of the mining fleet, the maximum site requirement is estimated at approximately 120 m³/min.

An existing compressor station near Adit #1 houses two LU560W-8.0 and two LU250-8.5 screw compressors. The LU560W-8.0 units each provide 100 m³/min at 0.8 MPa with 560 kW, 6 kV motors; the LU250-8.5 units each provide 43 m³/min at 0.85 MPa with 250 kW, 380 V motors. Normal operations require only one LU560W-8.0 and one LU250-8.5 compressor running in parallel, with the remaining two units available as standby, which is sufficient to meet peak demand and provide redundancy.

The main compressed-air distribution continues to use the existing diameter ("**Φ**") 273 × 7 mm seamless steel pipeline, routed along Adit #1 and Shaft #1 and extended to the deeper levels.

9.8.5 Backfill

In Phase II, a new cemented tailings backfill system will be installed. Approximately 25% of the backfill will be high-strength cemented tailings with a target unconfined compressive strength ("**UCS**") of 2 MPa at a cement: sand ratio of 1:8, and the remaining backfill will use a lower ratio of 1:20. A surface backfill plant will be constructed to prepare and pump the backfill slurry underground.

9.8.6 Dewatering

The mine's underground dewatering system is designed in two stages to handle natural inflows and process return water as workings deepen. Phase I uses a single-stage system that pumps all water from the 776 m level to surface via Shaft #1. Phase II converts the system to relay pumping, with a new main pump station on the 476 m level discharging to the 776 m level, and then to surface using the existing Phase I installation. Sumps at the bottoms of Shaft #1, the blind auxiliary shaft and the fines-recovery shaft, together with dedicated sludge-handling facilities, provide full coverage for inflow collection, pumping and sediment management.

Phase I underground dewatering (to surface)

- Single-stage dewatering via a new main pump station on the 776 m level near Shaft #1; existing 926 m pump station abandoned.
- Design flows (including Phase II basis):
  - Phase I: normal inflow 551 m³/d, peak inflow 668 m³/d, plus 800 m³/d process water return.
  - Phase II (for pump sizing): normal inflow 581 m³/d, peak inflow 704 m³/d, plus 560 m³/d process return and 380 m³/d fill return water.
- 776 m pump station:
  - Three sets of MD85-67×7 centrifugal pumps, each with a capacity of 85 m³/h each, a head of 469 m, power of 185 kW, and voltage of 380 V.
  - Normal: 1 duty, 1 standby, 1 in maintenance; peak: 2 duty, 1 in maintenance.
  - Discharge via 2 × Φ146×7 mm seamless steel pipelines arranged along Shaft #1 (1 line in service normally, 2 lines at peak).
  - Two escapeways: one via an inclined connection to Shaft #1, one via a drift to the shaft bottom yard; drift fitted with a 0.1 MPa water-tight door.
- Shaft #1 sump:
  - Two sets of submersible pumps (20 m³/h, 45 m head, 5.5 kW); 1 duty, 1 standby.
  - Discharge via 2 × Φ76×5 mm steel pipes along Shaft #1 to the 776 m level drain, then by gravity to the main sump.

Phase II underground dewatering (relay system)

- Relay dewatering via a new pump station on the 476 m level near the blind auxiliary shaft, pumping to the 776 m level, then to surface via the existing 776 m system.
- Design flows: normal inflow 581 m³/d, peak inflow 704 m³/d, plus 560 m³/d process return and 380 m³/d fill return water.
- 476 m pump station:
  - Three sets of MD85-45×8 centrifugal pumps, 85 m³/h each, head 360 m, 132 kW, 380 V.
  - Normal: 1 duty, 1 standby, 1 in maintenance; peak: 2 duty, 1 in maintenance.

- Discharge via 2 × Φ146×7 mm steel pipes along the blind auxiliary shaft to the 776 m level (1 line normal, 2 lines peak).
- Two escapeways and a 0.1 MPa water-tight door as per 776 m pump station.

- 776 m pump station: existing installation reused, operating with the same duty/ standby regime as the 476 m station.
- Blind auxiliary shaft sump:
  - Two sets of submersible pumps (20 m³/h, 45 m head, 5.5 kW); 1 duty, 1 standby.
  - Two Φ76×5 mm discharge lines along the blind auxiliary shaft to the 476 m level.
- 340 m fines-recovery pump station:
  - Two MD25-50×3 pumps, 25 m³/h each, head 150 m, 22 kW, 380 V; 1 duty, 1 standby.
  - Two Φ76×5 mm discharge lines along the fines recovery shaft to the 476 m level.

Underground sludge removal (all phases)

- Sumps and settling ponds are cleaned mechanically.
- Phase I: sludge is loaded directly by trackless equipment and hauled to backfilled stopes for disposal.
- Phase II: sludge is first processed by a dedicated cleaning system at the 476 m level, then hauled by trackless equipment to stopes for backfill.
- 476 m sludge chamber (adjacent to the settling pond):
  - Equipped with a sludge-treatment train comprising a self-propelled agitator, slurry transfer pump, coarse separator, filter-feed pump, filter press and belt conveyor.
  - Nominal treatment capacity: 15 m³/h at ~40% solids.

9.8.7 Ventilation

The mine is ventilated using a diagonal exhaust system in both phases, with fresh air entering through the main access openings (adits, shafts, decline and blind auxiliary shaft) and contaminated air exhausted via dedicated return shafts. Separate but integrated circuits are established for Mine Area I and the East Mine Area in Phase I, and for the deeper levels in Phase II. Dust is controlled through wet drilling, auxiliary ventilation at headings, water spraying on muck piles and routine monitoring of intake air quality against regulatory limits.

Phase I ventilation system

- Diagonal, single-wing exhaust system.
- Intake air via Adit #1, Shaft #1 and the decline; return air via the North return shaft and return shaft #2.
- Mine Area I circuit: fresh air → Adit #1/ Shaft #1/ decline → level haulage → working faces → return drifts → internal return raise → return shaft → surface.

- East Mine Area circuit: fresh air → Adit #1/ Shaft #1/ decline → cable/ pipe raise → level haulage → working faces → return air drives → return air shaft #2 → surface.

Phase II ventilation system

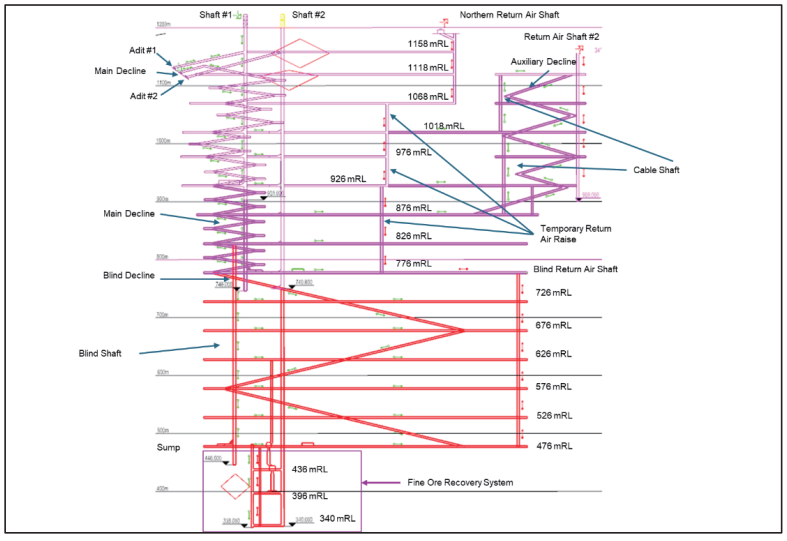
- Same diagonal exhaust concept.
- Intake air via Adit #1, Shaft #1, the decline and the blind auxiliary shaft; return air via return shaft #2.
- Circuit: fresh air → Adit #1/ Shaft #1/ decline/ blind auxiliary shaft → level haulage → working faces → return air drives → return air shaft #2 → surface.

Dust control measures

- Wet drilling with dust suppression at all drilling locations.
- Local ventilation with auxiliary fans and ducting at blind headings to remove dust.
- Water spray/ misting on muck piles before loading ore or waste.
- Regular monitoring of intake air quality to ensure dust concentrations comply with applicable mine safety regulations for fresh air.

Figure 9-10 illustrates the overall view of the ventilation system in Rongguan Mine.

Figure 9-10: Overall View Ventilation System in Rongguan Mine



Source: RG Mine

9.9 Mining Equipment

Based on the detailed designs for underground material handling compressed air, and the primary and auxiliary ventilation systems, all major fixed and mobile equipment has been specified in terms of type. The complete list of required equipment is presented in Table 9-6.

Table 9-6: Underground Mining Equipment Fleet in Rongguan Mine

Category	Item	Model / Range	Quantity	Notes
Power – transformers	Total transformer capacity	KSCB/SCB/S13 series	11	660 kVA
Compressed air	Main compressor fleet	MFGF30/8; MFGF10/8; M350; LU560W-8	4	Surface compressor station
Primary ventilation	Main fan	DK-8 No-26/2×315	1	Mine main fan
Auxiliary ventilation	Auxiliary fans	FKZ; FBY; FKD series	30	Local and secondary ventilation underground
Underground haulage	Underground trucks	UQ25/UQ25A/UQ35/UQ35A	20	Ore and waste haulage
Underground loading	Loaders – 5 t class	ZL50E/ZL50EN	8	Underground loading (ore and waste)
Underground loading	Loaders – 2 t class	ZL20E	4	Workshop and auxiliary use underground
Underground loading	Loaders – 3 t class	ZL31E/ZL31EA	4	Auxiliary loading underground
Surface loading	Surface loaders	FL956F	2	ROM and stockpile loading
Development drilling	Development jumbos	Boomer 281; CYTJ45-R; CYTJ45(AN)	4	Access and development headings
Production drilling	Production drill jumbos	SMBA1354; Simba 1254; CYTC76	3	Medium/long-hole production drilling
Personnel transport	Trackless man carriers	RU-9; Beijing RU-10	3	Emergency and routine personnel transport
Specialised equipment	Scaling jumbo	XMPYT-56.5/362	1	Scaling and ground support
Specialised equipment	Underground explosives truck	WCB-1.5	1	Explosives transport and charging
Rock breaking	Fixed breaker arms	WHC960-135; BHC550-140	2	Stationary rock breaking at crushers
Excavation & haulage	Excavator	DC 225LC-9	1	Surface and waste excavation
Excavation & haulage	Electric shovels	XCMG 968	2	Surface loading
Excavation & haulage	Diesel dump trucks	ND3253B38	2	Surface haulage
Excavation & haulage	Electric dump trucks	Foton Auman	2	Surface haulage
Water management	Water truck	ND3254B38	1	Dust suppression and road watering

Source: Rong Guan Mine

9.10 Mine Production Plan

The life of mine ("**LoM**") schedule for Rongguan Mine has been developed using the Deswik suite software. The production schedule is organised on an annual basis, with the following assumptions applied during production scheduling:

- There is no Measured Mineral Resource; only Indicated Mineral Resources are reported. Inferred Mineral Resources were assigned a zero grade.
- The Mineral Resource mined in stopes accounts for necessary dilution and loss and is reported as ROM material.
- The scheduled start date is 1 January 2026.
- There are two phases, referred to as Phase I and Phase II, which are planned for the extraction of Lode 1# and Lode 3#.
- The maximum annual ROM is capped at 1.35 Mtpa.

The results of the mining scheduling are shown in Table 9-7 and Figure 9-11. The loM is 6 years and start in January 2026. The total ROM amount is 7.2 Mt, with average grades of 2.24% zinc and 18.34% iron, containing 161 kt of zinc and 1,321 kt of iron.

Table 9-7: Annual Mining Production Schedule for Rongguan Mine

Item	Unit	Total	2,026	2,027	2,028	2,029	2,030	2,031
ROM Tonnes	kt	7,202	1,286	1,288	1,079	1,339	1,337	874
Zn Grade	%	2.24	2.29	1.50	2.11	2.71	2.75	1.87
Fe Grade	%	18.34	13.25	13.41	17.63	23.02	22.17	20.95
Zn Metal	kt	161	29	19	23	36	37	16
Fe Metal	kt	1,321	170	173	190	308	296	183

Source: SRK

Figure 9-11: Annual Mining Production Schedule for Rongguan Mine



Source: SRK

10 Processing and Metallurgical Assessment

10.1 Overview

The Project is currently equipped with two processing plants, referred to as the "#1 Plant" and "#2 Plant". The two plants are centrally arranged within the mine industrial area, and the process and production systems operate independently.

#1 Plant was commissioned in 2005, with a designed capacity of 1,500 tonnes per day ("**tpd**") (450 ktpa), while #2 Plant was commissioned in 2011, with a designed capacity of 3,000 t/d (900 ktpa). The combined design processing capacity of the two plants is 4,500 tpd (1,350 ktpa). Both plants adopt a combined "flotation + magnetic separation" process, producing zinc concentrate (approximately 55% Zn) and iron concentrate (approximately 65% Fe) as the main saleable products.

Over the past three years, Zinc head grades have varied between 1.62% and 1.69%, while iron head grades have ranged between 19.45% and 21.82%. Zinc recovery has remained relatively stable over this period, averaging 88.89% for the #1 Plant and 89.27% for the #2 Plant. In contrast, iron recovery has shown a clear and consistent downward trend from 2023 to 2025 in both plants, decreasing from 45.95% to 39.42% in the #1 Plant and from 46.94% to 39.86% in the #2 Plant. This decline is directly correlated with a significant reduction in iron head grade.

10.2 Metallurgical Test

10.2.1 Mineralogy

The Project is classified as a Fe-Zn polymetallic deposit. The principal ore minerals are magnetite, hematite, specular hematite, limonite, sphalerite, and pyrrhotite. The main gangue minerals comprise calcium-iron garnet (andradite), calcite, mica, amphibole, and quartz.

Magnetite typically exhibits a grain size in the range of 0.1–1.0 mm, with a minor disseminated fraction finer than 0.1 mm. Overall, magnetite occurs predominantly as medium- to fine-grained particles, which are readily liberated at conventional grinding sizes. Only a small proportion of disseminated, very fine-grained magnetite is expected to be difficult to fully liberate.

Sphalerite commonly occurs as anhedral crystals infilling the interstices between euhedral garnet grains, with its distribution clearly controlled by voids formed by gangue minerals. It is also present as anhedral grains along magnetite grain boundaries, and in association with pyrrhotite and chalcopyrite. Sphalerite grain size is generally in the range of 0.04–0.5 mm, with occasional particles exceeding 1 mm. The sphalerite is therefore mainly medium- to fine-grained and is generally amenable to adequate liberation.

SRK notes that the available data on the process mineralogy of the Project are primarily derived from historical feasibility study and preliminary design reports.

10.2.2 Metallurgical Test and Results

In July 2004, Beijing General Research Institute of Mining and Metallurgy ("**BGRIMM**") carried out beneficiation tests on ore samples from Rongguan Mine. The testwork completed the selection and systematic condition testing of regulators, collectors and frothers required for the flotation of zinc, silver and indium, and included open-circuit exploratory tests as well as closed-circuit tests. The closed-circuit test flowsheet was zinc flotation (one roughing, two cleaning and one scavenging) and magnetic separation of the flotation tailings for the iron. The test results are shown in Table 10-1.

Table 10-1: 2004 Test Results of Rongguan Mine

Item	Yield (%)	Grade (%)		Recovery (%)	
		Zn	Fe	Zn	Fe
Zn Concentrate	7.60	**59.19**	4.76	**98.06**	1.30
Fe Concentrate	28.51	0.089	**65.30**	0.55	**66.60**
Tailing	63.89	0.10	14.03	1.39	32.08
RoM	100	4.59	27.94	100	100

Source: Feasibility Study Report for the Expansion Project of the First Mining Area and the East Mining Area, Jinjian Design, August 2022.

In addition, Mineral Experiment and Research Institute of the Inner Mongolia Autonomous Region carried out beneficiation test studies on the iron-zinc ore below the 890 m level in this mining area in June 2014. In view of the ore characteristics, systematic condition tests were conducted on the basis of exploratory tests, and a reasonable process flowsheet, reagent regime and optimum operating conditions were finally determined, followed by closed-circuit tests. The closed-circuit test flowsheet was zinc flotation (one roughing, three cleaning and two scavenging) and magnetic separation of the flotation tailings for the iron. The test results are shown in Table 10-2 and Table 10-3.

Table 10-2: 2014 Zinc Flotation Test Results

Item	Yield (%)	Grade				Recovery (%)			
		Zn (%)	Ag(g/t)	In (%)	TFe (%)	Zn	Ag	In	TFe
Zn Concentrate	4.96	**50.71**	128.91	0.0198	6.91	**90.12**	76.56	77.5	1.38
Tailing	95.04	0.29	2.06	0.0003	25.77	9.88	23.44	22.5	98.62
RoM	100	2.79	8.35	0.0013	24.83	100	100	100	100

Source: Feasibility Study Report for the Expansion Project of the First Mining Area and the East Mining Area, Jinjian Design, August 2022.

Table 10-3: 2014 Iron Magnetic on Flotation Tailings Test Results

Item	Yield (%)	Grade (%)	Recovery (%)
		TFe	TFe
Fe Concentrate	32.42	**65.24**	**85.16**
Tailing	62.62	5.34	13.46
Zinc Flotation Tail	95.04	25.77	98.62

Source: Feasibility Study Report for the Expansion Project of the First Mining Area and the East Mining Area, Jinjian Design, August 2022.

The results of the two stages of beneficiation tests indicate that the ore can achieve satisfactory indicators by adopting a "flotation followed by magnetic separation" combined process, which

demonstrates that the ore has generally good beneficiation amenability and provides a relatively reliable technical basis for subsequent process design.

However, a comparison between the test indices of zinc and iron concentrates and the actual production indices of the mine shows a significant discrepancy, particularly in the yield and recovery of the iron concentrate, which are noticeably lower in actual production. Given that the above tests were conducted a long time ago, they can no longer adequately reflect the characteristics and beneficiation behavior of the ore currently being mined or to be mined in the future.

It is therefore recommended that the mine collect representative ore samples from different ore blocks and different mining stages and carry out systematic and in-depth laboratory beneficiation testwork. The focus should be on investigating process routes to improve the yield and recovery of the iron concentrate and on optimising the parameters and reagent regime of the "flotation followed by magnetic separation" process, so as to provide a reliable basis for subsequent process adjustments or technical modifications in production.

10.3 Processing Practice

10.3.1 Process Flowsheet

The production process of #1 Plant and #2 Plant is similar. The comminution circuit consists of three-stage crushing with one closed circuit, followed by two-stage closed-circuit grinding. The beneficiation flowsheet comprises zinc flotation and iron recovery from the zinc tailings through magnetic separation process. The simplified production process flowsheet is shown in Figure 10-1, and specified as follows:

Crushing and Screening

Ore in the coarse ore bin is fed by a heavy-duty apron feeder to a jaw crusher for primary crushing. The primary crushed product is discharged to a secondary crushing buffer bin, then fed via a belt feeder to a secondary cone crusher. The secondary crushed product is transferred by belt conveyor to a double-deck circular vibrating screen. The oversize from the screen is conveyed to the tertiary crushing buffer bin and then fed, via belt feeder, to a tertiary cone crusher. The tertiary crushed product is returned to the vibrating screen for closed-circuit screening. The undersize from the screen is conveyed to the fine ore bin. This constitutes a three-stage closed-circuit crushing process. The maximum feed size is 500 mm, and the final crushed product size is 0–14 mm.

Grinding and Classification

Ore from the fine ore bin is fed to a grid-type ball mill operating in closed circuit with a spiral classifier, forming the first-stage grinding circuit. The spiral classifier overflow flows to a pump box and is pumped to a hydrocyclone for classification. The hydrocyclone underflow returns to an overflow-type ball mill, forming the second-stage closed-circuit grinding operation. The hydrocyclone overflow flows by gravity to the flotation conditioning tank.

The first-stage grinding fineness is 45% passing 200 mesh (74 micron ("**μ**")), and second-stage grinding fineness is 65–70% passing 200 mesh.

Zinc Flotation

Conditioned slurry flows by gravity to the zinc rougher flotation circuit. After roughing, two stages of scavenging and three stages of cleaning are carried out to produce a zinc concentrate. The zinc concentrate flows by gravity to a concentrate pump box. The zinc flotation tailings flow to the magnetic separation circuit.

Iron Magnetic Separation

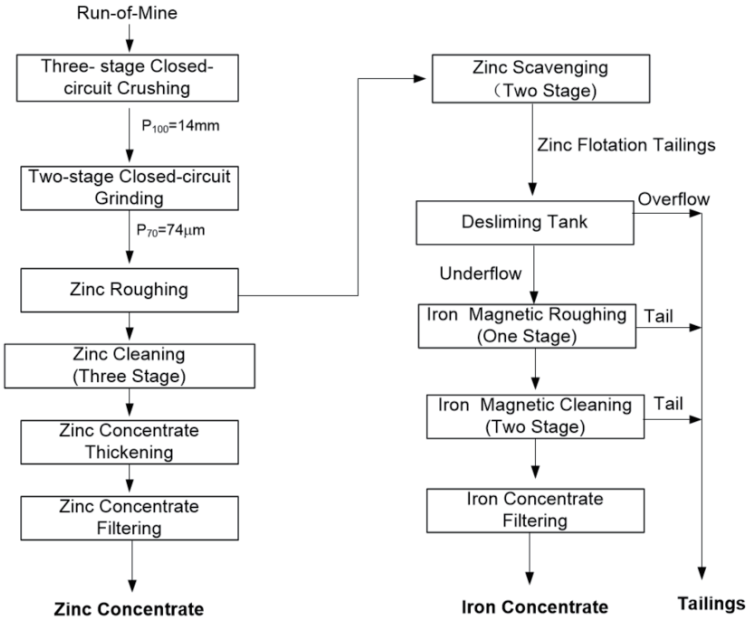
Zinc flotation tailings flow to a magnetic desliming tank. The underflow from the magnetic desliming tank is fed to the first-stage magnetic separation. The magnetic concentrate then undergoes two stages of cleaning to produce iron concentrate. The iron concentrate is pumped to the dewatering section, while the magnetic separation tailings are discharged to the TSF.

Concentrate Dewatering

Zinc concentrate is dewatered using a two-stage "thickening + filtration" mechanical dewatering process. The final zinc concentrate filter cake has a moisture content ⩽10% and is stored in the zinc concentrate storage bin for sale.

Iron concentrate is dewatered using a single-stage filtration process. The final iron concentrate filter cake has a moisture content ⩽10% and is stored in the concentrate storage bin for sale.

Figure 10-1: Simplified Production Flowsheet of Rongguan Plant



Source: Rongguan Mining database and SRK prepared.

10.3.2 Main Facilities and Equipment

The main processing equipment of #1 Plant and #2 Plant is shown in Table 10-4. Based on historical production data and a capacity assessment of the existing key equipment, the current equipment configuration is considered generally adequate to meet the processing requirements.

The plant's primary production facilities comprise the crushing workshop, grinding workshop, and the flotation and magnetic separation workshop, together with dewatering facilities. In addition, the plant is equipped with auxiliary facilities including a mechanical repair shop and a laboratory.

SRK conducted on-site inspections of the key workshops of the processing plants, with the Plant current situation photos provided in Figure 10-2. At present, the major production equipment for crushing, grinding, flotation, magnetic separation and dewatering is generally in good working condition. Routine maintenance and repair activities are being implemented, and no major equipment defects that would affect safe and stable operation have been identified. Overall, subject to continued normal maintenance and appropriate technical upgrades, the plant is considered capable of continuing to undertake subsequent production tasks and remaining in service.

Table 10-4: Main Equipment of Rongguan Plant

Equipment	Specifications	QTY.	Remark
#1 Plant			
Jaw Crusher	C100	1	Primary Crushing
Cone Crusher	HP400	1	Secondary Crushing
Cone Crusher	HP400	1	Fine Crushing
Vibrating Screen	2YAHg2460	1	
Grate Ball Mill	MQG3236	1	Primary Grinding
Spiral Classifier	2FG-24	1	
Overflow Ball Mill	MQY3245	1	Secondary Grinding
Hydrocyclone	Φ350*5	1	
Flotation Machine	16m3	28	Roughing and Scavenging
Flotation Machine	8m3	8	Cleaning
Magnet Desliming Tank	CS-30	4	
Magnetic Separator	CTB-1024	3	Roughing
Magnetic Separator	CTB-1230	3	Cleaning
Thickener	NZS-15	1	Zinc Concentrate
Ceramic Filter	P30/10-C-1	2	Zinc Concentrate
Washing Magnetic Separator	CH-CXJ26000	2	Iron Concentrate
Disc Filter	ZPG-60	2	Iron Concentrate
#2 Plant			
Jaw Crusher	C110	1	Primary Crushing
Cone Crusher	HP300	1	Secondary Crushing
Cone Crusher	HP400	1	Fine Crushing
Vibrating Screen	2YAH2448	2	
Grate Ball Mill	MQG3645	1	Primary Grinding

Equipment	Specifications	QTY.	Remark
Spiral Classifier	2FG-30	1	
Overflow Ball Mill	MQY3645	1	Secondary Grinding
Hydrocyclone	Φ500*6	1	
Flotation Machine	XCF-10	6	Cleaning
Flotation Machine	KYF-10	4	Cleaning
Flotation Machine	XCF-30	7	Roughing and Scavenging
Flotation Machine	KYF-30	12	Roughing and Scavenging
Magnet Desliming Tank	CS-30	6	
Magnetic Separator	CTB1230	3	Roughing
Magnetic Separator	CTB1024	6	Cleaning
Thickener	Φ17	1	Zinc Concentrate
Ceramic Filter	TC-45	1	Zinc Concentrate
Washing Magnetic Separator	CH-CHJ26000	2	Iron Concentrate
Disc Filter	ZPG-40	3	Iron Concentrate

Source: Rongguan Mine database and SRK prepared.

Figure 10-2: Current Situation Photo of Rongguan Plant





Source: SRK Site visit

10.3.3 Material Consumption

The material, reagent, and power consumptions of Rongguan Plants from 2023 to 2025 are shown in Table 10-5. The data indicated that both plants show a clear and favourable downward trend in the consumption of grinding media and major reagents like lime from 2024 to 2025. This indicates successful efforts in improving operational efficiency, potentially through process optimisation or changes in ore characteristics.

#2 Plant consistently demonstrates lower specific power consumption (kWh/t) compared to #1 Plant across all three years, with 31.89 kWh/t for #2 Plant versus 35.93 kWh/t for #1 Plant in 2025.

Table 10-5: Material, Reagent, and Power Consumptions of Rongguan Plant

Item	Unit	2023	2024	2025
#1 Plant				
Steel Balls	kg/t	0.74	0.65	0.57
Collector	kg/t	0.04	0.04	0.02
Lime	kg/t	1.50	**1.61**	**0.99**
Foaming Agent	kg/t	0.02	0.02	0.02
$CuSO_4$	kg/t	0.23	0.23	0.20
Liner	kg/t	0.16	0.13	0.11
Power	kw/t	34.30	33.80	**35.93**
#2 Plant				
Steel Balls	kg/t	0.88	0.76	0.78
Collector	kg/t	0.02	0.03	0.02
Lime	kg/t	1.29	**1.48**	**0.63**
Foaming Agent	kg/t	0.01	0.01	0.01
$CuSO_4$	kg/t	0.22	0.19	0.20
Liner	kg/t	0.12	0.13	0.07

Item	Unit	2023	2024	2025
Power	kw/t	32.78	31.30	**31.60**

Source: Rongguan Mine database and SRK prepared.

10.4 Production Performance

Table 10-6 summarised the historical production data from 2023 to 2025 of the Rongguan Plants. The data showed that the combined annual throughput of the two plants ranges between 1,739 kt and 1,861 kt.

Despite a slight decrease in zinc head grade, zinc recovery remained consistently high and stable in both plants, averaging 88.89% for #1 Plant and 89.27% for #2 Plant. The zinc concentrate grade was also consistently maintained at a high level (~55%), indicating robust control and efficiency in the zinc flotation circuit.

In contrast, iron recovery has shown a clear and consistent downward trend from 2023 to 2025 in both plants, decreasing from 45.95% to 39.42% in the #1 Plant and from 46.94% to 39.86% in the #2 Plant. This decline is directly correlated with a significant reduction in iron head grade (from ~21.6% to ~19.5%). The iron concentrate grade remained stable at around 65%, suggesting that the separation process itself is functioning properly, but the lower feed grade is constraining mass pull and iron recovery. It is recommended to investigate the cause of declining iron recovery. Optimise grinding fineness, magnetic separation parameters, or reagent scheme (if applicable) to improve recovery from lower-grade feed.

Table 10-6: Historical Production Data of Rongguan Plants (Year 2023 to 2025)

Items	Unit	2023	2024	2025
Plant 1（1,500 tpd)				
Processed Tonnes	kt	808	852	874
Feed Grade (Zn)	Zn%	1.69	1.63	1.62
Feed Grade (Fe)	Fe%	21.52	20.16	19.45
Zn Concentrate Yield	%	2.71	2.65	2.61
Fe Concentrate Yield	%	15.21	12.80	11.71
Zn Concentrate Tonnes	kt	22	23	23
Fe Concentrate Tonnes	kt	123	109	102
Zn Concentrate Grade	Zn%	55.46	54.83	55.24
Fe Concentrate Grade	Fe%	65.01	65.23	65.48
Tail Zn Grade	Zn%	0.21	0.20	0.20
Tail Fe Grade	Fe%	14.00	13.81	13.59
Zn Recovery	%	88.99	88.9	88.78
Fe Recovery	%	45.95	41.40	39.42
Plant 2（3,000 tpd)				
Processed Tonnes	kt	931	1,000	987
Feed Grade (Zn)	%	1.69	1.64	1.65
Feed Grade (Fe)	%	21.82	20.45	19.55

Items	Unit	2023	2024	2025
Zn Concentrate Yield	%	2.70	2.65	2.68
Fe Concentrate Yield	%	15.75	13.26	11.97
Zn Concentrate Tonnes	kt	25	26	26
Fe Concentrate Tonnes	kt	147	133	118
Zn Concentrate Grade	%	56.15	55.22	55.01
Fe Concentrate Grade	%	65.03	65.07	65.12
Tail Zn Grade	%	0.20	0.20	0.19
Tail Fe Grade	%	14.11	13.90	13.61
Zn Recovery	%	89.36	89.12	89.33
Fe Recovery	%	46.94	42.18	39.86
Total				
Processed Tonnes	kt	1,739	1,852	1,861
Zn Concentrate Yield	%	2.70	2.65	2.65
Fe Concentrate Yield	%	15.50	13.05	11.85
Zn Concentrate Tonnes	kt	47	49	49
Fe Concentrate Tonnes	kt	270	242	221
Zn Recovery	%	89.17	90.02	89.07
Fe Recovery	%	46.48	41.83	39.65
Tail Yield	%	81.80	84.31	85.50
Actual Recovered Metal				
Zn	kt	26.22	26.99	27.19
Fe Concentrate	kt	269.52	241.65	220.49

Source: Rongguan Mining database and SRK collected.

10.5 Tailings Storage Facilities

All tailings from #1 Plant and #2 Plant are hydraulically transported to the TSF for wet deposition. The operating TSF is located in a valley approximately 1.0 km southeast of the processing plants.

The TSF was originally designed by BGRIMM in July 2004 as a single-stage dam with a dam height of 16.8 m.

In August 2011, the Harbin Gold Design & Research Institute carried out a technical upgrade and expansion. The dam crest elevation was raised to 1,118.0 m asl, with a final dam height of 37.3 m. The design total storage capacity is 9.97 million m³ (Mm^3), with an effective capacity of 7.98 Mm^3, which was classified as a Class IV tailings dam.

In 2020, Lanzhou Nonferrous Metallurgy Design Institute Co., Ltd. completed a further dam-raising and expansion design. Using the upstream construction method, the TSF was raised to a crest elevation of 1,130.0 m asl, with a total dam height of 49.3 m. The design total storage capacity is 18.42 Mm^3, with an effective capacity of 15.65 Mm^3, which was classified as a Class III tailings dam.

The TSF is currently operating normally, and the current situation is shown in Figure 10-3. As of the end of December 2025, approximately 9.87 Mm^3 of tailings had been deposited, leaving a remaining storage capacity of around 5.78 Mm^3. Based on a production capacity of 1,350 ktpa and an estimated

tailings yield of about 83%, the annual tailings discharge is approximately 0.75 Mm³, which is sufficient to accommodate tailings deposition for approximately eight years.

Figure 10-3: Current Situation of Rongguan TSF



Source: SRK Site visit

11 Workforce Assessment

11.1 Workforce Numbers

According to the information provided by the Company, as of 31 December 205, the total workforce numbers were 136 for the Company's headquarters and 143 for the Rongguan Mine. Details of the workforce numbers are presented in Table 11-1 and Table 11-2. SRK considers that the workforce numbers are adequate to meet the 1,350 ktpa production capacity for the Rongguan Project.

Table 11-1: Workforce Numbers of the Company's Headquarters

Department	Workforce Number
Board of Directors	2
President's Office	13
Safety & Environmental Protection Dept.	4
General Office	12
Finance Dept.	3
Party Building Work Dept.	2
Geological Resources Dept.	6
Legal & Compliance Dept.	1
International Business Dept.	1
Corporate Management Dept.	9
Human Resources Dept.	5
Financing Dept.	2
Audit & Supervision Dept.	3
Market Operations Dept.	10
Strategic Investment Dept.	11
Bidding & Procurement Center	7
Securities Dept.	4
General Affairs Dept.	41
Total	**136**

Source: Xingye Silver & Tin

Table 11-2: Workforce Numbers for the Rongguan Mine

Department	Workforce Number
General Manager's Office	6
Technical Dept.	12
Safety & Environmental Protection Dept.	27
Equipment & Power Dept.	13
Production Dept.	32
Processing facility	27
R&D Center	
Quality Inspection Dept.	2
General Affairs Dept.	9
Laboratory	2
Finance Dept.	8
Operations Dept.	5
Rescue Team	
Total	**143**

Source: Rongguan Mining
Note: Excludes approximately 205 personnel from the mining contractor and 146 personnel from the processing contractor

11.2 Assessment of Workforce

SRK have been informed that all staff and employees will sign work contracts as required by labour law and labour contract law of China. The Company will also provide endowment, medical, work injury, unemployment, and pension insurance, plus housing accumulation funds, for employees. SRK is also informed that the Company's management and technical staff are stable, and contractors have a relatively low turnover rate of about 4-5%.

12 Project Infrastructure

12.1 Road Access

The Rongguan Mine is located in Bayinbaolage Gacha, Gahaile Sumu, East Ujimqin Banner, Xilin Gol League, Inner Mongolia. The mining area is just about 24 km north of Eren Gaobi and 30 km south of Wulagai. The main external roads from the Sumu are: Eren Gaobi – Wuchagou Railway Station on the Bai'a Line, 190 km; Eren Gaobi – Xilinhot City, 380 km; and Wulagai – Huolinhe City Railway Station, 100 km. They are all asphalt roads, and the transportation conditions are relatively convenient.

12.2 Power Supply

Rongguan Mine has signed power supply contracts for the mining area and processing plants with Xilingol Power Supply Branch of Inner Mongolia Electric Power (Group) Co., Ltd.

The power consumption site is the mining, processing facility and living area on the east side of the Daote North Substation. The contract is valid for five years, from 30 April 2025 to 29 April 2030.

The power is supplied by the Western Inner Mongolia power grid (Mengxi Grid), mainly coal-fired power complemented by new energy. The power for the Daote North 110 kV substation is drawn from the 220 kV Yinkuang Substation. Power supply has been relatively stable for many years, and aside from normal maintenance, uninterrupted power supply can be ensured, providing a high level of power security.

There are three circuits in total, all supplied from the 110 kV Daote North substation/ switching station. They operate as single-circuit lines using three-phase AC power at 50 Hz and 10 kV.

- The first circuit supplies power to Rongguan Line I (mining area) via a dedicated overhead line (overhead line/ cable) fed from the outlet 952 Rongguan I feeder circuit breaker.

  In this circuit, there are nine 315 kVA transformers, twelve 50 kVA transformers, five 500 kVA transformers, one 2,000 kVA transformer, one 1,250 kVA transformer, one 1,000 kVA transformer, one 250 kVA transformer, one 30 kVA transformer, one 2,500 kVA transformer, two 400 kVA transformers, one 630 kVA transformer, two 100 kVA transformers, and three 800 kVA transformers, with a total installed power capacity of 16,995 kVA, and a self-generation capacity of 880 kW.

- The second circuit supplies power to Rongguan Line II (#1 Plant) via a dedicated overhead line (overhead line/ cable) fed from the outlet 955 Rongguan II feeder circuit breaker. It includes one 630 kVA transformer, one 500 kVA transformer, two 1,000 kVA transformers, and one 1,600 kVA transformer, with a total capacity of 4,730 kVA.

  There are two 630 kW, 10 kV high-voltage motors, with a total capacity of 1,260 kW. When multiple transformers are in operation, they run in a sectionalized (non-parallel) configuration.

- The third circuit supplies power to Rongguan Line III (#2 Plant) via a dedicated overhead line (overhead line/ cable) fed from the outlet 958 Rongguan III feeder circuit breaker. It includes two 1,600 kVA transformers and one 2,500 kVA transformer, with a total capacity of 5,700 kVA.

There is one 1,000 kW 10 kV motor and one 1,250 kW 10 kV motor, with a total capacity of 2,250 kW. When multiple transformers are in operation, they run in a sectionalised (non-parallel) configuration.

There are two 10 kV distribution rooms in the mining area. The three main incoming circuits are interconnected and can serve as backups for one another. The processing facility distribution room is equipped with 22 KYN-28A high-voltage switchgear panels, including one panel for a station service transformer and one arc-suppression and harmonic elimination cabinet. The mining distribution room is equipped with 21 KYN-28A high-voltage switchgear panels, including one panel for a station service transformer and three capacitor cabinets.

Rongguan Mine's total power consumption in 2024 was 70,021,580.00 kWh, with a comprehensive tariff (excluding tax) of 0.39 CNY/kWh. From January to November 2025, power consumption was 65,719,600.00 kWh, with a comprehensive tariff (excluding tax) of 0.46 CNY/kWh.

12.3 Water Supply

The Rongguan Mine's water is drawn from a water source located about 27 km in a straight line from the mine area. There are 12 wells at the water source, each with a depth of 120–150 m, of which six are currently in normal operation, providing a daily water supply of about 4,500 m³. The water is delivered to the mine's elevated reservoir through five stages of booster pump stations; the elevated reservoir has a capacity of 3,000 m³.

The power supply for the water supply system is provided by a single-circuit overhead line. The well field is powered via 10 kV/380 V, 50 kVA/100 kVA transformers, with a voltage level of 380 V. Each of the six existing wells is equipped with a 175QJT32-144/9 submersible electric pump, with a flow rate of 32 m³/h and a head of 144 m. The water from the well outlets is collected into a DN400 socket-type PVC pipeline and conveyed via Pump Stations No. 1–5 to the high-level reservoir in the mining area. Each pump station is equipped with two KQSN250-M4-473 double-suction pumps (one in operation and one standby), with a motor power of 110 kW and a flow rate of 473 m³/h. The water supply system operates in a fully automatic, unattended mode.

The total water consumption in 2024 was 266,700 m³, and the cumulative water consumption from January to November 2025 was 196,200 m³. The unit water price is 2.5 yuan/m³ for groundwater and 2.0 yuan/m³ for drainage water.

12.4 Maintenance Workshop

A surface workshop established at the mine is used for maintenance and repair of trackless mobile equipment and processing plant equipment/ infrastructure. The current design continues to use this existing facility.

12.5 Office Buildings and Accommodation

Rongguan Project is located in Bayanbaolage Gacha, Gahaile Sumu, East Ujumqin Banner, Xilingol League. Its office and living facilities are configured around employees' daily needs for work, accommodation, dining, and basic living, and overall are able to meet the fundamental office and living support requirements of the Project's operations.

12.5.1 Core Office Facilities

Mine area offices: Located in Bayanbaolage Gacha, Gahaile Sumu, Dong Ujumqin Banner, Xilingol League. The site has two office buildings: one administrative office building with 4 floors and a total area of nearly 1,900 m²; and one processing facility laboratory office building with 3 floors and a total area of nearly 1,200 m².

They are equipped with intelligent office systems and promote paperless operations, with an electronic document management system, remote conference equipment, and other facilities to ensure efficient collaborative work.

The office area is equipped with light-emitting diode ("**LED**") energy-saving lighting, water-purification equipment, and other energy-saving facilities, in line with the concept of green offices.

There are six meeting rooms of various sizes in the mining area, suitable for meetings of different scales and formats.

12.5.2 Supporting Facilities in Living Area

Dormitory Accommodation

The administrative dormitory area has a total floor area of nearly 1,500 m^2, with 3 floors and 48 dormitory rooms, accommodating nearly 80 employees. It meets double-occupancy or triple-occupancy needs and is equipped with basic furniture and living facilities.

The employee dormitory area has a total floor area of nearly 2,400 m^2, with 4 floors and 56 dormitory rooms, accommodating nearly 200 employees. It meets triple-occupancy or quadruple-occupancy needs and is equipped with basic furniture.

The family dormitory area has a total floor area of nearly 3,000 m^2, with 4 floors and 115 dormitory units, accommodating nearly 115 married employee couples. It meets the work-and-living needs of both spouses at the mine and is equipped with basic furniture and living facilities.

Canteen Catering

The mine area is equipped with a canteen that is connected to the sports activity room. The canteen has an area of nearly 800 m^2, plus 3 separate private dining rooms. It can accommodate 150 people dining at the same time and provides breakfast, lunch, and dinner, with a wide variety of dishes to meet employees' diverse dietary needs. Meals are provided at cost price.

Other Living Facilities

The mine area has a sports activity room, which is connected to the canteen, with a floor area of nearly 2,400 m^2. It is equipped with one billiards table, one basketball court, one badminton court, and one table tennis table. This facility serves as an emotional link between the Company and its employees, effectively enhancing employees' sense of belonging, happiness, and cohesion, and continuously injecting vitality into the Company's sustainable and healthy development.

13 Environmental Studies, Social or Community Impact

13.1 Environmental and Social or Community Review Process, Scope, and Standards

The process for the verification of the environmental compliance and conformance for the Project comprises a review and inspection of the project's environmental management performance against:

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

The methodology applied for this environmental review of the Project consists of a combination of desktop review, site visit, and interviews with Mines' technical representatives.

13.2 Environmental Legal Framework

The basis of environmental policy in China is contained in the 2018 Constitution of the People's Republic of China. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organises and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the Minerals Resources Law of the People's Republic of China (2024) and the Environmental Protection Law of the People's Republic of China (2014):

- Environmental Impact Assessment Law (2018).
- Law on Prevention & Control of Atmospheric Pollution (2018).
- Law on Prevention & Control of Noise Pollution (2021).
- Law on Prevention & Control of Water Pollution (2017).
- Law on Prevention & Control Environmental Pollution by Solid Waste (2020).
- Forestry Law (2019).
- Water Law (2016).
- Land Administration Law (2019).
- Protection of Wildlife Law (2022).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

13.3 Status of Environmental Studies

The Environmental Impact Assessment Law of the People's Republic of China and the Regulations on the Administration of Environmental Protection for Construction Projects require that projects with

potentially significant environmental impacts prepare an EIA Report, which must comprehensively evaluate the pollution generated by the project and its impact on the environment. Before construction begins, the construction unit must submit the Environmental Impact Report or Environmental Impact Statement to the relevant environmental protection authority for approval.

The Company has provided the EIA report and corresponding official approval for the Rongguan Mine, as presented in in Table 13-1.

Table 13-1: Summary of EIA Reports and Approvals

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
EIA Report for Chagan Aobao Mining and Processing (1,500 tons/day capacity)	Inner Mongolia Autonomous Region Coal Environmental Impact Assessment Center	August 2005	Inner Mongolia Autonomous Region Environmental Protection Bureau	16 December 2005
EIA Report for Chagan Aobao Processing Plant Expansion (4,500 tons/day capacity)	Inner Mongolia Xinchuang Environmental Protection Technology Development Co., Ltd.	April 2008	Inner Mongolia Autonomous Region Environmental Protection Bureau	4 December 2008
EIA Report for the Mining Renovation and Expansion of Chagan Aobao	Xilingol League Zhong'an Environmental Technology Consulting Co., Ltd.	March 2021	Xilingol League Ecology and Environment Bureau	18 September 2021
EIA Report for Chagan Aobao Tailings Storage Facility Heightening and Expansion Technical Renovation Project	Xilingol League Zhong'an Environmental Technology Consulting Co., Ltd.	September 2020	Xilingol League Ecology and Environment Bureau	24 September 2020
EIA Report for Chagan Aobao Deep Resource Exploitation (1.35 Mt/Year) Polymetallic Mine Construction	Xilingol League Zhong'an Environmental Technology Consulting Co., Ltd.	December 2025	Xilingol League Ecology and Environment Bureau	25 December 2025
Environmental Impact Post-Assessment (EIPA) Report for Chagan Aobao Mining and Processing Project	Chifeng Guohuan Hongbo Energy Conservation and Environmental Protection Technology Co., Ltd.	December 2025	Xilingol League Ecology and Environment Bureau	22 December 2025

SRK reviewed the above EIA reports and approvals and concluded that the EIAs basically cover the main production facilities including mine sites, iron and zinc processing plants, TSF and other auxiliary facilities. SRK considers that the Rongguan Mine prepared the EIA reports in accordance with relevant Chinese legal requirements and obtained corresponding government approvals.

13.4 Flora and Fauna

During multiple past EIAs, baseline surveys and evaluations of the ecological environment were conducted for the Project. No nationally or regionally protected areas, key habitats for protected wildlife, nature reserves at the national or autonomous region level, ecological function conservation

zones, or other types of protected areas are located within the project area or its assessment boundary.

The ecosystem in the project area is predominantly a typical grassland ecosystem. The region is rich in grassland resources, with the most common plant families including Poaceae, Asteraceae, Fabaceae, Cyperaceae, Chenopodiaceae, and Rosaceae. Field ecological surveys conducted within and around the project area did not identify any nationally protected wild plant species or key protected grassland plant species in Inner Mongolia.

Due to long-term anthropogenic disturbance, wildlife diversity and abundance in the area are relatively low. Based on site reconnaissance, occasional sightings of hares, ground squirrels, foxes, and birds such as sparrows have been recorded within the mining area. No rare or endangered wildlife species are present within the assessment area.

With the implementation of ecological restoration and other measures, vegetation within the mining area has shown a noticeable recovery, with an overall increase in vegetation coverage. Overall, the structure of the vegetation ecosystem has remained relatively stable. A comparison of vegetation type statistics between 2018 and 2025 indicates that the area of low-lying wetland vegetation within the assessment area has increased. From 2021 to 2025, vegetation coverage in the assessment area has improved, with the average vegetation coverage reaching approximately 31%.

13.5 Water Management

Surface water systems within the mining area are poorly developed, with an absence of perennial rivers or permanent water bodies. Seasonal streams form only during the rainy season, accumulating in low-lying hilly areas to create wetlands of varying sizes; however, these eventually dry up due to intense evaporation. Meteoric precipitation serves as the primary recharge source for groundwater in the mining area. A portion of this precipitation flows downstream as surface runoff, while a smaller fraction infiltrates the subsurface. Groundwater runoff conditions are entirely governed by topography. Upon receiving recharge from precipitation, the bedrock fissure water in the mining area flows and collects from higher to lower elevations via groundwater runoff, eventually discharging out of the area.

The domestic water source is located 27 km from the mining area and is conveyed to an elevated domestic water tank via a multi-stage pumping system. Fresh water for production is sourced from underground inflow, while the remaining process water demand is supplied by recycled water from the TSF and the processing plant.

The implementation of the Project will disrupt the natural balance of groundwater, leading to increased groundwater flow velocity, declining water levels, reduced storage, and localised transitions from confined to unconfined conditions within the mining area and surrounding regions. Five groundwater monitoring wells have been established around the TSF, including two located upstream and three downstream. According to the monitoring results for the first quarter of 2025, groundwater quality within the assessment area complies with Class III standards under the Standard for Groundwater Quality (GB/T 14848-2017), and no significant changing trends have been observed compared with data from the acceptance stage. Exceedances in ammonia nitrogen are likely attributable to contamination from livestock manure. Elevated manganese concentrations are related to the naturally high manganese content in the regional geological strata. The exceedances in total hardness and total dissolved solids are mainly due to low precipitation, high evaporation, and relatively deep groundwater levels, resulting in naturally high background concentrations in the

aquifer media. These are not caused by anthropogenic pollution but are associated with natural geological conditions.

The main types of wastewaters generated by the Project include domestic sewage, mine inflow, mineral processing wastewater, and tailings/ TSF wastewater. Domestic sewage is treated by two septic tanks and one underground sewage treatment facility, and the treated effluent is reused in the mineral processing operations. Mine inflow is settled in underground sumps; part of it is reused for underground operations, while the remainder is pumped to an elevated process water tank for dust suppression, greening, and mineral processing, with no external discharge. Mineral processing wastewater is discharged to the TSF and, after sedimentation, is recycled back into the processing circuit, with no wastewater discharge. A tailings return water pump station is installed at the front of the TSF dam. Return water from the TSF is conveyed to a return water tank at the pump station and then pumped back to the processing plant by centrifugal pumps for reuse, with no external discharge. According to self-monitoring data for the first quarter of 2025, wastewater from the processing plant and the TSF complies with the discharge limits for new enterprises specified in Table 2 of the Discharge Standard of Pollutants for Lead and Zinc Industry (GB 25466-2010).

13.6 Waste Rock and Tailings Management

No waste rock dump ("**WRD**") has been established at the project site. The waste rock generated is used for road maintenance, TSF construction, and backfilling of subsidence areas.

Tailings are conveyed to the TSF via a tailings transport system for disposal. In this project, tailings are deposited in the TSF using a wet disposal method. Interception and drainage channels are constructed around the facility, and vegetation is enhanced along the perimeter. During the dry season, the exposed tailings beach is sprayed with water to suppress dust.

In addition, the Project adopts an "in-situ ecological seepage control" approach. A cut-off seepage dam has been constructed within 50 m downstream of the TSF. The base of the dam will be connected to bedrock with a permeability coefficient of less than 1.0×10^{-7} cm/s, utilising the naturally impermeable bedrock within the mining area to prevent seepage.

According to the EIAs, the waste rock and tailings have been classified as Class I general industrial solid waste based on leaching toxicity test results. No evidence of potential acid rock drainage ("**ARD**") was observed during the site visit.

13.7 Air and Noise Emissions

The main sources of air pollution include emissions from the biomass boiler, dust generated during ore processing and underground drilling, as well as fugitive dust from the tailing storage facility and haul roads. According to the EIA report (Deep Exploitation 1.35 Mt/Year, 2025), in 2024, concentrations of six key air pollutants (SO_2, NO_2, PM_{10}, $PM_{2.5}$, CO, and O_3) within the project area met the Class 2 standards of the Ambient Air Quality Standard (GB3095-2012), indicating compliance in the region. Additionally, Total Suspended Particulates ("**TSP**") was identified as a characteristic pollutant for the project; monitoring in May 2023 showed that the 24-hour average concentration met the Class 2 standards of GB3095-2012.

To monitor air quality within the project area, Rongguan commissioned third-party monitoring agency Kunfu Testing to conduct air monitoring test in 2025. The monitoring included organised emissions

from the boiler such as particulate matter, sulfur dioxide, nitrogen oxides, mercury and its compounds, and stack gas blackness, as well as organised particulate matter emitted from the exhaust stacks of crushing and screening units. It also covered fugitive emissions, including particulate matter and total non-methane hydrocarbons. Monitoring of the boiler was conducted monthly, while all other monitoring was performed quarterly. Based on the monitoring results for 2025, no exceedances of regulatory limits were observed.

The EIA (Deep Exploitation 1.35 Mt/Year, 2025) recommends dust control measures for mining operations, including wet drilling and blasting, water spraying during excavation, regular cleaning of tunnel walls, and mechanical ventilation to effectively reduce dust emissions during underground mining and transportation. In the crushing process, installation of efficient wet dust collectors, combined with mechanical and water-spray dust removal, helps control particulate concentrations in operational areas. Surface controls involve windbreak dust suppression nets and coverage for non-operational zones at temporary ore storage yards, as well as water spraying during loading and stockpiling. For road transportation, enhanced road maintenance, regular cleaning and water spraying, and regulated vehicle speeds are implemented. Boiler emissions are treated using baghouse dust collectors and discharged via a 40 m stack. According to the Environmental Impact Post-Assessment Report prepared in December 2025, all main gaseous pollutants from project emission sources comply with the requirements of Table 6 of GB25466-2010, and the pollution control measures have proven effective.

During the site visit, SRK observed that there is currently one boiler house in the industrial area, equipped with two boilers. The coal-fired boiler has been shut down and is fitted with desulfurization and dust removal systems. The boiler currently in use is a biomass-fueled boiler. In addition, dust control equipment has been installed in the crushing process of the processing plant. Windbreak and dust suppression nets are installed at the ore stockpile yard, along with fog cannons for spray-based dust control. The dry beach of the TSF is equipped with dust suppression nets and mist spraying systems, while water spraying pipelines and water trucks are used for dust control along the roads.

The main noise sources for the Project consist of mechanical noise generated by mining equipment during operation, as well as the traffic noise when transporting. According to the EIA report, most equipment noise sources are fixed and continuous, including drilling jumbo, rock drills, hoists, crushers and ventilation facilities. These are mainly located in the underground mining areas, where noise levels typically range from 85 to 110 decibel (**"dB(A)**"). Blasting operations can produce instantaneous noise levels up to 120 dB(A); due to underground location, the impact on surface is minimal. Traffic noise is primarily produced by ore and tailings transport vehicles and is characterised as linear and intermittent sources.

The EIA (Deep Exploitation 1.35 Mt/Year, 2025) proposed noise-control measures such as installing new mining and processing equipment in enclosed spaces, implementing wall sound insulation, base vibration isolation for pumps, and silencers for ventilation systems to reduce noise emissions to the external environment. During equipment's selection, priority is given to low-noise electrical and mechanical equipment, and conventional noise control techniques such as sound absorption, sound insulation, vibration isolation, and site greening are comprehensively applied to ensure compliance with emission standards. According to the EIA's predictions in the EIA (Deep Exploitation 1.35 Mt/Year, 2025), the noise levels are expected to comply with the Class 2 standard limits set forth in the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008).

In 2025, Rongguan Mine commissioned third-party monitoring agency Kunfu Testing to conduct ambient noise monitoring at eight locations around the industrial site, with the monitoring frequency of once per quarter. Monitoring results indicated daytime noise levels, and the nighttime levels all meet the limit values of Emission Standard for Industrial Enterprises at Boundary (GB12348-2008).

13.8 Hazardous Substances Management

Hazardous materials have the characteristics of corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which pose a potential risk to human and/ or environmental health. The hazardous materials will be generated mainly by the Project's construction, mining, and processing operations and include of hydrocarbons (i.e. diesels, waste oils, and lubricants) and oil containers, explosives, processing reagents, etc. The leaks, spills or other types of accidental releases of hazardous materials may have negative impact on soils and groundwater resources near the mine site.

The Project has an explosives magazine located to the east of the processing plant area. During the site visit, SRK observed that it is equipped with safety measures such as fire protection systems and real-time monitoring, in compliance with relevant domestic regulations. The Project also includes a dedicated reagent storage facility for housing processing chemicals, and the floor of this facility has been hardened. The hazardous waste generated by the Project mainly includes used oil and laboratory waste liquids. These wastes are temporarily stored in a dedicated hazardous waste storage facility, where they are segregated by category and clearly labelled. The floor and the lower sections of the surrounding walls of the facility have been treated with impermeable lining to prevent leakage. Collected waste oil and laboratory waste liquids are periodically transferred and disposed of by Inner Mongolia Shengshi Dongrun Waste Materials Recycling Co., Ltd.

For each transfer, an application is submitted through the management system to create an electronic hazardous waste transfer manifest, and the relevant records are maintained in the waste management register. SRK reviewed the 2025 hazardous waste inventory, which records the quantities generated and transferred for each category of hazardous waste. The records indicate that all hazardous waste generated during the year was transferred to qualified third-party institutions for proper treatment and disposal.

SRK recommends that the processing reagents and waste oil be stored with secondary containment which is in line with the recognised international industry management practices. SRK also recommends that the mine establish a hazardous waste register system and entrust the disposal of hazardous waste to a qualified third-party company.

13.9 Mine Closure and Rehabilitation

The Chinese national requirements for mine closure are covered under the Mineral Resources Law of People's Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), 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 geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by the Company.

The latest geological environmental protection and land reclamation plan for the Ronggaun Mine was prepared in July 2023 by Inner Mongolia Yicheng Geological and Mineral Exploration and Development Co., Ltd. The plan includes an assessment of impacts on the mine geological environment and land disturbance, a feasibility analysis of geological environment management and land reclamation, proposed engineering measures for environmental restoration and land rehabilitation, as well as cost estimates and implementation scheduling. As of the end of 2025, the Project has completed land reclamation over an area of 112.4 hectares. Specific measures include topsoil covering and seeding with grass species suitable for local conditions.

Currently, a subsidence area has formed above the #1 orebody of the mine. During the site visit, it was observed that the Project has installed warning signs around the subsidence area, set up monitoring and prediction instruments, and deployed several audio and video surveillance systems. Additionally, the Project has developed the Subsidence Area Geological Disaster Prevention and Emergency Response Plan and prepared the Technical Study Report on Comprehensive Management of Mining Subsidence Area. The subsidence area is restored and managed at appropriate times in accordance with the recommendations of the comprehensive management technical study.

According to the report, the estimated static investment for mine geological environment management is CNY 1,053,800, while the static investment for land reclamation is CNY 2,345,300. The total static investment required for mine geological environment management and land reclamation is therefore CNY 3,399,100.

13.10 Social Aspects

The mining area is located approximately 180 km northeast of Wuliyasitai Town in East Ujumqin Banner, Inner Mongolia Autonomous Region, and falls under the administrative jurisdiction of Bayanbaogela Gacha, Gahailesu Sumu, East Ujumqin Banner, Xilingol League. The Project does not involve environmentally sensitive areas such as scenic spots, cultural heritage sites, or tourist resort areas.

Local herders rely primarily on animal husbandry for their livelihoods. The local herders are widely dispersed. There are no herders within the mining license area, while seven herder households are located within a 5 km radius of the mining site. To date, the Company has had no environmental violations, emergency pollution incidents, or environmental complaints, and has not received any public environmental complaints.

During previous environmental impact assessment processes, the Project conducted multiple rounds of public participation and environmental information disclosure. No objections were received during the information disclosure periods, and public surveys indicated no opposition to the Project's development.

The Company stated that it maintains good relations with the surrounding herders, providing support such as delivering coal during winter, offering aid, and assisting with snow removal.

14 Capital Expenditures and Operating Expenses

This section summarises the Capex and Opex for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan").

14.1 Capital Expenditures

The Capex for the Project is categorised into Sunk Capex and Future Capex.

14.1.1 Sunk Capex

The sunk Capex covers the three-year period from 2023 to 2025, which primarily includes initial infrastructure construction, underground development, and sustaining Capex.

The summary of sunk Capex is presented in Table 14-1.

Table 14-1: Historical Sunk Capex (2023 to 2025)

CAPEX	Unit	Historical			
		2023	2024	2025	Average
Initial Capex					
Infrastructure	million CNY	-	-	8.71	2.90
Underground Development	million CNY	4.85	13.17	-	6.01
Equipment Installation	million CNY	1.43		-	0.72
Sustaining Capex					
Land Use Rights	million CNY	0.68	-	-	0.23
Mining Rights	million CNY	47.86	-	3.50	17.12
Equipment Purchase	million CNY	4.97	9.78	26.70	13.81
Buildings	million CNY	26.77	1.60	1.80	10.06
Underground Development	million CNY	1.97	1.50	8.71	4.06
Others	million CNY	-	-	-	-
Total Capex	million CNY	**88.55**	**26.04**	**49.41**	**54.90**

Source: summarized by SRK

14.1.2 Future Capex

Future Capex is estimated based on historical expenditure data and the LoM production schedule. A total projected Future Capex is CNY 146.46 million. The summary of LoM Capex is presented in Table 14-2.

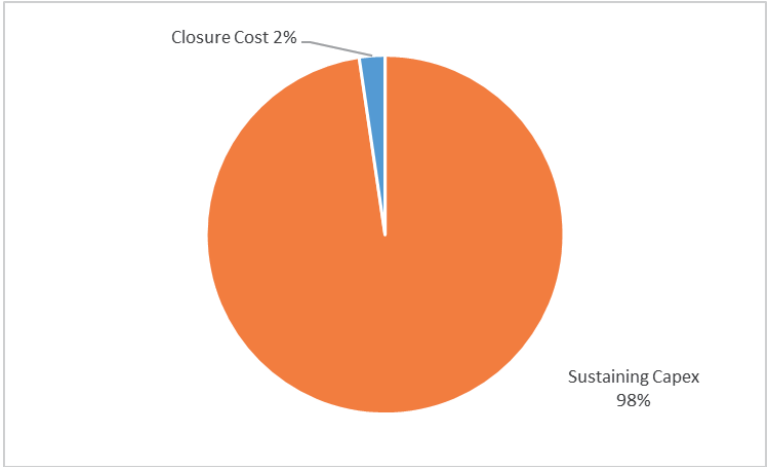
The expenditures are divided into three primary categories as shown in Figure 14-1. Sustaining Capex accounts for approximately 98% of the total, followed by mine Closure Cost, which account for about 2%.

Table 14-2: Summary of LoM Capex

CAPEX	Unit	Value
Initial Capex		-
Infrastructure	million CNY	-
Underground Development	million CNY	-
Equipment Installation	million CNY	-
Sustaining Capex		143.06
Land Use Rights	million CNY	-
Mining Rights	million CNY	-
Equipment Purchase	million CNY	70.76
Buildings	million CNY	51.51
Underground Development	million CNY	20.80
Others	million CNY	-
Closure Cost	million CNY	3.40
Total Capex	million CNY	146.46

Source: summarized by SRK

Figure 14-1: Capex Investment Plan Distribution over LoM



Source: summarised by SRK

Sustaining Capex

As shown in Figure 14-2, sustaining costs remain broadly stable at approximately CNY 28 million per year through 2029. These costs include land use rights, equipment purchase, and building maintenance, with a scheduled reduction in the final three years of the LoM.

Figure 14-2: Sustaining Capex Investment Plan over LM (unit: million CNY)

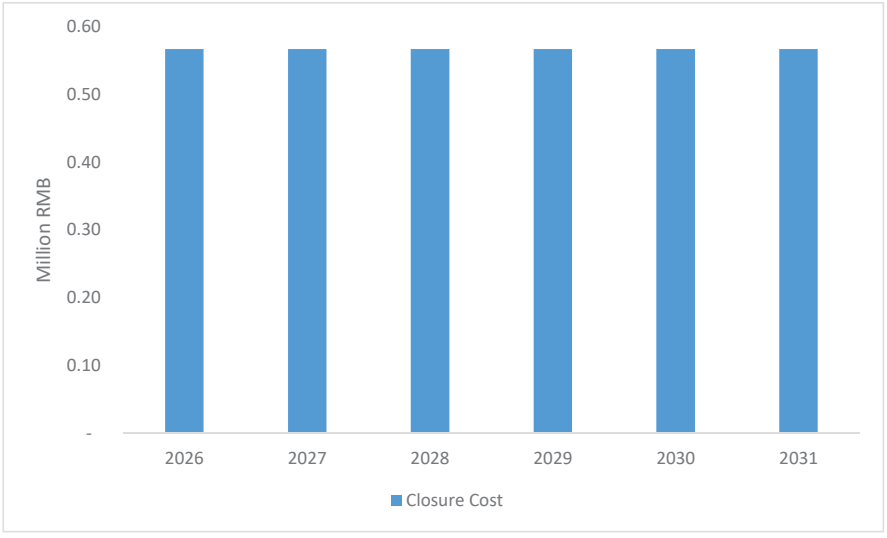


Source: summarised by SRK

Closure Cost

As shown in Figure 14-3, the mine closure and rehabilitation costs are allocated as a fixed annual provision of CNY 0.57 million across the entire LoM.

Figure 14-3: Closure Capex Investment Plan over LoM (unit: million CNY)



Source: summarised by SRK

14.2 Operating Costs

Opex estimates are based on historical cash costs and the LoM production plan. All figures represent in a cash basis; non-cash items such as Depreciation and Amortization ("**D&A**") are excluded.

14.2.1 Historical Operating Costs

The historical operating cash costs for the period from 2023 to 2025 are summarised in Table 14-3. Total expenditure during this period was CNY 1,054.98 million.

Table 14-3: Historical Cash Opex (2023 to 2025)

Item	Unit	2023	2024	2025	Total
COGS					
Labor Costs	million CNY	106.99	135.91	169.78	412.68
Materials	million CNY	41.06	43.88	42.54	127.48
Fuel & Power	million CNY	28.84	24.69	28.54	82.08
OHS Expenses	million CNY	31.79	34.77	33.75	100.30
D&A	million CNY	-	-	-	-
Others	million CNY	1.94	2.85	6.08	10.87
Taxes and Surcharges	million CNY	31.40	38.82	35.75	105.98
Selling Expenses	million CNY	16.61	20.10	18.10	54.81
General & Admin.	million CNY	37.14	41.64	43.51	122.28
R&D Expenses	million CNY	11.15	13.62	13.73	38.50
Total OPEX	million CNY	**306.93**	**356.27**	**391.78**	**1,054.98**

Source: summarised by SRK

Note: COGS means the cost of goods sold, which includes labour directly tied to production; direct materials needs for the production of goods and services; and taxes on the production facilities.

14.2.2 Unit Operating Costs

The historical unit cash costs for the period from 2023 to 2025are provided in Table 14-4.

Table 14-4: Historical Unit Cash Opex (2023 to 2025)

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Mined	kt	1,883.94	1,809.01	1,846.06	5,539.00
Milled	kt	1,739.00	1,852.00	1,861.00	5,452.00
COGS					
Labor Costs	CNY/t	61.52	73.39	91.23	75.69
Materials	CNY/t	23.61	23.69	22.86	23.38
Fuel & Power	CNY/t	16.59	13.33	15.34	15.05
OHS Expenses	CNY/t	18.28	18.77	18.13	18.40
D&A	CNY/t	-	-	-	-
Others	CNY/t	1.11	1.54	3.27	1.99

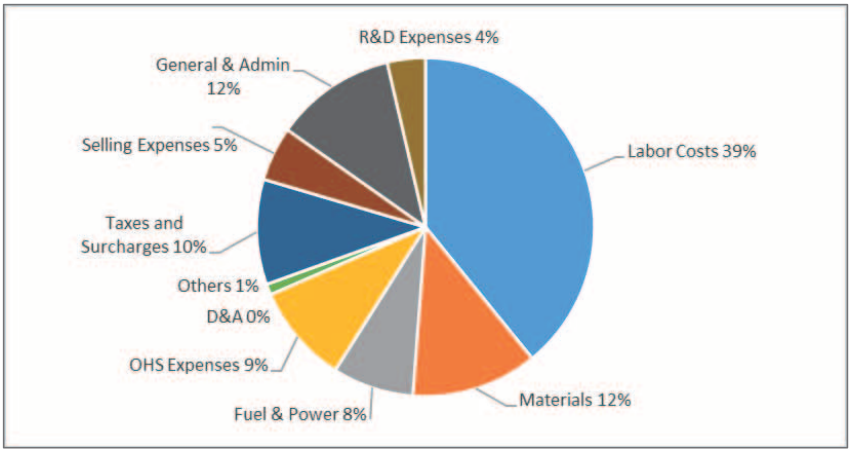
OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Taxes and Surcharges	CNY/t	18.06	20.96	19.21	19.44
Selling Expenses	CNY/t	9.55	10.85	9.73	10.05
General & Admin.	CNY/t	21.36	22.48	23.38	22.43
R&D Expenses	CNY/t	6.41	7.35	7.38	7.06
Total OPEX	CNY/t	**176.50**	**192.37**	**210.52**	**193.50**

Source: summarised by SRK

Note: COGS means the cost of goods sold, which includes labour directly tied to production; direct materials needs for the production of goods and services; and taxes on the production facilities.

The cash Opex distribution, based on the three-year historical average, is shown in Figure 14-4. Labor costs (39%), materials (12%), and G&A (12%) represent the primary cost drivers.

Figure 14-4: Opex Estimated Distribution over LoM



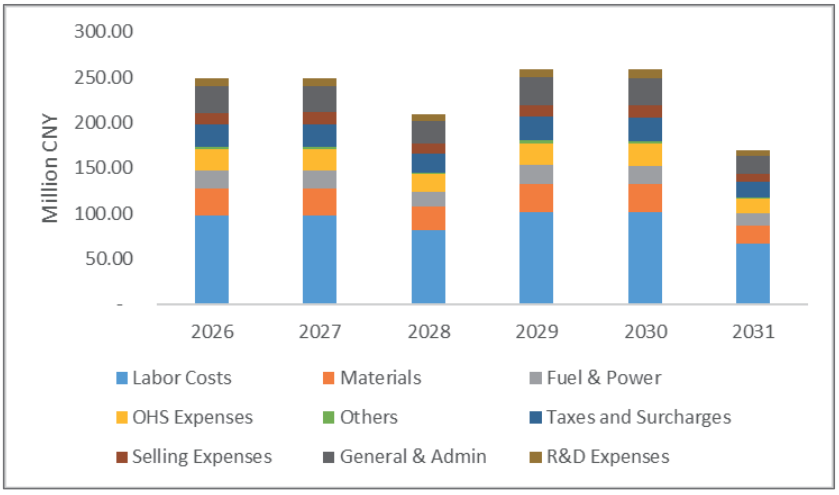
Source: summarised by SRK

14.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from the 2023 to 2025 period to the projected production schedule.

The annual cash Opex projection over the LoM is shown in Figure 14-5. Annual Opex decreases in 2028 as production begins to ramp down.

Figure 14-5: Opex Plan over LoM (unit: million CNY)



Source: summarised by SRK

15 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis of the Project was conducted using conventional Discounted Cash Flow ("**DCF**") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived Net Present Value ("**NPV**") do not indicate the fair market value or the actual profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and no financing costs were considered.

The NPV was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and pricing.

15.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Rongguan Mine. The assumptions are as follows:

- The ROM and finial products of Rongguan Mine are based on the LoM schedule.
- The local currency for Rongguan Mine is CNY.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LoM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Ore Reserve estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LoM.
- The reference date or effective date is 31 December 2025.

15.1.1 Life of Mine Physical

The mine production and key technical input parameters have been described in the previous section. A summary of the key physical assumptions is presented in Table 15-1.

Table 15-1: LoM Physical Inputs for Economic-Analysis

Item	Unit	Value
Mining		
Ore Reserves	kt	7,202
Average Grade		
Fe Grade	%	18.34
Zn Grade	%	2.24
Total Metal		
Fe Metal	t	1,321,109
Zn Metal	t	160,987
Capacity (average over LoM)	ktpa	1,266
Mine life	yrs	6
Processing		
Fe Concentrate		
Fe Recovery	%	42.65
Fe Grade in Fe Concentrate	%	65.15
Zn Concentrate		
Zn Recovery	%	89.12
Zn Grade in Zn Concentrate	%	55.33

Source: SRK

15.1.2 Pricing Assumptions

Table 15-2 shows the prices for Iron and Zinc. These commodity prices are dynamic and are derived from the *Consensus Metals Forecasts* ("**CMF**"), published by Consensus Economics Inc., to which SRK subscribes annually.

Table 15-2: Pricing Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	2031	LTP
Iron	USD/dmtu	1.48	1.40	1.42	1.39	1.33	1.31	1.31
Zinc	USD/t	2,800	2,650	2,600	2,600	2,650	2,800	2,800

Source: CMF, 15 December 2025

15.1.3 Tax and Royalties

The taxes, government charges and royalties for Rongguan Mine are mainly corporate income tax, resource tax (which is in form of royalties), and value added tax ("**VAT**").

Corporate Income Tax ("**CIT**")

- The standard corporate tax rate in China is 25% of taxable income. However, Rongguan Mine has informed SRK that, as a Hi-New Tech enterprise, the subsidiary entities operating the Rongguan Mine benefit from a reduced enterprise income tax rate of 15% for a three-year term, which is renewable.
- Resource Tax (Royalties)
  - 6% of the net sales from and zinc mineral products
  - 4% of the net sales from iron mineral products.

- Value Added Tax

In China, industrial minerals prices include a VAT, which is 13% of sales, excluding revenue from gold if any.

- Surtax/ Surcharge
  - City Maintenance and Construction Tax: 1% of VAT payable.
  - Education Surcharge: 3% of VAT payable.
  - Local Education Surcharge: 2% of VAT payable.
  - Water Resource Construction Fund: 0.10% of VAT payable.

15.1.4 Depreciation

The initial capital and sustaining capital expenditures, including development costs, have been depreciated on a unit production basis over the LoM. Depreciation follows the straight-line method over a period of six years.

15.1.5 Working Capital

Working capital is the capital needed to fund operations before revenue is received from the finished product. Working Capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

15.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 15-3.

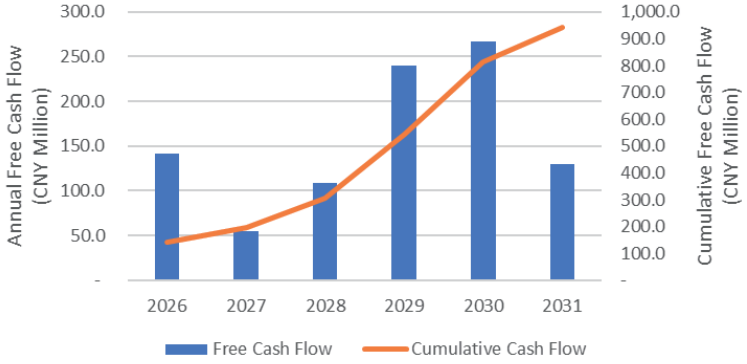
Table 15-3: LoM Key Economic Results

Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Discount rate	%	8.0%
Net Present Value, pre-tax	million CNY	877.4
Net Present Value, post-tax	million CNY	742.2
Internal Rate of Return	%	N/A
Payback	in year	N/A

Source: SRK

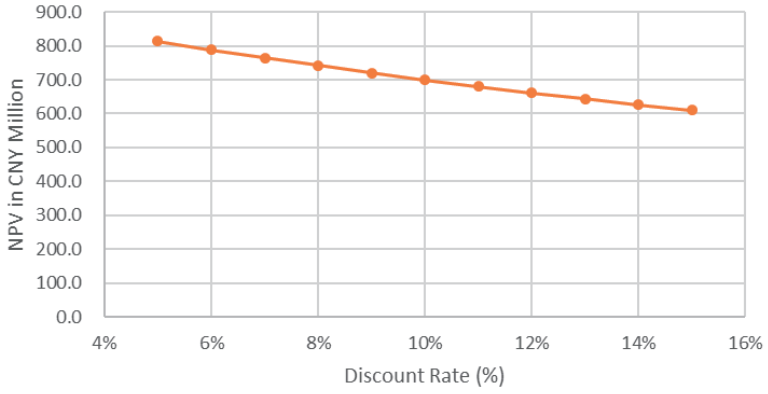
The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 742.2million. The sensitivity of NPV against discount rate is presented in Figure 15-2. The annual cash flows are presented graphically in Figure 15-1 and in tabular form in Table 15-4.

Figure 15-1: Cash Flow Profile



Source: SRK

Figure 15-2: Rongguan Mine NPV versus Discount Rate



Source: SRK

Table 15-4: LoM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030	2031
COGS								
Labor Costs	RMBm	545.2	97.3	97.5	81.7	101.3	101.2	66.1
Materials	RMBm	168.4	30.1	30.1	25.2	31.3	31.3	20.4
Fuel & Power	RMBm	108.4	19.4	19.4	16.2	20.2	20.1	13.2
OHS Expenses	RMBm	132.5	23.7	23.7	19.9	24.6	24.6	16.1
D&A	RMBm	-	-	-	-	-	-	-
Others	RMBm	14.4	2.6	2.6	2.2	2.7	2.7	1.7
Taxes and Surcharges	RMBm	154.4	27.9	18.7	21.6	34.3	34.7	17.2
Selling Expenses	RMBm	72.4	12.9	12.9	10.8	13.5	13.4	8.8
General & Admin	RMBm	161.5	28.8	28.9	24.2	30.0	30.0	19.6
R&D Expenses	RMBm	50.9	9.1	9.1	7.6	9.5	9.4	6.2
Total	**RMBm**	**1,408.1**	**251.7**	**242.9**	**209.4**	**267.3**	**267.5**	**169.3**
Capital costs		**LOM**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Initial Capex	RMBm	-	-	-	-	-	-	-
Sustaining Capex - Mining	RMBm	143.1	27.9	27.9	27.9	27.9	17.4	14.0
Closure	RMBm	3.4	0.6	0.6	0.6	0.6	0.6	0.6
Total	**RMBm**	**146.5**	**28.5**	**28.5**	**28.5**	**28.5**	**17.9**	**14.5**
	RMBm							
Cash flow		**LOM**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Net revenue	RMBm	2,682	475	327	376	598	602	302
Operating costs	RMBm	-1,254	-224	-224	-188	-233	-233	-152
Royalties	RMBm	-154	-28	-19	-22	-34	-35	-17
Closure Costs	RMBm	-3	-1	-1	-1	-1	-1	-1
Change in net working capital	RMBm	-0	-21	10	-6	-15	-2	18
Capex	RMBm	-146	-28	-28	-28	-28	-17	-14
Tax paid	RMBm	-169	-33	-11	-23	-47	-48	-7
Free Cash Flows	RMBm	955	142	55	109	240	267	130

Source: SRK

15.3 Sensitivity Analysis

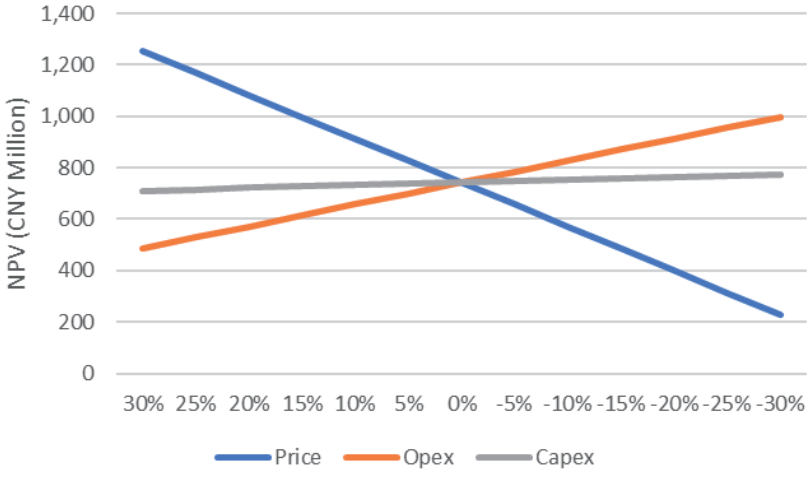
SRK conducted a single-factor sensitivity analysis for the Rongguan Mine to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% variation range. The results show that the Project is most sensitive to changes in metal prices and least sensitive to variations in Capex. The sensitivity tests are presented in Table 15-5 and Figure 15-3.

Table 15-5: Sensitivity Analysis Result (@8 % Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	1,252	486	711
25%	1,167	529	716
20%	1,082	571	721
15%	997	614	727
10%	912	657	732
5%	827	700	737
0%	742	742	742
-5%	657	785	747
-10%	572	828	753
-15%	487	870	758
-20%	401	913	763
-25%	314	956	768
-30%	226	998	774

Source: SRK

Figure 15-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK

It can be seen that changes in prices have the greatest impact on the NPV of the Rongguan Project, while Opex and Capex have relatively smaller effects.

To clarify the effects of prices on the Rongguan Mine's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -43% from the base scenario prices used in the model, i.e. if the prices fall to approximately 57% of the forecast prices, the Rongguan Mine NPV will become negative.

16 Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Rongguan Project in relation to their likelihood of occurrence within the LoM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Project is an advanced project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Rongguan Project. SRK's final Risk Assessment is presented in the following table.

Table 16-1: Risk Assessment for Rongguan Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Major	Medium
Lack of Significant Ore Reserves	Possible	Major	Medium
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls	Possible	Moderate	Medium
Pumping System Adequacy	Unlikely	Minor	Low
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Possible	Moderate	Medium
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Unlikely	Minor	Low
Poor Road Transportation/Safety	Unlikely	Minor	Low
Ore Processing and Metallurgy			
Lower Throughput	Unlikely	Moderate	Low
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Air pollution	Possible	Minor	Low
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Moderate	Medium
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

Source: SRK

17 Conclusions and Recommendations

17.1 Geology and Mineral Resources

The Rongguan Project comprises a contact-metasomatic, skarn-type Fe–Zn deposit within the Mining Licence and a Zn-dominant polymetallic skarn system (K-2) within the Peripheral Exploration Licence. Fe–Zn mineralisation (FeZn1, FeZn3, FeZn4, FeZn1-2, FeZn10) is hosted in garnet skarn along granitoid–Duobaoshan contacts and NE-trending structural zones, forming semi-tabular to lenticular orebodies with generally good continuity. In the peripheral area, Pb–Zn–Ag mineralisation in K-2 and related lenses is hosted in skarn and altered volcanic breccias related to Middle Jurassic intrusions.

Mineral Resource estimates are based on validated drilling and underground data, 1 m compositing, capping and 3D wireframes; OK interpolated method was applied to FeZn3 and ID² to other Fe–Zn domains, while a mixed-domain approach was used for Pb–Zn–Ag. At cut-off grades of 1% ZnEq (Mining Licence) and 1.2% ZnEq (Exploration Licence), Indicated and Inferred Mineral Resources are reported that satisfy RPEEE. Adopted bulk densities of 3.87 t/m³ for Fe–Zn ore and 3.53 t/m³ for Pb–Zn–Ag ore are consistent with testwork and mineralogy.

Within the Mining Licence, further drilling should target down-dip and along-strike extensions of the main Fe–Zn orebodies, particularly FeZn1 and FeZn3, and tighten drill spacing on FeZn4, FeZn1-2 and FeZn10 to improve confidence and support future conversion of Mineral Resources to Ore Reserves. In the Peripheral Exploration Licence, additional drilling is recommended to follow K-2 along strike and depth and to test priority IP, magnetic and polymetallic geochemical anomalies along the skarn–contact corridor, with the objective of delineating new Pb–Zn–Ag orebodies and extending the project's resource base.

Sampling and assay QA/QC procedures across both the mining and exploration areas should be maintained and, where necessary, strengthened in order to maintain and enhance confidence in future Mineral Resource estimates.

17.2 Mining and Ore Reserves

The Rongguan Mine has been designed as an underground operation. SRK conducted stope optimisation and updated the LoM plan, determining that the revised mine design is appropriate to guide the extraction of eligible Mineral Resources. The mining methods employed at Rongguan Mine include sublevel caving, sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill. After reviewing the mining methodology, equipment list, and mining services, SRK considers that operations are conducted in accordance with industry standard practices. Overall, the mining methods applied at Rongguan Mine are deemed suitable to support future production.

Rongguan Mine primarily relies on contractors for development and mining activities, while mine management, technical services, and supervisory staff are provided by the Company. All mobile equipment, along with some minor fixed equipment, is supplied by the mining contractor.

Recommendations:

- Inferred Mineral Resources has a significant impact on Ore Reserve estimation. It is recommended that additional geological work be conducted to improve confidence in the Mineral Resource, which will also support more robust LoM planning.

- Current studies indicate the potential to extract Mineral Resources in deeper areas using sublevel caving. It is recommended to carry out more detailed technical and economic studies to ensure safe extraction and to achieve optimal results.

17.3 Processing and Metallurgy

The Project is currently equipped with #1 Plant and #2 Plant, with a combined design capacity of 4,500 tpd (1,350 ktpa). Both plants employ a combined "flotation + magnetic separation" process flowsheet, producing zinc concentrate (approximately 55% Zn) and iron concentrate (approximately 65% Fe) as the main saleable products.

Production data for the past three years indicate that zinc recovery has remained relatively stable over this period, averaging 88.89% for #1 Plant and 89.27% for #2 Plant. In contrast, iron recovery has exhibited a clear and consistent downward trend in both plants from 2023 to 2025, decreasing from 45.95% to 39.42% in #1 Plant and from 46.94% to 39.86% in #2 Plant.

SRK recommends that the mine collect representative ore samples and undertake systematic and in-depth laboratory beneficiation testwork. The focus should be on investigating and optimising process routes to improve the yield and recovery of the iron concentrate, thereby providing a reliable technical basis for subsequent process adjustments or technical upgrade in production.

17.4 Environmental Studies, Permitting, Social or Community Impact

The EIA reports and associated approvals adequately cover the Project's main production facilities, including the mine, processing plants, TSF, and auxiliary infrastructure. The EIAs were prepared in compliance with relevant Chinese regulatory requirements and have obtained the necessary government approvals. In addition, no nationally or regionally protected areas or sensitive ecological receptors are located within the Project area or its assessment boundary.

The Project adopts a closed-loop water management approach, where mine inflow and processing wastewater are reused without external discharge. Mine water is collected and reused for underground operations and surface uses such as dust suppression and mineral processing, while processing wastewater is treated in the TSF and recycled. Furthermore, the Project has undertaken multiple rounds of public consultation and information disclosure during the past EIAs, with no objections received and no opposition identified from local stakeholders. It is recommended that the Project conduct regular groundwater monitoring to track changes in groundwater quality in a timely manner and reduce the risk of water contamination.

Closure

This report, "Competent Person's Report of Rongguan Iron-Zinc Project in Dong Ujimqin Banner, Inner Mongolia Autonomous Region, China, was prepared by

Dr. Yiefei Jia, *FAusIMM (CP Geo)*
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Corporate Consultant (Mining and Project Evaluation)

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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Appendix A Mining License



根据国家法律、法规规定，经审查合格，特发此证。

证　号：C1500002009093110037046

采矿权人：内蒙古兴业集团融冠矿业有限公司

统一社会信用代码：91152525783018337N

单位地址：内蒙古自治区锡林郭勒盟东乌珠穆沁旗嘎海乐苏木巴彦宝拉格嘎查

企业类型：有限责任公司

矿山名称：内蒙古兴业集团融冠矿业有限公司

矿山地址：锡林郭勒盟东乌珠穆沁旗

开采矿种：铁矿;锌矿

开采方式：地下开采

面　积：2.3994平方公里

有效期限：9.9年自2025年12月29日至2035年6月15日

发证机关

2025 年 12 月 30 日

中华人民共和国自然资源部监制

开采区域拐点坐标：

1. 5098261.7408000, 39800555.3851000
2. 5098261.7417000, 39800555.3886000
3. 5098661.7453000, 39800555.3884000
4. 5098661.7344000, 39800555.3738000
*. 1227.0000000, 387.0000000, -, 1

开采深度：1227.0000米至387.0000米标高 共有4个拐点圈定

Appendix B Exploration License



根据国家法律、法规规定，经审查合格，特发此证。

证　号：T1525002008073010012040

探 矿 权 人：内蒙古兴业集团融冠矿业有限公司

统一社会信用代码：91152525783018337N

探矿权人地址：内蒙古自治区锡林郭勒盟东乌珠穆沁旗嘎查乐苏木巴彦宝拉格嘎查

勘查项目名称：内蒙古自治区东乌珠穆沁旗查干敖包多金属矿勘探

地 理 位 置：锡林郭勒盟东乌珠穆沁旗

勘 查 矿 种：铁矿

面　　积：7.9657平方公里

有 效 期 限：4.5年自2026年2月9日至2030年7月20日

发证机关

2026 年 2 月 9 日

中华人民共和国自然资源部监制

勘查区域拐点坐标：

Appendix C JORC Code Table 1

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Underground channel ("cut-channel") samples were collected from exploration and production drifts and cross-cuts, with channels cut across the full mineralised interval either along sidewalls or backs (roofs). Standard channel dimensions were nominally 10 cm wide by 5 cm deep in the 2015 Fe–Zn program and 10 cm wide by 3 cm deep in the 2022 program. Nominal sample length was 1.0 m, with a maximum of 1.5 m, and samples were not taken across lithological or grade boundaries. Sample masses were typically 2.5 – 4.0 kg (earlier Fe–Zn work) and 8.76–12.75 kg in 2022, within ±10% of theoretical mass, supporting representivity. • Diamond drill core samples were obtained from surface and underground diamond drilling. Standard sample lengths were 1.0 m (maximum 1.5–2.0 m), reduced in zones of highly variable mineralisation or at lithological contacts. Mineralised zones, associated alteration halos and 3–5 m of hanging-wall and footwall were sampled continuously. • For the Fe–Zn program, core sample masses were typically 1.5–2.0 kg/m. In the 2022 program, theoretical half-core masses of 2.36–3.52 kg/m were calculated from core diameter and SG (2.72–3.87 t/m³), and actual masses of 2.60–3.48 kg/m were achieved, with deviations ±5%, indicating good control on sample representivity and no evidence of over- or under-sampling high-grade material. • Small-volume samples for bulk density (specific gravity, SG) were collected from mineralised zones and wall rock, using small blocks (~5×5×5 cm from drifts; ~10 cm core pieces) selected to be mineralogically homogeneous, immediately wax-sealed, and sent to accredited laboratories for SG determination. This work yielded approximately 70–80 determinations across main orebodies, ore types and grade ranges, considered adequate for current Mineral Resource estimation. • Sampling, preparation and analytical work for both historical and

Criteria	JORC Code explanation	Commentary
		recent campaigns were undertaken in accordance with Chinese industry/national codes DZ/T0214, DZ/T0200, DZ/T0078 and DZ/T0130, which provide guidance on representivity and laboratory QA/QC.
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).*	• All drilling was by diamond core using wireline methods. HQ/PQ equivalents were used near surface, reducing to approximately 48–47 mm core diameter at depth. The type of core barrel (e.g. standard vs triple tube), core orientation practices, drilling fluids and down-hole survey methods are not described in the available documentation.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery is high, generally above 90%. • Sampling procedures (systematic 1 m half-core, adherence to geological boundaries, and mass control within ±5–10%) are considered consistent with industry practice and appropriate for JORC-style Mineral Resource estimation. • No explicit analysis of the relationship between grade and any recorded recovery, nor details of specific measures taken to maximise physical core recovery, are provided.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core and channel logging are stated to have been carried out in accordance with Chinese industry code DZ/T0078, which sets standards for core and channel logging. • SRK geologists inspected core stored in the core shed and borehole seals during a site visit, confirming that core is preserved and available for review. • The level of geological and geotechnical detail, the qualitative/ quantitative nature of logging, the extent of photographic documentation and the total percentage of intervals logged are not specified in the supplied material.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Diamond core was cut along the core axis using a core saw. Half-core was submitted for assay; the remaining half was returned to the core box as a permanent reference sample. • Underground channels were cut to fixed dimensions (nominally 10 cm wide by 5 cm or 3 cm deep, depending on program) across the full mineralised interval in drifts and cross-cuts, and all channel material was collected as the sample. Channel sampling was supervised by geologists, with strict instructions for no missing, overlapping or

Criteria	JORC Code explanation	Commentary
	• *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.*	cross-bed sampling and for continuous sampling of mineralised, altered and wall-rock intervals as required. • SG samples comprised small, visually homogeneous blocks from mineralised zones and wall rock (drift samples ~5×5×5 cm; core samples ~10 cm long). These were wax-sealed immediately and sent to accredited laboratories for density measurement. • Control of sample mass (within ±5% for half-core and ±10% for channel samples against theoretical values) demonstrates attention to sub-sampling consistency and representivity. • Sample preparation and analytical work were carried out by independent, nationally accredited laboratories in accordance with DZ/T0130 and related standards, which prescribe appropriate sample preparation techniques. • No documentation of field duplicates, second-half core sampling, or specific laboratory sub-sampling QA (beyond internal check assays) is provided. The appropriateness of sample size relative to mineral grain size is not explicitly discussed, but the applied sample masses and procedures are consistent with industry practice for polymetallic sulphide deposits. SRK is pines that the analytical results of the basic samples are generally acceptable after SRK data verification.
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.*	• Analytical work was conducted by independent, nationally accredited Chinese laboratories: North China Nonferrous (Sanhe) Yanjiao Central Laboratory Co., Ltd. (Grade A), Inner Mongolia Chifeng Geological Mineral Exploration & Development Institute Laboratory, Hebei Regional Geological Survey Institute Laboratory (umpire lab), and Inner Mongolia Mineral Experimental Research Institute (metallurgical testwork and some SG work). These laboratories are independent of the mine owner and are not related parties. • Sampling and laboratory procedures followed Chinese national standards DZ/T0130, DZ/T0214, DZ/T0200 and DZ/T0078, which are appropriate for polymetallic (Cu–Pb–Zn–Ag–Ni–Mo and Fe–Mn–Cr) exploration and define acceptable lab QA/QC practices. • The specific analytical methods (e.g. digestion type, instrument model, detection limits) are not detailed in the supplied text, but the described methods are consistent with industry practice and considered suitable for JORC-style Mineral Resource estimation.

Criteria	JORC Code explanation	Commentary
		• QA/QC has been based on: (i) compliance with national standards; (ii) routine internal laboratory check assays on pulp duplicates derived from secondary splits; and (iii) external umpire analyses at an independent, nationally accredited laboratory. • Internal and external check programmes show high analytical precision and accuracy for the main economic elements (Pb, Zn, Ag, Cu), with pass rates well above the 90% threshold specified in DZ/T0130-2006, indicating acceptable accuracy and precision. • No explicit evidence was found in the available reports of systematic insertion of field blanks, certified reference materials ("**CRMs**") or field duplicates into the sample stream. • No geophysical or handheld X-ray fluorescence ("**XRF**") tools are described as contributing to assay data.
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.*	• SRK was provided with internal and external check assay data from laboratory reports and reviewed these graphically; the checks support the reliability of the analytical data. • SRK geologists (Mr. Feng Li and Mr. Zhuanjian Liu) visited the project (16 – 17 March), inspected the core shed and borehole seals and observed sampling procedures, thereby independently verifying the existence and general quality of the drill core and sampling practices. • There is no mention of twinned drillholes, nor of specific data entry, verification or database storage protocols, in the provided material.
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.*	• Samples derive from underground drifts and cross-cuts (channel samples) and from surface and underground diamond drillholes (core samples). • The methods and accuracy of surveying drillhole collars, down-hole traces, underground workings and sample locations are not described in the available text. • RTK was used in the survey to provide high quality topographic control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• At the sample scale, both core and channel samples generally use a nominal 1.0 m sample length, shortened in zones of strongly variable mineralisation or at geological boundaries, with a maximum length of 1.5–2.0 m. Samples do not cross lithological or grade boundaries. • The spacing between drillholes, between underground workings, and overall data density relative to resource classification are not detailed

Criteria	JORC Code explanation	Commentary
		in the provided documentation. • The use or non-use of sample compositing (for either exploration reporting or resource estimation) is not discussed in the supplied text.
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.*	• Underground channels were cut across the full mineralised interval in drifts and cross-cuts, from sidewalls or backs, which is consistent with attempting to obtain representative samples across orebody thickness in underground settings. • Drillholes are diamond core from surface and underground, but the relationship of drillhole orientation (azimuth and dip) to the strike and dip of mineralised structures is not described in the available information. • No material sampling bias related to sampling or drilling orientation is reported.
Sample security	• *The measures taken to ensure sample security.*	• Sampling procedures and laboratory work were carried out by independent, accredited laboratories, and SRK inspected core and borehole seals during a site visit, indicating that physical samples are preserved appropriately. • The main shortcoming identified is the lack of a fully documented chain-of-custody system. While there is no evidence of bias or tampering in the available data, future work is recommended to formalise and document sample security and chain-of-custody procedures in line with JORC best practice.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• SRK has reviewed the sampling, preparation and analytical procedures and associated QA/QC data (internal and external checks) and considers that the systematic 1 m channels and half-core sampling, adherence to geological boundaries, and sample mass control within ±5–10%, together with the use of independent accredited laboratories and formal internal/external QA checks, are consistent with industry practice and appropriate for JORC-style Mineral Resource estimation. SRK's site visit (inspection of core shed and borehole seals) forms part of its data verification and review of sampling techniques.

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.*	• Mineral tenement is shown in Chapter 3.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Since the 1950s, several Chinese geological organisations have conducted regional and detailed geological mapping, geophysical and geochemical surveys, trenching and drilling in the Chagan Aobao area, outlining multiple iron-zinc mineralised bodies and defining the general geometry of the main orebodies. • Since about 2005, a number of verification and production exploration reports on Mineral Resources and Ore Reserves have been completed, which provide the principal historical geological and resource information used to support the current work.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is interpreted as a contact-metasomatic to skarn-type Fe-Zn system hosted mainly within volcano-sedimentary and metamorphic rocks of the Middle Ordovician Duobaoshan Formation (O_2d), with minor Lower Permian Baolige Formation (P_1b) and Quaternary cover in the Project area. Iron-zinc mineralisation occurs predominantly in skarn and associated altered rocks developed along and adjacent to the contact between granite intrusions and the Duobaoshan country rocks and is strongly controlled by structural contact/alteration zones that define the geometry of the orebodies.
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*	• Several phases of diamond drilling have been completed in the Rongguan Mine area and surrounds, including surface, underground and deep drilling. Since 2010 this work totals on the order of 50,000 m in more than 100 holes and forms the primary geological database for Mineral Resource estimation. • All drilling has used diamond core, with wireline methods adopted from 2015 for deeper and supplementary drilling. Typical hole designs use a larger collar diameter stepped down to about 75 mm at

Criteria	JORC Code explanation	Commentary
	○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	end-of-hole. Downhole deviations are routinely surveyed at suitable intervals with borehole inclinometers to support accurate 3D positioning. • Collar locations are surveyed using modern GNSS methods, with recent campaigns achieving centimetre-scale horizontal and vertical accuracy. Drill depths are checked against drill-string measurements, with depth errors generally maintained below 1‰. • Core recovery in mineralised zones and adjacent wall rocks is generally better than 90%, and commonly 98–100% in recent programs. All completed holes are sealed, and collar positions are permanently marked on site.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drill intercepts were composited as down-hole, length-weighted averages of individual assay intervals. Mineralised domains were defined using nominal cut-off grades of Zn ≥ 1% and/ or TFe ≥ 15%, with some internal dilution included where it is geologically consistent with the surrounding mineralisation. • No metal-equivalent grades were used in defining the mineralised domains or in reporting exploration results, and no grade capping was applied at this stage.
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').*	• The drill holes were generally oriented perpendicular to the mineralised structures to achieve representative sampling.
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.*	• Appropriate maps and sections were reported in this Report.
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.*	• Details of individual drill holes are not considered Material to the overall Mineral Resource estimate presented in this Report and are omitted.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical*	• Detailed logging of lithology, alteration, mineralisation and structural features conducted throughout exploration.

Criteria	JORC Code explanation	Commentary
exploration data	*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.*	• Bulk density and Metallurgical test results were detailed in the report and can support resource estimation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Production exploration is underway in FeZn10 and FeZn1. • The extension of the orebody and infill exploration have also been incorporated into the future work plan.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All drilling and sampling data were supplied by the Client in digital (Excel) format and were reviewed and validated by SRK prior to import into the 3D modelling/ database system. Validation included checks for duplicate and missing records, interval overlaps and gaps, downhole depth inconsistencies, unreasonable assay values and consistency between collar, survey, lithology and assay tables. • Within the Mining Licence area, the database includes 204 drillholes and 7,521 samples. Within the Exploration Licence area, there are 65 drillholes and 1,226 samples. • All drillhole collar are stored in the CGCS2000 grid system.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The first site visit was conducted from 16 to 17 March 2026, and the second site visit from 11 to 12 April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The deposit is interpreted as a contact-metasomatic to skarn-type Fe-Zn system. Mineralisation is predominantly hosted in skarn and associated altered rocks developed along and adjacent to the contact zone between granite intrusions and country rocks and is strongly controlled by structural contact/alteration zones. • Structural contact zones and skarn boundaries were used as the primary geological constraints, in combination with drilling and underground development data, to define the geometry and extent of

Criteria	JORC Code explanation	Commentary
		the mineralised solids. Grade shells were constructed using cut-off criteria of TFe ≥ 15% or Zn ≥ 1% to delineate the mineralised domains. This dataset provides a good definition of the mineralised body dimensions for Mineral Resource estimation. • SRK has adequate overall confidence in the geological interpretation. However, uncertainty is higher in areas where data density is lower and in the deeper parts of the mineralised bodies, where continuity is less well constrained. These variations in confidence are reflected in the Mineral Resource classification.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in section 7.4.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Geological and grade modelling were completed in Leapfrog software. Diamond core and tunnel samples were composited to 1 m down-hole, length-weighted intervals within the mineralised wireframes (hard boundaries). • Fe grades within the mineralised domains show approximately normal, relatively continuous distributions, and no high-grade capping was applied. Zn grades are positively skewed with distinct high-grade outliers, so domain-specific top cuts were applied to Zn based on histograms and probability plots. • A 3D block model was constructed with parent cell dimensions of 10 m × 10 m × 5 m (E × N × RL), with sub-cells down to 2.5 m × 2.5 m × 1 m to honour orebody geometry. Variography could be reliably modelled only for Zn in the better-constrained FeZn3 domain, where an exponential variogram model was derived and used to define anisotropic search ellipses. In FeZn3, Fe and Zn were estimated by ordinary kriging using a multi-pass search strategy; in other domains, Fe and Zn were estimated using inverse distance squared (ID^2) interpolation on 1 m, domain-coded, top-cut composites with anisotropic searches based on interpreted orebody geometry. • The block model was validated by visual comparison of block grades with input composites on sections and plans, and review of swath plots along strike and down-dip.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Due to the differences in mineralisation types and processing methodologies applied at the Rongguan Mine, separate input parameters were used for the cut-off grade (COG) estimates. • The COG is based on equivalent Zinc (EqZn) grade, a cut-off grade of 1.0 % ZnEq, ZnEq = Zn+0.0228*TFe, based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 43% for Fe concentrate and 89% for zinc concentrate. • A cut-off grade of 1.2 % ZnEq in zinc polymetallic deposit, ZnEq = Zn+0.025*Ag+0.558*Pb, based on the price of Zn 3,650 USD/t, Ag 42.25 USD/oz and Pb 2,600 USD/t, the recoveries of Zn 90.85% for Zn concentrate, payable 70%.
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.*	• Modified sublevel open stoping with sublevel caving, sublevel open stoping with delayed backfill and shrinkage stoping with delayed backfill mining method have been applied at the Rongguan Mine. • Mining dilution is accounted for at either 10% or 25%, depending on the mining method.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Historically, test work has focused on zinc flotation and magnetic separation of the flotation tailings. • The results of the beneficiation tests indicate that the ore can achieve satisfactory indicators by adopting a "flotation followed by magnetic separation" combined process, which demonstrates that the ore has generally good beneficiation amenability and provides a relatively reliable technical basis for subsequent process design. • The test details are summarised in section 10.
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*	• No waste rock dump has been established at the project site. The waste rock generated is used for road maintenance, tailings storage facility construction, and backfilling of subsidence areas. • Tailings are conveyed to the tailings storage facility via a tailings transport system for disposal. Interception and drainage channels are constructed around the facility, and vegetation is enhanced along the perimeter. A cut-off seepage dam is constructed within 50 m

Criteria	JORC Code explanation	Commentary
	an explanation of the environmental assumptions made.	downstream of the tailings storage facility.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density and specific gravity measurements were performed during historical programs. • Bulk density for the main Fe-Zn orebodies within the Rongguan Mining Licence (FeZn1, FeZn1-2, FeZn3, FeZn4, FeZn10 and FeZn36-49) was derived from 35 small-volume wax-sealed samples from underground workings and drillholes, giving an average of 3.87 t/m³. This value was adopted for these mineralised domains in the Mineral Resource estimation. • In the exploration licence area, 30 small-volume primary-ore density samples returned values from 2.72 to 3.87 t/m³ (Zn 1.03–6.37%), with a tight distribution and more than 63% of samples between 3.60 and 3.80 t/m³. The arithmetic mean of 3.53 t/m³ was adopted as the representative bulk density for primary ore in this area.
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.*	• Mineral Resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. • Measured Mineral Resources are defined where drilling and underground development give effective spacings of <50 m × 50 m with well-demonstrated continuity. Indicated Resources are generally supported by spacings up to ~100 m × 100 m, and Inferred Mineral Resources by spacings up to ~200 m × 200 m where continuity can reasonably be projected from better-drilled areas.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• SRK carried out an internal peer review on the Mineral Resource estimate.
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*	• The relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied. • The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade.

Criteria	JORC Code explanation	Commentary
	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.*	

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate was completed by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 December 2025 • Reported Mineral Resource is inclusive of potential Ore Reserve material.
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.*	• Two site visits were conducted in March and April 2026, respectively. • SRK communicated with all modification factors with Rongguan Mine technicians.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	Mining related data acquired by SRK through virtual data request and site visit. Mining review is primarily based on the following information and results: • Feasibility Study Report for the Deep Expansion of Mine Area I and Integration of the Eastern Mining Area for the Rongguan Mine, conducted by Gocom Engineering Design Co., Ltd. In February 2022 (RG 2022) • Mineral Resources Development and Utilisation Plan for the Rongguan Mine, conducted by Gocom Engineering Design Co., Ltd. In August 2022 (RG 2023) • Mining Method Study on the Rongguan Mine, conducted by Changsha Institute of Mining Research Co., Ltd. In July 2024 (RG 2024)
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	The Mineral Resources of Rongguan Mine contain Zn and Fe elements. The ZnEq grade was used for CoG to define the "Ore".

Criteria	JORC Code explanation	Commentary
		Below are the parameters used for CoG calculations:

Item	Parameters	Unit	Rongguan Mine	By Product
	Zinc Price	USD/t	2,800	2,800
	Exchange Rate	USD:CNY	7.10	7.10
P	Zinc Price	CNY/t	19,880	19,880
Pa	Payable	CNY/t	-5,877	-4,670
Pr	Processing Recovery	%	89	89
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	94	
Cp	Processing Cost	CNY/t ore	48	48
Cg	G&A Cost	CNY/t ore	33	33
A	CoG	%	1.3	0.6

Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The Ore Reserve is planned for extraction by underground methods. • SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. • The scope of the Ore Reserves estimation considers the boundaries of the mining tenure. • Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices. • The underground mine design and planning used for further planning is based on the review of the technical and economical consideration. • Mining dilution is accounted for at either 10% or 25%, depending on the mining method, and includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at either 10% or 15%, also depending on the mining method

Criteria	JORC Code explanation	Commentary
		used, to allow for unplanned losses during mining and material transportation to the processing plant. • The CoG is used to define the economic viability of the stopes. • The effective date is as of 31 December 2025.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The Rongguan Plants have been operating commercially for over 20 years. • The results of the beneficiation tests indicate that the ore can achieve satisfactory indicators by adopting a "flotation followed by magnetic separation" combined process, which demonstrates that the ore has generally good beneficiation amenability. • The two plants adopt a combined "flotation + magnetic separation" process, producing zinc concentrate (approximately 55% Zn) and iron concentrate (approximately 65% Fe) as the main saleable products. • Over the past three years, Zinc recovery has remained relatively stable over this period, averaging 88.89% for the #1 Plant and 89.27% for the #2 Plant. In contrast, iron recovery has shown a clear and consistent downward trend from 2023 to 2025 in both plants, decreasing from 45.95% to 39.42% in the #1 Plant and from 46.94% to 39.86% in the #2 Plant. • The details are summarised in Section 10.
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.*	• The Project has completed multiple Environmental Impact Assessments ("**EIAs**") and obtained the corresponding approval documents issued by relevant government authorities. These EIAs cover the major existing production facilities and include studies on environmental baseline conditions, pollution impacts, and mitigation measures. • According to the EIAs, the waste rock and tailings have been classified as Class I general industrial solid waste based on leaching toxicity test results.

Criteria	JORC Code explanation	Commentary
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• See section 12 Project Infrastructure.
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.*	• See section 14.1 for the capital costs. • See section 14.2for the operating costs.
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.*	• See section 15.1 for the prices. • See section 10.4 for the recovery rate. • Just United States dollar is utilised.
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.*	• Mature channel for selling of products has been built and maintained well. • Price and volume are shown in Table 15-2 and Table 15-3
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.*	• See section 15.1 for the assumptions.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• During previous environmental impact assessment processes, the Project conducted multiple rounds of public participation and environmental information disclosure. No objections were received

Criteria	JORC Code explanation	Commentary
		during the information disclosure periods, and public surveys indicated no opposition to the Project's development. • The Company stated that it maintains good relations with the surrounding herders, providing support such as delivering coal during winter, offering aid, and assisting with snow removal.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• See section 16 Risk Assessment.
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).*	• See section 8 Ore Reserve Estimation.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• This report has been peer reviewed by Pengfei Xiao, FAusIMM, a Principal Consultant *Geology) and Alexander Thin, FAusIMM (CP Min), a Corporate Consultant (Mining and Project Evaluation).
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*	• See section 16 Risk Assessment. • See section 8 Ore Reserve Estimates.

Criteria	JORC Code explanation	Commentary
	relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Final

Competent Person's Report of Xilin Iron-Zinc Polymetallic Project in Dong Ujimqin Banner, Inner Mongolia Autonomous Region, China

Xilin Iron-Zinc Project, Dong Ujimqin Banner, Inner Mongolia, China
Inner Mongolia Xingye Silver-Tin Mining Co., Ltd.



SRK Consulting (China) Ltd. ■ SCN980 ■ 31 March 2026

srk consulting

Final

Competent Person's Report of Xilin Iron-Zinc Polymetallic Project in Dong Ujimqin Banner, Inner Mongolia Autonomous Region, China

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Xilin Mining Headquarters

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Appendices

Appendix A Mining License
Appendix B Exploration License
Appendix C JORC Code, 2012 Edition – Table 1

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term/ Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
AAS	atomic absorption spectrometry
AIG	Australian Institute of Geoscientists
AISC	all-in sustaining costs, including the operating costs and sustaining capital cost
ALS Lab	ALS Mineral Laboratory
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	capital expenditure(s)
China	the People's Republic of China
CIT	corporate income tax
cm	centimetres
CoG	cut-off grade
Company or Silver & Tin Mining	Inner Mongolia Xingye Silver & Tin Mining Company Ltd.（内蒙古兴业银锡矿业股份有限公司）
CPR	Competent Person's Report
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Fe	the element symbol of iron
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram

Term/ Abbreviation	Meaning / Definition
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd.
IDW	inverse distance weighted
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inner Mongolia	Inner Mongolia Autonomous Region
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
MAusIMM	member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are

Term/ Abbreviation	Meaning / Definition
	sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
O.K.	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd.
SEHK or Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
the *Listing Rules*	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

Term/ Abbreviation	Meaning / Definition
TSF	tailings storage facilities
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
VAT	value-added tax
WRD	waste rock dump
Xilin Mining	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.（内蒙古兴业集团锡林矿业有限公司）
Zn	the element symbol of zinc

Executive Summary

Introduction

SRK Consulting China Limited ("**Ltd.**") ("**SRK**") was commissioned by Inner Mongolia Xingye Silver-Tin Mining Co., Ltd.("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of Inner Mongolia Xingye Group Xilin Mining Co., Ltd. ("**Xilin Mining**")'s iron ("**Fe**")-zinc ("Zn") polymetallic project (hereafter referred to as "**Xilin Project**" or the "**Project**"). Xilin Mining is a wholly owned subsidiary of Xingye Silver & Tin.

The Xilin Project consists of the following key properties, all of which are located in Dong Ujimqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region ("**Inner Mongolia**") of the People's Republic of China ("**China**"):

- One underground Fe-Zn mine (hereafter referred to as "**Xilin Mine**").
- One ore processing plant (hereafter referred to as **"Xilin Plant**").
- One tailings storage facility ("**TSF**") (hereafter referred to as "**Xilin TSF**").

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**HKEx**").

The Report has therefore been prepared following the guidelines 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 including the Chapter 18 requirements and other relevant regulations of the Stock Exchange and HKEx.

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

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver & Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Main Board of the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and Mineral Resource models provided by Xilin Mining and Xingye Silver & Tin, and preparation of data verification plan which will be conducted during site inspection.

- two site visits were undertaken by SRK from 17 to 18 March 2026 and 13 to 14 April 2026, respectively, to the Xilin Project, including the locations of exploration and production boreholes, drill core and underground stopes showing the iron-zinc polymetallic mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, TSF, water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating costs ("**Opex**"), etc.
- discussion with Xilin Mining and Xingye Silver & Tin management and technical personnel, as well as the professionals, who conducted either the geology and exploration or the preliminary feasibility study ("**PFS**") on the Xilin Project.
- preparation of a draft report in accordance with the JORC Code and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Xingye Silver & Tin and Xilin Mining and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

The Xilin Project is located approximately 180 kilometres ("**km**") northeast of Dong Ujimqin Banner, Xilin Gol League of Inner Mongolia, China, and is under the administrative jurisdiction of Manduhu Baolage Sumu of Dong Ujimqin Banner. All properties including the Xilin Mine and associated processing plant and other supporting facilities are about 30 km south of Wulagai Sumu, or 100 km east-southeast of the Hulingol railway station. Access to these properties is relatively easy via either a natural grassland road or asphalt-paved road.

The Xilin Project is an operating underground iron-zinc polymetallic mine, with one mining licence (No. XC150000200900632100024100) covering an area of 6.90 square kilometres ("**km^2**") with a validity period of 13 years from 13 March 2023 to 13 March 2036. The Xilin Project is wholly owned and operated by Xilin Mining, a wholly owned subsidiary of Xingye Silver & Tin.

The production capacity and status of the Xilin Mine and associated processing plant are listed in Table ES-1.

Table ES-1: Details of the Xilin Mine and Associated Processing Plant

Company	Mine/ Plant	Products	Unit	Production Capacity			Status
				Designed [1]	Actual [2]	2025	
Xilin Mining	Xilin Mine	Raw Ore	ktpa	≥ Processing Plant's Capacity		614,000	Production
	Xilin Plant	Raw Ore	t/d	2,400	2,400	2,000	Production
		Zn Concentrate	t	-	-	23,845	Production
		Fe Concentrate	t	-	-	73,346	Production

Source: Xilin Mining
Notes:

[1] Designed processing capacity refers to the production scale proposed in the Preliminary Design (2013)

[2] Actual processing capacity refers to the production scale that the Xilin Project can achieve

Based on reasonable cut-off grade ("**CoG**") of Zinc equivalent ("**ZnEq**"), SRK has estimated the Mineral Resources and Ore Reserves for the Xilin Project. As of 31 December 2025, the estimated Mineral Resources and Ore Reserves, as per the *JORC Code* guidelines, are listed in Table ES-2.

Table ES-2: Summary of Mineral Resources and Ore Reserves, as of 31 December 2025

Licensed Area	Category	CoG ZnEq	Tonnage	Average Grade		Metal Contained	
				Zn	Fe	Zn	Fe
		%	Mt	%	%	kt	kt
Mineral Resources [1, 2, 3]							
Mining License	Indicated	1.4	**4.52**	**2.15**	**21.73**	**97**	**982**
	Inferred	1.4	**13.05**	**2.55**	**20.93**	**333**	**2,731**
	Total	**1.4**	**17.57**	**2.45**	**21.13**	**430**	**3,713**
Exploration License	Indicated	1.4	0.84	2.74	15.64	23	132
	Inferred	1.4	4.70	2.64	16.02	124	753
	Total	**1.4**	**5.54**	**2.65**	**15.97**	**147**	**885**
Ore Reserves [4, 5, 6, 7, 8]							
Mining License	Probable	1.8	2.19	2.28	17.50	50	383
	Total	1.8	**2.19**	**2.28**	**17.50**	**50**	**383**

Source: SRK

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Zhuanjian (Leo) Liu and Dr. Yiefei Jia who are both full-time employees of SRK Consulting China Ltd. Mr. Liu is a Member of AIG (No.9464) and Dr Jia a Fellow of the AusIMM (No. 230607) and a chartered professional in geology (CP Geo). Both 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 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. Mr. Liu and Dr Jia consent to the reporting of this information in the form and context in which it appears.

[3] The Mineral Resources are reported inclusive of Ore Reserves.

[4] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Erwei Lu, MAusIMM and Dr. Yiefei Jia, FAusIMM CP(Geo), who are full time employees of SRK Consulting China Ltd. Both Dr Jia and Mr Lu 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 Person as defined in the 2012 edition of the "*Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves*", the *JORC Code.* Mr. Lu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[5] The Ore Reserves reference point is delivery of ore to the crusher at the processing plant.

[6] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[7] Total may not add or calculated due to rounding discrepancies.

[8] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

The Xilin Mine is developed as an underground mine. The central shaft development, together with the service shaft and ventilation shaft is being utilised and overhead shrinkage stoping with shallow-hole drilling for thin to moderate-thickness ore blocks and sublevel open stoping with drill-and-blast for thicker ore blocks are employed to extract Mineral Resources. SRK considered that the development and mining methods are technically feasible.

A conventional ore process flowsheet including crushing, grinding and flotation is used in the processing plant to produce zinc concentrate and tailings. The tailings are further processed through magnetic separation to yield iron concentrate. The production records over the past three years from 2023 to 2025, indicate that the plant has achieved recovery rates ranging from 90.8% to 92.8% for Zn and 48.0% to 56.2% for Fe, respectively.

The mine and associated plant operated by Xilin Mining, the subsidiary of Xingye Silver & Tin are well integrated and well managed operations. The operating standards at all sites are generally following the Chinese national industrial practices.

Based on the current remaining Ore Reserves and production capacity of approximately 600 thousand tonnes per year ("**ktpa**"), the life of mine ("**LoM**") is 6 years. The forecasted unit Opex is about Chinese Yuan ("**CNY**") 309.41 per tonne of ore mined and processed, and the total projected Capex is about CNY 28.07 million.

SRK estimated the Xilin Project's net present value ("**NPV**") using the discount cash flow method ("**DCF**"). As of 31 December 2025, at a discount rate of 8%, the NPV for the Xilin Project is about CNY 116.45 million. The positive NPV indicates that the Project is economically viable.

Operational Licenses and Permits

SRK sighted key operational licenses and permits for the Xilin Project, such as business license, mining license, safety operational permits, water use permit, and site discharge permit.

Geology and Mineralisation

The Xilin Mining Area is located within the Palaeozoic accretionary belt on the southeastern margin of the Siberian Plate, in the central part of the Central Asian metallogenic domain, and forms part of the Inner Mongolia–Greater Khingan metallogenic province. Structurally, the area lies in the Late Variscan fold belt of the Inner Mongolia–Hinggan fold system and belongs to the Dong Ujimqin fold bundle. The region has undergone multiple phases of tectonic evolution related to the closure of the Palaeo-Asian Ocean, accretion of micro-continents, and subsequent overprinting by the Mesozoic Circum-Pacific tectonic system. This has produced a complex fold-and-fault framework and created a favourable geodynamic setting for large-scale magmatic–hydrothermal mineralisation, making the central Greater Khingan Range one of the key Fe-polymetallic districts in the region.

Stratigraphy in the area is well developed and comprises mainly Palaeozoic marine clastic–carbonate sequences, dominated by the Middle Devonian Tarbagat Formation, which provides the principal ore-hosting carbonate horizon for skarn mineralisation. This is overlain by the Lower Permian Baolige Formation and Mesozoic terrestrial clastic–volcanic successions. Regionally, northeast ("**NE**")-trending folds and thrust faults, together with northeast-east ("**NEE**") – north-northeast ("**NNE**") and northwest ("**NW**") structures formed during Variscan to Yanshanian deformation, exert primary control on magmatism and mineralisation. Multi-phase mafic to felsic intrusions, especially Yanshanian granites, provided the heat and metals for the skarn and hydrothermal vein systems. The Chaobuleng district, including Xilin, lies within the Boketu–Chaobuleng and Chaobuleng–Chagan Aobao Fe–Zn–polymetallic belts, where deposits such as Chaobuleng Fe–Zn, Aerhada Pb–Zn and Jilinbaolige Ag are all spatially associated with Devonian ore-hosting strata, NE-trending faults and Yanshanian granite contacts. This "trinity" of ore-hosting strata, structure and magmatism defines the regional metallogenic and exploration model for large skarn-type and vein-type polymetallic deposits in the area.

The Xilin deposit is hosted mainly by the Middle Devonian Tarbagat Formation, a neritic clastic–carbonate sequence that has been strongly altered to garnet–pyroxene skarn and marble in the vicinity of Early Yanshanian granitic intrusions. The lower member forms the principal ore-bearing horizon, striking about 050° and dipping steeply at 55–85°. Bedrock is largely concealed by

Quaternary cover up to 70 m thick, with local Pliocene red clay acting as an aquiclude. The Mesozoic strata comprise Middle–Lower Jurassic lacustrine clastic rocks and an Upper Jurassic volcanic–subvolcanic suite.

Structurally, the area is dominated by NE–NEE-trending folds and reverse faults, which control stratigraphic architecture and provide the main pathways for magmatic and mineralising fluids. Later NW-trending strike-slip faults locally offset the skarn zones and orebodies. The Early Yanshanian Chaobuleng biotite granite stock (~90 km²) is the principal magmatic centre in the area, with skarn and Fe–Zn mineralisation mainly concentrated in its embayed exocontact zones and along favourable carbonate units in the lower member.

Metamorphism and alteration define a clear radial zonation around the pluton, progressing outward from biotite granite to altered granite, then to a skarn zone (the mineralisation centre), and further outward into hornfels/ marble and weakly altered distal strata. The skarn zone, developed where magmatic fluids react with carbonates, is the exclusive host to Fe–Zn polymetallic mineralisation and provides an important geological guide for targeting depth and lateral extensions.

Mineralisation at the Xilin Mine is typical of skarn-hosted Fe–Zn systems, occurring as predominantly blind, lensoid to quasi-stratiform orebodies developed along contacts between garnet–diopside skarn and marble, hornfels or granite. The orebodies generally strike NE and dip moderately to steeply. Individual lenses typically extend 80–500 m along strike, 80–380 m downdip, with true thicknesses mostly in the range of 3–20 m, locally thickening where skarn is more strongly developed in embayments along the intrusive contact. The main Fe–Zn orebodies in the North and South zones and within the Exploration Licence area show good continuity over several hundred metres, but with internal variation in thickness and grade that are characteristic of skarn deposits. Mineralisation is dominated by Fe–Zn, with variable tungsten ("**W**"), lead ("**Pb**"), silver ("**Ag**"), copper ("**Cu**") and locally gold ("**Au**"); typical grades are about 15–35% total iron ("**TFe**") and 0.3–3% Zn, with local developed higher-grade polymetallic shoots.

Ore textures are mainly xenomorphic to subhedral granular, with widespread replacement and infilling relationships between ore and gangue minerals. Structures are mainly disseminated to massive, with local banded and brecciated features. The metallic assemblage is dominated by magnetite and sphalerite, with subordinate pyrrhotite, pyrite and chalcopyrite, and minor galena, molybdenite and bismuth ("**Bi**")-bearing minerals. Gangue minerals are typical calcic skarn assemblage, comprising chiefly andradite-rich garnet with diopside, amphiboles, quartz, feldspar, chlorite, epidote and calcite, together with common chlorite–epidote–clay alteration. These mineralogical characteristics are consistent with a conventional Fe–Zn skarn ore type and are considered favourable for processing using standard beneficiation flowsheets.

Mineral Resources Estimation

The Mineral Resource statement presented herein represents the Mineral Resource estimate for the Xilin Mine, prepared in accordance with the guidelines of the JORC Code. The effective date of the Mineral Resource statement is 31 December 2025. The Xilin Mine is a skarn-type Fe–Zn deposit and comprises two reporting areas: (i) the remaining Fe–Zn skarn mineralisation within the Xilin Mining Licence (North Zone 1 and South Zone 3), and (ii) Fe–Zn skarn mineralisation within the adjacent Xilin Exploration Licence area. Separate three-dimensional ("**3D**") block models have been constructed for the mining and exploration licence areas based on solid wireframe modelling of the interpreted mineralised zones.

Within the Xilin Mining Licence area, the deposit is classified as a contact-metasomatic to skarn-type Fe–Zn deposit. Mineralisation is predominantly hosted in garnet–diopside skarn and marble developed along and adjacent to intrusive contacts with the Early Yanshanian granite and is strongly controlled by NE-trending faults and associated contact/ alteration zones. Mineralised solids were defined using a grade shell cut-off of TFe ≥ 15% or Zn ≥ 1%, with intervals meeting either criterion, and satisfying minimum mining thickness and minimum economic cut-off requirements, included in the ore wireframes; sub-cut-off and discontinuous intervals were treated as internal waste. The remaining Fe–Zn orebodies within North Zone 1 and South Zone 3, together with skarn lenses delineated in the adjacent exploration sectors of the Mining Licence area, constitute the principal mineralised bodies included in the current Mineral Resource estimate.

Grades of Fe and Zn in the Fe–Zn skarn orebodies were estimated using inverse distance squared ("**ID^2**") interpolation throughout, reflecting the nature of the available production and exploration data and the absence of sufficient support for robust variogram modelling. The estimation was based on 1 m length-weighted, top-cut composites coded by mineralised domain.

Search ellipses were defined based on the interpreted orebody geometries and geological continuity (strike, dip and downdip directions) and were oriented to reflect the principal and secondary directions of mineralisation continuity. A multi-pass search strategy was adopted, whereby in successive passes the minimum sample requirements were progressively relaxed, and the search ranges expanded, in order to balance the use of nearby samples in well-drilled areas while obtaining grade estimates in more sparsely informed parts of the model, and to provide a consistent technical basis for subsequent Mineral Resource classification.

Table ES-3 and Table ES-4 present a summary of the estimated Mineral Resources at a CoG of 1.4% ZnEq for both mining licenses area and exploration permitted area of the Xilin Mine, as of 31 December 2025.

Table ES-3: Mineral Resource Statement[1] for the Mining License Area of the Xilin Mine, as of 31 December 2025

Area	Domain	Category	Tonnage	Average Grade		Material Content	
			Mt	Zn (%)	TFe (%)	Zn (kt)	TFe (kt)
Mining License	North Zone 1	Measured	-	-	-	-	-
		Indicated	1.18	3.06	13.61	36	161
		Measured + Indicated	1.18	3.06	13.61	36	161
		Inferred	4.88	3.62	14.51	176	708
	South Zone 3	Measured	-	-	-	-	-
		Indicated	3.34	1.83	24.60	61	821
		Measured + Indicated	3.34	1.83	24.60	61	821
		Inferred	8.17	1.92	24.77	157	2,023
	Total	**Measured**	**-**	**-**	**-**	**-**	**-**
		Indicated	**4.52**	**2.15**	**21.73**	**97**	**982**
		Measured + Indicated	**4.52**	**2.15**	**21.73**	**97**	**982**
		Inferred	**13.05**	**2.55**	**20.93**	**333**	**2,731**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Dr. Yiefei Jia who are full-time employees of SRK Consulting China Ltd. Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.4 % ZnEq, ZnEq = Zn+0.0277*TFe, based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 53% for Fe concentrate and 92% for zinc concentrate.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

Table ES-4: Mineral Resource Statement[1] for the Exploration License Area of the Xilin Mine, as of 31 December 2025

Area	Domain	Category	Tonnage	Average Grade		Material Content	
			Mt	Zn (%)	TFe (%)	Zn (kt)	TFe (kt)
Exploration License	FeZn35_1	Measured	-	-	-	-	-
		Indicated	0.84	2.74	15.64	23	132
		Measured + Indicated	0.84	2.74	15.64	23	132
		Inferred	2.62	2.68	15.89	70	417
	FeZn4	Measured	-	-	-	-	-
		Indicated	-	-	-	-	-
		Measured + Indicated	-	-	-	-	-
		Inferred	2.08	2.58	16.13	54	336
	Total	**Measured**	**-**	**-**	**-**	**-**	**-**
		Indicated	**0.84**	**2.74**	**15.64**	**23**	**132**
		Measured + Indicated	**0.84**	**2.74**	**15.64**	**23**	**132**
		Inferred	**4.70**	**2.64**	**16.02**	**124**	**753**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Dr. Yiefei Jia who are full-time employees of SRK Consulting China Ltd. Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.4 % ZnEq, ZnEq = Zn+0.0277*TFe, based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 53% for Fe concentrate and 92% for zinc concentrate.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

Exploration Potential

The Xilin Mine is a contact-metasomatic, skarn-type Fe–Zn deposit with a mining history of over 20 years. Although most of the previously defined mineralisation has been mined out, both the current mining licence and surrounding exploration tenements still have reasonable potential for additional Fe–Zn Mineral Resources.

Peripheral 1:10,000-scale Induced Polarisation ("**IP**") surveys (2012, 2016–2017) and airborne magnetics (2024) have outlined several untested anomalies (e.g. DJ1, DJ2, DJ4), whose responses are consistent with known skarn orebodies and constitute priority drill targets for the next phase of work. Within the mining licence, the main Fe–Zn orebodies in the South Zone (notably around the 300 m asl and above 600 m above sea level ("**asl**") and the eastern extension of the "third ore segment" and deeper FeZn13 mineralisation in the North Zone, remain open along strike and at depth.

Recommended work includes targeted surface and underground drilling on these anomalies and extensions, limited along-vein development in selected lodes combined with detailed geological

mapping and channel sampling, and a systematic review of existing stopes to optimise development layouts. The newly constructed underground drives are intended to serve as drilling platforms to rapidly delineate additional Mineral Resources with good potential for conversion to Ore Reserves, thereby supporting the long-term continuity of mining at the Xilin Mine.

Ore Reserves Estimates

SRK has estimated the underground Ore Reserves for Xilin Mine in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a pre-feasibility study.

The Xilin Mine contains only Indicated Mineral Resources and no Measured Mineral Resources. Consequently, the economically mineable portions of these Mineral Resources, as defined within the designed underground stopes, have been classified as Probable Ore Reserves. There are no Proved Ore Reserves. This classification includes allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code guidelines.

As of 31 December 2025, the Ore Reserves at Xilin Mine, at a CoG of 1.8% ZnEq, are estimated to be 2.19 million tonnes ("**Mt**"), with average grades of 2.28% Zn and 17.5% Fe, containing 50 thousand tonnes ("**kt**") of zinc and 383 kt of iron.

These reserves are all classified as Probable Ore Reserves, as shown in Table ES-5.

Table ES-5: Ore Reserve Statement for the Mining Licensed Area of the Xilin Mine [1, 2, 3, 4, 5, 6], as of 31 December 2025

Category	Ore Reserve (Mt)	Zn (%)	Fe (%)	Contained Zn (kt)	Contained Fe (kt)
Proved					
Probable	2.19	2.28	17.50	50	383
Total	**2.19**	**2.28**	**17.50**	**50**	**383**

Source: SRK

Note:

[1] The information relates to Orel Reserve conversion is based on information compiled by Mr. Erwei Lu, MAusIMM and Dr. Yiefei Jia, FAusIMM (CP Geo), who are full time employees of SRK Consulting China Ltd. Both Mr. Lu and Dr Jia 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 Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves", the JORC Code. Mr. Lu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[2] The Ore Reserve reference point is delivery of ore to the crusher at the processing plant.

[3] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[4] Total may not add due to rounding discrepancies

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

[6] The effective date of the Ore Reserves estimate is 31 December 2025.

Mining Assessment

Xilin Mine comprises two mining areas: Mine Area I and Mine Area III. Each area contains several lodes, with ongoing or planned operations utilising underground mining methods.

Both mine areas have historically been in production, with all development system completed during that time. Current mining activities are focused on the residual mining areas, so only essential development is required to support ongoing production. The Ore Reserve estimates for Mine Area I and Mine Area III are primarily based on technical studies completed in 2013 and 2014, with subsequent adjustments to reflect ongoing operations.

The mine employs two principal underground stoping methods tailored to orebody thickness and geometry. Thin to moderate-thickness blocks are mined using overhand shrinkage stoping with shallow-hole drilling, with 50 m high stopes laid out along strike and broken ore initially left in place to support the back and then drawn in a controlled sequence via load-haul-dump trucks ("**LHD**s") to ore passes. Thicker blocks are mined using sublevel open stoping with drill-and-blast, in which 50 m high stopes are subdivided into 10 m sublevels, accessed by dedicated haulage, drilling and ventilation drifts, and extracted using medium-length fan drilling and retreat blasting from pre-cut slots to rail-served ore passes.

Mining dilution is accounted for at 10%, which includes unplanned dilution from the hanging wall and footwall. Mining loss is considered at 15%, to allow for unplanned losses during mining and material transportation to the processing plant. The LoM is six years.

Processing and Metallurgy

Ore from the northern Xilin mining area (i.e. Mine Area I) is a polymetallic bismuth–zinc–iron–tungsten ore type, whereas ore from the southern mining area (i.e. Mine Area III) is a polymetallic copper–zinc–iron–tungsten ore type. The Xilin Plant was commissioned in June 2003, with an initial designed capacity of 1,500 tpd, mainly processing ore from the north and south areas of Xilin Mine. Following a process upgrade in 2006, the production capacity was increased to 2,400 tpd (equivalent to 720 ktpa).

The comminution circuit consists of two-stage crushing with a single closed circuit, followed by two-stage closed-circuit grinding. The beneficiation flowsheet comprises initial bismuth or copper flotation, then zinc recovery from the bismuth or copper flotation tailings, and finally iron recovery from the zinc tailings using magnetic separation. The final products are zinc concentrate and iron concentrate.

Table ES-6 summarised the historical production data from 2023 to 2025. The data indicated that over the past three years, ROM ore annual throughput has ranged between 530 kt and 600 kt, with average head grades of 2.03% Zn and 18.55% Fe. The average recovery rates are approximately 91.82% for zinc and 52.80% for iron.

Table ES-6: Historical Production Data of Xilin Plant (Year 2023 to 2025)

Items	Unit	2023	2024	2025	Average
ROM					
Processed Tonnes	kt	530.55	552.98	600.78	561.44
Feed Grade (Zn)	%	1.88	2.07	2.13	2.03
Feed Grade (Fe)	%	18.84	20.37	16.45	18.55
Concentrate Grade					
Zn Concentrate Grade	Zn%	49.54	49.35	49.89	**49.59**
Fe Concentrate Grade	Fe%	65.44	65.00	64.68	**65.04**

Items	Unit	2023	2024	2025	Average
Concentrate Output					
Zn Concentrate	kt	18.29	21.27	23.85	21.14
Fe Concentrate	kt	82.77	97.44	73.35	84.52
Actual Recovery					
Zn Recovery	%	90.81	91.87	92.79	**91.82**
Fe Recovery	%	54.17	56.24	48.00	**52.80**
Tail Grade					
Tail Zn Grade	Zn%	0.14	0.15	0.14	**0.14**
Tail Fe Grade	Fe%	10.26	10.83	9.74	**10.27**

Source: Mine database and SRK collected.

Based on records of actual concentrate tonnages stored in the zinc and iron concentrate bins, as provided by the Company's finance department, the contained metal quantities have been calculated and are summarised in Table ES-7. SRK notes that, although routine production statistics do not report copper, bismuth, gold or silver, copper and bismuth concentrates are occasionally produced when Cu and Bi grades in the feed are sufficiently high. Gold and silver are recovered as by-products in these concentrates and are credited in accordance with the applicable sales and offtake agreements.

Table ES-7: Historical Production Performance from Production and Sales Reports(Year 2023 to 2025)

Item	Unit	2023	2024	2025
Actual Recovered Metal				
Zn	kt	9.06	10.48	11.89
Fe Concentrate	kt	82.77	97.44	73.35
Actual By Product Metal				
Bi	t	181.11	175.52	174.45
Ag	t	1.34	1.09	1.74
Cu	t	0.04	0.05	0.00
Au	t	3.51	2.88	3.44

Source: Production and Sales Reports from the financial department

Environmental and Social Impacts

The Company has provided SRK with five previously completed EIA reports along with their corresponding approval documents, as well as one environmental impact post-assessment ("**EIPA**") report and its approval. These EIAs generally cover the existing production facilities, assess the baseline conditions of the project area, evaluate the environmental impacts arising from project construction and operations, and propose measures to manage these impacts. SRK considers that the Xilin Mine prepared the EIA reports in accordance with the relevant Chinese legal requirements and has obtained corresponding government approvals.

The Project does not involve any nature reserves, and no rare or endangered wild fauna or flora are present within the Project area. Wastewater from both the processing plant and the TSF is recycled for beneficiation processes, with no external discharge. The Project has also developed an annual

monitoring programme for both surface water and groundwater Waste rock is reused for road construction and underground backfilling, and no new waste rock is stored on the surface.

There are two separate workshops designated for the storage of mineral processing reagents and hazardous waste, respectively. These hazardous wastes, once collected, is periodically transported and disposed of by a qualified hazardous waste treatment company. The Project has previously provided various forms of support to local communities and herders, and no complaints have been received from nearby herders during its operations.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future capital expenditure ("**Capex**") is estimated based on historical expenditure data and the LoM production schedule. The total projected future Capex is CNY 28.07 million. A summary of the Capex is presented in Table ES-8.

Table ES-8: Summary of Capex for the Xilin Project

CAPEX	Unit	LoM
Initial Capex		-
Infrastructure	million CNY	-
Underground Development	million CNY	-
Equipment Installation	million CNY	-
Sustaining Capex		
Land Use Rights	million CNY	-
Mining Rights	million CNY	-
Equipment Purchase	million CNY	18.73
Buildings	million CNY	1.79
Underground Development	million CNY	5.41
Others	million CNY	0.34
Closure Cost	million CNY	1.81
Total Capex	million CNY	28.07

Source: summarized by SRK

Operating Costs

The operating costs ("Opex") are shown in Table ES-9, which provides a summary of the unit costs for the years 2023 to 2025. SRK considers the weighted average historical costs over the past three years to be reasonable and has adopted it for subsequent economic evaluations. The projected annual cash Opex over the LoM is shown in Figure EX-1, which shows that, as production decreases from 2027 to 2032, the annual Opex decline accordingly.

Table ES-9: Summary of Historical & Forecasted Opex for the Xilin Project

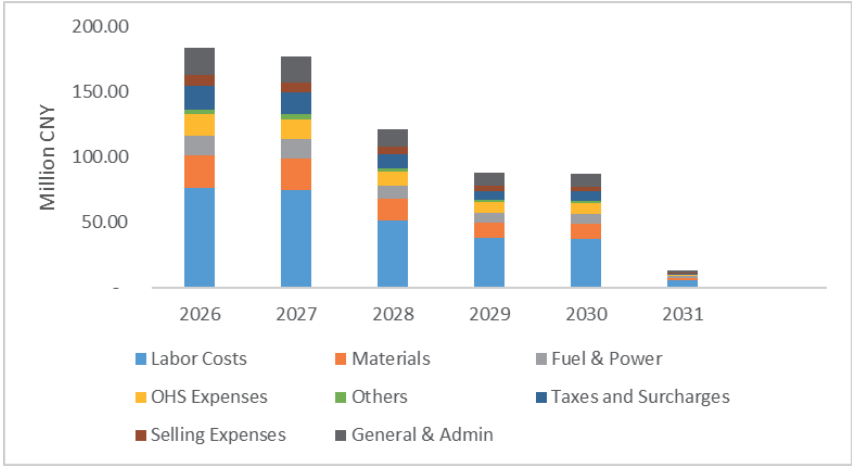
OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Mined	kt	531.61	564.18	613.56	1,709.35

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Milled	kt	530.55	552.98	600.78	1,684.31
COGS					
Labour Costs	CNY/t	97.07	143.75	144.79	129.41
Materials	CNY/t	43.05	40.00	41.76	41.59
Fuel & Power	CNY/t	32.63	20.32	25.03	25.88
OHS Expenses	CNY/t	17.53	30.93	31.65	26.97
D&A	CNY/t	-	-	-	-
Others	CNY/t	3.96	10.25	5.42	6.55
Taxes and Surcharges	CNY/t	27.26	34.61	30.66	30.89
Selling Expenses	CNY/t	11.20	15.97	13.69	13.65
General & Admin	CNY/t	40.11	34.66	29.33	34.48
R&D Expenses	CNY/t	-	-	-	-
Total OPEX	CNY/t	**272.82**	**330.49**	**322.32**	**309.41**

Source: summarised by SRK

Note: COGS means the cost of goods sold, which includes labour directly tied to production; direct materials needs for the production of goods and services; and taxes on the production facilities.

Figure EX-1: Opex Plan over LoM (unit: million CNY)



Source: summarised by SRK

Economic Analysis

The NPVs at different discount rates were estimated by SRK using DCF model, presented in Table ES-10.

Table ES-10: Estimated NPVs at Different Discount Rate

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	121.83	119.98	118.18	116.45	114.76	113.13	111.55	110.02	108.53	107.09	105.68

Note: It should be noted that in the economic analysis, the NPV exhibits a positive correlation with the discount rate due to negative cash flows in the later years. According to the logic of discounting, a higher discount rate reduces the present value (in absolute terms) of these future negative cash flows. Consequently, the reductive impact on the project's total value is diminished, leading to an increase in NPV as the discount rate rises.

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors most significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range.

The changes in prices have the greatest impact on the Xilin Mine's NPV, while Opex and Capex have less effects.

To clarify the effects of prices on the Xilin Mine's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -22% from the base scenario prices used in the model. In other words, if the price drops to about 78% of the forecast price, the Project NPV will become negative.

Risk Assessment

SRK completed a risk assessment of the risks identified for the Xilin Project in relation to their likelihood of occurrence and consequence in accordance with the Listing Rules of the Stock Exchange and HKEx, as shown in Table ES-11.

Table ES-11: Risk Assessment for the Xilin Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Major	Medium
Lack of Significant Ore Reserves	Possible	Major	High
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Lack of updated data for pit drainage	Possible	Moderate	Medium
Lack of Skilled Labour and Operation Management	Possible	Moderate	Medium
Bad Weather interrupting	Possible	Moderate	Medium
Processing and Metallurgy			
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Negative Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Social Aspects	Unlikely	Moderate	Low

Risk Source/Issue	Likelihood	Consequence	Risk
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

Recommendations

SRK offers the following recommendations:

Geology and Exploration

Xilin is a typical contact-metasomatic, skarn-type Fe–Zn deposit hosted in garnet–pyroxene skarn and marble of the Middle Devonian Tarbagat Formation, structurally controlled by NE-trending compressive faults and granitic contacts. The orebodies occur as stratiform-like to lenticular lenses with generally good continuity along strike and down dip, and their geometry is consistent with the established genetic model for the deposit.

The current Mineral Resource estimate is based on compiled and checked drilling and underground data, 1 m compositing, appropriate high-grade capping and 3D domain modelling. At a cut-off grade of 1.4% ZnEq, the reported Indicated and Inferred Mineral Resources meet the test of Reasonable Prospects for Eventual Economic Extraction; however, quality control on production-stage exploration data remains relatively limited. Internal QA/QC together with independent third-party check assays, will need to be strengthened to improve the overall reliability and auditability of the database.

The distribution and recoverability of certain potentially valuable by-product elements such as Bi and Cu have not yet been systematically evaluated, and their resource potential remains unclear. After more than 20 years of mining, much of the shallow and intermediate-level mineralisation has been depleted and the deposit is approaching a mature stage.

SRK recommends that future work at Xilin focus on three main areas: first, strengthening QA/QC for all production and exploration samples by systematically inserting blanks, duplicates and standards and sending check samples to an independent laboratory, to improve confidence in assay data; second, incorporating more routine sampling and analysis of by-product elements such as Bi and Cu to better understand their distribution and potential economic value; and third, carrying out targeted deep and peripheral exploration in the South Zone, in the eastern extension of the North Zone, and in the surrounding IP and airborne magnetic anomaly zones, in order to delineate additional Mineral Resources and support an extension of the mine life.

Mining and Ore Reserves

The Xilin Mine has been designed as an underground operation. SRK conducted stope optimisation and updated the LoM plan, determining that the revised mine design is appropriate to guide the extraction of eligible Mineral Resources. The mining methods employed at Xilin Mine include sub-level open stoping with delayed backfill, and shrinkage stoping. After reviewing the mining methodology, equipment list, and mining services, SRK considers that operations are conducted in

accordance with industry standard practices. Overall, the mining methods applied at Xilin Mine are deemed suitable to support future production.

Xilin Mine primarily relies on contractors for development and mining activities, while mine management, technical services, and supervisory staff are provided by the company. All mobile equipment, along with some minor fixed equipment, is supplied by the mining contractor

SRK recommends:

- Inferred Mineral Resources has a significant impact on Ore Reserve estimation. It is recommended that additional geological work be conducted to improve confidence in the Mineral Resource, which will also support more robust LoM planning.

Processing and Metallurgy

Northern area ore of the Xilin Mine is a polymetallic bismuth–zinc–iron–tungsten type, whereas south mine area ore is a polymetallic copper–zinc–iron–tungsten type. The current production capacity of Xilin processing plant is 2,400 tpd, and the plant adopts a bismuth/copper flotation–zinc flotation–iron magnetic separation flowsheet to produce main zinc and iron concentrates.

At present, the crushed product size is relatively coarse and the energy consumption is relatively high. It is recommended to optimise or modify the crushing and grinding system to achieve "more crushing and less grinding," with the objectives of lowering energy consumption and operating costs and stabilising process performance

1 Introduction and Scope of Report

SRK Consulting China Limited ("**Ltd.**") ("**SRK**") was commissioned by Inner Mongolia Xingye Silver-Tin Mining Co., Ltd.("**Xingye Silver & Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of Inner Mongolia Xingye Group Xilin Mining Co., Ltd. ("**Xilin Mining**")'s iron ("**Fe**")-zinc ("Zn") polymetallic project (hereafter referred to as "**Xilin Project**" or the "**Project**") which is located in Dong Ujimqin Banner, Xilin Gol League, Inner Mongolia Autonomous Region ("**Inner Mongolia**") of the People's Republic of China ("**China**").

The Xilin Project includes the Xilin underground iron-zinc polymetallic mine ("**Xilin Mine**") and associated one ore processing plant ("**Xilin Plant**"). The Project is operated by Xilin Mining, a wholly owned subsidiary of Xingye Silver & Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**HKEx**").

The Report has therefore been prepared following the guidelines 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 including the Chapter 18 requirements and other relevant regulations of the Stock Exchange and HKEx.

The Project is an operating underground iron-zinc polymetallic mine, which is wholly owned and operated by Xilin Mining, a wholly owned subsidiary company of Xingye Silver & Tin. The Xingye Silver & Tin is a listed company on the Shenzhen Stock Exchange.

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

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver & Tin to support the proposed listing on the Main Board of the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all the Australasian Institute of Mining and Metallurgy ("**AusIMM**") members.

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

2.3 Limitations Statement

SRK is not professionally qualified to opine upon and/ or confirm that Xingye Silver & Tin 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 Xingye Silver & Tin has legal right to all underlying tenements as purported. Assessing the legal tenures and rights to the prospects of Xingye Silver & Tin and or any of its subsidiary companies are the responsibility of legal due diligence conducted by entities other than SRK.

2.4 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "**Effective Date**"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK.

2.5 Work Program

- review of dataset and Mineral Resource models provided by Xilin Mining and Xingye Silver & Tin, and preparation of data verification plan which will be conducted during site inspection.
- two site visits were undertaken by SRK between 17 and 18 March 2026 and between 13 and 14 April 2026, to the Xilin Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the iron-zinc polymetallic mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("**TSF**"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating costs ("**Opex**"), etc.
- discussion with Xilin Mining and Xingye Silver & Tin management and technical personnel, as well as the professionals, who conducted either the geology and exploration or the feasibility study ("**FS**") and/ or the preliminary design on the Xilin Project.
- preparation of a draft report in accordance with the JORC Code and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Xingye Silver & Tin and the related third party for comments and finalise the draft based on the feedback.

2.6 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, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 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 the Chinese mining companies who have completed successfully listed and/or acquired on the SEHK., as shown in Table 2-1.

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

Company	Year	Nature of Transaction
Citic Dameng Holdings Ltd.	2010	IPO Listing on the HKEx
China Hanking Holdings Ltd.	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Ltd.	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Ltd.	2012	IPO Listing on the HKEx
Hengshi Mining Investments Ltd.	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Ltd.	2014	IPO Listing on the HKEx
King Stone Energy Group Ltd.	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 Ltd.	2016	IPO Listing on the HKEx
Pizu Investment Co. Ltd.	2020	Acquisition of Shareholding in a polymetallic project in China
China Qinfa Group Ltd.	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Ltd.	2022	IPO Listing on the HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd.	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd.	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd.	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Dr. Yiefei Jia	Corporate Consultant (Geology and Project Evaluation)	Project Manager, whole report, CP
Zhuanjian (Leo) Liu	Principal Consultant (Geology)	Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	Geology, Data Verification and QA/QC
Falong Hu	Principal Consultant (Mining)	Mining and Ore Reserve Review
Erwei Lu	Senior Consultant (Mining)	Mining Review
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Mining and Economic Analysis
Donghao Luo	Consultant (Mining)	Mining Review
Xiangfeng Yang	Senior Consultant (Processing)	Processing and Metallurgical Review
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Yuting (Lori) Zhou	BD and Project Coordinator	Project Coordination and Translation

Consultant	Title	Discipline and Task
Pengfei Xiao	Principal Consultant (Geology)	Internal Peer Review and Quality Control
Alexander Thin	Corporate Consultant (Mining and Project Evaluation)	Internal Peer Review and Quality Control

Yiefei Jia, *Doctor of Philosophy ("PhD"), Fellow of the AusIMM ("FAusIMM", CP Geo),* is a Corporate Consultant (Geology and Project Evaluation) with over 25 years' experience in a combination of exploration, resource estimation, mineral deposit evaluation, and the delivery of multidisciplinary technical assessment reports. He is highly experienced in the management of exploration and resource estimation of precious metals (gold ("**Au**"), silver ("**Ag**"), and platinum group elements ("**PGE**")), alkali and base metals (lithium ("**Li**"), potassium ("**K**"), lead ("**Pb**"), zinc ("**Zn**"), copper ("**Cu**"), vanadium ("**V**"), titanium ("**Ti**"), cobalt ("**Co**") and nickel ("**Ni**")), black metals (iron ("**Fe**") and manganese ("**Mn**")) as well as non-metallic metals (fluorite and graphite) and decorative stone (marble) ore deposits in different geological settings in Australia, Africa, China, Mongolia, America and Southeast and Central Asia. He also has over five years' experience in coal deposits exploration and due diligence in China, Indonesia and Mongolia. Yiefei's background has provided him with a firm understanding of key criteria required for the successful delivery of projects across a variety of disciplines. In recent years, he, as Competent Person, has led and coordinated dozens of due diligence projects with technical reports for mergers and acquisitions, financing and exchange listings, such as the SEHK.

Zhuanjian (Leo) Liu, *BEng, MAIG, Chinese Certified Mine Constructor,* is a Principal Consultant (Geology). He obtained his bachelor's degree in geological engineering from China University of Mining and Technology. Before joining SRK, he worked as an engineer at Salim Group where he focussed on overseas mining project due diligence, mergers and acquisitions, and project management for years. Leo joined SRK China in 2012, and ever since he has been involved in more than 50 projects in the aspect of gap analysis, due diligence, QA/QC, resource/reserve estimation, and Competent Person Reporting, he participated in many large-scale coal enterprise projects, such as Peabody Energy, Shenhua Group, Shaanxi Investment Energy Group, Kinetic Group, Agritrade Resources, Qinfa Group, etc. He is proficient in using multiple modelling software including Surpac, Minex, Leapfrog, etc.

Frank Li, *BEng, MSc, FAusIMM,* is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, etc. He has a deep understanding of analysis and mineral resource reporting conversions between of Chinese and JORC Code standards and has abundant experience in exploration management and quality control.

Falong Hu, *MBA, B.Eng, FAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Chinese Certified Consulting Engineer (Investment),* is a Principal Consultant (Mining). He obtained his Bachelor's degree in mining engineering from Central South University and Master of Business Administration (MBA) in China University of Geosciences (Beijing). Before joining SRK he worked as an on-site and head office mining engineer in 2 different international mining companies which were called Sino Gold Mining Limited (later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground and open pit mines'

production systems and has been involved in mining engineering and development design, scheduling, long-hole blasting and production operation, rock mechanics, ventilation, back-fill; and cost accounting. After take part in SRK, he accumulated extensive experience in ore reserve estimation, economic analysis, project valuation, mining assessment, scoping/pre-feasibility/feasibility studies and so on. Minerals include gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, bentonite and so on. He is a modeler on both technical and economic and also proficient in digital modelling by using Surpac, Whittle, Minesched, Datamine and AutoCAD.

Erwei Lu, *M.Eng.;* Senior Consultant (Mining) at SRK China***,*** he obtained his bachelor's degree and master's degree in mining engineering from Central South University. He has over five years of practice of underground operation, and about one year's mineral project evaluation experience. He worked as an on-site mining engineer in Zambia for China Nonferrous Metal Mining (Group) Co., Ltd. after graduation in 2017. He also worked for an autonomous driving application and mineral project investment companies since 2022. He is familiar with large scale underground mobile equipment operation and training, long-hole blasting, mine design and scheduling, and production management, as well as autonomous driving application in open pit mine, and project evaluation.

TzuHsuan (Shan) Chuang, *M.Eng.*, ***MAusIMM,*** is a Senior Consultant (Mining). She has extensive experience in on-site production and consulting, with expertise in technical studies and project evaluations for both open-pit and underground mines. She is capable of independently conducting stope and pit optimization, mine design, long-term planning, ore reserve modeling, and technical-economic analysis. Her project experience spans Asia, Australia, Africa, Europe, and South America. She is proficient in various industry-standard software, including Deswik, Whittle, and Surpac.

Donghao Luo, *BEng,* Consultant (Mining) at SRK China. He obtained his Bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

Xiangfeng 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, sulfide ore, iron ore and other projects.

Nan Xue, *MSc, MBA, MAusIMM*, is a Principal Consultant (Environmental) at SRK China. He holds Master of Environmental Science from Nankai University and Master of Business Administration from Beihang University, respectively. He has over Eighteen years' experience in environmental impact assessment, environmental planning and management, environmental due diligence and ESG-

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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.

Alexander (Alex) Thin, *BEng, FAusIMM, FIMMM, FSAIMM*, Corporate Consultant (Mining and Project Evaluation) at SRK China, he is an experienced mining professional with over 30 years' experience. His strategy and leadership experience spans feasibility studies, mineral asset audits and evaluations, independent technical reports, techno-economic studies, capital raising, merger and acquisitions, managing joint ventures, local and international stock exchange compliance, business development and investor/ stakeholder relations. Alex's industry experience spans operational (underground and open pit), technical, consulting and corporate within the metalliferous resources sector, covering precious metals, base metals and bulk commodities.

2.8 Warranties

Xingye Silver & Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver & Tin 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 Xingye Silver & Tin or to Xingye Silver & Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources/Ore Reserves is based on information compiled by Dr. Yiefei Jia, a Competent Person who is a Fellow of AusIMM and a Chartered Professional in Geology (CP Geo), Mr. Zhuanjian (Leo) Liu, a Competent Person who is a Member of AIG, and Mr. Falong Hu, a Competent Person who is a Fellow of the AusIMM. They are full-time employees of SRK.

This Report is a Competent Person's Report in line with the Listing Rules of the Stock Exchange and HKEX.

Mr. Zhuanjian Liu, Dr. Yiefei Jia and Mr. Falong Hu have 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 JORC Code".

Mr. Zhuanjian Liu, Dr. Yiefei Jia and Mr. Falong Hu consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Peer review and quality control of the Report were conducted by Pengfei Xiao, *FAusIMM*, a Principal Consultant (Geology) and Alexander Thin, *FAusIMM (CP Min*), a Corporate Consultant (Mining and Project Evaluation).

2.11 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 Xingye Silver & Tin or Xingye Silver & Tin'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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver & Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operational Licenses and Permits

This section summarises key operational licences and permits. SRK relies on the information provided by the Company, and SRK does not intend to undertake a legal due diligence review since such work is outside the scope of technical review.

3.1 Business License

The business licence details for the Xilin Project are presented in Table 3-1.

Table 3-1: Business Licence

Project/Company	Xilin Mining
Business Licence No.	91152525733286480E
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.
Issued By	Administration for Market Regulation of Dong Ujimqin Banner
Issue Date	21 December, 2023
Expiry Date	Long-term
Licensed Business Activities	Mining of non-coal mineral resources; road transport of dangerous goods; mineral processing (beneficiation); sale of metal ores

Source: Xilin Mining.

3.2 Mineral Tenure

The Xilin Project consists of one mining license and one exploration tenement.

3.2.1 Mining License

The mining licence details for the Project are presented in Table 3-2. A copy of the original mining licence is provided in Appendix B.

Table 3-2: Summary of Mining Licence

Project/Company	Xilin Mining
Business License No.	C1500002009063210024100
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Department of Natural Resources; Xilingol League Natural Resources Bureau
Issue Date	13 January 2026
Expiry Date	13 March 2036
Area (km^2)	6.90
Mining Type	Underground
Ore Type	Iron (primary mineral) - zinc & bismuth (associated minerals)
Mining Depth	From 1,083 m asl down to 620 m asl, delineated by eight inflection points

Source: Xilin Mining

3.2.2 Exploration Permit

The exploration permit details for the Project are presented in Table 3-3. A copy of the original mining licence is provided in Appendix B.

Table 3-3: Summary of Exploration Tenement

Project/Company	Xilin Mining
Business License No.	XT150000200911301003672 8
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.
Issued By	Xilingol League Natural Resources Bureau
Issue Date	9 December 2025
Expiry Date	9 November 2030
Area (km^2)	26.4271
Ore Type	Zinc

Source: Xilin Mining

3.3 Safety Production Permits

The details of the safety production permits for the Xilin Project are presented in Table 3-4.

Table 3-4: Safety Production Permit

Project	Xilin Mining
Safety Production Permit No.	(Meng) FM [2025] No. 005807
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd. Technical Renovation of Mining Area I (Above 675 Elevation)
Issued By	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau
Licensed Activity	Iron, Zinc, and Bismuth Underground Mining
Issue Date	28 July 2025
Expiry Date	27 July 2028
Project	Xilin Mining
Safety Production Permit No.	(Meng) FM [2023] No. 005583
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd. Technical Renovation of Mining Area III (Above 625 Elevation)
Issued By	Inner Mongolia Autonomous Region Emergency Management Department
Licensed Activity	Iron, Zinc, and Bismuth Underground Mining
Issue Date	11 January 2024
Expiry Date	28 July 2026
Project	Xilin Mining
Safety Production Permit No.	(Meng) FM [2025] No. 005445
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd. Technical Renovation of Tailings Storage Facility
Issued By	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau
Licensed Activity	Operation of Tailing Storage Facility
Issue Date	12 December 2025
Expiry Date	11 December 2028

Project	Xilin Mining
Safety Production Permit No.	(Meng) FM [2023] No. 001143
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Emergency Management Department
Licensed Activity	Iron, Zinc, and Bismuth Underground Mining; Operation of Tailing Storage Facility
Issue Date	11 January 2024
Expiry Date	19 November 2026

Source: Xilin Mining.

3.4 Pollutant Discharge Permit

According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. However, enterprises, institutions, and other producers and operators whose production and emissions of pollutants are small and have minimal impact on the environment are not required to apply for pollutant discharge permits, but they should fill out pollutant discharge registration forms. The detailed information of the Xilin Mine is listed in Table 3-5.

Table 3-5: Summary of the of the Pollutant Discharge Permit

Pollutant Discharge Permit No.	91152525733286480E001Q
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.
Issued By	Xilingol League Ecology and Environment Bureau
Issue Date	September 27, 2022
Expiry Date	September 26, 2027
Main Types of Pollutants	Dust

Source: Xilin Mining.

3.5 Water Extraction Permit

The detailed information of water extraction permit for Xilin Project is presented in Table 3-6.

Table 3-6: Summary of the Water extraction Permit

Water Use Permit No.	D152525G2021-0009
Issued To	Inner Mongolia Xingye Group Xilin Mining Co., Ltd.
Issued By	Dong Ujimqin Banner Water Resources Bureau
Issue Date	12 April, 2023
Expiry Date	11 April, 2028
Water Supply Source	Groundwater

Water Use Permit No.	D152525G2021-0009
Water Use Allocation	738,200 m³/year

Source: Xilin Mining.

4 Regional Description

4.1 Property Location and Accessibility

The Xilin Project is located in the northeastern part Dong Ujimqin Banner of Inner Mongolia, China, and is under the administrative jurisdiction of Manduhu Baolage Sumu of Dong Ujimqin Banner. Its geographic coordinates are East Longitude 118°30′00″–118°44′20″ and North Latitude 46°27′30″–46°36′30″ (see Figure 4-1).

The Project is approximately 30 kilometres ("**km**") north of Manduhu Baolage Sumu, and 210 km to the southwest of Wuliyaistai Town, the county seat of Dong Ujimqin Banner, and is connected by an asphalt road. It about 200 km to the southeast of the nearest railway station, in Huolinguole City. The Project area is connected by road to provincial-level roads S303 and S101. Therefore, access to the Project area is relatively convenient.

Figure 4-1: Location Map of the Project Area



Source: SRK

4.2 Local Resources and Infrastructure

The area surrounding the mine is a purely pastoral region with vast land and sparse population, and industrial and agricultural production is underdeveloped. In recent years, with the continuous expansion of mining development, small-town construction has grown rapidly and the economic environment and infrastructure has improved to some extent, but they remain relatively backward. Overall, the regional economy is weak, labour resources are relatively scarce, and production and living supplies need to be transported in from outside.

The development of Mineral Resources has played a driving role in the local economic growth. Xilin Mining is the largest and most modern industrial and mining enterprise in the area. The 10 kV high-voltage power line of the Dongshan Line of the East Ujimqin Banner Power Bureau (from Wuliyasitai Town to Chaobuleng) has already been extended to the mining area, where a substation has been built, which can meet the power requirements of mine production.

The water supply comes from a groundwater ell located about 10 km west of the mining area. The hydrochemical type is HCO_3–Ca·Na, with a pH value of 7.44, a total dissolved solid ("**TDS**") content of 0.17 g/L, and a discharge of 420 m³/d.

Living and production supplies are purchased in Huolingol City or Xilinhot City, with convenient transportation. China Mobile and China Unicom communication networks already cover the mining area, providing a good environment for investment and construction.

4.3 Physiography

The Xilin Project area is located in a gently undulating hilly region in the northeastern margin of the Inner Mongolia Plateau, in the low-mountain and hilly zone on the western slope of the Greater Khingan Range. The highest point is located slightly south of the center of the mining area, with an elevation of 1,018 meters ("**m**"), above sea level ("**asl**"), and the lowest point is in the southwest of the area, with an elevation of 885.0 m asl, giving a maximum relative relief of 133.0 m asl.

Overall, the terrain is higher in the south and lower in the north, with weak dissection and gentle slopes. Bedrock outcrops are sporadically distributed on the tops of the gentle hills. The hills undulate in a wave-like pattern, with mostly rounded, elongated ridge-like hilltops and broad, flat valleys between them. Quaternary deposits are widely developed, and vegetation is poorly developed.

4.4 Climate

The Project area is located in an inland region of the middle to high latitudes and has a temperate continental climate, with relatively harsh natural conditions. Climatically, it is characterised by cold, dry, and strong winds in winter under the influence of the Mongolian high-pressure system, and a short and extremely hot summer with concentrated rainfall. Springs are windy, and the prevailing winds are mainly from the northwest or southeast.

According to statistics from the Dong Ujimqin Banner Meteorological Bureau for 1995–2021, the mean annual temperature is 1.6 degrees Celsius ("**°C**"), with a mean January temperature of −18.9°C and a mean July temperature of 21°C. The recorded extreme maximum temperature is 39.7°C and the extreme minimum is −40.7°C, with a mean annual daily temperature of 0.7°C.

The colsest period lasts from mid-September to mid-May of the following year, up to eight months, with a maximum seasonally frozen ground depth of 3.30 m.

Controlled by climatic conditions, the area receives little precipitation and surface drainage is pooasly developed. Except for short-lived streams in gullies and seasonal lakes in depressions during the rainy season, streambeds are dry and depressions are saucer-shaped for the rest of the year.

The mean annual precipitation is 326.1 millimetres ("**mm**"), with a maximum snow depth of 260 mm. Annual evaporation is 1,588.5 to 1,760.8 mm. The rainy season is concentrated from June to August, and the snowfall period lasts from easily October to mid-May of the following year. The maximum wind speed is 24 metres per second ("**m/s**"), and the maximum thickness of the frozen soil layer is 3.30 m.

According to the China Seismic Ground Motion Parameter Zonation Map (GB 18306-2015), the peak ground acceleration in this area is 0.05g, corresponding to a basic seismic intensity of VI. No destructive earthquakes have occurred in the area throughout recorded history. The terrain within the area is relatively gentle and precipitation is low; debris flows, landslides, and other geological disasters have never occurred.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The Xilin Mining Area is situated within the Palaeozoic accretionary belt along the southeastern margin of the Siberian Plate, positioned in the heart of the globally significant Central Asian Metallogenic Domain ("**CAMD**"). In terms of metallogenic zoning, it belongs to the Inner Mongolia-Greater Khingan Range Metallogenic Province. Geotectonically, the area is located within the Late Variscan Fold Belt of the Inner Mongolia-Hinggan Fold System, specifically in the Dong Ujimqin Fold Bundle on the northern limb of the Dong Ujimqin-Erenhot Anticlinorium. The region tectonic evolution is complex, having experienced the Palaeozoic subduction-closure of the Palaeo-Asian Ocean, microcontinental accretion and amalgamation, as well as strong superimposed modification by the Mesozoic Circum-Pacific tectonic system. This polycyclic evolution established a sophisticated fold-and-fault structural framework and provided a superior geodynamic setting and material source for subsequent large-scale magmatic-hydrothermal mineralisation, making this areat one of the most important Fe-polymetallic metallogenic clusters in the central segment of the Greater Khingan Range.

The regional stratigraphic sequence is well-developed and is dominated by Palaeozoic marine clastic-carbonate formations that reflect active island-arc or back-arc basin settings. These are subsequently overlain by Mesozoic terrestrial clastic-volcanic successions, marking a transition in the tectonic regime toward intracontinental orogeny and extensional environments.

- Palaeozoic Sequences: The outcropping units include the Middle Ordovician Hanwula Formation (O_{2h}), Upper Silurian (S_3), Middle Devonian Tarbagat Formation (D_2t), and Upper Devonian Ange'eryinwula Formation (D_3a). Notably, the Middle Devonian.
- the Middle Devonian Tarbagat Formation (D_2t) serves as the principal ore-hosting horizon, where its carbonate components provided the essential chemical interfaces for skarn formation. The Lower Permian Baolige Formation (P_{1b}) is widely distributed, marking the cessation of marine sedimentation.
- Meso-Cenozoic Sequences: The Middle-Lower Jurassic Alatanheli Group (J_{1-2}) consists primarily of terrestrial clastic rocks, while the Upper Jurassic (J_3) is characterized by extensive volcanic activity. The Cenozoic Tertiary Pliocene (N_2) and Quaternary Holocene (Q_4) occur as unconformable covers, obscuring significant bedrock geological data.
- Environmental Transition: A distinctive shift in depositional environments is observed: prior to the Permian, the region was governed by the Palaeo-Asian Ocean's evolution, exhibiting typical marine features. From the Permian onwards, following plate collision, the region transitioned into a terrestrial evolutionary stage characterized by intensified volcanic activity.

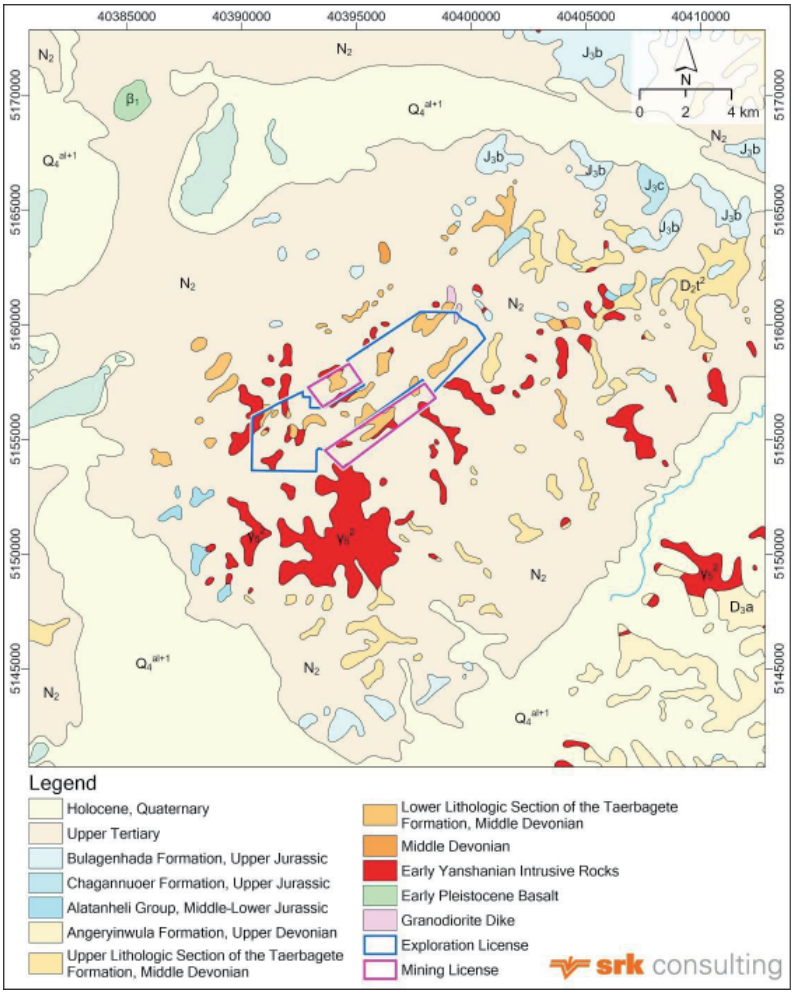
The regional structural framework is primarily controlled by northeast ("**NE**")-trending fold systems and thrust faults. From the Variscan to the Yanshanian periods, multiple episodes of tectonic movement were superimposed, forming a sophisticated structural pattern composed of northeast-east ("**NEE**")-, north-northeast ("**NNE**")-, and northwest ("**NW**")-trending structures.

Magmatic rocks are extremely well-developed, exhibiting a typical multi-phase evolution trend from mafic to felsic compositions. Magmatic activity not only supplied the thermal energy driving hydrothermal circulation but also provided an important source of metallic elements for mineralisation.

High-intensity magnetic anomaly belts strike NE or approximately EW, showing clear structural-magmatic control. Major magnetite orebodies, such as those at Chaobuleng and Chagan Aobao, produce high-amplitude, well-continuous magnetic anomalies. The associated flanking negative anomalies indicate that the mineralised bodies possess stable attitudes and significant depth extensions.

The Chaobuleng district is located within the Boketu–Chaobuleng and Chaobuleng–Chagan Aobao Fe-Zn-polymetallic metallogenic belts of the central segment of the Greater Khingan Range. This metallogenic belt is dominated by skarn-type and hydrothermal vein-type deposits, with a metal association including Fe, Zn, Pb, Ag, W, Sn, Au, and Mo. The known deposits, such as Chaobuleng Fe-Zn, Aerhada Pb-Zn, and Jilinbaolige Ag, are spatially controlled by NE-trending faults and the contact zones of Yanshanian granites. This "trinity" metallogenic model, comprising host strata (Devonian), structure (NE-trending faults), and magmatism (Yanshanian granites), represents the primary exploration criterion for predicting and discovering large-scale polymetallic deposits in the region.

Figure 5-1: Regional Geological Map of the Xilin Project



Source: SRK, adapted from North China Geological Exploration Bureau's Exploration Report (2018)

5.2 Local Geology

5.2.1 Stratigraphy

The exposed stratigraphy within the Xilin area is relatively simple but distinctive, and is primarily composed of Middle Devonian neritic facies clastic-carbonate formations (the core ore-hosting horizon) and Mesozoic-Cenozoic terrestrial sedimentary-volcanic sequences. Over 95% of the surface is covered by Quaternary Holocene (Q_4) aeolian sands, residual-colluvial, and alluvial-proluvial deposits, with a cover thicknesse ranging from 0 to 70 m. Within topographic depressions,

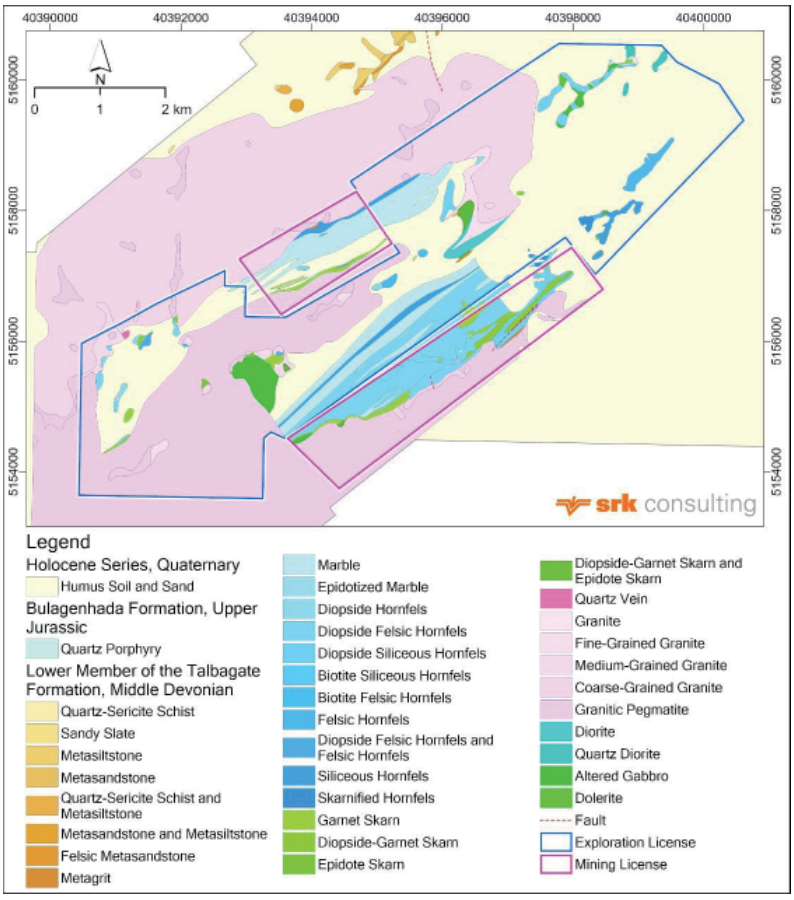
a layer of Tertiary Pliocene (N_2) red clay is buried, generally 0–50 m thick, represents a highly effective natural aquiclude due to its dense structure and moisture-retentive properties.

The most significant stratigraphic unit is the Middle Devonian Tarbagat Formation (D_2t), which is subdivided into two members:

- **Lower Member (D_2t^1)**: Extensively outcropped with a measured thickness exceeding 920 m. Originally composed of limestone, sandy slate, and feldspathic sandstone, it has undergone widespread marbelization, skarnification, and hornfelsing due to contact metasomatism from Yanshanian granitic intrusions. This member acts as the direct host rock for the Fe-Zn polymetallic deposits, striking approximately 050° NE with steep dips of 55°–85°.
- **Upper Member (D_2t^2)**: Sparsely outcropped at the NE extremity, exceeding 1,000 m in thickness, predominantly comprising meta-feldspathic sandstone interbedded with black slate.

The Mesozoic sequences are mainly characterized by Lower-Middle Jurassic (J_{1-2}) terrestrial lacustrine clastic rocks (with a thickness >300 m thick) and the widely distributed Upper Jurassic Chagan Nuoer Formation (J_{3c}) volcanic succession (about 1,197 m thick). Additionally, the Bulagenhada Formation (J_{3b}) rhyolite and quartz porphyries exposed in the southeastern sector exhibit distinct sub-volcanic characteristics, marking a transition of the regional tectonic regime toward strong extension and vigorous effusive volcanic activity.

Figure 5-2: Geological Map of the Xilin Deposit



Source: SRK, adapted from North China Geological Exploration Bureau's Exploration Report (2018)

5.2.2 Structural Geology

The structural framework is controlled by a primary NE- to NEE-trending system, characterised by intense compressional folding and multi-stage superimposition of faults.

Regarding folding, a series of NE-axial plunging anticlines and synclines are inferred to e developed within the central sector of the area. Due to extensive late-stage magmatic intrusions and their associated thermal effects, the original fold geometries have been largely disrupted or reshaped, predominantly occur as remnant parasitic folds. For instance, in the northeast ("**NE**") portion of the Western Ore Belt, stratigraphic attitudes change over a short distance from dipping to the NW to dipping to the southeast ("**SE**"), indicating a steeply dipping, NEE-striking tight anticline. Conversely, within the Middle-Lower Jurassic sequences at the SW end, converging dips on both limbs define an arcuate syncline structure that is convex toward the northwest.

In terms of faulting, two core systems are developed: one trending NE and the other trending NW.

- **NE-trending Fault System**: This is the earliest and most extensive system, predominantly exhibiting transpressional reverse fault characteristics. Characterised by clear multi-stage activity, it governs the distribution of stratigraphic blocks and serves as the primary conduit for the ascent and emplacement of deep-seated mineralizing fluids. A NE-trending fault exceeding 2 km in length in the SW sector features a crush zone filled with siliceous-clayey material and intense limonite alteration, underscoring significant ore-controlling potential.
- **NW-trending Fault System**: Dominated by transtensional strike-slip faults, these generally formed later than the NE system. These structures primarily act as post-mineralization disturbances, significantly cutting and offsetting pre-existing skarn zones and ore bodies, leading to spatial discontinuity.

5.2.3 Magmatic Rocks

Magmatic activity is extremely intense and provides both the thermal driver and the material source for skarn mineralisation. The Chaobuleng granitic intrusion (Early Yanshanian biotite granite) is the main intrusive unit, with an outcrop area of over approximately 90 km² and an overall irregular "E" shape morphology. The roof of the pluton is uneven on the contemporary erosional surface, and its central sector preserves massive residual roof pendants of Middle Devonian strata. Based on the development of porphyritic textures along the margins, primary flow structures, and dense dyke swarms, it is inferred that although the pluton has undergone denudation, the depth of erosion remains relatively shallow. Its bay-like marginal contact zones represent the most favourable sites for the formation of contact metasomatic deposits.

5.2.4 Metamorphism

Metamorphism within the district is driven by granitic intrusion and displays distinct radial zonation. Based on metamorphic mechanisms, it is categorised into contact metasomatism (skarnification) and thermal contact metamorphism (recrystallization). This zonation is strictly constrained by a tripartite control of intrusive morphology, lithological interfaces, and structural conduits:

- Contact Metasomatic Zone (Skarn Zone): Essentially a chemical exchange between mineral-bearing magmatic fluids and carbonate rocks. Various skarns (e.g., garnet skarn, diopside skarn) are highly concentrated within "cave-like" concave zones of the pluton or along stratigraphic interfaces. Reaching thicknesses of 0–315 m, this zone is the exclusive host for Fe-Zn polymetallic mineralization.
- Thermal Contact Metasomatic Zone: Characterised by a gradient of hornfelsing and marbelisation radiating outward from the pluton. Protolith textures are completely obliterated proximal to the contact, transforming into dense hornfels; further outward, these transition into marble with relict bedding before reaching unaltered distal strata.

The district forms a comprehensive alteration-metamorphic sequence evolving outward from the pluton: Biotite Granite - Altered Granite - Skarn Zone (Mineralization Centre) - Hornfels/ Marble Zone - Distal Stratigraphy. This distinct zonation serves not only as direct evidence of deposit genesis but also as a critical geological vector for deep-seated and peripheral exploration targets.

5.3 Mineralised Body Geology

5.3.1 Controls on Mineralized Bodies

The Xilin mining area is divided into East, West, South, and North ore zones. Excluding the West zone, which is largely depleted, current exploration is focused on the South, North, and East sectors. Ore bodies generally strike 050° NE, dipping SE with predominantly steep inclinations. Individual ore bodies are mostly small to medium in scale, with strike length ranging from tens of meters to 830 m. Their thickness varies considerably (typically 0.7–37.5 m), controlled by the morphology of the contact zones. The orebodies display typical skarn-type geometries: along strike they commonly appear bedded or banded, whereas at depth they trend to taper into wedge-shaped terminations, with local swellings and irregular undulations.

FeZn19 is the largest and best-defined orebody in the North ore zone. It is a blind, quasi-stratiform Fe–Zn skarn body delineated by drilling and shaft/drive development. The orebody has a strike length of about 400 m and a down-dip extent of 200 m between ASL 880–700 m. True thickness ranges from 11.8–57.5 m, averaging 21.7 m. It strikes 148° and dips steeply (77–84°). Average grades are 31.46% total iron ("**TFe**") and 7.02% Zn. The orebody is thick in the upper part and thins and locally bifurcates downward.

FeZn2 is a shallow, blind Fe–Zn skarn orebody with about 6 m of cover and an oxide zone averaging 37.5 m in depth. It is quasi-stratiform, dipping 55–66°, with marble and Fe–Zn mineralised skarn as hanging- and foot-wall rocks. The orebody is discontinuous along strike but attains thicknesses of 2.74-31.06 m over a down-dip extent of 289 m between asl 950 and 746 m asl. Grades range from 16.22–46.96% TFe and 0.07–7.39% Zn.

FeZn4 is the largest and most continuous orebody in this part of the deposit. It is a blind, quasi-stratiform Fe–Zn skarn body with ~35 m cover and an oxide zone to ~70 m depth. The orebody lies between 942 and 620 m asl, with a down-dip extent of ~300 m and a strike length of ~358 m; it dips about 63°. True thickness varies from 0.90–31.57 m and the orebody bifurcate at both ends but is continuous in the central portion. The host is diopside–garnet skarn concordant with stratigraphy, locally cut by concordant granite apophyses. Grades range from 16.36–58.99% TFe and 0.37–26.22% Zn, with Zn commonly enriched near the hanging- and foot-wall contacts.

FeZn19-1, FeZn23, FeZn24 and FeZn25 are all blind orebodies of relatively small size. FeZn19-1 has a strike length of about 200 m, a down-dip extent of 130 m, an average thickness of 6.35 m, Zn grades of approximately 7–8% and TFe of about 28.6%, striking 148° and dipping 71°–75°. FeZn23 is about 200 m in strike length and 140 m in downdip extent, with an average thickness of 10.19 m, Zn grades of roughly 6% and TFe around 25%, striking 148° with a dip of about 75°. FeZn24 has a strike length of about 200 m, a down-dip extent of 120 m, an average thickness of 1.75 m, Zn and TFe grades of 4.34% and 30.65%, respectively, striking 148° and dipping 79°–84°. FeZn25 is about 200 m in strike length and 50 m in down-dip extent, with an average thickness of 5.42 m, Zn grades of roughly 6% and TFe of 31.11%, striking 148° and dipping 83°–84°.

FeZn35 has a strike length of about 700 m, a downdip extent of 180 m and an average thickness of 5.25 m. Average grades are 8.80% Zn and 32.72% TFe. It strikes 141°–156° and dips 40°–55° and is classified as Fe–Zn ore.

Mineralisation within the Xilin Exploration License Area is skarn-type and is spatially closely associated with granitoid intrusions. All orebodies are blind and occur along the contacts between garnet skarn and marble, hornfels or granite. The orebodies are typically lensoid to quasi-stratiform, striking NE (about 50–70°) and dipping moderately to gently (about 5–60°) toward either the NW or SE. Individual lenticular orebodies generally have strike lengths of 80–500 m, down-dip extents of 80–380 m and true thicknesses mostly in the range of 3–15 m, locally reaching up to ~80 m where skarn thickens in bay-like embayments along the granite contact.

Grades are heterogeneous but are dominated by Fe–Zn, with variable contents of W, Pb, Ag, Cu and locally Au. Typical ranges are 15–35% TFe and 0.3–3% Zn, with locally developed higher-grade Zn-Pb-Ag and W–Cu lenses.

In the North Zone, four main blind skarn orebodies (FeZn4-1, FeZn4-2, Zn4-3 and AgPb4-4) have been delineated. The two Fe–Zn orebodies (FeZn4-1 and FeZn4-2) are gently folded lenses, extending up to ~470 m along strike and 320–380 m down-dip, with average thicknesses of about 8–12 m. Average grades are around 21% TFe and 1–2% Zn, with minor tungsten trioxide ("**WO_3**") and Ag. Zn4-3 orebody represents a Zn-Pb-Ag-rich lens, whereas AgPb4-4 orebody is a smaller Ag–Pb–Zn lens known mainly from limited drilling.

In the South Zone, mineralisation is mainly concentrated in the FeZn13 orebody and a series of smaller satellite lenses (13-1 to 13-8 and 13-10). FeZn13 is the principal high-grade Fe–Zn skarn orebody, extending approximately 150 m along strike and 280 m down-dip, with an average thickness of ~37 m and elevated Fe and Zn grades. The satellite ore bodies are all smaller blind lenses, generally 80–240 m in strike, 40–200 m down-dip and 2–15 m thick, with variable Fe–Zn grades and local enrichment in Cu, W, Pb and Ag, including several low-grade Fe- or Zn-dominant lenses.

Overall, orebody continuity is considered good at the scale of hundreds of metres along strike and down dip, but with significant internal variations in thickness and grade typical of skarn systems.

5.3.2 Mineralogical Characteristics

Ore Textures and Structures

Ore textures are dominated by xenomorphic to subhedral granular aggregates, with well-developed replacement and interstitial infilling relationships between ore and gangue minerals. The main ore structures are disseminated, banded, mottled and dense massive, with local brecciated, vein and veinlet–disseminated styles developed within fracture zones.

Metallic Minerals

The metallic assemblage is dominated by magnetite and sphalerite, with subordinate pyrrhotite, pyrite, chalcopyrite and arsenopyrite, and minor galena, molybdenite and Bi-bearing minerals (bismuthinite, Pb–Bi sulphosalts and native bismuth). Magnetite typically occurs as 0.1–0.5 mm anhedral to subhedral grains infilling garnet interstices, locally replaced along margins and fractures by sphalerite and pyrite. Sphalerite mainly forms anhedral disseminations between garnet grains and along magnetite margins, generally 0.1–0.5 mm in size and commonly associated with pyrrhotite and chalcopyrite. Pyrrhotite and pyrite occur as irregular disseminations and fine veinlets, while chalcopyrite appears as disseminations, fine blebs along sphalerite cleavage and micro-veinlets along fractures and grain boundaries. Bismuth minerals and molybdenite are present as small grains or lamellae at ore–gangue contacts and within sulphides.

Minerals and Alteration

Minerals are typical of calcic skarn and consist mainly of andradite-rich garnet, with diopside, amphiboles (actinolite–tremolite), biotite, quartz, plagioclase, chlorite, epidote/ zoisite, vesuvianite, fluorite, apatite and calcite. Garnet occurs as pale yellow to green aggregates, locally zoned and partly replaced by quartz, carbonates and biotite. Diopside is extensively altered to amphibole, chlorite and carbonates, with relic cores locally preserved. Chlorite, epidote and clay minerals (kaolinite, sericite and other fine-grained clays) are common alteration products occupying spaces between ore minerals and rock fragments. Calcite is variably developed (approximately 5–25%) as coarse euhedral to subhedral grains that replace primary silicates and fill intergranular spaces. Overall, the mineralogical characteristics are consistent with a typical Fe–Zn skarn system and are considered favourable for conventional beneficiation.

6 Exploration

6.1 Exploration History

6.1.1 Historical Geological Survey

Between 1957 and 2014, regional geological investigation was performed by various geological brigades and institutes. Some of significant historical work included below:

From 1957 to 1960, the Hohhot Sheet Regional Survey Team of Inner Mongolia carried out a 1:1,000,000 regional geological survey in Dong Ulimqin Banner area and compiled a geological map and a structural map. They classified the Paleozoic strata in the eastern part of Dong Ujimqin Banner as the Middle Devonian and Lower Permian. The magmatic rocks are dominated by Variscan granites and Yanshanian granites. Structurally, this area was assigned to the Inner Mongolia Variscan Fold Belt, within the Erenhot–Dong Ujimqin Banner anticline.

From 1970 to 1978, the Regional Survey Team of the Inner Mongolia Geological Bureau ("**Regional Survey Team**") carried out the L-50-XVII 1:200,000 regional geological survey in this area. During this survey, one Chaobuleng iron deposit, two iron occurrences, as well as several anomalous areas of heavy minerals, metallic content, and radioactivity were discovered.

In September 1976, while conducting the 1:200,000 regional geological survey, the Regional Survey Team carried out an inspection of the Chaobuleng iron deposit, confirming its industrial value and the result provided a basis for further work.

From June 1977 to October 1981, the No. 109 Geological Brigade of Inner Mongolia (hereafter referred to as the "**109 Brigade**") carried out detailed general prospecting work. Through this work, it was confirmed that the Chaobuleng deposit is a contact-metasomatic skarn-type iron–zinc polymetallic deposit.

In 1977, the 109 Brigade carried out 1:25,000 ground magnetic surveying over an area of 204 km², delineating the shape, scale, and distribution of magnetic anomalies in the mining area, thus providing a geophysical basis for further work.

In 1978, based on the 1:25,000 ground magnetic survey results, the 109 Brigade carried out 1:5,000 ground magnetic surveys over 63.24 km² and 1:2,000 ground magnetic surveys over 0.851 km² in the magnetic anomaly zones of the southern and northern ore belts. In addition, geochemical prospecting, gravity surveying, drilling of boreholes for three-component downhole magnetic measurements, apparent-resistivity sounding, and combined profiling tests were conducted. A *Detailed Geophysical Prospecting Report for the Chaobuleng Mining Area, East Ujimqin Banner, Xilingol League, Inner Mongolia* was prepared.

In 1978, the Geophysical Brigade of the Inner Mongolia Geological Bureau ("**Geophysical Brigade**") carried out 1:50,000 aeromagnetic surveying in the eastern part of Dong Ujimqin Banner (including the mining area), covering an area of 18,310 km². A total of 45 anomalies were identified, and the *Report on the Results of Aeromagnetic Surveying in the East Ujimqin Banner Area, Xilingol League, Inner Mongolia* was compiled.

In 1980, the 109 Brigade carried out a 1:5,000 ground magnetic survey over 2.2 km² in the western ore belt (the C2-1 magnetic anomaly zone) and compiled the Detailed Investigation Report on the C2-1 Magnetic Anomaly in the Chaobuleng Mining Area, Dong Ujimqin Banner, Xilingol League, Inner Mongolia. In addition, three-component downhole magnetic logging was conducted in some of the drilled boreholes.

6.1.2 Historical Exploration

In June 1982, the 109 Brigade submitted the *Detailed General Prospecting Geological Report on the Iron Polymetallic Deposit in the Chaobuleng Mining Area, Dong Ujimqin Banner, Inner Mongolia Autonomous Region*. After review organised by the Inner Mongolia Geological Bureau, the report was, by document Nei Di Di Zi (83) No. 102 dated 20 March 1983, approved as a basis for further deposit evaluation and exploration.

The work provided a basic understanding of the regional geological setting, the geological characteristics of the mining area, and the deposit geology; carried out relatively in-depth studies on the material composition of the iron ore and preliminary ore processing tests; essentially clarified the modes of occurrence of Fe, Zn, S, Cu, Bi, and As in the deposit; and identified the prospects for comprehensive utilization of fourteen (14) types of mineral commodities. It also made a preliminary determination of the regional hydrogeological conditions and a preliminary assessment of the hydrogeology of the mining area. The mineralised bodies of Fe, Zn, and S were delineated, and Category D reserves were calculated for these three commodities.

In 2001, the 9th Institute of Geological and Mineral Exploration and Development of the Inner Mongolia ("**No. 9 Institute**") submitted the *Explanatory Report on Resource Reserve Estimation for Orebody Nos. 19 and 35 of the Iron–Zinc Deposit in the Northern Ore Belt of the Chaobuleng Mining Area, East Ujimqin Banner, Inner Mongolia Autonomous Region*. After review organized by the Department of Land and Resources of the Inner Mongolia, the report was approved by Document Nei Guo Tu Zi Zhun Zi (2001) No. 10 dated 8 June 2001.

In January 2005, Inner Mongolia Xingye Group Co., Ltd. commissioned Inner Mongolia Wuhua Tianbao Resources Co. ("**Tianbao**") conducted supplementary detailed exploration of Ore Belt I (i.e., the southern ore belt) in the Chaobuleng mining area, and in December 2005 completed the *Supplementary Detailed Exploration Report on the Iron–Zinc Polymetallic Deposit in Ore Belt I of the Chaobuleng Mining Area, Dong Ujimqin Banner, Inner Mongolia*. The report was reviewed by the Beijing Zhongkuanglian Consulting Center and was filed for record by Document Nei Guo Tu Zi Chubei Zi (2006) No. 243 dated 15 September 2006.

In May 2008, commissioned by Inner Mongolia Xingye Group Co., Ltd., Inner Mongolia Yuangu Resources Development Technology Service Co., Ltd. ("**Yuangu**") carried out verification of the mineral resource/ ore reserves of the Chaobuleng iron–zinc deposit and compiled the *Resource and Reserve Verification Report on the Iron–Zinc Polymetallic Deposits in the Southern and Northern Ore Belts of the Chaobuleng Mining Area, East Ujimqin Banner, Inner Mongolia Autonomous Region.*

In August 2012, Xilin Mining commissioned the Chifeng Haoyuan Mine Technical Service Co., Ltd. ("**Haoyuan**") to carry out verification of the resources and reserves of the Chaobuleng iron–zinc deposit, and in November 2012 compiled the *Mineral Resource and Ore Reserve Verification Report on the Iron–Zinc Polymetallic Deposits in the Southern and Northern Ore Belts of the Chaobuleng Mining Area, Dong Ujimqin Banner, Inner Mongolia*.

The main exploration work in the Chaobuleng iron-zinc polymetallic deposit area completed in previous exploration stages is shown in Table 6-1.

Table 6-1: Historical Exploration Workload in the Chaobuleng Deposit Area

Project	Unit	Detailed Exploration	Production Exploration	Total
Geological Mapping (1:50,000)	km^2	827		827
Hydrogeological Survey (1:10,000)	km^2	250		250
Topographic and Geological Survey (1:10,000)	km^2	250		250
Topographic Survey (1:2,000)	km^2	73.3		73.3
Topographic and Geological Survey (1:2,000)	km^2	9.4		9.4
Drilling Exploration	m	28,839.67	26,268.55	55,108.22
Trenching Exploration	m^3	9,100.82		9,100.82
Shallow Pit Exploration	m	475.44		475.44
Along-/Cross-Vein Exploration	m		5,477.50	5,477.50
Assay Samples	Sample	4,502	2198	6,700
Composite Samples	Sample	72	16	88
Specific Gravity Samples	Sample	116		116

Source: Mineral Resource and Ore Reserve Verification Report on the Iron–Zinc Polymetallic Deposits in the Southern and Northern Ore Belts of the Chaobuleng Mining Area, Dong Ujimqin Banner, Inner Mongolia (2012).

6.2 Trenching and Tunnelling Exploration

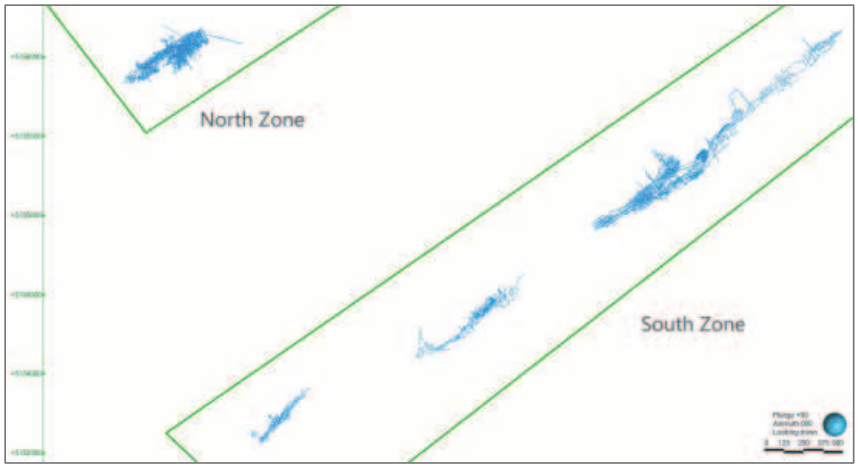
Since 2003, the Xilin Mine has carried out substantial underground exploration in both the South and North ore belts, using heavy mountain engineering to expose and evaluate the main mineralised structures. The work has focused on sinking vertical shafts and driving along-vein drifts and cross-cuts, with systematic geological mapping and channel sampling to constrain the geometry, thickness and grade continuity of the orebodies.

In the South Zone area, exploration has been more intensive. A combination of shafts (3.2 × 3.2 m and 2.8 × 2.8 m) and along-vein drifts (2.2 × 2.2 m) has been developed, with crosscut drifts (2.2 × 2.2 m) driven approximately every 50 m across the veins to control orebody thickness. In total, the South belt underground workings comprise 590 m of shafts, 2,489 m of along-vein drifts and 1,038 m of crosscuts. Between 2005 and 2007, this was complemented by an extensive surface drilling program along strike and down dip of the mineralisation, with a nominal drill spacing of approximately 100 × 80–100 m, for an aggregate drill advance of 26,268.55 m. A total of 1,864 primary assay samples were collected from these works.

In the North Zone area, a similar but smaller-scale program was completed, comprising 441.00 m of shafts, 1,130.00 m of along-vein drifts and 820.50 m of cross-cut drifts. Geological mapping and sampling were undertaken throughout, resulting in 334 primary assay samples and 16 composite samples.

Overall, the underground tunnelling and associated drilling in the South and North ore belts have provided high-quality three-dimensional control on the main mineralised veins, delineating part of the high-grade mineralisation suitable for initial mining and establishing a reliable Mineral Resource base to support mine planning and future development.

Figure 6-1: Tunnel Development of the Xilin Mine



Source: SRK

6.3 Drilling Exploration

The drilling exploration program within the Xilin License Area has spanned a significant timeframe, progressing through multiple strategic phases. The technical focus transitioned from the initial verification of surface IP anomalies toward the detailed delineation of deep-seated ore bodies and formal Mineral Resource estimation. Multiple geological institutes have contributed to the cumulative physical workload, establishing a robust database for the project's resource base.

General Exploration Phase (2005–2011): Led by Xilin Mining and the Tianjin North China Geological Exploration Bureau, this phase focused on outcropping zones in the South and North Ore Zones. Sixty-nine boreholes were completed, totalling over 30,000 m, establishing the initial spatial framework of the skarn-type Fe-Zn deposit.

Detailed Exploration Phase (2012–2018): With the involvement of Xingye Group and the Chifeng Geological Institute, the focus shifted to depth. Utilizing XY-44 deep-hole rigs, targeted drilling of blind ore bodies was conducted, achieving a cumulative meterage of approximately 45,000 m.

Mineral Resource Verification and Production Exploration (2025): Undertaken by Shaanxi Huaxin, this phase implemented 62 surface boreholes and 4 underground boreholes. This campaign increased drill density for mineral resource upgrading and utilised underground drilling to precisely refine localized ore body attitudes.

The district stratigraphy, primarily composed of hard marble, hornfels, and granite, presents moderate drilling difficulty. XY-44 and upgraded hydraulic drill rigs were standardized across the area, offering superior stability for deep-seated drilling. Diamond wireline coring was the primary method. Typically, boreholes were started with 108 mm or 110 mm diameters to install casing through the 0–70 m Quaternary cover, followed by reduction to 75 mm (NQ size) or 91 mm for core drilling to optimize the balance between penetration rates and core integrity.

Drilling operations within the mining area adhered to the DZ/T 0227-2017 Geological Core Drilling Specifications and the industry-standard for project validation. Core recovery achieved a district-wide average of 92% (ranging from 80% to 99.69%). Within the critical skarn-mineralised zones, recovery was mandatorily maintained above 95% to safeguard the chemical representativeness of samples and the fidelity of geological interpretations. Given the steep inclination characteristic of the ore bodies, borehole deviation control was a prioritised technical focus. High-frequency downhole surveys were implemented at 100 m intervals for vertical holes and every 25–50 m for inclined holes. This rigorous monitoring restricted vertical deviation to <3°/ 100m and azimuthal drift to <2°, ensuring high-precision spatial positioning of the mineralized bodies in three-dimensional ("**3D**") models.

Depth verification was systematically performed for all 283 boreholes upon completion. Measured end of hole ("**EOH**") depth errors ranged from 0.01 m to 0.52 m, with error rates consistently remaining below 1‰, significantly outperforming national regulatory thresholds. Decommissioning and marking procedures were executed with equal rigor; following completion and flushing, full-hole sealing was conducted via pressure grouting using Grade 325 or higher cement to prevent cross-aquifer contamination and mitigate future mining hazards. Permanent cement marker posts, approximately 0.5 m in height, were installed at each collar. These posts are inscribed with essential metadata, including borehole identification, total depth, completion date, and contractor details, providing a durable field reference for future Mineral Resource audits and mine infrastructure development.

6.4 Survey Coordinate Systems

Multiple geodetic coordinate systems, including Beijing 1954, Xi'an 1980, and CGCS 2000, were utilised across various historical exploration stages of the mining area. However, as a local Mine Coordinate System (hereafter the "**Mine Local System**") has been employed since the inception of mining operations, all legacy and contemporary engineering coordinates have been systematically transformed into the Mine Local System to maintain consistency between geological data and mine development. Consequently, all spatial data and Mineral Resource estimations presented in this report are based on the Mine System.

The Mine System utilises the Beijing 1954 reference ellipsoid with a central meridian set at 118°30′00″ E. The vertical datum is anchored to the 1956 Yellow Sea Elevation System. The linear transformation relationship between the Mine Local System and the Beijing 1954 System (3° belt, central meridian 117°E) is defined as follows:

- X1= X2 + 1,277.034
- Y1 = Y2 + 115,037.389

Note:

- X1, Y1 represents the coordinate values in the Beijing 1954 Coordinate System.
- X2, Y2 represents the coordinate values in the Mine Local Coordinate System.

6.5 Sampling, Sample Preparation and Analyses

6.5.1 Sampling

Sampling was carried out by the geological brigade personal for the trenching and underground development, under the supervision of project geologists.

Drill core sampling

Core recovery is typically >80% over mineralised intervals, SRK has randomly checked the core recovery during site visit in March 2026, the core recoveries are generally above 85%. Sample intervals were cut using diamond saw along the axis, half core was taken for sampling, the other half remained in the core box. Core is stated to have been fully logged and used for geological interpretation and resource control.

Sample size was controlled using the Gy sampling formula ($Q = K \cdot d^2$) to determine the required sample mass as a function of top particle size, with K = 0.2 adopted.

Channel (trench/drive) sampling

Basic analytical samples in trenches and underground workings were collected by channel (slot) sampling. Channels were laid out perpendicular to the true thickness of the orebody and oriented horizontally across the vein/strata, to obtain thickness-representative samples. Standard channel cross-section: 10 cm wide × 5 cm deep. Nominal sample length: generally, 2 m along strike within the mineralised zone, adjusted where necessary at ore boundaries.

This approach is consistent with industry practice for relatively planar, stratiform to lenticular orebodies and is considered appropriate for capturing thickness-weighted grades.

6.5.2 Sample Preparation and Analyses

Sample preparation

Field samples were transported to regional laboratories where they were dried, crushed and split. Sub-sampling and mass reduction followed the Gy formula ($Q = K \cdot d^2$, K = 0.2), implying staged crushing to an appropriate top size followed by riffle or similar splitting to obtain analytical subsamples while controlling precision. The application of Gy's formula is consistent with good practice for reducing sampling error.

Analytical laboratories and methods

Exploration and verification work was carried out in two main phases, using several independent laboratories:

During the detailed exploration, Third Laboratory of the Northeast Geological Bureau of the Nuclear Industry was used as thepPrimary laboratory, while Laboratory of the Chifeng Geological Mineral Exploration and Development Institute was used as external (check) laboratory. Basic analytical items: TFe and Zn; composite/multi-element analyses included Cu, Bi, Au, Ag, Ga, In, Pb, S and As. Analytical techniques are described generically as chemical analysis, which typically comprises classical wet chemistry and instrumental methods appropriate to each element.

During the production-stage exploration, Inner Mongolia Ninth Institute of Geological and Mineral Exploration and Development was adopted as primary laboratory, which is stated to be metrology-certified under the Chinese accreditation system, Umpire laboratory was Inner Mongolia Geological Bureau Laboratory, also metrology-certified. These laboratories also undertook metallurgical testwork sample analyses.

The laboratories have not declared ownership or related relationship with the mining company; they are independent, state-affiliated institutions. Their metrology certification indicates compliance with national QA/QC and competence standards.

6.5.3 Specific Gravity Data

A total of 29 small-volume bulk density tests were performed on Fe–Zn ore samples. wax coated immersion method was applied. All samples were collected from underground development workings within the main Fe–Zn orebodies, spanning a representative range of levels, depths, and grade intervals corresponding to the ore types being mined.

The test results indicate a relatively narrow range of bulk density values with limited variability, yielding an arithmetic mean bulk density of 3.82 t/m³ for the Fe–Zn ore. These measurements are consistent with historical reconnaissance-stage determinations, with no indication of systematic bias or significant outliers.

6.6 Quality Assurance and Quality Control Programs

QA/QC for the exploration and verification programs has relied primarily on: Internal laboratory quality control and re-assays and External (umpire) check assays at independent laboratories.

In the earlier phase of the exploration, 100% of samples were internally checked within the primary laboratory. Samples exceeding allowable error limits were re-analysed. Approximately 5% of samples were selected for external (umpire) checks at the Chifeng laboratory. The TFe pass rate was 92.5% and the Zn pass rate 88.3%, both within the "allowable error" thresholds defined in Chinese standards. In the later phase, internal checks by the metrology-certified Ninth Institute laboratory showed a 98% pass rate; external checks at the metrology-certified Inner Mongolia Geological Bureau laboratory had an 83% pass rate, overall judged "analytically qualified".

SRK was not provided with the raw data of historical internal and external check. the Chinese laboratories have their internal quality control procedures using certified reference materials ("**CRM**s"), duplicates and blanks; however those original results were not available to SRK.

6.7 SRK Data Verification

SRK geologists Mr. Feng Li and Mr. Zhuanjian Liu have visited the Xilin Project from March 17th to 18th, core shed and borehole seal were visited and sighted.

Figure 6-2: Core at the core shed



Source: SRK Site Visit

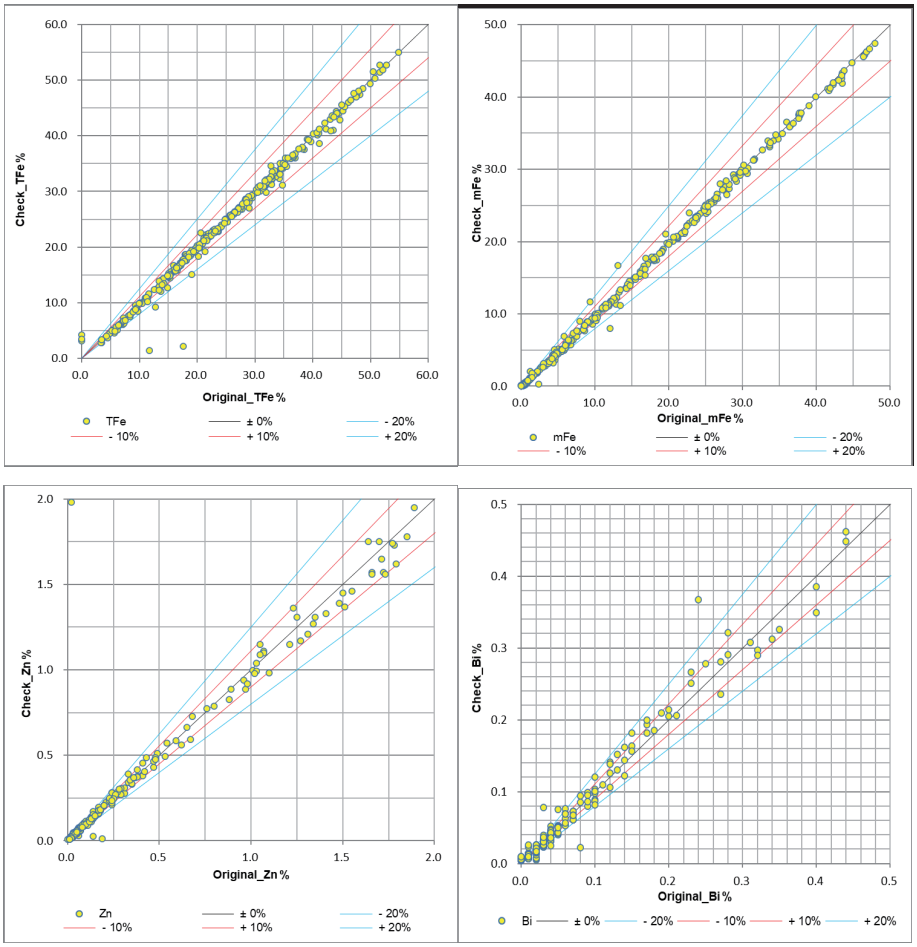
Figure 6-3: Borehole Seal

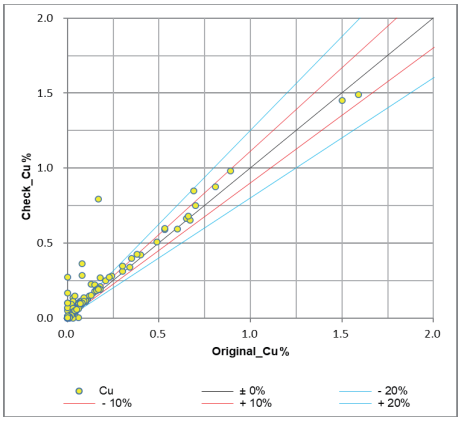


Source: SRK Site Visit

Random sampling has been undertaken from historical pulp duplicates, a total of 305 samples were sent to the SGS laboratory located in Tianjin, China. Analysis elements include TFe, mFe, Zn, Bi and Cu, the comparison results are plotted below. Most of data sets are within 20% deviation, showing good repeatability of original analysis results.

Figure 6-4: Independent Sample Performance





Source: Data Plotted from SGS results

7 Mineral Resource Estimates

7.1 Introduction

The Mineral Resource Statement presented herein represents Mineral Resource estimation prepared for the Xilin Project in accordance with the JORC Code.

The effective date of the Mineral Resource statement is 31 December 2025.

This section describes the Mineral Resource estimation methodology and summarises the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global iron–zinc Mineral Resources found in the Xilin Project at the current level of sampling. The Mineral Resources are reported in accordance with JORC Code. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve.

The database used to estimate the Xilin Project Mineral Resources was modelled by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for iron–zinc skarn mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

The database was provided by the Client and was reviewed by SRK and also constructed and completed the geological model in GEOVIA Surpac ("**Surpac**") and Leapfrog 2024.1 ("**Leapfrog**") software using conventional 3D block modelling and Ordinary Kriging ("**OK**") and Inverse Distance Weighted ("**IDW**") estimation techniques.

The Mineral Resource estimation procedure, comprising database compilation, construction of mineralised domains, geostatistical analysis, grade interpolation, and classification of Mineral Resources, was completed by SRK in 2026.

For project considered amenable to underground mining, the Mineral Resources were reported on a global basis above an appropriate underground cut-off grade. All supporting datasets, including the drilling database, mineralised wireframes, composites and the block model grade interpolation, were validated and completed by SRK.

7.2 Mineral Resource Estimation Procedures

The Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Construction of wireframe models for the boundaries of the iron-zinc polymetallic mineralisation;
- Definition of Mineral Resource domains;
- Data conditioning (compositing and capping) for geostatistical analysis and Variography;
- Block modelling and grade interpolation;
- Mineral Resource classification and validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("**RPEEE**") and selection of appropriate cut-off grades; and

- Preparation of the Mineral Resource Statement.

7.3 Resource Database

SRK reviewed the database provided by Client in Excel format and conducted validation. For the Mineral Resource estimation of the Xilin Mine, the database for Xilin consists of 636 drillholes with 17,936.25 assay intervals. All database coordinates and 3D wireframes are in the mine local coordinate system.

All drill hole's location is shown in Figure 7-1, and a summary of the database is presented in Table 7-1.

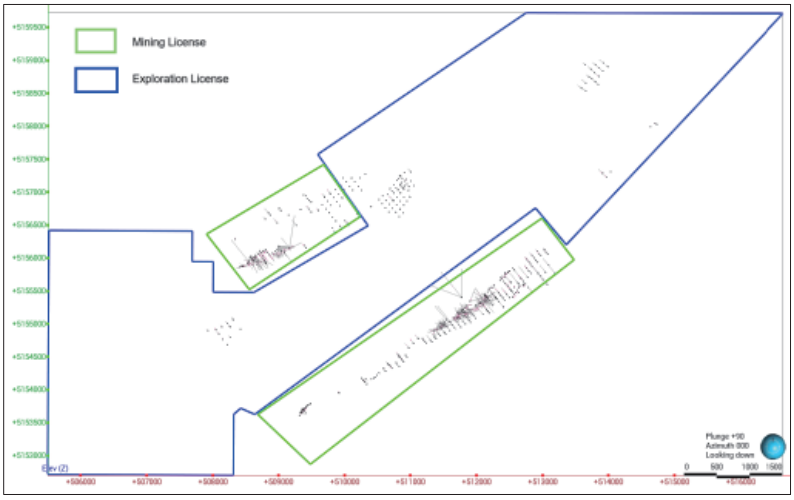
Table 7-1: Summary of the Database Xilin Mine

License	Hole_Type	Number of Holes	Total Length of Drilling (m)	Total Length of Samples in Drilling (m)	Number of samples
Mining License	TC	6	415.2	351.9	361
	DBZ	191	74,530.95	8,506.27	6,293
	KNZ	275	34,105.5	4,476.35	2,995
	CM	68	1,723.55	1,431.9	754
	Total	**540**	**110,775.2**	**14,766.42**	**10,403**
Exploration License	DBZ	96	36,686.86	3,169.83	3,307
	Total	**96**	**36,686.86**	**3,169.83**	**3,307**

Source: SRK

Note: Hole_Type codes are defined as follows: DBZ – surface diamond drillholes; KNZ – underground diamond drillholes in tunnels; CM – channel samples collected cross ore drives and TC – Trench.

Figure 7-1: Drilling Hole Location of the Database Xilin Mine



Source: SRK

7.4 Solid Body Modelling

The objective of the solid body modelling was to delineate three-dimensional mineralised bodies that satisfy the specified cut-off grades and minimum mining criteria, to provide a spatial framework for Mineral Resource estimation and subsequent mine design. The modelling was based on comprehensive use of exploration drillhole and underground development (drive and cross-cut) logs, assay data, geological cross-sections and plans, and the current understanding of deposit genesis and ore controls.

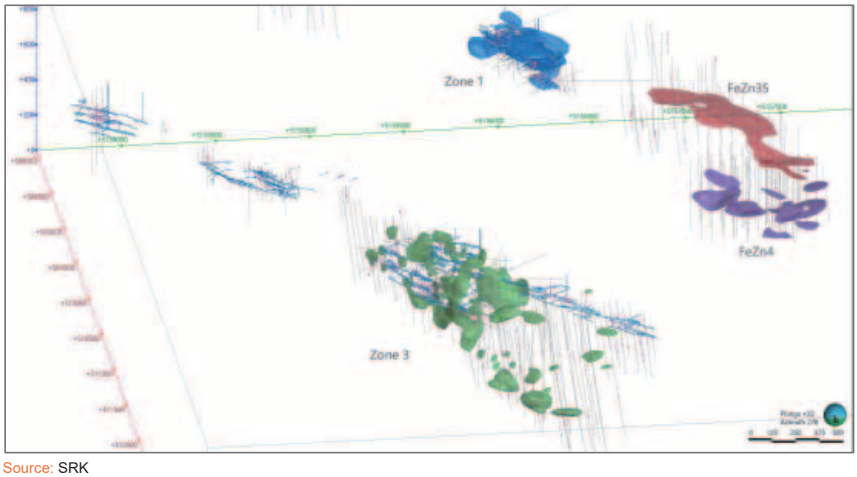
The Xilin Fe-Zn deposit of the Xilin ore deposit is a skarn-type deposit. The orebodies are quasi-stratiform and lenticular in shape, with steep dips ranging from 55° to 84°. The cut-off grades for ore-body delineation are:

- TFe ≥ 15% or Zn ≥ 1%

The principal Fe–Zn skarn orebodies (FeZn19, FeZn2, FeZn4 and FeZn35) and several smaller lenses (FeZn19-1, FeZn23, FeZn24, FeZn25) were modelled as blind, quasi-stratiform to lenticular solids. These bodies are hosted within garnet–diopside skarn and marble along the main structural trend and generally strike southeast (approximately 140–150°) with moderate to steep dips. The larger orebodies (notably FeZn19, FeZn4 and FeZn35) exhibit strike extents of several hundred metres and down-dip continuity of 150–300 m, with true thicknesses typically from a few metres to over 20 m and locally thicker where skarn is better developed. The smaller lenses have more limited dimensions but follow the same structural and stratigraphic controls.

Three-dimensional wireframes were constructed around all interpreted mineralised zones using drillhole intersections and underground development (shafts and drives) as primary control. Modelling honoured the observed quasi-stratiform geometry, bifurcation at orebody terminations and local thickness variations, while maintaining consistency with the regional structural framework and host-rock contacts. Figure 7-2 shows the distribution of Fe-Zn mineralisation zones in the Xilin deposit.

Figure 7-2: Distribution of Fe-Zn Mineralization Zones in the Xilin Deposit



Source: SRK

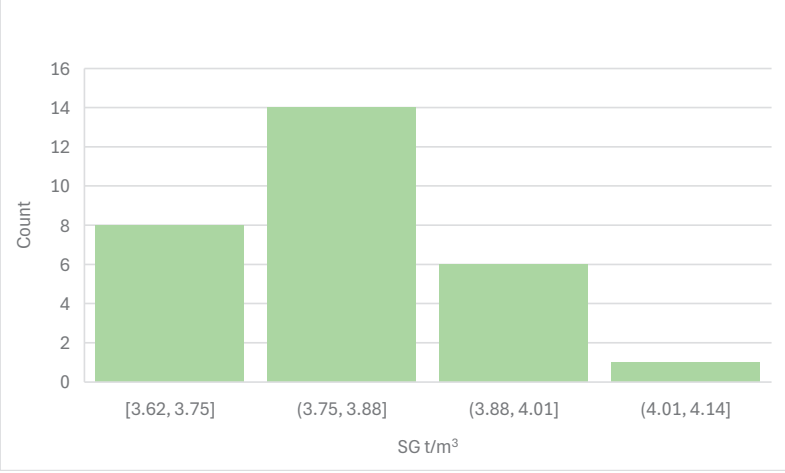
7.5 Specific Gravity

For specific gravity, a total of 29 small-volume bulk density determinations were carried out on Fe–Zn ore samples. All samples were collected from underground development workings within the main Fe–Zn orebodies, covering a range of levels, depths and grade intervals considered representative of the mined ore types.

The test results show a relatively narrow range of bulk density values and limited variability, with an arithmetic mean of 3.82 t/m³ for the Fe–Zn ore. The measurements are consistent with historical reconnaissance-stage determinations, with no evidence of systematic bias or significant outliers.

SRK considers that a bulk density of 3.82 t/m³ is appropriate and representative for the Fe–Zn orebodies. This value has been adopted for tonnage estimation in the current Mineral Resource estimate. The distribution of the small-volume bulk density results is shown in Figure 7-3.

Figure 7-3: Bulk Density Frequency Distribution Histogram for Iron-Zinc Deposit



Source: SRK

7.6 Compositing

Sample intervals for the individual deposit are variable due to different drilling techniques. Before performing statistical analysis, samples need to composite to equal lengths to ensure consistency in sample weighting.

Most diamond core and tunnel cutting were sampled at 1.0 m intervals, while shorter intervals of less than 1.0 m were generally derived from diamond core.

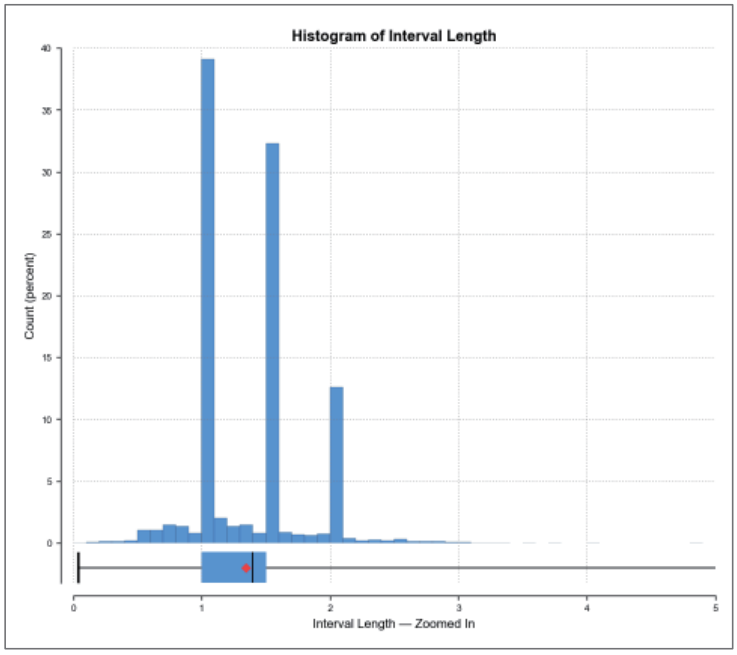
The statistical analysis of sample lengths in the mineralisation domains indicates that the majority of samples have a length of 1 m, as shown in Table 7-2 and Figure 7-4. A 1.0 m downhole composite was applied across all mineralised domains to reduce the variability inherent in raw sample intervals.

Table 7-2: Statistics of Sample Length

Mine	Samples	Minimum value	Maximum value	Mean	Median	Standard deviation
Xilin	16,500	0.05	59.77	1.34	1.40	0.83

Source: SRK

Figure 7-4: Histogram of Sample Length



Source: SRK

SRK performed statistical analysis on the composites based on different mineralisation domains separately, and the comparison results between raw samples and composites of Fe and Zn in the principal iron-zinc domains are shown in Table 7-3.

Table 7-3: Raw Sample and Composite Sample Statistics Within North Zone 1 and South Zone 3 Domian

Domian	Item	Raw Samples		Composites	
		Fe	Zn	Fe	Zn
North Zone 1	Number of samples	1,537	1,537	1,534	1,534
	Minimum value	0	0	0	0
	Maximum value	50.22	34.22	47.25	32.12
	Mean	13.61	2.42	13.62	2.42
	Variance	182.09	15.22	166.77	12.27
	Standard Deviation	13.49	3.90	12.91	3.50

Domian	Item	Raw Samples		Composites	
		Fe	Zn	Fe	Zn
	Coefficient of variation	0.99	1.61	0.95	1.44
South Zone 3	Number of samples	2,677	1,537	2,300	2,300
	Minimum value	0	0	0	0
	Maximum value	84.12	41	63.41	36.80
	Mean	22.19	2.09	21.07	1.98
	Variance	273.17	14.90	259.25	11.30
	Standard Deviation	16.53	3.86	16.10	3.36
	Coefficient of variation	0.74	1.84	0.76	1.69

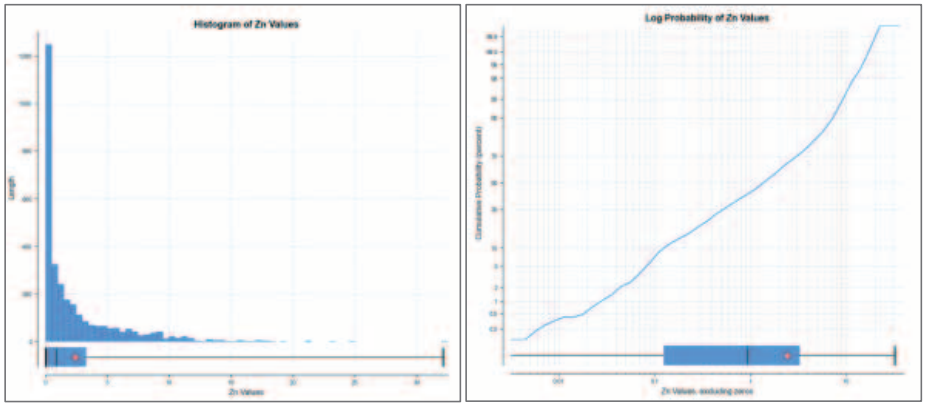
Source: SRK

7.7 Evaluation of Outliers

The statistics for each domain were viewed and key univariate statistical indicators used to describe the nature of each. Each of the population of the composite data from the Xilin mineralised domains was positively skewed and showed number of high-grade outliers, which is typical of iron-zinc deposits.

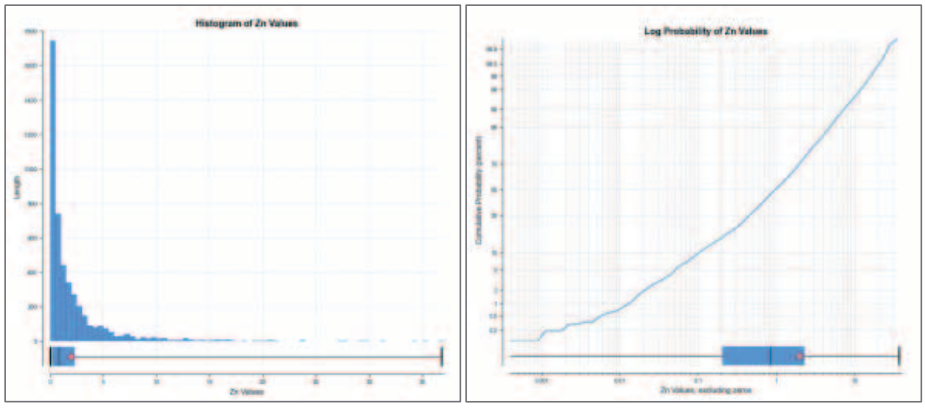
For iron, the grade distributions within the mineralised domains are approximately normal and relatively continuous, with maximum grades generally less than about three times the mean. On this basis, no high-grade capping was considered necessary for Fe. However, within the North Zone 1 and South Zone 3 mineralised domains, Zn shows more pronounced positive skewness and distinct high-grade outliers, and high-grade capping was therefore applied to Zn. The histograms and probability plots for Zn in the principal domains are presented in Figure 7-5 and Figure 7-6, and the summary of the applied capping values is listed in Table 7-4.

Figure 7-5: Histograms and Probability Plot of Zn in Zone 1 Domian



Source: SRK

Figure 7-6: Histograms and Probability Plot of Zn in Zone3 Domain



Source: SRK

Table 7-4: Zn Capping Statistics

Domain	Assay Cap Zn (%)	Number of Replaced Samples	Capped Ratio (%)	Zn Mean (%) Before Capping	Zn Mean (%) After Capping
North Zone 1	20	5	0.3	2.42	2.39
South Zone 3	22	2	0.4	1.98	2.95

Source: SRK

7.8 Statistical Analysis and Variography

The objective of the variography work was to assess the spatial continuity of Fe and Zn grades and, where possible, to derive variogram models for use in geostatistical interpolation. Experimental variograms were initially calculated for Fe and Zn using 1 m length-weighted, top-cut composites coded by mineralised domain. Omnidirectional and directional variograms (along strike, down-dip and across strike) were generated for the main domains in both the North and South zones, and downhole variograms were reviewed to provide an indication of short-range variability and the nugget effect.

Due to the relatively sparse and irregular drillhole spacing in most domains, and the influence of historical stoping on data distribution, the experimental variograms generally exhibited weak and unstable spatial structure. In SRK's opinion, clear nested structures with well-defined ranges could not be reliably identified for either Fe or Zn in a manner suitable for ordinary kriging. Consequently, variogram models were not adopted directly for grade interpolation.

Given these limitations, SRK elected to use inverse distance squared interpolation for all Fe and Zn estimates at Xilin. The variography work was, however, used qualitatively to confirm that grade continuity is greatest within the plane of the orebodies (approximately along strike and down-dip) and more limited perpendicular to the ore zones, and this anisotropic continuity was reflected in the orientation and aspect ratios of the search ellipses used for the ID² estimation.

7.9 Block Model and Grade Estimation

The block model sizes of the Xilin Mine chosen by SRK to compromise between sample spacing and orientation of mineralisation were with dimensions of 10 m × 10 m × 5 m (Easting × Northing × Elevation), with sub celling to 2.5 mE × 2.5 mN × 1 mZ, see Table 7-5.

Table 7-5: Block Model Parameters for Xilin Mine

Area	Coordinate	Min	Max	Block Size	Sub Block Size	Rotation
Mining License North	Easting (X)	508292	509202	10	2.5	0
	Northing (Y)	5155709	5156299	10	2.5	0
	Elevation (Z)	592	960	4	1	0
Mining License South	Easting (X)	511066	513376	10	2.5	0
	Northing (Y)	5154690	5156300	10	2.5	0
	Elevation (Z)	-100	1200	4	1	0
Exploration License	Easting (X)	509100	511200	10	2.5	0
	Northing (Y)	5156504	5157504	10	2.5	0
	Elevation (Z)	490	990	4	1	0

Source: SRK

Grades for Fe and Zn in the Xilin iron-zinc orebodies were interpolated into the block model using Inverse Distance Squared for all mineralised domains. This approach was adopted because, given the nature and distribution of the available production and exploration data, variography did not provide sufficiently robust structures to support ordinary kriging.

Estimation was based on 1 m length-weighted, top-cut composites coded by mineralised domain. For each domain, search ellipses were defined from the interpreted orebody geometries and geological continuity (strike, dip and downdip directions) and oriented to reflect the principal and secondary directions of grade continuity within the plane of mineralisation. A multi-pass search strategy was applied, with successive passes progressively relaxing minimum composite requirements and expanding search distances, to ensure that closer samples were preferentially used in well-drilled areas while still permitting estimation in more sparsely informed parts of the model and providing a consistent basis for subsequent resource classification.

Search parameters applied to the Fe and Zn grade estimation in each domain are summarised in Table 7-6.

Table 7-6: Search Parameters for Xilin Iron-Zinc Domains

Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
North Zone 1	1	60	6	20	2	70	150	5
	2	120	4	16	2			
	3	240	12	12	2			
North	1	60	6	20	2	70	150	5

Domain	Pass	Search Distance (m)	Minimum Samples	Maximum Sample	Max samples per hole	Search Dir 1	Search Dir 2	Search Dir 3
Zone 1	2	120	4	16	2			
	3	240	12	12	2			
FeZn3	1	50	6	20	2			
	2	100	4	16	2	0	0	90
	3	120	12	12	2			
FeZn4	1	50	6	20	2			
	2	100	4	16	2	0	0	90
	3	120	12	12	2			

Source: SRK

7.10 Model Validation and Sensitivity

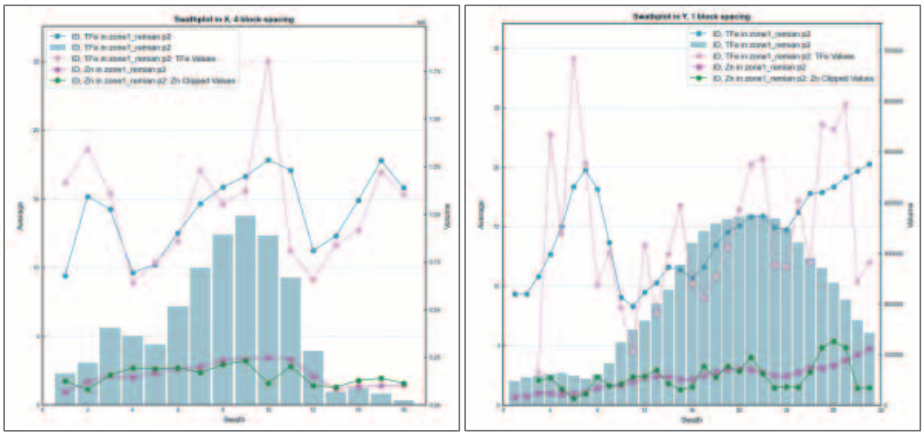
SRK undertook block model validation to confirm the reasonableness of the estimation parameters and estimation results. SRK adopted the following methods for the validation:

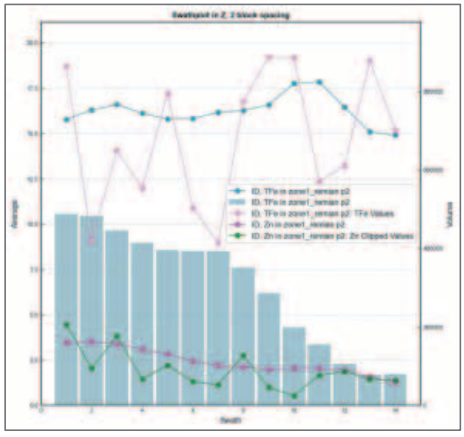
- Visual validation of block grades against drill hole grades; and
- Swath analysis.

SRK conducted visual validation of the longitudinal views and cross-section view of the drill holes and block model grades, which demonstrated good correlation between local block estimations and nearby samples, without excessive smoothing in the block model.

Given the limited scale of the orebodies in the exploration area and the restricted volume of supporting data at Xilin, SRK selected the principal mineralised domians in the North Zone 1 and South Zone 3 for detailed illustration. Figure 7-7 and Figure 7-8 present east–west, north–south and elevation swath plots for North Zone 1 and South Zone 3 at Xilin Mine, respectively.

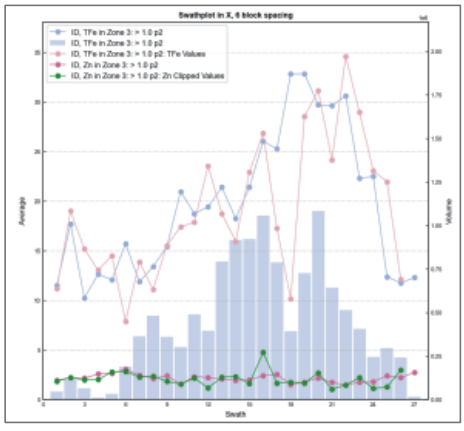
Figure 7-7: North Zone 1 Fe and Zn Swath Plots of the Xilin Mine

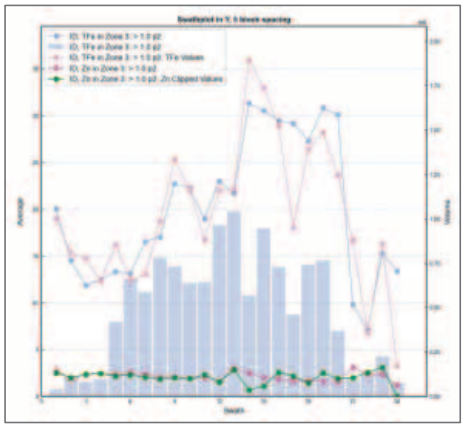


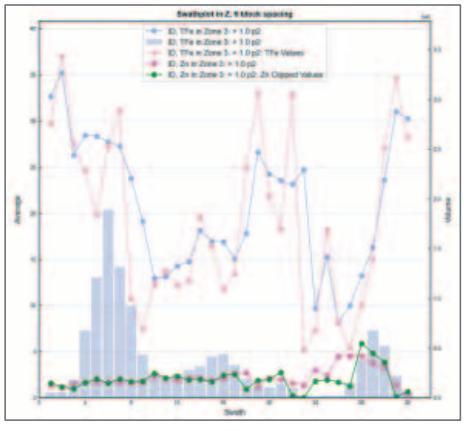


Source: SRK

Figure 7-8: South Zone 3 Fe and Zn Swath Plots of the Xilin Mine







Source: SRK

7.11 Mineral Resource Classification

Mineral Resource classification is typically a subjective concept, industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support Mineral Resource evaluation.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, the Xilin Mine follows the JORC Code guideline classification system with individual block classification being assigned using statistical methods and visually taking into account the following factors:

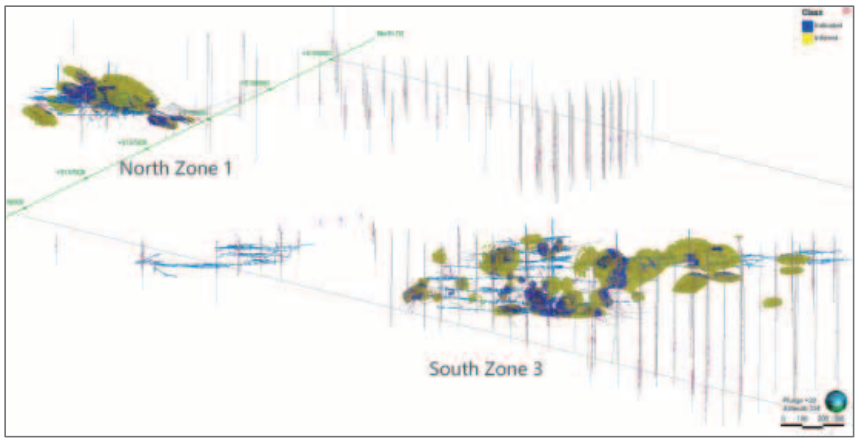
- Drill spacing and drill data quality
- Geological continuity and volume
- Estimation properties including search strategy, number of informing composites, average distance of composites
- Risk or uncertainty present in the estimated grades

The Mineral Resource classification criteria is summarised in Table 7-7. And the distribution of Mineral Resource classification is presented in 3D view in Figure 7-9 and Figure 7-10.

Table 7-7: Mineral Resource Classification Criteria used in the Estimation

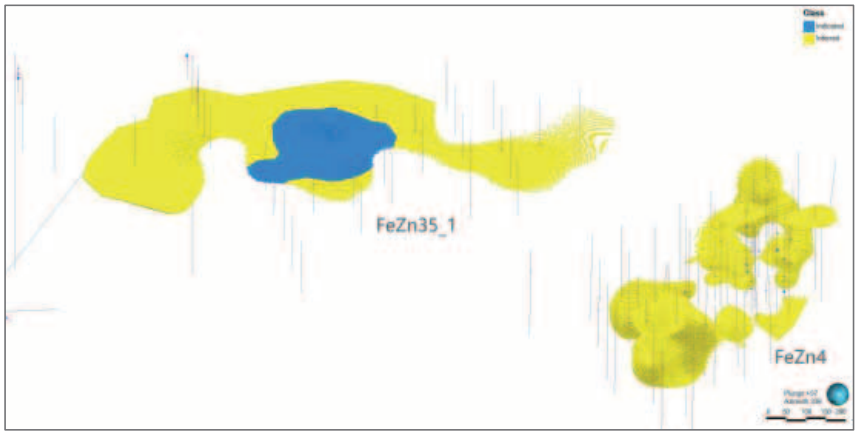
Category	Mineral Resource Classification Criteria
Measured (Rescat=1)	Defined by drill spacing and UG development is <50 m × 50 m, with good continuity of mineralisation.
Indicated (Rescat=2)	Defined nominally up to 100 m × 100 m drill spacing. Underground development has confirmed continuity of the mineralisation and is the main orebody in the deposit.
Inferred (Rescat=3)	Defined by drill spacing < 200 m × 200 m, with sufficient confidence that geological and mineralisation continuity can be projected along strike, down dip and/ or down plunge from known mineralisation

Figure 7-9: Mineral Resource Classification for Mining Zone Domains of the Xilin Mine



Source: SRK

Figure 7-10: Mineral Resource Classification for Exploration Area Domains of the Xilin Mine



Source: SRK

7.12 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

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

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that major portions of the Xilin Mine are amenable for underground mining.

The conceptual parameters used to estimate the cut-off grade ("**CoG**") of zinc equivalent ("**ZnEq**") for the Xilin Mine are summarised in Table 7-8.

Table 7-8: Assumptions Considered for the Xilin Mine

Item	Unit	Parameter Mining License
Mining		
Mining Cost	CNY/t ore	146
Processing		
Processing Cost	CNY/t ore	53
Zn Recovery Rate	%	92
Other		
G&A Cost + Sell cost	CNY/t ore	49
Revenue		
Zn CMF Price	USD/t	3,650
Exchange Rate	USD: CNY	7.10
Zn Price	CNY/t	25,915
Payable	CNY/t	-5,991
REV	CNY/t	18,303
Cash Cost	CNY/t ore	249
CoG	%	1.4

Note:

[1] The price refers to the long-term prediction published by Consensus Market Forecasts in Q4 2025

As of 31 December 2025, and at a cut-off grade of 1.4% ZnEq, the Xilin Mining License Area is estimated to contain 4.52 Mt of Indicated Mineral Resources with an average grade of 2.15 % Zn and 21.73 % TFe, and 13.05 Mt of Inferred Mineral Resources with an average grade of 2.55 % Zn and 20.93 % TFe; no Measured Mineral Resources have been reported. At the same cut-off grade of 1.4% ZnEq, the Xilin Exploration Licence Area is estimated to contain 0.84 Mt of Indicated Mineral Resources with an average grade of 2.74% Zn and 15.64% TFe, and 4.70 Mt of Inferred Mineral Resources with an average grade of 2.64% Zn and 16.02% TFe; no Measured Mineral Resources have been reported for this area. These results are detailed in Table 7-9.

Table 7-9: Mineral Resource Statement [1, 2, 3, 4], Xilin Mine, SRK Consulting China Ltd, as of 31 December 2025

Area	Domain	Category	Tonnage	Average Grade		Material Content	
			Mt	Zn (%)	TFe (%)	Zn (kt)	TFe (kt)
Mining License	North Zone 1	Measured	-	-	-	-	-
		Indicated	1.18	3.06	13.61	36	161
		Measured + Indicated	1.18	3.06	13.61	36	161
		Inferred	4.88	3.62	14.51	176	708
	South Zone 3	Measured	-	-	-	-	-
		Indicated	3.34	1.83	24.60	61	821
		Measured + Indicated	3.34	1.83	24.60	61	821
		Inferred	8.17	1.92	24.77	157	2,023
	Total	**Measured**	**-**	**-**	**-**	**-**	**-**
		Indicated	**4.52**	**2.15**	**21.73**	**97**	**982**
		Measured + Indicated	**4.52**	**2.15**	**21.73**	**97**	**982**
		Inferred	**13.05**	**2.55**	**20.93**	**333**	**2,731**
Exploration License	FeZn35_1	Measured	-	-	-	-	-
		Indicated	0.84	2.74	15.64	23	132
		Measured + Indicated	0.84	2.74	15.64	23	132
		Inferred	2.62	2.68	15.89	70	417
	FeZn4	Measured	-	-	-	-	-
		Indicated	-	-	-	-	-
		Measured + Indicated	-	-	-	-	-
		Inferred	2.08	2.58	16.13	54	336
	Total	**Measured**	**-**	**-**	**-**	**-**	**-**
		Indicated	**0.84**	**2.74**	**15.64**	**23**	**132**
		Measured + Indicated	**0.84**	**2.74**	**15.64**	**23**	**132**
		Inferred	**4.70**	**2.64**	**16.02**	**124**	**753**

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Zhuanjian Liu and Dr. Yiefei Jia who are full-time employees of SRK Consulting China Ltd. Mr. Liu is a member of AIG and Dr. Jia is a Fellow of the AusIMM and a Chartered Professional Geologist (CP. Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Mr. Liu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resource are reported at a cut-off grade of 1.4% ZnEq, ZnEq = Zn+0.0278*TFe, based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 53% for Fe concentrate and 92% for zinc concentrate.

[4] Depletion for previously mined material has been applied in the reported Mineral Resources.

7.13 Grade Sensitivity Analysis

The Mineral Resources of the Xilin Mine are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the block model quantities and grade estimates used to constrain the Mineral Resources are presented in Table 7-10 and Table 7-11 at different equivalent zinc cut-off grades. The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. Figure 7-11 and Figure 7-12 presents this sensitivity as grade tonnage curves.

Table 7-10: Sensitivity of Mineral Resources of Xilin North Zone 1 to Cut-off Grade at the Xilin Mine[1]

Cut-off Grade ZnEq (%)	Quantity (Mt)	Grade ZnEq (%)	Metal Content (t)
0.5	10.20	2.51	256,193
0.6	9.70	2.61	253,474
0.7	9.19	2.72	250,121
0.8	8.61	2.85	245,827
0.9	8.11	2.98	241,525
1.0	7.54	3.13	236,079
1.1	7.10	3.26	231,499
1.2	6.73	3.38	227,244
1.3	6.46	3.47	223,810
1.4	6.06	3.60	218,509
1.5	5.70	3.74	213,210
1.6	5.45	3.84	209,456
1.7	5.23	3.93	205,815
1.8	5.02	4.02	202,155
1.9	4.85	4.10	198,936
2.0	4.64	4.20	194,955
2.1	4.45	4.29	190,996
2.2	4.20	4.42	185,563
2.3	4.02	4.52	181,491
2.4	3.87	4.60	178,062
2.5	3.74	4.68	174,754

Source: SRK

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Table 7-11: Sensitivity of Mineral Resources of Xilin South Zone 3 to Cut-off Grade at the Xilin Mine[1]

Cut-off Grade ZnEq (%)	Quantity (Mt)	Grade ZnEq (%)	Metal Content (t)
0.5	13.54	2.35	318,846
0.6	13.44	2.37	318,292
0.7	13.34	2.38	317,631
0.8	13.22	2.40	316,728
0.9	13.07	2.41	315,419
1.0	12.85	2.44	313,405
1.1	12.64	2.46	311,162
1.2	12.34	2.49	307,689
1.3	12.02	2.53	303,682
1.4	11.51	2.58	296,734
1.5	10.67	2.67	284,585
1.6	9.68	2.78	269,251
1.7	8.90	2.88	256,367
1.8	8.00	3.01	240,532
1.9	7.15	3.15	224,876
2.0	6.44	3.28	211,135
2.1	5.74	3.43	196,684
2.2	5.17	3.57	184,492
2.3	4.70	3.70	173,796

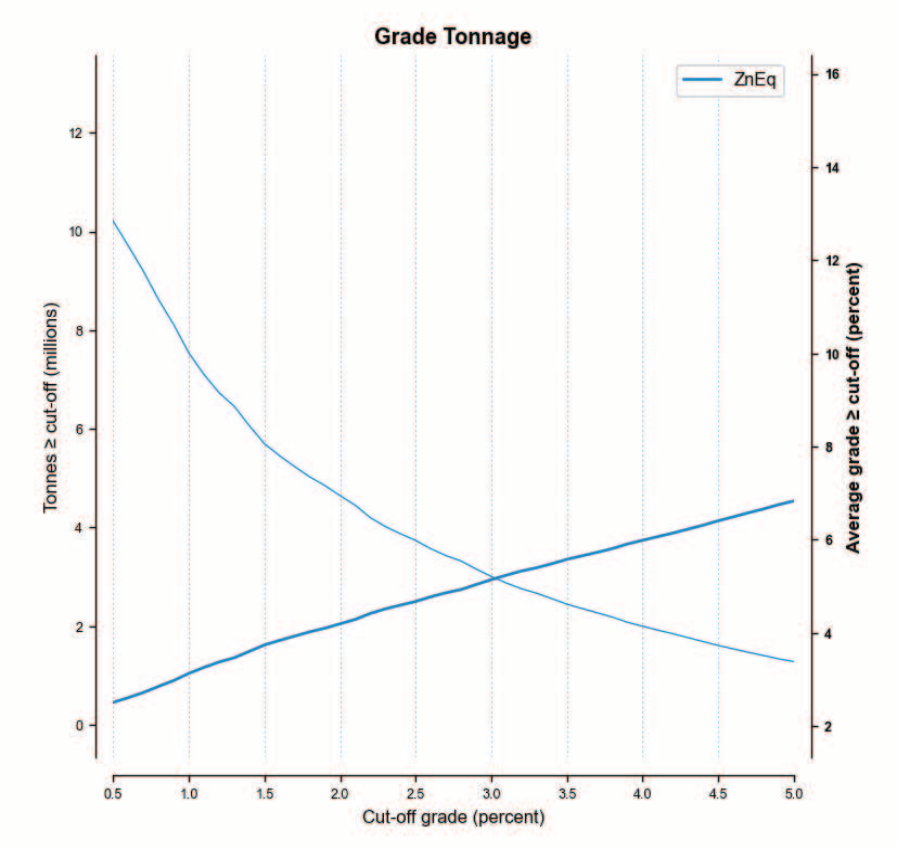
Cut-off Grade ZnEq (%)	Quantity (Mt)	Grade ZnEq (%)	Metal Content (t)
2.4	4.33	3.82	165,144
2.5	4.01	3.93	157,266

Source: SRK

Notes:

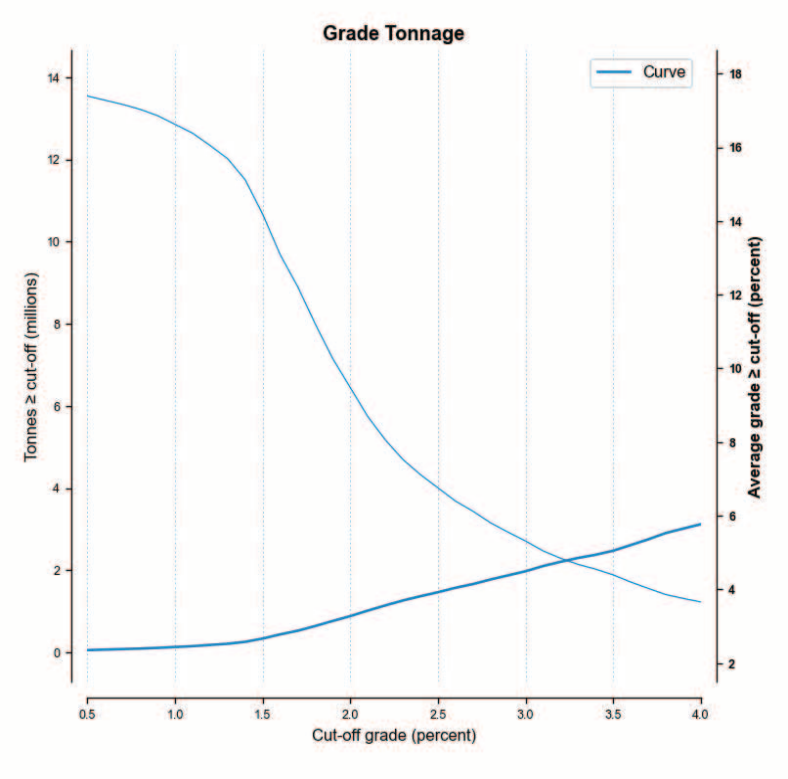
[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-11: Global Grade-Tonnage Curve of the Xilin North Zone 1



Source: SRK

Figure 7-12: Grade-Tonnage Curve of the Xilin South Zone 3



Source: SRK

7.14 Exploration Potential and Recommendations

Xilin is a contact-metasomatic, skarn-type Fe–Zn deposit with a mining history of more than 20 years. Although much of the mineralisation has been depleted, there remains reasonable exploration potential both at depth within the mining licence and in the surrounding exploration area.

In the peripheral exploration area, 1:10,000 time-domain IP surveys completed in 2012 and 1:10,000 IP surveys in 2016–2017 have delineated several strong anomalies (DJ1, DJ2, DJ4, etc.), and airborne magnetic surveying in 2024 has identified additional untested magnetic highs. These anomalies are consistent with the physical property responses of known skarn Fe–Zn mineralisation in the district and are considered prospective for additional mineralised bodies.

Within the mining licence, both the South and North ore belts retain potential at depth and along strike. In the South belt (Mining Zone 3), thick, high-grade Fe–Zn mineralisation is present around the 300 m asl, and mineralisation above the 600 m asl is not yet fully constrained; further work in these areas could provide important replacement resources for Mining Zone 3. In the North belt, the eastern extension of the "third ore segment" hosting Ag–Pb–Zn mineralisation is only partially defined between the XIV, XIV-1 and XIV+1 exploration lines, and orebody geometry and controls remain to

be fully resolved. In addition, the deeper parts of the FeZn13 orebody below the III-1 and II+1 lines are poorly constrained and offer potential for down-dip extensions.

To test the exploration potential at Xilin and support the continuity of mineable resources, the following work programs are recommended:

Implement targeted drilling on the DJ1, DJ2 and DJ4 IP anomalies, as well as on key untested airborne magnetic anomalies delineated in 2024, to determine their mineralisation potential and to define the thickness, continuity and grade of any associated skarn-type Fe–Zn or Ag–Pb–Zn orebodies, with the aim of identifying new targets that may ultimately be converted to mineable resources.

Continue drilling along strike and down dip of the main Fe–Zn orebodies in the South belt, with particular focus on thick, high-grade zones around the 300 m asl and mineralisation above the 600 m asl. The objective is to better define orebody geometry and grade distribution and to delineate additional resources with reasonable potential to be converted into Ore Reserves for the Third Mining Area.

Drive along-vein exploration drifts between the XIV, XIV-1 and XIV+1 lines in the eastern extension of the third ore segment, and carry out detailed mapping and channel sampling to refine orebody geometry, attitude and continuity. Based on these results, undertake deeper drilling on an appropriate grid to constrain the downdip extent and assess whether these zones can support conversion of the Mineral Resources to Ore Reserves. In parallel, complete additional deep drilling on the FeZn13 orebody below the III-1 and II+1 lines to test for down-dip extensions and their potential to contribute to the future Ore Reserve base.

SRK opines that the Company conduct a systematic review and geological evaluation of the current production stopes and panels, optimise development layouts accordingly, and use new underground drives as platforms for short-hole and medium-depth underground drilling. The intent is to rapidly and directly add Mineral Resources with a high likelihood of conversion to Ore Reserves, thereby supporting the continuity and stability of mine operations.

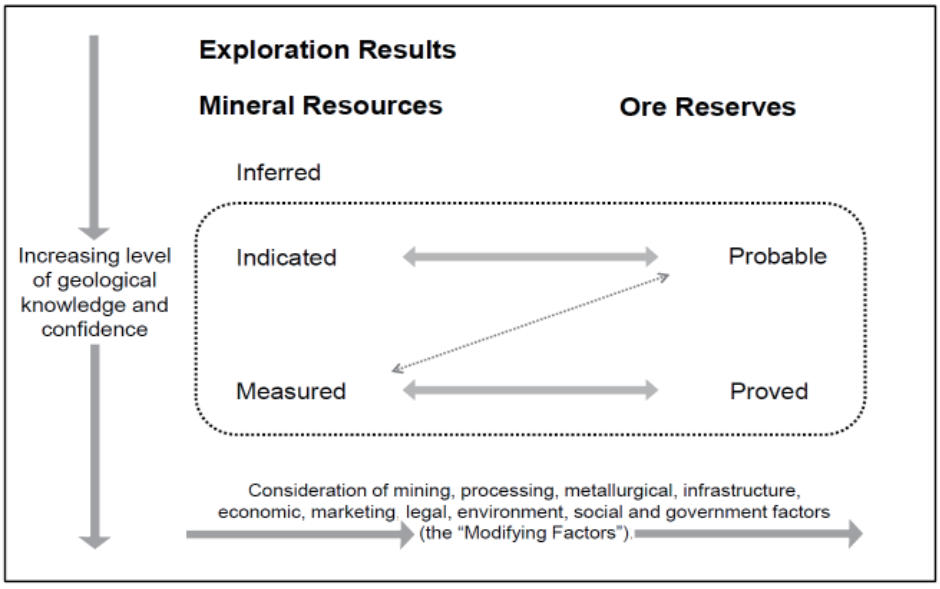
8 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the JORC Code is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 8-1.

Figure 8-1: General relationship between Mineral Resources and Ore Reserves



Source: JORC Code (2012)

Xilin Mine comprises two mining areas: Mine Area I and Mine Area III. Each area contains several lodes, with ongoing or planned operations utilising underground mining methods. The Ore Reserves for these mine areas were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with on-going operation and have been adjusted to meet a preliminary feasibility study ("**PFS**") standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore Reserve estimation methodology and summarises the key assumptions considered. In the opinion of SRK, the Ore Reserve estimation reported are in accordance with the JORC Code guidelines.

Both mine areas have historically been in production, with all development system completed during that time. Current mining activities are focused on the residual mining areas, so only essential development is required to support ongoing production. The Ore Reserve estimates for Mine Area I

and Mine Area III are primarily based on technical studies completed in 2013 and 2014, with subsequent adjustments to reflect ongoing operations.

8.1 Technical Studies

Mining related materials acquired by SRK through virtual data request and site visit. SRK has received the following technical studies:

- Preliminary Design for Technical Upgrading of Mine Area I for the Xilin Mine, conducted by Beijing General Research Institute of Mining and Metallurgy, in June 2014 (hereafter referred to as "XL 2014")
- Preliminary Design Report for the Reconstruction of Mine Area III for the Xilin Mine, conducted by Gocom Engineering Design Co., Ltd., in October 2013 (hereafter referred to as "XL 2013")

SRK has reviewed the technical studies and all supporting data for Xilin Mine. Based on this review, SRK determined that the accuracy of the Modifying Factors, with minimal adjustment, is consistent with a PFS level. This level of accuracy is considered appropriate for the Ore Reserve estimates.

8.2 Mineral Resources Models

The Mineral Resource Model (MRM) was built by in-house geologists, based on the latest geological interpretations. The final model was provided in Datamine software format (.dm). SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. The estimate using Deswik. CAD & SCHED software. This was done to report an Ore Reserve in compliance with the JORC Code guidelines.

8.3 Modifying Factors

In accordance with the JORC Code, the Measured and Indicated Mineral Resources are converted to Ore Reserves through the application of appropriate modifying factors. The primary factors considered in the Ore Reserve estimation include stope optimisation, mine design, mining losses, and mining dilution. Additional parameters, such as processing capabilities, market conditions, and environmental, legal, and political constraints, are also taken into account, as these may impact the quantity and classification of the Ore Reserves.

The modifying factors applied to the Ore Reserve estimates for Mine Area I and Mine Area III are listed as below:

- The Ore Reserve is planned for extraction by underground methods.
- SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation.
- The scope of the Ore Reserves estimation considers the boundaries of the mining tenure.
- Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices.
- The underground mine design and planning used for further planning is based on the review of the technical and economical consideration.

- Mining dilution is accounted for at 10%, which includes unplanned dilution from the hanging wall ("**HW**") and footwall ("**FW**"). Mining loss is considered at 15%, to allow for unplanned losses during mining and material transportation to the processing plant.
- The CoG is used to define the economic viability of the stopes.
- The effective date is as of 31 December 2025.

8.4 Cut-off Grade

The cut-off grades for the Xilin Mine are presented in Table 8-1. Key considerations include:

- Price: The zinc prices are dynamic and are derived from consensus market forecasts ("**CMF**") provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/administrative ("**G&A**") are based on average historical three-year cost. The cement backfill cost is also included.

The CoG for zinc equivalent in the Run-of-Mine ("**ROM**") feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{(P + P_a) * P_r * (1 - R_t)}$$

The parameters used in estimating the CoG are detailed in the Table 8-1. The preferred CoG value is rounded up to the nearest 0.1 for practical application.

Table 8-1: Cut-Off Grade Estimation Inputs for Xilin Mine

Item	Parameters	Unit	Xilin Mine	By Product
	Zinc Price	US$/t	2,800	2,800
	Exchange Rate	USD: CNY	7.10	7.10
P	Zinc Price	CNY/t	19,880	19,880
Pa	Payable	CNY/t	(4,784)	(4,784)
Pr	Processing Recovery	%	92	92
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	146	
Cp	Processing Cost	CNY/t ore	53	53
Cg	G&A Cost	CNY/t ore	49	49
A	CoG	%	1.80	0.80

Source: SRK

Note:

[1] The CoG for by-products is calculated using the marginal cut-off grade method, which takes mining costs out of estimation. This CoG is specifically used to determine the material excavated during development.

The equivalent factor of Fe against Zn is estimated considering, prices, recovery rates, and payable factors differences. The estimates are presented in Table 8-2 below.

Table 8-2: Estimates for Equivalent Factors of Fe to Zn

	Fe	Zn
Equivalent Factors against Zn	0.0278	1.0000

Source: SRK

8.5 Ore Reserve Estimation

In Mine Area I, the access system consists of four vertical shafts: the main skip shaft XSJ1, the service cage shaft SJ2, the ventilation shaft SJ3 and an auxiliary hoisting shaft SJ1. Except for SJ3, all shafts are equipped with ladderways that serve as emergency escapeways. Shafts XSJ1 and SJ2 are connected to all production levels; SJ1 extends from surface to the second level only, and SJ3 connects solely to the fourth level. Mine Area I is subdivided into five levels, arranged from top to bottom at approximately 40 m vertical spacing, with working horizons at 843 m asl, 805 m asl, 763 m, 720 m asl and 675 m asl.

Mine Area III was brought into production in 2005 using a shaft system comprising shafts SJ7 and SJ8. In 2007, the system was expanded with the construction of shafts SJ11 and SJ12, and the upgraded facilities passed safety acceptance in 2008. The current shaft network includes SJ11 and SJ7, and the northeastern shafts SJ8 and SJ12. Five levels have been developed in Area III at approximate elevations of 985 m asl, 945 m asl, 905 m asl, 865 m asl and 825 m asl.

The estimated process details are provided in Table 8-3, with the corresponding waterfall charts illustrated in Figure 8-2 and Figure 8-3.

Approximately 12% of tonnage and 10% of metal have been converted from Mineral Resources to Ore Reserves. A key negative factor impacting this conversion is the presence of Inferred Mineral Resources. Approximately 48% of tonnage and 41% of metal have been converted from Measured and Indicated Mineral Resources to Ore Reserves.

Table 8-3: Estimate Process Summary for Xilin Mine

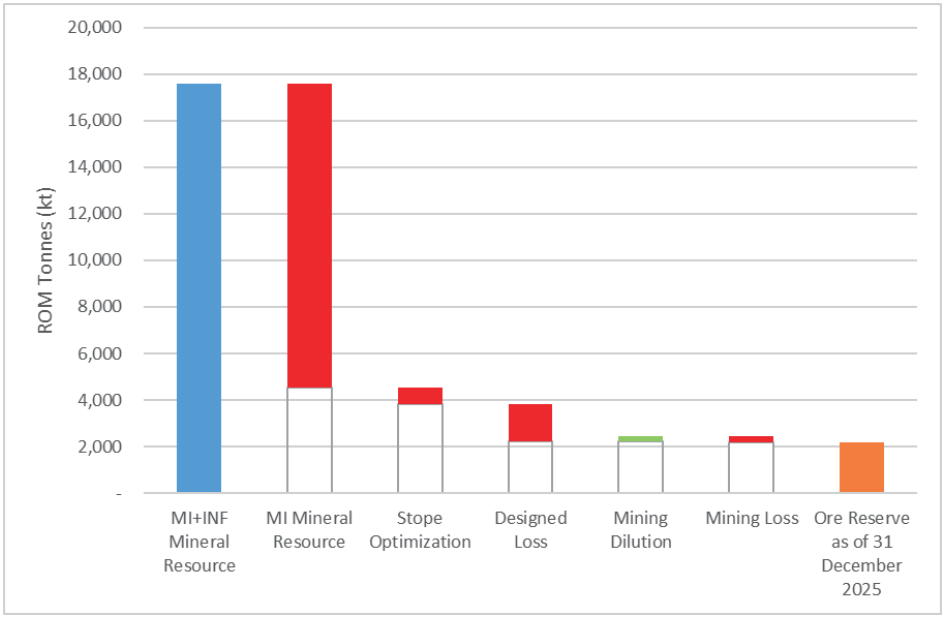
Description	Material Tonne (kt)	Contained EqZn Metal (kt)
Measured + Inferred Mineral Resource	17,569	533
Measured Mineral Resource	-13,046	-409
Stope Optimisation	-706	-34
Designed Loss	-1,609	-34
Mining Dilution	221	-
Mining Loss	-238	-6
Ore Reserve as of 31 December 2025	2,191	51

Source: SRK

Note:

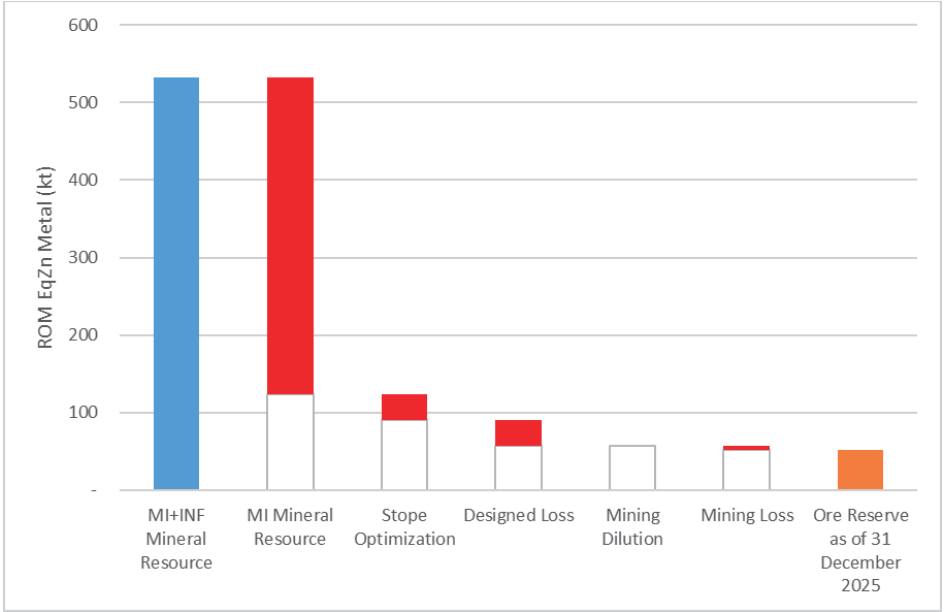
[1] The zinc equivalent grade (EqZn) is calculated as: EqZn = Zn grade + 0.0278 × Fe grade.

Figure 8-2: Estimates Process for Xilin Mine - Change in Material Tonnes



Source: SRK

Figure 8-3: Estimates Process for Xilin Mine - Change in Contained EqZn Metal



Source: SRK

8.6 Ore Reserve Statement

SRK has estimated the underground Ore Reserves for Xilin Mine in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a PFS.

The Xilin Mine contains only Indicated Mineral Resources and no Measured Mineral Resources. Consequently, the economically mineable portions of these resources, as defined within the designed underground stopes, have been classified as Probable Ore Reserves. There are no Proved Ore Reserves. This classification includes allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code guidelines.

As of 31 December 2025, the Ore Reserves at the Xilin Mine are estimated to be 2.19 Mt, with average grades of 2.28% Zn and 17.50% Fe), containing 50 kt of zinc and 383 kt of iron.

These Ore Reserves are all classified as Probable Ore Reserves, as shown in Table 8-4.

Table 8-4: Ore Reserves Estimate of Xilin Mine as of 31 December 2025

Category	Ore Reserve (Mt)	Zn (%)	Fe (%)	Contained Zn (kt)	Contained Fe (kt)
Proved					
Probable	2.19	2.28	17.50	50	383
Total	**2.19**	**2.28**	**17.50**	**50**	**383**

Source: SRK

Note:

[1] The information relates to Orel Reserve conversion is based on information compiled by Mr. Erwei Lu, MAusIMM, Mr. Falong Hu and Dr. Yiefei Jia, FAusIMM (CP Geo), who are full time employees of SRK Consulting China Ltd. Both Mr. Lu Mr Hu and Dr. Jia 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 Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves", the JORC Code. Mr. Lu Mr. Hu and Dr. Jia consent to the reporting of this information in the form and context in which it appears.

[2] The Ore Reserve reference point is delivery of ore to the crusher at the processing plant.

[3] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[4] Total may not add due to rounding discrepancies

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

[6] The effective date of the Ore Reserves estimate is 31 December 2025.

9 Mining Assessment

9.1 Mine Operating Status

Xilin Mining was established on 7 January 2008. The operation originated as the Dong Ujimqin Polymetallic Mine, which commenced construction in June 2000 with a total investment of approximately CNY 190 million. Phase I achieved a mining and processing capacity of 1,500 t/d and entered production in June 2003. A subsequent expansion in 2006 increased annual capacity to 720,000 t.

In 2010, through a major asset restructuring, the company was transformed into a mining enterprise and progressively consolidated several mineral assets, including the Xilin Mine. Engineering upgrades were carried out in Mine Area III in 2013 and in Mine Area I in 2014, after which each of these mining areas achieved an annual production capacity of 300,000 t.

Table 9-1: Xilin Mine Historical Production

Type	Unit	2023	2024	2025
Ore Mined	kt	532	564	614
Waste Mined	kt	73	171	184
Fe Grade	%	18.84	20.29	16.45
Zn Grade	%	1.88	2.10	2.13
Fe Metal	t	100,179	114,476	100,929
Zn Metal	t	9,995	11,830	13,094
Total Mined	**kt**	**605**	**735**	**797**

Source: Xilin Mine

9.2 Hydrogeology

The deposit lies within the Tianshan–Inner Mongolia geosynclinal–fold system, in the Inner Mongolia Variscan fold belt, on the northern limb of the Easlian–Dong Ujimqin composite anticline. The local secondary structural unit is the Chaobuleng composite anticline.

Hydrogeological conditions are controlled by regional structure as well as by topography, lithology, climate and surface hydrology. Regionally, three main groundwater settings are recognised: fracture water in low-mountain and hilly terrain, and both unconfined and confined pore water in plateau and inter-montane depressions.

In the low hills, groundwater is recharged mainly by infiltration of atmospheric precipitation. Higher ground in the northern part of the area causes groundwater to flow radially towards inter-montane depressions, where water-table depths range from about 10–70 m. These mountainous areas form an active recharge and circulation zoneand groundwater quality is generally good. In the Wulanuusu River valley, pore water in alluvial sediments receives both vertical recharge from rainfall and lateral inflow from upstream and from the adjacent hills. Upstream, the aquifer materials are coarser, with good transmissivity and generally good water quality; downstream, grain sizes become finer, transmissivity decreases, water tables are shallow and evaporation is higher, leading to some deterioration in water quality.

The mine is located in low-mountain hill terrain near a surface watershed. The local erosion base is at approximately 830 m asl elevation, and most of the orebodies lie above this level. There are no significant surface water bodies near the deposit. The main water-bearing units are hard-rock fracture and karst systems and vein-type structural fracture zones. Topography favours natural drainage, and the aquifers are weak to moderately water-bearing. Overall, the hydrogeological setting is classified as simple to moderate, and conditions are favourable for underground mining with conventional dewatering.

9.3 Geotechnical Condition

9.3.1 Physical and Mechanical Properties of Ore and Host Rock

- The mine area is broadly divided into two rock groups: (i) loose Tertiary–Quaternary cover comprising sand, gravel and clayey soils, together with semi-lithified mudstone; and (ii) dense, hard bedrock. At a macroscopic level, engineering conditions in the oxidised zone of the hard bedrock are relatively poor, whereas rock-mechanical properties in the fresh (unoxidised) zone are significantly better.
- During exploration and development, the mine collected representative rock-mechanics samples from underground, including one sample set each of hornfels, skarn and magnetite ore. Laboratory test results are summarised in Table 9-2. These results indicate that HW, FW and orebody rocks exhibit relatively consistent and favourable mechanical properties.

Table 9-2: Physical and Mechanical Properties of Main Rock Types in Xilin Mine

Rock Type	Hardness (Abrasion) Grade	Uniaxial Compressive Strength σc (MPa)	Shear Strength (MPa)	Fracture Ratio δ	τ (dimensionless)
Hornfels	7–8	154.9	28.41	45.64	1.11
Skarn	9–10	204.63	46.93	66.5	1.54
Magnetite ore	8–9	170.83	38.42	56.16	1.18

Source: Xilin Mine

9.3.2 Engineering Geological Characteristics of the Mining Area

- Based on genesis, rock hardness, depth of weathering and degree of structural development, the rocks in the mine area are grouped into the following engineering rock units:
- Tertiary and Quaternary deposits – Loose, weak soils and sediments with poor engineering properties.
- Middle Devonian sandstones and slates – Hard to semi-hard rock group.
- Middle Devonian carbonates – Hard to semi-hard rock group.
- Jurassic volcanic and dyke rocks – Hard rock group.
- Granite, gabbro and associated dykes – Hard rock group.
- Iron–zinc ore and skarn – Hard rock group.
- Fault-zone breccia and crushed rock – Weak rock; when development encounters these zones, appropriate support and control measures are required to prevent sloughing and collapse.

9.3.3 Engineering Geological Assessment

- The orebody is hosted mainly in skarn, with minor granite and Middle Devonian carbonate along their contacts. These rocks form a hard to semi-hard rock group, with little karst development and generally competent, intact conditions. Within the weathered zone and faulted/fractured belts, the rock is broken and engineering conditions are poor, requiring support during development and exploration.
- Mine development should avoid major fault zones where possible and consider their potential to act as water conduits, in order to mitigate inflow and associated safety risks. Outside the weathered and faulted zones, the rocks are predominantly hard to semi-hard, with relatively strong structure and limited karst, and the HW and FW are generally stable. Locally, however, faulted zones may present geotechnical challenges. Overall, the engineering geological conditions are classified as simple to moderate.

9.4 Stope Optimisation

9.4.1 Block Model

The mine design and Ore Reserve estimation were based on MRM developed by in-house geologist, with an effective date of 31 December 2025. The model was provided in Damine software (.dm) format.

Key parameters of the block model are outlined Table 9-3 and Table 9-4 below.

Table 9-3: Block Model Parameters for Area I in Xilin Mine

Type	X	Y	Z
Minimum	511,066.35	5,154,690.28	-96.00
User Cell Size	10.0	10.0	4.0
Minimum cell size	2.5	2.5	1.0
Number of cells	231	161	324
User Extents	2,310	1,610	1,296
Total extents cell count	14,974,372		

Source: SRK

Table 9-4: Block Model Parameters for Area III in Xilin Mine

Type	X	Y	Z
Minimum	508,292.34	5,155,709.29	592.13
User Cell Size	10.0	10.0	4.0
Minimum cell size	2.5	2.5	1.0
Number of cells	91	59	92
User Extents	910	590	368
Total extents cell count	853,160		

Source: SRK

9.4.2 Stope Optimisation

SRK conducted stope optimisation using Deswik.SO software, using the Mineral Resource block model to generate mineable shapes. These shapes were then used to refine and enhance the proposed mine plan. There are no Measured Mineral Resources; therefore, only Indicated Mineral Resources were considered during the optimisation process. For the Ore Reserve estimate, the Inferred Mineral Resource category was assigned a zero grade (i.e. waste).

The mineable stope shapes were designed and evaluated as follows:

Geotechnical design criteria

- Three methods are used: sublevel open stoping with delayed backfill, and shrinkage stoping with delayed backfill.
- Shrinkage stoping
  - Block height equals the level spacing, typically 50 m (40 m for Orebody 5), with a strike length of 50 m and a stope width equal to the horizontal ore thickness.
- Sublevel open stoping
  - For blocks with horizontal orebody thickness < 15 m, stopes are arranged along strike.
  - For blocks with horizontal orebody thickness > 15 m, stopes are arranged perpendicular to strike.

Stope block definition and evaluation

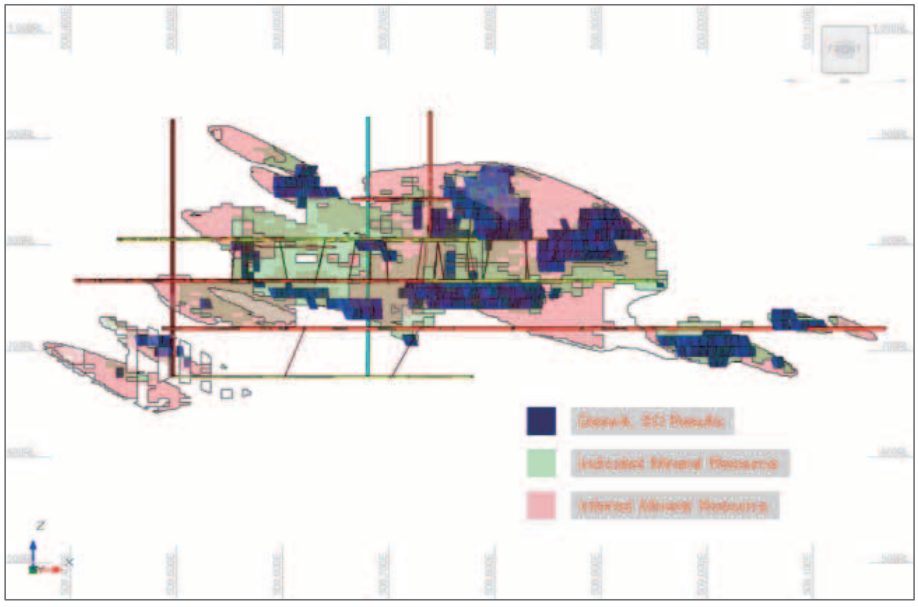
The input parameters used in the Deswik.SO software are summarised in Table 9-5. The Mineable Stope Optimiser ("**MSO**") results are provided in Figure 9-1and Figure 9-2.

Table 9-5: Deswik.SO Parameters for Xilin Mine

Parameters	Units	Opening Stoping Mining Method
Default Density	g/t	2.7
CoG	%	1.8
Default Dip	°	90
Strike azimuth	°	52
Sub-blocking		no
Minimal mining width	m	1
Mining height	m	5~10 m depends on existing level
Mining length	m	8
HW dilution	m	0.2
FW dilution	m	0.2
Maximum strike change	°	10
Stope maximum side-length ratio	°	10

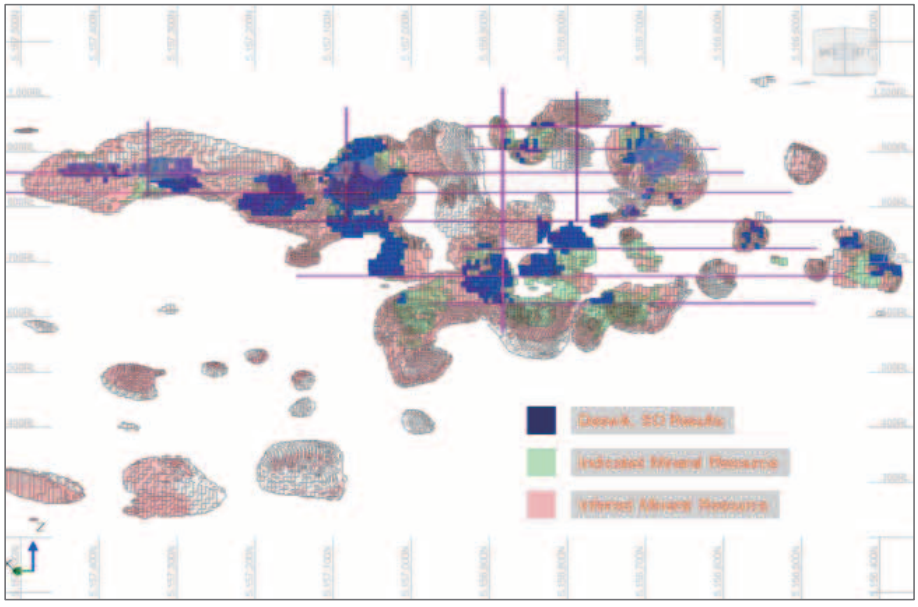
Source: SRK

Figure 9-1: Deswik.SO Results for Mine Area I at Xilin Mine (Looking from South)



Source: SRK

Figure 9-2: Deswik.SO Results for Mine Area III at Xilin Mine (Looking from North-West)



Source: SRK

9.5 Mining Methods

The mine employs two principal underground stoping methods tailored to orebody thickness and geometry. Thin to moderate-thickness blocks are mined using overhand shrinkage stoping with shallow-hole drilling, with 50 m high stopes laid out along strike and broken ore initially left in place to support the back and then drawn in a controlled sequence via load-haul-dump truck ("**LHD**s") to ore passes. Thicker blocks are mined using sublevel open stoping with drill-and-blast, in which 50 m high stopes are subdivided into 10 m sublevels, accessed by dedicated haulage, drilling and ventilation drifts, and extracted using medium-length fan drilling and retreat blasting from pre-cut slots to rail-served ore passes.

9.5.1 Shrinkage Stoping

- Stope layout
  - Stopes laid out along strike.
  - Block height = level height 50 m.
  - Block length = 50 m; stope width = horizontal orebody thickness.
  - Within each block: stope length 44 m, rib pillar 6 m, sill pillar 3 m; flat-floor loading drifts for LHD mucking.
- Development
  - Development includes ore haulage drifts, loading drifts, manway/ventilation raises and connecting drifts.
  - Along-strike haulage drifts in the footwall; cross-cuts every 50 m to ore passes shared by three blocks.
  - Manway/ ventilation raises in rib pillars at stope ends, connected by crosscuts.
- Mucking and draw control
  - Overhand (bottom-up) shrinkage in 2–2.5 m slices.
  - Horizontal drillholes, 38–40 mm diameter, 2.5–3.0 m length; burden 0.8–1.0 m, spacing 0.8 m; ~3.0 m advance per round.
  - Emulsion explosive with non-electric initiation.
  - Two-stage draw:
    - Local draw: ~1/3 of broken ore drawn after each slice to maintain 2–2.5 m working height.
    - Final draw: after all slices are blasted, uniform bulk draw with LHDs via loading drifts to ore passes.

9.5.2 Sublevel Open Stoping with Delayed Backfill

- Stope layout
  - For blocks with horizontal orebody thickness < 15 m:
    - Stopes along strike, length 40 m, height 50 m.

  - 6 m rib pillars, 4 m crown pillars, 6 m sill pillars.
  - For blocks with horizontal orebody thickness > 15 m:
    - Stopes oriented perpendicular to strike.
    - Stope length = horizontal ore thickness; stope width = 8 m; height = 50 m.
    - Each stope divided into four sublevels (sub-blocks) 10 m high; crown pillar 4 m, sill pillar 6 m.
- Development and drilling:
  - Development includes haulage drifts, loading drifts, drilling drifts, manway/ventilation raises, ore passes and draw trenches.
  - Draw trench driven along strike inside the stope (formed after slotting); footwall haulage drift along strike connected to ore passes.
  - Loading drifts link haulage drift and draw trench to provide ore handling access.
  - Drilling drifts at the base of each sublevel, along strike, connected to manway/ventilation raises in rib pillars.
  - Ore passes spaced at ~100 m, discharging to the rail haulage level via vibrating feeders.
  - Slotting by raising from the trench to form a slot raise to the hangingwall and footwall limits, then undercutting (undercut/"drop-bottom") using the slot as a free face.
- Mucking and draw control:
  - Production drilling from drilling drifts using up-hole fan patterns with medium-length holes.
  - Hole diameter 75 mm; burden 1.5–1.8 m; toe spacing 1.8–2.0 m.
  - Emulsion explosives; blasting retreating from the slot towards the stope ends, typically two rows of holes per blast.

9.6 Development

9.6.1 Mine Access

Mine Area I

Mine Area I is developed by a central shaft system comprising the main shaft XSJ1, the service shaft SJ2 and the ventilation shaft SJ3. XSJ1 is dedicated to ore hoisting. SJ2 is used for waste hoisting and for raising and lowering personnel, equipment and materials, and also serves as an intake airway.

Mine Area III

In Mine Area III, shafts SJ11 and XSJ8 act as the primary hoisting shafts together with SJ7, forming the shaft access system. SJ11 services three upper production levels, while XSJ8 services four lower levels. SJ7 is used mainly for deep exploration of Orebody IV, and the western shaft XSJ8 can be used to drive and operate east–west development drifts for haulage.

The mine has two independent escapeways from underground directly to surface via shafts XSJ8 and SJ11. Each production level is connected to at least two pedestrian-accessible escapeways, which in turn are linked to these surface outlets.

9.6.2 Development

Mine Area I

The central shaft system in Mine Area I comprises the main skip shaft XSJ1, the service cage shaft SJ2, the ventilation shaft SJ3 and an auxiliary shaft SJ1.

- Main shaft XSJ1: 3.2 m diameter skip shaft; concrete lined from surface to bedrock; hoisting height 247.86 m.
- Service shaft SJ2: 2.4 m × 3.3 m cage shaft; concrete lined from surface to bedrock; hoisting height 242.26 m.
- Ventilation shaft SJ3: 3.2 m diameter, concrete lined from surface to bedrock.
- Auxiliary shaft SJ1: 3.2 m diameter former hoisting shaft, concrete lined from surface to 103 m depth.
- Level drifts: 2.2 m × 2.3 m sections at the 843 m, 805 m and 675 m levels; 4.0 m × 3.5 m sections at the 763 m and 720 m levels.

Mine Area III

- Shaft XSJ8: 5.0 m diameter, collar elevation 1,016.31 m, bottom elevation 583 m, total depth 433.31 m; supported by shotcrete lining.
- Ore pass system: ore pass and bin to be developed from XSJ8 in competent rock; ore pass internal diameter 2.0 m.

9.7 Mining Service

9.7.1 Material Handling

Mine Area I

Mine Area I is currently developed by a vertical shaft system comprising the main skip shaft XSJ1, the service cage shaft SJ2, the ventilation shaft SJ3 and the auxiliary shaft SJ1, forming a complete production system. Ladderways are installed in all shafts except SJ3 and serve as escapeways. SJ1 functions as the dedicated return-air shaft, while SJ3 is used as an auxiliary intake shaft.

Mine Area III

Mine Area III is also developed by a central vertical shaft system consisting of the main shaft XSJ1, the service shaft SJ2 and the ventilation shaft SJ3. XSJ1 is dedicated to ore hoisting, and SJ2 is used for waste hoisting and for raising and lowering personnel, equipment and materials, and also serves as an intake airway.

9.7.2 Power

- A 110/10 kV main step-down substation is located approximately 6 km from the mine. It is equipped with one SFZ9-20000/110/10 kV, Yd11 on-load tap-changing transformer rated at 20 MVA. An existing 10 kV LGJ-95 overhead line feeds Shaft XSJ8, with power to shafts SJ11 and XSJ8 taken via tee connections from this line.

Mine Area I

- Power for Area I is supplied from an existing plant transformer located within 50 m of the backfill plant. Four low-voltage distribution boards are installed in the backfill plant building, with outgoing feeders routed through cable trenches and cable trays to outside consumers.

Mine Area III

- Based on load requirements and the local 10 kV network, Area III continues to be supplied from the existing 110/10 kV substation via the LGJ-95 overhead line to XSJ8, with SJ11 and XSJ8 both fed by tee connections from this line. As this is a single-circuit supply, an emergency diesel generator is required to ensure continuity of power to Category I (critical) loads. These critical loads include the SJ11 hoist, the underground dewatering pumps and hoist at XSJ8, and the main ventilation fan, with a combined operating demand of approximately 1,280 kW. To cover these loads, a 1,350 kW, 10 kV diesel generator set will be installed at XSJ8 as a standby supply to maintain safe hoisting, underground production and essential services in the event of a grid outage.

9.7.3 Maintenance

The mine currently operates a simple maintenance station responsible for routine servicing of production equipment, minor repairs, spare-part refurbishment and small fabrication tasks. The station works on a three-shift basis. On the main underground haulage level, dedicated workshops are provided for locomotive and mine car maintenance, as well as a separate workshop for trackless equipment, which handle the repair and servicing of these fleets.

9.7.4 Compressed Air

Mine Area I

A surface fixed compressor station supplies compressed air to Area I. The station is equipped with two LU250W-8.5 compressors (43 m³/min, 250 kW each) and two SA185A compressors (24.8 m³/min, 185 kW each). Three units operate with one LU250W-8.5 on standby, providing a normal supply capacity of 92.6 m³/min, which is sufficient for drilling and development equipment. Compressed air is reticulated underground via DN200 seamless steel pipelines routed down the service shaft to the various points of use.

Mine Area III

A compressor station at the SJ11 shaft collar supplies compressed air to all levels accessed by SJ11, and a separate station at the XSJ8 shaft collar supplies the levels served by XSJ8. Under normal operation, two LU250-7.5 compressors are in service, with one 185SDY-13 mobile compressor on standby. Main air lines are D159×6 mm seamless steel pipes installed down both shafts, delivering

compressed air to the level access points; within each level, D133×6 mm seamless steel pipes distribute air to the individual working areas.

9.7.5 Backfill

Cemented backfill

Mill tailings are pumped by pipeline from the processing plant to the backfill preparation plant, where they are first discharged into a horizontal sand bin for natural settling and drainage. Dewatered tailings are then raked into a surge bin. From the surge bin, vibrating feeders and belt weigh-scales meter the tailings onto a belt conveyor, which delivers them to the primary mixer. In this first-stage mixer the tailings are blended with process water to produce a uniform slurry, which then flows by gravity to a second-stage mixer. Cement, accurately metered by screw conveyors and a screw weigh-feeder, is added in the second-stage mixer. The fully mixed cemented backfill slurry then flows by gravity through backfill boreholes to the underground stopes.

Cement is the sole binder and is stored in a dedicated silo. Bulk cement is delivered in pneumatic tankers and blown into the silo using the truck's onboard compressed-air system. The silo is equipped with a dust collector and level indicators on the roof and within the silo to monitor inventory, and with wall vibrators near the base to ensure reliable discharge. Cement flow to the mixers is controlled and measured by a combination of slide gate valves, twin-screw conveyors and screw weigh-scales at the silo outlet. Clarified water reclaimed from tailings settling is pumped to the mixers for use as backfill make-up water.

Waste-rock backfill

For larger stopes, once stoping and ore drawdown are complete, development waste rock is used as uncemented fill. Waste rock is loaded into mine cars and hauled to the fill raises, where it is tipped down the raises until the void is filled.

9.7.6 Dewatering

Mine Area I

The required underground dewatering head in Mine Area I is approximately 251 m; allowing for losses, the design head is taken as ~280 m. The existing installation comprises three D46-50×6 multistage centrifugal pumps (one duty, one standby, one in maintenance), each rated at 46 m³/h with a 300 m head and driven by Y280S-2 motors (75 kW). Two DN100 seamless steel discharge lines are installed in Shaft SJ1 (one duty, one standby). In addition, one D25-30×10 multistage pump currently delivers part of the inflow to a water tank at Shaft SJ2 for reuse as process water (compressors, drilling, etc.); this internal water-recycling arrangement is retained in the design.

Mine Area III

- In Mine Area III, a sump and pump station are located on the 625 m level near Shaft XSJ8, and a 200 m³ production water tank will be constructed on the 945 m level near Shaft SJ11. A centralised dewatering scheme is adopted: inflows and process water from levels above 625 m are drained via weep holes to the 625 m sump and pumped to the 945 m production water tank. At the 945 m level station, a three-way valve is installed to prioritise production and firefighting demand; surplus water is discharged via the third outlet to a surface water sump.

9.7.7 Ventilation

Mine Area I

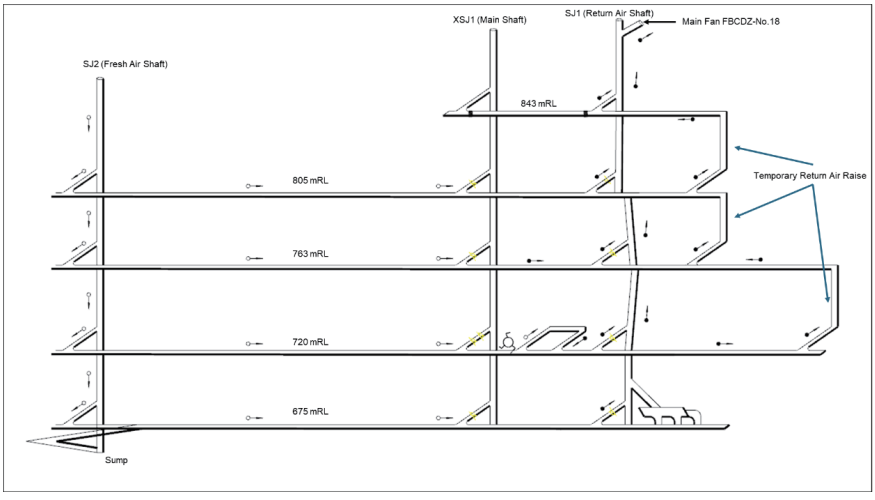
A single-wing diagonal exhaust ventilation system is used in Mine Area I. To ensure all working faces receive the required airflow, flow distribution is regulated by adding resistance where needed and by using auxiliary fans.

Fresh air enters via the service shaft SJ2 and passes through crosscuts, along-strike haulage drifts and stope raises into the stopes. After ventilating the working faces, return air flows up the stope return raises to the upper-level return drifts and is exhausted to surface through the return shaft SJ1. To minimise leakage, stope raises are sealed promptly once stoping in a panel is completed.

Mine Area III

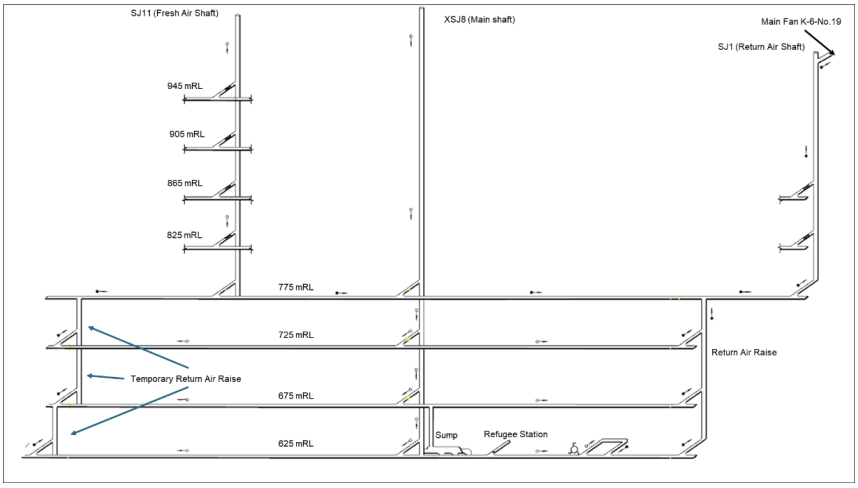
- Mine Area III also uses a diagonal ventilation system. Fresh air enters via shafts SJ11 and XSJ8, supplying the upper and lower mining levels respectively, and is exhausted via shaft SJ7.
- Intake air flows from surface down SJ11 and XSJ8 to the level loading stations, crosscuts, haulage drifts and cross-vein drifts. It then passes through manway/ ventilation raises and connecting drifts into the stopes. After sweeping the working areas, contaminated air returns via the opposite-side raises and drifts to the upper-level return drifts, then through an internal return raise and shaft SJ7 to surface.

Figure 9-3: Overall View Ventilation System for Mine Area I



Source: Xilin Mine

Figure 9-4: Overall View Ventilation System for Mine Area III



Source: Xilin Mine

9.8 Mining Equipment

Based on the detailed designs for underground material handling compressed air, mine dewatering and the primary and auxiliary ventilation systems, all major fixed and mobile equipment has been specified in terms of type. The complete list of required equipment is presented in Table 9-6.

Table 9-6: Underground Mining Equipment Fleet at Xilin Mine

Area	Equipment Type	Model	Quantity	Location / Notes
Mine Area I	Hoist (cage shaft)	JKMD-1.85×4I	1	SJ2 hoist room
Mine Area I	Hoist (skip shaft)	2JK2.5/25	1	XSJ1 hoist room
Mine Area I	Cage	GDG1\6\1\1	1	Shaft #2
Mine Area I	Compressor	DLGF60/8-355G	1	XSJ1 surface compressor house
Mine Area I	Compressor	LU250-8.5	1	XSJ1 surface compressor house
Mine Area I	Compressor	SA185A	1	XSJ1 surface compressor house
Mine Area I	Main fan	FBCDZ№18	1	Main fan house at Shaft #1
Mine Area I	Auxiliary fan	FBY№5.0/11 (II)	1	SJ2 3rd level – 317 incline
Mine Area I	Auxiliary fan	FBY№5.0/11 (II)	1	SJ2 4th level – workshop chamber
Mine Area I	Auxiliary fan	FBY№5.0/11	1	SJ2 4th level – 400 face
Mine Area I	Auxiliary fan	FBY№5.0/11 (II)	1	SJ2 4th level – 410 face
Mine Area I	Auxiliary fan	FBY№6.0/30 (II)	1	Surface at processing plant
Mine Area I	Dewatering pump	D46-50×6	3	SJ2 5th level pump station (1 duty
Mine Area I	Main dewatering pump	D450-60×3A	1	Tailings storage facility
Mine Area I	LHD	WJ-2	1	Underground SJ2 drifts

Area	Equipment Type	Model	Quantity	Location / Notes
Mine Area I	LHD	WJ-2YK	2	Underground SJ2 drifts
Mine Area I	Underground truck	UK4	7	Underground SJ2 haulage drifts
Mine Area I	Surface loader	CLG855N	1	Surface mine yard
Mine Area III	Hoist	JKMD-2.25×4I	1	XSJ8 hoist room
Mine Area III	Cage	GDG1\6\2\2	1	Shaft XSJ8
Mine Area III	Compressor	DLGF41/8-280B	2	XSJ8 surface compressor house
Mine Area III	Compressor	LU330S-8	1	XSJ8 surface compressor house
Mine Area III	Main fan	K-6-№19	1	Main fan house at Shaft SJ7
Mine Area III	Auxiliary fan	FBYN№5.0/11	3	XSJ8 4th level
Mine Area III	Dewatering pump	D46-50×6	3	SJ8 4th level pump station (1 duty
Mine Area III	LHD	WJ-2	2	Underground XSJ8 drifts
Mine Area III	LHD	WJ-1(E)	1	Underground XSJ8 drifts
Mine Area III	Trolley locomotive	CJY3/6GB	2	Underground XSJ8 haulage drifts

Source: Xilin Mine

9.9 Mine Production Plan

The life of mine ("**LoM**") schedule for Xilin Mine has been developed using the Deswik suite software. The production schedule is organised on an annual basis, with the following assumptions applied during production scheduling:

- There is no Measured Mineral Resource; only Indicated Mineral Resources are reported. Inferred Mineral Resources were assigned a zero grade.
- The Mineral Resource mined in stopes accounts for necessary dilution and loss and is reported as ROM material.
- The scheduled start date is 1 January 2026.
- Mining operations primarily follow a retreat direction, progressing from the development end towards the main shaft area.
- The maximum annual ROM is capped at 0.3 Mtpa for Mine Area I and Mine Area III, respectively.

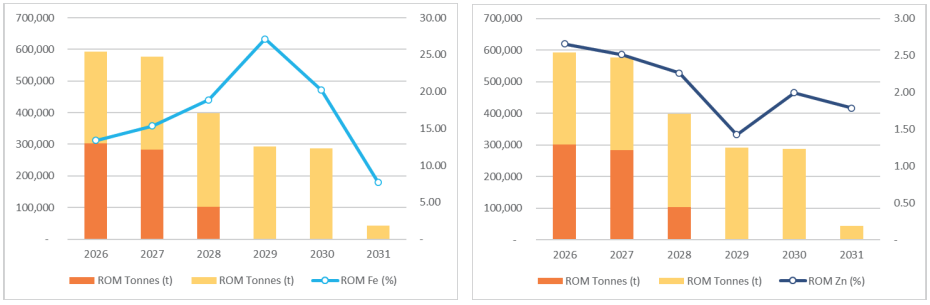
The results of the mining scheduling are shown in Table 9-7 and Figure 9-5. The LoM is 6 years and start in January 2026. The total ROM amount is 2.19 Mt, with average grades of 2.28% Zn and 17.50% Fe, containing 50 kt of zinc and 383 kt of iron.

Table 9-7: Annual Mining Production Schedule for Xilin Mine

Item	Unit	Total	2,026	2,027	2,028	2,029	2,030	2,031
ROM Tonnes	kt	2,191	593	577	398	292	288	44
Zn Grade	%	2.28	2.65	2.51	2.26	1.43	1.99	1.79
Fe Grade	%	17.50	13.37	15.34	18.86	27.12	20.20	7.71
Zn Metal	kt	50	16	14	9	4	6	1
Fe Metal	kt	383	79	88	75	79	58	3

Source: SRK

Figure 9-5: Annual Mining Production Schedule for Xilin Mine



Source: SRK

10 Processing and Metallurgical Assessment

10.1 Overview

Xilin north mine area ore is a polymetallic bismuth–zinc–iron–tungsten ore type, whereas south mine area ore is a polymetallic copper–zinc–iron–tungsten ore type. The Xilin processing plant was commissioned in June 2003, with an initial designed capacity of 1,500 tpd, mainly processing the ore from north and south area of Xilin Mining. Following a process upgrade in 2006, the production capacity was increased to 2,400 tpd (equivalent to 720 ktpa).

The comminution circuit consists of two-stage crushing with one closed circuit, followed by two-stage closed-circuit grinding. The beneficiation flowsheet comprises bismuth or copper flotation, zinc recovery from the bismuth or copper flotation tailings, and iron recovery from the zinc tailings through magnetic separation process. The final products are zinc concentrate and iron concentrate.

Over the past three years, ROM ore annual throughput has ranged between 530 kt and 600 kt, with average head grades of 2.03% Zn and 18.55% Fe. The average recovery rates are approximately 91.82% for zinc and 52.80% for iron.

10.2 Metallurgical Test

10.2.1 North Mine Area Ore Test

In November 2024, Changsha Institute of Mining Research Co.,Ltd. **("CIMRC")** was commissioned to carry out laboratory beneficiation flowsheet testwork on ore samples from the north mining area of Xilin Mining. The objective was to determine a technically feasible and economically reasonable beneficiation process flowsheet and reagent regime, so as to provide technical support for the plant process upgrade.

A systematic process mineralogical study was first conducted on the ore samples, with the main conclusions as follows:

- The ore from the Xilin north mining area is a polymetallic bismuth–zinc–iron–tungsten ore type. The main elements amenable to beneficiation and recovery are Bi, Zn, Fe and WO_3.
- The useful metallic minerals are mainly bismuthinite–aikinite, sphalerite, magnetite, scheelite and chalcopyrite, while the gangue minerals are mainly grossular, andradite, almandine, diopside and quartz.
- Bismuth occurs mainly in bismuthinite, which accounts for about 79.00% of the total bismuth. Zinc occurs in a relatively simple form, with 92.92% of the zinc hosted in ZnS (sphalerite). Of the total iron, 57.92% occurs in magnetite and 24.52% in iron silicates, indicating that the iron recovery achievable by magnetic separation will be relatively low. Tungsten also occurs in a relatively simple form, with 94.55% of WO_3 hosted in scheelite.
- Bismuth minerals are finely disseminated and show complex intergrowth relationships with gangue, magnetite and other minerals, so moderately fine grinding is required to achieve adequate liberation. Sphalerite has a dissemination size generally in the range of 0.052–1.20 mm and exhibits generally complex intergrowth with other minerals. Only the small proportion of sphalerite inclusions within gangue or magnetite requires finer grinding for full liberation.

Magnetite is characterised by uneven grain size, irregular morphology, and complex intergrowth with bismuthinite, chalcopyrite and gangue. The scheelite content is 0.26%, with a dissemination size generally in the range of 0.105–0.425 mm. Scheelite occurs mainly along grain boundaries and rims of gangue, magnetite and other minerals, with a small proportion occurring as inclusions in gangue or magnetite.

On the basis of the process mineralogical study, systematic beneficiation testwork for Bi – Zn – Fe and comprehensive tungsten recovery was carried out. The finally recommended flowsheet is "bismuth (copper) flotation - zinc flotation - iron recovery by magnetic separation (with flotation desulfurisation of the magnetic concentrate) - comprehensive tungsten recovery from the iron tailings".

With the above flowsheet, laboratory closed-circuit Bi–Zn flotation tests produced a bismuth concentrate grading 14.85% Bi at a Bi recovery of 78.08%. The concentrate contained 9.18% Zn, which is significantly lower than in the production concentrate, indicating good Bi–Zn separation. The bismuth concentrate contained 5.97% Cu, which is relatively high. Subsequent Cu–Bi separation could be considered in order to produce an acceptable copper concentrate and enhance the economic value of copper. The bismuth concentrate assayed 699.97 g/t Ag with an Ag recovery of 57.34%, and 2.00 g/t Au, meeting the criteria for multi-element payability. Zinc flotation yielded a zinc concentrate grading 49.63% Zn at a zinc recovery of 92.05%. The corresponding test results are shown in Table 10-1.

Table 10-1: Closed-Circuit Test Results for the Full Bismuth–Zinc Flotation Process

Item	Yield (%)	Grade (%)			Recovery (%)		
		Bi	Cu	Zn	Bi	Cu	Zn
Bi Concentrate	0.48	**14.85**	5.97	9.18	**78.08**	61.39	2.08
Zn Concentrate	3.93	0.17	0.27	**49.63**	7.3	22.68	**92.05**
Tailing	95.59	0.014	0.008	0.13	14.62	15.93	5.86
RoM	100	0.092	0.047	2.12	100	100	100

Source: Metallurgical Testwork Report on the Beneficiation Process Flowsheet for North Mining Area Ore, CIMRC, Nov 2024.

Low-intensity magnetic separation of the flotation tailings produced a magnetic concentrate with a yield of 20.28% and a TFe grade of 67.67%. After one roughing, one scavenging and one cleaning flotation desulfurisation stage on this magnetic concentrate, an iron concentrate with a yield of 20.09%, a TFe grade of 68.01% and an S content of 0.09% was obtained. The TFe recovery was 56.20%, and the recovery of magnetic iron was 97.04%. After desulfurisation, the sulfur content in the iron concentrate meets the requirements of the relevant national standard. The corresponding test results are shown in Table 10-2.

Table 10-2: Iron Magnetic-Flotation Test Results on the Flotation Tailings

Item	Yield (%)	Grade (%)		Recovery (%)	
		TFe	S	TFe	mFe
Fe Concentrate	20.09	**68.01**	0.09	**56.2**	**97.04**
Sulfide	0.19	31.45	29.98	0.25	0.43
Magnetic Tail	75.31	13.01	-	40.32	2.31

Item	Yield (%)	Grade (%)		Recovery (%)	
		TFe	S	TFe	mFe
Flotation Tail	95.59	24.61	-	96.77	99.78

Source: Metallurgical Testwork Report on the Beneficiation Process Flowsheet for North Mining Area Ore, CIMRC, Nov 2024.

Using a combined magnetic–flotation process on the iron tailings, a tungsten concentrate was obtained with a yield of 0.35%, a WO_3 grade of 44.97%, and a recovery relative to the original ore of 72.13%. By applying high-intensity magnetic separation, tailings accounting for 66.70% of the mass pull were discarded prior to flotation, significantly reducing the feed tonnage to the flotation circuit. The test results are shown in Table 10-3.

Table 10-3: Tungsten Magnetic–Flotation Combined Process Test Results

Item	Yield (%)	WO_3 Grade (%)	WO_3 Recovery (%)
Tungsten Concentrate	0.35	44.97	72.13
Tail 3	1.64	0.35	2.65
Tail 2	23.09	0.08	8.54
Tail1	50.23	0.03	6.03
Magnetic Tail	75.31	0.26	89.35

Source: Metallurgical Testwork Report on the Beneficiation Process Flowsheet for North Mining Area Ore, CIMRC, Nov 2024.

10.2.2 South Mine Area Ore Test

In December 2024, CIMRC was commissioned to carry out laboratory beneficiation flowsheet testwork on ore samples from the South Mining Area of Xilin Mining. The objective was to determine an advanced and economically feasible beneficiation process flowsheet, and to recommend suitable process and reagent parameters, so as to provide a technical basis and guidance for the beneficiation and recovery of copper, zinc, iron and tungsten from the South Mining Area ores of Xilin Mining.

A systematic process mineralogical study was first conducted on the ore samples, with the main conclusions as follows:

- The elements amenable to beneficiation and concentration are mainly copper, zinc and iron, with contents of 0.039%, 2.17% and 17.66%, respectively. The associated precious metals assay <0.1 g/t Au and 5.90 g/t Ag.
- Copper is hosted mainly in primary copper sulfides and secondary copper sulfides, which together account for 89.74% of the total copper. Zinc occurs mainly in ZnS (sphalerite), accounting for about 92.63% of the total zinc. Iron occurs mainly in magnetite, accounting for about 54.81% of the total iron, while 18.74% of the iron is present in iron silicates, from which recovery is difficult. Tungsten occurs mainly in scheelite, which accounts for about 75.93% of the total tungsten.
- The recoverable metallic minerals in the ore are mainly chalcopyrite, chalcocite, bornite, covellite, sphalerite, magnetite and scheelite. The gangue minerals are mainly grossular, andradite, almandine, diopside and quartz. Chalcopyrite is finely disseminated and commonly occurs as disseminations in gangue, with a close intergrowth relationship with sphalerite, making Cu–Zn

separation difficult. Sphalerite has complex intergrowth relationships with arsenopyrite, chalcopyrite and galena, and therefore requires fine grinding to achieve full liberation. Magnetite shows uneven grain size, irregular morphology, and partial disseminated occurrence, with complex intergrowth relationships with gangue. The scheelite content is 0.05%, with a grain size between 0.002–0.3 mm. Due to its low content, locally fine grain size and complex intergrowth relationships, scheelite is difficult to concentrate by beneficiation.

On the basis of the process mineralogical study, systematic beneficiation testwork was carried out for copper, zinc and iron, as well as comprehensive tungsten recovery tests. A flowsheet of copper flotation - zinc flotation - iron recovery by magnetic separation (with flotation desulfurisation and dearsenisation of the magnetic concentrate) is recommended. With this flowsheet, laboratory closed-circuit Cu–Zn flotation tests produced a copper concentrate grading **16.25%** Cu at a copper recovery of **52.60**%. The concentrate contained 15.26% Zn, which is significantly lower than in the production concentrate, indicating good Cu–Zn separation. Zinc flotation produced a zinc concentrate grading **49.37%** Zn at a zinc recovery of **92.10%.**

The zinc flotation tailings were subjected to low-intensity magnetic separation, followed by one rougher, one scavenger and one cleaner flotation stage for desulfurization and dearsenisation of the magnetic concentrate. An iron concentrate was obtained with a yield of 13.43%, a TFe grade of 68.23%, and contents of 0.06% S and 0.03% As. The TFe recovery was 51.78%, and the recovery of magnetic iron was 94.05%. After desulfurization and dearsenisation, the sulfur and arsenic contents in the iron concentrate meet the requirements of the relevant national quality standards.

Gravity separation of the iron tailings yielded a tungsten rough concentrate grading 2.73% WO_3, with a WO_3 stage recovery of 14.59%. The main gangue minerals in the tungsten rough concentrate are arsenopyrite and arsenian pyrite. These arsenic-bearing minerals have poor floatability, even with high dosages of flotation reagents they cannot be effectively removed from the tungsten rough concentrate, and thus the WO_3 grade of the gravity concentrate cannot be further improved. Scheelite itself also has relatively poor floatability, and the recovery achieved by a combined gravity–flotation process is low. Therefore, tungsten recovery by beneficiation was not successfully achieved in this study.

The results of the full closed-circuit tests for copper, zinc and iron are shown in Table 10-4.

Table 10-4: Full Closed-Circuit Test Results for Copper, Zinc and Iron

Item	Yield (%)	Grade (%)				Recovery (%)		
		Cu	Zn	TFe	S	Cu	Zn	TFe
Cu Concentrate	0.13	**16.25**	15.26	19.25	-	**52.6**	0.89	0.14
Zn Concentrate	4.08	0.20	**49.37**	8.29	-	20.69	**92.1**	1.91
Fe Concentrate	13.43	-	-	**68.23**	0.06	-	-	**51.78**
Sulfide	0.08	0.01	0.016	33.47	20.42	26.71	7.01	0.15
Tail	82.28	-	-	9.90	-	-	-	46.02
RoM	100	0.039	2.19	17.70	1.69	100	100	100

Source: Metallurgical Testwork Report on the Beneficiation Process Flowsheet for South Mining Area Ore, CIMRC, Dec 2024.

10.3 Processing Practice

10.3.1 Process Flowsheet

The comminution circuit consists of two-stage crushing with one closed circuit, followed by two-stage closed-circuit grinding. The beneficiation flowsheet comprises bismuth or copper flotation, zinc recovery from the bismuth or copper flotation tailings, and iron recovery from the zinc tailings through magnetic separation process. The tailings from the iron ore beneficiation process are ultimately sold to the tailings processing plant for tungsten recovery. The simplified production process flowsheet is shown in Figure 10-1, and specified as follows:

Crushing and Screening

Ore from the ROM bin is fed by a heavy-duty apron feeder to a C100 jaw crusher for primary crushing. The primary crushed product is conveyed by belt conveyor to a 2YAHg2460 circular vibrating screen. The oversize from the screen is fed to an HP400 cone crusher for secondary crushing, with the crusher discharge returning to the screening stage. The screen undersize is the final crushed product and is conveyed by belt conveyor to the fine ore bin, forming a two-stage closed-circuit crushing flowsheet. The maximum feed size of the run-of-mine ore is 500 mm, and the crushed product size is −20 mm.

Grinding and Classification

The grinding process adopts a two-stage closed-circuit system, consisting of a grate-discharge ball mill with spiral classifier in the first stage and an overflow ball mill with hydrocyclone in the second stage. The first stage grinding comprises three parallel series, and the second stage grinding comprises two parallel series, with nominal throughputs of 1,000 tpd and 1,400 tpd, respectively. The final grinding product has a fineness of 80% passing 75 μm (P_{80} = 75 μm) at a slurry density of 35%–40% solids.

Copper or Bismuth Flotation

For ore from the North Mining Area, a bismuth flotation flowsheet is adopted, while for ore from the South Mining Area, a copper flotation flowsheet is adopted. In both cases, the flotation circuit consists of one roughing, four cleaning and three scavenging stages, producing either a bismuth concentrate or a copper concentrate.

It should be noted that whether the copper and bismuth flotation circuits are put into operation depends on the raw ore grade and market prices of the products, and these circuits are sometimes kept shut down (or standby) during production.

Zinc Flotation

The tailings from the bismuth or copper flotation circuit are fed to the zinc flotation section. The zinc flotation flowsheet consists of one roughing, five cleaning and three scavenging stages, producing a zinc concentrate.

Iron Magnetic Separation

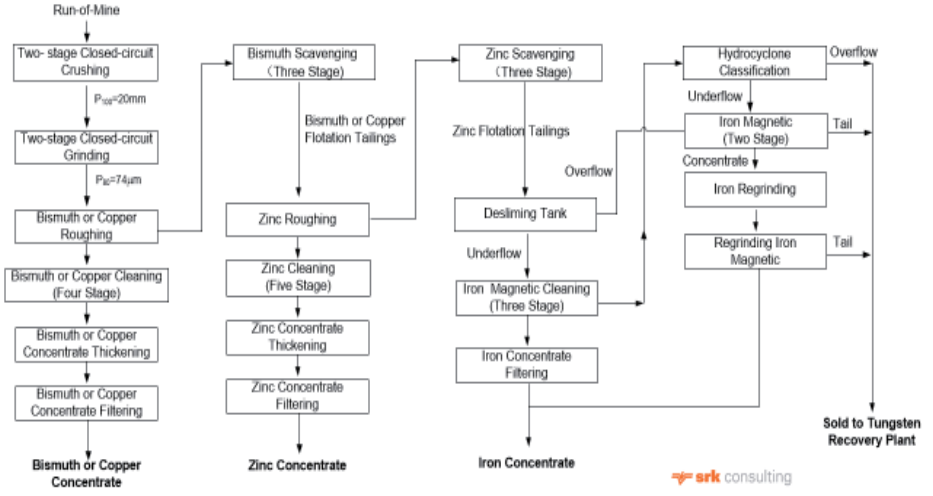
The zinc flotation tailings are fed to a CS-30 desliming tank. The desliming underflow is treated in a three-stage magnetic separation circuit to produce Iron Concentrate 1. The magnetic separation

tailings are classified, and the classifier underflow is combined with the desliming tank overflow and fed to a second-stage magnetic separation operation. The magnetic concentrate from this stage is reground and re-treated to recover additional Iron Concentrate 2. The final magnetic separation tailings are ultimately sold to the tailings processing plant for tungsten recovery. After tungsten recovery, the remaining tailings are sent to the backfill system, with approximately 10% of the low-density tailings discharged to the tailings storage facility.

Concentrate Dewatering

Bismuth and zinc concentrates are dewatered in two stages, by thickening followed by filtration. After filtration, the moisture content of the concentrates is about 10% and stored in concentrate bins. The iron concentrate is dewatered in a single stage, yielding a product with about 10% moisture, which is also stored in concentrate bins. Filtrate from the filters is returned to the high-level process water tank for recycling.

Figure 10-1: Simplified Production Flowsheet of Xilin Plant



Source: Xilin Mining database and SRK prepared.

Note: Copper and Bismuth flotation circuit are sometimes kept shut down (or standby) during production.

10.3.2 Main Facilities and Equipment

The main processing equipment is shown in Table 10-5. It should be noted that the belt conveyors, slurry pumps and other auxiliary equipment are not listed.

The processing plant's primary production facilities consist of crushing workshop, grinding workshop, flotation and magnetic workshop etc. Additionally, it includes auxiliary facilities such as machine repair shop and laboratory.

SRK has conducted a site visit to the key workshops of the processing plant, with the processing plant current situation photos provided in Figure 10-2. Up to now, the plant has been in operation for

more than 20 years. Overall, SRK considers the plant to be in relatively good operating condition, although some equipment exhibits minor surface rusting, which does not affect normal production.

Table 10-5: Main Equipment of Xilin Plant

Equipment	Specifications	QTY.	Single Power(kw)	Remark
Jaw Crusher	C100	1	110	Primary Crushing
Cone Crusher	HP400	1	315	Secondary Crushing
Vibrating Screen	2YAHg2460	1	30	
Grate Ball Mill	MQG2130	1	245	Primary Grinding
Spiral Classifier	FLG20	1	11	
Grate Ball Mill	MQG2736	2	480	Primary Grinding
Spiral Classifier	2FLG20	2	22	
Overflow Ball Mill	MQY2130	1	210	Secondary Grinding
Hydrocyclone	FX-350	1		
Overflow Ball Mill	MQY2736	1	480	Secondary Grinding
Hydrocyclone	FX-350×4	4		
Flotation Machine	XJK2.8	60	11	Bismuth Flotation
Flotation Machine	SJK2.8	18	11	Zinc Cleaning
Flotation Machine	BS-K4	15	15	Zinc Flotation
Flotation Machine	JY-K4	30	7.5	Zinc Flotation
Permanent Magnet Desliming Tank	CS-30		4	
Magnetic Separator	GTB-918	12	4	
Thickener	NZS-12	1	3	Zinc Concentrate
Thickener	NZS-9	1	3	Zinc Concentrate
Thickener	NZS-6	3	1.1	Bismuth Concentrate
Filter	GW-20	1	7.5	Zinc Concentrate
Filter	GW-12	1	3	Zinc Concentrate
Filter	GW-5	3	1.5	Bismuth Concentrate
Disc-type Vacuum Filter	ZPG-30	2	4	Iron Concentrate

Source: Xilin Mine database and SRK prepared.

Figure 10-2: Current Situation Photo of Xilin Plant



Source: Site visit

10.3.3 Material Consumption

The material, reagent, and power consumptions of Xilin Plant from 2023 to 2025 are shown in Table 10-6. The data indicates that consumption of key flotation agents such as $CuSO_4$+XC26, AGF, and depressants like Na_2SO_3 and $ZnSO_4$ remained relatively stable or with minor fluctuations, suggesting consistent operating conditions in zinc flotation and depression stages over the three-year period.

The power consumption decreased from 37.44 kWh/t to 35.52 kWh/t from 2023 to 2025, and lime usage dropped significantly from 4.20 kg/t to 3.09 kg/t.

Table 10-6: Material, Reagent, and Power Consumptions of Xilin Plant

Item	Unit	2023	2024	2025	Average	Remark
Steel Balls	kg/t	0.71	0.70	0.70	0.70	Ball Mill
Lime	kg/t	4.20	3.16	3.09	3.48	pH Adjuster
$CuSO_4$+XC26	kg/t	0.34	0.30	0.30	0.32	Zinc Activator
AGF Bubbling Agent	kg/t	0.02	0.03	0.02	0.02	Foaming Agent

Item	Unit	2023	2024	2025	Average	Remark
ZC	kg/t	0.02	0.03	0.03	0.03	Zinc Collector
2# Oil (Q16)	kg/t	0.01	0.01	0.01	0.01	Foaming Agent
Na_2SO_3	kg/t	0.11	0.12	0.11	0.11	Zinc Depressant
ZnSO4	kg/t	0.20	0.24	0.23	0.23	Zinc Depressant
BBY	kg/t	0.02	0.01	0.02	0.02	Bismuth Collector
CYT-1(CD-6)	kg/t	/	0.05	0.06	0.05	Zinc Depressant
Z-200	kg/t	/	0.01	0.01	0.01	Copper Collector
Fresh Water	t/t	0.50	0.50	0.50	0.50	/
Power	kwh/t	37.44	36.28	35.52	36.41	/

Source: Xilin Mine database and SRK prepared.

10.4 Production Performance

Table 10-7 summarised the historical production data from 2023 to 2025 of Xilin Plant. The data showed that over the past three years, the plant's ore throughput has ranged between 530 ktpa and 600 ktpa, not reaching the designed capacity of 720 ktpa, mainly because only mining area 1 and 3 are currently in operation, while mine area 2, 4, and 5 have been shut down.

Zn recovery increased from 90.81% to 92.79%, averaging 91.82%, indicating stable and efficient flotation performance. In contrast, Fe recovery dropped from 56.24% in 2024 to 48.00% in 2025, likely due to the lower feed Fe grade (16.45% in 2025 vs. 20.37% in 2024) and changes in ore characteristics. The zinc grade of the zinc concentrate, and the iron grade of the iron concentrate are relatively stable, at approximately 49% and 65%, respectively.

Table 10-7: Historical Production Data of Xilin Plant (Year 2023 to 2025)

Items	Unit	2023	2024	2025	Average
ROM					
Processed Tonnes	kt	530.55	552.98	600.78	561.44
Feed Grade (Zn)	%	1.88	2.07	2.13	2.03
Feed Grade (Fe)	%	18.84	20.37	16.45	18.55
Concentrate Grade					
Zn Concentrate Grade	Zn%	49.54	49.35	49.89	**49.59**
Fe Concentrate Grade	Fe%	65.44	65.00	64.68	**65.04**
Concentrate Output					
Zn Concentrate	kt	18.29	21.27	23.85	21.14
Fe Concentrate	kt	82.77	97.44	73.35	84.52
Actual Recovery					
Zn Recovery	%	90.81	91.87	92.79	**91.82**
Fe Recovery	%	54.17	56.24	48.00	**52.80**
Tail Grade					
Tail Zn Grade	Zn%	0.14	0.15	0.14	**0.14**
Tail Fe Grade	Fe%	10.26	10.83	9.74	**10.27**

Source: Mine database and SRK collected.

Additionally, SRK noted that, although the production data do not report copper, bismuth, gold or silver, copper and bismuth concentrates are occasionally produced depending on the Cu and Bi grades in the feed ore. Gold and silver occur as by-products in these concentrates and are priced in accordance with the relevant sales and offtake agreements. Table 10-8 summarised the historical sales data for copper, bismuth, gold and silver over the period from 2023 to 2025.

Table 10-8: Historical Actual Recovered Metal (Year 2023 to 2025)

Item	Unit	2023	2024	2025
Actual Recovered Metal				
Zn	kt	9.06	10.48	11.89
Fe Concentrate	kt	82.77	97.44	73.35
Actual By Product Metal				
Bi	t	181.11	175.52	174.45
Ag	t	1.34	1.09	1.74
Cu	t	0.04	0.05	0.00
Au	t	3.51	2.88	3.44

Source: Mine database and SRK prepared

10.5 Tailings Storage Facilities

The Xilin Mining TSF is located approximately 2.2 km north of the processing plant and was commissioned in 2003. It has undergone several design modifications and upgrades since then and is currently divided into three zones (Zone 1, Zone 2 and Zone 3).

At present, tailings from the plant are discharged to Zone 1. Zone 2 contains no tailings or supernatant water, while Zone 3 contains only a small quantity of tailings and a limited volume of accumulated supernatant water. Drainage connection facilities have been constructed between Zone 2 and Zone 1, and between Zone 3 and Zone 1. The current situation of the TSF is shown in Figure 10-3.

The starter dam of the TSF has a crest elevation of 877 m asl and a height of 17 m. The total storage capacity of the three zones is approximately 9.14 million m³ (Mm^3), with an effective capacity of about 7.24 Mm^3. As of the end of December 2025, approximately 3.87 Mm^3 of tailings had been deposited, leaving a remaining storage capacity of around 3.44 Mm^3. Based on a production capacity of 720 ktpa and an estimated tailings yield of about 81%, the annual tailings discharge is approximately 0.39 Mm³, which is sufficient to accommodate tailings deposition for roughly nine years.

Figure 10-3: Current Situation of Xilin TSF



Source: site visit

11 Workforce Assessment

11.1 Workforce Numbers

According to the information provided by Xingye Silver & Tin and Xilin Mining, as of 31 December 205, the total workforce numbers were 136 for the headquarters of Xingye Silver & Tin and 136 for the Xilin Mining, respectively. Details of the workforce numbers are presented in Table 11-1 and Table 11-2. SRK considers that the workforce numbers are adequate to meet the 720 ktpa production capacity for the Xilin Project.

Table 11-1: Workforce Numbers in Xilin Mining's Headquarters

Department	Workforce Number
Board of Directors	2
President's Office	13
Safety & Environmental Protection Dept.	4
General Office	12
Finance Dept.	3
Party Building Work Dept.	2
Geological Resources Dept.	6
Legal & Compliance Dept.	1
International Business Dept.	1
Corporate Management Dept.	9
Human Resources Dept.	5
Financing Dept.	2
Audit & Supervision Dept.	3
Market Operations Dept.	10
Strategic Investment Dept.	11
Bidding & Procurement Center	7
Securities Dept.	4
General Affairs Dept.	41
Total	**136**

Source: Xingye Silver & Tin

Table 11-2: Workforce Numbers for the Xilin Project

Department	Workforce Number
General Manager's Office	5
Technical Dept.	13
Safety & Environmental Protection Dept.	30
Equipment & Power Dept.	12
Production Dept.	5
Processing Plant	14
R&D Center	
Quality Inspection Dept.	10
General Affairs Dept.	12
Laboratory	1
Finance Dept.	5
Operations Dept.	5
Rescue Team	24
Total	**136**

Source: Xilin Mining

Note: Excludes approximately 350 personnel from the mining and processing contractors

11.2 Assessment of Workforce

SRK have been informed that all staff and employees will sign work contracts as required by labor law and labour contract law of China. The employer will also provide endowment, medical, work injury, unemployment, and pension insurance, plus housing accumulation funds, for employees. SRK is also informed that staff and contractors have a relatively low turnover rate of about 5%.

12 Project Infrastructure

12.1 Road Access

The Project is approximately 30 km north of Manduhu Baolage Sumu, and 210 km to the southwest of Wuliyaistai Town, the county seat of Dong Ujimqin Banner, and is connected by an asphalt road. It about 200 km to the southeast of the nearest railway station, in Huolinguole City. The Project area is connected by road to provincial-level roads S303 and S101. Therefore, access to the Project area is relatively convenient.

12.2 Power Supply

Xilin Mining has signed power supply contracts for the mining, processing plant and living areas with Xilingol Power Supply Branch of Inner Mongolia Electric Power (Group) Co., Ltd.

The power supply for Mining Area I is drawn from the 110 kV substation located 1.5 km away, using LGJ-95 steel-cored aluminum stranded conductors. The transformers installed are S9-1000/10 (one unit at the shaft SJ1), S9-630/10 (one unit at the shaft XSJ1), and S9-315/10 and S9-500/10 (two units at the shaft SJ2). RW9-10 type drop-out fuses and FZ-10 type valve surge arresters are adopted.

The power supply for Mining Area III is drawn from the 110/10 kV main step-down substation of the 110 kV substation located 1.5 km away. The substation is equipped with one SFZ9-20000/110/10 kV on-load tap-changing transformer of type Y.d11. An existing 10 kV overhead line using LGJ-95 conductors leads to the shaft XSJ8. The power supplies for the shaft SJ11 and shaft XSJ8 are T-connected from the LGJ-95 overhead line.

In 2024, electricity consumption was 37.5149 million kWh, and from January to November 2025, electricity consumption was 36.8630 million kWh. The average electricity price is CNY0.43 per kWh excluding tax, with a tax rate of 13%.

12.3 Water Supply

The Project's water supply sources are mine drainage water and groundwater from its own water supply wells. The water is mainly supplied to each workshop and domestic water points. Mine drainage water is mainly used for underground production; the remaining drainage water is conveyed to the high-level production water tank at the processing plant to meet its production water needs. Any shortfall is made up by using groundwater to supply production and domestic water at the processing plant.

There is a total of 9 groundwater source wells. The groundwater can be classified as fracture water in low mountainous and hilly areas, and pore phreatic water and confined water in plateaus and intermountain depressions.

Xilin Mining has a total of four elevated reservoirs: three return-water reservoirs with a capacity of 4,000 m³ each, and one clean-water reservoir with a capacity of 3,000 m³. Each elevated reservoir is divided into two sub-reservoirs of equal volume. The water in the three 4,000 m³ elevated reservoirs comes from three tailings ponds respectively. The water in the clean-water reservoir

comes from nine source wells at the well field, equipped with 250QJ50 pumps. The water pumped from these nine wells is then lifted to the mine clean-water reservoir via a booster pump station.

In 2024, the water intake was 391,281 m³ (groundwater: 292,869 m³; drainage water: 98,412 m³). From January to November 2025, the water intake was 544,105 m³ (groundwater: 449,331 m³; drainage water: 94,774 m³). Water prices (tax included): 2.5 yuan/m³ for drainage water and 3 yuan/m³ for groundwater.

12.4 Maintenance Facilities

At the Xilin Mine, a simple maintenance station is currently responsible for routine servicing of production equipment, minor repairs, spare-part refurbishment and small fabrication tasks. The station works on a three-shift basis. On the main underground haulage level, dedicated workshops are provided for locomotive and mine car maintenance, as well as a separate workshop for trackless equipment, which handle the repair and servicing of these fleets.

12.5 Office Buildings and Accommodation

Xilin Project is located in Chaobulong, Mandubaolige Town, East Ujimqin Banner, Xilingol League, Inner Mongolia. Cantering on four core aspects: office work, daily life, commuting, and emergency rescue. Xilin Mining has created a park environment that is fully functional, well-equipped, safe, and convenient. This not only provides a solid hardware foundation for the efficient operation of the enterprise, but also, through people-oriented care, comprehensively safeguards the well-being of employees in both work and life.

12.5.1 Core Office Facilities

Xilin Mining has a five-story, independently owned comprehensive office building with a total construction area of 2,715 m². The building includes dedicated areas such as department offices, an archives room, and a central control room, and is additionally equipped with two conference rooms of different sizes, both fitted with intelligent equipment such as high-definition projectors and video conferencing systems, fully meeting the needs of daily work and various meetings. The entire office area has network coverage, and well-developed fire protection and security monitoring systems ensure office safety at all times.

12.5.2 Supporting Facilities

Dormitory Accommodation

Living facilities are designed with employees' needs at the core. The dormitory and canteen are housed in a two-story standalone building with a total floor area of 1,497 m², with the canteen on the first floor and the dormitory on the second. The dormitory has 18 rooms, including single, double, and triple rooms, accommodating up to 40 employees. In addition, there is a guesthouse with a total floor area of 2,256 m² and 18 rooms, including single, triple, and quadruple rooms, to meet the accommodation needs of visitors.

All rooms are fully furnished with beds, wardrobes, desks, and other essentials, allowing for immediate move-in. The dormitory area is equipped with a 5 m² shared laundry room (with one washing machine), a communal drying area, and a 24-hour drinking water supply point.

The staff canteen can seat 120 people at the same time and is operated in accordance with food hygiene standards, providing three meals a day with a wide variety of options and balanced nutrition.

Recreational and sports facilities are complete, including an outdoor basketball area, a fitness equipment area, and indoor table tennis and billiards areas, enriching employees' leisure time, relieving work pressure, and enhancing team cohesion.

Commuting, Safety and Rescue Facilities

Xilin Mining focuses on solving employees' travel and parking difficulties to create a convenient commuting environment. The company is equipped with two commuter pickup trucks that shuttle employees back and forth every day according to fixed schedules, effectively eliminating employees' commuting concerns. At the same time, a dedicated parking lot has been planned and built to provide regulated parking spaces for employees' private cars and company vehicles, ensuring safe and orderly vehicle management.

Safety and emergency rescue are an important guarantee for the company's development. Xilin Mining has established a professional rescue team equipped with four rescue vehicles, forming a rapid-response emergency rescue system. This professional rescue force can rush to the scene at the earliest possible time to handle various emergency incidents, building a solid safety barrier for mine production operations and for the protection of employees' lives, and demonstrating a strong sense of responsibility in treating safety as the red line in mining operations.

From the intelligent configuration of the office area to the considerate services in the living area, and from convenient commuting support to a professional rescue system, Xilin Mining has, through comprehensive infrastructure development, not only provided solid support for the company's high-quality growth, but also enabled employees to truly feel a strong sense of belonging and happiness in both their work and daily life.

13 Environmental Studies, Social or Community Impact

13.1 Environmental, Permitting, and Social or Community Review Process, Scope, and Standards

The process for the verification of the environmental compliance and conformance for the Project comprises a review and inspection of the project's environmental management performance against:

- Chinese national environmental regulatory requirements; and
- World Bank/ International Finance Corporation ("**IFC**") environmental standards and guidelines and internationally recognised environmental management practices.

The methodology applied for this environmental review of the Project consists of a combination of desktop review, site visit, and interviews with Mines' technical representatives.

13.2 Environmental Legal Framework

The basis of environmental policy in China is contained in the 2018 Constitution of the People's Republic of China. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organizes and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the Minerals Resources Law of the People's Republic of China (2024) and the Environmental Protection Law of the People's Republic of China (2014):

- Environmental Impact Assessment Law (2018).
- Law on Prevention & Control of Atmospheric Pollution (2018).
- Law on Prevention & Control of Noise Pollution (2021).
- Law on Prevention & Control of Water Pollution (2017).
- Law on Prevention & Control Environmental Pollution by Solid Waste (2020).
- Forestry Law (2019).
- Water Law (2016).
- Land Administration Law (2019).
- Protection of Wildlife Law (2022).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

13.3 Status of Environmental Studies

The Environmental Impact Assessment Law of the People's Republic of China and the Regulations on the Administration of Environmental Protection for Construction Projects require that projects with

potentially significant environmental impacts prepare an EIA, which must comprehensively evaluate the pollution generated by the project and its impact on the environment. Before construction begins, the construction unit must submit the Environmental Impact Report or Environmental Impact Statement to the relevant environmental protection authority for approval.

The summary of EIA reports and corresponding official approvals for the Xilin Project, as presented in Table 13-1.

Table 13-1: Summary of EIA Reports and Approvals

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
(EIA Report for Mining and Processing Polymetallic Iron-Zinc Project (260,000 tons/year), Dongwu Banner, Xingye Group	Inner Mongolia Academy of Environmental Sciences	May 2002	Department of Environmental Protection of Inner Mongolia Autonomous Region	5 June 2002
EIA report for Reconstruction and Expansion Project of the Polymetallic Mine at Dongwu Banner, Xingye Group	Inner Mongolia Academy of Environmental Sciences	July 2006	Xilin Gol League Environmental Protection Bureau	23 August 2006
EIA report for Comprehensive Tailings Recovery Project of Polymetallic Mine at Dongwu Banner, Inner Mongolia Xingye Group	Xilin Gol League Institute of Environmental Sciences	June 2007	Xilin Gol League Environmental Protection Bureau	3 August 2007
EIA report for the Reconstruction Project of the Mining Area III, Xilin Mining Co., Ltd., Inner Mongolia Xingye Group	Sichuan Jinxiu Zhonghua Environmental Protection Technology Co., Ltd.	November 2018	Xilin Gol League Bureau of Ecological Environment	3 June 2019
EIA report for the Construction of Hazardous Waste Temporary Storage Facility, Xilin Mining Co., Ltd., Inner Mongolia Xingye Group	Inner Mongolia Huilang Environmental Protection Co., Ltd.	December 2021	Dongwu Banner Branch, Xilin Gol League Bureau of Ecological Environment	6 April 2022
Environmental Impact Post-Assessment (EIPA) Report for Xilin Mining and Processing Project	Chifeng Guohuan Hongbo Energy Conservation and Environmental Protection Technology Co., Ltd.	December 2025	Xilin gol League Ecology and Environment Bureau	25 December 2025

The Company has provided SRK with five previously completed EIA reports along with their corresponding approval documents, as well as one environmental impact post-assessment ("**EIPA**") report and its approval. These EIAs generally cover the existing production facilities, assess the baseline conditions of the project area, evaluate the environmental impacts arising from project construction and operations, and propose measures to manage these impacts. SRK considers that the Xilin Mine prepared the EIA reports in accordance with relevant Chinese legal requirements and obtained corresponding government approval.

13.4 Flora and Fauna

The ecosystems within the Project area mainly comprise grassland, wetland, urban, and other ecosystems. Grassland ecosystems dominate, covering approximately 87.01% of the Project area, primarily consisting of natural prairie. Urban ecosystems account for 12.15% of the area, while wetland ecosystems cover 0.54%. Comparing the vegetation statistics from 2015 and 2025, the types of vegetation within the Project area have remained unchanged, although their areas have shifted. The coverage of typical grassland vegetation decreased by 0.47%, while lowland wetland vegetation remained unchanged.

The Project area has abundant grassland resources, with the most diverse plant families including Poaceae, Asteraceae, Fabaceae, Cyperaceae, Chenopodiaceae, and Rosaceae. Field ecological surveys within the mine site and surrounding areas did not identify any nationally protected wild plants or grassland species protected by Inner Mongolia. According to wildlife surveys within the assessment area, both species diversity and abundance are low. Wildlife is mainly composed of birds and some small rodent mammals. Common bird species include the barn swallow and sparrow, while small rodent mammals include the steppe mole rat and Mongolian hare. On-site inspections of EIA did not observe any rare or endangered wildlife species within the assessment area.

There are no nationally or locally key protected wildlife habitats or concentrated distribution areas, national or autonomous region-level nature reserves, ecological function protection zones, or other types of protected areas within the Project area or the EIA study boundary. The ecological restoration measures completed to date in the mining area include revegetation of former waste rock dumps and ore stockpiles, as well as greening along industrial sites and roads.

13.5 Water Management

The mining area is located in a low mountainous and hilly region, with no surface water bodies in the vicinity. Groundwater in the mining area is primarily recharged by atmospheric precipitation in such terrain. Due to the relatively higher elevation in the central and northern parts of the area, groundwater flows radially and discharges into intermontane depressions. The groundwater table depth ranges from 10 to 70 m. Mountain tops and higher slopes serve as recharge zones for groundwater, with atmospheric precipitation being the sole source of recharge. Precipitation directly influences groundwater dynamics, with water levels rising and volumes increasing during the wet season and declining during the dry season. In addition to precipitation recharge, slopes and gully sides also receive lateral recharge from fissure water.

A total of nine water supply wells have been constructed in the mining area, of which five are currently in use to supply water for domestic and office purposes. The water source area is located in the southwest of the mining area, approximately 10.7 km from the processing plant. Freshwater for production is mainly sourced from mine dewatering. It is primarily used for underground operations, with surplus dewatering water pumped to the concentrator's elevated process water tanks. Any shortfall is supplemented by groundwater from the water supply wells. The project is equipped with four elevated water tanks, including three return water tanks with a capacity of 4,000 m^3 each and one clean water tank with a capacity of 3,000 m^3. The three 4,000 m^3 tanks receive water from three zones of TSF, while the clean water tank is supplied by the water source wells.

SRK reviewed the Project's groundwater monitoring report for the second quarter of 2025, prepared by Inner Mongolia Kunfu Testing Technology Co., Ltd. Monitoring points comprised four observation wells located upstream and downstream of the TSF.

According to the monitoring results for groundwater quality, exceedances were identified as follows: ammonia nitrogen and iron in Observation Well No. 1; fluoride in Observation Wells No. 2, No. 3, and No. 4; manganese in all four wells (No. 1 to No. 4); and sodium and sulfate in Observation Wells No. 2 and No. 3. All other parameters at the monitoring points complied with the Class III limits specified in Table 1 of the Standard for Groundwater Quality (GB/T 14848-2017). The Project's environmental impact post-assessment report concludes that the elevated ammonia nitrogen levels are likely influenced by contamination from livestock manure, while exceedances of iron, manganese, and sodium are attributed to their naturally high concentrations in the regional geological strata and groundwater-bearing media, rather than anthropogenic pollution, and are also related to geological structural conditions. The elevated fluoride levels are considered to result from local hydrogeological conditions.

Domestic wastewater from the Project is treated by an underground sewage treatment facility and reused for landscaping upon meeting the relevant standards. Mine inflow water is directly used for mining operations, while excess water is collected in underground sumps and pumped to surface sedimentation ponds. Part of this water is used for dust suppression through surface spraying, and part is pumped to elevated tanks for use in the concentrator, with no external discharge. Water discharged to the tailings storage facility is returned to the beneficiation process for reuse after sedimentation.

The Project has developed an annual monitoring programme for both surface water and groundwater. According to the Company's surface wastewater monitoring data for the fourth quarter of 2025, wastewater from the processing plant and tailings storage facility complies with the limits for new enterprises specified in Table 2 of the Discharge Standard of Pollutants for Iron Ore Mining and Dressing Industry (GB 28661-2012). Domestic wastewater meets the landscaping water quality standards set out in Table 1 of the Water Quality Standard for Urban Miscellaneous Water Consumption (GB/T 18920-2002).

13.6 Waste Rock and Tailings Management

Part of the waste rock generated by the Project is used for road maintenance, while the remaining waste rock is not removed from the mine but directly backfilled into the mined-out areas. Currently, no new waste rock dump ("WRD") exists on the surface.

Tailings generated from the Project's mineral processing, except for those used for underground backfilling, are discharged into the TSF. The TSF is currently divided into three zones. Tailings are deposited into the TSF using a dispersed placement method. The dry beach surfaces are covered with windproof and dust-control nets, and water spraying is applied to suppress dust. For seepage control, non-woven geotextile is used as a separation layer, and a high-density polyethylene ("HDPE") liner serves as the impermeable protection layer. On the outside of the tailings dam (west side), 318 cut-off and pressure-relief wells have been constructed, along with four groundwater contamination monitoring wells.

On 21 March 2016, Inner Mongolia Dayuan Testing Services Co., Ltd. conducted a leaching toxicity identification test on the mining waste rock generated by the company. The concentrations of all

monitored parameters in the leachate did not exceed the limits specified in the Identification Standard for Hazardous Wastes—Leaching Toxicity Identification (GB5085.3-2007), indicating that this waste rock is not classified as hazardous waste. Additionally, the concentration of any pollutant in the leachate did not exceed the maximum allowable discharge limits under Class I in Tables 1 and 4 of the Integrated Wastewater Discharge Standard (GB8978-1996), and the leachate pH ranged between 6 and 9. Therefore, this mining waste rock is classified as Class I general industrial solid waste.

13.7 Air and Noise Emissions

The main sources of air pollution of Xilin Mine include boiler flue gas, dust from ore processing and underground drilling, as well as fugitive dust from industrial sites, the tailings storage facility, and haul roads. Underground mining operations primarily adopt wet drilling to suppress dust generation. For dust from the ore stockpile yard and haul roads, water trucks are deployed for regular spraying to control dust. The dry beach of the TSF is covered with windbreak and dust suppression nets. For dust generated during crushing in the processing plant, the entire crushing process is enclosed within a fully sealed workshop, with hoods installed at dust-generating points and emissions treated through baghouse dust collectors before discharge. Flue gas from the three biomass boilers is discharged directly through 35 m-high stacks.

Xilin Mine engaged with the third-parting Kunfu Testing to conduct environmental monitoring in 2025. Air monitoring covered both organized emissions and fugitive emissions. For organized emissions, the monitoring included flue gases from boilers (particulate matter, sulfur dioxide, nitrogen oxides, mercury and its compounds, and Ringelmann blackness) as well as particulate matter from the exhaust stacks of crushing and screening units. Fugitive emissions involved the monitoring of particulate matter and total non-methane hydrocarbons. Monitoring of boilers was carried out monthly, while all other monitoring activities were conducted quarterly. According to the 2025 monitoring results, no exceedances of regulatory limits were detected. In addition, an environmental monitoring plan was developed by Xilin Mine in Feb 2025, stipulating self-monitoring of fugitive emissions from January 2026 to December 2027, with quarterly measurements for particulates, SO_2, and PM_{10} in mining areas, TSF, and living zones.

The main sources of noise emissions for the Project are from the operation of the mining and processing plant operation (drilling, blasting, loading, haulage, crushers, ball mills, pumps and other processing equipment) and movement of vehicles/ mobile equipment.

According to the EIPA (December 2025), noise control measures include prioritizing low-noise, low-vibration equipment; setting high-noise sources away from offices and living areas; and installing speed limits and horn prohibition signs at strategic locations. Noise pathways are further controlled by placing pumps in soundproof rooms, using flexible couplings, installing vibration absorbers on motors and pumps, applying vibration damping for large machinery foundations, and using sound-absorbing walls and isolated control rooms. In addition, green isolation belts are planted between office and industrial areas, around high-noise buildings, and along plant boundaries.

In 2025, Xilin Mine entered the contract with the third-party testing agency Kunfu Testing to conduct environmental monitoring. Noise monitoring at the plant boundary was carried out at eight designated locations, with a monitoring frequency of once per quarter. According to the monitoring results in 2025, the daily noise and the nighttime noise meet Class 2 limits of the Emission Standard for Industrial Enterprises at Boundary (GB12348-2008). In February 2025, Xilin Mine established noise

self-monitoring plan, with quarterly measurements from January 2026 to December 2027 at four directions around the site. SRK considers that the herders in the project area are highly dispersed, with settlements located far from the above-mentioned industrial facilities; therefore, noise impacts are considered negligible.

13.8 Hazardous Substances Management

Hazardous materials have the characteristics of corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which pose a potential risk to human and/ or environmental health. The hazardous materials will be generated mainly by the Project's construction, mining, and processing operations and include of hydrocarbons (i.e. diesels, waste oils, and lubricants) and oil containers, explosives, processing reagents, etc. The leaks, spills or other types of accidental releases of hazardous materials may have negative impact on soils and groundwater resources near the mine site.

There is an explosives storage facility at the mine site, where explosives and detonators are stored separately in two designated magazines. During the site visit, SRK observed that the explosive magazine is well-protected and equipped with safety measures such as fire protection and online monitoring. A fire-resistant and explosion-proof skid-mounted refuelling unit with a capacity of 30,000 litres is installed on site. The unit is equipped with safety facilities including fire suppression systems, combustible gas detection and alarm systems, video surveillance, and electrostatic discharge devices.

The Project has two separate workshops designated for the storage of mineral processing reagents and hazardous waste, respectively. Hazardous wastes generated by Xilin Mining mainly include waste engine oil, laboratory waste liquids and waste reagent containers. These hazardous wastes, once collected, is periodically transported and disposed of by a qualified hazardous waste treatment company. During this site visit, SRK noted that waste engine oil was stored in the hazardous waste storage facility.

The company has established a hazardous waste management register, in which detailed records are maintained on the source, quantity, type, characteristics, movement, and entrusted disposal contractors of hazardous waste. In addition, a hazardous waste transfer manifest is generated during the transfer of hazardous waste, which records in detail information such as the waste name, hazardous characteristics, quantity, transport contractor, and receiving entity. SRK considers that these management measures comply with China's domestic regulatory requirements for hazardous waste management.

13.9 Mine Closure and Rehabilitation

The Chinese national requirements for mine closure are covered under the Mineral Resources Law of People's Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), 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 geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by the Company.

The latest geological environmental protection and land reclamation plan for the Xilin Project has been developed by Inner Mongolia Qingrong Geological Exploration Co., Ltd. in December 2024. This report includes an assessment of the impacts on the mine geological environment and land disturbance, a feasibility analysis of mine geological environment management and land reclamation, geological environment management and land reclamation engineering, as well as cost estimates and schedule arrangement. According to the report, the total cost for mine geological environment management and land reclamation during the service period of this plan is CNY 36,260,100. The Company provide SRK with a bank remittance receipt dated March 2025, indicating that CNY 1,500,000 had been transferred into the mine geological environment treatment and restoration fund account.

To date, the total area of land that has been reclaimed in Xilin Mine is 1.3661 km^2. During the site visit, SRK observed that some abandoned mine adits had their surface facilities dismantled, followed by soil covering and revegetation. In addition, the former waste rock dumps and ore stockpiles in Mining Areas 3, 4, and 5 have now been revegetated. The Company prepares an annual ecological restoration plan for the mining area each year. For 2026, three areas are planned for rehabilitation and reclamation, namely the concentrator backyard, the No. 2 shaft disturbed area, and the No. 8 shaft occupied area, with a total reclamation area of 22,797 m^2.

13.10 Social Considerations

The Project is located in the Chaobuleng mining area of Mandubao Lige Town, East Ujumqin Banner, Inner Mongolia Autonomous Region, under the administrative jurisdiction of Mandubao Lige Town. The surface of the mining area is covered with well-developed vegetation, consisting primarily of extensive natural grassland pastures.

The Company informed SRK that there are currently no herder settlements within the mining concession area. The nearest herders are located approximately one kilometre west of the mining concession boundary. During previous environmental impact assessments, the Project conducted public participation surveys. In the EIA for the Xilin Project (260,000 tpa), 85 people were surveyed, of whom 56 (65.9%) supported the project and 29 (34.1%) opposed it. In contrast, during the EIA for the Reconstruction Project of Mining Area III, 100% of the surveyed public supported the Project. Overall, the construction of the Project has received support from local residents, with no opposition expressed.

According to the environmental impact post-assessment, the Company has had no environmental violations to date, no emergency pollution incidents, and no environmental complaints or petitions from the public. The mine's support for local herders focuses mainly on three areas: employment security, skills development, and livelihood assistance. For example, the company gives hiring priority to nearby herders, conducts charitable donation activities at the Ethnic Culture Service Centre, and donates funds to the Xilin Gol League Red Cross.

Regarding stakeholder engagement, the company has implemented the following measures:

- An annual enterprise-community joint development meeting is held to report on business operations and the progress of the "Enterprise-Herder Harmony" development projects, while collecting opinions and suggestions from all parties.

- For major issues such as ecological protection, project construction, and benefit distribution, special working groups are established, inviting representatives of relevant parties to participate fully in assessment, decision-making, and supervision.
- Environmental data, funding utilisation, and development plans are regularly disclosed through bulletin boards, the company website, and WeChat official accounts to ensure all stakeholders' right to information.
- An enterprise-community liaison officer is appointed to promptly collect and respond to herders' and community concerns.

14 Capital Expenditures and Operating Expenses

This section summarises the Capital expenditures ("**Capex**") and Operating expenditures ("**Opex**") for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan").

14.1 Capital Expenditures

The Capex for the Project is categorised into Sunk Capex and Future Capex.

14.1.1 Sunk Capex

The sunk Capex covers the three-year period from 2023 to 2025, which primarily includes initial infrastructure construction, underground development, and sustaining Capex.

The summary of sunk Capex is presented in Table 14-1.

Table 14-1: Historical Sunk Capex (2023 to 2025)

Capex	Unit	Historical			
		2023	2024	2025	Average
Initial Capex					
Infrastructure	million CNY	-	-	-	-
Underground Development	million CNY	-	-	-	-
Equipment Installation	million CNY	-	-	-	-
Sustaining Capex					
Land Use Rights	million CNY	-	-	-	-
Mining Rights	million CNY	-	-	31.15	10.38
Equipment Purchase	million CNY	4.50	4.07	2.44	3.67
Buildings	million CNY	1.05	-	-	0.35
Underground Development	million CNY	-	3.18	-	1.06
Others	million CNY	0.17	-	-	0.06
Total Capex	million CNY	**5.72**	**7.25**	**33.59**	**15.52**

Source: summarised by SRK

14.1.2 Future Capex

Future Capex is estimated based on historical expenditure and the LoM production schedule. The total projected Future Capex is CNY 28.07 million. A summary of LoM Capex is presented in Table 14-2.

The expenditures are divided into three primary categories as shown in Figure 14-1. Sustaining Capex accounts for approximately 94% of the total, followed by mine Closure Cost at about 6%.

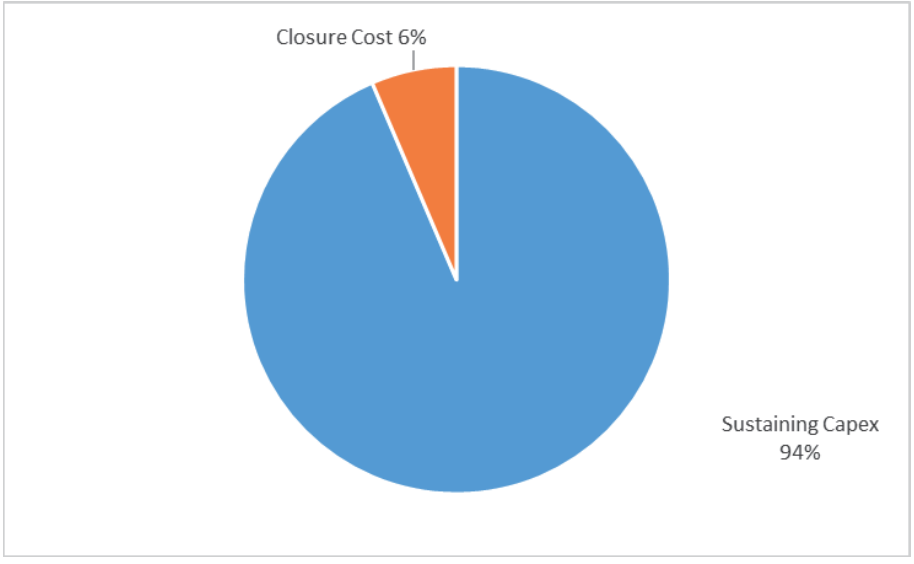
Table 14-2: Summary of LoM Capex

Capex	Unit	LoM
Initial Capex		-

Capex	Unit	LoM
Infrastructure	Million CNY	-
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		26.26
Land Use Rights	Million CNY	-
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	18.73
Buildings	Million CNY	1.79
Underground Development	Million CNY	5.41
Others	Million CNY	0.34
Closure Cost	Million CNY	1.81
Total Capex	Million CNY	**28.07**

Source: summarised by SRK

Figure 14-1: Capex Investment Plan Distribution over LoM

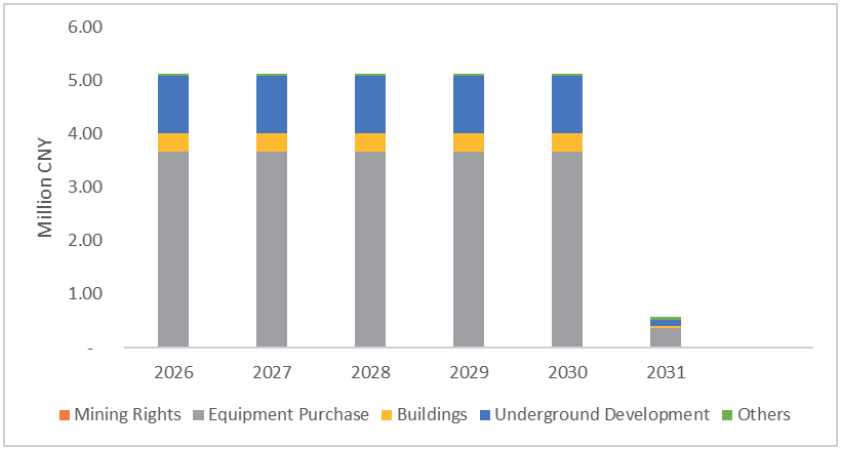


Source: summarised by SRK

Sustaining Capex

As shown in Figure 14-2, sustaining costs remain consistent at approximately CNY 5.44 million per year through 2030. These costs include land use rights, equipment purchase, and building maintenance, with a scheduled reduction in the final one years of the LoM.

Figure 14-2: Sustaining Capex Investment Plan over LoM (unit: in million CNY)

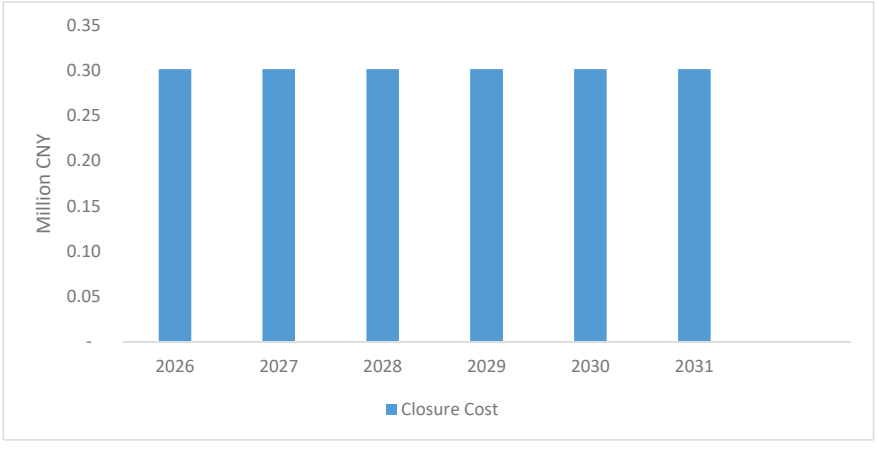


Source: summarised by SRK

Closure Cost

As shown in Figure 14-3, the mine closure and rehabilitation costs are allocated as a fixed annual provision of CNY 0.30 million across the entire LoM.

Figure 14-3: Closure Capex Investment Plan over LoM (in Million CNY)



Source: summarised by SRK

14.2 Operating Costs

Opex estimates are based on historical cash costs and the LoM production plan. All figures represent in a cash basis; non-cash items such as Depreciation and Amortization ("**D&A**") are excluded.

14.2.1 Historical Operating Costs

The historical operating cash costs for the 2023 to 2025 period are summarised in Table 14-3. Total expenditure during this period was CNY 521.14 million.

Table 14-3: Historical Cash Opex (2023 to 2025)

Item	Unit	2023	2024	2025	Total
COGS					
Labour Costs	million CNY	51.50	79.49	86.99	217.97
Materials	million CNY	22.84	22.12	25.09	70.05
Fuel & Power	million CNY	17.31	11.24	15.04	43.59
OHS Expenses	million CNY	9.30	17.10	19.01	45.42
D&A	million CNY	-	-	-	-
Others	million CNY	2.10	5.67	3.26	11.03
Taxes and Surcharges	million CNY	14.46	19.14	18.42	52.02
Selling Expenses	million CNY	5.94	8.83	8.23	23.00
General & Admin	million CNY	21.28	19.17	17.62	58.07
R&D Expenses	million CNY	-	-	-	-
Total OPEX	million CNY	**144.74**	**182.75**	**193.65**	**521.14**

Source: summarised by SRK

Note: COGS means the cost of goods sold, which includes labour directly tied to production; direct materials needs for the production of goods and services; and taxes on the production facilities.

14.2.2 Unit Operating Costs

The historical unit cash costs for the 2023 to 2025 period are provided in Table 14-4.

Table 14-4: Historical Unit Cash Opex (2023 to 2025)

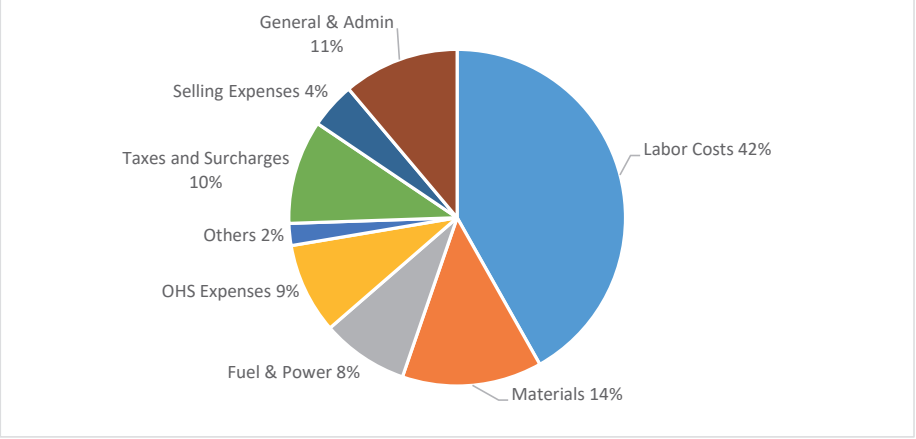
OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Mined	kt	531.61	564.18	613.56	1,709.35
Milled	kt	530.55	552.98	600.78	1,684.31
COGS					
Labor Costs	CNY/t	97.07	143.75	144.79	129.41
Materials	CNY/t	43.05	40.00	41.76	41.59
Fuel & Power	CNY/t	32.63	20.32	25.03	25.88
OHS Expenses	CNY/t	17.53	30.93	31.65	26.97
D&A	CNY/t	-	-	-	-
Others	CNY/t	3.96	10.25	5.42	6.55
Taxes and Surcharges	CNY/t	27.26	34.61	30.66	30.89
Selling Expenses	CNY/t	11.20	15.97	13.69	13.65
General & Admin	CNY/t	40.11	34.66	29.33	34.48
R&D Expenses	CNY/t	-	-	-	-
Total OPEX	CNY/t	**272.82**	**330.49**	**322.32**	**309.41**

Source: summarised by SRK

Note: COGS means the cost of goods sold, which includes labour directly tied to production; direct materials needs for the production of goods and services; and taxes on the production facilities.

The cash Opex distribution, based on the three-year historical average, is shown in Figure 14-4. Labour costs (42%), materials (14%), and taxes (10%) represent the primary cost drivers.

Figure 14-4: Opex Estimated Distribution over LoM



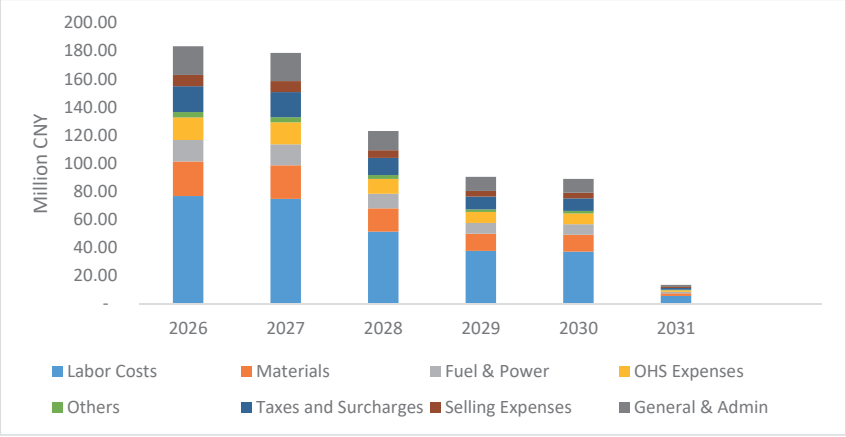
Source: summarised by SRK

14.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from the 2023 to 2025 period to the projected production schedule.

The annual cash Opex projection over the LoM is shown in Figure 14-5. Annual Opex decreases in 2027 as production begins to ramp down.

Figure 14-5: Opex Plan over LoM (unit: million CNY)



Source: summarised by SRK

15 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis of the Project was conducted using conventional discounted cashflow ("**DCF**") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived Net Present Values ("**NPV**s") do not indicate the fair market value or the actual profitability of the Project. The estimated cash flows and NPVs are presented on an after-tax basis, and financing costs were not considered.

The NPV was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and pricing.

15.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Xi Lin Mine. The assumptions are as follows:

- The ROM and finial products of Xilin Mine are based on the LoM schedule.
- The local currency for Xilin Mine is CNY.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LoM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Ore Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LoM.
- The reference date or effective date is 31 December 2025.

15.1.1 LoM Physical

The mine production and key technical input parameters have been described in the previous section. A summary of the key physical assumptions is presented in Table 15-1.

Table 15-1: LoM Physical Inputs for Economic-Analysis

Item	Unit	LOM
Mining		

Item	Unit	LOM
Ore Reserves	kt	2,191
Average Grade		
Fe Grade	%	17.50
Zn Grade	%	2.28
Total Metal		
Fe Metal	t	383,402
Zn Metal	t	49,897
Capacity (average over LoM)	ktpa	365
Mine life	yrs	6
Processing		
Fe Concentrate		
Fe Recovery	%	52.80
Fe Grade in Fe Concentrate	%	65.04
Zn Concentrate		
Zn Recovery	%	91.82
Zn Grade in Zn Concentrate	%	49.59

Source: SRK

15.1.2 Pricing Assumptions

Table 15-2 shows the prices for Iron and Zinc. These commodity prices are dynamic and are derived from the *Consensus Metals Forecasts* ("**CMF**"), published by Consensus Economics Inc., to which SRK subscribes annually.

Table 15-2: Pricing Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	2031	LTP
Iron	US$/dmtu	1.48	1.40	1.42	1.39	1.33	1.31	1.31
Zinc	US$/t	2,800	2,650	2,600	2,600	2,650	2,800	2,800

Source: CMF, 15 December 2025

15.1.3 Tax and Royalties

The taxes, government charges and royalties for Xilin Mine are mainly corporate income tax, resource tax (which is in form of royalties), and value added tax ("**VAT**").

- Corporate Income Tax ("**CIT**")
- The standard corporate tax rate in China is 25% of taxable income.
- Resource Tax (Royalties)
  - 6% of the net sales from zinc mineral products
  - 4% of the net sales from iron mineral products
- Value Added Tax

  In China, industrial minerals prices include a VAT, which is 13% of sales, excluding revenue from gold (Au) if any.
- Surtax/ Surcharge

- City Maintenance and Construction Tax: 5% of VAT payable.
- Education Surcharge: 3% of VAT payable.
- Local Education Surcharge: 2% of VAT payable.
- Water Resource Construction Fund: 0.50% of VAT payable.

15.1.4 Depreciation

The initial capital and sustaining capital expenditures, including development costs, have been depreciated on a unit production basis over the LoM. The assumed depreciation follows the straight-line method over a period of 6 years.

15.1.5 Working Capital

Working capital is the capital needed to fund operations before revenue is received from the finished product. Working Capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

15.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 15-3.

Table 15-3: LoM Key Economic Results

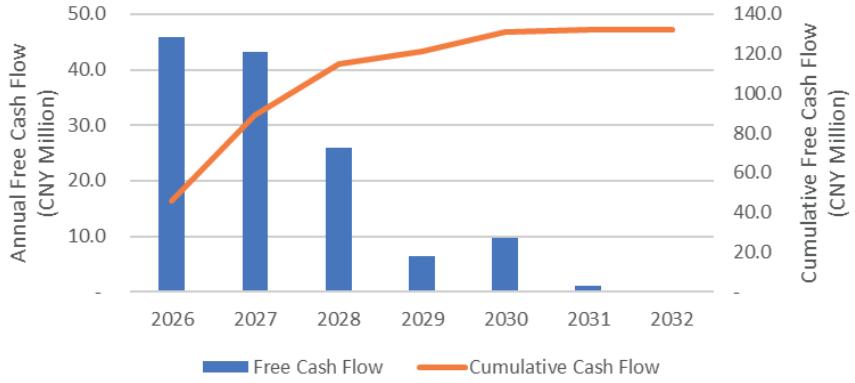
Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Discount rate	%	8%
Net Present Value, pre-tax	Million CNY	160.4
Net Present Value, post-tax	Million CNY	116.4
IRR	%	N/A
Payback	in year	N/A

Source: SRK

The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 116.4 million. The sensitivity of NPV against discount rate is presented in Figure 15-2. The annual cash flows are presented graphically in Figure 15-1 and in tabular form in Table 15-4.

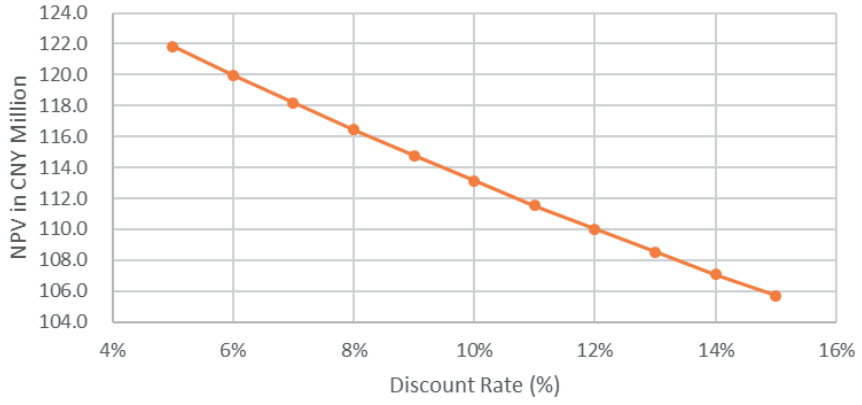
From 2028 onward, annual cash flows begin to show a downward trend, primarily due to lower zinc grades in the later years of the LoM. However, the Project remains profitable overall, and net cash flows stay positive throughout the full LoM.

Figure 15-1: Cash Flow Profile



Source: SRK

Figure 15-2: Xilin Project NPV versus Discount Rate



Source: SRK

It should be noted that in the economic analysis, the NPV exhibits a positive correlation with the discount rate due to negative cash flows in the later years. According to the logic of discounting, a higher discount rate reduces the present value (in absolute terms) of these future negative cash flows. Consequently, the reductive impact on the project's total value is diminished, leading to an increase in NPV as the discount rate rises.

Table 15-4: LoM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030	2031
COGS								
Labor Costs	RMBm	283.5	76.7	74.7	51.5	37.8	37.2	5.6
Materials	RMBm	91.1	24.7	24.0	16.5	12.1	12.0	1.8
Fuel & Power	RMBm	56.7	15.3	14.9	10.3	7.6	7.4	1.1
OHS Expenses	RMBm	59.1	16.0	15.6	10.7	7.9	7.8	1.2
D&A	RMBm	-	-	-	-	-	-	-
Others	RMBm	14.3	3.9	3.8	2.6	1.9	1.9	0.3
Taxes and Surcharges	RMBm	60.5	18.4	16.7	10.8	6.4	7.2	0.9
Selling Expenses	RMBm	29.9	8.1	7.9	5.4	4.0	3.9	0.6
General & Admin	RMBm	75.5	20.4	19.9	13.7	10.1	9.9	1.5
R&D Expenses	RMBm	-	-	-	-	-	-	-
Total	**RMBm**	**670.6**	**183.5**	**177.4**	**121.6**	**87.7**	**87.3**	**13.0**

Capital costs		LOM	2026	2027	2028	2029	2030	2031
Initial Capex	RMBm	-	-	-	-	-	-	-
Sustaining Capex - Mining	RMBm	26.3	5.1	5.1	5.1	5.1	5.1	0.6
Closure	RMBm	1.8	0.3	0.3	0.3	0.3	0.3	0.3
Total	**RMBm**	**28.1**	**5.4**	**5.4**	**5.4**	**5.4**	**5.4**	**0.9**

Cash flow		LOM	2026	2027	2028	2029	2030	2031
Net revenue	RMBm	880	262	241	159	99	107	13
Operating costs	RMBm	-610	-165	-161	-111	-81	-80	-12
Royalties	RMBm	-60	-18	-17	-11	-6	-7	-1
Closure Costs	RMBm	-2	-0	-0	-0	-0	-0	-0
Change in net working capital	RMBm	0	-8	1	3	3	-1	2
Capex	RMBm	-28	-5	-5	-5	-5	-5	-1
Tax paid	RMBm	-50	-19	-15	-9	-2	-4	0
Free Cash Flows	RMBm	130	46	43	26	6	10	1

Source: SRK

15.3 Sensitivity Analysis

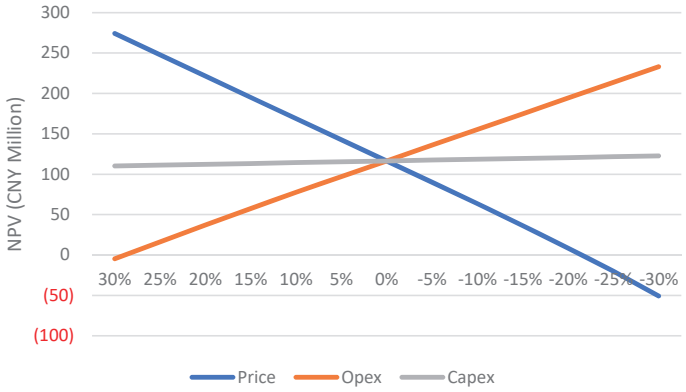
SRK conducted a single-factor sensitivity analysis for the Xilin Mine to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% variation range. The results showed that the Project is most sensitive to changes in metal prices and least sensitive to changes in Capex. Results of the sensitivity tests are presented in Table 15-5 and Figure 15-3.

Table 15-5: Sensitivity Analysis Result (@8% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	274	(5)	110
25%	248	16	111
20%	222	37	112
15%	195	57	113
10%	169	78	114
5%	143	97	115
0%	116	116	116
-5%	90	136	117
-10%	64	155	119
-15%	36	175	120
-20%	9	194	121
-25%	(20)	214	122
-30%	(51)	233	123

Source: SRK

Figure 15-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK

It can be seen that the changes in prices have the greatest impact on the Xilin Mine's NPV, while Opex and Capex have relatively smaller effects.

To clarify the effects of prices on the Xilin Mine's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -22% from the base scenario prices used in the model, i.e. if the prices fall to about 78% of the forecast prices, the Xilin Mine NPV will become negative.

16 Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Xilin Project in relation to their likelihood of occurrence within the LoM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Xilin Project is an advanced project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Xilin Project. SRK's final Risk Assessment is presented in Table 16-1.

Table 16-1: Risk Assessment for Xilin Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Major	Medium
Lack of Significant Ore Reserves	Possible	Major	High
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Lack of updated data for pit drainage	Possible	Moderate	Medium
Lack of Skilled Labor and Operation Management	Possible	Moderate	Medium
Bad Weather interrupting	Possible	Moderate	Medium
Processing and Metallurgy			
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Negative Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

17 Conclusions and Recommendations

17.1 Geology and Exploration

The Xilin Mine is a typical contact-metasomatic, skarn-type Fe–Zn deposit hosted in garnet–pyroxene skarn and marble of the Middle Devonian Tarbagat Formation, structurally controlled by NE-trending compressive faults and granitic contacts. The orebodies occur as stratiform-like to lenticular lenses with generally good continuity along strike and down dip, and their geometry is consistent with the established genetic model for the deposit.

The current Mineral Resource estimate is based on compiled and checked drilling and underground data, 1 m compositing, appropriate high-grade capping and 3D domain modelling. At a cut-off grade of 1.4% ZnEq, the reported Indicated and Inferred Mineral Resources meet the test of Reasonable Prospects for Eventual Economic Extraction; however, quality control on production-stage exploration data remains relatively limited. Internal QA/QC together with independent third-party check assays, will need to be strengthened to improve the overall reliability and auditability of the database.

The distribution and recoverability of certain potentially valuable by-product elements such as Bi and Cu have not yet been systematically evaluated, and their Mineral Resource potential remains unclear. After more than 20 years of mining, much of the shallow and intermediate-level mineralisation has been depleted and the deposit is approaching a mature stage.

SRK recommends that future work at the Xilin Project focus on three main areas: first, strengthening QA/QC for all production and exploration samples by systematically inserting blanks, duplicates and standards and sending check samples to an independent laboratory, to improve confidence in assay data; second, incorporating more routine sampling and analysis of by-product elements such as Bi and Cu to better understand their distribution and potential economic value; and third, carrying out targeted deep and peripheral exploration in the South Zone, in the eastern extension of the North Zone, and in the surrounding IP and airborne magnetic anomaly zones, in order to delineate additional resources and support an extension of the mine life

17.2 Mining and Ore Reserves

The Xilin Mine has been designed as an underground operation. SRK conducted stope optimisation and updated the LoM plan, determining that the revised mine design is appropriate to guide the extraction of eligible Mineral Resources. The mining methods employed at Xilin Mine include sub-level open stoping with delayed backfill, and shrinkage stoping. After reviewing the mining methodology, equipment list, and mining services, SRK considers that operations are conducted in accordance with industry standard practices. Overall, the mining methods applied at Xilin Mine are deemed suitable to support future production.

Xilin Mine primarily relies on contractors for development and mining activities, while mine management, technical services, and supervisory staff are provided by the company. All mobile equipment, along with some minor fixed equipment, is supplied by the mining contractor.

Recommendations:

- Inferred Mineral Resources has a significant impact on Ore Reserve estimation. It is recommended that additional geological work be conducted to improve confidence in the Mineral Resource, which will also support more robust LoM planning.

17.3 Processing and Metallurgy

Xilin north mine area ore is a polymetallic bismuth–zinc–iron–tungsten type, whereas south mine area ore is a polymetallic copper–zinc–iron–tungsten type. The current production capacity of Xilin processing plant is 2,400 tpd, and the plant adopts a bismuth/ copper flotation–zinc flotation–iron magnetic separation flowsheet to produce main zinc and iron concentrates.

At present, the crushed product size is relatively coarse and the energy consumption is relatively high. It is recommended to optimise or modify the crushing and grinding system to achieve "more crushing and less grinding," with the objectives of lowering energy consumption and operating costs and stabilising process performance.

17.4 Environmental Studies, Social or Community Impact

The Project has completed multiple Environmental Impact Assessments and obtained the corresponding approval documents issued by relevant government authorities. These EIAs cover the major existing production facilities and include studies on environmental baseline conditions, pollution impacts, and mitigation measures. The Project has also obtained the key environmental permits and licenses required for its operation.

The Project does not involve any nature reserves, and no rare or endangered wild fauna or flora are present within the Project area. Wastewater from both the processing plant and the TSF is recycled for beneficiation processes, with no external discharge. Waste rock is reused for road construction and underground backfilling, and no new waste rock is stored on the surface. It is recommended that the Project conduct regular groundwater monitoring to track changes in groundwater quality in a timely manner and reduce the risk of water contamination.

The Project has previously provided various forms of support to local communities and herders, and no complaints have been received from nearby herders during its operations. SRK recommends developing a comprehensive stakeholder engagement plan and grievance mechanism to strengthen community relations and reduce the potential impact of social risks on the Project.

Closure

This report, "Competent Person's Report on the Xilin Iron-Zinc Project in Dong Ujimqin Banner, Inner Mongolia Autonomous Region, China" was prepared by

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Principal Consultant (Geology)

and reviewed by

Mr Alexander Thin, *FAusIMM (CP. Min)*
Corporate Consultant (Mining and Project Evaluation)

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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Appendix A Mining License



根据国家法律、法规规定，经审查合格，特发此证。

证　号：XC1500002009063210024100

采矿权人：内蒙古兴业集团锡林矿业有限公司

统一社会信用代码：91152525733286480E

单位地址：内蒙古自治区锡林郭勒盟东乌珠穆沁旗满都宝力格镇朝不拉

企业类型：有限责任公司

矿山名称：内蒙古兴业集团锡林矿业有限公司

矿山地址：锡林郭勒盟东乌珠穆沁旗

开采矿种：铁矿;锌矿 铅矿

开采方式：地下开采

面　积：6.8970平方公里

有效期限：10.3年自2025年12月29日至2036年3月13日

发证机关

2026 年 1 月 13 日

中华人民共和国自然资源部监制

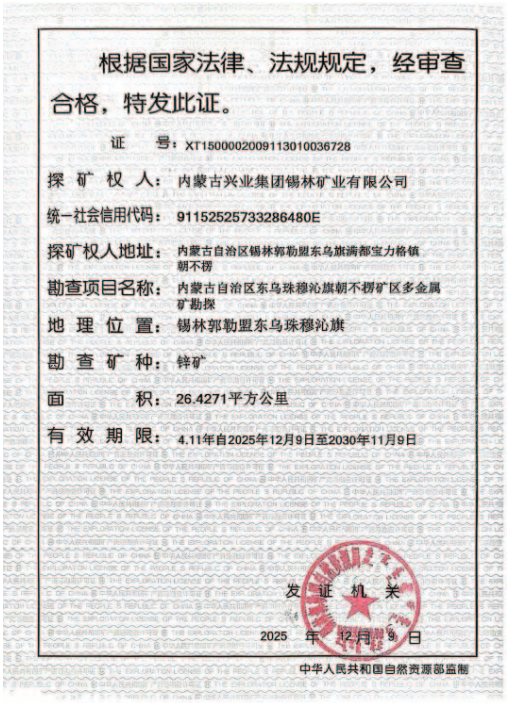
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8、5157434.0077000，40397980.7001000
*、1083.0000000，620.0000000，，1

开采深度：

1083.0000米至620.0000米标高 共有8个拐点圈定

Appendix B Exploration License



根据国家法律、法规规定，经审查合格，特发此证。

证　　号：XT1500002009113010036728

探 矿 权 人：内蒙古兴业集团锡林矿业有限公司

统一社会信用代码：91152525733286480E

探矿权人地址：内蒙古自治区锡林郭勒盟东乌旗满都宝力格镇朝不楞

勘查项目名称：内蒙古自治区东乌珠穆沁旗朝不楞矿区多金属矿勘探

地 理 位 置：锡林郭勒盟东乌珠穆沁旗

勘 查 矿 种：锌矿

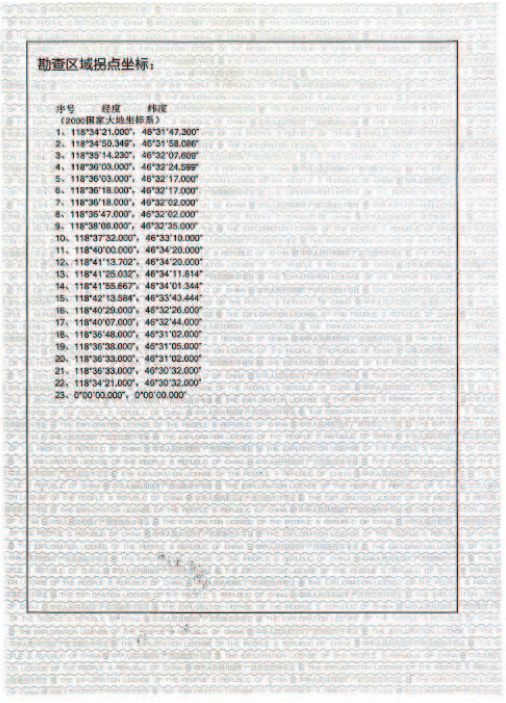
面　　积：26.4271平方公里

有 效 期 限：4.11年自2025年12月9日至2030年11月9日

发 证 机 关

2025 年 12 月 9 日

中华人民共和国自然资源部监制



勘查区域拐点坐标：

序号	经度	纬度
（2000国家大地坐标系）		
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2、	118°34'50.349"	46°31'58.086"
3、	118°35'14.230"	46°32'07.609"
4、	118°36'03.000"	46°32'24.599"
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8、	118°36'47.000"	46°32'02.000"
9、	118°38'08.000"	46°32'35.000"
10、	118°37'32.000"	46°33'10.000"
11、	118°40'00.000"	46°34'20.000"
12、	118°41'13.702"	46°34'20.000"
13、	118°41'25.032"	46°34'11.814"
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15、	118°42'13.584"	46°33'43.444"
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22、	118°34'21.000"	46°30'32.000"
23、	0°00'00.000"	0°00'00.000"

Appendix C JORC Code, 2012 Edition – Table 1

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Underground sampling comprised systematic channel (slot) sampling in trenches and underground drives/stopes, with channels laid out perpendicular to the true thickness of the orebody and oriented horizontally across the vein/strata to obtain thickness-representative samples. Standard channel cross-section is 10 cm wide × 5 cm deep, with nominal sample lengths of ~2 m along strike within mineralised zones, adjusted at ore boundaries to honour geological contacts. Drill core sampling was undertaken on diamond core with sample intervals cut by diamond saw along the core axis; half core was taken for analysis and the remaining half retained in the core boxes for reference and geological interpretation. Core recovery over mineralised intervals is typically >80%, with SRK checks indicating recoveries generally above 85%. Sample mass and sub-sampling were designed using Gy's sampling formula ($Q = K \cdot d^2$, $K = 0.2$) to relate required sample mass to top particle size, aiming to control sampling error and improve representivity. These methods are consistent with industry practice for relatively planar skarn-hosted Fe–Zn mineralisation and are considered appropriate for defining mineralisation geometry, thickness and grade continuity.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling was carried out predominantly using diamond wireline coring. XY-44 deep-hole rigs and upgraded hydraulic core rigs were standard across the project. Boreholes typically commenced at 108–110 mm diameter to allow casing through 0–70 m of Quaternary cover, then reduced to 75 mm (NQ size) or 91 mm diameter for core drilling in bedrock. Drilling targeted skarn-type Fe–Zn mineralisation in hard marble, hornfels and granite, with drilling difficulty described as moderate. Core orientation methods, if any, are not specified in the available information.
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*	• Across the district, core recovery averages about 92% (range 80–99.69%), with a requirement that recovery within critical skarn-mineralised zones is maintained above 95% to protect sample representivity. Over mineralised intervals, core recovery is reported as typically >80%, and SRK's site checks in March 2026 confirmed recoveries generally above 85%. Core recovery was routinely

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Criteria	JORC Code explanation	Commentary
	loss/gain of fine/coarse material.	measured as part of drilling and logging, although specific recording procedures are not detailed. The use of appropriate core diameters, competent drilling equipment and careful control in hard rock units contributed to high recoveries. No systematic relationship between recovery and grade, nor any material sampling bias due to preferential loss/gain of fine or coarse material, has been reported in the available documentation.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All diamond core is stated to have been fully logged and used for geological interpretation and resource control. Underground shafts, along-vein drifts and crosscuts were subject to systematic geological mapping and channel sampling throughout the South and North ore belts, providing detailed three-dimensional control on the main mineralised veins. This level of geological logging is considered adequate to support Mineral Resource estimation and mine planning for the skarn-type Fe–Zn mineralisation. The text does not separately describe geotechnical logging, core photography, or the proportion of total drilled/metres logged, though the description implies continuous geological logging of all core and relevant underground exposures.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Drill core was cut using a diamond saw along the core axis, with half core taken for analysis and half retained in the core box. Channel samples in trenches and underground drives were collected from slots 10 cm wide × 5 cm deep, laid perpendicular to orebody true thickness with nominal 2 m lengths, to provide thickness-weighted, representative samples. Field samples were transported to regional laboratories for drying, crushing and splitting. Sub-sampling and mass reduction followed Gy's formula ($Q = K \cdot d^2$, $K = 0.2$), implying staged crushing to a controlled top particle size followed by riffle or similar splitting to obtain analytical subsamples while managing sampling precision. These procedures are consistent with industry good practice and are appropriate for the grain size and style of skarn Fe–Zn mineralisation. Specific field duplicate or second-half core sampling programmes are not described in the available text; QA at sub-sampling stage relied mainly on adherence to Gy-based protocols and laboratory procedures rather than documented field duplicate programmes.
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*	• Assaying focused on total iron ("**TFe**") and Zn, with multi-element suites (Cu, Bi, Au, Ag, Ga, In, Pb, S, As) analysed on selected or composite samples. Analytical methods are described generically as "chemical analysis", interpreted to include classical wet chemistry and appropriate instrumental methods, which for TFe and Zn in skarn

Criteria	JORC Code explanation	Commentary
	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.*	mineralisation are considered effectively total techniques. During detailed exploration, the Third Laboratory of the Northeast Geological Bureau of the Nuclear Industry was used as the primary laboratory, with Chifeng Geological Mineral Exploration and Development Institute Laboratory as the external (check) laboratory. In the production-stage exploration, the metrology-certified Inner Mongolia Ninth Institute laboratory served as the primary laboratory, and the metrology-certified Inner Mongolia Geological Bureau laboratory as the umpire lab. These laboratories are independent of the mining company and state-affiliated. Early-phase QA/QC comprised 100% internal checks within the primary lab with re-analysis of samples exceeding allowable error; ~5% of samples were sent to the Chifeng lab for external checks, with pass rates of 92.5% for TFe and 88.3% for Zn, within Chinese "allowable error" thresholds. In later phases, internal checks at the Ninth Institute showed a 98% pass rate and external checks at the Inner Mongolia Geological Bureau laboratory showed an 83% pass rate, overall judged "analytically qualified". The laboratories report using internal certified reference materials ("**CRMs**"), duplicates and blanks, although the original QA/QC datasets were not provided to SRK. No geophysical assay tools (e.g. handheld XRF) are reported.
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.*	• SRK geologists conducted an independent site visit to the Xilin Project (17–18 March 2026), during which they inspected the core shed and borehole seals and confirmed core recoveries by random checks. SRK also randomly selected core samples for independent check analysis at SGS Tianjin laboratory; results were received and discussed in the report. Historical internal and external laboratory check assays have been carried out, but the raw QA/QC datasets were not supplied to SRK. There is no mention of the use of twinned drill holes, nor are detailed protocols for primary data capture, data entry, verification and storage described in the available text. No systematic adjustments to assay data are reported.
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.*	• Multiple national geodetic systems (Beijing 1954, Xi'an 1980, CGCS 2000) were used historically; all legacy and current engineering coordinates have been transformed into a unified Mine Local Coordinate System to ensure consistency between geological data and mine development. The Mine System uses the Beijing 1954 reference ellipsoid with a central meridian of 118°30'E and vertical datum tied to the 1956 Yellow Sea Elevation System. A linear transformation to the Beijing 1954 3°-belt system (central meridian 117°E) is explicitly defined and applied to maintain spatial

Criteria	JORC Code explanation	Commentary
		consistency. Downhole surveys were conducted at 100 m intervals for vertical holes and 25–50 m intervals for inclined holes, limiting vertical deviation to <3°/100 m and azimuthal drift to <2°, providing high-precision positioning of mineralised zones in 3D models. End-of-hole depths for all 283 boreholes were verified, with measured depth errors of 0.01–0.52 m and error rates <1‰, significantly better than national thresholds. Specific survey instruments and topographic control methods are not detailed, but the described procedures indicate adequate spatial control for Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• In the South zone, along-vein drifts and crosscuts were driven with crosscuts at roughly 50 m spacing across veins to control orebody thickness. Between 2005 and 2007, surface drilling in the South and North ore zones was completed on a nominal 100 × 80–100 m grid to delineate mineralisation along strike and down dip. Subsequent drilling campaigns (2010–2018 and 2025) increased drill density, particularly at depth and in key segments of the South and North zones, and included both surface and underground drill holes, providing dense three-dimensional coverage of the main mineralised veins. A total of 1,864 primary assay samples from early drilling and 334 primary plus 16 composite samples from the North Zone underground work are reported. This combination of systematic underground development, crosscut spacing and drill density is considered sufficient to establish geological and grade continuity appropriate for Mineral Resource estimation in the main parts of the deposit. Sample compositing has been applied in some cases (e.g. 16 composite samples in the North Zone and multi-element composite analyses), but detailed compositing procedures are not described.
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.*	• Underground channels were deliberately laid out perpendicular to the true thickness of the orebody and oriented horizontally across the vein/strata, which is appropriate to obtain thickness-weighted, unbiased samples in relatively planar skarn-hosted veins. Mine development includes along-vein drifts and crosscuts, providing both parallel and perpendicular exposures for mapping and sampling. The ore bodies are described as steeply inclined, and drilling was designed to target these steep skarn mineralised zones, with detailed deviation control applied. While the precise drilling azimuths and dips relative to individual veins are not specified, the combination of along-vein and cross-vein underground development and multi-directional drilling suggests that any residual sampling bias due to orientation is unlikely to be material. No orientation-related

Criteria	JORC Code explanation	Commentary
		sampling bias has been reported in the available documentation.
Sample security	• *The measures taken to ensure sample security.*	• The provided information describes sampling, laboratory arrangements and borehole sealing, but does not specify procedures for sample security (e.g. chain-of-custody, secure storage, or transport protocols). Sample security measures are therefore not documented in the available text.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• SRK has undertaken an independent review of the project, including a site visit to inspect core, borehole seals and sampling practices, and to verify core recoveries. SRK also initiated independent check assays at SGS Tianjin laboratory (results pending). SRK notes that it was not provided with the original internal and external laboratory QA/QC datasets, although Chinese laboratories state that they operate internal QA/QC procedures (CRMs, duplicates, blanks). No additional formal external audits of sampling techniques or data, beyond SRK's review, are described in the available information.

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.*	• Mineral tenement is shown in Chapter 3.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• In 1982, the 109 Brigade completed a detailed general prospecting geological report on the iron-polymetallic deposit in the Chaobuleng mining area. • In 2001, the No. 9 Institute prepared a resource reserve estimation report for Orebodies 19 and 35 of the iron–zinc deposit in the northern ore belt of the Chaobuleng mining area. • In 2005, Tianbao carried out supplementary detailed exploration of Ore Belt I (southern ore belt) in the Chaobuleng mining area and completed a supplementary detailed exploration report. • In 2008, Yuangu conducted verification work on the resource reserves of the Chaobuleng iron–zinc polymetallic deposits in the

Criteria	JORC Code explanation	Commentary
		southern and northern ore belts and compiled a verification report. • In 2012, Haoyuan undertook further verification of Mineral Resources and Ore Reserves for the iron–zinc polymetallic deposits in the southern and northern ore belts of the Chaobuleng mining area and prepared a verification report.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is a skarn-type Fe-Zn polymetallic system genetically related to Early Yanshanian biotite granite. • The principal ore host is the Middle Devonian Tarbagat Formation lower member (D_2t_1), a thick limestone–clastic sequence that has been strongly marbelised, skarnified and hornfelsed. • Mineralisation is confined to skarn and associated contact-metamorphic rocks developed along bay-like granite margins and carbonate contacts. • The structural framework is dominated by NE–NEE-trending folds and reverse faults that control ore distribution, with later NW-trending strike-slip faults locally offsetting skarn zones and orebodies. • Surface is largely covered by Quaternary sediments, with limited outcrop of the ore-hosting Devonian sequence.
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 ASL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drilling data used for the Xilin Mineral Resource estimate comprise 636 drillholes with 17,936 assay intervals. All collar coordinates, downhole surveys and 3D wireframes are recorded in the mine local coordinate system. • Within the Mining Licence area, 540 drillholes (TC, DBZ, KNZ and CM) have been completed for a total of 110,775.20 m of drilling and 10,403 samples. Within the Exploration Licence area, 96 drillholes provide 36,686.86 m of drilling and 3,307 samples. • All spatial data (collars, downhole and surveys) are stored in a mine local coordinate system derived from the Beijing 1954 ellipsoid (central meridian 118° 30′ E) with elevations referenced to the 1956 Yellow Sea datum; all historical coordinates (BJ54, Xian 1980, CGCS2000) have been transformed into this Mine Local System. • Drilling operations followed DZ/T 0227-2017 Geological Core Drilling Specifications and industry standards. Average core recovery across the district is about 92% (80–99.69%), and was maintained above 95% within key skarn-mineralised zones to ensure sample representativeness. Borehole deviation was closely controlled, with downhole surveys typically every 100 m in vertical holes and every 25–50 m in inclined holes.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drill intercepts were composited as down-hole, length-weighted averages of individual assay intervals. Mineralised domains were defined using nominal cut-off grades of Zn ≥ 1% and/or TFe ≥ 15%, with some internal dilution included where it is geologically consistent with the surrounding mineralisation. • No metal-equivalent grades were used in defining the mineralised domains or in reporting exploration results, and no grade capping was applied at this stage.
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').*	• The drill holes were generally oriented perpendicular to the mineralized structures to achieve representative sampling.
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.*	• Appropriate maps and sections were reported in this Report.
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.*	• Details of individual drill holes are not considered Material to the overall Mineral Resource estimate presented in this Report and are omitted.
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.*	• Detailed logging of lithology, alteration, mineralization and structural features conducted throughout exploration. • Bulk density and Metallurgical test results were detailed in the report, and can support resource estimation.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Production exploration is underway in North Zone 1, South Zone 3 and Exploration License area.

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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
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All drilling and sampling data were supplied by the Client in digital (Excel) format and were reviewed and validated by SRK prior to import into the 3D modelling/database system. Validation included checks for duplicate and missing records, interval overlaps and gaps, downhole depth inconsistencies, unreasonable assay values and consistency between collar, survey, lithology and assay tables. • Within the Mining Licence area, the database includes 540 drillholes and 10,403 samples. Within the Exploration Licence area, there are 96 drillholes and 3,307 samples. • All drillhole collar are stored in the Local mine grid system.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The first site visit was conducted from 18 to 19 March 2026, and the second site visit from 13 to 14 April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The deposit is interpreted as a contact-metasomatic to skarn-type Fe-Zn system. Mineralisation is predominantly hosted in skarn and associated altered rocks developed along and adjacent to the contact zone between granite intrusions and country rocks, and is strongly controlled by structural contact/alteration zones. • Structural contact zones and skarn boundaries were used as the primary geological constraints, in combination with drilling and underground development data, to define the geometry and extent of the mineralised solids. Grade shells were constructed using cut-off criteria of TFe ≥ 15% or Zn ≥ 1% to delineate the mineralised domains. This dataset provides a good definition of the mineralised body dimensions for Mineral Resource estimation. • SRK has adequate overall confidence in the geological interpretation. However, uncertainty is higher in areas where data density is lower and in the deeper parts of the mineralised bodies, where continuity is less well constrained. These variations in confidence are reflected in the Mineral Resource classification.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in section 5.3.1.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation*	• Geological and grade modelling were completed in Leapfrog. Diamond core and tunnel samples were composited to 1 m down-hole, length-weighted intervals within the mineralised wireframes (hard boundaries).

Criteria	JORC Code explanation	Commentary
	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.*	• Fe grades within the mineralised domains show approximately normal, relatively continuous distributions, and no high-grade capping was applied. Zn grades are positively skewed with distinct high-grade outliers, so domain-specific top cuts were applied to Zn based on histograms and probability plots. • A 3D block model was constructed with parent cell dimensions of 10 m × 10 m × 4 m (E × N × RL), with sub-cells down to 2.5 m × 2.5 m × 1 m to honour orebody geometry. • Given the nature and distribution of the available production and exploration data, variography did not yield sufficiently robust models. Fe and Zn were estimated using inverse distance squared (ID^2) interpolation on 1 m, domain-coded, top-cut composites with anisotropic searches based on interpreted orebody geometry. • A multi-pass search strategy was used, with successive passes progressively relaxing minimum sample requirements and expanding search distances. • The block model was validated by visual comparison of block grades with input composites on sections and plans, and review of swath plots along strike and down-dip.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The CoG is based on equivalent Zinc (EqZn) grade, a cut-off grade of 1.4 % ZnEq, ZnEq = Zn+0.0277*TFe, based on the price of Zn 3,650 USD/t and Fe 170 USD/t, the recoveries of Fe 53% for Fe concentrate and 92% for zinc concentrate.
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.*	• See sections 9.4 Stope Optimisation and 9.5 Mining Methods.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.*	• In November 2024, Changsha Institute of Mining Research Co.,Ltd. ("CIMRC") was commissioned by the Company to carry out laboratory beneficiation flowsheet testwork on ore samples from the north and south mining area. • A principal flowsheet of bismuth /copper flotation - zinc flotation - iron recovery by magnetic separation is recommended.

Criteria	JORC Code explanation	Commentary
	Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• The test details are summarized in Section 10.
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.*	• Part of the waste rock generated by the Project is used for road maintenance, while the remaining waste rock is not removed from the mine but directly backfilled into the mined-out areas. Currently, no new waste rock dump exists on the surface. • Tailings generated from the Project's mineral processing, except for those used for underground backfilling, are discharged into the TSF. The TSF is currently divided into three zones.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Based on 29 representative small-volume measurements from underground Fe–Zn ore, a bulk density of 3.82 t/m³ is considered to be appropriate and has adopted this value for tonnage estimation in the current Mineral Resource model.
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.*	• Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. • Measured Resources are defined where drilling and underground development give effective spacings of <50 m × 50 m with well-demonstrated continuity. Indicated Resources are generally supported by spacings up to ~100 m × 100 m, and Inferred Resources by spacings up to ~200 m × 200 m where continuity can reasonably be projected from better-drilled areas.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews of the Mineral Resource estimate have been taken place. • SRK carried out an internal peer review on the Mineral Resource estimate.
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*	• The relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied. • The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade.

Criteria	JORC Code explanation	Commentary
	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.*	

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate was performanced by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 December 2025 • Reported Mineral Resource is inclusive of potential Ore Reserve material.
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.*	• Two site visits were conducted in March and April 2026, respectively. • SRK communicated with all modification factors with Xilin Mine technicians.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	Mining related data acquired by SRK through virtual data request and site visit. Mining review is primarily based on the following information and results: • Preliminary Design for Technical Upgrading of Mine Area I for the Xi Lin Mine, conducted by Beijing General Research Institute of Mining and Metallurgy. In June 2014 (XL 2014) • Preliminary Design Report for the Reconstruction of Mine Area III for the Xi Lin Mine, conducted by Gocom Engineering Design Co., Ltd. In October 2013 (XL 2013)
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	The Mineral Resources of the Xilin Project contain iron and zinc elements. The ZnEq grade was used for CoG to define the "Ore". Below are the parameters used for CoGs calculations:

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The Ore Reserve is planned for extraction by underground methods. • SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. • The scope of the Ore Reserves estimation considers the boundaries of the mining tenure. • Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices. • The underground mine design and planning used for further planning is based on the review of the technical and economical consideration. • Mining dilution is accounted for at 10%, which includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 15%, to allow for unplanned losses during mining and material transportation to the processing plant. • The cut-off grade (CoG) is used to define the economic viability of the stopes. • The effective date is as of 31 December 2025.
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*	• The Xilin processing plant was commissioned in June 2003, with a designed capacity of 2,400 tpd after following a process upgrade in 2006.

Item	Parameters	Unit	Xilin Mine	By Product
	Zinc Price	USD/t	2,800	2,800
	Exchange Rate	USD : CNY	7.10	7.10
P	Zinc Price	CNY/t	19,880	19,880
Pa	Payable	CNY/t	(4,784)	(4,784)
Pr	Processing Recovery	%	92	92
Rt	Royalties	%	-	-
Cm	Mining Cost	USD/t ore	146	
Cp	Processing Cost	USD/t ore	53	53
Cg	G&A Cost	USD/t ore	49	49
A	COG	%	1.80%	0.80%

Criteria	JORC Code explanation	Commentary
	undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The beneficiation flowsheet comprises bismuth or copper flotation, zinc recovery from the bismuth or copper flotation tailings, and iron recovery from the zinc tailings through magnetic separation process. • Over the past three years, the average recovery rates are 91.8% for zinc and 52.8% for iron. • The details are summarized in Section 10.
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.*	• the EIA has covered the main production facilities including the Mine site and TSF. • Part of the waste rock generated by the Project is used for road maintenance, while the remaining waste rock is not removed from the mine but directly backfilled into the mined-out areas. Currently, no new waste rock dump exists on the surface. • The leaching test was conducted by a third party and the mining waste rock was classified as Class I general industrial solid waste.
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.*	• See Chapter 12.
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.*	• See section 14.1 for the capital costs. • See section 14.2 for the operating costs.
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.*	• See section 15.1 for the prices. • See section 10.4 for the recovery rate. • Just United States dollar is utilised.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect*	• These commodity prices are dynamic and are derived from the Consensus Metals Forecasts ("CMF"), published by Consensus

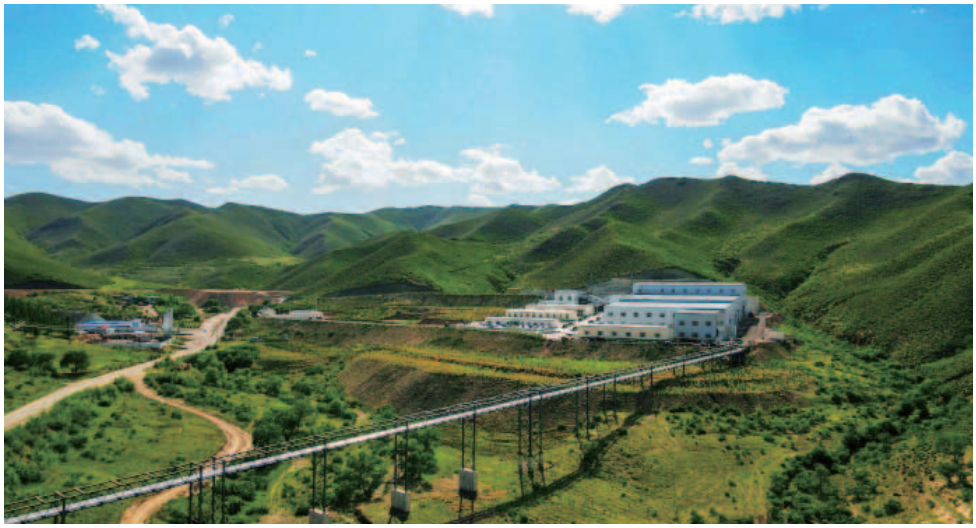
Criteria	JORC Code explanation	Commentary
	supply and demand into the future. • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	Economics Inc., to which SRK subscribes annually.
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.*	• See section 15.1 for the assumptions.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• According to the environmental impact post-assessment, the Company has had no environmental violations to date, no emergency pollution incidents, and no environmental complaints or petitions from the public. The mine's support for local herders focuses mainly on three areas: employment security, skills development, and livelihood assistance.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• See section 16 Risk Assessment
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).*	• See section 8 Ore Reserve Estimation.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• Two site visits were conducted in March and April 2026, respectively. • SRK communicated with all modification factors with Xilin Mine technicians.
Discussion of relative	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or*	• See section 16 Risk Assessment.

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	*procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• See section 8 Ore Reserve Estimates.

Final

Competent Person's Report of Rongbang Project in Inner Mongolia, China

Rongbang Lead-Zinc Project, Inner Mongolia, People's Republic of China
Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ■ SCN971 ■ 31 March 2026

srk consulting

Final

Competent Person's Report of Rongbang Project in Inner Mongolia, China

Rongbang Lead-Zinc Project, Inner Mongolia, People's Republic of China

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Project Site

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Appendices

Appendix A Mining License
Appendix B JORC Code Table 1

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
Ag	the element symbol of silver
Cu	the element symbol of copper
Pb	the element symbol of lead
Zn	the element symbol of zinc
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold
CIP	Carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions
CIT	corporate income tax
cm	centimetres
COG	cut-off grade
Xingye Silver&Tin	Xingye Silver&Tin Limited
CPR	Competent Person's Report
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram

Term / Abbreviation	Meaning / Definition
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore reserves prepared by the Joint Ore reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LOM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence

Term / Abbreviation	Meaning / Definition
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
Ruineng	Chifeng Ruineng Mining Co., Ltd.
Rongbang	Chifeng Rongbang Mining Co., Ltd.
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.

Term / Abbreviation	Meaning / Definition
WRD	waste rock dump
VAT	value-added tax

Executive Summary

Introduction

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver&Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Rongbang Lead-Zinc Project ("**Rongbang Project**" or the "**Project**") which is located in Inner, Mongolia and operated by Chifeng Rongbang Mining Co., Ltd., a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver&Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and resource models provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in January 2026 to the Rongbang Project, including the locations of exploration and production boreholes, drill cores and underground stopes, the ore processing and smelter plant, ore and waste stockpiles, tailings storage facilities ("**TSF**"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- discussion with Rongbang Mining and Xingye Silver&Tin management and technical personnel.

- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore reserves is 31 December 2025).
- submission of the draft to Rongbang Mining and Xingye Silver&Tin and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

The Rongbang Project comprises one underground mining system, one flotation plant, one tailings storage facility (TSF), one waste rock dump and associated facilities on operation.

Rongbang has carried out geological exploration including drilling, pitting and trenching on the Project. SRK reviewed the database of previous programs, conducted a data verification program, and reconciled the data. By using the database, SRK estimated the remained mineral resources of the Rongbang Project according to JORC Code (2012) as presented in Table ES-0-1.

Table ES-0-1: Mineral Resource Statement for Rongbang Project, as of 31 December 2025

Mineralized Zone/Block	Cutoff	Category	Tonnage	Average Grade					Metal Contained				
				Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
	ZnEq (%)		Mt	%	%	%	g/t	%	t	t	t	t	t
Rongbang	2.10	Measured	2.11	0.54	1.55	0.23	53.51	5.08	11,294	32,700	4,876	113	107,008
		Indicated	1.91	0.24	1.32	0.24	32.12	3.80	4,686	25,343	4,523	61	72,762
		Measured + Indicated	4.02	0.40	1.44	0.23	43.33	4.47	15,980	58,043	9,399	174	179,769
		Inferred	0.55	0.50	1.38	0.28	46.60	4.81	2,777	7,611	1,533	26	26,593
		Total	4.58	0.41	1.43	0.24	43.73	4.51	18,757	65,654	10,932	200	206,363

Source: SRK (2026)

Operational Licences and Permits

Chifeng Rongbang Mining Co., Ltd. ("Rongbang Mining") holds one mining licence located in Xinkaidi Township, Keshiketengqi, Chifeng City, Inner Mongolia ("Rongbang Project").

Rongbang Project mining licence No. C1500002015013210137183, covering area of 2.6910 km², with approved production capacity of 300,000 tpa. The mining licence is valid from 30 January 2015 to 30 January 2035.

Geology and Mineralogy

Rongbang polymetallic deposit has a close temporal and spatial and genetic relationship with the intermediate-acid volcanic rocks in the late Yanshan period. The polymetallic mineralization bodies are obviously controlled by the NW-trending fault structure (altered fracture zone)in the area. The mineralized body is in a regular vein shape, and there are branches and composite phenomena in the local area. The mineralized body is northwestward, inclined to southwest, and the dip angle is steep.

The hanging and footwall of the Pb–Zn–Ag–Cu mineralization bodies are mainly altered rhyolite, and locally altered rhyolitic volcanic breccia, altered rhyolitic tuff, and altered rhyolitic porphyry. Wall-rock alteration is dominated by pyrite–sericite alteration and silicification, locally accompanied by intense fluorite alteration, chloritization, and carbonate alteration. In the vertical direction, the shallow part is dominated by lead-zinc and silver mineralization, and the deep copper mineralization is gradually enhanced.

Comprehensive geological studies indicate that the metallogenic type of the polymetallic deposit in the project area belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity.

Exploration and QA/QC

early 1990s. As of August 2011, the projects completed in Youfangxi include 5,667 m3 of Trenches, 27.5 m of shallow shafts, 3,271.6 m of tunnels, and 81 holes totaling 23,417.77 m. All holes were inclined diamond drill holes. For all holes, the minimum core recovery was 83%, and 90% of the holes achieved core recovery >90%. In mineralized intervals, the minimum core recovery was 82%, and the great majority of drill holes returned >90%.

All drill core samples were collected as half-core using a core cutting machine, splitting the core along its long axis. In the early stages, sampling was carried out by dedicated sampling technicians; in later stages, sampling was undertaken by trained technicians, with geologists present on site to supervise and guide the process. Upon completion of each sample, the sample was immediately bagged, labelled and weighed in the field. Trenching and tunnel samples were collected by channel sampling, with standard channel dimensions of 10×3 cm. Before sampling, the sampling sites and surrounding areas were carefully cleaned, and a sampling cloth was used during cutting to prevent sample loss and contamination from external material.

All sample preparation and routine assaying prior to August 2011 were undertaken by Laboratory of Yanjiao Center, Huabei Non-ferrous Geological Prospecting Bureau of Sanhe. The check assaying was undertaken by Center Laboratory of No. 1 Bureau of China Metallurgical Geology Bureau. Both laboratories hold "Class A" qualification under the Chinese national system. Subsequent geological samples from in-mine exploration were sent to an on-site mine laboratory operated by Chifeng Rongbang Mining Co., Ltd. for preparation and assaying. An atomic absorption spectrometry (AAS) was used for the determination of Ag, Pb, Zn, Cu.

No formal quality assurance and quality control ("QA/QC") protocols, such as certificate reference material, blank, duplicates, were reported in the previous reports. Quality control appears to have relied mainly on occasional internal and external check assays. Since 2004, internal and external check procedures have been carried out in accordance with the Copper, Lead, Zinc, Silver, Nickel and Molybdenum Deposit Geological Exploration Specification DZ/T 0214-2002, with internal checks performed on about 10% of all samples and external checks on about 5%.

During the site visit from 27 to 30 January 2026, SRK selected 100 pulp duplicates to verify the reliability of historical grade analyses. At SRK's direction, Rongbang Mining also sampled 43 blocks larger than 10 cm for specific gravity measurements. These verification samples were submitted to SGS Minerals Laboratory in Tianjin, China, and the returned results indicate that the check assays show acceptable agreement with the original data.

Overall, SRK is generally satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in mineral resource estimation.

Mineral Resource Estimation

SRK generated the Mineral Resource estimation domains using Leapfrog Edge software. The estimates are based on the surface diamond drill holes, trenches and underground drilling and mining depletion information available up to 31 December 2025.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Rongbang Project, at a cut-off grade of 2.10% ZnEq for the project.

There are 2.11 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 0.54% Pb, 1.55% Zn, 0.23% Cu, 53.51 g/t Ag and 5.08% ZnEq; 1.91 Mt of Indicated Mineral Resources at an average grade of 0.24% Pb, 1.32% Zn, 0.24% Cu, 32.12 g/t Ag and 3.80% ZnEq; and 0.55 Mt of Inferred Mineral Resources at an average grade of 0.50% Pb, 1.38% Zn, 0.28% Cu, 46.60 g/t Ag and 4.81% ZnEq. Details of estimated Mineral Resources are shown in Table ES-0-2.

Table ES-0-2: Mineral Resource Statement, Rongbang Project, Prepared by SRK Consulting China Limited, 31 December 2025[1,2,3]

Mineralized Zone/Block	Cutoff	Category	Tonnage	Average Grade					Metal Contained				
				Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
	Zneq (%)		Mt	%	%	%	g/t	%	t	t	t	t	t
Rongbang	2.10	Measured	2.11	0.54	1.55	0.23	53.51	5.08	11,294	32,700	4,876	113	107,008
		Indicated	1.91	0.24	1.32	0.24	32.12	3.80	4,686	25,343	4,523	61	72,762
		Measured + Indicated	4.02	0.40	1.44	0.23	43.33	4.47	15,980	58,043	9,399	174	179,769
		Inferred	0.55	0.50	1.38	0.28	46.60	4.81	2,777	7,611	1,533	26	26,593
		Total	4.58	0.41	1.43	0.24	43.73	4.51	18,757	65,654	10,932	200	206,363

Source: SRK (2026)

Notes:

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

[2] The information in this report which relates to Mineral Resources is based on information compiled by Liang Li (Elian) and Dr Hancheng Zhang, who are full-time employees of SRK Consulting China Ltd. Mr Li is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and Dr Zhang is a Member of the Australian Institute of Geoscientists (AIG). Both Mr Li and Dr Zhang have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as 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). Mr Li and Dr Zhang consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 2.10% ZnEq.

Exploration Potential

Rongbang polymetallic deposit metallogenic type belongs to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity. In the vertical direction, the shallow part is dominated by lead-zinc and silver mineralization, and the deep copper mineralization is gradually enhanced.

In the early stage of metallogenic fluids evolution, Cu and Mo in the high temperature fluids migrated and diffused through intergranular pores of the rocks and primary contraction microfractures, and precipitated in favorable sites to form disseminated molybdenite mineralization or fine veinlets and stockworks composed of pyrite, chalcopyrite, and molybdenite. As metallogenic fluids continued to migrate upward toward the surface along structurally fractured zones, Pb–Zn–Ag rich fluids discharged into extensional structural environments. Abrupt changes in temperature and pressure conditions led to massive precipitation of sphalerite, galena, argentite and other minerals, forming vein, stockwork, and stringer types of mineralization bodies, accompanied by intense silicification, sericitization, and fluoritization. In the late stage of mineralization, the metallogenic hydrothermal system clearly entered a low temperature, low salinity stage of fluid evolution, during which calcite and other carbonate minerals gradually appeared. Existing drilling indicate further exploration potential at depth and both sides of the known mineralized body.

Mining and Ore Reserves

SRK has estimated the Ore reserves for the underground deposits at Rongbang in accordance with the guidelines outlined in the JORC Code. These Ore reserves estimates are supported by Modifying Factors derived from Preliminary Design and ongoing operational records, which are considered to meet the confidence level of a Pre-Feasibility Study.

Key factors applied in the estimation process include design scope, mining losses, and dilution. Additional factors, such as processing capabilities, market conditions, environmental considerations, legal and political constraints, and other elements that may influence the quantity and classification of the Ore reserves, were also considered.

The portions of Measured and Indicated Mineral Resources within the designed underground stopes, inclusive of diluting materials and allowances for losses, have been classified as Proved Ore Reserves and Probable Ore Reserves, respectively. The Ore reserves statement is shown in Table ES 0-3.

Table ES 0-3:Ore Reserves Statement for the Rongbang Mine, as of 31 December 2025

Category	Tonnage	Average Grade				Metal Contained			
		Ag	Pb	Zn	Cu	Ag	Pb	Zn	Cu
	Mt	g/t	%	%	%	t	kt	kt	kt
Proved	0.67	58.54	0.57	1.21	0.28	39.50	3.88	8.16	1.88
Probable	0.38	25.70	0.25	1.04	0.27	9.73	0.95	3.95	1.02
Total	1.05	46.74	0.46	1.15	0.28	49.23	4.82	12.11	2.90

Source: SRK (2026)

Notes:

[1] The information in this report which relates to Ore reserve is based on information compiled by Ms Shan Chuang and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Ms Chuang is a Member of AusIMM and Mr Falong Hu is a Fellow of AusIMM. Both Ms Chuang and Mr Falong Hu 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 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. Ms Shan Chuang and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[3] Total may not add due to rounding discrepancies.

[4] For Rongbang deposit, the mining dilution (waste rock and inferred Mineral Resources) rate is 9.7%. Mining loss rate is 6.7%.

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources

Mining Assessment

The Rongbang Mine is exclusively underground mining operation. Commercial production commenced at the Rongbang Mine on 25 December 2017.

Rongbang employs shrinkage stoping with delayed backfill, open stoping with delayed backfill and sublevel open stoping with delayed backfill to achieve a production rate of 230,000 tonnes per year. The design 40-meter level intervals and a 6-meter sill pillar to maintain geotechnical stability. The recovery of crown pillars will be determined by the actual conditions of each stope. Primary stopes are backfilled after extraction to ensure ground stability. The primary backfill methods are cemented tailings backfill and waste rock backfill. Above the 832 m level, and in the South system below shaft #3 to 832 m, all haulage is by rail. In the northern system below the 832 m level, mine development is undertaken via a blind ramp, and ore is hauled using trackless equipment (UQ-5 underground dump trucks).

The mine is an operating underground operation. The mine is developed by underground methods using a vertical shaft system.

Mining dilution is accounted for at 9.7%, depending on the mining method, and includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 6.7%, also depending on the mining method used, to allow for unplanned losses during mining and material transportation to the processing plant. Life-of-mine is six years.

Mineral Processing

Rongbang Mining's Youfangxi ore block in Keshiketeng Banner is a polymetallic sulfide deposit containing silver, copper, lead and zinc. Based on the copper and lead grades of the ore, it can be classified into copper–zinc ore and lead–zinc ore. Historically, multiple systematic process mineralogy studies and beneficiation tests have been carried out on ores from this mining area, providing technical support for the design of the concentrator.

For the lead–zinc ore, the payable metals are mainly lead, silver and zinc. The principal metallic minerals are sphalerite, galena and boulangerite, with relatively intimate intergrowth among the various minerals. The main gangue minerals are quartz and muscovite, with other minerals present in relatively small amounts. The concentrator adopts a "lead-priority flotation followed by zinc flotation" flowsheet, producing lead concentrate and zinc concentrate, with silver mainly reporting to the lead concentrate.

For the copper–zinc ore, the payable metals include copper, silver and zinc. The target minerals are numerous and exhibit close intergrowth; chalcopyrite, bornite and enargite occur in close association with sphalerite and other minerals. The main gangue minerals are quartz and muscovite, with other gangue minerals present in low abundance. The concentrator adopts a conventional "copper-priority flotation followed by zinc flotation" flowsheet, producing a silver–copper concentrate and a zinc concentrate, with silver mainly reporting to the copper concentrate.

The Rongbang concentrator was originally designed for a treatment capacity of 300,000 t/a (approximately 1,000 t/d). Since 2022, the technical and management teams of the concentrator have optimised and upgraded the flowsheet and equipment configuration, increasing the plant's treatment capacity to approximately 450,000 t/a (about 1,500 t/d). The current crushing, grinding, flotation and dewatering circuits all employ conventional processes and are capable of treating both

copper–zinc ore and lead–zinc ore. The flowsheet for the two ore types is the same, with only the reagent regime differing.

In 2025, the concentrator treated 463.79 kt of ore, comprising 77.07 kt of copper–zinc ore and 386.72 kt of lead–zinc ore.

For the copper–zinc ore, 2,011 t of copper concentrate was produced, grading 18.12% Cu and 1,484 g/t Ag, with recoveries of 86.99% Cu and 68.99% Ag; 509 t of zinc concentrate was produced, grading 44.34% Zn and 639 g/t Ag, with recoveries of 51.85% Zn and 7.52% Ag. The production technical indicators for processing copper–zinc ore at Rongbang concentrator over the past three years are shown in Table ES-0-4.

For the lead–zinc ore, 4,302 t of lead concentrate was produced, grading 47.16% Pb, 3.97% Cu and 3,070 g/t Ag, with recoveries of 75.19% Pb, 53.89% Cu and 63.07% Ag; 9,950 t of zinc concentrate was produced, grading 49.25% Zn and 335 g/t Ag, with recoveries of 82.67% Zn and 15.93% Ag. The production technical indicators for processing lead–zinc ore at Rongbang concentrator over the past three years are shown in Table ES-0-5.

Table ES-0-4: Production Technical Indicators of Rongbang Concentrator for Processing Copper–Zinc Ore

Parameter	Unit	2023	2024	2025	Avg.
Ore treated	kt	38.75	24.10	77.07	46.64
Head grade					
Cu	%	0.65	0.49	0.54	0.56
Zn	%	0.42	0.54	0.56	0.52
Ag	g/t	54.53	65.51	56.12	57.30
Pb	%	0.22	0.17	0.27	0.27
Contained metal in feed					
Cu	t	250	117	419	262
Zn	t	162	129	435	242
Ag	kg	2,113	1,579	4,325	2,673
Pb	t	88	76	209	124
Cu concentrate produced	t	1,089	534	2,011	1,211
Cu concentrate grade					
Cu	%	20.77	19.00	18.12	19.05
Zn	%	2.30	4.24	5.47	4.34
Ag	g/t	1,622	2,175	1,484	1,627
Pb	%	6.23	10.60	5.14	6.27
Contained metal in Cu concentrate					
Cu	t	226	101	364	231
Zn	t	25	23	110	53
Ag	kg	1,766	1,161	2,984	1,970
Pb	kg	68	57	103	76
Cu concentrate recovery					
Cu	%	90.40	86.73	86.99	88.03
Ag	%	83.55	73.51	68.99	73.72
Pb	%	77.35	74.25	49.52	61.12
Zn concentrate produced	t	212	185	509	302
Zn concentrate grade					
Cu	%	3.60	3.25	3.57	3.51
Zn	%	46.26	43.70	44.34	44.66
Ag	g/t	405	541	639	564
Contained metal in Zn concentrate					
Cu	t	8	6	18	11
Zn	t	98	81	226	135
Ag	kg	86	100	325	170
Zn concentrate recovery					

Parameter	Unit	2023	2024	2025	Avg.
Zn	%	60.63	62.67	51.85	55.73
Ag	%	4.06	6.34	7.52	6.37
Total Recovery					
Ag	%	87.61	79.85	76.51	80.09

Source: Rongbang Mining

Table ES-0-5: Production Technical Indicators of Rongbang Concentrator for Processing Lead–Zinc Ore

Parameter	Unit	2023	2024	2025	Avg.
Ore treated	kt	399.49	419.54	386.72	401.92
Head grade					
Pb	%	0.80	0.90	0.70	0.80
Zn	%	1.69	1.71	1.53	1.65
Ag	g/t	59.67	65.83	54.14	60.04
Cu	%	0.10	0.09	0.08	0.09
Contained metal in feed					
Pb	t	3,198	3,792	2,698	3,229
Zn	t	6,748	7,177	5,928	6,618
Ag	kg	23,836	27,618	20,938	24,131
Cu	t	398	390	317	368
Pb concentrate produced	t	5,249	6,175	4,302	5,242
Yield	%	1.31	1.47	1.11	1.30
Pb concentrate grade					
Pb	%	47.01	48.30	47.16	47.56
Zn	%	4.35	4.01	4.39	4.23
Ag	g/t	2,934	2,998	3,070	2,996
Cu	%	4.68	3.55	3.97	4.04
Contained metal in Pb concentrate					
Pb	t	2,468	2,983	2,029	2,493
Zn	t	229	248	189	222
Ag	kg	15,400	18,511	13,207	15,706
Cu	t	246	219	171	212
Pb concentrate recovery					
Pb	%	77.16	78.65	75.19	77.20
Ag	%	64.61	67.03	63.07	65.09
Cu	%	61.73	56.30	53.89	57.56
Zn concentrate produced	t	11,583	12,259	9,950	11,264
Yield	%	2.90	2.92	2.57	2.80
Zn concentrate grade					
Pb	%	1.17	1.11	1.46	1.23
Zn	%	48.88	49.05	49.25	49.05
Ag	g/t	310	285	335	308
Contained metal in Zn concentrate					
Pb	t	135	136	145	139
Zn	t	5,662	6,013	4,900	5,525
Ag	kg	3,595	3,489	3,336	3,473
Zn concentrate recovery					
Zn	%	83.91	83.78	82.67	83.49
Ag	%	15.08	12.63	15.93	14.39
Total Recovery					
Ag	%	79.69	79.66	79.01	79.48

Source: Rongbang Mining

Based on records of actual concentrate tonnages stored in the zinc, lead and copper concentrate bins, as provided by the Company's finance department, the contained metal quantities have been calculated and are summarised in Table ES-0-6 Gold recovered as a by-product has also been included in the concentrate sales reporting.

Table ES-0-6: Historical Production Performance from Production and Sales Reports (Year 2023 to 2025)

Actual Recovered Metal	unit	2023	2024	2025
Pb	kt	2.48	2.98	2.04
Zn	kt	5.74	6.06	5.11
Ag	t	21.07	22.95	19.80
Cu	kt	0.47	0.30	0.53
Actual By Product Metal	**unit**	**2023**	**2024**	**2025**
Au	kg	17.90	17.77	17.33

Source: Production and Sales Reports from the finacial department

Workforce Assessment

As of 31 December 2025, Xingye Silver & Tin employed 136 staff at its headquarters and Rongbang Mining employed 79 staff for the Rongbang Project. The site workforce is structured across management, technical, safety and environmental, production, processing, laboratory, and support functions, and SRK considers these staffing levels adequate to sustain the planned 245 ktpa production rate under the current roster of 8-hour shifts, three shifts per day, over 300 operating days per year. SRK has been advised that all personnel are engaged under formal labor contracts in accordance with applicable PRC labor legislation and that statutory social insurance and housing fund benefits are provided by the employer.

Project Infrastructure

The Rongbang Project is road-accessible year-round via National Highway 306 and connects gravel/concrete roads, with only 10-20 km of village roads subject to occasional interruption during heavy rainfall; overall access is considered convenient. Power is supplied by a dedicated 10 kV feeder from the Tuxi 66 kV substation with an 8.6 km overhead line, supplemented by a 10 kV standby feeder (c. 5 km) from Chifeng Ruineng Mining Co., Ltd., which is in turn supplied via a 20 MVA industrial feeder from Gongguanfangzi Substation, providing a dual-source power arrangement. Process water for drilling, dust suppression, production and firefighting is distributed under static pressure via steel pipelines installed in Shaft SJ3 and along underground workings, with take-off points at 50 m intervals and integration with existing sublevel pipework; domestic water is supplied through existing potable water pipelines; and the firefighting water system is combined with the process-water network as a low-pressure system fed from an elevated tank, with separate lines installed where process pipelines are not yet available. A surface workshop provides maintenance and repair facilities for trackless mobile equipment and the processing plant. Administrative and accommodation facilities are located approximately 5 km southeast of Shaft #1 and include offices, dormitories, monitoring and dispatch centre, canteen, bathhouse, warehouse and associated services, while two office/living compounds are situated 50 m north and 140 m northwest of the Shaft SJ3 industrial area to support concentrator operations.

Environmental and Social Considerations

The project has obtained the main environmental protection-related permits required for operation, including the safety production permits, water use permits, and site discharge registration. The environmental impact assessment (EIA) reports for the project were prepared, and corresponding

official approvals are obtained. The EIA reports cover the main production facilities including mining industrial site, processing plant, TSF, and other auxiliary facilities.

According to the EIA, the mining area does not involve any national parks, nature resources, World Natural Heritage sites, or critical habitats. Furthermore, it does not overlap with natural parks or ecological redlines, and the surface water impact is not classified as a hydrological element-affected type. No perennial surface water bodies in the vicinity of the project, and the impact on the regional water environment is minimal.

The project implements a zero-discharge policy for all operational wastewater, including leachate form ore stockpile and WRD, mine water inflow, processing wastewater, and domestic sewage. The WRD is equipped with a leachate collection system; all collected leachate is recycled for use in the processing plant. Mine water inflow, after undergoing sedimentation, is utilized for mining operations, dust suppression, landscaping, underground backfilling, and mineral processing. All processing wastewater is pumped into a return water pond for reuse in the processing circuit, as well as for dust suppression at the ore stockpiles and on roads. Domestic sewage is used for dust suppression or landscaping on-site after basic treatment. In addition, a quarterly groundwater monitoring program is planned at the site.

In accordance with *the Geological Environmental Protection and Land Reclamation Plan (Reclamation Plan)*, the project employs a delayed waste rock backfilling process for goafs formed by the shallow-hole shrinkage mining method. Waste rock hoisted to the surface is temporarily stockpiled at the #1 and #3 waste rock dumps before being used for goaf backfilling. Remaining voids are addressed using cemented tailings backfill, while any surplus tailings are managed through disposal in the TSF.

Based on the EIA 2014, two rounds of public announcement were carried out, and public participation questionnaires were distributed to residents in nearby settlements via random sampling to collect public comments on the Project. The results of public participation for the project shows that stakeholders generally support the project for its economic and social benefits. Primary concerns relate to operational-phase air, noise, and ecological impacts. Overall, the project maintains strong local support with zero recorded objections. In addition, the company is also committed to social responsibility and charitable initiatives, including distributing epidemic prevention supplies during the pandemic and clearing snow for local roadways, and etc. No material socio-economic factors have been identified that are expected to affect the Project's operational continuity, provided that land reclamation and stakeholder engagement commitments are effectively maintained.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex is estimated based on historical expenditure and the Life of Mine (LOM) production schedule. The total projected Future Capex is CNY 102.85 million. The summary of Capex is presented in Table ES-0-7.

Table ES-0-7:Summary of Capex for Rongbang Project

CAPEX	Unit	LOM
Initial Capex		-

CAPEX	Unit	LOM
Infrastructure	Million CNY	-
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		73.01
Land Use Rights	Million CNY	-
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	13.46
Buildings	Million CNY	19.21
Underground Development	Million CNY	38.61
Others	Million CNY	1.72
Closure Cost	Million CNY	29.85
Total Capex	Million CNY	102.85

Source: Summarized by SRK (2026)

Operating Costs

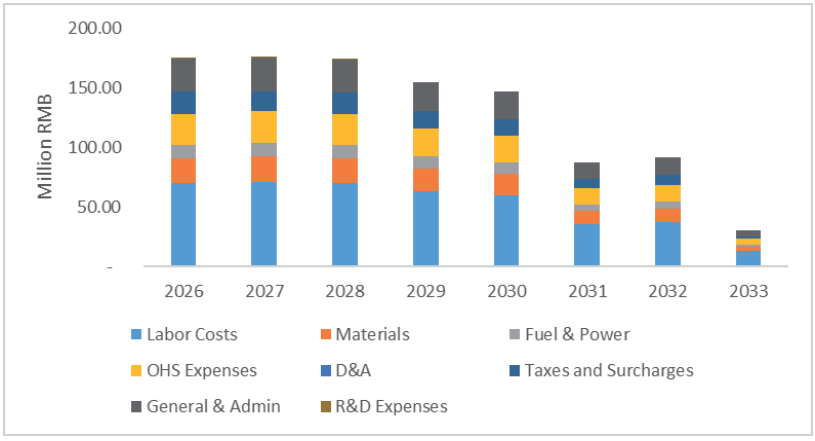
The Opex are shown in Table ES-0-8, which provides a summary of the unit costs in years 2023 to 2025. SRK considers the historical three-year weighted average cost to be reasonable and uses it for future economic evaluations. The annual cash Opex projection over the LOM is shown in Table ES-0-8 should be noted that as Rongbang procures ROM material from the Ruineng Mine, all processing costs for the combined ore feed are borne by Rongbang Mine.

Table ES-0-8:Summary of Opex Historical & Forecasted for Rongbang Project

OPEX - By Element	Unit	Historical			
		2023	2024	2025	Total/Average
Mined	kt	479.34	473.49	459.33	1,412.16
Milled	kt	438.24	443.65	463.79	1,345.67
COGS					
Labor Costs	CNY/t milled	124.46	139.64	130.88	131.68
Materials	CNY/t milled	35.27	34.94	48.36	39.67
Fuel & Power	CNY/t milled	22.40	21.47	17.91	20.55
OHS Expenses	CNY/t milled	53.66	46.07	48.44	49.36
D&A	CNY/t milled	0.00	0.00	0.00	0.00
Others	CNY/t milled	46.77	40.89	36.53	41.30
Taxes and Surcharges	CNY/t milled	28.75	37.28	36.60	34.27
Selling Expenses	CNY/t milled	15.71	19.89	19.23	18.30
General & Admin	CNY/t milled	56.76	53.37	45.89	51.90
R&D Expenses	CNY/t milled	10.56	10.32	9.42	10.09
Total OPEX	CNY/t milled	**394.35**	**403.87**	**393.26**	**397.12**

Source: Summarized by SRK (2026)

Figure ES 0-1: Opex Plan over LOM (in Million CNY)



Source: Summarized by SRK (2026)

Economic Analysis

The net present values ("NPVs") at different discount rates were estimated by SRK through DCF model, presented in Table ES-0-9.

Table ES-0-9:Estimated NPVs at Different Discount Rate

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	249	244	239	234	229	225	221	217	213	209	205

Source: Summarized by SRK (2026)

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors most significantly impact its economics when considered independently. The analysis focused on metal prices, CAPEX, and OPEX, each tested within a ±30% range.

The changes in prices have the greatest impact on the Project's NPV, while OPEX and CAPEX have less effects.

To clarify the effects of prices on the Rongbang's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -24% from the base scenario prices used in the model. In other words, the price decreases to about 76% of the forecasting price, the Project NPV will become negative.

By using the Discounted Cash Flow ("DCF") method and various economic and technical parameters, SRK has carried out the mine economics analysis of the Project, which result show a positive economic prospect. The Rongbang Project will have a net present value ("NPV") CNY 234.16 million using a discount rate of 8%. No internal rate of return ("IRR") and pay-back period can report.

1 Introduction and Scope of Report

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver&Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Rongbang Lead-Zinc Project ("**Rongbang Project**" or the "**Project**") which is located in Inner, Mongolia and operated by Chifeng Rongbang Mining Co., Ltd., a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver&Tin to support the proposed listing on the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the Australian Institute of Geoscientists ("**AIG**").

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore reserves at the Effective Date as audited by SRK. Rather than ordinary production, SRK is not aware of any material changes to the Mineral Resources and Ore reserves post the statement.

2.5 Work Program

- review of dataset and wireframes provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in January 2026, to the Rongbang Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the silver mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("TSF"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("EIA") reports, mineral processing technology and mining methodologies, capital expenditures ("Capex") and operating costs ("Opex"), etc.
- discussion with Rongbang Mining and Xingye Silver&Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore reserves is 31 December 2025).
- submission of the report to Xingye Silver&Tin and the related third party for comments and finalise the report based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
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 HKEx
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 HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Hancheng Zhang	Principal Consultant (Geology)	Project Manager / Overall Report Lead
Liang Li	Senior Consultant (Geology)	Geological Resource Modelling
Zimeng Li	Assistant Consultant (Geology)	Assist in Geological Data
Hui Bai	Consultant (GIS)	GIS and Drafting
Falong Hu	Principal Consultant (Mining)	Mining Review and Economic Analysis
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Mining and Economic Analysis
Donghao Luo	Consultant (Mining)	Preparation of the Mining Chapter
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Chao Ding	Consultant (Processing)	Processing and Metallurgy Preparation
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Cynthia Huang	Consultant (Environment)	Environment, Social, and Permitting
Jingran Yang	Project Coordinator	Project Management and Coordination
Yefei Jia	Corporate Consultant (Geology)	Internal Peer Review

Hancheng Zhang, *PhD, Member of AIG,* Professorial Geological Engineer (China), Principal Consultant (Geology and Project Evaluation) in SRK China. Dr. Zhang has more than 30 years of experience in geological exploration, resource estimation and mineral project evaluation, mainly in precious metals (gold, silver and platinum group elements, etc.), rare metals (REE metals, lithium, tungsten, molybdenum, etc.), non-ferrous metals (copper, lead, zinc, nickel, cobalt, aluminum, tin, antimony, etc.), ferrous metals (iron, manganese, chromium, vanadium, titanium) and non-metallic minerals (potash, fluorite, graphite, etc.) and decorative stone. He has been responsible for resource estimation and project evaluation of various mineral species and deposits. In recent years, he has completed a number of due diligence projects in China and overseas, and prepared technical reports which have been used by corporations and financial institutions to raise funds or list on capital markets including the HKEX.

Liang Li, *MEng, MAusIMM;* is a Senior Consultant (Geological) at SRK China. Prior to joining SRK, he worked as an on-site geologist for certain mining companies and has gained lots of experiences and expertise in mine geology, grade control and optimization, and resources/resources management. He is familiar with Chinese procedures and principles for metallic ore deposits prospecting and specialises in geological statistics for resources and resources estimation. Liang Li is a proficient user of the Surpac modelling software.

Hui Bai, *BEng*, is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily

responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Falong Hu, ***MBA, B.Eng, FAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Chinese Certified Consulting Engineer (Investment),*** is a Principal Consultant (Mining). He obtained his bachelor's degree in mining engineering from Central South University and Master of Business Administration (MBA) in China University of Geosciences (Beijing). Before joining SRK he worked as an on-site and head office mining engineer in 2 different international mining companies which were called Sino Gold Mining Limited (later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground and open pit mines' production systems and has been involved in mining engineering and development design, scheduling, long-hole blasting and production operation, rock mechanics, ventilation, back-fill; and cost accounting. After take part in SRK, he accumulated extensive experience in ore reserve estimation, economic analysis, project valuation, mining assessment, scoping/pre-feasibility/feasibility studies and so on. Minerals include gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, bentonite and so on. He is a modeler on both technical and economic and proficient in digital modeling by using Surpac, Whittle, Minesched, Datamine and AutoCAD.

TzuHsuan (Shan) Chuang, ***M.Eng., MAusIMM,*** is a Senior Consultant (Mining). She has extensive experience in on-site production and consulting, with expertise in technical studies and project evaluations for both open-pit and underground mines. She is capable of independently conducting stope and pit optimization, mine design, long-term planning, ore reserve modeling, and technical-economic analysis. Her project experience spans Asia, Australia, Africa, Europe, and South America. She is proficient in various industry-standard software, including Deswik, Whittle, and Surpac.

Donghao Luo, ***BEng,*** Consultant (Mining) at SRK China. He obtained his bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

Lanliang Niu, ***BEng, MAusIMM, Member of MCAMRA,*** is a Principal Consultant (Processing) with SRK Consulting China Ltd. He has 10 years' experience in processing researches and 10 years in plant operation management and 15 years in mining technical consultancy. He has specific expertise in the processing of precious metal, nonferrous metal, ferrous metal, and some non-metallic minerals, as well as processing test, plant design and operation management, and mining project evaluation. He is actively involved with the new development of processing technologies, equipment, and reagents and has received two national awards for his achievements in this area. Since joining SRK, Lanliang has played a pivotal role in the due diligence and technical evaluation of nearly 200 mining financing or M&A projects within China and internationally.

Chao Ding, ***M Eng.,*** Consultant (Mineral Processing) at SRK China. Prior to joining SRK, he worked for Weihai Haiwang Cyclone Co., Ltd. And Ramu NiCo Management Co., Ltd. He has accumulated certain experience in mineral dressing test research, and has a certain understanding and mastery of plant design; in addition, he has accumulated rich experience in production and management of hydrometallurgy of nickel laterite ore.

Nan Xue, *MSc, MBA, MAusIMM*, is a Principal Consultant (Environmental) at SRK China. He holds Master of Environmental Science from Nankai University and Master of Business Administration from Beihang University, respectively. He has over fifteen years' experience in environmental impact assessment, environmental planning and management, environmental due diligence and ESG-related field. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC as well as in the environmental-planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculation, and impact predictions. He also has an acute understanding of equator principles, International Finance Corporation environmental and social performance standards and other international standards related to ESG. After joining SRK, Nan has been involved in a number of IPO and due diligence projects in China, Laos, Russia, Mongolia, Philippines, Indonesia, Kazakhstan, Kyrgyzstan, South Africa, DRC, Ecuador, Chile and Ghana; the clients include Zijin Mining, Future Bright Mining, CNMC, China Gold, Shandong Gold, Chifeng Gold, Sino Steel, Tianqi Lithium, etc.

Hongchen (Cynthia) Huang, *B.A.,* is a senior project executive / consultant (ESG) at SRK China, possessing nearly 10 years of expertise in marketing, technical translation and project management within the mining industry. Currently she is transitioning her focus towards environmental, social, and governance aspects, actively contributing to environmental and social assessments while playing a key role in supporting SRK's carbon accounting program. Since joining SRK, Cynthia has provided project co-ordination and management, technical translations, and environmental review for a diverse range of projects, including Guizhou Union Coal Project, Hanking Indonesian Nickel Project, Mongolian Sujishan Graphite Project, Australian Greenbushes Lithium Project, Chilean Salar Project, Angola Binga Copper Project, and Zijin Group Tajik Gold Project.

Yiefei Jia, *PhD, FAusIMM CP (Geo),* is a Corporate Consultant (geology) with over 25 year's experience in a combination of exploration, resource estimation, mineral project evaluation, and the delivery of multidisciplinary technical assessment reports. He is highly experienced in the management of exploration and mineral resource estimation of precious metals (gold, silver, and PGE), alkali and base metals (lithium, potassium, lead, zinc, copper, vanadium, titanium, cobalt, nickel, aluminum, magnesium, tungsten and tin and etc.), and black metals (iron, manganese and chromium) as well as non-metallic metals (fluorite and graphite) and decorative stone (marble) ore deposits in different geological settings in Australia, China, Mongolia, Africa, America and southeast and central Asia. He also has over five years' experience in coal deposits exploration and due diligence in China, Indonesia and Mongolia. Yiefei's background has provided him with a firm understanding of key criteria required for the successful delivery of projects across a variety of disciplines. In recent years, Yiefei, as both a geologist and project manager, has led and coordinated dozens of due diligence projects with technical reports for mergers and acquisitions, financing and exchange listings, such as the Stock Exchange of Hong Kong Limited.

2.8 Warranties

Xingye Silver&Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver&Tin 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 Xingye Silver&Tin or to Xingye Silver&Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Liang Li, a Member of the Australasian Institute of Mining & Metallurgy (AusIMM Member ID 3089397), and Mr Hancheng Zhang, a Member of the Australasian Institute of Mining & Metallurgy (Annual Membership Certificate No. 9902). Both are full-time employees of SRK. Mr Liang Li and Mr Hancheng Zhang have 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 Competent Persons as defined in the JORC Code. Mr Liang Li and Mr Hancheng Zhang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore reserves is based on information compiled by Ms Shan Chuang, MAusIMM, and reviewed by Mr Falong Hu, FAusIMM. Both are full-time employees of SRK. Mr Falong Hu and Ms Shan Chuang have 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 JORC Code". Mr Falong Hu and Ms Shan Chuang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This Report is a Competent Person's Report in line with the Listing Rules of HKEx. As Mineral Resource and Ore Reserve reporting is a teamwork. Besides the Competent Persons aforementioned, other contributing Competent Persons with relevant areas of expertise are listed below, including

- Mr Lanliang Niu, MAusIMM, Principal Consultant (Processing); and
- Mr Nan Xue, MAusIMM, Principal Consultant (ESG)

Peer review and quality control of the Report were conducted by Dr. Yiefei Jia, FAusIMM, a Corporate Consultant (Geology) at SRK.

2.11 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 Xingye Silver&Tin or employees of Xingye Silver&Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver&Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operating Licenses and Permits

SRK relies on the information provided by Xingye Silver&Tin, and SRK did not conduct a legal due diligence review of the Rongbang Project since such work is outside the scope of SRK's technical review.

3.1 Business License

Chifeng Rongbang Mining Co., Ltd. is a limited liability company established in the PRC on 11 April 2005. The company holds a valid business licence issued by the relevant Market Supervision Administration. The registered capital is CNY 40.5 million and the legal representative is Mr. Yu Lifeng. The registered address is Weitanghe Village, Xinkaidi Township, Hexigten Banner, Inner Mongolia, PRC.

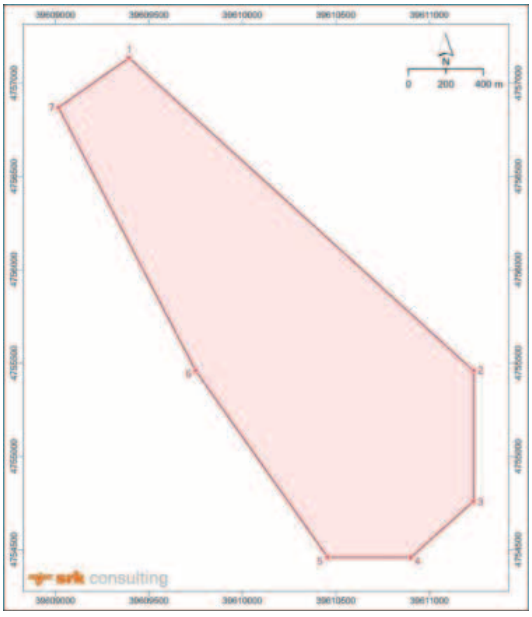
The company is principally engaged in the mining and processing of non-coal mineral resources. Details of the business licence are provided in Appendix A.

3.2 Mineral Tenure

3.2.1 Mining License

One mining license is currently held by Chifeng Rongbang Mining Co., Ltd. (Figure 3-1). Details of the mining license Information are listed in Table 3-1.

Figure 3-1: Mineral Tenure Map



Source: SRK (2026)

Table 3-1: Information of Mining License, Rongbang Mining Co., Ltd

Company	Chifeng Rongbang Mining Co., Ltd.
Project Name	Youfangxi Ag-Cu-Pb-Zn Mine, Chifeng Rongbang Mining Co., Ltd.
License No.	C1500002015013210137183
Issued To	Chifeng Rongbang Mining Co., Ltd.
Issued By	Inner Mongolia Bureau of Land and Resources
Period of Validity	Jan. 30, 2015 – Jan. 30, 2035
Area (km2)	2.6910
Mining Type	Underground
Mining Depth	From 1235m to 532m
Production Rate (tpa)	300,000

Source: Rongbang Mining

3.3 Safety Production Permits

The safety production permits for the company, north section, and TSF are presented in Table 3-2.

Table 3-2: Summary of the Safety Production Permits

Item	Permit No.	Issued To	Issued By	Issue Date	Expiry Date	Licensed Activity
Company	(Meng) FM (2024) 006127	Chifeng Rongbang Mining Co., Ltd.	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau	October 9, 2024	Oct. 8, 2027	Underground mining of zinc, lead, copper, silver, and gold ores; operation of TSF
North Section	(Meng) FM (2024) 006707	North Section Mining System of No. 1 Mining Area	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau	Jan. 18, 2026	Jan. 17, 2029	Underground mining of zinc, lead, copper, silver, and gold ores (Elevation range: above +832 mRL)
TSF	(Meng) FM (2024) 006359	TSF of the 300 ktpa Copper-Lead-Zinc Polymetallic Mining and Processing Project	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau	June 12, 2023	Jun. 11, 2026	Operation of TSF

Source: SRK (2026)

3.4 Pollutant Discharge Permit

According to relevant laws and regulations, enterprises, institutions, and other producers and operators whose production and emissions of pollutants are small and have minimal impact on the environment are not required to apply for pollutant discharge permits, but they should fill out pollutant discharge registration forms. The Project is subject to pollutant discharge registration rather than a discharge permit. The Project completed registration for fixed pollution sources on 29 June 2020

(Registration No. 91150425772221102W001X), valid until 27 November 2028. Registered emissions include dust and wastewater.

3.5 Water Use Permit

The water use permit for the Project is presented in Table 3-3.

Table 3-3: Summary of the Water Use Permits

Water Use Permit No.	D150425G2023-0014
Issued To	Chifeng Rongbang Mining Co., Ltd.
Issued By	Water Resources Bureau of Hexigten Banner
Issue Date	July 2023
Expiry Date	June 30, 2028
Water Supply Source	Groundwater
Water Use Allocation	258,000 m³/year

Source: SRK (2026)

4 Regional Description

4.1 Property Location

The Rongbang Polymetallic Mine Project is administratively under the jurisdiction of Xinkaidi Township, Keshiketengqi, Chifeng City, Inner Mongolia, located at geographic coordinates 118° 19′ 57″ –118° 21′ 57″ E and 42° 55′ 01″ –42° 56′ 31″ N (China Geodetic Coordinate System 2000) (Figure 4-1).

Figure 4-1: General Location Map of the Project



Source: SRK (2026)

4.2 Accessibility

As shown in Figure 4-1, the project area is connected to Ximaobuluo Village on National Highway 306 by a 10 km gravel road. From Ximaobuluo Village, it is approximately 120 km northwards along Highway 306 to Jingpeng Town, Keshiketengqi, and about 110 km southwards to Chifeng City. Chifeng is located approximately 400 km northeast of Beijing, with a well-developed rail and highway network, and is connected to Beijing by both flights and high-speed rail, providing very convenient transportation.

4.3 Local Resources and Infrastructure

The project area is a semi-agricultural, semi-pastoral region, with local residents predominantly of Han ethnicity, primarily engaged in agriculture and secondarily in animal husbandry. Main crops include millet, corn, wheat, potatoes, sunflower seeds, and sugar beet, while livestock mainly comprises cattle and sheep. Local industries are principally mining, small-scale food processing, repair services, and transportation.

Water for production and domestic supply in the project area is sourced from groundwater, with the water table at a depth of 10–30 m. Power is supplied by the State Grid and already covers the mining area, with ample electricity supply. Mobile communication networks of both China Mobile and China Unicom cover the mining area.

Mining equipment, construction materials, and other mine supplies can be procured from Chifeng, Jingpeng, and other nearby locations, which can meet the needs of local mining development.

4.4 Climate

The project area is characterized by a continental semi-arid to arid climate, with short, cool summers and long, cold winters. According to data from the Hexigten Banner Meteorological Bureau, the average temperature between 1994 and 2004 was 2.9°C, with an extreme maximum temperature of 37.8°C and an extreme minimum temperature of –36.7°C. The freezing period extends from October to April of the following year, with a maximum depth of seasonal frost of 2.8 m. The area is generally windy, particularly in winter and spring, with a multi-year average wind speed of 31 m/s, and prevailing winds from the west and northwest. The mean annual precipitation is 392.1 mm, mainly concentrated in July and August, and the maximum annual evaporation is 1,682.0 mm. Thunderstorms are frequent in summer and are often accompanied by heavy rainfall, resulting in short-duration flash floods that can cause damage to people, livestock, houses, and transportation infrastructure.

According to the "Seismic Ground Motion Parameters Zonation Map of China" (GB 18306-2001), the seismic fortification intensity of the area is Degree 6, with a design basic peak ground acceleration of 0.05 g. Based on 2003 data from the Keshiketengqi Seismological Bureau, four earthquakes have occurred within a 40 km diameter of the mining area over the past 20 years, with magnitudes ranging from 1.9 to 2.6.

4.5 Physiography

The project area is situated in a low to mid-mountainous region, with a maximum elevation of 1,238 m and a minimum of approximately 950 m, giving a maximum relative relief of nearly 300 m, generally in the range of 100–200 m. Within the mining area, the south-facing slopes are steep, with gradients generally between 20–30°, exposed bedrock, and sparse vegetation; the north-facing slopes are gentler, with gradients typically of 10–15°, thicker colluvial–eluvial mantles, and local vegetation cover.

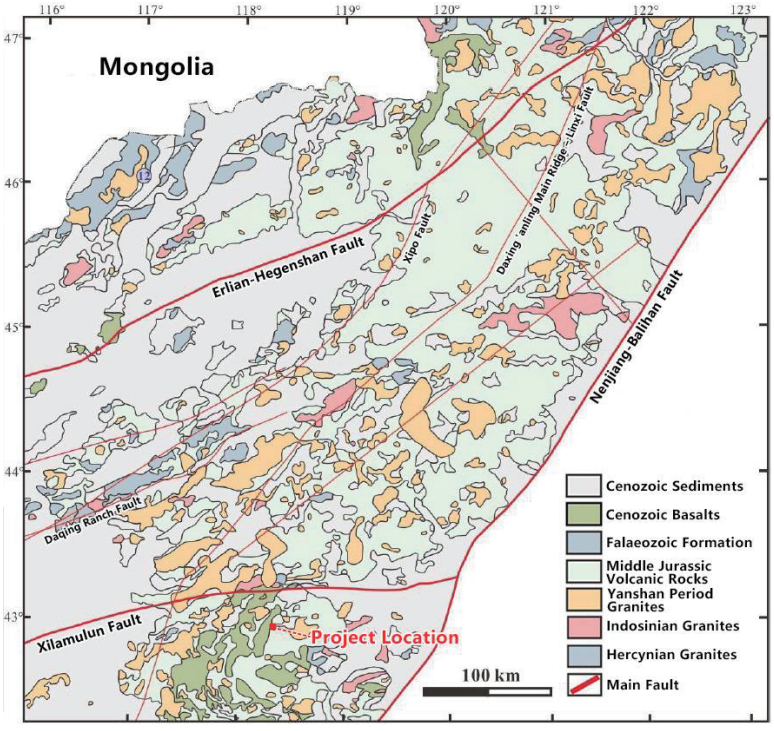
The river system in the area is poorly developed. Only the seasonal Weitang River, located about 1 km east of the mine area, carries flow during the rainy season, with highly variable discharge. It flows from south to north into the Xilamulun River.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The Greater Xing'an Range is located at the eastern margin of the Central Asian Orogenic Belt and is mainly composed of several amalgamated microcontinental blocks, including the Erguna, Xing'an, and Songnen blocks. This region has undergone a complex tectonic evolution, having been successively affected by the superposition and reworking of three major tectonic domains: the Paleo-Asian Ocean, the Paleo-Pacific, and the Mongol–Okhotsk Ocean domains. As a result, tectono-magmatic activity has been exceptionally intense, giving rise to highly favorable conditions for mineralization.

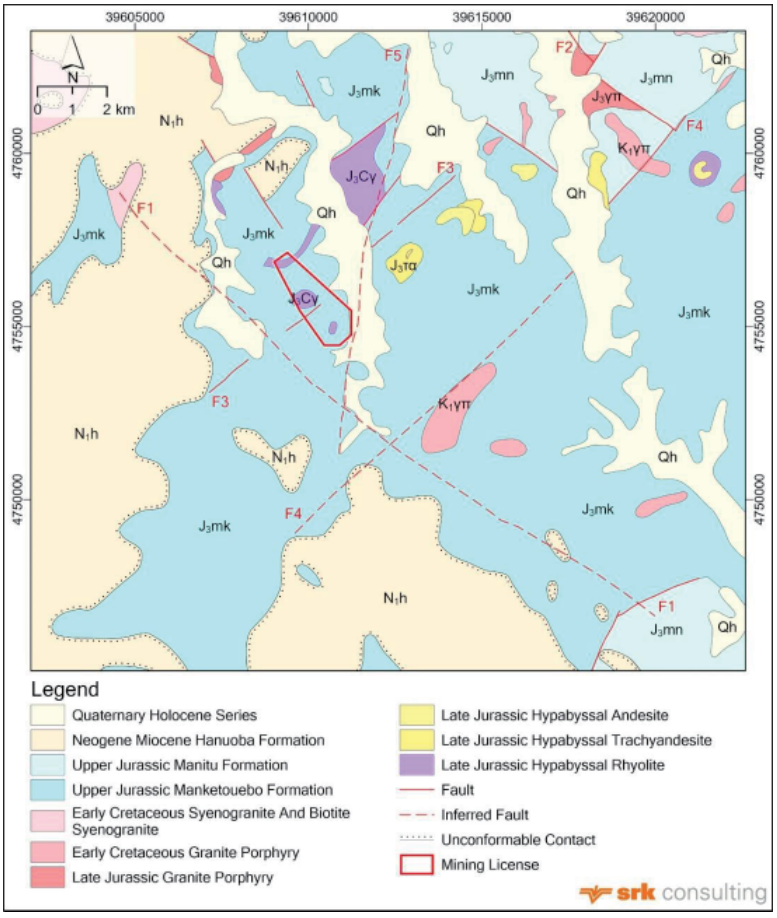
Figure 5-1: General tectonic setting background map of the Project



Source: Chifeng Rongbang Mining Co., Ltd. Modified by SRK China, 2026

The project area is located in the eastern segment of the Wenduermiao–Ongniud Banner Early Paleozoic tectono-magmatic belt along the northern margin of the North China Craton, at the intersection between the Xilamulun River deep-seated fault zone in the collisional junction zone of the North China Craton and the Siberian Plate, and the Great Xing'an Range main ridge–Linxi deep-seated fault. It is situated approximately 60 km north of the Xilamulun River fault zone (Figure 5-1).

Figure 5-2: Regional geological map of the Project



Source: Chifeng Rongbang Mining Co., Ltd. Modified by SRK China, 2026

Within the regional scope, the exposed strata are mainly Paleoproterozoic, Paleozoic, and Mesozoic–Cenozoic. The Paleoproterozoic Baoyintu Group represents the oldest stratigraphic unit in the region and consists predominantly of metamorphosed basic volcanic rocks. Paleozoic strata are widely distributed, including Permian weakly metamorphosed volcaniclastic–sedimentary to intermediate–acid volcanic rock suites along the Xilamulun River fault zone, and Ordovician–Silurian–Carboniferous weakly metamorphosed clastic rock–carbonate rock–volcanic rock successions along the Shaolang River fault zone. Continental Mesozoic–Cenozoic volcanic cover between the Xilamulun River and Shaolang River faults forms a volcanic basin (Figure 5-2).

Regional fault structures are well developed. Pre-Mesozoic approximately EW trending and NE trending structures, together with Yanshanian NE trending and NW trending structures, define the basic structural framework of the area. The EW striking Xilamulun deep-seated fault in the north and

the Shaolang River deep fault in the south constitute basement fault structures that exert a pronounced control on the distribution of mineral deposits.

Volcanic structures are also well developed regionally. Along the Erbahuo–Youfang fault, a fissure–central type volcanic eruptive belt is developed, mainly comprising the Erbahuo compound volcano, the Zuozishan caldera, and other volcanic edifices.

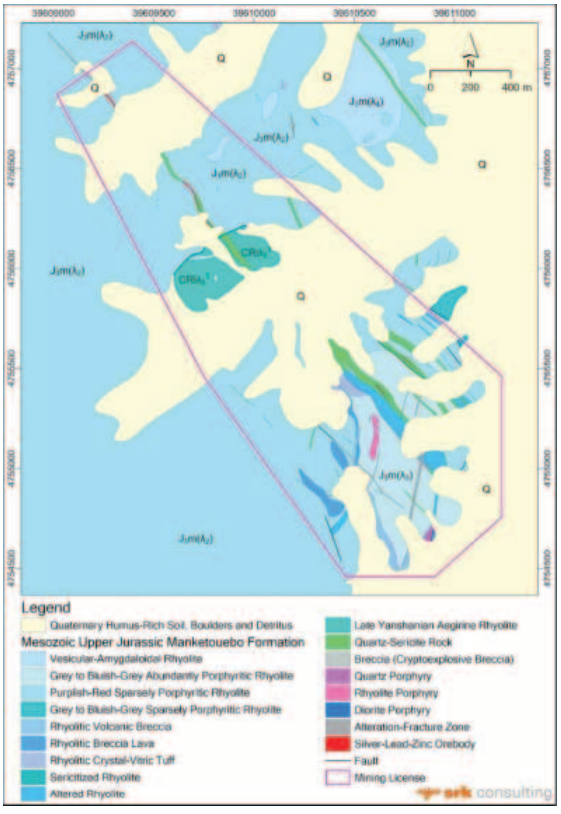
Yanshanian magmatic rocks are widespread in the region. Large scale intrusive activity during this period emplaced abundant intrusive rocks dominated by intermediate–acid calc-alkaline series, which are closely associated with the formation of Pb–Zn–Ag–Cu–Mo polymetallic deposits.

5.2 Property Geology

Stratigraphy

The project area is mainly outcrop by felsic volcanic rocks of the Upper Jurassic Manketouebo Formation and Quaternary unconsolidated deposits (Figure 5-3), specifically:

Figure 5-3: Geological map of the Project area



Source: Chifeng Rongbang Mining Co., Ltd. Modified by SRK China, 2026

The Manketouebo Formation is dominated by acidic lavas with minor volcaniclastic rocks and intermediate–acidic lavas. Previous geologist subdivided it into vesicular–amygdaloidal rhyolite, dark gray densely porphyritic rhyolite, purplish red-yellowish sparsely porphyritic rhyolite, blue-gray sparsely porphyritic rhyolite, as well as minor rhyolitic tuff and rhyolitic volcanic breccia. Among these, the purplish red-yellowish sparsely porphyritic rhyolite is ubiquitous throughout the area and represents the principal lithology in the project area. The thickness of this formation exceeds 500 m. Drilling has revealed the occurrence of dacitic breccia and granitic porphyry at depth.

Quaternary unconsolidated deposits are widely distributed in gullies and gentle slope sites in the project area. They are mainly composed of alluvial, colluvial, and residual rock blocks, together with sand, sandy soil, and gravel.

Structure

Fault structures are well developed in the area and are mostly manifested as fault–fracture zones. Among them, NW trending faults are the major mineralization controlling structures, with strikes of 300–330°, dipping predominantly to the SW and locally to the NE, at angles of 60–90°. Locally, NE trending faults cut the NW trending faults and partially disrupt the mineralization bodies, offsetting the mineralized zones.

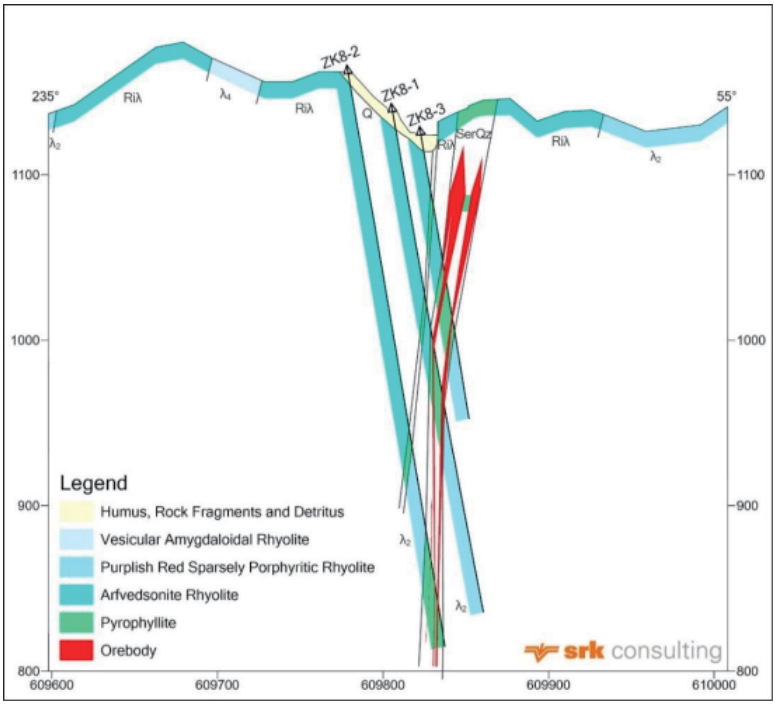
Magmatic rocks

The hypabyssal intrusive rocks exposed at the surface in the project area are mainly rhyolitic porphyry and riebeckite rhyolite, both occurring as small stocks. At depth, several boreholes intersect granitic porphyry, felsite porphyry and andesite (andesite porphyry).

5.3 Mineralization

The currently delineated Pb–Zn–Ag–Cu mineralized zone in the project area extends for about 4000 m along strike and is mainly composed of three mineralized belts, each consisting of a series of mineralization bodies. Individual Pb–Zn–Ag–Cu mineralization bodies are generally tens to several hundreds of meters in length and several tens centimeters to several meters in thickness. They are predominantly vein like, with a few lenticular or lentil-shaped bodies. Overall, the mineralization bodies share the same attitude as the fault-controlled fractured alteration zones, striking 300–330°, dipping mainly to the SW and locally to the NE, with dip angles of 60–90°. Along dip, they extend from several tens to several hundred meters. In several drill holes (ZK24-2, ZK11-1, ZK2-1 e.g.,) and tunnels, Cu mineralization occur at depth, indicating that the mineralization may be closely related to Yanshanian period magmatic activity (Figure 5-4).

Figure 5-4: No.8 exploration line profile in the project area



Source: Chifeng Rongbang Mining Co., Ltd. Modified by SRK China, 2026

The hanging and footwall of the Pb–Zn–Ag–Cu mineralization bodies are mainly altered rhyolite, and locally altered rhyolitic volcanic breccia, altered rhyolitic tuff, and altered rhyolitic porphyry. Wall-rock alteration is dominated by pyrite–sericite alteration and silicification, locally accompanied by intense fluorite alteration, chloritization, and carbonate alteration.

In the sulfide ores, the metallic minerals are chiefly sphalerite, galena, chalcopyrite, molybdenite, native silver, freibergite, argentite, pyrite, and marcasite, with minor arsenopyrite, pyrrhotite, magnetite, and others. The main gangue minerals are quartz, sericite, carbonate minerals, and chlorite, with minor fluorite, epidote, pyrophyllite, and others(Figure 5-5 to Figure 5-7).

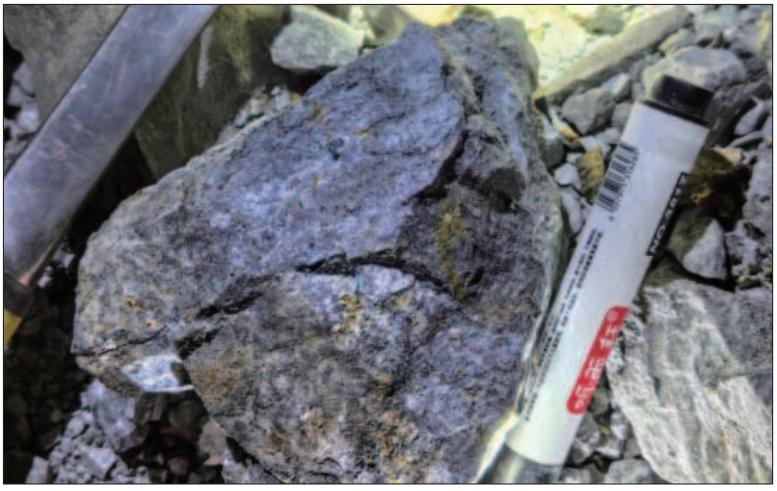
In actual production, sulfide ores are classified into two major industrial types: silver-lead-zinc ore and copper-silver-lead-zinc ore.

Figure 5-5: Pb–Zn–Ag–Cu mineralization at 125–128 m in borehole 317ZK1, 992 m level tunnel.



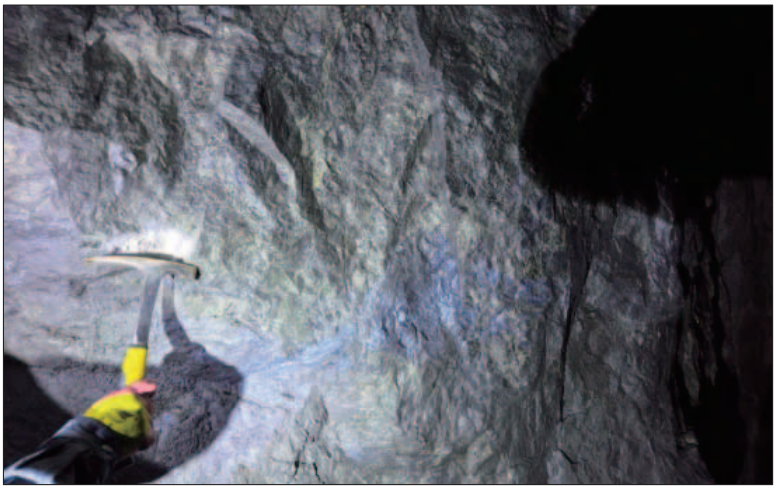
Source: SRK (2026)

Figure 5-6: Pb–Zn–Ag–Cu mineralization near No.1 exploration line, 992 m level tunnel.



Source: SRK (2026)

Figure 5-7: Pb–Zn–Ag–Cu mineralization near No.15 exploration line, 912 m level tunnel.



Source: SRK (2026)

5.4 Deposit Types

Comprehensive geological studies indicate that the metallogenic type of the polymetallic deposits in the project area belongs to medium– to low-temperature hydrothermal vein-type deposits related to Yanshanian magmatic activity.

During the Early Cretaceous, the crust in the Xilamulun area was in an extensional regime. The extensional setting provided conditions for lithospheric thinning and asthenospheric upwelling, which led to mafic magma underplating and induced partial melting of the lower crust. The resulting granitic magma, carrying ore-forming components, ascended along favorable structural zones. A series of fissure–central volcanic eruptions occurred along the Erbahuo–Youfang fault zone, forming a layered volcanic edifice in the western Youfang area. After the volcanic–subvolcanic activity, deep-seated granitic magma intruded upward along the volcanic conduits. Due to magmatic doming and magmatic cooling and contraction, a structural system dominated by bedding-parallel faults and fractures developed near the contact zone between the intrusion and the volcanic rocks, creating favorable conditions for the ascent, precipitation, and concentration of metallogenic fluids.

During the upward emplacement of granitic magma, crystallization differentiation within the magmatic system promoted the enrichment of large amounts of volatile components and ore-forming elements such as Pb, Zn, Ag, Cu, and Mo at the top and flanks of the magma chamber, thereby forming metallogenic fluids.

In the early stage of metallogenic fluids evolution, Cu and Mo in the high-temperature fluids migrated and diffused through intergranular pores of the rocks and primary contraction microfractures, and precipitated in favorable sites to form disseminated molybdenite mineralization or fine veinlets and stockworks composed of pyrite, chalcopyrite, and molybdenite. As ore-bearing hydrothermal fluids continued to migrate upward toward the surface along structurally fractured zones, Pb–Zn–Ag–rich

fluids discharged into extensional structural environments. Abrupt changes in temperature and pressure conditions led to massive precipitation of sphalerite, galena, argentite and other minerals, forming vein, stockwork, and stringer types of mineralization bodies, accompanied by intense silicification, sericitization, and fluoritization. In the late stage of mineralization, the metallogenic hydrothermal system clearly entered a low-temperature, low-salinity stage of fluid evolution, during which calcite and other carbonate minerals gradually appeared.

6 Exploration

6.1 Exploration History

The initial discovery of gold mineralization in the Mine area can be traced back to the 1980s, based on the 1:200,000 regional geological mapping completed in 1968-1970 by Second Regional Geological Survey Team of Liaoning Province.

Between 1980 and 1991, the Second Geophysical Party of the First Metallurgical Geological Exploration Company and, subsequently, the First Geophysical Party of the North China Nonferrous Geological Exploration Bureau carried out geological work in the Youfangxi area. Through drainage geochemical surveys, they identified Pb-Zn-Ag anomalies. Exploration Unit of North China Geological Exploration Bureau then commenced systematic exploration.

From 1990 to 1994, the Exploration Unit of North China Geological Exploration Bureau completed limited drilling, which confirmed the presence of industrial-grade mineralisation at depth, including locally high-grade Ag-Pb-Zn mineralisation.

From 1995 to 1997, the Exploration Unit of North China Geological Exploration Bureau and the Keshiketeng Banner Government jointly carried out exploration and trial mining of the high-grade Ag mineralisation, completing 545.95 m of exploration tunnels and 934.60 m of drilling.

In 1998-1999, exploration at Youfangxi was suspended due to restructuring of the former non-ferrous geological exploration system in China.

From 2000 to 2003, Tianjin North China Geological Exploration General Institute completed 1,078.2 m of exploration tunnels.

In 2004, the exploration licence was transferred from the Exploration Unit of North China Geological Exploration Bureau to Xingye Silver&Tin Company Limited.

From 2004 to 2006, Xingye Silver&Tin carried out limited drilling and underground projects. By the end of 2006, a total of 58 drill holes for 16,636.71 m had been completed in the Youfangxi area.

From 2007 to 2010, 16 drill holes for 5,230.27 m and 1,050 m of tunnels (including 500 m of shafts) were completed.

From May to August 2011, additional drilling and underground development were undertaken to improve geological control, comprising 7 drill holes for 1,550.79 m and 1,164.2 m of tunnels.

The work completed in each exploration stage is summarised as follows (Table 6-1).

Table 6-1: Work Completed at Exploration Stages in the Youfangxi Mining Area

Item	Unit	1991-2006	2007-2010	2011	Total
1:5,000 geological mapping	km^2	7.5			7.5
1:2,000 topographic-geological survey	km^2		2.6		2.6
1:2,000 topographic survey	km^2		4.3		4.3
1:2,000 topographic-geological section survey	km^2		17.5		17.5
Trenches	m^3	5,667			5,667

Shallow shafts	m	27.5			27.5
Tunnels	m	1,057.4	1,050	1,164.2	3,271.6
Drilling	m	16,636.71	5,230.27	1,550.79	23,417.77
	No.	58	16	7	81

Source: Summarized by SRK from the *Youfangxi Resource and Reserve Verification Report 2011*

6.2 Trenching and Tunnelling Exploration

Surface projects include trenches, shallow shafts and tunnels, mainly used to expose altered and mineralized bodies and key geological features.

The vast majority of trenches were laid out along the exploration lines and, as far as possible, oriented to intersect the target geological bodies at a high angle. Trench length was generally determined so as to fully control the target body. Trench depth does not exceed 3 m, with excavation extending 20-30 cm into bedrock, and trench bottoms are about 1 m wide. Most trench walls are relatively straight, and the bottoms are flat.

Shallow shafts were mainly used to expose and control thicker sections of the altered and mineralised bodies that could not be fully constrained by trenches. Typical dimensions are 2×2 m, with depths not greater than 8 m.

For tunnel workings, the cross-section of exploration tunnels is generally 1.8×1.5 m, along-vein tunnels are 2.0×2.2 m, and most crosscuts are 1.8×1.8 m. Most crosscuts are oriented approximately perpendicular to the strike of the orebodies. All tunnels have straight walls, relatively flat backs and floors, and an overall gradient of no more than 3‰. However, the spacing between some crosscuts is relatively large, and a small number of crosscuts intersect the orebodies at a low angle to strike. In addition, 9 crosscuts (9.2% of all crosscuts) were not driven far enough to completely traverse the orebodies, so orebody thickness is not effectively constrained in those locations.

6.3 Drilling Exploration

6.3.1 Historical Drilling

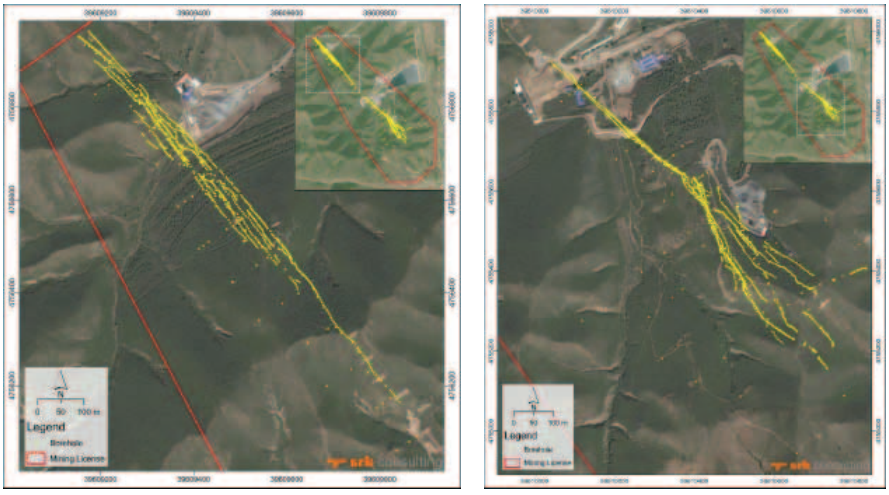
Prior to 2006, a total of 58 drill holes were completed, for a total drilled length of 16,636.71 m. Between 2007 and 2010, 16 drill holes were completed for a total of 5,230.27 m. From May to August 2011, 7 drill holes were completed for a total of 1,550.79 m.

The drillhole locations in Youfangxi are shown in Figure 6-1.

All holes were inclined diamond drill holes. The initial hole inclination was determined according to planned hole depth: for holes depth <350 m, the inclination was generally 78°, and for holes depth ≥350 m, generally ≥80°. The final hole diameter was 75 mm.

Of the 81 drill holes completed between 2006 and 2011, the minimum core recovery was 83%, and 90% of the holes achieved core recovery >90%. In mineralized intervals, the minimum core recovery was 82%, and the great majority of drill holes returned >90% core recovery in mineralized zones.

Figure 6-1: Drillhole Location Map of Youfangxi



Source: SRK (2026)

6.4 Sampling, Sample Preparation and Analyses

6.4.1 Sampling

Trench and tunnel samples were collected by channel sampling, with standard channel dimensions of 10×3 cm. Before sampling, the sites and surrounding areas were carefully cleaned, and a sampling cloth was used during cutting to minimise sample loss and contamination from external material. Trenches were logged on one wall and the floor at a scale of 1:50, with elevation differences adjusted to match engineering survey data before drafting. For tunnels, the responsible geologist visited the site daily and, in zones with evident alteration and mineralisation, the face was logged at approximately 5 m intervals, with analytical samples collected where required.

All drill core samples were collected as half-core using a core cutting machine, splitting the core along its long axis. In the early stages, sampling was carried out by dedicated sampling technicians; in later stages, sampling was undertaken by trained technicians under on-site supervision and guidance from geologists. On completion of each sample, the material was immediately bagged, labelled and weighed in the field. Each rig had a dedicated geologist responsible for supervising drilling and core logging; drilling termination was decided jointly by the supervising engineer and project leader, and detailed core logging, sampling interval definition and data compilation were completed within five days of hole completion, with internal cross-checks.

6.4.2 Sample Preparation and Analyses

All sample preparation and assaying prior to August 2011 were undertaken by Laboratory of Yanjiao Center, Huabei Non-ferrous Geological Prospecting Bureau of Sanhe. External check assaying was

carried out by the Central Laboratory of the No. 1 Bureau of the China Metallurgical Geology Bureau. Both laboratories hold "Class A" qualification under the Chinese national system.

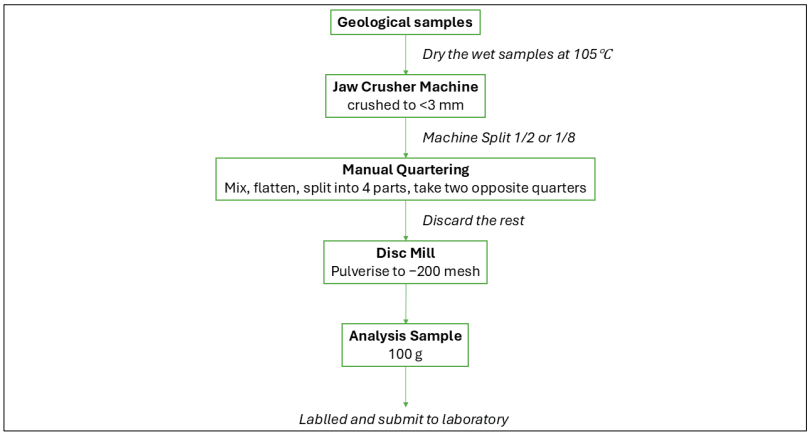
Subsequent geological samples from in-mine exploration were sent to an on-site mine laboratory operated by Chifeng Rongbang Mining Co., Ltd. for preparation and assaying. SRK has not seen any accreditation documentation for this laboratory.

The sample preparation procedures at the on-site laboratory are as follows (Figure 6-2):

- Upon receiving geological samples, the technicians at the on-site laboratory check sample IDs and quantities and briefly clean the samples. Wet samples are dried at 105°C prior to crushing.
- The dried samples are crushed in a jaw crusher to <3 mm, with the splitter set to a reduction ratio between 1/2 and 1/8 as required.
- The crushed samples are split by manual quartering, and the retained portion is thoroughly homogenized.
- The homogenized sub-samples are pulverized to -200 mesh in a disc mill.
- The pulps are then thoroughly mixed and split into sub-samples of at least 100 g. Sample bags are labelled with the sample ID, ore type, preparation date, technician's name and the elements to be analysed.
- The prepared samples are transferred to the assay laboratory for chemical analysis.

Assay elements were Ag, Pb, Zn and Cu, which were analysed by atomic absorption spectrophotometry (AAS) at the on-site laboratory. The sampling and analysis were carried out according to the *Copper, Lead, Zinc, Silver, Nickel and Molybdenum Deposit Geological Exploration Specification DZ/T 0214-2002*.

Figure 6-2: On-site Laboratory Sample Preparation Flowchart



Source: SRK (2026)

6.4.3 Specific Gravity Data

The bulk density assignments are used to convert volume to tonnage.

By 2011, a total of 83 bulk-density measurements had been completed (28 prior to 2006, 16 between 2007 and 2010, and 39 in 2011), comprising 47 Ag-Pb-Zn ore samples and 36 Cu ore samples. The measurements were carried out by the Laboratory of Yanjiao Center, Huabei Non-ferrous Geological Prospecting Bureau of Sanhe.

After density determination, the samples were crushed for chemical analysis. All samples were analysed for Ag, Pb and Zn, and a subset was also analysed for Cu. As all samples consist of dense, fresh ore, no measurements of moisture content or porosity were carried out. The dataset covers a range of mineralization intensities and includes a small number of altered mineralized host rocks and is therefore considered sufficiently representative.

The relationships between specific gravity and metal grade are illustrated in Figure 6-3. The scatter plots (Ag, Pb, Zn, Cu) indicate no strong or systematic correlation, and specific gravity for each ore type remains relatively uniform over the observed grade range.

The specific gravity values for the different ore types are summarised in Table 6-2 and are broadly consistent across ore types.

Table 6-2: Youfangxi Specific Gravity (SG) Statistics

Ore Type	Count of Samples	Average SG, g/cm³	Ag, g/t	Pb, %	Zn, %	Cu, %
Cu ore	36	3.44	78.23	0.52	1.51	1
Ag-Pb-Zn ore	47	3.45	201.43	1.81	3.73	0.08
Total	83	3.45	147.99	1.13	2.77	0.71

Source: SRK (2026)

Figure 6-3: Relationship Between Specific Gravity and Metal Grade (Youfangxi 2006-2011)

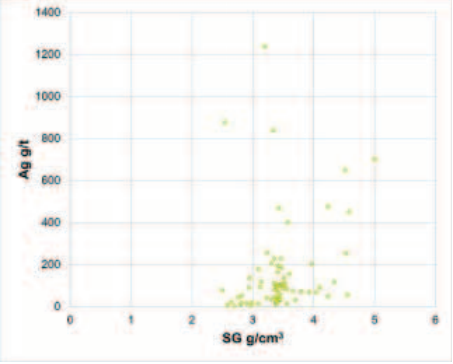


Figure 6-3 A Relationship Between Specific Gravity and Ag Grade

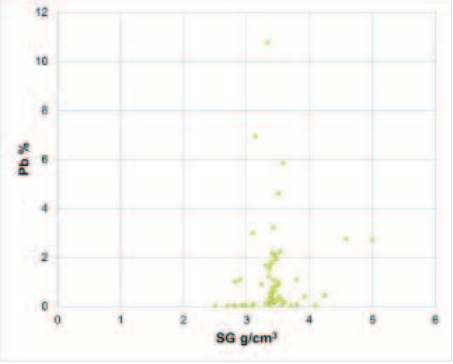


Figure 6-3B Relationship Between Specific Gravity and Pb Grade

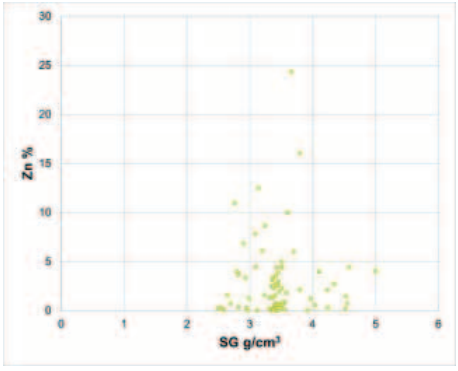


Figure 6-3C Relationship Between Specific Gravity and Zn Grade

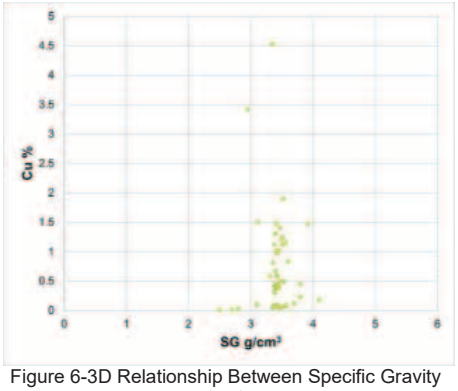


Figure 6-3D Relationship Between Specific Gravity and Cu Grade

Source: SRK (2026)

6.5 Quality Assurance and Quality Control Programs

6.5.1 Certified reference standards

The 2011 report does not document the routine insertion of certified reference materials (CRMs) with sample batches, nor does it provide details on the type, grade range or insertion rate of any standards. Analytical accuracy appears to be controlled through work at accredited laboratories, together with internal QC checks and occasional external check assays. The absence of a documented CRM programme limits the formal assessment of assay accuracy, but no material analytical bias is reported, and internal/external check assay comparisons indicate that accuracy is reasonable.

6.5.2 Blank samples

There was no detailed routine use of field or laboratory samples recorded in the 2011 report, neither the description of barren rock blanks inserted at regular intervals (e.g. after mineralised intervals or at the start of batches) to monitor potential contamination during sample preparation and analysis.

Control of contamination appears to have relied primarily on:

- During jaw crushing, each sample was split, with one portion run first through the crusher and discarded to clean the machine.
- During manual splitting, the work surface was brushed between samples to minimise cross-contamination.

The lack of documented blank insertion is a limitation with respect to formally quantifying potential cross-contamination. No material issues related to contamination are reported, and the high concordance of internal and external check assays provides some indirect support that contamination is not a significant problem.

6.5.3 Duplicate samples

The 2011 report also does not document a structured programme of field duplicates or laboratory duplicates (coarse or pulp) to monitor assay precision. In practice, precision appears to rely on the laboratory's internal quality control checks and occasional external check assays. While the lack of a documented duplicate programme restricts the formal quantification of precision, the available check data suggest that analytical precision is generally acceptable.

6.5.4 Check (umpire) samples

Check sampling and assays (internal and external) were carried out in accordance with the regulations of the Non-ferrous Geological System and the *Copper, Lead, Zinc, Silver, Nickel and Molybdenum Deposit Geological Exploration Specification DZ/T 0214-2002*. Prior to 2004, 30 internal check assays were completed, and no external checks were undertaken. From 2004 to 2006, 163 internal check assays (9.9% of the total samples) and 80 external check assays (4.9%) were conducted. From 2007 to 2010, 140 internal check assays (9.6%) and 71 external check assays (4.9%) were completed. In 2011, 81 internal and 41 external check assays were undertaken, representing 13% and 6.6% of the total samples, respectively.

SRK has received the internal and external check assay data reported in the 2011 report for geological samples.

SRK reviewed internal check assay data for 1994-2011, comprising 10 samples from 1994, 264 samples from 2004-2006, 140 samples from 2007-2010 and 49 samples from 2011, for a total of 463 samples (Figure 6-4 and Figure 6-5). The pass rates for these samples (defined as relative difference <20%) are summarised in Table 6-3.

Figure 6-4: Performance of Internal Check Duplicates in Youfangxi

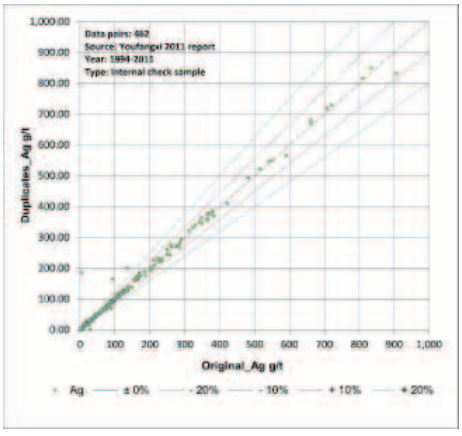


Figure 6-4A Performance of Internal Check Duplicates for Ag

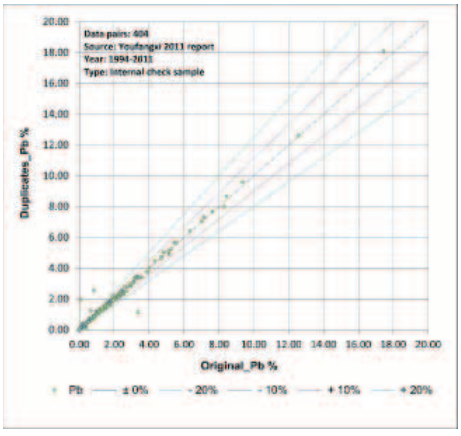


Figure 6-4B Performance of Internal Check Duplicates for Pb

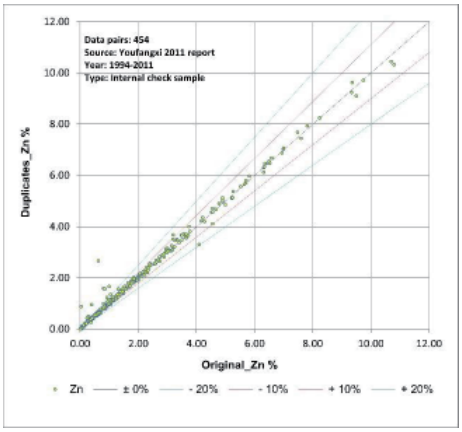


Figure 6-4C Performance of Internal Check Duplicates for Zn

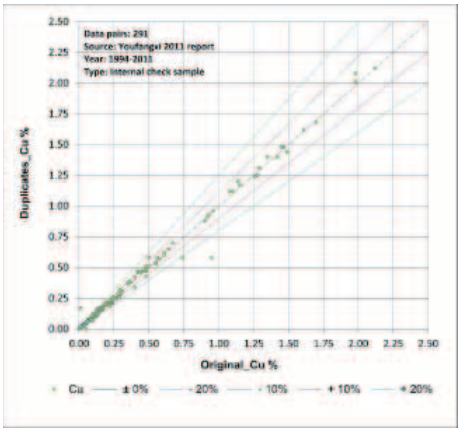


Figure 6-4D Performance of Internal Check Duplicates for Cu

Source: SRK (2026)

Figure 6-5: Performance of External Check Duplicates in Youfangxi

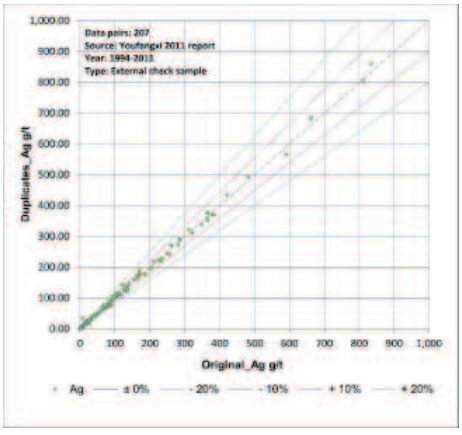


Figure 6-5A Performance of External Check Duplicates for Ag

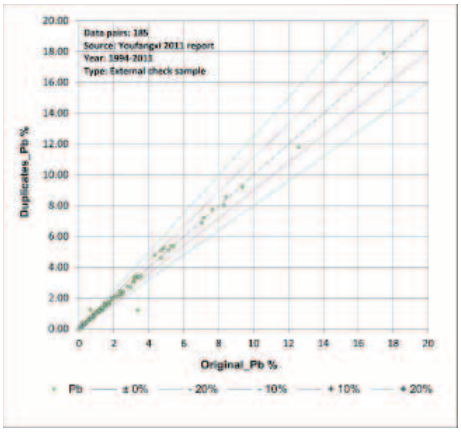


Figure 6-5B Performance of External Check Duplicates for Pb

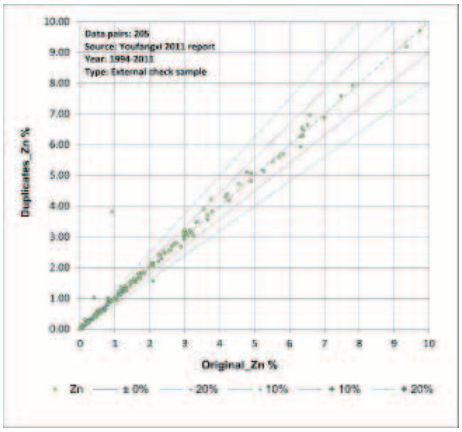


Figure 6-5C Performance of External Check Duplicates for Zn

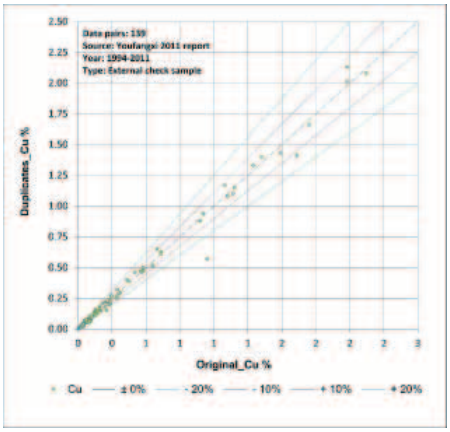


Figure 6-5D Performance of External Check Duplicates for Cu

Source: SRK (2026)

Table 6-3: Statistics of Check Assay Data for Youfangxi (1994-2011)

Type of Check Samples	Element	Data Pairs Count	Relative Difference						pass rate
			<10%		10% - 20%		> 20%		(<20%)
Internal	Ag	462	405	88%	26	6%	31	7%	93.29%
	Pb	404	314	78%	59	15%	31	8%	92.33%
	Zn	454	379	83%	45	10%	30	7%	93.39%
	Cu	291	202	69%	61	21%	27	9%	90.72%
External	Ag	207	175	85%	19	9%	13	6%	93.72%
	Pb	185	146	79%	27	15%	12	6%	93.51%
	Zn	205	158	77%	30	15%	17	8%	91.71%
	Cu	139	78	56%	37	27%	24	17%	82.73%

Source: SRK (2026)

6.6 SRK Data Verification

SRK visited the Rongbang Project site between 27 and 30 January 2026 and conducted the following verification procedures:

- Discussed with the company's geologists and engineers
- Met with Company representatives
- Check previous exploration hole locations
- Visited the drill core shed and observed mineralized cores
- Visited the on-site laboratory and reviewed the sample preparation procedures
- Reviewed the previous exploration dataset, selected SRK verification samples

Figure 6-6: Rongbang Site Visit Photographic Record



Figure 6-6A Rongbang Underground Core Inspection



Figure 6-6B Jaw Crusher in the On-site Laboratory

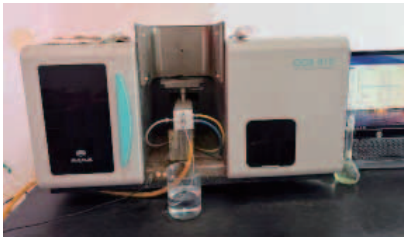


Figure 6-6C Atomic Absorption Spectrophotometer in the On-site Laboratory

Source: SRK (2026)

SRK used the 40 g/t Ag cut-off grade reported in the *Youfangxi Resource and Reserve Verification Report 2011* as a guide for selecting verification samples. A total of 100 pulp duplicates from 2024-2025 production-stage exploration were selected and submitted to SGS Minerals Laboratory in Tianjin, China, for verification analysis. The scatter plots in Figure 6-7 compare the original on-site laboratory assays with the SGS check assays and show that most differences for Ag, Pb, Zn and Cu are within ±20%. The overall agreement is considered acceptable.

Figure 6-7: Performance of SRK Verification Samples from Youfangxi

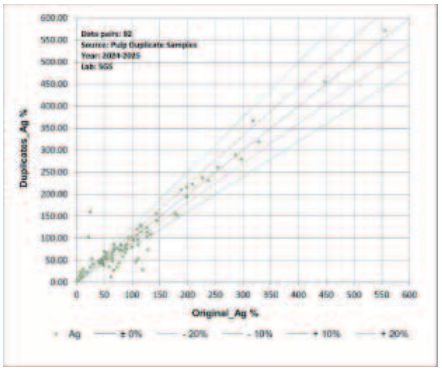


Figure 6-7A Performance of SRK Verification Samples for Ag

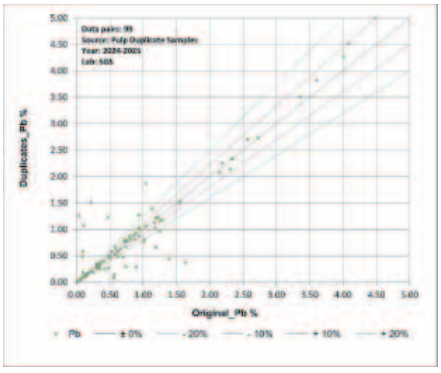


Figure 6-7B Performance of SRK Verification Samples for Pb

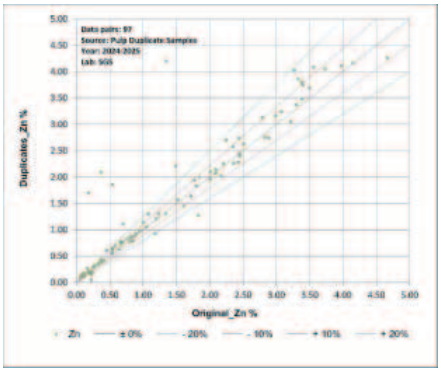


Figure 6-7C Performance of SRK Verification Samples for Zn

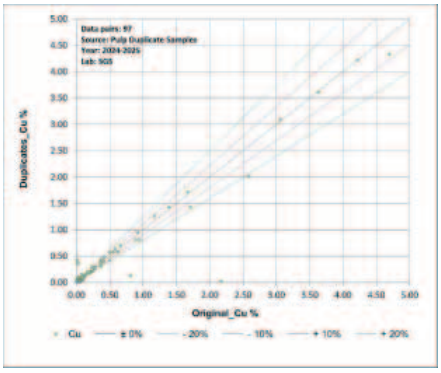


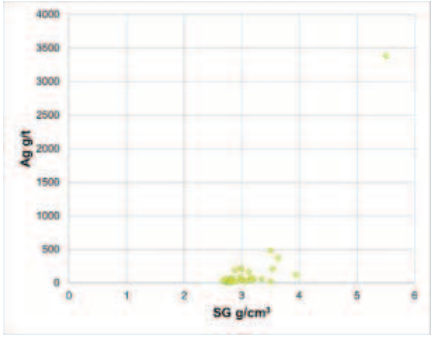
Figure 6-7D Performance of SRK Verification Samples for Cu

Source: SRK (2026)

Under SRK's guidance, Rongbang Mining completed 43 specific gravity measurements. Specific-gravity samples were taken as blocks larger than 10 cm from fresh exposures on tunnel walls, avoiding fault gouge and other disturbed material. After sampling, each sample was wrapped in plastic film. These 43 samples were also sent to SGS, Tianjin for density determination and analysis. The relationships between specific gravity and metal grades for these verification samples are shown in Figure 6-8. The scatter plots indicate no strong or systematic correlation between specific gravity and metal grades. Specific gravity is generally uniform across the observed grade range, with only one sample showing an anomalously high density. Examination of this outlier shows that it has elevated metal grades. This isolated high SG value may reflect local metal enrichment and does not necessarily indicate a systematic relationship between grade and specific gravity for the deposit.

The arithmetic mean specific gravity of the verification set is 3.03 g/cm^3, approximately 11% lower than the 3.44 g/cm^3 value reported in the 2011 report. SRK considers this difference acceptable and, given that the 2011 value is based on a larger number of samples (83), has elected to retain the 2011 specific gravity value for use in the mineral resource estimate.

Figure 6-8: Relationship Between Specific Gravity (SG) and Metal Grade of 2026 Verification Samples



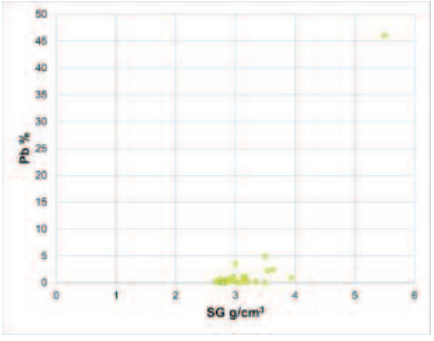


Figure 6-8A Relationship of SG and Ag grade

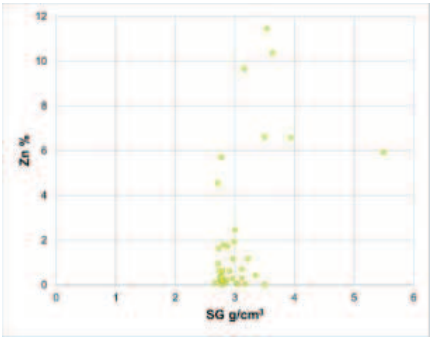


Figure 6-8B Relationship of SG and Pb grade

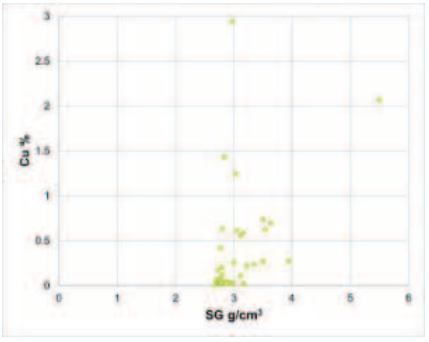


Figure 6-8C Relationship of SG and Zn grade

Figure 6-8D Relationship of SG and Cu grade

Source: SRK (2026)

In the opinion of SRK, the sampling, sample preparation and analytical procedures used for Rongbang Polymetallic Mine Project are generally acceptable. The pass rates of both internal and external check samples for this project are acceptable, while other QC samples were not used in these projects.

7 Mineral Resource Estimates

7.1 Introduction

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global lead, zinc and silver Mineral Resources found in the Rongbang Project at the current level of sampling. The Mineral Resources are not Ore reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore reserves.

The estimates are based on drilling, trenches and underground samples information available up to December 2025. With respect to drilling sample information available for the 30 December 2025 Mineral Resource estimates, SRK believes the current drilling sampling information is sufficiently reliable to interpret with confidence the mineralisation domains for Rongbang deposit and that the assay data is reliable to support Mineral Resource estimation.

Leapfrog Edge 2025.2.3 ("**Leapfrog Edge**") software was used by SRK to generate the veins, prepare assay data for geostatistical analysis, established the block model, estimate metal grades, and tabulate the Mineral Resources.

In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global Mineral Resources defined for the Project at the current level of exploration. The Mineral Resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Ore reserves Best Practices" guidelines and are reported in accordance with the *JORC Code* (2012 Edition).

Mineral Resources are not Ore reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into an Ore Reserve without a minimum of a preliminary feasibility study ("**PFS**") of the Project.

7.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification
- Construction of wireframe models for the boundaries of the lead, zinc and silver mineralisation
- Definition of Mineral Resource domains
- Data conditioning (compositing and capping) for geostatistical analysis
- Block modelling and grade interpolation
- Mineral Resource classification and validation
- Assessment of "reasonable prospects for eventual economic extraction" ("**RPEEE**") and selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource Statement

7.3 Resource Database

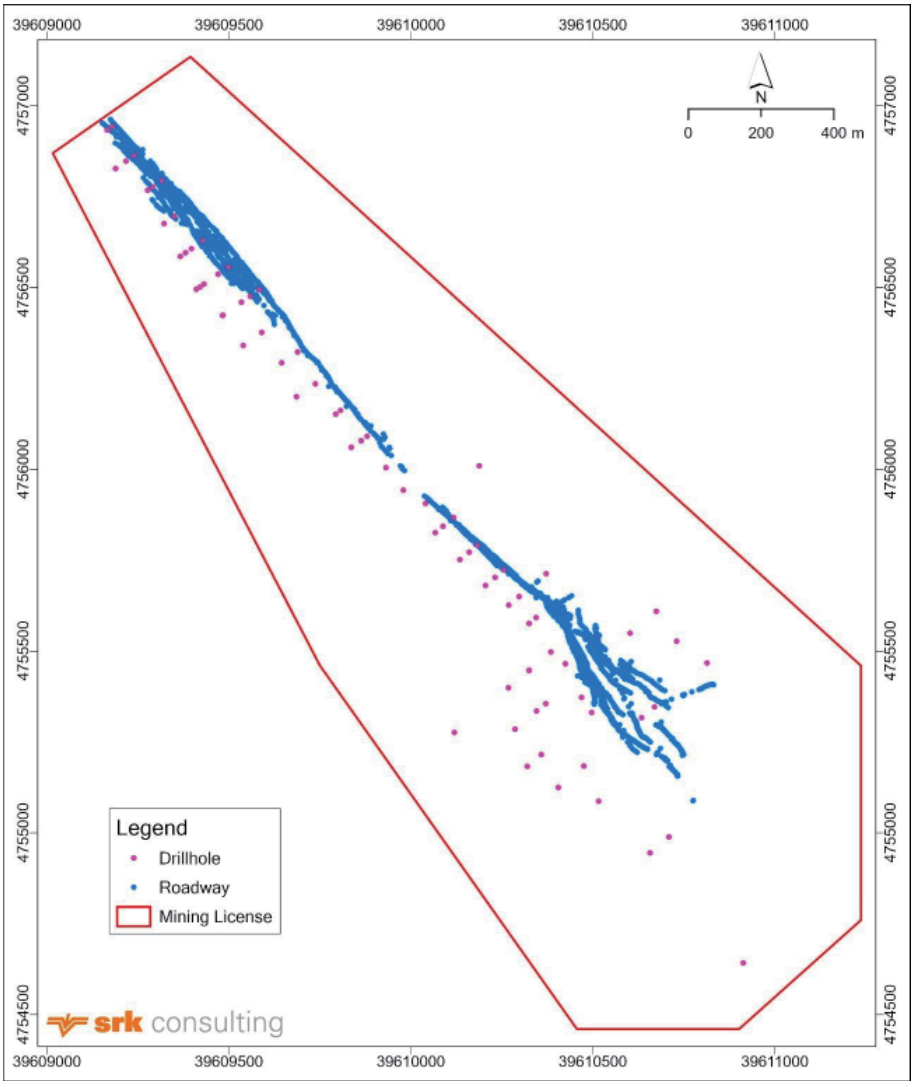
The primary database provided by Xingye Silver & Tin include database (collar, assay, survey, density， litho in CSV format), QA/QC data and Historical goaf data for the project, several exploration report, digitised logging data, all relevant analytical data, geological maps, mineralisation maps, and interpreted maps etc. SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Xingye Silver & Tin was acceptable for use in a Mineral Resource estimate.

Table 7-1: Summary of Resource Database Records

Data Type	Drillhole	Drift	Total
Hole Number	81	2,296	2,377
Length (m)	23,340.75	10,670.71	34,011.46
Assay Sample Number	4,464	3,040	7,504

Source: SRK (2026)

Figure 7-1: Drillholes 3D Display of Rongbang Project



Source: SRK (2026)

7.4 Domain Modelling

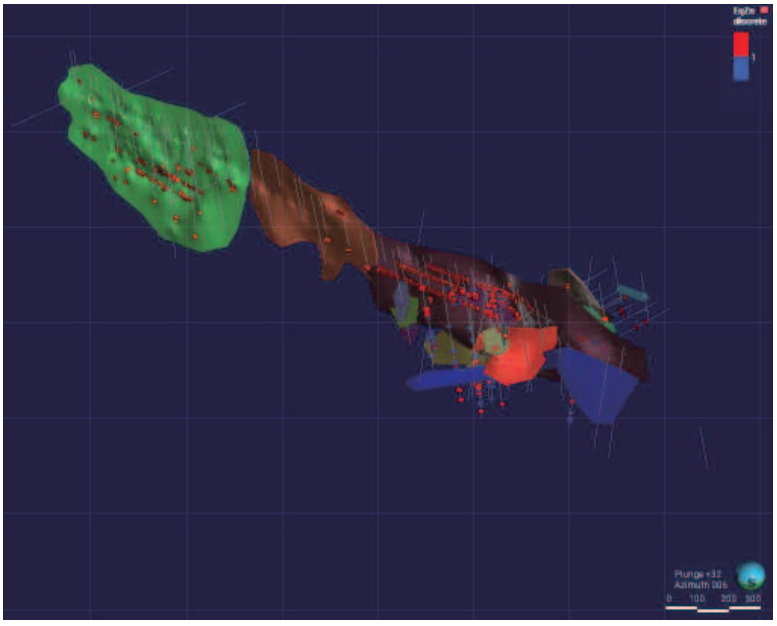
The wireframe models for the Rongbang deposit were established using Leapfrog Edge software. A nominal cut-off grade of 1% ZnEq_Geo was applied to define the mineralised intervals for Domains. The The calculation formula of ZnEq is as follows :

ZnEq_Geo =Zn*(if(Zn⩾0.2,1,0))+Pb*(if(Pb⩾0.2, 0.64,0))+Ag*(if(Ag⩾5, 0.028,0))+ Cu*(if(⩾0.05, 3.47,0)).

The wireframe models for the Rongbang deposit were established using Leapfrog Edge software. A nominal cut-off grade of 1% ZnEq_Geo was applied to define the mineralised intervals for Domains.

Intervals were selected on each drill hole. Within each drill hole, the average grades of Zneq weighted by interval length were employed for mineralised intervals determination. The contact points between mineralisation and host rock were generated using the 'vein selection' function, and the mineralised envelopes were built by the 'vein modelling' and 'domain' functions., within the Leapfrog Edge software. As shown in Figure 7-2. A total of 16 mineralized domains were constructed.

Figure 7-2: The Mineralisation Domain of Rongbang Project



Source: SRK (2026)

7.5 Specific Gravity

The SG measurements were conducted using the Archimedes principle (wax-sealing method). A total of 83 SG samples, including 28 samples from the reconnaissance stage, 16 from the detailed prospecting stage, and 39 from the exploration stage, were taken covering different rock types and provided by the client.

A total of 83 SG samples were collected. All samples were tested by the Yanjiao Central Laboratory of North China Non-Ferrous Metals Geological Exploration Bureau.

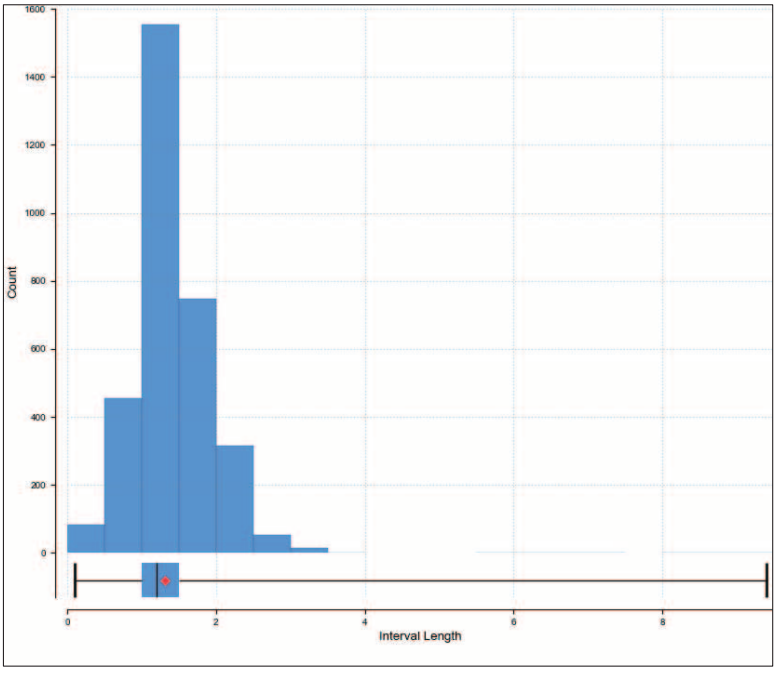
Among them, 47 samples are lead-zinc (type) ores and 36 are copper ores. The samples cover ores of various mineralization intensities (ore grades) as well as a small amount of altered mineralized rocks (partings), thus ensuring adequate representativeness.

The volume weight (specific gravity) of various types of ores in this area shows little difference and has no obvious correlation with ore grade. Therefore, an average value of **3.44 g/cm³** is adopted for the volume weight of all types of ores, and the volume weight of wall rock is **2.80 g/cm³**.

7.6 Compositing

Prior to the statistical analysis, the samples were generally combined so the length of each sample was basically equivalent. The distribution of sample lengths is provided in Figure 7-3.

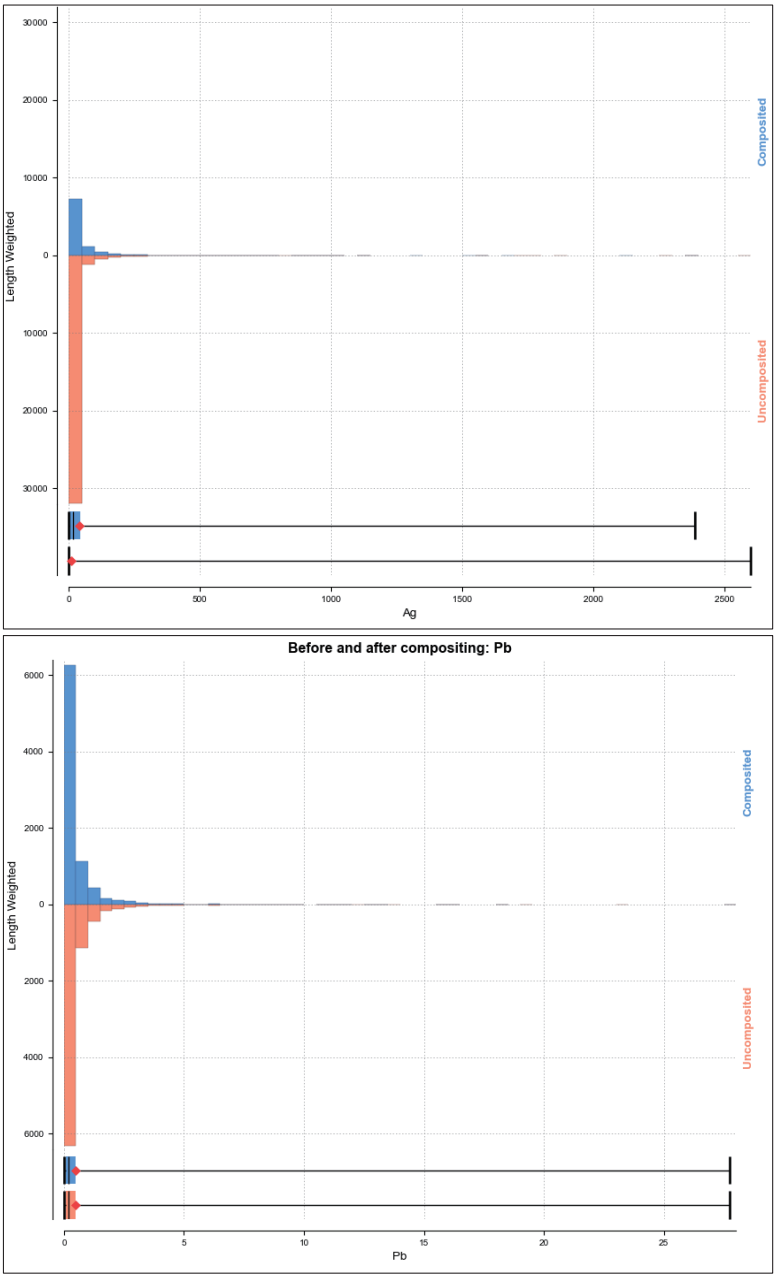
Figure 7-3: Histogram of the Sample Length of the Rongbang Project

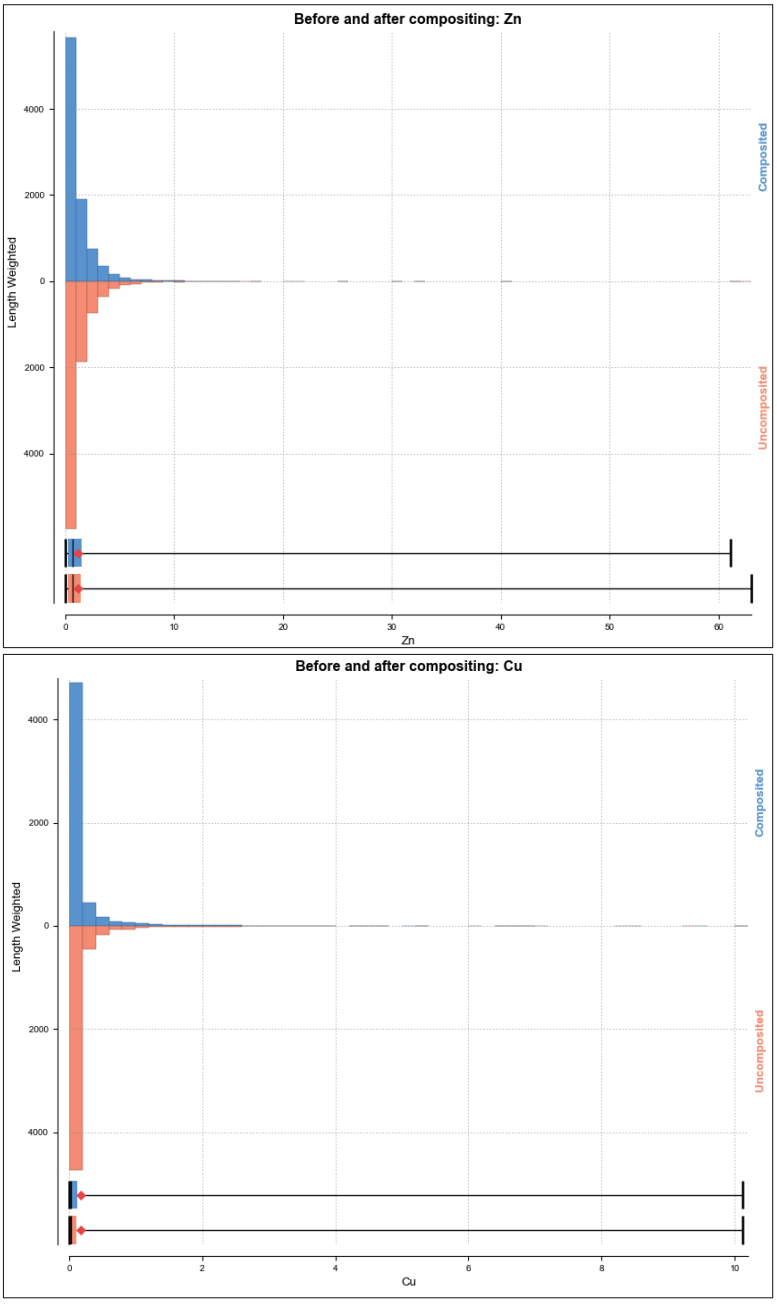


Source: SRK (2026)

The database indicates that the most sample intervals are 1 m. A composite length of 1 m was selected for Rongbang Project. Composites were created within the Mineral Resource estimation domains beginning at the upper contacts. The intersection thickness encountered by any given drill hole, trenches and underground samples, however, is not an even multiple of the composite length. If the remaining length was less than 1 m, the composite was added to previous interval. The treatment of the ended composites did not affect the overall integrity of the composited database. The compositing of samples before and after does not affect the overall distribution of the samples (Figure 7-4).

Figure 7-4: Raw samples and Composites Distribution of Ag Pb Zn for Rongbang Project





Source: SRK (2026)

7.7 Evaluation of Outliers

Due to the Ag, Pb, Zn and Cu skewed distribution of some mineralisation zone, the few high-grade assays represent a significant proportion of the metal content. As the number of such extreme grades is small, this can lead to considerable uncertainty in the tonnage and grade of this material. To help control this uncertainty and risk, metal top cuts were applied to the Ag, Pb, Zn and Cu data.

The assessment considers the variable histogram, normal probability plot, and charts where samples are sorted from low to high and the impact of adding samples one by one to the dataset from low to high on the mean, standard deviation and coefficient of variation. The High-grade composites were capped or restricted to a small spatial influence (Table 7-2).

Table 7-2: Capping Values Statistics of the Rongbang Project

Domain	Itum	Unit	Before Capping		Cap	After Capping		No. Capped Value	Metal loss
			Mean	Composite Count	Value	mean	Composite Count		
Rongbang	Ag	g/t	68.73	4757	1258	57.4	5031	5	11.67
	Pb	%	0.7696	4725	15.84	0.742	4290	7	12.46
	Zn	%	1.6107	4873	19.85	1.59	4402	3	10.83
	Cu	%	0.2732	2248	4.00	0.232	2257	8	14.74

Source: SRK (2026)

The histogram and cumulative probability curve of the composites Ag, Pb, Zn and Cu for Mineral Domain ZnEq_Geo1.0, as presented in Figure 7-5.

Figure 7-5: Histogram and Log Probability Curve of Capping Mineral Domain ZnEq_Geo1.0

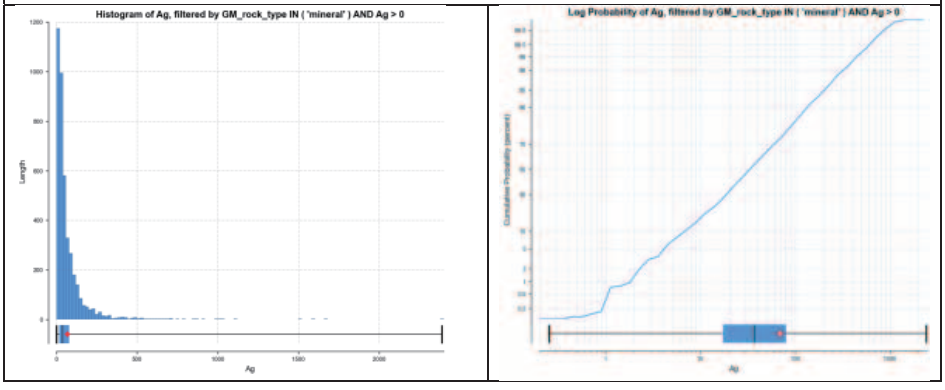
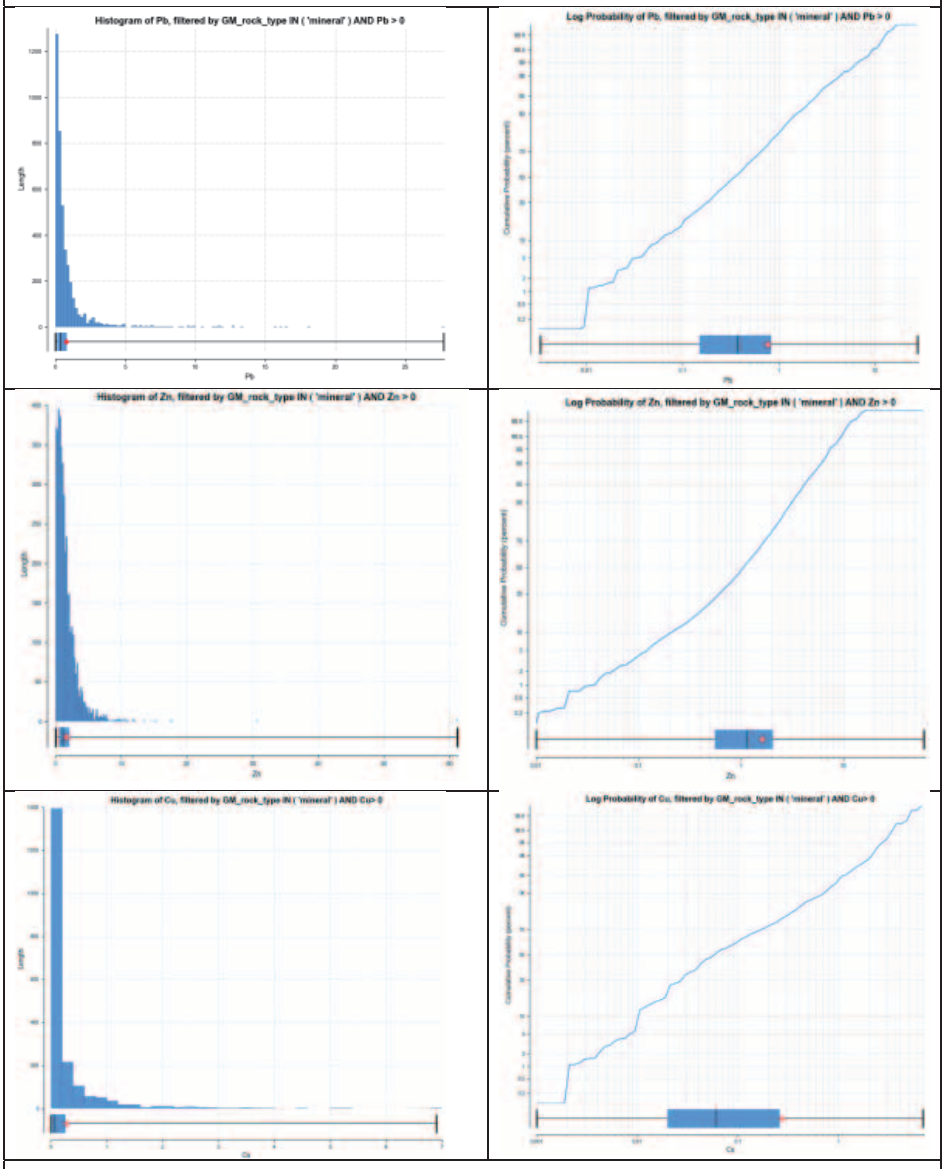


Figure 7-5: Histogram and Log Probability Curve of Capping Mineral Domain ZnEq_Geo1.0



Source: SRK (2026)

7.8 Statistical Analysis and Variography

For many of the domains the assessment of the experimental semi-variograms did not show any interpretable structure in the data. This is potentially due to relatively small numbers of composites and relatively widely spaced intersections. For the Ag, Pb, Zn and Cu of Domain ZnEq_Geo1.0 showed a sufficiently robust structure to allow modelling of a semi-variogram for Siliver, lead, Zinc and Copper. The semi-variograms are modelled on normal score transforms of the variables, and the spherical structured modelled semi-variogram is back transformed into real space. The real space back transformed semi-variogram models are shown in Table 7-3. The models are isotropic in the plane of mineralisation.

Table 7-3: Semi-Variogram Model Parameters of Ag, Pb, Zn, Cu

Domain	Itum	Direction (Dip, Dip Azimuth, Pitch)	Nugget	Structure 1				Structure 2			
				Sill	Major	Semi-major	Minor	Sill	Major	Semi-major	Minor
Rongbang Domain ZnEq_Geo1.0	Ag	85 225 9	0.128	0.438	6.285	19.57	11.24	0.4326	103.1	40.49	14.05
	Pb	85 225 10	0.0278	0.342	3.81	3.799	6.455	0.6314	113.4	37.18	11.97
	Zn	85 225 9	0.0954	0.4191	7.103	5.962	8.24	0.4855	98.6	47.71	11.51
	Cu	85 220 9	0.015	0.0151	5.908	3.256	9.107	0.9699	109.8	99.64	15

Source: SRK (2026)

Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb, Zn and Cu（Domain ZnEq_Geo1.0）

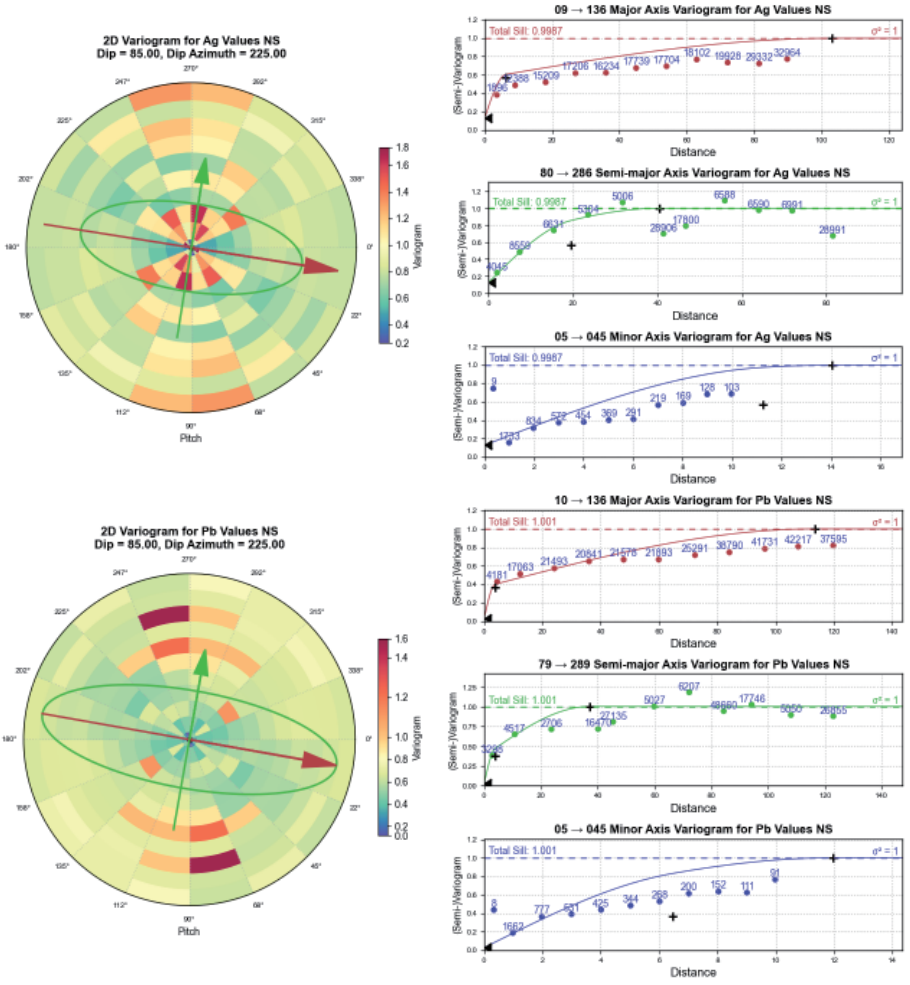
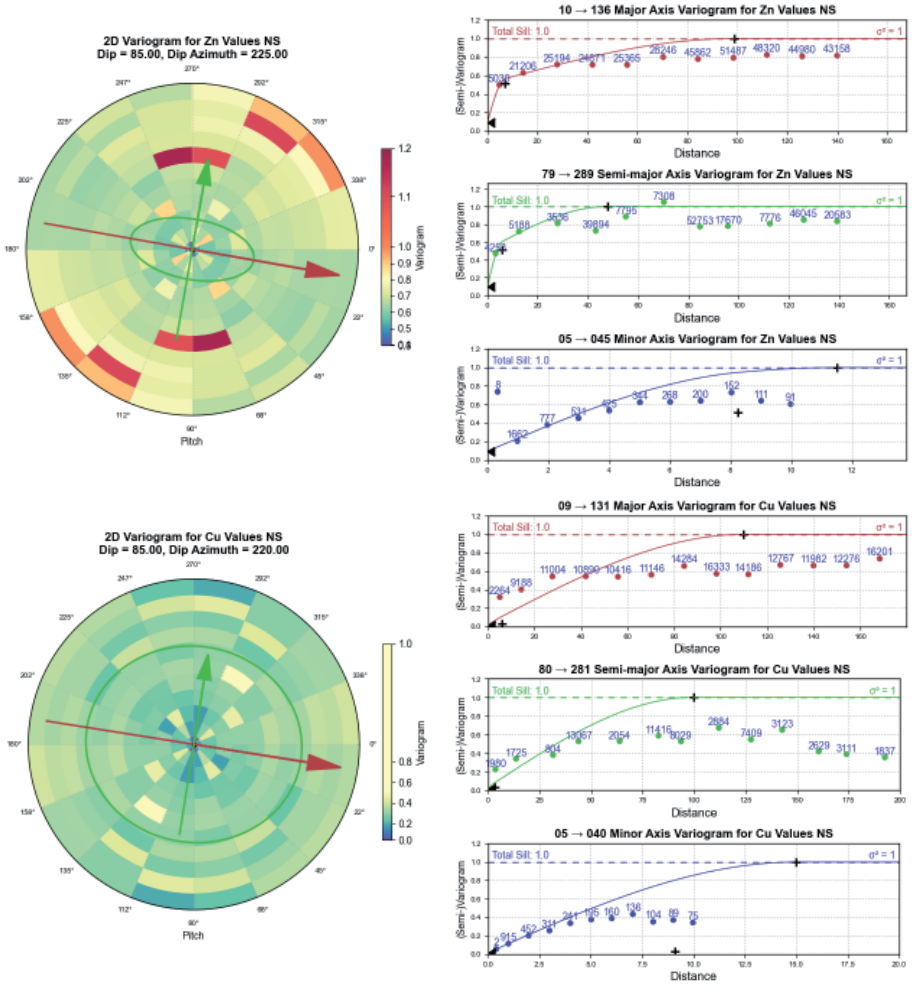


Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb, Zn and Cu（Domain ZnEq_Geo1.0）



Source: SRK (2026)

7.9 Block Model and Grade Estimation

A rotational model for Rongbang Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model which was able to follow the mineralized zones. The block model used the same coordinate system as data collection. The block model summary is presented in Table 7-4. The attributes and descriptions are presented in Table 7-5.

Table 7-4: Block Model Specifications of Rongbang Project

Axis	Minimum (m)	Maximum (m)	Block Size (m)	Sub Block Size (m)	Rotation (degrees)
N	4,754,440.58	4,757,550	8	2	0
E	608,692.36	611,578.93	8	2	0
Z	-18	1,582	4	1	140

Source: SRK (2026)

Table 7-5: Attributes and Descriptions of Rongbang Project

Attribute	Description
Domain	Mineralisation domains
Domain_id	Mineralisation domains id
ZnEq_Geo_mining	[ag] *0.0383+ [pb] *0.8594+ [zn] *1+ [cu] *4.3872
Ag	Silver grade
Pb	Lead grade
Zn	Zinc grade
Cu	Copper grade
License	Mining License: in ,out
Resclass	Mineral Resource Classification
Goaf	Mined out area as of 31 December 2025
Sg	Specific gravity

Source: SRK (2026)

The Ordinary Kriging ("**OK**") method was used for the Ag, Pb, Zn and Cu grade estimation of Domain ZnEq_geo_1.0. Hard boundaries were used for both Ag, Pb, Zn and Cu of all domains.

The parameters of the searching ellipsoid were thus manually optimized, and the parameters are summarized in Table 7-6. The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation.

The Domain, Category and Depletion attribute were assigned directly using the solid models.

Table 7-6: Search Parameters

Item	Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites	Drillhole Limit
Ag	1	52,21,7	3	24	8
	2	103,40,14	2	24	8
	3	150,60,21	1	24	/
Pb	1	57,18,6	3	24	6
	2	113,37,12	2	24	6
	3	141,45,15	1	24	/
Zn	1	49,24,6	3	24	6
	2	98,48,12	2	24	6
	3	125,73,15	1	24	/
Cu	1	55,50,7.5	3	24	6
	2	81,75,11.5	2	24	6
	3	110,100,15	1	24	/

Source: SRK (2026)

7.10 Model Validation and Sensitivity

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selective assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

SRK adopted two approaches to validate the model：

- Visual inspection; and
- Swath plot validation.

Visual inspection provides a validation of the interpolated block model on a local block scale, using visual assessments of composited sample grades versus estimated block grades. The visual inspections of mineralisation Domain Zneq_Geo1.0 were present in Figure 7-7 which shows that the Ag, Pb, Zn and Cu grade estimate match well with the composites.

Figure 7-7: Ag, Pb, Zn and Cu Visual Inspection of Mineralisation Domain Zneq_Geo1.0

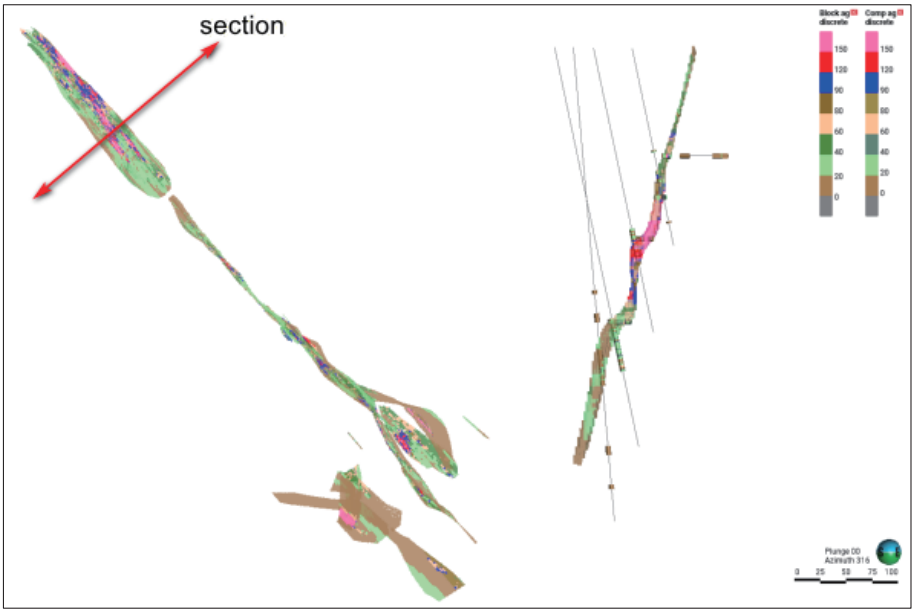


Figure 7-7: Ag, Pb, Zn and Cu Visual Inspection of Mineralisation Domain Zneq_Geo1.0

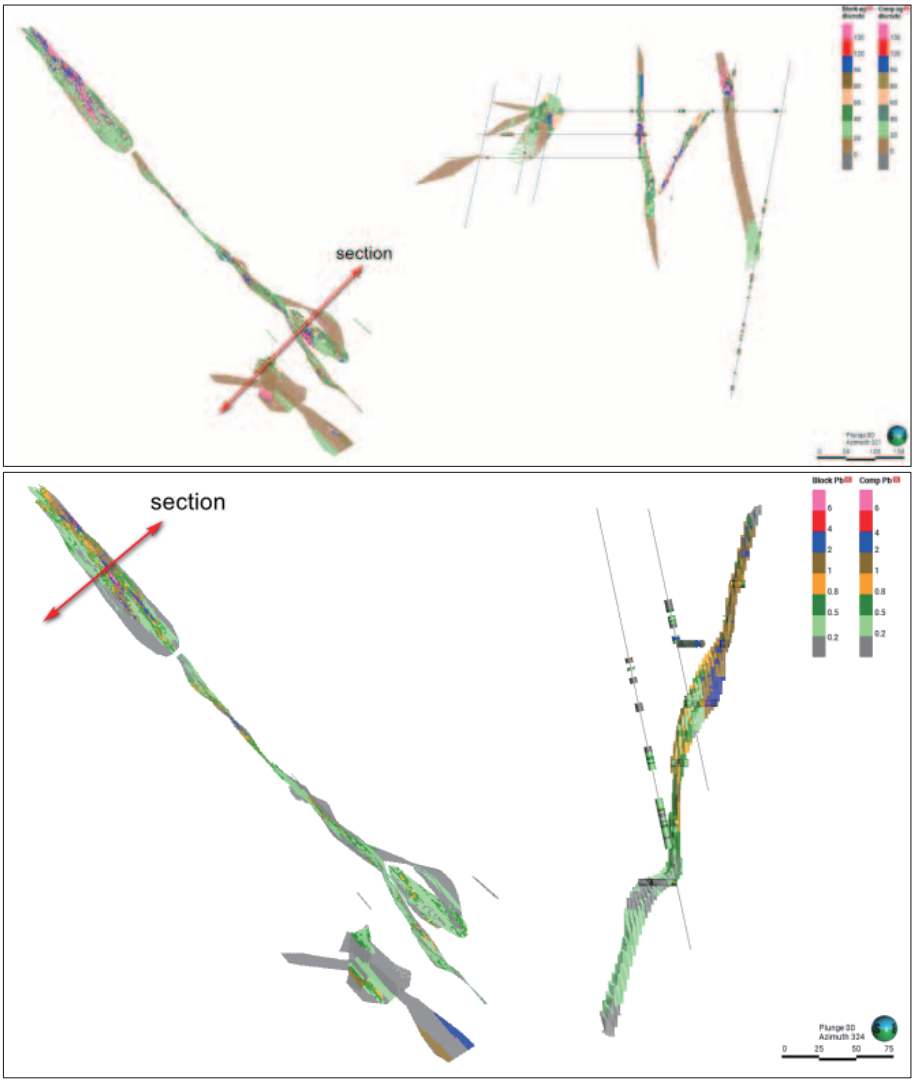


Figure 7-7: Ag, Pb, Zn and Cu Visual Inspection of Mineralisation Domain Zneq_Geo1.0

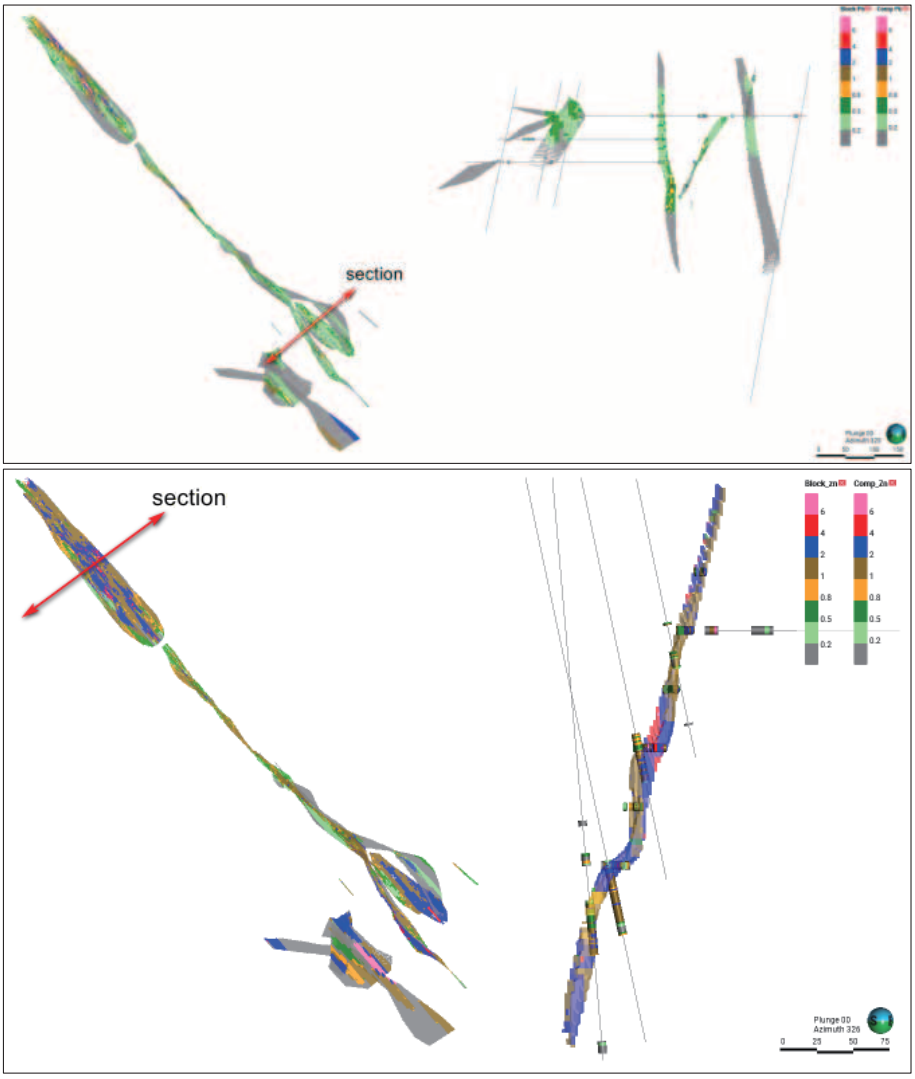


Figure 7-7: Ag, Pb, Zn and Cu Visual Inspection of Mineralisation Domain Zneq_Geo1.0

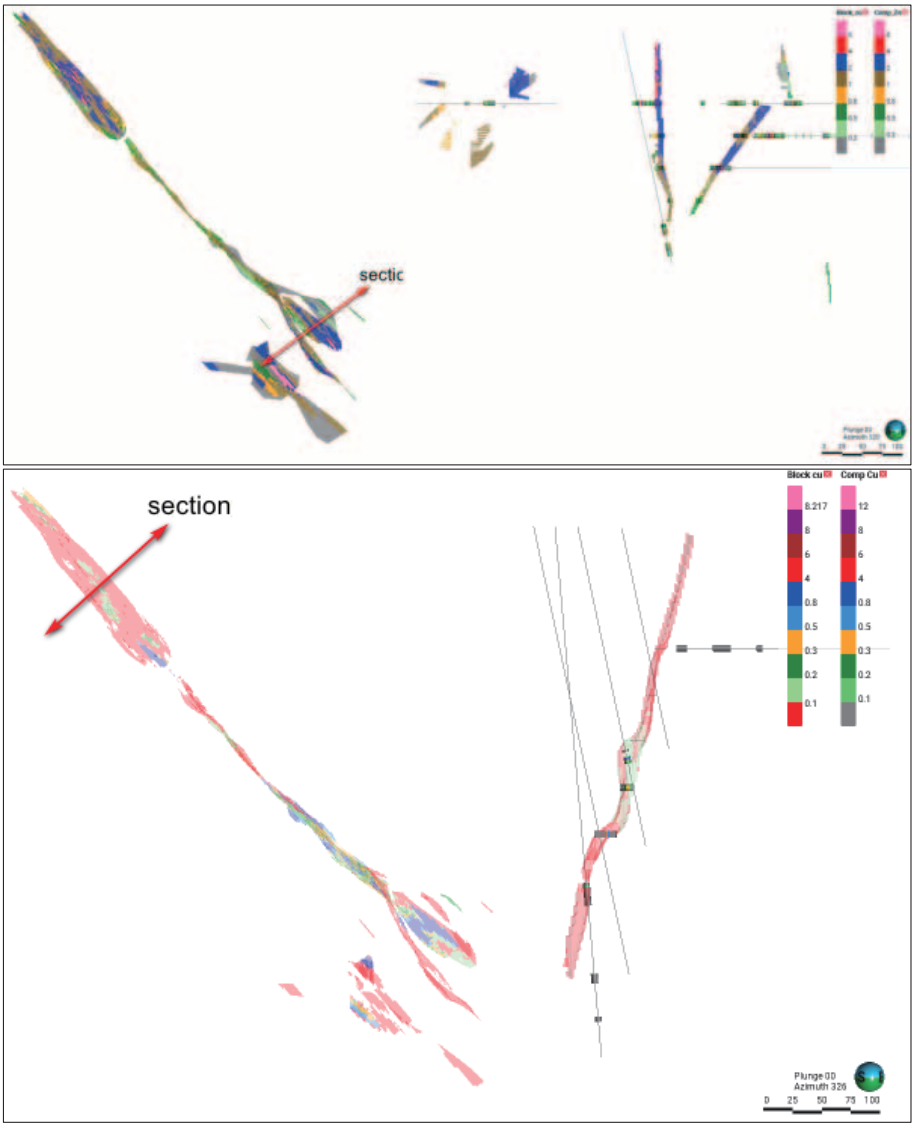
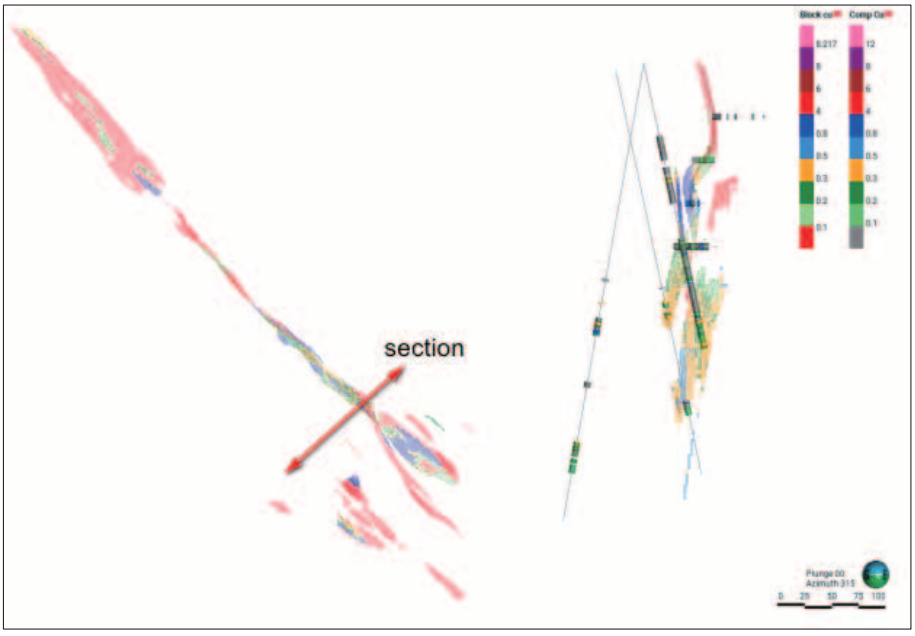


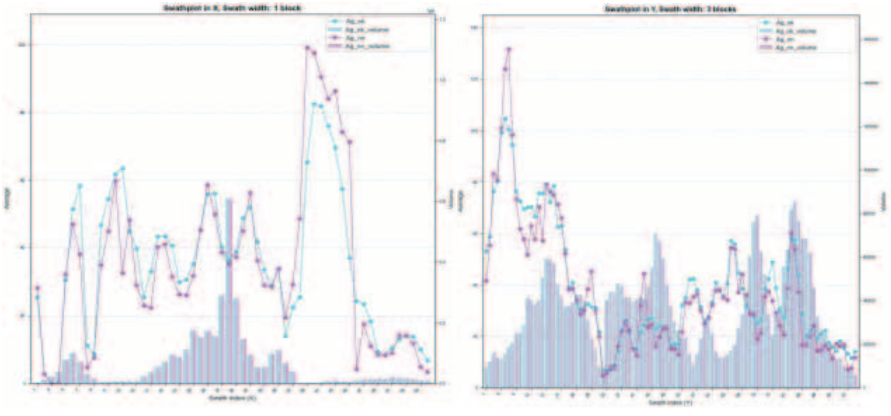
Figure 7-7: Ag, Pb, Zn and Cu Visual Inspection of Mineralisation Domain Zneq_Geo1.0



Source: SRK (2026)

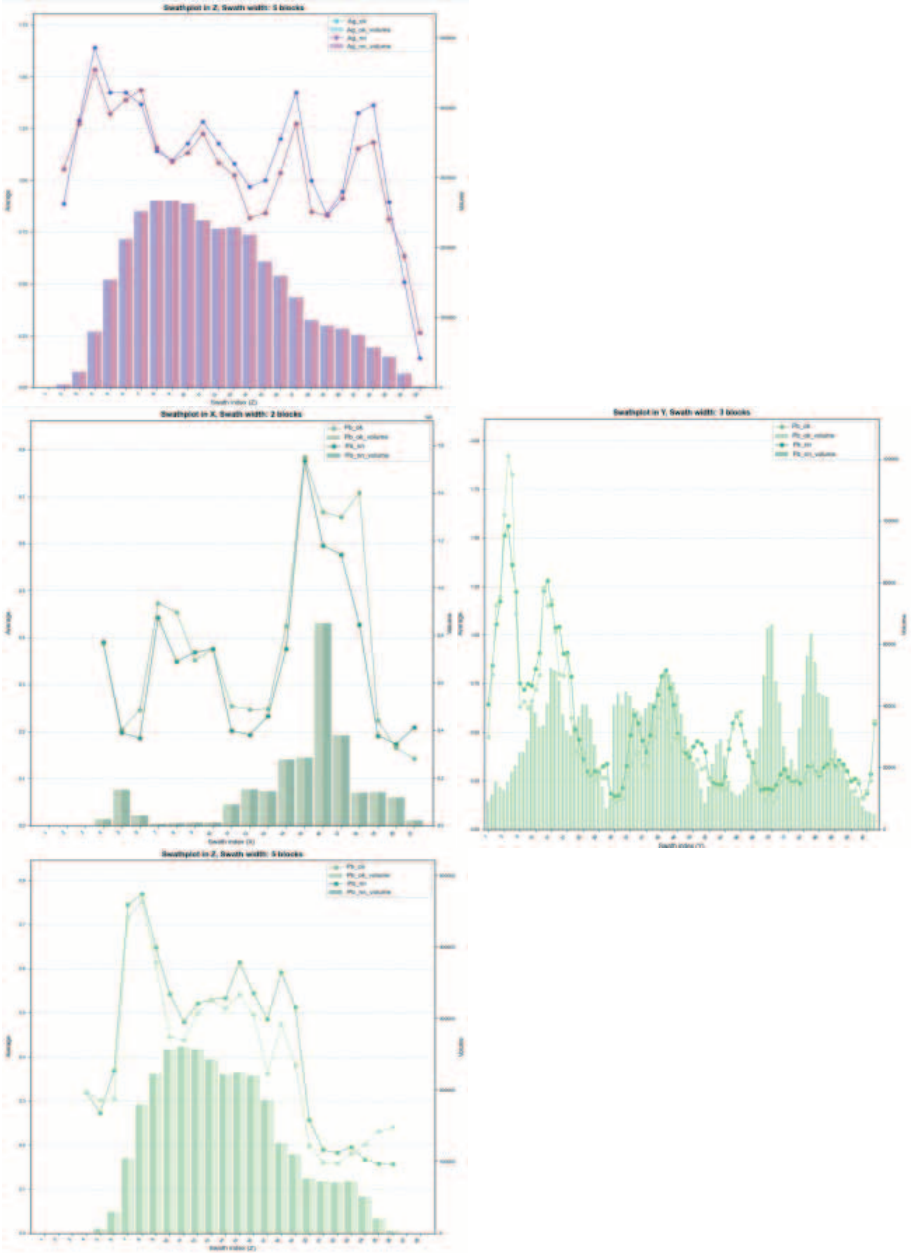
Swath plots of Ag, Pb, Zn and Cu were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown in Figure 7-8. This comparison shows close agreement between the Ag, Pb, Zn and Cu block estimates and Nearest Neighbour ("**NN**") estimates in terms of overall distribution as a function of X, Y, and Z location.

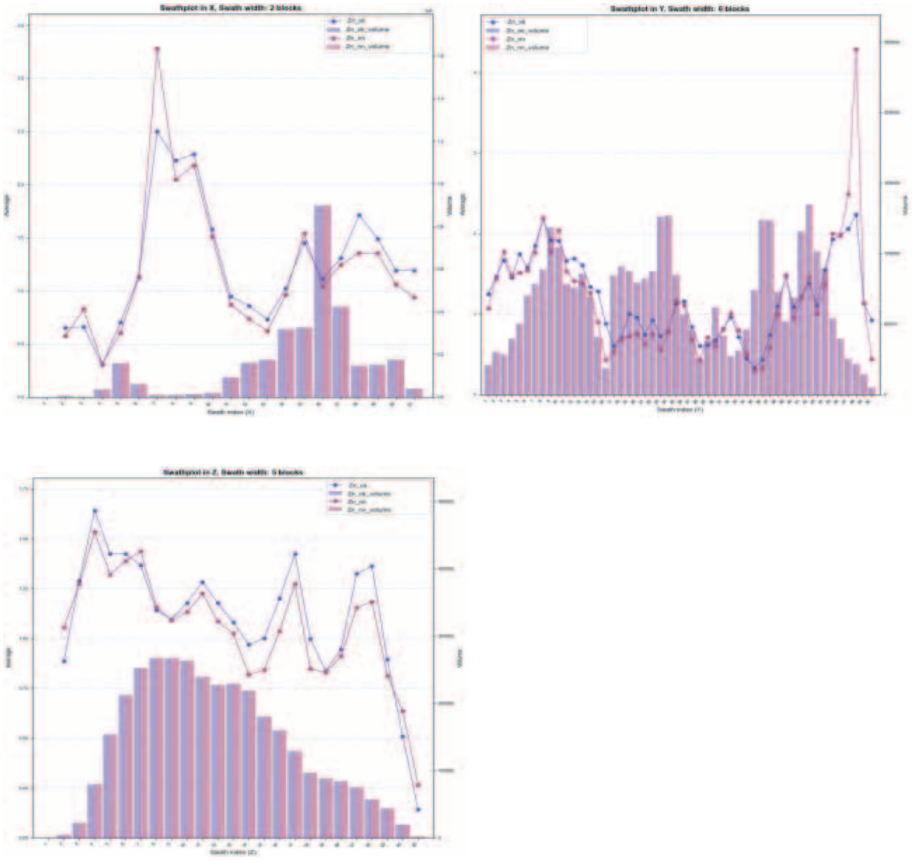
Figure 7-8: Swath Plot of Ag Pb Zn and Cu



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- Final





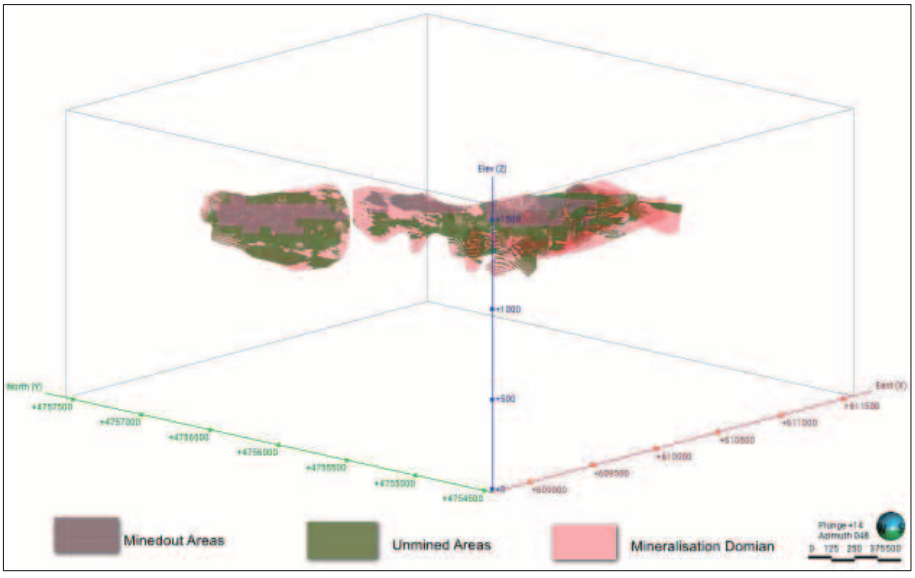
Source: SRK (2026)

7.11 Mining Depletion

The Rongbang Project is currently in production. SRK was provided the survey map and the 3D model for the mined-out area by the Xingye Silver & Tin. SRK considers the investigation method for defining mined-out areas to be reasonable it can reflect the actual mining depletion. SRK has adopted the data for Mineral Resource depletion (Figure 7-9).

The cut-off date for mining depletion in the Mineral Resource report is 31 December 2025.

Figure 7-9: The cut-off date for mining depletion in the Mineral Resource report is 31 December 2025



Source: SRK (2026)

7.12 Mineral Resource Classification

Mineral Resource classification is typically a subjective concept. The industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

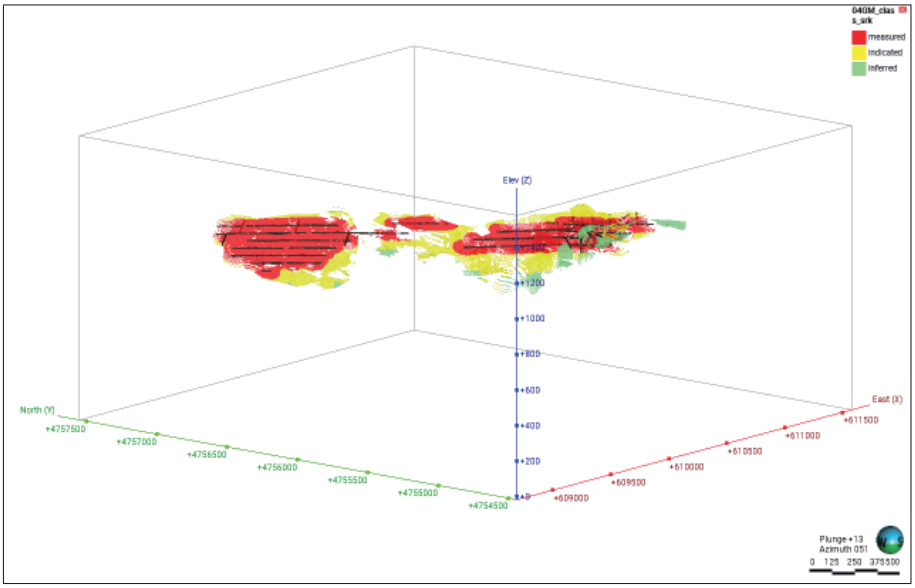
SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples is correctly defined, and the assay data are acceptable to support the Mineral Resource evaluation. The sampling information was acquired primarily from diamond drillholes with most holes on a grid density of 80 m by 80 m and a minority on a denser 40 m by 40 m grid.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that those blocks within an exploration rid of 40 m × 40 m is defined as Measured resource, those blocks at an exploration of 80 m × 80 m is defined as Indicated resource and those blocks at the exploration rid of 160 m × 160 m and greater is defined as Inferred resource. (Figure 7-10).

For those Measured and Indicated Mineral Resource blocks, SRK considers that the level of confidence is sufficient to allow appropriate application of technical and economic parameters to

support mine planning and to allow evaluation of the economic viability of the deposit, which is also adequate to support mining operation.

Figure 7-10: Mineral Resource Classification



Source: SRK (2026)

7.13 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

"(A) Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories".

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. SRK acknowledge that the Rongbang Project is an operating underground operation.

The conceptual parameters used to estimate the cut-off grade for the Rongbang Project are summarised in Table 7-7.

Table 7-7: Assumptions Considered for the mining area in the filling mining method of the Rongbang Project

Item	Parameters	Unit	Resource
Price	Zinc	USD/t	3,650.00
	Ag	USD/t	42.3
	Pb	USD/t	2,600
	Cu	USD/t	12,600
EQ Factor	Ag		0.0383
	Pb		0.8594
	Zn		1
	Cu		4.3872
	Exchange Rate	USD: CNY	7.1
P	Zinc Price	CNY/t ore	25,915.00
Pa	Payable	CNY/t ore	-5,317
Pr	Processing Recovery	%	80
Rt	Royalties	%	-
Cm	Mining Cost	CNY/t ore	168
Cp	Processing Cost	CNY/t ore	72
Cg	G&A Cost	CNY/t ore	105
A	COG Zneq	%	2.09%
	Preferred COG Zneq	%	2.10%

Source: SRK (2026)

SRK generated the Mineral Resource estimation domains using Leapfrog Edge software. The estimates are based on the surface diamond drill holes, trenches and underground drilling and mining depletion information available up to 31 December 2025.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Rongbang Project, at a cut-off grade of 2.10% ZnEq for the project.

There are 2.11 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 0.54% Pb, 1.55% Zn, 0.23% Cu, 53.51 g/t Ag and 5.08% ZnEq; 1.91 Mt of Indicated Mineral Resources at an average grade of 0.24% Pb, 1.32% Zn, 0.24% Cu, 32.12 g/t Ag and 3.80% ZnEq; and 0.55 Mt of Inferred Mineral Resources at an average grade of 0.50% Pb, 1.38% Zn, 0.28% Cu, 46.60 g/t Ag and 4.81% ZnEq. Details of estimated Mineral Resources are shown in Table 7-8.

Table 7-8: Mineral Resource Statement[1], Rongbang Project, Prepared by SRK Consulting China Limited, 31 December 2025[2]

Mineralized Zone/Block	Cutoff	Category	Tonnage	Average Grade				Metal Contained					
				Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
	Zneq (%)		Mt	%	%	%	g/t	%	t	t	t	t	t
Rongbang	2.10	Measured	2.11	0.54	1.55	0.23	53.51	5.08	11,294	32,700	4,876	113	107,008
		Indicated	1.91	0.24	1.32	0.24	32.12	3.80	4,686	25,343	4,523	61	72,762
		Measured + Indicated	4.02	0.40	1.44	0.23	43.33	4.47	15,980	58,043	9,399	174	179,769
		Inferred	0.55	0.50	1.38	0.28	46.60	4.81	2,777	7,611	1,533	26	26,593

Mineralized Zone/Block	Cutoff	Category	Tonnage	Average Grade					Metal Contained					
				Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
	Zneq (%)		Mt	%	%	%	g/t	%	t	t	t	t	t
		Total	4.58	0.41	1.43	0.24	43.73	4.51	18,757	65,654	10,932	200	206,363

Source: SRK (2026)

Notes:

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

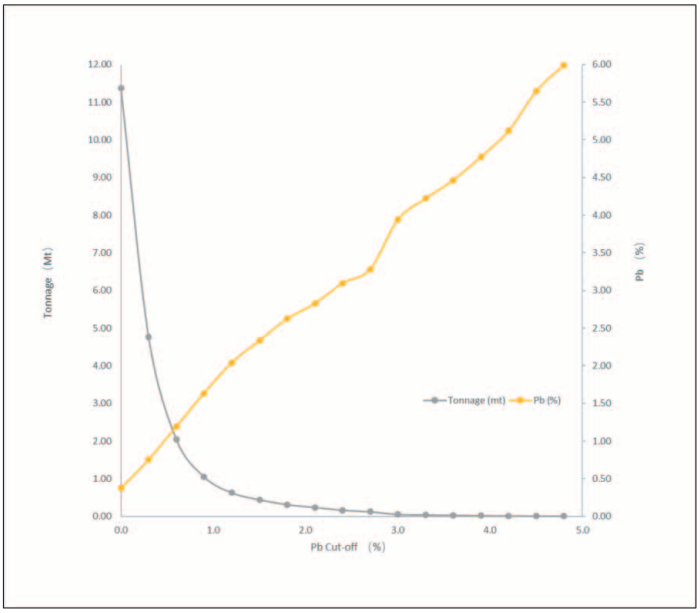
[2] The information in this report which relates to Mineral Resources is based on information compiled by Liang Li (Elian) and Dr Hancheng Zhang, who are full-time employees of SRK Consulting China Ltd. Mr Li is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and Dr Zhang is a Member of the Australian Institute of Geoscientists (AIG). Both Mr Li and Dr Zhang have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as 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). Mr Li and Dr Zhang consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 2.10% ZnEq.

7.14 Grade Sensitivity Analysis

The Mineral Resources of the Rongbang Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the global model quantities and grade estimates are presented in Figure 7-11 and Table 7-9. at various cut-off grades. The reader is cautioned that these figures listed should not be misconstrued as representing a Mineral Resource Statement but are included for the purpose of illustrating the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-11: Pb Grade-Tonnage Plot



Source: SRK (2026)

Table 7-9: Pb Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades

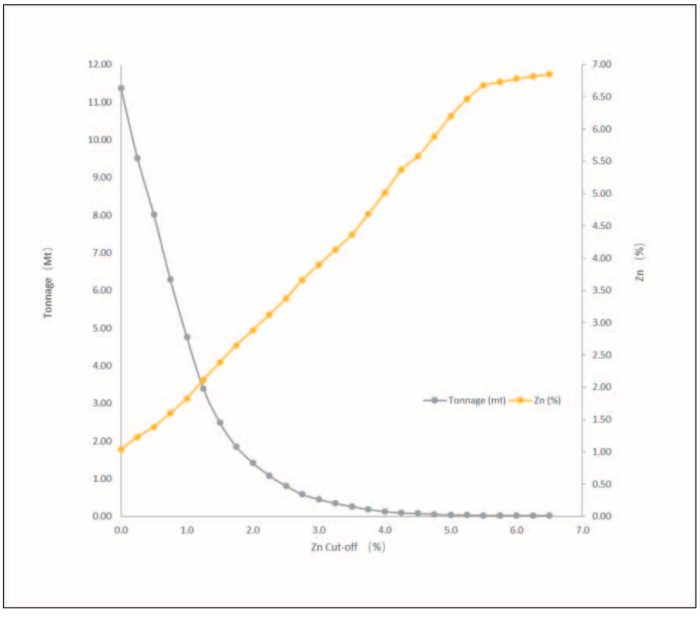
Cut-off Grad	Quantity	Grade	Material Content
Pb (%)	(mt)	Pb (%)	t
0.0	11.38	0.37	42,523
0.3	4.76	0.76	35,984
0.6	2.05	1.19	24,478
0.9	1.05	1.63	17,228
1.2	0.63	2.04	12,835
1.5	0.44	2.33	10,337
1.8	0.31	2.62	8,220
2.1	0.24	2.83	6,821
2.4	0.17	3.10	5,118
2.7	0.12	3.28	4,065
3.0	0.05	3.94	2,103
3.3	0.04	4.22	1,659
3.6	0.03	4.46	1,350
3.9	0.02	4.77	999
4.2	0.01	5.12	725
4.5	0.01	5.65	472
4.8	0.01	5.99	374

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-12: Zn Grade-Tonnage Plot



Source: SRK (2026)

Table 7-10: Zn Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades

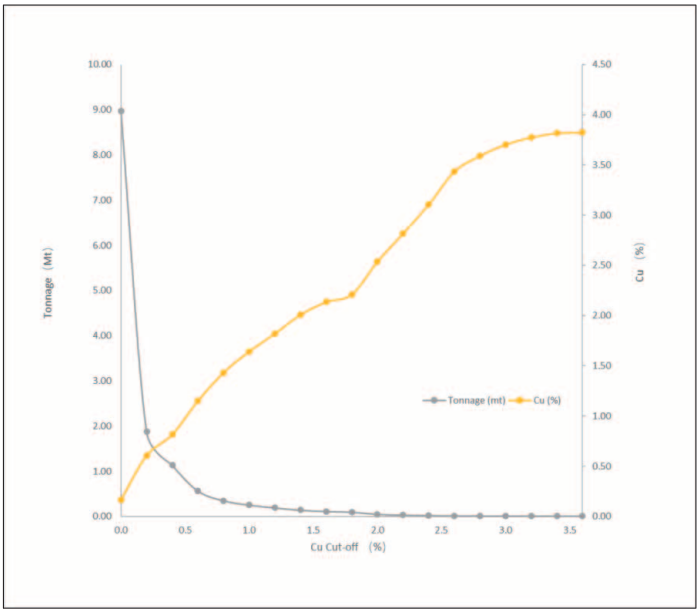
Cut-off Grad Zn(%)	Quantity (mt)	Grade Zn(%)	Material Content t
0.0	11.38	1.04	118,031
0.3	9.52	1.23	116,877
0.5	8.01	1.39	111,109
0.8	6.29	1.60	100,432
1.0	4.76	1.83	87,006
1.3	3.40	2.11	71,907
1.5	2.50	2.39	59,534
1.8	1.85	2.65	49,147
2.0	1.43	2.88	41,117
2.3	1.09	3.12	33,911
2.5	0.82	3.37	27,560
2.8	0.59	3.66	21,583
3.0	0.46	3.90	17,752
3.3	0.35	4.13	14,503
3.5	0.27	4.36	11,709
3.8	0.19	4.68	8,824
4.0	0.13	5.01	6,753
4.3	0.10	5.37	5,187
4.5	0.08	5.58	4,437
4.8	0.06	5.88	3,546
5.0	0.05	6.20	2,843
5.3	0.04	6.47	2,392
5.5	0.03	6.68	2,067
5.8	0.03	6.73	1,985
6.0	0.03	6.78	1,873
6.3	0.03	6.82	1,784
6.5	0.02	6.85	1,672

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-13: Cu Grade-Tonnage Plot



Source: SRK (2026)

Table 7-11: Cu Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades

Cut-off Grad	Quantity	Grade	Material Content
Cu (%)	(mt)	Cu (%)	t
0.0	8.96	0.16	14,687
0.2	1.88	0.61	11,378
0.4	1.14	0.82	9,265
0.6	0.57	1.15	6,504
0.8	0.35	1.43	4,994
1.0	0.25	1.64	4,149
1.2	0.19	1.82	3,471
1.4	0.14	2.01	2,817
1.6	0.11	2.14	2,394
1.8	0.10	2.21	2,113
2.0	0.05	2.54	1,265
2.2	0.03	2.82	851
2.4	0.02	3.11	609
2.6	0.01	3.43	441
2.8	0.01	3.59	383
3.0	0.01	3.70	339
3.2	0.01	3.77	310
3.4	0.01	3.82	290

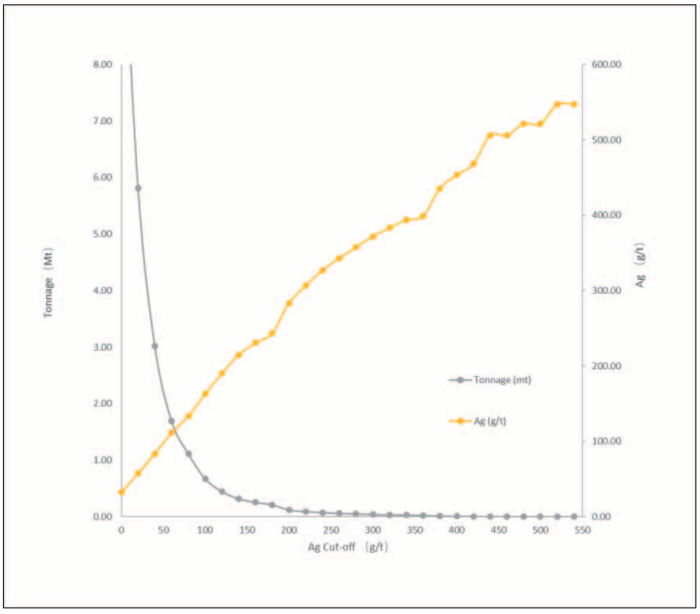
Cut-off Grad	Quantity	Grade	Material Content
Cu (%)	(mt)	Cu (%)	t
3.6	0.01	3.82	285

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-14: Ag Grade-Tonnage Plot



Source: SRK (2026)

Table 7-12: Ag Global Block Model Quantities and Grade Estimates1, at Various Cut-off Grades

Cut-off Grad	Quantity	Grade	Material Content
Au (g/t)	(mt)	Au (g/t)	t
0	11.38	32.56	370.46
20	5.82	57.71	335.62
40	3.03	83.84	253.67
60	1.70	111.37	188.78
80	1.11	133.71	149.08
100	0.68	162.90	110.03
120	0.45	190.22	85.31
140	0.32	214.81	68.56
160	0.26	230.76	59.27
180	0.21	243.60	51.66

Cut-off Grad Au (g/t)	Quantity (mt)	Grade Au (g/t)	Material Content t
200	0.12	283.54	34.35
220	0.09	306.81	28.31
240	0.07	326.98	23.97
260	0.06	343.13	20.85
280	0.05	357.58	18.23
300	0.04	372.04	15.57
320	0.04	383.41	13.48
340	0.03	393.70	11.65
360	0.03	399.06	10.38
380	0.01	435.23	5.04
400	0.01	453.68	3.80
420	0.01	468.20	3.02
440	0.00	506.09	1.65

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

7.15 Exploration Potential

Rongbang polymetallic deposit metallogenic type belongs to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity. In the vertical direction, the shallow part is dominated by lead-zinc and silver mineralization, and the deep copper mineralization is gradually enhanced.

In the early stage of metallogenic fluids evolution, Cu and Mo in the high temperature fluids migrated and diffused through intergranular pores of the rocks and primary contraction microfractures, and precipitated in favorable sites to form disseminated molybdenite mineralization or fine veinlets and stockworks composed of pyrite, chalcopyrite, and molybdenite. As metallogenic fluids continued to migrate upward toward the surface along structurally fractured zones, Pb–Zn–Ag rich fluids discharged into extensional structural environments. Abrupt changes in temperature and pressure conditions led to massive precipitation of sphalerite, galena, argentite and other minerals, forming vein, stockwork, and stringer types of mineralization bodies, accompanied by intense silicification, sericitization, and fluoritization. In the late stage of mineralization, the metallogenic hydrothermal system clearly entered a low temperature, low salinity stage of fluid evolution, during which calcite and other carbonate minerals gradually appeared. Existing drilling indicate further exploration potential at depth and both sides of the known mineralized body.

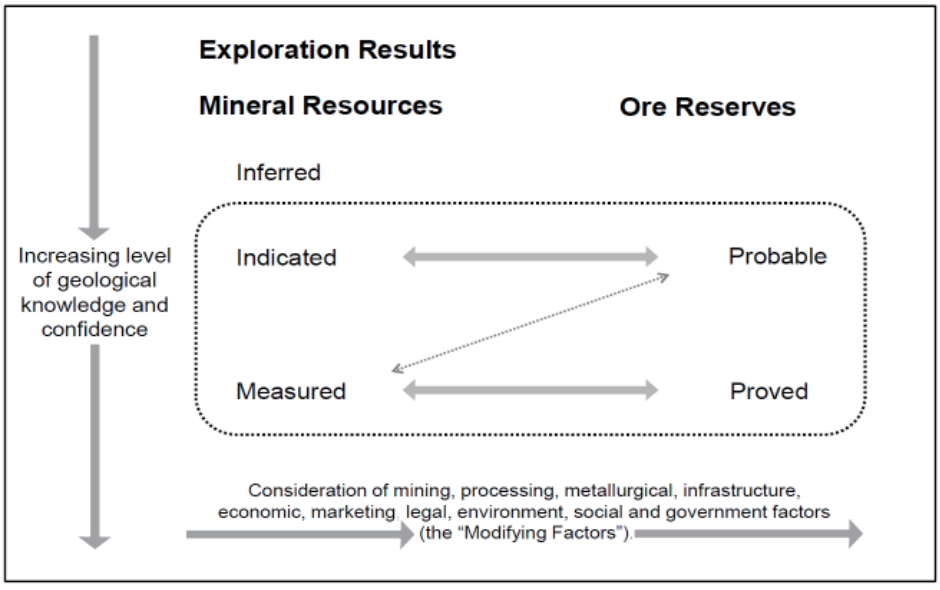
8 Ore Reserve Estimation

The definition of Ore reserves in accordance with the JORC Code is as follows:

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The material is reported as a Mineral Resource, as it is not currently considered economically viable for extraction.

The conversion from Mineral Resources to is Ore reserves is presented in Figure 8-1.

Figure 8-1: General relationship between Mineral Resources and Ore reserves



Sources: JORC Code (2012)

Rongbang Mine have only one mining area, with ongoing or planned operations utilizing underground mining methods. The Ore reserves for these mine areas were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with on-going operation and have been adjusted to meet a Pre- Feasibility study (PFS) standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore reserve estimation methodology and summarizes the key assumptions considered. In the opinion of SRK, the Ore reserve estimation reported are in accordance with the JORC Code guidelines.

Ore body is currently being excavated and supported by existing underground infrastructure. There are two mining systems within the mining area, which will be merged into a single mining system in the future.

8.1 Technical Studies

Mining related materials acquired by SRK through virtual data request and site visit. SRK has received the following technical studies:

- Updated Design Report on the Rongbang Mine, conducted by Chifeng Jinyue Mining Engineering Design Co., Ltd.In April 2024 (RB 2024)

8.2 Mineral Resources Models

The Mineral Resource Model (MRM) was built by in-house geologists, based on the latest geological interpretations. The final model was provided in Datamine format (.dm). SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation. The estimate using Deswik. CAD & SCHED software. This was done to report an Ore Reserve in compliance with the JORC Code 2012.

8.3 Modifying Factors

In accordance with the JORC Code, the Measured and Indicated Mineral Resources are converted to Ore reserves through the application of appropriate modifying factors. The primary factors considered in the Ore reserve estimation include stope optimisation, mine design, mining losses, and mining dilution. Additional parameters, such as processing capabilities, market conditions, and environmental, legal, and political constraints, are also considered, as these may impact the quantity and classification of the Ore reserves.

The modifying factors applied to the Reserve estimates in Mine Area are listed as below:

- The Ore reserve is planned for extraction by underground methods.
- SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation.
- The scope of the Ore reserves estimation considers the boundaries of the mining tenure.
- Stope optimisation considers various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices.
- The underground mine design and planning used for further planning is based on the review of the technical and economical consideration.
- Mining dilution is accounted for at 9.7%, depending on the mining method, and includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 6.7%, also depending on the mining method used, to allow for unplanned losses during mining and material transportation to the processing plant.
- The cut-off grade (COG) is used to define the economic viability of the stopes.
- The effective date is as of 31 December 2025.

8.4 Cut-off Grade

The COG for the Rongbang Mine is presented in Table 8-1. Key considerations include:

- Price: The Zinc prices are dynamic and are derived from consensus market forecasts (CMF) provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/administrative (G&A) are based on average historical three-year cost.

The COG for Zinc in the Run-of-Mine (ROM) feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{(P + P_a) * P_r * (1 - R_t)}$$

The parameters used in estimating the COG are detailed in the Table 8-1. The preferred COG value is rounded up to the nearest 0.1 for practical application.

Table 8-1: Cut-off Grade Estimation Inputs for Rongbang Mine

Item	Parameters	Unit	RB Mine	By Product
	Zinc Price	USD/t	2,800.00	2,800.00
	Exchange Rate	USD: CNY	7.10	7.10
P	Zinc Price	CNY/t ore	19,880.00	19,880.00
Pa	Payable	CNY/t ore	(4,110)	(4,110)
Pr	Processing Recovery	%	80	80
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	168	
Cp	Processing Cost	CNY/t ore	72	72
Cg	G&A Cost	CNY/t ore	105	105
A	COG	%	2.8	1.4

Source: SRK (2026)

Note:

[1] The COG for by-products is calculated using the marginal cut-off grade method, which takes mining costs out of estimation. This COG is specifically used to determine the material excavated during development.

The Ag, Pb, and Cu equivalent factors relative to Zn were estimated taking into account metal prices, recovery rates, and differences in payable factors. The estimates are presented in **Table** 8-2 below.

Table 8-2: Estimates for Equivalent Factors of Ag, Pb, Cu to Zn

	Ag	Pb	Cu	Zn
Equivalent Factors against Zn	0.0385	0.8628	4.4115	1.0000

Source: SRK (2026)

8.5 Ore Reserve Estimation

The mine currently operates under a valid Safety Production Licence with two independent mining systems (North and South systems in Mining Area). The objective of this technical transformation is to integrate these into a single mining system with a planned production rate of 300 kilotonnes per annum (ktpa).

Considering the local topography, orebody geometry and mining conditions, and in line with the principles of safety, efficiency, technical feasibility, economic viability and optimal use of existing infrastructure, underground mining is recommended and adopted for this project.

The design mining limits lie entirely within the existing mining licence area and cover the orebody between the 952 m and 752 m elevations.

According to the Updated Design Report, three mining methods are planned for the operation: shrinkage stoping, open stoping and sublevel open stoping.

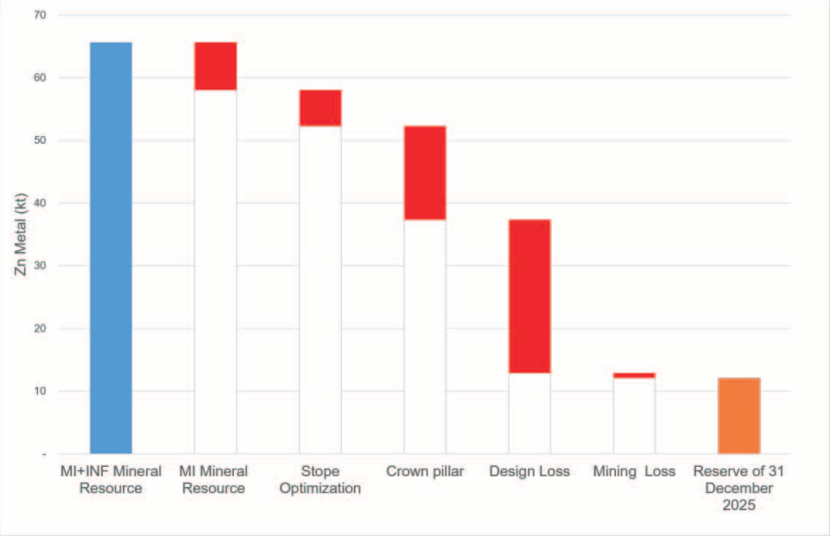
The estimated process details are provided in Table 8-3, with the corresponding waterfall charts illustrated in Figure 8-2 and Figure 8-3.

Table 8-3: Estimate Process Summary for Rongbang Mine

Description	Material Tonne (Mt)	Contained Zn Metal (kt)
MI+INF Mineral Resource	4.58	65.65
MI Mineral Resource	-0.56	-7.61
Stope Optimization	-0.90	-5.72
Crown Pillar	-0.81	-14.96
Designed Loss	-1.41	-24.48
Mining Dilution and Loss	0.16	-0.77 (only loss)
Ore reserve as of 31 December 2025	1.05	12.11

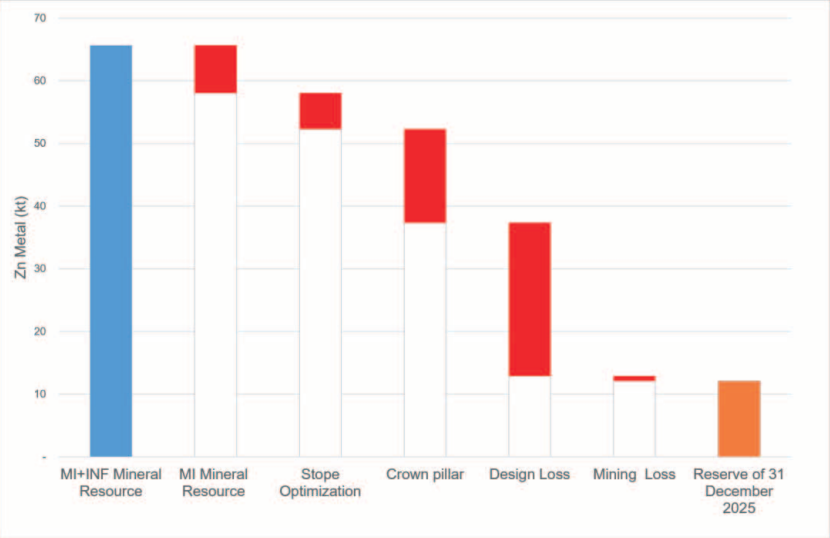
Source: SRK (2026)

Figure 8-2: Estimates Process for Rongbang Mine – Change in Material Tonnes



Source: SRK (2026)

Figure 8-3: Estimates Process for Rongbang Mine – Change in Contained Zn Metal



Source: SRK (2026)

8.6 Ore Reserve Statement

SRK Consulting has estimated the underground Ore reserves for the Rongbang deposits in accordance with the JORC Code guidelines. These Ore reserve estimates are supported by technical studies and operational data.

The economically mineable portions of Measured and Indicated Mineral Resources within the designed underground stopes have been classified as Proved and Probable Ore reserves, respectively, including allowances for mining dilution and losses. The reference point for the Ore reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code framework.

As at 31 December 2025, the ore reserve are estimated at 1.05 Mt. The average Ag grade is 46.74 g/t, containing 49.23 t of Silver (Ag). The average Pb grade is 0.46%, containing 4.82 kt of Lead (Pb). The average Zn grade is 1.15%, containing 12.11 kt of zinc (Zn). The average Cu grade is 0.28%, containing 2.90 kt of copper (Cu).

These reserve are classified as Proved Ore Reserves and Probable Ore Reserves, as shown in Table 8-4.

Table 8-4: Ore Reserves Estimate of Rongbang Mine as of 31 December 2025

Category	Tonnage	Average Grade				Metal Contained			
		Ag	Pb	Zn	Cu	Ag	Pb	Zn	Cu
	Mt	g/t	%	%	%	t	kt	kt	kt
Proved	0.67	58.54	0.57	1.21	0.28	39.50	3.88	8.16	1.88
Probable	0.38	25.70	0.25	1.04	0.27	9.73	0.95	3.95	1.02
Total	1.05	46.74	0.46	1.15	0.28	49.23	4.82	12.11	2.90

Source: SRK (2026)

Notes:

[1] The information in this report which relates to Ore reserve is based on information compiled by Ms Shan Chuang and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Ms Chuang is a Member of AusIMM and Mr Falong Hu is a Fellow of AusIMM. Both Ms Chuang and Mr Falong Hu 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 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. Ms Shan Chuang and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] The Ore reserves are estimated at a cut-off grade of 2.8 % Eqzn for Rongbang Mine.

[3] The Ore reserve include by product ore, with a cut-off-grade of 1.4% Eqzn.

[4] The minable shapes optimization exclude the mineout area.

[5] Numbers have been rounded and may not sum precisely.

[6] For Rang Bang deposit, the mining dilution (waste rock and Inferred Mineral Resources) rate is 9.7%. Mining loss rate is 6.7%.

[7] The effective date of the Ore Reserves estimate is 31 December 2025.

9 Mining Assessment

9.1 Mine Operating Status

The Rongbang Mine was developed by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. as a 300 ktpa processing operation. Commercial production commenced on 25 December 2017.

Since Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. acquired the Rongbang Mine (RB Mine) in 2017, the RB Mine and RN Mine have shared a common accommodation camp, offices and processing plant due to their proximity. The processing plant is located at the RB Mine area and run-of-mine ore from the RN Mine is hauled by truck to this plant for treatment.

A summary of the historical production data is provided in Table 9-1.

Table 9-1: Rongbang Mine Historical Production

Type	Unit	2023	2024	2025
Ore Mined	kt	270	213	203
Waste Mined	kt	21	25	106
Ag Grade	g/t		70.65	63.31
Pb Grade	%		0.96	0.86
Zn Grade	%		1.78	1.92
Cu Grade	%		0.09	0.53
Ag Metal	Kg		15,038	12,844
Pb Metal	t		2,033	1,745
Zn Metal	t		3,789	3,895
Cu Metal	t		192	1,075
Total Mined	kt	292	238	309

Source: Rongbang Mine

Note:

[1] The 2023 production records for the RB Mine do not report ore grade data.

9.2 Hydrogeology

The mineralised zone trends northwest–southeast, broadly coincident with the dominant fracture orientation. Fault–fracture zones and extensional joints act as preferential conduits and collectors for groundwater. In the Youfangxi area, several 1–5 m wide belts form a fracture-controlled "vein-type" water-bearing zone. Within this zone, water abundance is highly irregular: significant inflows are mainly associated with faulted and crushed zones and with jointed rock in the hangingwall of the veins, whereas other areas typically show only damp walls and minor seepage, and locally can be considered effectively dry. This indicates that hydraulic connectivity between parallel fracture zones varies greatly, and that water abundance generally decreases with decreasing elevation of the exposure.

Groundwater dynamics are strongly correlated with precipitation. Water-level peaks coincide with the rainy season and show a clear annual cycle with two rises each year. In early April, rising temperatures cause snow and ice melt, leading to gradual water-level rise and a first peak in May,

followed by decline. During the main rainy season (July–August), water levels rise again, reaching an annual maximum in late September, with an annual fluctuation of about 0.8–1.5 m. Groundwater temperatures are typically 9–11 °C with an annual range of 2–5 °C and are positively correlated with air temperature. Mine inflows follow the same pattern, increasing progressively through the rainy season and decreasing from October onwards.

Within the mining lease, the weathered bedrock fracture zone generally contains perched fracture groundwater. For inflow estimation, this aquifer is treated as a horizontally homogeneous medium with an infinite recharge boundary in the horizontal direction. Vertically, the fresh bedrock beneath the weathered zone is taken as an aquitard. Under these assumptions, mine inflow from the weathered fracture aquifer was estimated using the "large well method" of groundwater hydraulics, based on data from hydrological boreholes ZK1–ZK3.

Key parameters adopted for the calculation are:

- Hydraulic conductivity K = 0.0643 m/d, derived from complete phreatic well tests in boreholes ZK1–ZK3.
- Aquifer thickness H = 45.59 m, interpreted from borehole logs and geophysical logging in ZK1–ZK3.
- Equivalent large-well radius r_0 = 226.0 m, calculated from the plan dimensions of the vein-type orebody (a ≈ 650 m, b ≈ 150 m).
- Radius of influence R = 156.11 m (R = 2S).
- Extended radius R_0 = 382.11 m ($R_0 = R + \gamma_0$).
- Required drawdown S = 45.59 m, corresponding to lowering the water table to the aquifer base to achieve dewatering for mining.
- Collector gallery length B = 600 m, taken as the strike length of the orebody.

The mine inflow Q was calculated using the standard large-well formula:

$$Q = 1.366K\frac{(2H - S)S}{lgR_0 - lgr_0}$$

Q = estimated mine inflow (m³/d)

K = hydraulic conductivity (m/d)

H = aquifer thickness (m)

S = drawdown under dewatering conditions (m)

R_0 = radius of influence for the large well (m)

r_0 = radius of the large well (m)

R = radius of influence (m)

B = length of the collector gallery (m)

The selected parameter values and calculated inflow results are summarised in the following table.

Table 9-2: Rongbang Mine Inflow Calculation Result

Method	Aquifer Thickness (m)	Water Level Elevation (m)	Hydraulic Conductivity K (m/d)	Radius of Influence R (m)	Equivalent Well Radius r0 (m)	Equivalent Well Radius r0 (m)	Collector Gallery Length B (m)	Estimated Mine Inflow Q (m^3/d)
Large-well method	45.59	1071.66	0.0643	156.11	226	382.11		800.69
Collector-gallery method	45.59	1071.66	0.0643	156.11			600	513.65

Source: Rongbang Mining (2024)

9.3 Geotechnical Condition

The engineering geological conditions of the mining area and its surroundings are controlled by structure, orebody geometry, lithology and degree of weathering. On this basis, the area is divided into two main engineering-geological zones.

- Massive hard to semi-hard rock zone
  - This zone is developed in the central and north-western parts of the mine, on interfluves and higher hill slopes. Lithology is dominated by lavas and rhyolite. Bedrock is exposed on ridge tops, with well-developed joints and fractures; core typically shows 3–6 joints per metre with apertures of 0.1–10 mm. The rock is hard, with a clear ringing response to hammering. Locally, rhyolite is strongly altered and forms the immediate host rock to the ore. The footwall rhyolite has a saturated uniaxial compressive strength of 53.10–101.15 MPa and is classified as hard rock; the hanging-wall has a saturated uniaxial compressive strength of 40.97–44.18 MPa and is classified as semi-hard rock.
- Quaternary loose granular deposits
  - Zone III_1 – Colluvial–alluvial gravel soils
    - Occurs in valley floors and channels. The deposits are Upper Pleistocene colluvial–alluvial gravel soils (Q^{31}_dl+pl) with layered granular structure, of slightly dense to medium-dense state. Clasts are mainly rhyolite and tuff, with particle sizes typically 2–10 cm. The characteristic bearing capacity is in the range of 160–220 kPa.
  - Zone III_2 – Aeolian loess
    - Occurs on piedmont slopes and lower hill slopes. The deposits are Upper Pleistocene aeolian loess (Q^{32}_eol), loose to slightly dense, blocky in structure with well-developed vertical joints and prone to disintegration on wetting. Engineering geological conditions are poor; permeability is low and the layer is essentially non-aquiferous. This unit lies well away from the orebody and its bearing capacity is not considered relevant for mine design.

9.3.1 Rock Mechanics Test Results

The results of the laboratory rock mechanics testing, including uniaxial compressive strength and shear strength parameters for representative roof, ore and floor samples, are summarised in the following table and have been used as the basis for subsequent geotechnical design and stability assessments.

Table 9-3: Rock Mechanics Test Results

Sample id	Sampling Location	Sample Interval (m)	Geological Description	Test Condition	Uniaxial Compressive Strength (MPa)	Shear strength parameters (natural state)		
						Cohesion c (MPa)	Parameter f	Friction Angle φ (°)
	CM-11	4.00-5.00		Natural	126.5			
Lx001	CM-11	4.00-5.00	Hanging Wall	Natural	88.2	25.2	1.2	50.2
	CM-11	4.00-5.00		Natural	129.6			
	CM-11	4.00-5.00		Natural	52			
Lx002	CM-11	4.00-5.00	Ore Vein	Natural	80.3	26.4	1.21	50.4
	CM-11	4.00-5.00		Natural	69.5			
	CM-11	4.00-5.00		Natural	66.2			
Lx003	CM-11	4.00-5.00	Foot Wall	Natural	91.6	29.4	1.06	46.7
	CM-11	4.00-5.00		Natural	118.7			

Source: Rongbang Mining (2024)

9.3.2 Geotechnical Condition and Assessment

Rock Strength Classification

The mining area is dominated by Jurassic volcanic rocks, principally rhyolite with local rhyolitic tuff, tuff lava and volcanic breccia. The immediate hangingwall and footwall to the orebodies are mainly sericite quartzite and altered rhyolite. Laboratory testing on six representative rock samples indicates saturated uniaxial compressive strengths ranging from 11.78 to 101.15 MPa; the corresponding rock hardness classes for the mine are summarized in Table 9-4.

Table 9-4: Rock Hardness

Drill Hole ID	Lithology	Saturated Uniaxial Compressive Strength (MPa)	Rock Class
ZK40-1 (roof)	Sericite quartzite	11.78	Soft rock
ZK28-1 (floor)	Sericite quartzite	27.28	Moderately soft rock
ZK36-2 (floor)	Altered rhyolite	101.15	Hard rock
ZK32-4 (floor)	Tuff lava	44.18	Moderately hard rock
ZK32-2 (floor)	Altered rhyolite	53.1	Moderately hard rock
ZK59-2 (roof)	Tuff lava	40.97	Moderately hard rock

Source: Rongbang Mining (2024)

Rock Mass Quality

Based on the uniaxial compressive strength test results from six representative rock samples in the area, the data have been analysed and are summarised in Table 9-5.

Table 9-5: Rock Mass Quality

Drill Hole ID	Depth Interval (m)	RQD (%)	Saturated UCS (MPa)	Rock Mass Quality Index M	Rock Mass Rating
ZK40-1 (roof)	65.8–73.0	25	51.78	0.73	Fair
ZK28-1 (floor)	161.2–165.4	38	67.28	0.8	Fair
ZK36-2 (floor)	495.5–497.1	90	101.15	0.3	Good
ZK32-4 (floor)	154.3–157.55	75	195.6	1.2	Good

Drill Hole ID	Depth Interval (m)	RQD (%)	Saturated UCS (MPa)	Rock Mass Quality Index M	Rock Mass Rating
ZK32-2 (floor)	230.0–232.1	89	123.1	0.41	Good
ZK59-2 (roof)	65.3–67.8	81	180.7	1.1	Good

Source: Rongbang Mining (2024)

9.3.3 Geotechnical Result

Based on the rock mass index M, the rock mass quality has been classified into two categories: Class II and Class III. Class II samples (good rock mass) account for 4 sets, or 66.7% of the total, and Class III samples (fair rock mass) account for 2 sets, or 33.3%. Overall, the hangingwall and footwall rock masses are dominated by fair to good quality conditions.

The orebody, hangingwall and footwall are all hosted in altered rhyolite. The rock is strong and structurally stable; most workings are developed without support. The majority of the orebody lies below the weakly weathered zone in fresh, massive rock, providing favourable geotechnical conditions for mining.

9.4 Stope Optimisation

9.4.1 Block Model

The mine design and Ore reserve estimation were based on MRM developed by in-house geologist, with an effective date of 31 December 2025. The model was provided in Datamine (.dm) format. Key parameters of the block model are outlined Table 9-6.

Table 9-6: Block Model Parameters for Rongbang Mine

Type	X	Y	Z
Minimum	608,698.79	4,754,440.58	-18.00
User Cell Size	8.00	8.00	4.00
Minimum cell size	8.00	8.00	4.00
Number of cells	153	379	400
User Extents	1,224	3,022	1,284
Total extents cell count	25,783,476		

Source: SRK (2026)

9.4.2 Stope Optimisation

SRK conducted stope optimisation using Deswik.SO software, using the Mineral Resource block model to generate mineable shapes. These shapes were then used to refine and enhance the proposed mine plan. For the Ore reserve estimate, the Inferred Mineral Resource category was assigned a zero grade.

The mineable stope shapes were designed and evaluated as follows:

Geotechnical design criteria

- Shrinkage stoping with delayed backfill

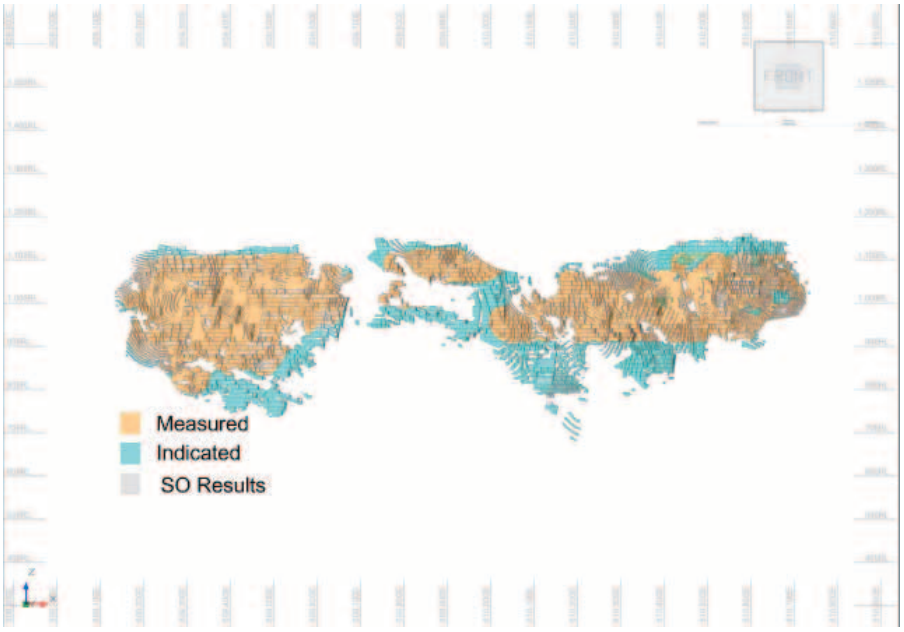
  - Application: Steeply dipping ore; stope height = level interval (40 m).
  - Layout: Stopes along strike; width = orebody thickness.
  - Typical dimensions: Length 50–80 m; rib pillars 6 m; crown pillar 4 m; no sill pillars.
- Open stoping with delayed backfill
  - Application: Steeply dipping orebodies, 4–8 m thick.
  - Layout: Stopes along strike; height 40 m; width = horizontal ore thickness.
  - Typical dimensions: Length 40–60 m; crown pillars 6–8 m; rib pillars 8–10 m; face advances from centre to both ends.
- Sublevel open stoping with delayed backfill
  - Application: Steeply dipping ore with sufficient height for sublevels.
  - Layout: Stopes along strike; height = level interval; width = horizontal ore thickness.
  - Typical dimensions: Length 50–60 m; crown pillars 6–8 m; rib pillars 6 m; sublevel height 15 m; drawpoint spacing 15 m; face advances from central slot to both ends.
- Stope optimization
  - The Deswik.SO module was used on the Mineral Resource block model to generate mineable shapes. These shapes were subsequently used to refine and enhance the proposed design. Once the preliminary stopes were generated, an economic assessment was performed to eliminate any uneconomical ones, based on factors such as development and mining costs.
  - As RB Mine currently operates predominantly using open stope mining method, the SO parameters have been defined and provided only for this mining method.
  - The parameters used in the SO module are summarized in Table 9-7 provides additional key design parameters.
- Block Model
  - The resource estimation were based on MRM developed by SRK China, with an effective date of 31 December 2025. The model was provided in Datamine (.dm) format.

Table 9-7: Deswik.SO Parameters for Rongbang Mine

Parameters	Units	Value
Default Density	g/t	3
COG	%	2.8
Default Dip	°	90
Strike azimuth	°	140
Sub-blocking		yes
Minimal mining width	m	1
Mining height	m	40
Mining length	m	10~60
HW dilution	m	0.2
FW dilution	m	0.2
Maximum strike change	°	10
Stope maximum side-length ratio	°	10

Source: Rongbang Mine

Figure 9-1: Deswik.SO Results for Rongbang Mine



Source: SRK (2026)

9.5 Mine Design

The overall mining sequence is planned as a top-down, descending extraction of the orebodies. Within each stope, ore will be mined according to the selected mining method, and for parallel orebodies where interaction may occur, the hanging-wall orebody will be extracted first, followed by the footwall orebody.

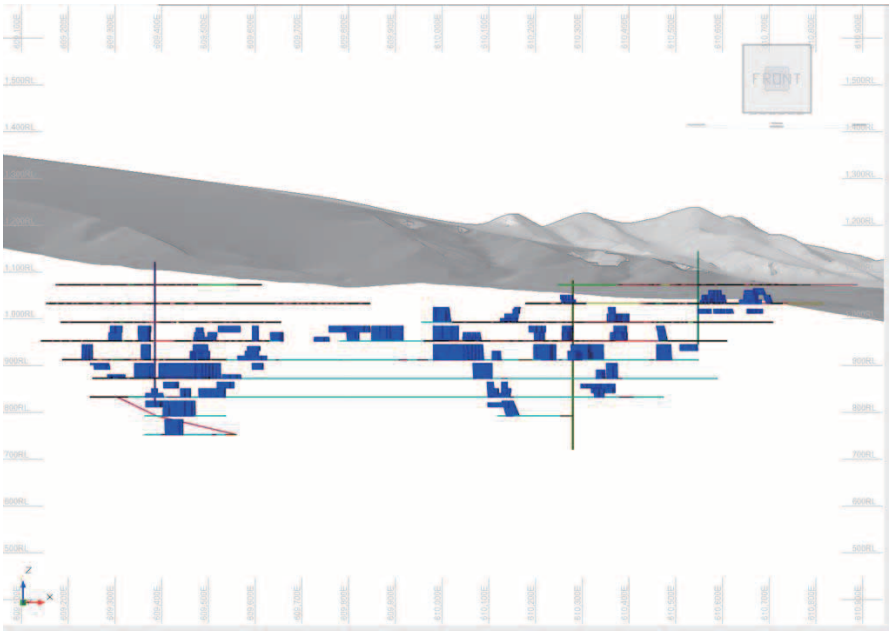
Considering the topography, orebody geometry and mining conditions, and in line with the principles of safety, efficiency, technical feasibility, economic viability and maximum use of existing workings, underground mining is adopted for this project.

The orebodies to be mined in this design are predominantly steeply dipping, with dips of 60–88°, and are therefore classified almost entirely as steep to very steep orebodies. Orebody thickness ranges from 0.29 m to 6.78 m, covering very thin, thin, medium and thick categories. The main production comes from medium-thick orebodies, with local zones of thick ore, while most of the remaining orebodies are thin.

Immediate HW and FW rocks are mainly pyrite–sericite quartzite, sericite quartzite and minor sericite–chlorite schist, with limited altered rhyolite; these are generally hard and form a competent rock mass. Surface subsidence is not permitted in the mining area. The mine already has an operating processing plant and a backfill plant.

Considering orebody geometry, mining conditions, planned production rate, and the applicability of different methods used methods at the mine, the recommended principal mining method is shrinkage stoping with delayed backfill. For thicker orebodies, this will be supplemented by stage open stoping with delayed backfill and sublevel open stoping with delayed backfill. Figure 9-2 below shows the mine design for Rongbang Mine.

Figure 9-2: Mine Design for Rongbang Mine



Source: SRK (2026)

9.6 Mining Methods

The primary mining method is shrinkage stoping with delayed backfill, supplemented by open stoping and sublevel open stoping with delayed backfill for thicker orebodies.

- Shrinkage stoping with delayed backfill
  - Application: Steeply dipping ore; stope height = level interval (40 m).
  - Layout: Stopes along strike; width = orebody thickness.
  - Typical dimensions: Length 50–80 m; rib pillars 6 m; crown pillar 4 m; no sill pillars.
- Open stoping with delayed backfill
  - Application: Steeply dipping orebodies, 4–8 m thick.
  - Layout: Stopes along strike; height 40 m; width = horizontal ore thickness.
  - Typical dimensions: Length 40–60 m; crown pillars 6–8 m; rib pillars 8–10 m; face advances from centre to both ends.

- Sublevel open stoping with delayed backfill
  - Application: Steeply dipping ore with sufficient height for sublevels.
  - Layout: Stopes along strike; height = level interval; width = horizontal ore thickness.
  - Typical dimensions: Length 50–60 m; crown pillars 6–8 m; rib pillars 6 m; sublevel height 15 m; drawpoint spacing 15 m; face advances from central slot to both ends.

9.7 Mine Access

The mine access and haulage system consists of the new Cage shaft #3 , the existing Cage shaft #1, the existing return-air adit PD6, the existing ventilation inclined shaft #2 , a new blind decline, the sublevel haulage drives and ventilation connections, and the inter-level man-way and ventilation raises.

The new Cage shaft #3 is located in the central part of the mining lease, outside the rock-movement monitoring zone, approximately 1,300 m southwest of the existing cage shaft SJ1 and about 300 m from the PD6 return-air adit. The shaft collar coordinates in the China 2000 national grid are X = 4,755,845.2, Y = 39,610,279.0 and Z = 1,084 m. The shaft bottom elevation is 722 m, giving a total depth of 362 m including 30 m of bottom structures. The shaft has a clear internal diameter of 4.0 m and is developed to seven operating levels at 992 m, 952 m, 912 m, 872 m, 832 m, 792 m and 752 m elevations. Cage shaft #3 contains a cage compartment, pipe and cable compartment and ladderway, and is designed to hoist ore, waste rock, equipment and materials from the 992 m level and below, including adjacent parallel orebodies, and to transport personnel. Cage shaft #3 also functions as a primary intake-air shaft and serves as one of the principal escapeways from underground to surface.

The existing Cage shaft #1 is a cage shaft situated on the northeast side of the orebody, outside the predicted rock-movement zone. The shaft centre coordinates in the China 2000 national grid are X = 4,756,829.583, Y = 39,609,384.711 and Z = 1,122.1 m. The shaft bottom elevation is 812 m, giving a total depth of 310.1 m, which includes a 20 m sump at the base. The shaft has a clear internal diameter of 3.5 m and is developed to seven levels at 1,072 m, 1,032 m, 992 m, 952 m, 912 m, 872 m and 832 m elevations. Cage shaft #1 hoists ore, waste, equipment and materials from these levels and also serves as an escapeway and intake-air shaft.

To allow mining of orebodies below the 832 m level while maintaining production hoisting through Cage shaft #1 during the construction period, a new blind decline is planned from the Cage shaft #1 shaft bottom. The connection point coordinates in the China 2000 national grid are X = 4,756,777.4, Y = 39,609,291.5 and Z = 832 m, and the decline is driven on an azimuth of 329°. The decline bottom elevation is 752 m. The decline has a three-centre-arch profile, with straight sections having a clear cross-section of 3.0 m width by 2.95 m height, curved sections having 3.2 m by 3.0 m, and passing bays (low-gradient sections) having 5.4 m by 3.55 m. The planned gradients are 12% on straight sections, 10% on curves, 3% on the passing bays, and 0% over the last 20 m at the level access. The minimum curve radius is 16 m, the total decline length is approximately 714 m, and the overall average gradient is about 11.2%.

The blind decline will provide access to the 792 m and 752 m production levels to the north and is designed for rubber-tyred, trackless haulage. No separate pedestrian drift is planned; instead, refuge

bays will be installed at intervals of 40–50 m on straight sections and 15 m on curves, each with dimensions of 1.0 m width, 2.0 m height and 1.0 m depth.

9.8 Mining Service

9.8.1 Material Handling

The underground rock haulage system is designed for a total production of 300,000 t/a, comprising approximately 1,000 t/d of ore and an estimated 150 t/d of waste. The maximum underground haul distance is about 800 m, with an average of 550 m.

Ore and waste from each level are hauled by CTY2.5/6G and CTY5/6G battery locomotives using YFC0.7(6) side-tipping mine cars to the level loading station, and then hoisted to surface via the shaft system. Waste rock is hoisted in shaft #1 and shaft #3 cages and discharged either to upper-level backfill stopes or to the surface waste dump.

Above the 832 m level, and in the South system below shaft #3 to 832 m, all haulage is by rail. Crosscuts through the ore, off-reef drifts and along-reef drifts are used in combination for horizontal transport. Station excavations have a clear cross-section of 4.3 m × 3.0 m (three-centre arch); haulage drifts have a clear cross-section of 2.4 m × 2.5 m, gradients of 3–5 ‰ and curve radii of 8–10 m. Underground rail is 15 kg/m light rail with a 600 mm gauge, with loaded cars travelling downhill.

In the North system below the 832 m level, development is by blind decline and haulage is trackless. The straight sections of the decline have a clear cross-section of 3.0 m × 2.95 m (three-centre arch) at a 12% gradient; curved sections are 3.2 m × 3.0 m at a 10% gradient; passing bays (on gentler grades) are 5.4 m × 3.55 m at a 3% gradient. Off-reef haulage drifts on the levels have a clear cross-section of 2.8 m × 2.7 m. UQ-5 underground dump trucks (overall dimensions 4,850 × 1,750 × 2,150 mm) are used for decline haulage. Ore and waste from the 792 m and 752 m levels in the North system are loaded into the dump trucks, hauled up the blind decline to the 832 m level, dumped in a dedicated discharge chamber, reloaded by an electric LHD into rail mine cars, and then hoisted to surface via shaft #1.

9.8.2 Backfill

After ore extraction, stopes are backfilled on a delayed basis. For orebodies with relatively short strike length, the entire stope panel is backfilled with cemented fill once extraction on that panel is complete. For longer strike orebodies, 1–2 stope blocks are mined and a 4 m isolation pillar is left, after which the mined-out void is fully backfilled in a single operation; development and stoping can then proceed on the opposite side of the isolation pillar. Waste rock from development may be placed into the stope as soon as ore extraction in that stope is completed.

Delayed backfilling uses a combination of waste rock and full-tailings cemented fill, with a nominal proportion of about 10% waste rock and 90% full tailings. The cemented full-tailings fill uses a cement:sand ratio in the range of 1:4 to 1:10; with a 1:10 mix, the 28-day uniaxial compressive strength of the fill is designed to reach 1.0–1.2 MPa. Typical stope voids prepared for backfilling have dimensions of 50–100 m in strike length, a width equal to the stope/orebody width, and a height of 40 m.

Backfill is brought into contact with the hangingwall and back by multi-point, multi-stage discharge, using pumped slurry under pressure and, where required, expansive backfill materials to minimise voids. In stopes initially filled with waste rock, a cemented full-tailings cap is placed above the waste to ensure tight contact with the back.

The existing backfill plant has a capacity of 80 m³/h, which is sufficient to meet the planned backfill tonnage requirements.

For placement control and fill quality, the height of each backfilling lift should not exceed 1 m. Subsequent lifts should also be limited to 1 m until the fill has set and rises at least 2 m above the retaining wall; thereafter, depending on fill performance and wall conditions, the lift height may be increased to 2–4 m.

High-density cemented full-tailings slurry can be transported either by gravity flow or by pumping. Gravity flow requires that the backfill range be within the allowable "filling line"; for pipeline gravity transport, the filling line typically should not exceed 5–6. If the filling line is too great, slurry velocity in the pipe decreases and stoppages or blockages may occur, in which case mechanical (pumped) transport is required.

At this mine, the backfill pipeline length is approximately 2,000 m with a vertical drop of about 40 m. These conditions are not suitable for reliable gravity flow, so cemented tailings will be delivered by pumped (pressure) pipeline, and the filling line is not used as a design constraint.

9.8.3 Power

The mine's primary power supply is taken from the Tuxi 66 kV substation, which has an available capacity of 40 MVA. A dedicated 10 kV feeder is installed from this substation to the mine's 10 kV main substation located near the processing plant. The overhead line is a single circuit constructed with two LGJ-240 mm² twin-boundled conductors, with a total route length of 8.6 km.

The secondary (backup) supply is provided from the 10 kV substation of Chifeng Ruineng Mining Co., Ltd., via a 5 km single-circuit 10 kV overhead line using LGJ-120 mm² ACSR conductors. The upstream supply to the Ruineng 10 kV substation is from the Gongguan Fangzi substation via a dedicated 10 kV industrial feeder with an available capacity of 20 MVA.

9.8.4 Maintenance

A dedicated surface maintenance workshop is established at the mine to service and repair production equipment, including underground mobile fleets and key fixed plant. The facility provides routine inspection, preventive maintenance and breakdown repair capability to support reliable mine operations.

9.8.5 Compressed Air

At the shaft #1 industrial site, the existing compressor house is equipped with two SSF-160 compressors, each rated at 33 m³/min discharge, 160 kW motor power and 0.7 MPa discharge pressure, operating on a one-duty, one-standby basis.

At the new shaft #3 industrial site, the compressor house is equipped with three compressors, each with a rated discharge of 20 m³/min, motor power of 90 kW and discharge pressure of 0.7 MPa.

9.8.6 Dewatering

No perennial surface water bodies are present near the mine, and the hydrogeological setting is classified as simple. Based on averaged historical dewatering records, recent normal discharge rates are 63.1 m³/d from shaft SJ1 and 115.0 m³/d from shaft SJ2, with corresponding maximum discharges of 206.7 m³/d and 173.7 m³/d. This yields an overall average normal discharge of 178.1 m³/d and a historical maximum of 380.4 m³/d for the mine.

Using hydrogeological data from the geological report, existing hydrological interpretations and analysis of actual dewatering performance, design inflows are adopted as 800.7 m³/d under normal conditions and 1,200 m³/d under peak conditions.

A sump and pump chamber will be constructed on the 752 m level at shaft SJ #3. Inflows from each level will be collected via drain holes into the 752 m sump, and pumps in the station will discharge the accumulated water to a high-level storage tank at the SJ #3 surface industrial site.

Table 9-8: Water Inflow in Rongbang Mine

	Average m³/day	Max m³/day
RB Mine	251	553

Source: Rongbang Mine

9.8.7 Ventilation

The mine uses a diagonal, mechanical exhaust (negative-pressure) ventilation system.

- First ventilation circuit
  - Fresh air: surface → cage shaft #1 → (below the 832 m Seventh sublevel via the blind decline) → level haulage drifts → manway raises → stopes.
  - Return air: stopes → return raises → upper-level haulage drifts → stepped manway ventilation raise (below 872 m via the 872 m and above 872 m via the stepped manway ventilation raise) → return adit PD6 → surface.
- Second ventilation circuit
  - Fresh air: surface → cage shaft #3 → level haulage drifts → manway raises → stopes.
  - Return air: stopes → return raises → upper-level haulage drifts → stepped manway ventilation raise (below 872 m via the 872 m and above 872 m via the stepped manway ventilation raise) → return adit PD6 → surface.
- Third ventilation circuit
  - Fresh air: surface → cage shaft #3 → level haulage drifts → manway raises → stopes.
  - Return air: stopes → return raises → upper-level haulage drifts → stepped manway ventilation raise → ventilation incline shaft #2 → surface.

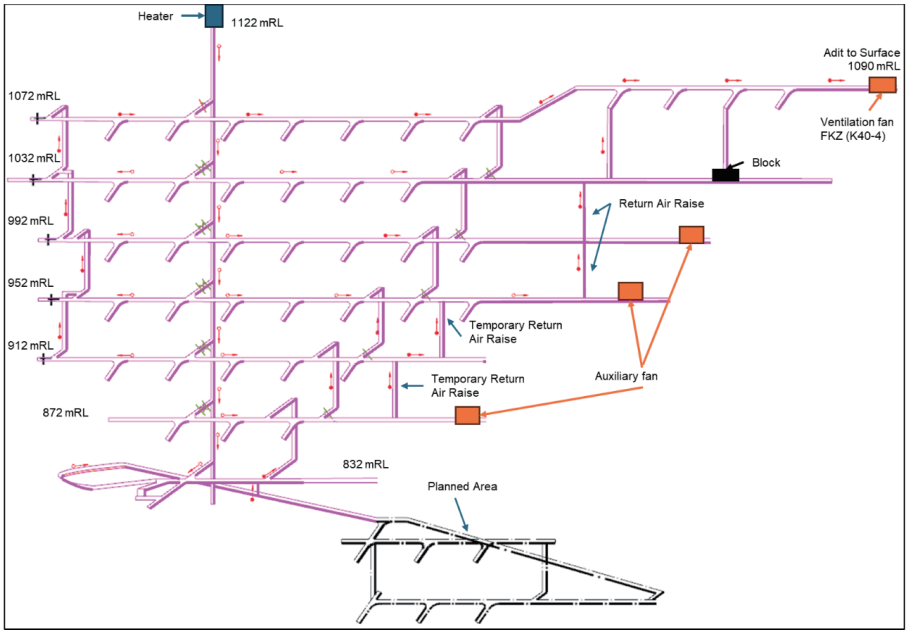
Local ventilation is provided for development headings, raise driving and stopes with poor natural ventilation conditions using auxiliary fans and ducting.

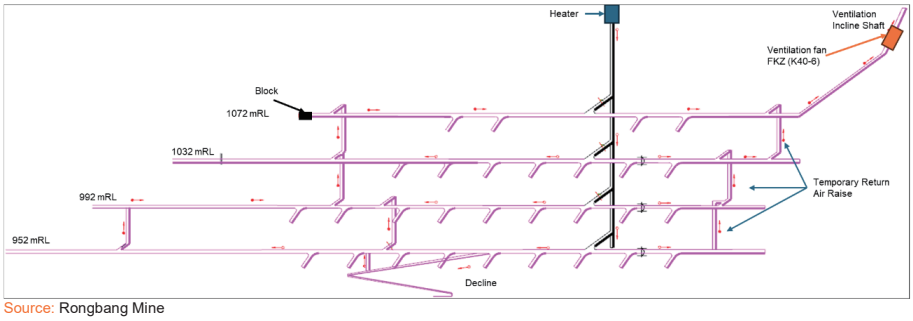
In line with the selected mining methods, stoping progresses from one wing of the orebody towards the shaft, along level crosscuts and blind declines. Upper levels are mined ahead of lower levels, forming a stepped (cascade) ventilation layout. In this configuration, the upper-level haulage drives are used as return airways, creating a stable, non-serial, parallel airflow network between upper and lower levels and reducing the risk of short-circuiting between circuits.

Contaminated air from development, exploration and stope preparation headings is removed by local ventilation systems and discharged into the main return drifts, where it enters the primary mine ventilation circuit.

To ensure that intake air in the cage shafts remains above 2 °C during winter operations, an air pre-heating system is installed. Cold fresh air and heated air are mixed at the collar of the cage shaft: hot air from a furnace is delivered to the shaft collar by a fan, and, under the suction of the main mine fan, the shaft collar operates under negative pressure so that the mixed intake air entering the mine maintains a temperature of at least 2 °C.

Figure 9-3: Overall View Ventilation System





Source: Rongbang Mine

9.8.8 Mining Equipment

Based on the detailed designs for underground material handling, backfilling, power supply and distribution, compressed air, mine dewatering and the primary and auxiliary ventilation systems, all major fixed and mobile equipment has been specified in terms of type and capacity. The complete list of required equipment is presented in the following table.

Table 9-9: Underground Mining Equipment Fleet

Equipment Type	Model	Quantity
LHD	WJ-1	10
Electric LHD	WJD-1	2
Locomotive	2.5 t	10
Locomotive	5 t	6
Ore truck	UQ5	3
Ore truck	UK6	1
Dewatering pump	MD25-50×7	3
Dewatering pump	D25×7	3
Ventilation fan	FKZ (K40-4)	1
Ventilation fan	FKZ (K40-6)	1

Source: Rongbang Mine

9.9 Mine Production Plan

The Life of Mine (LOM) production schedule for Rongbang has been developed using Deswik software, based on the underground mining design provided by Rongbang. The Deswik software suite facilitates detailed production planning by aggregating the pit inventory according to stages, benches, and predefined grade bins, enabling the prioritization of early zinc production to optimize economic returns.

The underground production schedule, detailed in Table 9-10, includes contributions from the Rang Bang deposits. Early in the schedule, priority is given to the Rang Bang deposits to ensure a steady and reliable ore supply to the mill plant, optimizing operational continuity and efficiency.

9.9.1 Operating Schedule and Production Capacity

The schedule is organized on an annual basis, and the following key assumptions were applied during production planning:

- Only blocks classified as Measured and Indicated Mineral Resources, with an overall stope EqZn grade exceeding 2.8% and a product EqZn grade exceeding 1.4% for the Rang Bang deposit, were considered as ROM.
- Blocks classified as Inferred Mineral Resources or those located outside the defined stope areas were categorized as waste material.
- The existing plant can treat about 450,000 t/a, and Rongbang Mine output will be slightly reduced to match the planned production from the Ruineng Mine. The maximum annual production rate is limited to 230 ktpa.
- The vertical separation between mining phases is restricted to a maximum of three levels.

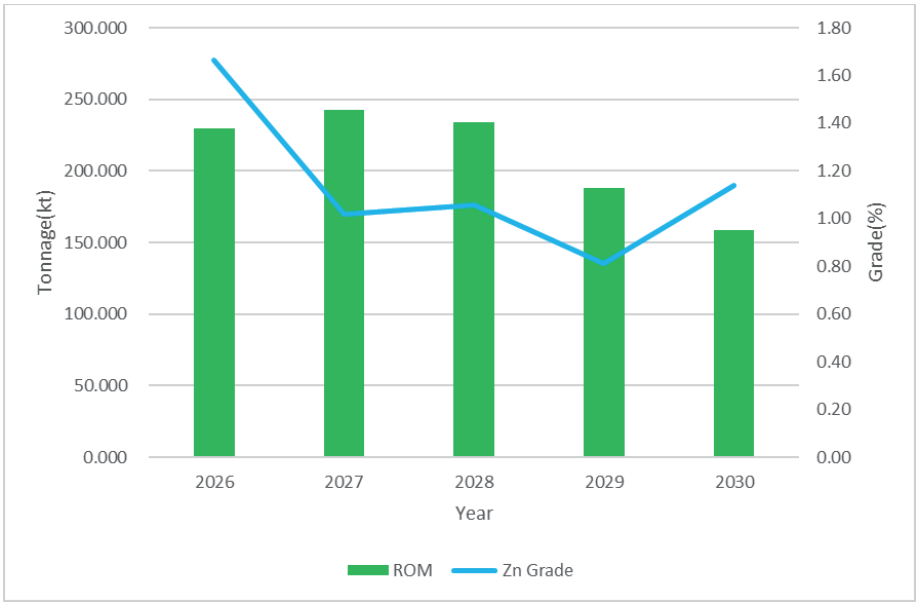
9.9.2 Production Plan and LOM

Table 9-10: Underground Mine Production Schedule

Rongbang Mine	Unit	Sub-total	2026	2027	2028	2029	2030
RoM	kt	1,053	230	242	234	188	159
Ag grade	g/t	46.74	56.03	57.45	51.44	31.17	28.52
Pb grade	%	0.46	0.61	0.51	0.54	0.30	0.24
Zn grade	%	1.15	1.66	1.02	1.06	0.81	1.14
Cu grade	%	0.28	0.09	0.29	0.30	0.44	0.30
Ag Metal	t	49.23	12.89	13.92	12.02	5.87	4.53
Pb Metal	kt	4.82	1.40	1.23	1.25	0.56	0.38
Zn Metal	kt	12.11	3.83	2.47	2.47	1.53	1.81
Cu metal	kt	2.90	0.20	0.70	0.70	0.82	0.48

Source: SRK (2026)

Figure 9-4: Annual Mining Production Schedule for Rongbang Mine



Source: SRK (2026)

10 Mineral Processing Assessment

10.1 Introuduction

The ore from Rongbang Mining's Youfangxi deposit is a silver-bearing polymetallic sulfide ore. The ore can be classified into copper–zinc ore and lead–zinc ore. Historically, multiple systematic process mineralogy studies and beneficiation testwork have been carried out on ore from this deposit, yielding extensive results and providing solid technical support for concentrator design and production operations.

The Rongbang concentrator has a designed treatment capacity of approximately 450,000 t/a. Construction commenced in May 2018, and the plant was commissioned and put into operation in December of the same year. The concentrator is capable of treating both copper–zinc ore and lead–zinc ore. Although there are differences in ore characteristics, the beneficiation flowsheet ("copper/lead priority flotation followed by zinc flotation") is essentially the same, with differences mainly in the reagent scheme. When treating copper–zinc ore, the products are copper concentrate and zinc concentrate; when treating lead–zinc ore, the products are lead concentrate and zinc concentrate. In practice, the copper–zinc ore contains lead and the lead–zinc ore contains copper; the distinction between copper–zinc and lead–zinc ore is only based on the relative copper and lead grades. Both the copper concentrate and the lead concentrate are in fact mixed copper–lead concentrates, differing only in their relative copper and lead contents. Silver is mainly enriched in the lead concentrate and copper concentrate.

In 2025, the concentrator treated 463.79 kt of ore, comprising 77.07 kt of copper–zinc ore and 386.72 kt of lead–zinc ore.

For the copper–zinc ore, 2,011 t of copper concentrate was produced, grading 18.12% Cu and 1,484 g/t Ag, with recoveries of 86.99% Cu and 68.99% Ag; 509 t of zinc concentrate was produced, grading 44.34% Zn and 639 g/t Ag, with recoveries of 51.85% Zn and 7.52% Ag.

For the lead–zinc ore, 4,302 t of lead concentrate was produced, grading 47.16% Pb, 3.97% Cu and 3,070 g/t Ag, with recoveries of 75.19% Pb, 53.89% Cu and 63.07% Ag; 9,950 t of zinc concentrate was produced, grading 49.25% Zn and 335 g/t Ag, with recoveries of 82.67% Zn and 15.93% Ag.

10.2 Processing Mineralogy

In 2022, Changchun Gold Research Institute Co., Ltd. carried out process mineralogy studies and beneficiation testwork on silver–copper–lead–zinc polymetallic ores from the Youfangxi deposit. The objective was to optimise the beneficiation flowsheet and improve copper, lead, zinc and silver recoveries through a systematic evaluation of the process mineralogical characteristics of the ore. The testwork mainly included: process mineralogy studies, on-site verification tests of the production flowsheet (open-circuit and closed-circuit tests), and reagent regime and flowsheet optimisation tests.

10.2.1 Multi-Element Analysis of Pb–Zn Ore

The results of multi-element analysis of the run-of-mine ore are shown in Table 10-1.The payable elements are mainly lead, zinc and silver.

Table 10-1: Multi-Element Analysis Results for Pb–Zn Ore

Element	Au (g/t)	Ag (g/t)	Cu	Pb	Zn	Fe	S	Bi
Content (%)	0.27	52.83	0.035	0.84	1.46	5.07	4.35	0.0020
Element	As	C	CaO	MgO	Al_2O_3	SiO_2	Te (g/t)	Sb
Content (%)	1.19	0.25	0.61	0.013	6.49	69.12	0.0041	/

Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

10.2.2 Mineral Composition of Pb–Zn Ore

The ore contains a relatively complex suite of target minerals. In addition to gold and silver minerals, the main target minerals are sphalerite, galena and boulangerite. Besides these target minerals, the metallic sulfides also include pyrite and arsenopyrite, of which pyrite is the most abundant metallic sulfide in the ore. The main metallic oxides are magnetite, hematite, etc.

The main gangue minerals are quartz, muscovite, feldspar and chlorite, with other minerals present in relatively low contents. The mineral composition of the lead–zinc ore is shown in Table 10-2.The ore contains a small amount of chalcopyrite; because its floatability is similar to that of galena, it readily reports to the lead concentrate during beneficiation. The pyrite content in the ore is high, and it is possible to produce a separate pyrite concentrate. The ore contains a high content of arsenopyrite, which is an arsenic-bearing deleterious mineral and may affect the quality of the lead and zinc concentrates; it must therefore be depressed and rejected during beneficiation.

Table 10-2: Mineral Composition of Pb–Zn Ore

Mineral	Content (%)	Mineral	Content (%)
Sphalerite	2.50	Quartz	59.13
Galena	1.04	Muscovite	13.42
Boulangerite	0.02	Feldspar	7.24
Pyrite	6.38	Chlorite	3.54
Arsenopyrite	3.88	Calcite, dolomite	0.38
Chalcopyrite	0.03	Monazite	0.09
Bismuthinite, bismuth telluride	0.55	Kaolinite	0.08
Hematite, magnetite	0.11	Wolframite	0.01
Rhodochrosite	1.60	/	/
Subtotal	16.11	Subtotal	83.89
Total		100.00	

Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

10.2.3 Principal Mineral Locking Characteristics of Pb–Zn Ore

- Sphalerite (ZnS)

Sphalerite accounts for 2.50% of the relative mineral content of the ore and is the principal zinc mineral. It typically occurs as anhedral granular crystals and shows close intergrowth with pyrite, galena, chalcopyrite and other minerals, with common mutual replacement. Most sphalerite is iron-bearing, with variable iron content; part of the sphalerite contains 1–5% Fe, while another part has higher Fe content (>10%), forming Fe-rich sphalerite. Under the microscope, most sphalerite contains fine- to micro-fine chalcopyrite occurring as exsolved emulsion-like blebs, and sphalerite commonly encloses fine to micro-fine pyrite, galena and other mineral inclusions.

- Galena (PbS) and Boulangerite (Pb5Sb4S11)

Galena and minor boulangerite are the main lead minerals in the ore, together accounting for 1.04% of the relative mineral content. Galena mainly occurs as subhedral to anhedral granular crystals; three sets of cleavages intersecting to form black triangular pits are commonly observed under the microscope. The grain size of galena is coarser than that of galena in the copper–zinc ore. Galena formed relatively late and commonly fills and replaces along intergranular fractures of other minerals. Boulangerite is closely associated with galena; under the microscope, boulangerite is commonly enclosed by or intergrown with galena, and occasionally occurs as independent grains. Galena is closely associated with jamesonite and silver minerals, with common intergrowth or inclusion textures. Boulangerite in the ore is silver-bearing, with silver contents in the range of 5–11%.

- Pyrite (FeS2)

Pyrite is the most abundant metallic sulfide in the ore, accounting for 6.38% of the relative mineral content. Pyrite shows a wide range of grain sizes: coarse pyrite occurs as massive dense aggregates in the ore, while fine to micro-fine pyrite is tightly enclosed by other minerals. Pyrite mainly occurs in two textural forms: (1) euhedral to subhedral–anhedral granular crystals, generally coarse-grained, predominantly disseminated to densely disseminated, with some pyrite forming massive dense aggregates; and (2) vein-like structures within the ore. Microscopic examination shows that pyrite is closely intergrown with sphalerite, galena, chalcopyrite and other metallic sulfides, with common intergrowth textures. In addition, pyrite is closely associated with silver minerals, and micro-grains of silver minerals are commonly observed enclosed within pyrite.

- Gangue minerals

Gangue minerals account for 83.89% of the ore, dominated by quartz, muscovite and feldspar, with contents of 59.13%, 13.42% and 7.24%, respectively. Other gangue minerals are present in low contents. Gangue minerals mostly occur as anhedral granular crystals, locally showing vein-like structures. The muscovite content is relatively high; as a layer silicate mineral with low hardness, it is prone to overgrinding and slimes formation. The ore also contains minor chlorite and kaolinite, with a combined content of 1.41%.

10.2.4 Processing Characteristics of Gold and Silver Minerals in Lead-Zinc Ore

- Gold minerals

A total of 21 gold mineral grains were identified in the ore samples, including one grain of electrum, with the remainder being native gold. No other gold mineral types were observed. Overall, gold minerals are very fine grained; except for one grain, all detected gold grains are smaller than 10 μm. The occurrence of gold is relatively complex: encapsulated gold (hosted in gangue and sulfides) accounts for a combined 60.14%, while intergranular gold and fracture-filling gold together account for 39.86%.

- Silver minerals

Silver minerals are mainly argentite and silver sulfide minerals; locally, silver has been detected disseminated within boulangerite. Grain-size statistics indicate that argentite is relatively coarser, while silver sulfide minerals are dominated by fine to micro-fine grain sizes. As for occurrence, encapsulated silver (hosted in gangue and sulfides) accounts for 44.10%, while intergranular and fracture-filling silver together account for 55.90%.

The lead–zinc ore contains numerous target minerals, mainly sphalerite, galena, boulangerite and pyrite. The minerals show close intergrowth; exsolution textures of chalcopyrite and sphalerite are commonly observed. Chalcopyrite is very fine grained and distributed very evenly within sphalerite; it is difficult to fully liberate the two by conventional grinding, which affects copper–zinc separation.

Muscovite and chlorite together account for 16.96% of the gangue minerals. Both are layer silicates with low hardness, prone to overgrinding and slimes formation during grinding. Muscovite has perfect basal cleavage and is naturally hydrophobic, and thus tends to float during flotation, affecting concentrate grade.

Gold in the ore occurs mainly as micro-fine intergranular gold, fracture-filling gold and gangue-encapsulated gold. The particle size is extremely fine and the proportion of encapsulated gold is high, making it difficult to achieve full liberation by conventional grinding and flotation; gold therefore readily reports to tailings. Part of the silver occurs as fine grains enclosed in pyrite; when pyrite is depressed, these silver grains are prone to loss to tailings, which negatively affects silver recovery.

10.2.5 Multi-Element Analysis of Cu–Zn Ore

The results of multi-element analysis of the run-of-mine ore are shown in Table 10-3.The payable elements are mainly copper, zinc and silver.

Table 10-3: Multi-Element Analysis Results for Copper-Zinc Ore

Element	Au(g/t)	Ag(g/t)	Cu	Pb	Zn	Fe	S	Bi
Content (%)	0.16	43.90	0.53	0.19	0.89	6.40	6.85	0.026
Element	As	C	CaO	MgO	Al_2O_3	SiO_2	Sb	Te(g/t)
Content (%)	0.40	0.23	0.57	0.011	6.52	68.19	0.023	0.0049

Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

10.2.6 Mineral Composition of Cu–Zn Ore

The ore contains a wide range of target minerals. In addition to gold and silver minerals, the main target minerals are sphalerite, chalcopyrite, tetrahedrite, tennantite, chalcocite and covellite; among these, chalcocite, covellite, tetrahedrite and tennantite are present in very low combined abundance (0.12% of the relative mineral content). Besides the target minerals, metallic sulfides also include pyrite, arsenopyrite, galena and pyrrhotite, with pyrite occurring in relatively high abundance. The main metallic oxides are magnetite, hematite and limonite.

The main gangue minerals are quartz, muscovite, feldspar and chlorite, with other gangue minerals present in low contents. The mineral composition of the copper–zinc ore is shown in Table 10-4. The ore contains a small amount of galena; due to the similar floatability of galena and chalcopyrite, galena readily reports to the copper concentrate, forming a mixed copper–lead concentrate. The ore contains a large amount of iron sulfides (pyrite and pyrrhotite), which can be recovered as a separate iron sulfide concentrate. The ore contains a small amount of arsenopyrite, which may affect concentrate product quality.

Table 10-4: Multi-Element Analysis Results for Copper-Zinc Ore

Metallic minerals	Content (%)	Non-metallic minerals	Content (%)
Pyrite, pyrrhotite	12.88	Quartz	62.14

Metallic minerals	Content (%)	Non-metallic minerals	Content (%)
Sphalerite	1.98	Muscovite	13.22
Chalcopyrite	1.26	Feldspar	3.57
Arsenopyrite	0.94	Chlorite	1.02
Bismuthinite, bismuth antimonide	0.27	Calcite	0.58
Galena	0.21	Kaolinite	0.39
Tetrahedrite, tennantite	0.11	Monazite	0.09
Chalcocite, covellite, bornite	0.01	Wolframite	0.06
Hematite, magnetite, limonite	0.14	/	/
Rhodochrosite	1.13	/	/
Subtotal	18.93	Subtotal	81.07
Total	100.00		

Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

10.2.7 Principal Mineral Locking Characteristics of Copper-Zinc Ore

- Chalcopyrite ($CuFeS_2$)

Chalcopyrite is the main copper mineral, accounting for 1.26% of the relative mineral content. Its grain size is mainly medium to coarse. The principal modes of occurrence are: (1) subhedral to anhedral granular crystals; (2) vein-like or stringer-like fillings along fractures in metallic sulfides; and (3) exsolution textures, as fine to micro-fine grains disseminated within sphalerite. The latter fraction is difficult to liberate from sphalerite after grinding. Chalcopyrite commonly coexists closely with pyrite, galena and sphalerite, with mutual replacement.

- Tennantite ($Cu_{12}As_4S_{13}$)、Tetrahedrite ($Cu_{12}Sb_4S_{13}$)

Tennantite and tetrahedrite are secondary copper minerals with very low total abundance; together with chalcopyrite they account for 0.12% of the relative mineral content. They commonly occur as intergrowths with chalcopyrite, hosted in gangue minerals. Some tetrahedrite contains minor silver.

- Covellite (CuS)

Covellite and chalcocite are secondary copper minerals present in extremely low total abundance, together accounting for 0.01% of the relative mineral content. Both are fine grained and commonly occur as replacement along the margins of chalcopyrite.

- Sphalerite (ZnS)

Sphalerite is the main zinc mineral, accounting for 1.98% of the relative mineral content. It occurs mainly as anhedral granular crystals. Sphalerite is closely intergrown with pyrite, galena, chalcopyrite and other minerals, with common mutual replacement. Most sphalerite contains fine to micro-fine chalcopyrite in emulsion-like exsolution textures, and sphalerite also encloses fine to micro-fine pyrite and galena. Almost all sphalerite is iron-bearing, with Fe contents of about 1–5%; no Fe-rich sphalerite with Fe >10% was observed.

- Galena (PbS) and Boulangerite ($Pb_5Sb_4S_{11}$)

Galena and boulangerite are the main lead minerals, together accounting for 0.21% of the relative mineral content. Boulangerite generally occurs as intergrowths with galena. Galena is mostly subhedral to anhedral granular; under the microscope, three sets of intersecting cleavages forming black triangular pits are commonly observed. Galena formed relatively late and commonly fills and

replaces along intergranular fractures of other minerals. Galena is closely associated with sphalerite and silver minerals, and commonly intergrows with or encloses sphalerite and silver minerals.

- Pyrite (FeS_2)

Pyrite is the principal metallic sulfide, accounting for 12.88% of the relative mineral content. Its grain size varies widely: coarse grains commonly occur as dense massive aggregates, while fine to micro-fine grains are mostly enclosed by other minerals. Pyrite occurs mainly in two textural forms: (1) euhedral to subhedral–anhedral granular crystals, mostly disseminated to densely disseminated and locally massive; and (2) vein-like structures. Pyrite is closely associated with sphalerite, galena, chalcopyrite and other minerals, commonly forming intergrowths. Some pyrite grains enclose micro-grains of silver minerals.

- Arsenopyrite (FeAsS)

Arsenopyrite is an important metallic sulfide, accounting for 0.94% of the relative mineral content. It coexists with sphalerite and other target minerals, commonly intergrowing with sphalerite or being replaced by sphalerite along fractures. Some arsenopyrite crystals are well formed and may intergrow with pyrite.

- Gangue minerals

Gangue minerals account for 81.07% of the ore and consist mainly of quartz, muscovite and feldspar, with contents of 62.14%, 13.22% and 3.57%, respectively. Other gangue minerals are present in low contents. Gangue minerals mostly occur as anhedral granular crystals, locally vein-like. Muscovite is relatively abundant; as a layer silicate with low hardness, it is prone to slimes formation. The ore contains minor chlorite and kaolinite, with a combined content of 1.41%.

10.2.8 Processing Characteristics of Gold and Silver Minerals in Copper-Zinc Ore

- Gold minerals

Gold occurs entirely as native gold. The particles are extremely fine, mostly smaller than 0.005 mm. Gold occurs predominantly as encapsulated gold; encapsulated gold in gangue and sulfides together accounts for 69.51%, while intergranular and fracture-filling gold together account for 30.49%, indicating that overall gold liberation is difficult.

- Silver minerals

Silver minerals are mainly silver sulfide minerals and argentite, locally occurring within copper and zinc minerals. Silver grains are generally fine; silver sulfide minerals are mainly fine grained, with a certain proportion of micro-fine and ultra-fine grains, while argentite is mostly ultra-fine grained. Occurrence statistics show that encapsulated silver (hosted in gangue and sulfides) accounts for 32.42%, whereas intergranular and fracture-filling silver account for 67.58%.

The copper–zinc ore contains numerous target minerals with close intergrowth. Chalcopyrite, bornite, tennantite and sphalerite, which need to be recovered, are closely associated, and exsolution textures of chalcopyrite and sphalerite are commonly observed. Chalcopyrite is fine grained and uniformly distributed within sphalerite, making it difficult to achieve adequate liberation by conventional grinding, which adversely affects copper–zinc separation.

Muscovite and chlorite together account for about 12.20% of the gangue. They are prone to slimes formation and are hydrophilic, yet they readily float during flotation, thereby affecting concentrate quality.

Gold occurs mainly as micro-fine intergranular and fracture-filling gold and gangue-encapsulated gold; the particle size is extremely fine and the proportion of encapsulated gold is high. Conventional flotation cannot efficiently recover this gold, which readily reports to tailings. Part of the silver occurs as fine to micro-fine grains enclosed in pyrite; when pyrite is depressed, these silver grains likewise tend to report to tailings.

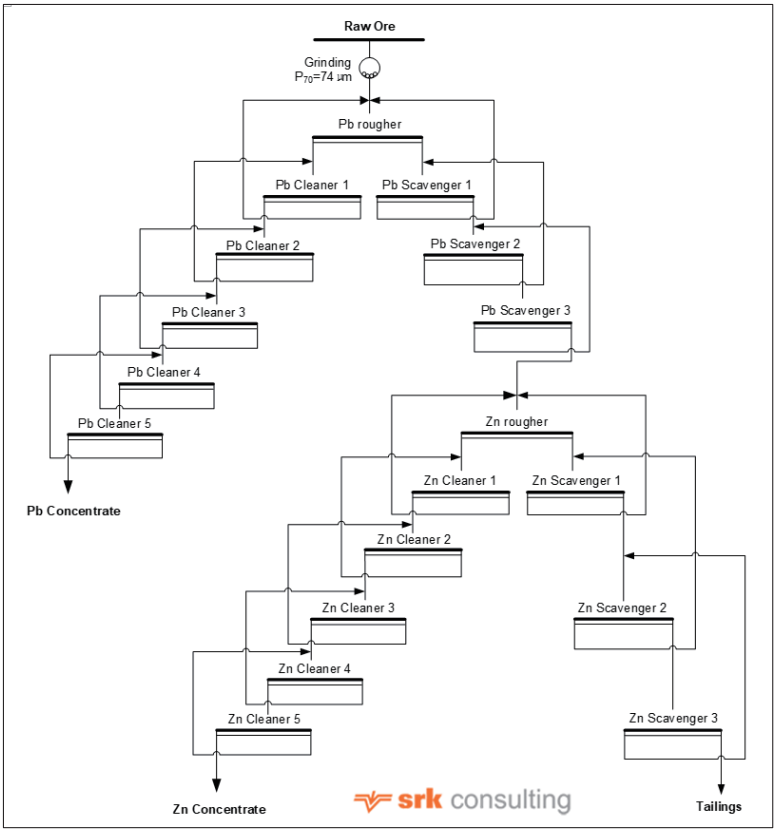
10.3 Mineral Processing Tests

10.3.1 Lead–Zinc Ore

Based on verification tests of the existing plant flowsheet and subsequent optimisation tests, closed-circuit tests were ultimately carried out using the flowsheet shown in Figure 10-1 with results as presented in Table 10-5.The results indicate that:

- Lead recovery increased, zinc recovery improved slightly, and the test indices for lead, silver and gold are generally consistent with those achieved in plant production. Under optimised test conditions, the following products can be obtained: lead concentrate yield 1.42%, grade 45.10% Pb, recovery 76.06%; zinc concentrate yield 2.46%, grade 48.20% Zn, recovery 81.12%.
- Silver is mainly enriched in the lead concentrate. The silver grade of the lead concentrate is as high as 2,450 g/t, with a recovery of 64.7%, which is favourable for silver sales pricing.

Figure 10-1: Beneficiation Test Flowsheet for Lead–Zinc Ore



Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

Table 10-5: Multi-Element Analysis Results for Lead–Zinc Ore

Product	Yield	Grade (%)				Recovery (%)			
		Pb	Zn	Ag (g/t)	Au(g/t)	Pb	Zn	Ag	Au
Pb concentrate	1.42	**45.10**	5.22	2450.40	2.74	**76.06**	5.07	64.74	14.25
Zn concentrate	2.46	1.55	**48.20**	210.80	0.53	4.53	**81.12**	9.65	4.78
Tailings	96.12	0.17	0.21	14.32	0.23	19.41	13.81	25.61	80.97
RoM Ore	100.00	0.84	1.46	53.75	0.27	100.00	100.00	100.00	100.00

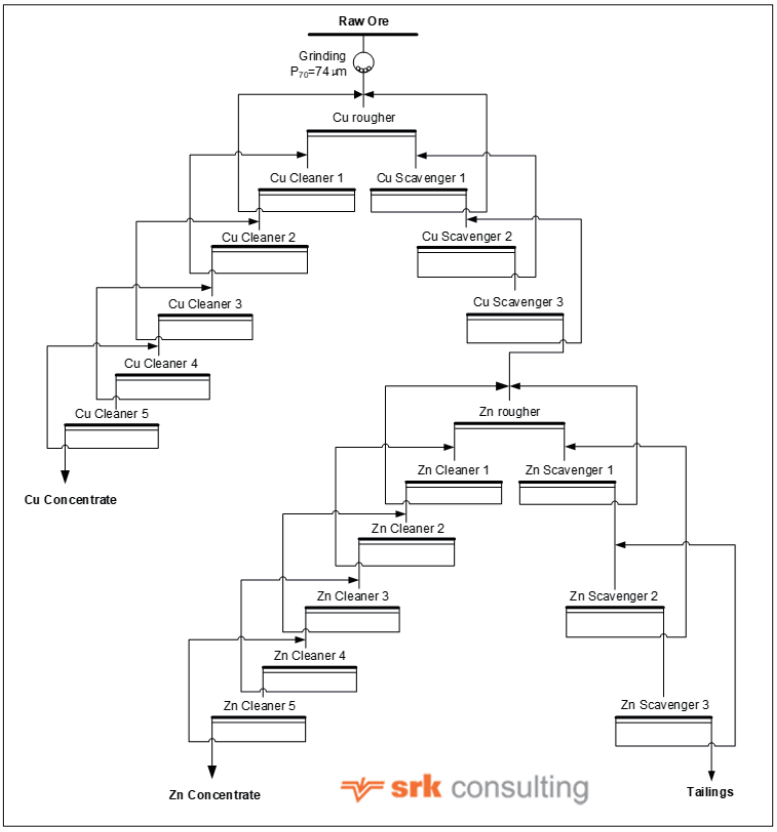
Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

10.3.2 Copper–Zinc Ore

Based on verification tests of the concentrator flowsheet and subsequent optimisation tests, closed-circuit tests were ultimately carried out using the flowsheet shown in Figure 10-2, with results presented in Table 10-6. The results indicate that:

- The grades and recoveries of the copper and zinc concentrates are generally good, and silver recovery is at a moderate level.
- Compared with the concentrator production indices, the silver recoveries in the copper and zinc concentrates are generally consistent with those achieved in plant operation. The copper grade in the copper concentrate increased from 19.16% to 23.20%, and copper recovery increased from 88.78% to 91.39%; zinc recovery in the zinc concentrate increased from 70.12% to 78.15%. Overall, the test indices are significantly improved relative to plant production and provide strong technical support for process optimisation at the concentrator.

Figure 10-2: Beneficiation Test Flowsheet for Copper–Zinc Ore



Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

Table 10-6: Beneficiation Test Results for Copper–Zinc Ore

Product	Yield	Grade (%)				Recovery (%)			
		Cu	Zn	Ag(g/t)	Au(g/t)	Cu	Zn	Ag	Au
Cu concentrate	2.10	**23.20**	1.87	**1339.80**	0.58	**91.39**	4.43	**65.62**	7.62

Product	Yield	Grade (%) Cu	Zn	Ag(g/t)	Au(g/t)	Recovery (%) Cu	Zn	Ag	Au
Zn concentrate	1.48	0.95	**46.78**	**224.60**	0.21	2.64	**78.15**	7.75	1.94
Tailings	96.42	0.033	0.16	11.84	0.15	5.97	17.42	26.63	90.44
RoM Ore	100.00	0.53	0.89	42.88	0.16	100.00	100.00	100.00	100.00

Source: Beneficiation Test Research Report on Polymetallic Ore of Chifeng Rongbang Mining Co., Ltd., Changchun Gold Research Institute Co., Ltd., March 2022.

10.4 Beneficiation Test Conclusions

10.4.1 Lead–Zinc Ore

The main target minerals in the lead–zinc ore are sphalerite, galena and boulangerite. Lead, zinc and sulfur (pyrite) minerals are closely intergrown. Muscovite and chlorite together account for 16.96% of the gangue; both are layer silicate minerals and are prone to slimes formation. Muscovite is strongly hydrophobic and tends to float during flotation, leading to lower concentrate grades. Gold occurs mainly as very fine particles encapsulated in gangue minerals; conventional grinding and flotation cannot achieve adequate liberation, and gold is readily lost to tailings. Part of the silver is enclosed in pyrite and is easily lost when pyrite is depressed, which is unfavourable for silver recovery.

Under optimised test conditions, a lead concentrate with a Pb grade of 45.10% and recovery of 76.06%, and a zinc concentrate with a Zn grade of 48.20% and recovery of 81.12% were obtained. The lead, silver and gold indices are generally consistent with plant production. However, the mutual contamination between lead and zinc concentrates is relatively high: zinc in the lead concentrate and lead in the zinc concentrate are both elevated. Due to the difficulty in achieving mineral liberation, lead–zinc separation is challenging.

10.4.2 Copper–Zinc Ore

The copper–zinc ore contains numerous target minerals with close intergrowth; chalcopyrite, bornite, enargite and sphalerite, among others, are closely associated. Chalcopyrite commonly occurs as fine-grained solid solution distributed within sphalerite; conventional grinding cannot achieve full liberation, which adversely affects copper–zinc separation. Muscovite and chlorite together account for about 12.20% of the gangue; they are prone to slimes formation. Muscovite is naturally hydrophobic and is easily entrained and floated, affecting concentrate quality. Gold occurs mainly as very fine particles in encapsulated form, and silver is largely enclosed in pyrite; both are difficult to recover by conventional flotation and are easily lost to tailings with gangue or during pyrite depression.

The optimised test indices are significantly improved relative to plant production: the copper grade in the copper concentrate increased from 19.16% to 23.20%, and copper recovery increased from 88.78% to 91.39%; zinc recovery in the zinc concentrate increased from 70.12% to 78.15%, while silver recovery indices are generally consistent with plant production. However, mutual contamination between copper and zinc concentrates remains relatively high, and inadequate mineral liberation continues to affect separation performance.

10.5 Processing Plant

The Rongbang concentrator was designed by Yantai Orient Metallurgical Design and Research Institute Co., Ltd., with a designed treatment capacity of 300,000 t/a (approximately 1,000 t/d). Construction of the plant commenced in May 2018, and it was completed and commissioned in December of the same year. Since 2022, the technical and management teams have optimised and upgraded the beneficiation flowsheet and equipment configuration, increasing the plant's treatment capacity to approximately 450,000 t/a (about 1,500 t/d). The concentrator employs a "copper/lead priority flotation – zinc flotation" flowsheet to treat the ore, producing copper/lead concentrate and zinc concentrate, with silver mainly reporting to the lead and copper concentrates. Figure 10-3 shows a photograph of the Rongbang concentrator, and Figure 10-4 presents a schematic of the current process flowsheet. The Rongbang concentrator also toll-treats silver–lead–zinc polymetallic ore from the nearby Zuozishan deposit operated by Ruineng Mining.

Figure 10-3: Photograph of Rongbang Concentrator



Source: Site visit

Due to the concurrent toll treatment of Ruineng ore, the ore feed to the concentrator is relatively complex. The oxidation ratios and related indicators of Rongbang ore vary significantly, and the copper-zinc ore is relatively hard. To stabilise the grade and oxidation ratio of the plant feed, Rongbang No.1 and No.2 shaft lead-zinc ores are blended together, No.2 shaft copper ore is blended separately, and Ruineng lead-zinc ore is also blended separately, so as to maximise consistency in feed grade and oxidation ratio and thereby maintain stable production.

When processing copper ore from Rongbang No.2 shaft, the plant produces copper concentrate and zinc concentrate. When processing lead-zinc ore from Rongbang No.1 shaft, Rongbang No.2 shaft and Ruineng, the plant produces lead concentrate and zinc concentrate. Although the characteristics of the feed ores differ, the same beneficiation flowsheet is applied, with differences mainly in the reagent regime.

Run-of-mine ore is treated in a two-stage, one-closed-circuit crushing flowsheet, followed by a two-stage, fully closed-circuit grinding and classification flowsheet. Lead/copper is first recovered using a "one rougher, five cleaners, three scavengers" flotation circuit, followed by a "one rougher, five cleaners, three scavengers" zinc flotation circuit. Concentrate and tailings are separated by flotation; concentrates are dewatered to produce concentrate products, and tailings are discharged to the tailings storage facility or used as underground backfill.

The process flowsheet comprises crushing, grinding, flotation and concentrate dewatering circuits, which are briefly described as follows.

- **Crushing and Screening**

Crushing and screening is carried out in a two-stage, one-closed-circuit flowsheet. One JC1000 jaw crusher is used for coarse crushing, one HP200 cone crusher for fine crushing, and one 2YA1836 circular vibrating screen for screening. The maximum feed size to crushing is ≤300 mm, and the final crushed product size is ≤14 mm.

- **Grinding and Classification**

Grinding and classification are carried out in a two-stage, fully closed-circuit flowsheet. The first-stage grinding uses one GMG3240 grate ball mill, and the second-stage grinding uses one MQYD1840 overflow ball mill. The first-stage classification uses one FG-30 high-weir single-spiral classifier, and the second-stage classification uses one Φ350×6 hydrocyclone cluster. The final grinding fineness is 70~75% passing 74 μm ($P_{70\sim75}$ = 74 μm).

- **Flotation System**

The main beneficiation flowsheets for lead–zinc ore and copper–zinc ore are essentially the same, with the principal differences in the reagent schemes for the priority flotation stage. When treating lead–zinc ore, lower dosages of depressants ($Na_2S_2O_3$+$ZnSO_4$) are used in the priority flotation stage, and a combined collector of No. 25 and No. 36 collectors is applied. When treating copper–zinc ore, a higher pulp alkalinity together with higher dosages of $Na_2S_2O_3$ and $ZnSO_4$ is used in the priority flotation stage to strengthen the depression of sphalerite and gangue minerals, and collector Z-200 is used. The zinc flotation reagent scheme is basically the same in both cases. The flotation flowsheets are summarised as follows:

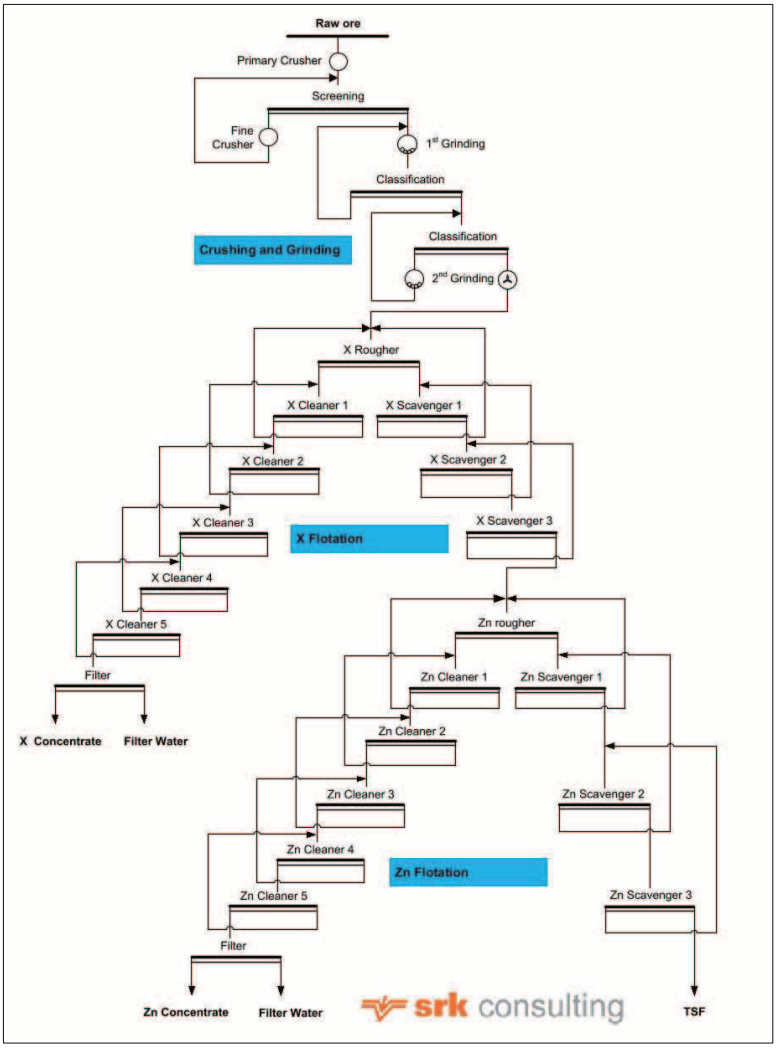
When treating lead–zinc ore: a flotation flowsheet with lead flotation followed by zinc flotation is used. Both the lead and zinc flotation circuits use "one rougher, five cleaners, three scavengers, with intermediate concentrates returned in sequence", producing separate lead and zinc concentrates.

When treating copper–zinc ore: a flotation flowsheet with copper flotation followed by zinc flotation is used. Both the copper and zinc flotation circuits use "one rougher, five cleaners, three scavengers, with intermediate concentrates returned in sequence", producing separate copper and zinc concentrates.

- **Concentrate Dewatering System**

Lead, copper and zinc concentrates are all dewatered using filter presses. After dewatering, concentrate moisture is less than 10%, and the products are stored for sale.

Figure 10-4: Process Flowsheet of Rongbang Concentrator



Source: SRK (2026)

Note:

X Flotation: When the concentrator is treating a copper–zinc ore, "X Flotation" refers to the copper flotation circuit and X denotes Cu; when treating a lead–zinc ore, "X Flotation" refers to the lead flotation circuit and X denotes Pb. The flotation flowsheets for the two ore types are the same, differing only in the reagent regime.

10.6 Processing Facilities and Main Equipment

The main production facilities of the existing concentrator include the run-of-mine ore stockpile, coarse ore bin, crushing workshop, screening workshop, grinding workshop, flotation workshop, reagent storage and preparation workshop, and concentrate dewatering workshop. The main

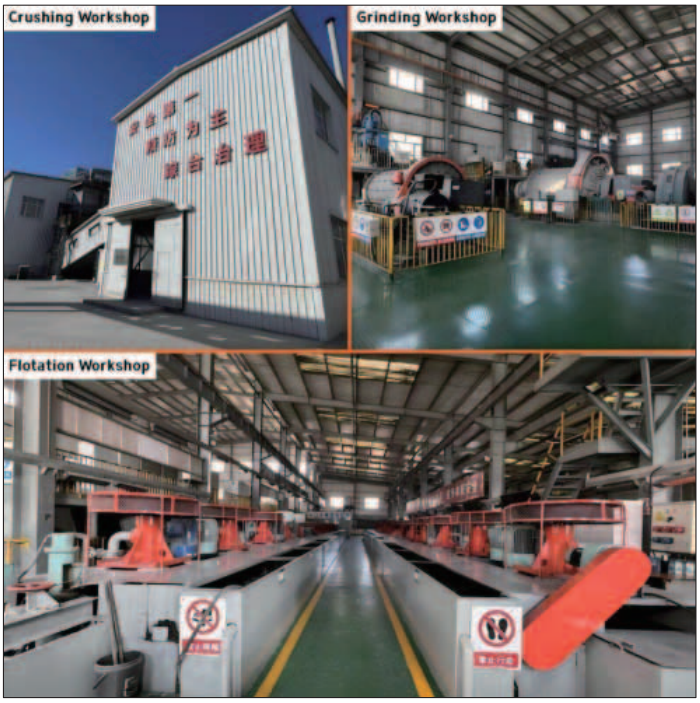
beneficiation equipment is listed in Table 10-7. Selected workshops and equipment are shown in Figure 10-5.

Table 10-7: Main Equipment List

No.	Equipment Name	Model	Power (kW)	Unit
1	Trough feeder	CG1240×980	11	1
2	Jaw crusher	JC1000	90	1
3	Vibrating screen	2YA1836	15	1
4	Cone crusher	HP200	160	1
5	Belt conveyor	—	22/15	4
6	Grate ball mill	MQCG3240	630	1
7	Lead concentrate regrind mill	MQYD1840	180	2
8	Spiral classifier	FG-30	22	1
8	Hydrocyclone cluster	Φ350×6	—	1
10	Flotation cell	XCF-4	15	8
11	Flotation cell	KYF-4	11	10
12	Flotation cell	XCF-8	15	10
13	Flotation cell	KYF-8	11	22
14	Centre-drive thickener	GX-9	0.75	4
15	Membrane filter press	XGMZ182/1250-U	—	1
16	Membrane filter press	XGMZ120/1250-U	—	1
17	Membrane filter press	XGMZ15/800-U	4	1

Source: Provided by Rongbang Processing Plant

Figure 10-5: Photographs of Workshops and Equipment



Source: Site visit

10.7 Production Performance

From 2023 to 2025, the concentrator treated an average of approximately 448.56kt/a of ore, including about 46.64 kt/a of copper–zinc ore and about 401.92 kt/a of lead–zinc ore. Production data indicate that, under the current process conditions, the plant is operating normally and the production indices are generally stable.

For copper–zinc ore: copper concentrate production is about 1,211 t/a, with a copper grade of approximately 19.05% and Cu recovery of about 88.03%. The copper concentrate also contains 1,627 g/t Ag, with silver recovery to the copper concentrate of about 73.72%. Zinc concentrate production is about 302 t/a, with a zinc grade of approximately 44.66% and Zn recovery of about 55.73%. The silver grade in the zinc concentrate is about 400–650 g/t, with silver recovery of about 6.00%. Copper–zinc separation and recoveries are relatively stable, but zinc and lead contents in the copper concentrate are relatively high. Further mineralogical studies and beneficiation testwork on the copper–zinc ore could be undertaken to optimise grinding fineness and reagent regimes, with the aim of improving copper concentrate grade and zinc recovery. A summary of production performance for Rongbang copper–zinc ore processing at the concentrator during 2023–2025 is presented in Table 10-8.

For lead–zinc ore: lead concentrate production is about 5,242 t/a, with a lead grade of 47.56% and Pb recovery of about 77.20%. The lead concentrate also contains 2,996 g/t Ag and 4.04% Cu, with copper and silver recoveries to the lead concentrate of about 57.56% and 65.09%, respectively. Zinc concentrate production is 11,264t/a, with a zinc grade of approximately 49.05% and Zn recovery of about 83.49%. The silver grade in the zinc concentrate is about 285-335 g/t, with silver recovery of about 14.39%, and overall silver recovery of about 80.00%. The grades and recoveries of the lead and zinc concentrates are generally stable, although there is a certain degree of mutual contamination of metals in the concentrates. Going forward, optimisation of grinding fineness and the Pb–Zn separation reagent regime could moderately reduce Cu–Pb and Pb–Zn cross-contamination and further improve overall silver recovery and concentrate quality. A summary of production performance for Rongbang lead–zinc ore processing at the concentrator during 2023–2025 is presented in Table 10-9.

Table 10-8: Production Performance for Processing Copper–Zinc Ore

Parameter	Unit	2023	2024	2025	Avg.
Ore treated	kt	38.75	24.10	77.07	46.64
Head grade					
Cu	%	0.65	0.49	0.54	0.56
Zn	%	0.42	0.54	0.56	0.52
Ag	g/t	54.53	65.51	56.12	57.30
Pb	%	0.22	0.17	0.27	0.27
Contained metal in feed					
Cu	t	250	117	419	262
Zn	t	162	129	435	242
Ag	kg	2,113	1,579	4,325	2,673
Pb	t	88	76	209	124
Cu concentrate produced	t	1,089	534	2,011	1,211
Cu concentrate grade					
Cu	%	20.77	19.00	18.12	19.05
Zn	%	2.30	4.24	5.47	4.34
Ag	g/t	1,622	2,175	1,484	1,627
Pb	%	6.23	10.60	5.14	6.27
Contained metal in Cu concentrate					

Parameter	Unit	2023	2024	2025	Avg.
Cu	t	226	101	364	231
Zn	t	25	23	110	53
Ag	kg	1,766	1,161	2,984	1,970
Pb	kg	68	57	103	76
Cu concentrate recovery					
Cu	%	90.40	86.73	86.99	88.03
Ag	%	83.55	73.51	68.99	73.72
Pb	%	77.35	74.25	49.52	61.12
Zn concentrate produced	t	212	185	509	302
Zn concentrate grade					
Cu	%	3.60	3.25	3.57	3.51
Zn	%	46.26	43.70	44.34	44.66
Ag	g/t	405	541	639	564
Contained metal in Zn concentrate					
Cu	t	8	6	18	11
Zn	t	98	81	226	135
Ag	kg	86	100	325	170
Zn concentrate recovery					
Zn	%	60.63	62.67	51.85	55.73
Ag	%	4.06	6.34	7.52	6.37
Total Recovery					
Ag	%	87.61	79.85	76.51	80.09

Source: Rongbang Mining

Table 10-9: Production Performance for Processing Lead–Zinc Ore

Parameter	Unit	2023	2024	2025	Avg.
Ore treated	kt	399.49	419.54	386.72	401.92
Head grade					
Pb	%	0.80	0.90	0.70	0.80
Zn	%	1.69	1.71	1.53	1.65
Ag	g/t	59.67	65.83	54.14	60.04
Cu	%	0.10	0.09	0.08	0.09
Contained metal in feed					
Pb	t	3,198	3,792	2,698	3,229
Zn	t	6,748	7,177	5,928	6,618
Ag	kg	23,836	27,618	20,938	24,131
Cu	t	398	390	317	368
Pb concentrate produced	t	5,249	6,175	4,302	5,242
Yield	%	1.31	1.47	1.11	1.30
Pb concentrate grade					
Pb	%	47.01	48.30	47.16	47.56
Zn	%	4.35	4.01	4.39	4.23
Ag	g/t	2,934	2,998	3,070	2,996
Cu	%	4.68	3.55	3.97	4.04
Contained metal in Pb concentrate					
Pb	t	2,468	2,983	2,029	2,493
Zn	t	229	248	189	222
Ag	kg	15,400	18,511	13,207	15,706
Cu	t	246	219	171	212
Pb concentrate recovery					
Pb	%	77.16	78.65	75.19	77.20
Ag	%	64.61	67.03	63.07	65.09
Cu	%	61.73	56.30	53.89	57.56
Zn concentrate produced	t	11,583	12,259	9,950	11,264
Yield	%	2.90	2.92	2.57	2.80
Zn concentrate grade					
Pb	%	1.17	1.11	1.46	1.23
Zn	%	48.88	49.05	49.25	49.05
Ag	g/t	310	285	335	308
Contained metal in Zn concentrate					

Pb	t	135	136	145	139
Zn	t	5,662	6,013	4,900	5,525
Ag	kg	3,595	3,489	3,336	3,473
Zn concentrate recovery					
Zn	%	83.91	83.78	82.67	83.49
Ag	%	15.08	12.63	15.93	14.39
Total Recovery					
Ag	%	79.69	79.66	79.01	79.48

Source: Rongbang Mining

Additionally, SRK noted that, although production statistics do not separately report gold output, the concentrator produces a certain quantity of gold-bearing copper concentrate depending on the gold grade in the feed ore, and the gold contained in this copper concentrate is sold as a by-product. The settlement price for gold is determined in accordance with the relevant sales contracts and offtake agreements. Table 10-10 summarises the historical sales data for gold for the period from 2023 to 2025.

Table 10-10: Historical Sales Data of Gold (Year 2023 to 2025)

Item	Unit	2023	2024	2025
Au metal	g	1,529	1,174	1,555

Source: Rongbang Mining

10.8 Tailing Storage Facility(TSF)

The Rongbang tailings storage facility (TSF) was designed by Yantai Orient Metallurgical Design and Research Institute Co., Ltd. Preliminary design and safety facilities design were completed in March 2018, and a design variation was completed in December of the same year, when the TSF was constructed and commissioned. The TSF is located in a natural valley approximately 400 m east of the concentrator and is of the valley-type. It is classified as a Class IV facility, with a total dam height of 46 m (comprising a 14 m starter dam and 32 m of subsequent raises) and a total storage capacity of 4.30 million m^3, of which 3.44 million m^3 is effective storage capacity. Tailings are discharged by wet deposition; tailings slurry is pumped to the dam crest and discharged along the upstream face via multiple outlet pipes to achieve uniform distribution. The TSF is currently operating stably.

- **Current Status of the TSF**

The current crest elevation of the dam is 1,054 m (comprising the starter dam at elevation 1,038 m and four constructed staged raises), and the total dam height is 30 m. The remaining total storage capacity is 3.00 million m^3, with a remaining effective storage capacity of 2.55 million m^3. Based on an assumed dry density of 1.5 t/m^3 for deposited tailings, the TSF can still accommodate approximately 3.825 Mt of tailings. The current status of the TSF is shown in Figure 10-6.

Figure 10-6: Rongbang TSF



Source: Site visit

- **Starter Dam**

The starter dam is a rolled earth–rockfill dam with a height of 14 m. The dam base elevation is 1,024 m, the crest elevation is 1,038 m, the dam length is 238 m and the crest width is 5 m. The upstream and downstream slopes are both 1:2. The downstream slope is protected with grassed concrete blocks.

The upstream anti-seepage structure from top to bottom comprises: a 200 mm thick coarse sand bedding layer, 500 g/m^2 geotextile, 2 mm thick HDPE geomembrane, and 500 g/m^2 geotextile, with sand–gravel bags placed on the surface as ballast. A longitudinal drainage ditch is installed on the inner side of the dam crest, and drainage ditches are provided along the abutments.

- **Staged Tailings Dam**

The tailings dam is raised using the upstream construction method. Four sub-dams have currently been constructed, each with a raise height of 4 m. The crest elevations of the first, second and third staged raises are 1,042 m, 1,046 m, 1,050 m and 1,054 m, respectively. Each sub-dam has a crest width of 8 m, with an outer slope of 1:2 and an inner slope of 1:1.5. The outer slope is protected with a 0.3 m thick layer of grassed concrete blocks to reduce rainfall erosion and suppress dust. A longitudinal drainage ditch is installed on the inner side of each sub-dam crest, and transverse drainage ditches are provided on the outer slope, which are connected to the abutment drainage ditches to form a complete dam drainage system.

- **Flood Control System**

Upstream of the storage area, an interception dam (rolled earth–rockfill dam, crest elevation 1,092 m, dam height 6 m, dam length 112 m) and a flood diversion channel (cross-section 3.8 m × 1.6 m, length 1,712 m) have been constructed to intercept and divert upstream floodwater. Floodwater within the impoundment area is discharged via a spillway on the right bank. The spillway is an inverted trapezoidal mortared stone structure (top width 2.5 m, bottom width 1.5 m, height 0.5 m, minimum longitudinal gradient 0.2%). A return water pond (10 m × 6 m × 3 m) is located downstream of the dam to collect seepage from the dam body and surface drainage from the dam face. The flood control system is designed for a 1-in-200-year flood event.

■ **Seepage Drainage and Anti-Seepage Facilities**

At the toe of the starter dam, a drainage blind trench with a crest width of 1.5 m and height of 1.0 m is installed, and seepage is conveyed downstream through six ultra-high molecular weight polyethylene drainage pipes. For the staged tailings dams, horizontal PE drainage pipes are embedded on berms at elevations 1,038 m, 1,046 m, etc.; the pipes are perforated (open area 6–8%) and wrapped with geotextile, conveying seepage into the dam-face drainage ditches. The impoundment area uses a composite anti-seepage structure of "coarse sand – geotextile – HDPE geomembrane – geotextile – sand–gravel bags". Sand–gravel bag ballast rows are placed along the dam axis at 6 m intervals, and seepage ultimately discharges to the downstream return water pond.

■ **Tailings Delivery and Reclaim Water System**

Tailings from the concentrator are managed by a combination of full tailings backfill and surface deposition in the TSF. When underground stopes are being backfilled, all tailings generated by the concentrator are sent underground for backfilling; when there is no backfilling operation, tailings are delivered to the TSF for surface deposition. The annual quantity of tailings used for underground backfill is about 100,000 t. The ratio of tailings deposited in the TSF to backfill tailings is approximately 3:1, i.e. about 300,000 t/a is deposited in the TSF.

The tailings delivery system uses two slurry pumps (one duty, one standby) to transport tailings via pipeline to the TSF for deposition. For reclaim water, a floating barge is installed at the upper end of the TSF, equipped with two multistage centrifugal pumps (one duty, one standby) to pump clarified water and stormwater from the TSF back to the concentrator high-level water tank for reuse.

■ **Safety Monitoring**

The TSF is equipped with a safety monitoring system combining manual and online monitoring. Monitoring items include dam deformation (displacement), phreatic surface, pond water level, dry beach length, precipitation and water quality.

11 Workforce Assessment

11.1 Workforce Numbers

According to the information provided by Xingye Silver & Tin and Rongbang Mining, as of 31 December 2025, the total workforce numbers were 136 for the headquarters of Xingye Silver & Tin and 79 for the Rongbang Mining, respectively.

Details of the workforce numbers are presented in Table 11-1 and Table 11-2 SRK considers that the workforce numbers are adequate to meet the 245 ktpa production capacity for the Rongbang Project.

Table 11-1: Workforce Numbers in Rongbang Mining's Headquarters

Department	Workforce Number
Board of Directors	2
President's Office	13
Safety & Environmental Protection Dept.	4
General Office	12
Finance Dept.	3
Party Building Work Dept.	2
Geological Resources Dept.	6
Legal & Compliance Dept.	1
International Business Dept.	1
Corporate Management Dept.	9
Human Resources Dept.	5
Financing Dept.	2
Audit & Supervision Dept.	3
Market Operations Dept.	10
Strategic Investment Dept.	11
Bidding & Procurement Center	7
Securities Dept.	4
General Affairs Dept.	41
Total	**136**

Source: Xingye Silver & Tin

Table 11-2: Workforce Numbers for the Rongbang Project

Department	Workforce Number
General Manager's Office	6
Technical Dept.	9
Safety & Environmental Protection Dept.	18
Equipment & Power Dept.	4
Production Dept.	9
Concentrator	13
R&D Center	
Quality Inspection Dept.	2
General Affairs Dept.	5
Laboratory	6
Finance Dept.	5
Operations Dept.	2
Rescue Team	
Total	**79**

Source: Rongbang Mining

11.2 Assessment of Workforce

SRK have been informed that all staff and employees will sign work contracts as required by labor law and labor contract law of China. The employer will also provide endowment, medical, work injury, unemployment, and pension insurance, plus housing accumulation funds, for employees.

12 Project Infrastructure

12.1 Road Access

The Youfangxi Mining Area silver-copper-lead-zinc deposit of Chifeng Rongbang Mining Co., Ltd. is located at a bearing of 118° from Jingpeng Town, Keshiketeng Banner, Inner Mongolia Autonomous Region, at a straight-line distance of approximately 80 km. Administratively, the Project falls under Xinkaidi Township of Keshiketeng Banner and is bordered to the east by Wufendi Township of Ongniud Banner. The mining area is situated about 10 km west of National Highway 306, to which it is connected by gravel and concrete roads. It is approximately 120 km by road north of Jingpeng Town and about 110 km south of Chifeng City. With the exception of 10-20 km of village roads linking the mine area to the national and provincial highway network, which may be temporarily interrupted during intense rainfall events, all other sections remain open to traffic. Overall, road access to the Rongbang Project is considered convenient.

12.2 Power Supply

According to information provided by the Rongbang Mining, the mining area is supplied by a dedicated incoming power feeder originating from the Tuxi 66 kV substation. The outgoing voltage at this substation is 10 kV, which is delivered to the mine's 10 kV substation located near the concentrator. The overhead line is constructed as a single-circuit line using a double-bundle configuration of two LGJ-240 mm² steel-core aluminium stranded conductors, with a route length of 8.6 km.

The second power source (standby feeder) is taken from the 10 kV substation of Chifeng Ruineng Mining Co., Ltd. This overhead line is approximately 5 km in length, configured as a single circuit and constructed using LGJ-120 mm² steel-core aluminium stranded conductor. The upstream supply to the Ruineng 10 kV substation is provided from the Gongguanfangzi Substation via a dedicated 10 kV industrial feeder with an available capacity of 20 MVA.

12.3 Water Supply

Process Water Supply System

Process water is supplied under static pressure through pipelines for construction and production activities, including drilling, dust suppression and firefighting. In order to satisfy both process and firefighting demands and to ensure reliability, a new main supply line consisting of one Φ108×5 mm seamless steel pipe is installed in Shaft SJ3. The main water line in the blind incline ramp is constructed using Φ89×4 mm welded steel pipe. Branch pipelines are sized according to local demand and are routed along the mine workings. Water take-off points with valves are installed at 50 m intervals to provide water for drilling and dust suppression. Existing pipelines on the mine sublevels are retained and continue to be utilized as part of the system.

Domestic Water Supply System

Domestic water is supplied via the existing potable-water pipelines serving the mine site.

Firefighting Water Supply System

The firefighting water supply system is combined with the process water system and is configured as a low-pressure firefighting network. Firefighting water is drawn from an elevated water tank. Underground firefighting mains make use of the mine process-water pipelines wherever these are available; in areas not yet covered by the process-water system, separate firefighting pipelines are installed.

12.4 Maintenance Workshop

A surface workshop established at the mine is used for maintenance and repair of trackless mobile equipment and processing plant. The current design continues to use this existing facility.

12.5 Office Buildings and Accommodation

The mine's living and administrative area is located to the southeast of the mining area, at a straight-line distance of approximately 5 km from the 1# Shaft collar. This complex comprises an office building, dormitory buildings, a monitoring and dispatch center, canteen, bathhouse, warehouse and other supporting facilities.

For the concentrator, two office and living compounds are arranged 50 m north and 140 m northwest of the Shaft SJ3 industrial area, respectively.

13 Environmental and Social Considerations

13.1 Environmental and Social Review Objective

The objective of this due diligence review is to identify and/or verify the existing and potential environmental, Permitting, and Social or Community liabilities and risks, and assess any associated proposed remediation measures for the Project.

13.2 Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprises a review and inspection of the project's environmental management performance against:

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

The methodology applied for this environmental review of the Project consists of a combination of desktop review, site visit, and interviews with Mines' technical representatives.

13.3 Environmental & Social Regulatory Framework

13.3.1 Chinese Regulatory Framework

The *Constitution of the People's Republic of China* (2018) forms the foundation of China's environmental policy. According to Article 26 of the *Constitution*, the State is committed to protecting and improving the living and ecological environment of the people, preventing and controlling pollution and other public hazards, and organizing and encouraging afforestation and forest conservation.

In addition, the following laws provide relevant legislative support to the *Mineral Resources Law* (2025) and the *Environmental Protection Law* (2014):

- Environmental Impact Assessment Law (2018);
- Law on the Prevention and Control of Atmospheric Pollution (2018);
- Law on the Prevention and Control of Noise Pollution (2021);
- Law on the Prevention and Control of Water Pollution (2017);
- Law on the Prevention and Control of Environmental Pollution by Solid Waste (2020);
- Forest Law (2019);
- Water Law (2016);
- Land Administration Law (2019);
- Wildlife Protection Law (2022);
- Regulations on the Administration of Environmental Protection for Construction Projects (2017);

- Rules for Implementation of the Mineral Resources Law (1994);
- Mine Site Geological Environment Protection Regulations (2019);
- Land Rehabilitation Regulation (2011);
- Law on the Prevention and Control of Soil Pollution (2018);
- Regulations on the Management of Groundwater (2021);
- Energy Conservation Law (2018 amendment);
- Renewable Energy Law (2009, as amended);
- Pollutant Discharge Permit Management Regulations (2021).

13.3.2 Applicable International Standards and Guidelines

While environmental and social performance for mining projects in China is governed primarily by national legislation, international standards and guidelines are commonly used as reference benchmarks, particularly for projects seeking international financing or involving foreign joint venture partners or satisfying global supply chain requirements.

For the Project, relevant international frameworks include:

- The **Equator Principles**, which provide a risk management framework for financial institutions financing large-scale projects;
- The **IFC Performance Standards**, which define international good practice for environmental and social risk management and are widely applied by international lenders;
- The **UN Guiding Principles on Business and Human Rights**, which set out expectations for the identification, prevention, and management of human rights impacts associated with business activities.

Alignment with these frameworks is typically driven by lender, investor, or partner requirements rather than by Chinese regulation. As such, they provide a useful benchmark for assessing the Project's environmental and social management practices in the context of international expectations.

13.3.3 Status of Environmental Studies and Approvals

In accordance with Chinese legislation the Project is subjected to a comprehensive Environmental Impact Assessment ("EIA") to assess the environmental impacts of the proposed development on the human and natural environment prior to the commencement of construction, mining and processing operations. The Company has provided the EIA reports and corresponding official approvals for the project, as presented in Table 10-1.

Table 13-1: Summary of EIA Reports and Approvals

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
EIA Report for the 300 ktpa Cu-Pb-Zn Polymetallic Ore Mining and Processing Project	Inner Mongolia Basiba Environmental Technology	November 2014	Department of Ecology and Environment of Inner Mongolia	November 24, 2014

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
at the Youfangxi Mining Area, Keshiketeng Banner, of Chifeng Rongbang Mining Co., Ltd.	Consulting Co., Ltd.		Autonomous Region	
EIA Report for the TSF Project for Cu-Pb-Zn Mine at the Youfangxi Mining Area, Keshiketeng Banner, of Chifeng Rongbang Mining Co., Ltd.	Inner Mongolia Bohai Environmental Technology Co., Ltd.	August 2018	Chifeng Municipal Environmental Protection Bureau	September 20, 2018
EIA Report for the 600 kt TSF Expansion Project for Cu-Pb-Zn Mine at the Youfangxi Mining Area, Keshiketeng Banner, of Chifeng Rongbang Mining Co., Ltd.	Inner Mongolia Jiaye Environmental Protection Technology Co., Ltd.	July 2022	Chifeng Municipal Bureau of Ecology and Environment	October 27, 2022
EIA Report for the 300 ktpa Underground Mining Technical Transformation Project for Cu-Pb-Zn Mine at the Youfangxi Mining Area, Keshiketeng Banner, of Chifeng Rongbang Mining Co., Ltd.	Inner Mongolia Jiaye Environmental Protection Technology Co., Ltd.	October 2024	Chifeng Municipal Bureau of Ecology and Environment	December 19, 2024

Source: SRK (2026)

In addition, the company also supplied the EIA forms and approvals for the full tailings filling system and the hazardous waste storage, and the water treatment facility's EIA form. SRK reviewed the EIA reports/forms and approvals and concluded that the EIAs cover the main production facilities including mining industrial site, processing plant, TSF, and other auxiliary facilities.

SRK understands that EIA reports for the Project have been prepared in accordance with applicable PRC environmental legislation and have received the requisite approvals from the relevant competent authorities.

13.4 Biodiversity

The project is located in Hexigten Banner, Chifeng City, situated at the southern tip of the Greater Khingan Mountains, northwest of the Qilaotu Mountains, and on the southeastern edge of the Inner Mongolian Plateau. The local terrain is characterized by rolling mountains, widespread hills, and crisscrossing valleys, forming a complex topographical landscape. Hexigten Banner experiences a continental semi-arid climate, marked by cold winters, scorching summers, and significant diurnal temperature fluctuations. The region is prone to windblown sand in the spring and features strong

solar radiation with abundant sunshine. It is also characterized by substantial variations in the frost-free period and concentrated precipitation, where the rainy season coincides with high temperatures. According to the EIA, the mining area does not involve any national parks, nature resources, World Natural Heritage sites, or critical habitats.

The Project is not located within designated protected areas or ecological redline zones based on EIA classification.

In accordance with *the Ecological Function Zoning of Inner Mongolia*, the project area is categorized under the following ecological framework:

- the II Greater Khingan Mountains Central-Southern Deciduous Broad-leaved Forest—Forest Steppe Ecological Region (Level I Ecological Functional Zone);
- the II-2 Southern Greater Khingan Mountains Forest Steppe Ecological Sub-region (Level II Ecological Functional Zone); and
- the II-2-1 Southern Greater Khingan Mountains Water Conservation and Soil Retention Ecological Functional Zone.

Based on the findings of the EIA, the primary natural vegetation in the project area includes Cleistogenes squarrosa, Stipa grandis, Leymus chinensis, Artemisia rupestris, Chinese pine (Pinus tabuliformis), and David's aspen (Populus davidiana). The wildlife mainly consists of barn swallows, Eurasian tree sparrows, large-billed crows, voles, and Tolai hares (Mongolian hares). No national-level rare or endangered flora and fauna are distributed within the project area.

The Project has resulted in disturbance to natural vegetation and land resources associated with mine infrastructure (including the adit, industrial site, and waste storage areas), with potential impacts related to land-use change, habitat disturbance, emissions, and localized subsidence. Mitigation measures, including ecological restoration, soil and water conservation, and land reclamation, have been implemented to manage these impacts. Based on available information, residual impacts are considered low to moderate, subject to the continued implementation of these measures and ongoing monitoring.

A water and soil conservation plan ("WSCP", Dec. 2021) was prepared for the project to optimize construction processes, tighten management, and control the scope of disturbance, coupled with higher-standard vegetative and timely protective measures, providing an effective framework for soil and water conservation. Based on the records provided by the client, progressive rehabilitation was adopted for certain areas, such as adits, processing plant, TSF, industrial sites, and exploration trenches. The backfilling measure is adopted for mined-out areas to mitigate the risk of potential surface subsidence by underground mining.

Ecological restoration, soil and water conservation, and land reclamation measures have been implemented to manage biodiversity impacts; on this basis, residual risks are considered low, subject to their continued effective operation, maintenance, and monitoring over the life of mine, based on available information and limited site observations.

13.5 Water Management

The nearest surface water body is the seasonal Weitang River, located approximately 85 m from the mining area and flowing into the Xar Moron River. While no perennial surface water bodies are

present in the immediate vicinity, the river may act as a receptor during rainfall events. On this basis, potential impacts to surface water are considered limited, subject to the effective implementation of runoff and water management measures.

13.5.1 Water Sources

According to the EIA, domestic water is supplied by a water source well located in the Shanwanzi area on the southern side of the mining area. The well is situated approximately 2.8 km from the living area of the mine, has a depth of 50 m, and provides a supply capacity of 70–90 m^3/d。 According to geological data from the vicinity of the Project's water supply well, the groundwater is classified as a Quaternary loose rock pore water aquifer. It is primarily recharged by atmospheric precipitation infiltration and lateral runoff. Water from the supply well is conveyed via a cast iron pipeline to a 400 m^3 storage tank in the office and living area, providing sufficient capacity to meet domestic requirements.

Water for mining, mineral processing, site greening, and dust suppression is supplied by mine inflow, which provides sufficient volume to meet the production water needs of the mine. According to the mine inflow consumption record, the production water usage was 102,352 m^3 for 2023, 88,642 for 2024, and 84,262 for 2025, and those figures are significantly below the 258,000 m^3/year per water use permit.

For the TSF, a floating pump station is employed for water recovery, where reclaimed water is pumped from the floating station within the tailings dam to the processing plant's high-level tank for recycled use. The TSF and its dams utilize a single-layer geomembrane composite anti-seepage liner structure. From top to bottom, the anti-seepage structure consists of a primary liner (weathered soil protection layer + geotextile + HDPE membrane) and a sub-liner (clay layer).

To understand the dynamic characteristics of groundwater level fluctuations at the mine, two rounds of water level measurements were conducted across 14 monitoring points in 2023. These wells tap into the phreatic aquifer, where the groundwater type is identified as bedrock fissure water. The monitoring was performed in August 2023 (rainy season) and December 2023 (dry season). Analysis results indicate that during both the rainy and dry seasons, the groundwater flow direction within the assessment area remains fundamentally consistent with the local topography.

13.5.2 Waste Water Management

During the operational phase, the wastewater consists of ore stockpile and WRD leachate, mine water inflow, processing wastewater, and domestic sewage.

To prevent floodwater from prolonged contact with the stored materials, intercepting and drainage ditches are installed around the WRD. The WRD is equipped with a leachate collection system; all collected leachate is recycled for use in the processing plant with zero discharge. Mine water inflow, after undergoing sedimentation, is utilized for mining operations, dust suppression, landscaping, underground backfilling, and mineral processing, with no external discharge.

Processing wastewater consists of concentrate thickening/filtration water and return water from the TSF. The primary pollutant is suspended solids (SS). All processing wastewater is pumped into a return water pond for reuse in the processing circuit, as well as for dust suppression at the ore stockpiles and on roads, with zero discharge.

The primary pollutants in domestic sewage include pH, SS, COD, and ammonia nitrogen, and this sewage is used for dust suppression or landscaping on-site after basic treatment.

In summary, the Project is designed to treat and recycle all process and contact water, with no routine discharge to the environment. Subject to effective implementation and management, this closed-loop approach is expected to limit potential impacts on both surface water and groundwater to negligible levels.

During the EIA process, Inner Mongolia Dayuan Testing Service Co., Ltd. conducted an assessment of the current groundwater quality surrounding the site on March 17, 2024. A total of seven monitoring points were established upstream, downstream, and lateral to the mining area. The testing parameters included K^+, Na^+, Ca^{2+}, Mg^{2+}, CO_3^{2-}, HCO_3^-, Cl^-, SO_4^{2-}, pH, total hardness, total dissolved solids (TDS), oxygen consumption (COD), ammonia nitrogen, nitrate nitrogen, nitrite nitrogen, volatile phenols, cyanide, lead, fluoride, cadmium, iron, manganese, arsenic, mercury, hexavalent chromium, total coliforms, total bacterial count, sulfate, chloride, petroleum, copper, zinc, silver, and selenium. Results indicate that elevated fluoride concentrations at certain locations are attributable to local geological background conditions. All other parameters satisfied the Grade III standards of the *Standard for Groundwater Quality (GB/T 14848-2017).*

The EIA approvals request to implement a quarterly groundwater monitoring program at the site. Sampling points include the upstream monitoring well of the TSF, the TSF #1 monitoring well, and Toubahuo Hexi Village. The monitoring parameters include pH, COD, ammonia nitrogen, total hardness, TDS, petroleum, and a range of heavy metals and trace elements (As, Hg, Cr^{6+}, Pb, F, Cd, Fe, Mn, Cu, Zn, Ag, Se), all of which were evaluated against the Grade III standard of the *Standard for Groundwater Quality* (GB/T 14848-2017), generally applicable for industrial and mining sites. In 2025, all parameters complied with Grade III standards, except for fluoride, which exceeds the standard due to natural geological background conditions, consistent with the EIA finding.

Overall, the Project adopts a closed-loop water management system with no routine discharge, which is expected to reduce potential impacts on surface water and groundwater. However, key risks remain associated with seepage from the TSF and WRD, potential overtopping or uncontrolled runoff during extreme rainfall events, and reliance on effective operation and maintenance of water management infrastructure. While baseline monitoring indicates generally compliant groundwater quality, with localized fluoride exceedances attributed to natural background conditions, continued monitoring and management are required to confirm that project activities do not result in adverse changes to groundwater or surface water quality over time.

13.6 Waste Rock and Tailings Management

According to the project's EIA, Inner Mongolia Dayuan Environmental Testing Co., Ltd. conducted leaching tests on waste rocks from the mining area in August 2024. The 13 testing parameters included pH, mercury, arsenic, cadmium, lead, zinc, copper, total chromium, silver, hexavalent chromium, selenium, nickel, and fluoride. Test results demonstrated that all monitoring indicators in the waste rock leachate remained below the concentration limits specified in the *Identification Standards for Hazardous Wastes—Identification for Extraction Toxicity (GB 5085.3-2007)*; therefore, the waste rock is not classified as hazardous waste with leaching toxicity.

Furthermore, as the concentration of any single pollutant in the leachate did not exceed the maximum allowable discharge concentrations of the Grade I standards in Tables 1 and 4 of the *Integrated*

Wastewater Discharge Standard (GB 8978-1996), and the pH value remained within the range of 6–9, the mining waste rock is classified as Class I General Industrial Solid Waste. While leaching test results indicate that the waste rock is non-hazardous under current conditions, no acid generation (AMD) testwork (e.g. acid-base accounting or NAG testing) has been identified. As such, the potential for long-term acid generation cannot be fully assessed and represents a source of uncertainty.

According to the *Geological Environmental Protection and Land Reclamation Plan ("Reclamation Plan",* January 2025*)*, the project has designed a delayed backfilling process with waste rocks for goafs formed by the shallow-hole shrinkage mining method. This approach aims to minimize environmental pollution from open-air waste rock storage, eliminate safety hazards in mined-out areas, ensure zero waste rock discharge to the surface where possible, and reduce transportation costs. Waste rock brought to the surface is temporarily stored at the #1 and #3 Shaft waste rock dumps and discharged at the natural angle of repose during production. The mine generates 3×10^4tpa of waste rocks from development activities, which, with a bulk density of 2.80m^3/t (equivalent to $1.07\times10^4m^3$pa), is fully utilized for goaf backfilling.

The storage of waste rocks complies with the *Standard for Pollution Control on the Storage and Landfill of General Industrial Solid Wastes (GB 18599-2020)*. Remaining goaf areas are filled using cemented tailings backfill. The processing plant discharges 29.01×10^4tpa (approx. $19.35\times10^4m^3$pa) of tailings; after backfilling the goafs, the surplus tailings, amounting to 15.79×10^4tpa (approx. $10.53\times10^4m^3$pa), are fully discharged into the TSF.

Overall, the Project adopts a backfilling-focused waste rock and tailings management strategy, which reduces the volume of surface storage and associated environmental risks. Waste rock is classified as non-hazardous and compliant with applicable standards, and the majority is reused for underground backfilling. Residual risks relate to potential leachate from temporary waste rock storage, seepage from the TSF, and long-term stability of tailings and backfilled areas. While backfilling reduces exposure to atmospheric conditions and therefore the potential for acid generation, no acid generation (AMD) testwork has been identified; as such, the potential for long-term acid generation cannot be fully excluded and represents a source of uncertainty.

Given the non-hazardous nature of the materials, compliance with relevant standards, and the implementation of engineered containment and backfilling measures, these risks are considered low to moderate, subject to effective operation, maintenance, and monitoring over the life of mine.

13.7 Air and Noise Emissions

The primary sources of noise pollution for the project include mechanical noise generated during mining and mineral processing, from equipment such as rock drills, winches, air compressors, fans, crushers, ball mills, and flotation cells, as well as transportation noise from haulage.

According to the EIA 2024, Inner Mongolia Dayuan Testing Service Co., Ltd. conducted an assessment of the current acoustic environmental quality surrounding the mine site on March 20, 2024. Following the implementation of mitigation measures for high-noise equipment at the mining site, including indoor placement, vibration damping, and sound insulation, noise levels at a 200 m radius from the industrial site satisfied the Grade 2 requirements of the *Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)*. Additionally, by enforcing measures such as reduced vehicle speeds, a ban on horn honking, and the prohibition of night-time ore transport,

the acoustic environment at a 200 m distance from the transportation route met the Grade II limits of the *Environmental Quality Standard for Noise (GB 3096-2008)*, which are 60 dB(A) during the day and 50 dB(A) at night. In summary, operational noise from the Project is expected to have a limited impact on the surrounding acoustic environment, with residual risks considered low subject to the implementation of standard mitigation measures and good operational management.

Primary atmospheric pollutants from the project include dust generated by drilling, blasting, and ore hoisting/transport; flue gas from explosive detonations; dust from air shaft exhaust; and dust produced during crushing and screening processes in the processing plant. Fugitive dust is also generated by wind erosion at the waste rock dumps, ore stockpiles, and TSF, alongside road dust from transportation and fuel exhaust from transport equipment.

According to the EIA 2024, Inner Mongolia Dayuan Testing Service Co., Ltd. monitored the ambient air quality surrounding the plant from March 17 to 24, 2024. The results confirmed that all parameters at each monitoring point during the period complied with the Grade II standards of the *Ambient Air Quality Standard (GB 3095-2012)* and its 2018 amendment.

The EIA recommended that standardized mining operations shall be implemented, with underground dust controlled through measures such as wet drilling and roadway washing. At the temporary ore stockpiles and waste rock yards, water spraying shall be used for dust suppression. Additionally, driving routes shall be standardized, with both internal and external transport roads constructed as gravel roads.

The site is equipped with water trucks to provide regular sprinkling for dust suppression along transport routes, complemented by enhanced greening on both sides of the roads. During the site visit, SRK was informed that all waste rock is currently being backfilled or reused, with no surface stockpiling of waste rock, and mitigation measures are being maintained on-site, including the use of dust control covers on the dry-stack TSF. The implementation of these combined measures shall effectively reduce the generation of fugitive dust.

The EIA establishes a quarterly air monitoring program. Monitoring points are located at the exhaust stacks of the crushing and screening workshops, as well as at one upwind and three downwind points along the mining area boundary. The monitoring parameter is Total Suspended Particulates (TSP). Evaluation of the indicator is conducted in accordance with the atmospheric pollutant concentration limits for existing and new enterprises as specified in the *Emission Standard of Pollutants for Lead and Zinc Industry (GB 25466-2010)* and its 2013 and 2020 amendments. Based on the 2025 monitoring data provided by the client, the indicators of TSP and SO_2 comply with the aforementioned standards. SRK recommends the inclusion of additional indicators, such as PM_{10}, $PM_{2.5}$, SO_2, NO_x, and CO, to ensure a more comprehensive monitoring regime.

The EIA has established a quarterly noise monitoring plan, with monitoring points set in the processing plant area, mining industrial site, living area, and site boundary. and The monitoring is conducted for both the daytime equivalent A-weighted sound level (L_d) and the nighttime equivalent A-weighted sound level (L_n). These levels are evaluated in accordance with the Grade II requirements of the *Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)*. Based on the 2025 monitoring data provided by the client, all monitoring indicators comply with the aforementioned standards.

Overall, noise and air emissions from the Project are expected to be effectively controlled through the implementation of standard mitigation measures, with monitoring results indicating compliance

with applicable standards. Residual risks are primarily associated with fugitive dust generation, exhaust emissions from equipment, and the effectiveness of noise control measures during operations and transportation.

Given the compliance with relevant standards and the application of mitigation measures, these risks are considered low, subject to continued implementation of dust suppression, emission controls, and routine monitoring over the life of mine.

13.8 Hazardous Substances Management

Hazardous materials are substances that may exhibit corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, and therefore pose potential risks to human and the environment.

Hazardous materials are generated during project's construction, mining, and processing operations include hydrocarbons (i.e. fuels, waste oils, lubricants), chemical reagents used in mineral processing, contaminated containers, batteries, and other hazardous wastes. Accidental releases including leaks and spills may result in contamination of soil , surface water, and groundwater if not properly managed.

Waste mineral oil and empty oil drums generated in the maintenance workshop are centrally collected and stored in designated sections within the Rongbang Mining hazardous waste temporary storage warehouse, with final disposal commissioned to a qualified third-party entity. Located on the north side of the processing plant's screening workshop, the storage warehouse covers an area of 56 m². The ground, skirting cofferdam, diversion channels, and collection pits are constructed with C15 concrete, overlaid with polyethylene (PE) polypropylene/polyester polymer waterproof membranes. The warehouse achieves a permeability coefficient of $K \leqslant 1 \times 10^{-10}$cm/s, satisfying the requirements of the *Standard for Pollution Control on Hazardous Waste Storage (GB 18597—2023)*.

Overall, hazardous materials and wastes generated by the Project are managed through collection, storage in dedicated engineered facilities, and disposal by licensed third parties in accordance with applicable standards. These measures are expected to effectively control the risk of leaks and contamination. Residual risks remain associated with accidental spills, improper handling, or failure of containment systems. However, given the engineered storage design, regulatory compliance, and planned management measures, these risks are considered low, subject to proper operation, maintenance, and monitoring.

13.8.1 Explosives Management

Explosives are stored in a dedicated explosive magazine with a storage capacity of 3 tonnes, equipped with explosion-proof walls and a guardroom. The nearest sensitive receptor, Toubahuo Hexi Village, is located 1.24 km downwind (east) of the magazine; this significant distance is further buffered by intervening mountain terrain. According to the *Identification of Major Hazard Installations for Dangerous Chemicals (GB 18218-2009)*, the explosive magazine does not constitute a major hazard installation.

13.9 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 (2023), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), 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 geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, the company is required to establish a financial provision for mine closure and environmental rehabilitation.

The latest *Geological Environmental Protection and Land Reclamation Plan* for the Project was produced by Chifeng Longyuan Mining Consulting Service Co., Ltd. in January 2025. The total estimated cost for mine geological environment protection and land reclamation under this plan includes two components: geological environment treatment and land reclamation. The total investment for environmental restoration over the service life of the mine is 14.5909 million yuan. SRK viewed the official reply from the Hexigten Banner Bureau of Natural Resources dated July 16 2025, Chifeng Rongbang Mining has been granted a waiver for its 2025 geological environmental restoration fund provision, as its current account balance of 1.1412 million yuan satisfies regulatory requirements. As of 2025, a total of 236,966.18 m² has been rehabilitated, based on records provided by the client.

In addition to estimating the costs of mine geological environment protection and reclamation, the aforementioned plans also conducted detailed studies on the scope of reclamation responsibilities, geological disaster prevention and control, protection and restoration of topography and landscape, land reclamation, and ecological environment management.

SRK considers that these plans provide an appropriate technical basis for the development of the Project, including mine closure and environmental rehabilitation (covering geotechnical stability, groundwater management, monitoring, and restoration), as well as the prevention and mitigation of land disturbance and associated environmental impacts.

13.10 Key Socio-economic Considerations

The mining area is located approximately 80 km northwest of Jingpeng Town (the seat of the Hexigten Banner government), 110 km southeast of Chifeng City, and 20 km southwest of Xinkaidi Township. Situated in the southeastern part of Hexigten Banner, Xinkaidi Township administers seven administrative villages, one community, and 74 villager groups. The township has a registered population of 6,798 households (approximately 15,504 people), all of whom are categorized as agricultural population. The total land area of the township is 550,000 mu.

According to the *Reclamation Plan 2025*, Weitanghe Village in Xinkaidi Township, where the mining area is situated, has a registered population of 414 households and a permanent population of approximately 286 residents. The village administers six villager groups primarily engaged in crop farming, with corn, wheat, and buckwheat as the main crops. Some villagers have already adopted modern farming techniques, such as mechanized sowing. Looking forward, the village plans to vigorously develop the beef cattle industry to promote the transformation and upgrading of livestock farming toward high quality and efficiency.

According to the relevant Chinese environmental legislation, public participation should be involved within the environmental impact assessment. Based on the EIA 2014, two rounds of public announcement were carried out, and public participation questionnaires were distributed to residents in nearby settlements via random sampling to collect public comments on the Project. The results of public participation for the project shows that stakeholders generally support the project for its economic and social benefits. Primary concerns relate to operational-phase air, noise, and ecological impacts. Overall, the project maintains strong local support with zero recorded objections.

In the *Reclamation Plan*, the feedback from the public participation questionnaires demonstrated that the participants explicitly requested that the mining right holder perform timely restoration of damaged land, refrain from the indiscriminate dumping or stockpiling of waste soil, ensure the standardized disposal of pollutants, and monitor sensitive points for geological hazards. Public participation feedback serves as the basis for determining the direction of geological environmental governance and land reclamation, as well as for formulating corresponding measures.

The development and operation of the Project have resulted in potential social impacts on the local community, including land disturbance and the loss of farmland. Operational activities generate dust and noise, and increased heavy vehicle movements may contribute to to traffic-related impacts, including road safety risks for local residents. The presence of a non-local workforce may also place additional demand on local infrastructure and services, and give rise to expectations regarding local employment. On-going management of these factors, including community health and safety risks associated with industrial operations and the TSF, remains an important component of the Project's social management framework.

The Project is expected to contribute to local economic development, including through employment and increased demand for supporting services such as logistics and transportation. The company has also undertaken community support initiatives in the past. To support ongoing stakeholder relations, enhancements to stakeholder engagement and grievance management processes are considered good practice to ensure that concerns raised by affected communities are effectively captured and addressed in a timely manner.

The socio-economic risk associated with the Project is assessed as low, based on available information, including evidence of community acceptance and the absence of documented public objections. Enhancements to the grievance mechanism and stakeholder engagement approach have been identified to support the ongoing management of community expectations. No material socio-economic factors have been identified that are expected to affect the Project's operational continuity, provided that land reclamation and stakeholder engagement commitments are effectively maintained.

14 Capital Expenditures and Operating Expenses

This section summarizes the Capital expenditures ("Capex") and Operating expenditures ("Opex") for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan").

14.1 Capital Expenditures

The Capex for the Project is categorized into Sunk Capex and Future Capex.

14.1.1 Sunk Capex

The sunk Capex covers the three-year period from 2023 to 2025, which primarily includes initial infrastructure, underground development, and sustaining Capex.

The summary of sunk Capex is presented in Table 14-1.

Table 14-1: Historical Sunk Capex (2023 to 2025)

CAPEX	Unit	Historical 2023	2024	2025	Average
Initial Capex					
Infrastructure	Million CNY	1.04	-	27.55	9.53
Underground Development	Million CNY	-	5.25	-	1.75
Equipment Installation	Million CNY	10.55	1.38	-	3.98
Sustaining Capex		-	-	-	
Land Use Rights	Million CNY	38.59	0.44	-	13.01
Mining Rights	Million CNY	-	15.14	-	5.05
Equipment Purchase	Million CNY	18.84	8.92	1.08	9.62
Buildings	Million CNY	23.93	17.25	-	13.72
Underground Development	Million CNY	55.04	0.00	27.70	27.58
Others	Million CNY	0.46	-	3.23	1.23
Total Capex	Million CNY	**148.45**	**48.37**	**59.56**	**85.46**

Source: Summarized by SRK (2026)

14.1.2 Future Capex

Future Capex is estimated based on historical expenditure and the Life of Mine (LOM) production schedule. The total projected Future Capex is CNY 102.85 million. The summary of LOM Capex is presented in Table 14-2.

The expenditure is divided into three primary categories as shown in Figure 14-1. Sustaining Capex accounts for 71% of the total, followed by Closure Cost at 29%.

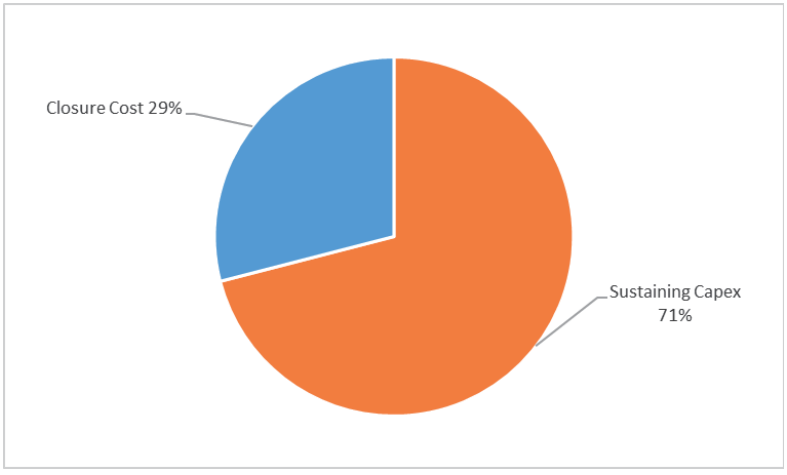
Table 14-2: Summary of LOM Capex

CAPEX	Unit	LOM
Initial Capex		
Infrastructure	Million CNY	
Underground Development	Million CNY	
Equipment Installation	Million CNY	
Sustaining Capex		
Land Use Rights	Million CNY	

CAPEX	Unit	LOM
Mining Rights	Million CNY	-
Equipment Purchase	Million CNY	13.46
Buildings	Million CNY	19.21
Underground Development	Million CNY	38.61
Others	Million CNY	1.72
Closure Cost	Million CNY	29.85
Total Capex	Million CNY	**102.85**

Source: Summarized by SRK (2026)

Figure 14-1: Capex Investment Plan Distribution over LOM

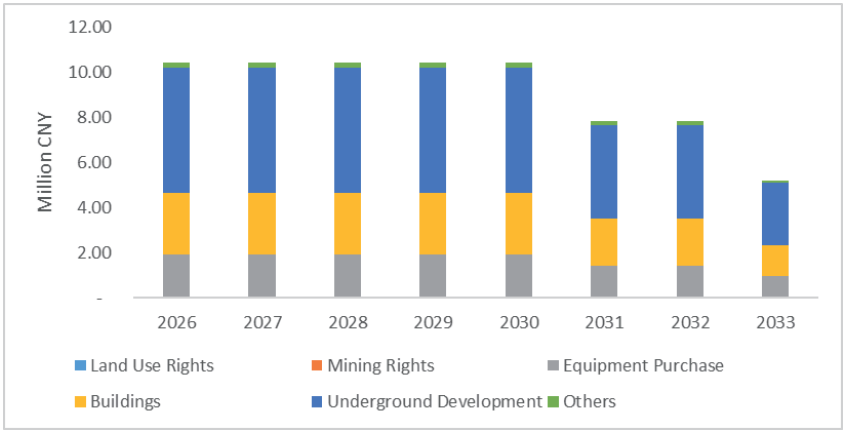


Source: Summarized by SRK (2026)

Sustaining Capex

As shown in Figure 14-2, sustaining costs remain consistent at approximately CNY 14.16 million per year through 2030. These costs include land use rights, equipment purchase, and building maintenance, with a scheduled reduction in the final three years of the LOM.

Figure 14-2: Sustaining Capex Investment Plan over LOM (in Million CNY)

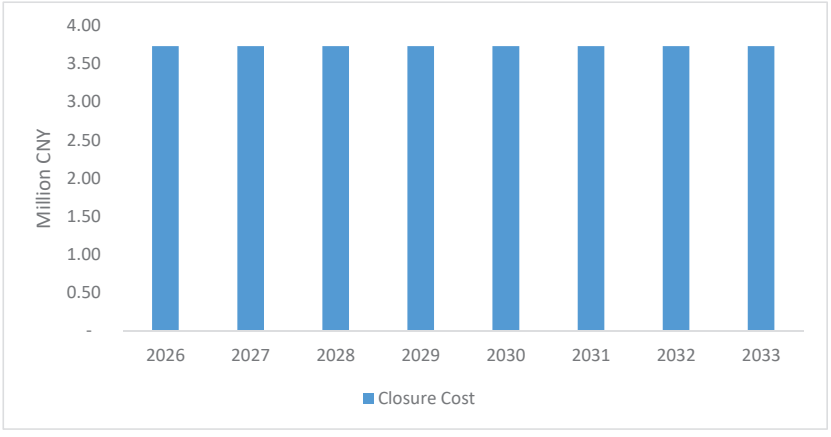


Source: Summarized by SRK (2026)

Closure Cost

As shown in Figure 14-3, closure and rehabilitation costs are allocated as a fixed annual provision of CNY 3.73 million over the LOM.

Figure 14-3: Closure Capex Investment Plan over LOM (in Million CNY)



Source: Summarized by SRK (2026)

14.2 Operating Costs

Opex estimates are based on historical cash costs and the LOM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortization (D&A) are excluded.

14.2.1 Historical Operating Costs

Historical operating cash cost for the 2023 to 2025 period is summarized in Table 14-3. Total expenditure during this period was CNY 534.39 million.

Table 14-3: Historical Cash Opex (2023 to 2025)

Item	Unit	2023	2024	2025	Total
COGS					
Labor Costs	Million CNY	54.54	61.95	60.70	177.19
Materials	Million CNY	15.46	15.50	22.43	53.39
Fuel & Power	Million CNY	9.82	9.53	8.31	27.65
OHS Expenses	Million CNY	23.52	20.44	22.47	66.42
D&A	Million CNY	-	-	-	-
Others	Million CNY	20.50	18.14	16.94	55.58
Taxes and Surcharges	Million CNY	12.60	16.54	16.98	46.12
Selling Expenses	Million CNY	6.89	8.82	8.92	24.63
General & Admin	Million CNY	24.88	23.68	21.28	69.83
R&D Expenses	Million CNY	4.63	4.58	4.37	13.58
Total OPEX	Million CNY	**172.82**	**179.18**	**182.39**	**534.39**

Source: Summarized by SRK (2026)

14.2.2 Unit Operating Costs

The historical unit cash costs for the 2023 to 2025 period are provided in Table 14-4.

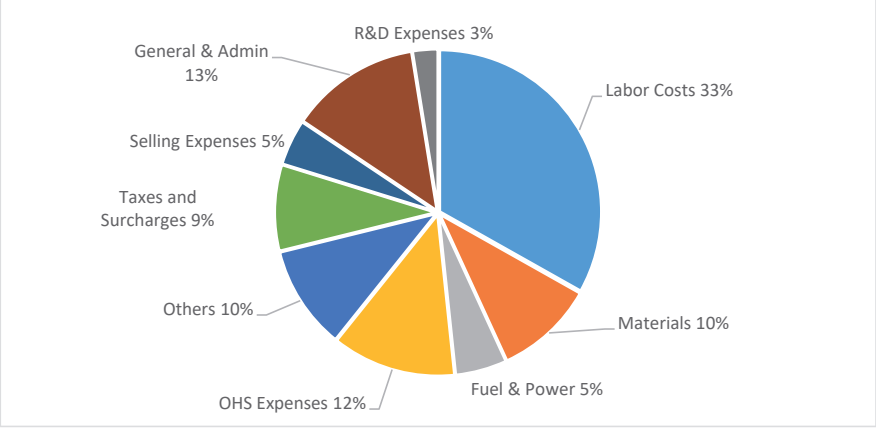
Table 14-4: Historical Unit Cash Opex (2023 to 2025)

OPEX - By Element	Unit	Historical 2023	2024	2025	Total/Average
Mined	kt	479.34	473.49	459.33	1,412.16
Milled	kt	438.24	443.65	463.79	1,345.67
COGS					
Labor Costs	CNY/t	124.46	139.64	130.88	131.68
Materials	CNY/t	35.27	34.94	48.36	39.67
Fuel & Power	CNY/t	22.40	21.47	17.91	20.55
OHS Expenses	CNY/t	53.66	46.07	48.44	49.36
D&A	CNY/t	-	-	-	-
Others	CNY/t	46.77	40.89	36.53	41.30
Taxes and Surcharges	CNY/t	28.75	37.28	36.60	34.27
Selling Expenses	CNY/t	15.71	19.89	19.23	18.30
General & Admin	CNY/t	56.76	53.37	45.89	51.90
R&D Expenses	CNY/t	10.56	10.32	9.42	10.09
Total OPEX	CNY/t	**394.35**	**403.87**	**393.26**	**397.12**

Source: Summarized by SRK (2026)

The cash Opex distribution, based on the three-year historical average, is shown in Figure 14-4. Labor costs (33%), OHS Expenses (12%), and General & Admin (13%) represent the primary cost drivers.

Figure 14-4: Opex Estimated Distribution over LOM



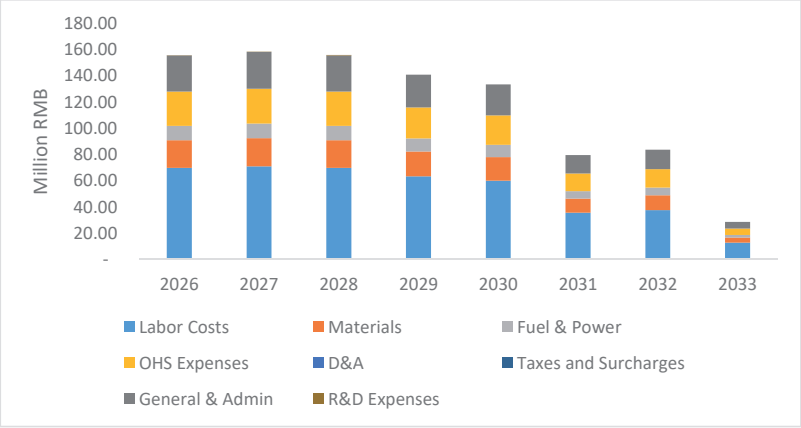
Source: Summarized by SRK (2026)

14.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from the 2023 to 2025 period to the projected production schedule.

The annual cash Opex projection over the LOM is shown in Figure 14-5. Annual Opex decreases in 2030 as production ramps down.

Figure 14-5: Opex Plan over LOM (in Million CNY)



Source: Summarized by SRK (2026)

15 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis of the was conducted using conventional Discounted Cash Flow ("DCF") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived NPVs do not indicate the fair market values or the profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and financing costs were not considered.

The Net Present Value ("NPV") was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and pricing.

15.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Rongbang Mine. The assumptions are as follows:

- The ROM and finial products of Rongbang Mine are based on the LOM schedule.
- The local currency for Rongbang Mine is CNY.
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LOM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Mineral Resources estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LOM.
- The reference date or effective date is 31 December 2025.

15.1.1 LOM Physical

The mine production and key technical inputs parameters are described in the previous section. It should be noted that Rongbang Mine purchases ROM Material from Rui Neng Mine. The summary of the key physical assumptions is presented in Table 15-1.

Table 15-1: LOM Physical Inputs for Economic-Analysis

Item	Unit	LOM
Mining		
Ore reserves	kt	3,190
Average Grade		
Ag Grade	g/t	63.31
Pb Grade	%	0.86
Zn Grade	%	1.92
Cu Grade	%	0.53
Total Metal		
Ag Metal	t	12.73
Pb Metal	t	884
Zn Metal	t	1,927
Cu Metal	t	2,343
Capacity (average over LOM)	ktpa	507
Capacity (average over Rongbang Mine)		224
Capacity (average over Ruineng Mine)	ktpa	291
Mine life	yrs	8
Processing		
Pb Concentrate		
Pb Recovery	%	77.21
Ag Recovery	%	65.08
Pb Grade in Pb Concentrate	%	47.63
Zn Concentrate		
Zn Recovery	%	80.31
Ag Recovery	%	78.42
Zn Grade	%	48.29
Cu Concentrate	%	
Cu Recovery	%	88.18
Ag Recovery	%	73.21
Cu Grade	%	19.03

Source: SRK (2026)

15.1.2 Pricing Assumptions

Table 15-2 shows the prices for Silver, Lead, Zinc and Copper. These commodity prices are dynamic and are derived from CMF, published by Consensus Economics Inc., to which SRK subscribes annually.

Table 15-2: Pricing Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	2031	LTP
Silver	USD/oz	51.25	44.75	42.00	40.00	37.50	32.50	32.50
Lead	USD/t	2,000	1,950	1,950	1,900	1,950	2,000	2,000
Zinc	USD/t	2,800	2,650	2,600	2,600	2,650	2,800	2,800
Copper	USD/t	10,750	10,400	10,450	10,350	10,300	9,700	9,700

Source: CMF, 15 December 2025

15.1.3 Tax and Royalties

The tax, government charges and royalties for Rongbang Mine are mainly corporate income tax, resource tax, which is in term of royalties, and value added tax ("VAT").

- Corporate Income Tax ("CIT")

The standard corporate tax rate in China is 25% of taxable income.

- Resource Tax (Royalties)
  - 6% of the net sales from lead (Pb) and zinc (Zn) mineral products
  - 5% of the net sales from silver (Ag) mineral products
  - 7% of the net sales from copper (Cu) mineral products
- Value Added Tax

In China, industrial minerals prices include a VAT, which is 13% of sales, excluding revenue from gold (Au) if any.

- Surtax/Surcharge
  - City Maintenance and Construction Tax: 5% of VAT payable.
  - Education Surcharge: 3% of VAT payable.
  - Local Education Surcharge: 2% of VAT payable.
  - Water Resource Construction Fund: 0.10% of VAT payable.

15.1.4 Depreciation

The capital and sustaining expenditures, including development costs, have been depreciated on a unit production basis over the LOM. The assumed depreciation follows the straight-line method over a period of 8 years.

15.1.5 Working Capital

Working capital is the capital needed to fund operations before revenue is received from the finished product. Working Capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

15.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 15-3.

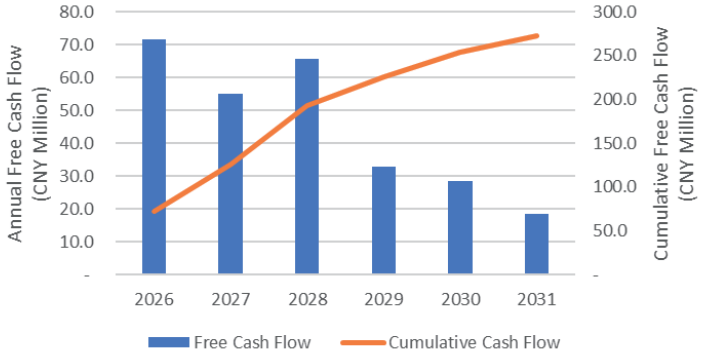
Table 15-3: LOM Key Economic Results

Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Valuation date	Date	1-Jul-26
Discount rate	%	8.0%
Net Present Value, pret-tax	Million CNY	325.4
Net Present Value, post-tax	Million CNY	234.1
IRR	%	N/A
Payback	in year	N/A

Source: SRK (2026)

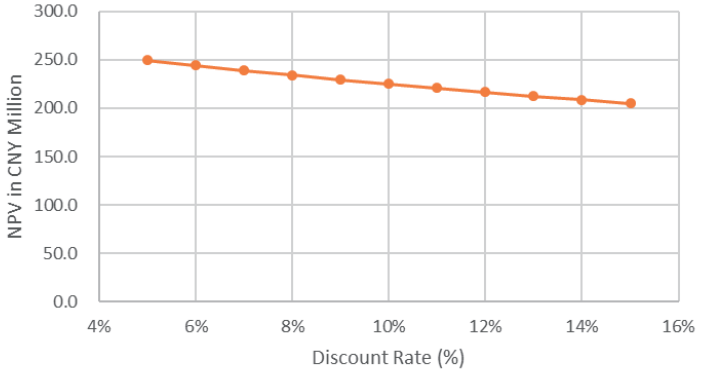
The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 234.1 million. The sensitivity of NPV against discount rate is presented in Figure 15-2. The annual cash flows are presented graphically in Figure 15-1 and in tabular form in Table 15-4.

Figure 15-1: Cash Flow Profile



Source: SRK (2026)

Figure 15-2: Rongbang Mine NPV versus Discount Rate



Source: SRK (2026)

Table 15-4: LOM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033
COGS										
Labor Costs	RMBm	420.1	69.8	71.0	69.9	63.3	60.0	35.7	37.5	12.8
Materials	RMBm	126.6	21.0	21.4	21.1	19.1	18.1	10.8	11.3	3.9
Fuel & Power	RMBm	65.6	10.9	11.1	10.9	9.9	9.4	5.6	5.9	2.0
OHS Expenses	RMBm	157.5	26.2	26.6	26.2	23.7	22.5	13.4	14.1	4.8
D&A	RMBm	-	-	-	-	-	-	-	-	-
Others	RMBm	131.8	21.9	22.3	21.9	19.9	18.8	11.2	11.8	4.0
Taxes and Surcharges	RMBm	99.5	19.0	17.0	18.1	14.1	13.3	8.0	7.9	2.0
Selling Expenses	RMBm	58.4	9.7	9.9	9.7	8.8	8.3	5.0	5.2	1.8
General & Admin	RMBm	165.6	27.5	28.0	27.5	24.9	23.6	14.1	14.8	5.1
R&D Expenses	RMBm	0.8	0.3	0.3	0.3	-	-	-	-	-
Total	**RMBm**	**1,225.7**	**206.4**	**207.6**	**205.6**	**183.6**	**173.9**	**103.6**	**108.5**	**36.5**

Capital costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033
Initial Capex	RMBm	-	-	-	-	-	-	-	-	-
Sustaining Capex - Mining	RMBm	73.0	10.4	10.4	10.4	10.4	10.4	7.8	7.8	5.2
Closure	RMBm	29.8	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Total	**RMBm**	**102.9**	**14.2**	**14.2**	**14.2**	**14.2**	**14.2**	**11.6**	**11.6**	**8.9**
	RMBm									

Cash flow		LOM	2026	2027	2028	2029	2030	2031	2032	2033
Net revenue	RMBm	1,717	335	294	311	238	227	138	138	35
Operating costs	RMBm	-1,126	-187	-191	-187	-170	-161	-96	-101	-34
Royalties	RMBm	-99	-19	-17	-18	-14	-13	-8	-8	-2
Closure Costs	RMBm	-30	-4	-4	-4	-4	-4	-4	-4	-4
Change in net working capital	RMBm	-0	-12	3	-1	4	1	2	1	3
Capex	RMBm	-103	-10	-10	-10	-10	-10	-8	-8	-5
Tax paid	RMBm	-109	-31	-20	-25	-11	-11	-6	-5	0
Free Cash Flows	RMBm	249	72	55	66	33	29	18	14	-7

Source: SRK (2026)

15.3 Sensitivity Analysis

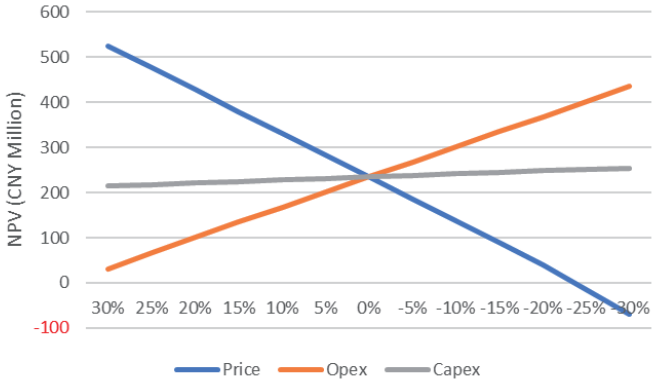
SRK conducted a single-factor sensitivity analysis for the Rongbang Mine to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range. The results showed that the Project is most sensitive to changes in metal prices and least sensitive to variations in Capex. Results of the sensitivity tests are presented in Table 15-5 and Figure 15-3.

Table 15-5: Sensitivity Analysis Result (@8% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	525	30	214
25%	476	67	217
20%	428	101	221
15%	380	134	224
10%	331	167	227
5%	283	201	231
0%	234	234	234
-5%	186	268	238
-10%	137	301	241
-15%	89	334	244
-20%	39	368	248
-25%	-15	401	251
-30%	-70	434	254

Source: SRK (2026)

Figure 15-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK (2026)

It can be seen that the changes in prices have the greatest impact on the Rongbang Mine's NPV, while Opex and Capex have smaller effects.

To clarify the effects of prices on the Rongbang Mine's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -24% from the base scenario prices used in the model, i.e. if the price decreases to about 76% of the forecasting price, the Rongbang Mine NPV will become negative.

16 Risk Assessment

SRK 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 the life of mine (LOM) timeframe can be considered as:

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

Table 16-1: Risk assessment Matrix

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

Source: SRK (2026)

SRK completed a risk assessment of the specific risks identified for the Rongbang Project in relation to their likelihood of occurrence within the LOM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Rongbang Project is a production project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Rongbang Project. SRK's final Risk Assessment is presented in

Table 16-2: Risk Assessment for Rongbang Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore reserves			
Lack of Significant Mineral Resources	Possible	Major	High
Lack of Significant Ore reserves	Possible	Major	High
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Major	Medium
Pumping System Adequacy	Unlikely	Moderate	Low

Risk Source/Issue	Likelihood	Consequence	Risk
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Moderate	Medium
Poor Road Transportation/Safety	Unlikely	Minor	Low
Mineral Processing			
Changes in ore properties result in a decreased concentrate recovery rate	Possible	Moderate	Medium
A high equipment failure rate and low operating rate prevent the processing plant from achieving its design capacity	Unlikely	Moderate	Low
Unstable ore supply leads to large fluctuations in the plant's performance indicators	Possible	Minor	Low
Environmental and Social			
Lack of Relevant Environmental Permit	Unlikely	Moderate	Low
Surface Subsidence	Possible	Moderate	Medium
Water Management	Possible	Moderate	Medium
Social License to Operate	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low

Source: SRK (2026)

17 Conclusions and Recommendations

17.1 Geology

Rongbang polymetallic deposit has a close temporal and spatial and genetic relationship with the intermediate-acid volcanic rocks in the late Yanshan period. The polymetallic mineralization bodies are obviously controlled by the NW-trending fault structure (altered fracture zone)in the area. The mineralized body is in a regular vein shape, and there are branches and composite phenomena in the local area. The mineralized body is northwestward, inclined to southwest, and the dip angle is steep.

Comprehensive geological studies indicate that the metallogenic type of the polymetallic deposit in the project area belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity.

17.2 Mineral Resources

SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Xingye Silver & Tin was acceptable for use in a Mineral Resource estimate.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Rongbang Project, at a cut-off grade of 2.10% ZnEq for the project.

There are 2.11 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 0.54% Pb, 1.55% Zn, 0.23% Cu, 53.51 g/t Ag and 5.08% ZnEq; 1.91 Mt of Indicated Mineral Resources at an average grade of 0.24% Pb, 1.32% Zn, 0.24% Cu, 32.12 g/t Ag and 3.80% ZnEq; and 0.55 Mt of Inferred Mineral Resources at an average grade of 0.50% Pb, 1.38% Zn, 0.28% Cu, 46.60 g/t Ag and 4.81% ZnEq.

17.3 Mining and Ore Reserves

Ore Reserves have been estimated for Rongbang deposits.

As of 31 December 2025, the total Ore Reserves at the mine are as follows:

- Proved: The deposit has proved ore reserves of 0.67 Mt with average grades of 58.54 g/t Ag, 0.57% Pb, 1.21% Zn and 0.28% Cu, containing approximately 39.50 t of silver, 3.88 kt of lead, 8.16 kt of zinc and 1.88 kt of copper.
- Probable: The deposit has probable ore reserves of 0.38 Mt with average grades of 25.70 g/t Ag, 0.25% Pb, 1.04% Zn and 0.27% Cu, containing approximately 9.73 t of silver, 0.95 kt of lead, 3.95 kt of zinc and 1.02 kt of copper.
- Proved and Probable: The deposit has total ore reserves of 1.05 Mt with average grades of 46.74 g/t Ag, 0.46% Pb, 1.15% Zn and 0.28% Cu, containing approximately 49.23 t of silver, 4.82 kt of lead, 12.11 kt of zinc and 2.90 kt of copper.

Underground Operations:

- The start date of the underground production schedule is 31 December 2025.

- Based on the ore reserves, the planned end date for production is 2031.
- The primary mining method is shrinkage stoping with delayed backfill, open stoping with delayed backfill and sublevel open stoping with delayed backfill to achieve a production rate of 230,000 tonnes per year.

Recommendation:

- Monitor rock temperatures during shaft deepening operations to ensure safe working conditions.
- Assess and monitor rock failure risks as mining advances to deeper levels.
- Regularly monitor sill pillars and barricade mined-out levels to mitigate airblast risks.
- Continuously monitor water inflow rates as shaft deepening progresses to prevent water-related challenges.
- Conduct feasibility studies to evaluate the potential for expanding mining operations to greater depths.
- Maintain detailed production data, providing breakdowns from each deposit and distinct stopes to optimize reporting and operational decision-making.

17.4 Processing and Metallurgy

The ore from Rongbang Mining's Youfangxi deposit is a silver-bearing polymetallic sulfide ore and can be classified into copper–zinc ore and lead–zinc ore. The payable metals in the copper–zinc ore are copper, silver and zinc. The copper–zinc ore contains numerous target minerals with close intergrowth; chalcopyrite, bornite and enargite are closely associated with sphalerite and other minerals. The main gangue minerals are quartz and muscovite, with other gangue minerals present in low contents. The payable metals in the lead–zinc ore are mainly lead, silver and zinc. The principal minerals include sphalerite, galena and boulangerite, with close intergrowth among the various minerals. The main gangue minerals are quartz and muscovite, with other minerals present in relatively small amounts.

During processing of Rongbang ore, the concentrator has operated stably, and the existing beneficiation flowsheet is well adapted to the ore. The associated tailings storage facility is also operating stably.

In 2025, the concentrator treated 463.79 kt of ore, comprising 77.07 kt of copper–zinc ore and 386.72 kt of lead–zinc ore. For the copper–zinc ore, 2,011 t of copper concentrate was produced, grading 18.12% Cu and 1,484 g/t Ag, with recoveries of 86.99% Cu and 68.99% Ag; 509 t of zinc concentrate was produced, grading 44.34% Zn and 639 g/t Ag, with recoveries of 51.85% Zn and 7.52% Ag. For the lead–zinc ore, 4,302 t of lead concentrate was produced, grading 47.16% Pb, 3.97% Cu and 3,070 g/t Ag, with recoveries of 75.19% Pb, 53.89% Cu and 63.07% Ag; 9,950 t of zinc concentrate was produced, grading 49.25% Zn and 335 g/t Ag, with recoveries of 82.67% Zn and 15.93% Ag.

Rongbang copper concentrate contains 5–10% Pb, and the lead concentrate contains approximately 4% Cu, indicating relatively high cross-contamination. A copper–lead separation flotation circuit has in fact been installed at the Rongbang concentrator. SRK recommends further copper–lead separation testwork to assess, from both technical and economic perspectives, the feasibility of producing separate copper concentrate and lead concentrate.

17.5 Environmental and Social Considerations

The project has obtained the main environmental protection-related permits required for operation, including the safety production permits, water use permits, and site discharge registration. The environmental impact assessment (EIA) reports for the project were prepared, and corresponding official approvals are obtained. The EIA reports cover the main production facilities including mining industrial sites, processing plant, TSF, and other auxiliary facilities.

According to the EIA, the mining area does not involve any national parks, nature resources, World Natural Heritage sites, or critical habitats. Furthermore, it does not overlap with natural parks or ecological redlines, and the surface water impact is not classified as a hydrological element-affected type. No perennial surface water bodies in the vicinity of the project, and the impact on the regional water environment is minimal.

The project implements a zero-discharge policy for all operational wastewater, including leachate form ore stockpile and WRD, mine water inflow, processing wastewater, and domestic sewage. A quarterly groundwater monitoring program is planned at the site.

Waste rock hoisted to the surface is temporarily stockpiled at the #1 and #3 waste rock dumps before being used for goaf backfilling. Remaining voids are addressed using cemented tailings backfill, while any surplus tailings are managed through disposal in the TSF. This approach aims to minimize environmental pollution from open-air waste rock storage, eliminate safety hazards in mined-out areas, ensure zero waste rock discharge to the surface where possible, and reduce transportation costs.

It is recommended to develop and implement a Stakeholder Engagement Plan to ensure that project risks and impacts are properly managed throughout all stages. Additionally, a grievance mechanism should be established to ensure the effective participation of vulnerable groups.

17.6 Mine Economy

By using the Discounted Cash Flow ("DCF") method and various economic and technical parameters, SRK has carried out the mine economics analysis of the Project, which result show a positive economic prospect. The Rongbang Project will have a net present value ("NPV") CNY 250.4 million using a discount rate of 8%. No internal rate of return ("IRR") and pay-back period can report.

Closure

This report, Competent Person's Report of Rongbang Project in Inner Mongolia, China, was prepared by

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and reviewed by

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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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6. Inner Mongolia Anyuan Safety Evaluation Co., Ltd. *Safety Status Evaluation Report of the Tailings Pond for the 300,000 t/a Copper-Lead-Zinc Polymetallic Ore Mining and Processing Project in the Youfangxi Silver-Copper-Lead-Zinc Mining Area, Hexigten Banner*. May 2023.

Appendix A Mining License

Chifeng Rongbang Mining Co., Ltd. Business License



统一社会信用代码
91150425772221102W

营业执照

名 称 赤峰荣邦矿业有限责任公司

类 型 有限责任公司(自然人投资或控股的法人独资)

法定代表人 于立峰

经营范围 许可项目：非煤矿山矿产资源开采。（依法须经批准的项目，经相关部门批准后方可开展经营活动，具体经营项目以相关部门批准文件或许可证件为准）
一般项目：选矿；矿物洗选加工；矿山机械销售；炼油、化工生产专用设备销售；汽车销售；金属矿石销售；汽车零配件零售。（除依法须经批准的项目外，凭营业执照依法自主开展经营活动）

注册资本 肆仟零伍拾万元（人民币元）

成立日期 2005年04月11日

住 所 克什克腾旗新开地乡苇塘河村

登记机关

2025年 1月 05日

http://www.gsxt.gov.cn

Chifeng Rongbang Mining Co., Ltd. Mining License



中华人民共和国

采 矿 许 可 证

（正本）

证号：C1500002015013210137183

采矿权人：赤峰荣邦矿业有限责任公司

地　　址：克什克腾旗新开地乡韦塘河村

矿山名称：赤峰荣邦矿业有限责任公司克什克腾旗油房西矿区银

经济类型：有限责任公司

有效期限：贰拾年　自 2015年1月30日至 2035年1月30日

开采矿种：锌矿、铅、铜、银、金

开采方式：地下开采

生产规模：30万吨/年

矿区面积：2.6910平方公里

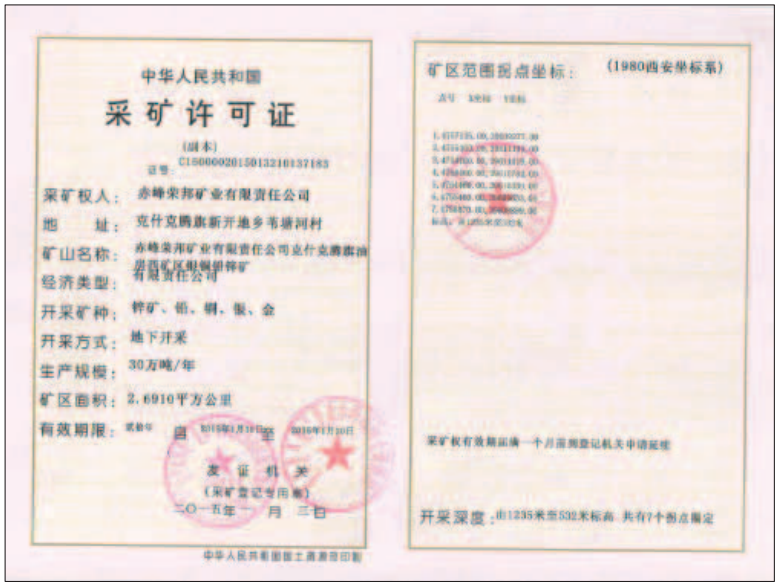
矿区范围：（见副本）

发证机关

（采矿登记专用章）

二〇一五年一月三十日

中华人民共和国国土资源部印制



中华人民共和国

采 矿 许 可 证

（副本）

证号：C1500002015013210137183

采矿权人：赤峰荣邦矿业有限责任公司

地　　址：克什克腾旗新开地乡韦塘河村

矿山名称：赤峰荣邦矿业有限责任公司克什克腾旗油房西矿区银铜铅锌矿

经济类型：有限责任公司

开采矿种：锌矿、铅、铜、银、金

开采方式：地下开采

生产规模：30万吨/年

矿区面积：2.6910平方公里

有效期限：贰拾年　自 2015年1月30日至 2035年1月30日

发证机关

（采矿登记专用章）

二〇一五年一月三日

中华人民共和国国土资源部印制

矿区范围拐点坐标：（1980西安坐标系）

点号　X坐标　Y坐标

采矿权有效期届满一个月前向登记机关申请延续

开采深度：由1235米至532米标高 共有7个拐点圈定

Appendix B JORC Code Table 1

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Trench and tunnel samples were collected by 10×3 cm channel cuts after cleaning the sites and using a sampling cloth to minimise loss and contamination. • All drill core was sampled as half-core split along the core axis, with samples immediately bagged, labelled and weighed in the field. • Trenches were logged on one wall and the floor at 1:50 scale, with elevations adjusted to match engineering survey data. • Tunnel faces in altered and mineralised zones were logged at about 5 m intervals, with analytical samples taken as required. • Each drill rig was supervised by a dedicated geologist; hole termination was jointly decided, and detailed logging and data compilation were completed within five days of hole completion with internal cross-checks.
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).*	• Historical Drilling: Drill Type: Inclined diamond drilling. Drill Orientation: Initial hole dip generally 78° for holes <350 m and ≥80° for holes ≥350 m. Core Diameter: Final hole diameter 75 mm. Core Recovery: Overall recovery 83-100%, with about 90% of holes >90% recovery; mineralised intervals 82-100% recovery, with most holes >90%.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential*	• Core recoveries ranging from 83-100% and about 90% of holes achieving >90% recovery; in mineralised intervals, recoveries ranged from 82-100% with the great majority >90%. • No formal assessment of any relationship between sample recovery and grade has been reported, and no sample bias related to

Criteria	JORC Code explanation	Commentary
	loss/gain of fine/coarse material.	preferential loss or gain of fine or coarse material has been identified.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill core and channel samples from trenches and tunnels were geologically logged by project geologists. • Cores were logged within five days of hole completion. • Trench walls/floors and tunnel faces at 5 m intervals were logged in altered/mineralised zones. • Logging is predominantly qualitative in nature (lithology, alteration and mineralisation descriptions.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut with a core cutting machine and sampled as half-core along the core axis; the remaining half was retained. • Trench and tunnel samples were collected as 10×3 cm channels in cleaned faces, using a sampling cloth to minimise loss and contamination. • At the on-site and off-site laboratories, samples were dried (if wet), crushed to <3 mm, split and manually quartered, then pulverised to -200 mesh and split into ≥100 g pulps for analysis in accordance with *DZ/T 0214-2002* and *DZ/T 0130.13-2006*. • Sampling intervals were defined during logging to respect lithological and mineralisation boundaries; routine field or preparation duplicates are not reported. • Pulp sub-sample sizes of ≥100 g at -200 mesh were used.
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.*	• Assays for Ag, Pb, Zn, Cu used Atomic Absorption Spectroscopy (AAS). • No routine CRMs, blanks or duplicate samples were reported. • QA/QC relied mainly on internal and external check assays at roughly 10% and 5% of samples plus basic contamination controls (crusher cleaning and brushing of splitting surfaces) • The available check data do not indicate any obvious systematic bias.
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.*	• SRK inspected the mineralisation bodies and the assaying labs • SRK did not use twinned holes to verify sampling and assaying.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were located using DGPS/RTK systems, ensuring precise spatial positioning. • All coordinates recorded in the China Geodetic Coordinate System 2000. • Topographic control was deemed adequate and accurate, providing sufficient detail for Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing and distribution were sufficient to establish geological and grade continuity, supporting Mineral Resource classifications. • No sample compositing was applied; samples were analyzed individually respecting lithological and mineralization boundaries.
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.*	• Sampling intervals for core and channels were defined during geological logging to respect lithological and mineralisation boundaries, helping to minimise sampling bias. • Trenches, tunnels and drill holes were generally laid out to intersect the main mineralised bodies at high angles where practicable; no material sampling bias related to sampling or drilling orientation has been identified.
Sample security	• *The measures taken to ensure sample security.*	• On completion of each interval, samples were immediately bagged, labelled and weighed in the field, and sample IDs and quantities were checked on receipt at the on-site laboratory before preparation and analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of the sampling techniques and data was carried out by SRK as part of the Mineral Resource estimation and the database is considered to be sufficient quality to carry out a Mineral Resource estimation.

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.*	• Chifeng Rongbang Mining Co., Ltd. owns the mining license and retained various Chinese professional geological exploration brigades or companies to conduct exploration programs • SRK have not independently verified the standing of the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration mainly by Exploration Unit of North China Geological Exploration Bureau, Tianjin North China Geological Exploration General Institute and Xingye Silver&Tin Company Limited.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Rongbang polymetallic deposit has a close temporal and spatial and genetic relationship with the intermediate-acid volcanic rocks in the late Yanshan period. The polymetallic mineralization bodies are obviously controlled by the NW-trending fault structure (altered fracture zone)in the area. The mineralized body is in a regular vein shape, and there are branches and composite phenomena in the local area. The mineralized body is northwestward, inclined to southwest, and the dip angle is steep. • Geological studies indicate that the metallogenic type of the polymetallic deposit in the project area belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from*	• From 1990 to 1994, the Exploration Unit of North China Geological Exploration Bureau completed limited drilling, which confirmed the presence of industrial-grade mineralisation at depth, including locally high-grade Ag-Pb-Zn mineralisation. • From 1995 to 1997, the Exploration Unit of North China Geological Exploration Bureau and the Keshiketeng Banner Government jointly carried out exploration and trial mining of the high-grade Ag mineralisation, completing 545.95 m of exploration tunnels and 934.60 m of drilling. • From 2000 to 2003, Tianjin North China Geological Exploration General Institute completed 1,078.2 m of exploration tunnels.

Criteria	JORC Code explanation	Commentary
	the understanding of the report, the Competent Person should clearly explain why this is the case.	• From 2004 to 2006, Xingye Silver&Tin carried out limited drilling and underground projects. By the end of 2006, a total of 58 drill holes for 16,636.71 m had been completed in the Youfangxi area. • From 2007 to 2010, 16 drill holes for 5,230.27 m and 1,050 m of tunnels (including 500 m of shafts) were completed. • From May to August 2011, additional drilling and underground development were undertaken to improve geological control, comprising 7 drill holes for 1,550.79 m and 1,164.2 m of tunnels.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The Mineral Resources were estimated. Details see Section 7. • Zn equivalents were used to determine cut-off grades.
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').*	• The Mineral Resources were estimated. Details see Section 7.
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.*	• Appropriate maps and sections were reported in this Report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No other exploration results for the Project
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*	• SRK is not aware of any material or substantive exploration data that has not been reported.

Criteria	JORC Code explanation	Commentary
	deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• SRK suggests that further geological exploration to upgrade and increase the base of the Mineral Resources.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK was provided with the Csv format tables of all drill holes/ trenches/ underground channel data. • SRK has reviewed the tables and database provided by the client and they are acceptable for the Mineral Resource estimation. • The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/ exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The site visit was conducted during 27 to 30 January 2026. • The second site visit for data verification was completed in April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• This dataset provides a good definition of the dimensions for resource estimation. • SRK has adequate confidence in the geological interpretation. The overall interpretation of the continuity, extent, and orientation of the mineralised domains, based on the various phases of exploration, has been confirmed by operation
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in section7.4

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The Ordinary Kriging (OK) method was used for the Ag, Pb and Zn grade estimation of the mineral Domain. Hard boundaries were used for Ag, Pb and Zn of all domains. • The parameters of the searching ellipsoid were thus manually optimized, • The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation. Details is the Chapter 7.9. • SRK performed a thorough validation of the interpolation model results, which included visual examination and "Swath Plots" analysis.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade of 2.3% ZnEq for underground (UG) mining and a cut-off grade of 1.8% ZnEq for in situ Mineral Resources. • This cut-off grade is estimated to be the minimum grade required for economic extraction at current prices.
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*	• Underground mining methodology is adopted. • Details are in section 9

Criteria	JORC Code explanation	Commentary
	made.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• For the lead-zinc ore, the payable metals are lead, zinc and silver. The ore is sulphide in nature. The processing plant employs a "lead-preferential flotation followed by zinc flotation from the lead tailings" flowsheet, producing lead concentrate, zinc concentrate and a silver-bearing zinc concentrate. Silver is predominantly recovered into the lead concentrate. • For the copper-zinc ore, the payable metals are copper, zinc and silver. The ore is sulphide in nature. The processing plant employs a "copper-preferential flotation followed by zinc flotation from the copper tailings" flowsheet, producing a silver-bearing copper concentrate and a zinc concentrate. Silver is predominantly recovered into the copper concentrate.
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.*	• The Rongbang Project obtained all related environmental approvals from the various government bodies, which have been sighted by SRK. • The environmental risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Rongbang Project can be generally managed if the Company makes efforts in solving the issues. • The Rongbang Project's tailings are discharged into the already constructed TSF. • Details are in section13.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The specific gravity values applied in the resource estimation were derived from average SG data provided by the client.
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*	• Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the

Criteria	JORC Code explanation	Commentary
	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.*	geostatistical confidence in the tonnage and grade estimates. • Details in section 7.12
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• SRK carried out an internal peer review on the Mineral Resource estimate.
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 tonnes and grades for the Measured and Indicated Mineral Resources are estimated to a certain acceptable level of confidence, based on the data density observed by the Competent Person. • The tonnes and grades for the Inferred Mineral Resources are estimated to a low-level confidence, as sparse data cannot support a precise estimation of the deposit. • SRK's Mineral Resource estimation is a global estimates.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore reserves.*	• The Mineral Resource estimate was reviewed by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 December 2025. • Reported Mineral Resource is inclusive of potential Ore Reserve material.
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.*	• Mr. Falong Hu, the Competent Person for this Ore Reserve statement is a full-time employee of SRK Consulting (China) Ltd. • Mr. Falong Hu conducted the site visit in 27 to 30 January 2026.

Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	Mining related data acquired by SRK through virtual data request and site visit. Mining review is primarily based on the following information and results: • Updated Design Report on the Rongbang Mine, conducted by Chifeng Jinyue Mining Engineering Design Co., Ltd. In April 2024 (hereafter referred to as Rongbang Mining 2024)
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	Below are the parameters used for COGs calculations: Item / Parameters / Unit / Rongbang Mine / By Product Zinc Price / USD/t / 2,800.00 / 2,800.00 Exchange Rate / USD: CNY / 7.10 / 7.10 P / Zinc Price / CNY/t ore / 19,880.00 / 19,880.00 Pa / Payable / CNY/t ore / (4,110) / (4,110) Pr / Processing Recovery / % / 80 / 80 Rt / Royalties / % / - / - Cm / Mining Cost / CNY/t ore / 168 Cp / Processing Cost / CNY/t ore / 72 / 72 Cg / G&A Cost / CNY/t ore / 105 / 105 A / COG / % / 2.80% / 1.40%
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The primary mining method is shrinkage stoping with delayed backfill, supplemented by open stoping and sublevel open stoping with delayed backfill for thicker orebodies. • The mining methods are technically feasible. • Backfilling has been relied on and will be continually relied on to support the underground voids. • Mining dilution is accounted for at 9.7% • The Inferred Mineral Resources that must be mined were included in the Ore reserves, but with a zero grade. • The existing infrastructure can be utilised to support the practised mining methods. • Details are in section 9.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• Detailed process mineralogical studies have been carried out on both the lead-zinc ore and the copper-zinc ore, defining the mineralogical composition and modes of occurrence of the ore minerals. These studies provided the mineralogical basis for the design of beneficiation testwork and processing flowsheets. • For the lead-zinc ore, the payable metals are lead, zinc and silver. The ore is of sulphide type. Laboratory flotation testwork employed a "lead-preferential flotation followed by zinc flotation from the lead tailings" flowsheet, producing lead and zinc concentrates, with silver reporting predominantly to the lead concentrate. Plant operations have confirmed that this flowsheet is suitable for treating the lead-zinc ore. • Optimised laboratory testwork on the lead-zinc ore achieved a lead concentrate grade of 45.10% Pb at 76.06% recovery, and a zinc concentrate grade of 48.20% Zn at 81.12% recovery. The metallurgical performance for lead, silver and gold is broadly consistent with that achieved in plant operations. • For the copper-zinc ore, the payable metals are copper, zinc and silver. The ore is of sulphide type. Laboratory flotation testwork adopted a "copper-preferential flotation followed by zinc flotation from the copper tailings" flowsheet, producing copper and zinc concentrates, with silver reporting predominantly to the copper concentrate. • The optimised laboratory testwork results for the copper-zinc ore show a significant improvement over current plant performance: copper concentrate grade increased from 19.16% Cu to 23.20% Cu, with copper recovery improving from 88.78% to 91.39%; zinc recovery to the zinc concentrate increased from 70.12% to 78.15%. Silver recovery indices are broadly comparable with those achieved in the plant. • In 2025, the concentrator treated 463.79 kt of ore, comprising 77.07 kt of copper–zinc ore and 386.72 kt of lead–zinc ore. For the copper–zinc ore, 2,011 t of copper concentrate was produced, grading 18.12% Cu and 1,484 g/t Ag, with recoveries of 86.99% Cu and 68.99% Ag; 509 t of zinc concentrate was produced, grading 44.34% Zn and 639 g/t Ag, with recoveries of 51.85% Zn and 7.52% Ag. For the lead–zinc ore, 4,302 t of lead concentrate was produced, grading 47.16% Pb, 3.97% Cu and 3,070 g/t Ag, with recoveries of 75.19%

Criteria	JORC Code explanation	Commentary
		Pb, 53.89% Cu and 63.07% Ag; 9,950 t of zinc concentrate was produced, grading 49.25% Zn and 335 g/t Ag, with recoveries of 82.67% Zn and 15.93% Ag.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the considered 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.*	• Several environmental impact assessment (EIA) reports for the project were prepared, and corresponding official approvals are obtained. The EIA reports basically cover the main production facilities including mine sites, processing plant, TSF, and other auxiliary facilities. • According to the EIA, the leaching tests conducted in August 2024 by Inner Mongolia Dayuan Environmental Testing Co., Ltd. confirmed that the project's waste rock is non-hazardous. All 13 monitored parameters, including heavy metals and pH, fell within the limits of GB 5085.3-2007 for extraction toxicity and met the Grade I discharge standards of GB 8978-1996. Consequently, the waste rock is officially classified as Class I General Industrial Solid Waste. • All the waste rock hoisted to the surface is temporarily stockpiled at the #1 and #3 waste rock dumps before being used for goaf backfilling. Remaining voids are addressed using cemented tailings backfill, while any surplus tailings are managed through disposal in the TSF. • Details are in section 13.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The infrastructure has been in use since commercial production commenced in 2017. • Details are in section 12.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• The operating costs (Opex) in the past three years were reviewed by SRK. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalents to 7 CNY. • The sales contracts were reviewed by SRK. The pricing rates were derived from the reviewed sales contract. • The taxes, royalties and other government charges were made based on Chinese laws. • Details are in section 14.

Criteria	JORC Code explanation	Commentary
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• The consensus market forecasts published by Consensus Economics Inc. in December 2025 was adopted by SRK to estimate the revenues. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalent to 7 CNY. • The sales contracts were reviewed by SRK. The pricing rates and premium were derived from the reviewed sales contract. • Details are in section 15.
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.*	• The Company has signed sales contracts with buyers, and the terms have been reached in the contracts. • The prices of the valuable elements in the concentrates, i.e. silver, lead and zinc will be determined according to the trading prices of the metals.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The discount cash flow method was used for the economic analysis. The analysis did not consider inflation, while a discount of 8% was applied. Detailed assumptions have been discussed in section 15..
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The socio-economic risk associated with the Project is assessed as low, based on available information, including evidence of community acceptance and the absence of documented public objections. • Enhancements to the grievance mechanism and stakeholder engagement approach have been identified to support the ongoing management of community expectations. • Details are in section 13.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be*	• Risk analysis is shown in section 16.

Criteria	JORC Code explanation	Commentary
	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.	
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 classified into Proved Ore reserves. • The Indicated Mineral Resources were classified into Probable Ore reserves..
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.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The application of statistical or geostatistical procedures is not applied to assess the relative accuracy/ confidence. • The Ore Reserve estimate is related to global estimate.

Final

Competent Person's Report of Ruineng Project in Inner Mongolia, China

Ruineng Lead-Zinc Project, Inner Mongolia, People's Republic of China
Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ■ SCN972 ■ 31 March 2026

srk consulting

Final

Competent Person's Report of Ruineng Project in Inner Mongolia, China

Ruineng Lead-Zinc Project, Inner Mongolia, People's Republic of China

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Appendices

Appendix A Mining License
Appendix B JORC Code Table 1

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
Ag	the element symbol of silver
Cu	the element symbol of copper
Pb	the element symbol of lead
Zn	the element symbol of zinc
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	capital expenditure(s)
CIP	Carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions
CIT	corporate income tax
cm	centimetres
COG	cut-off grade
Xingye Silver&Tin	Xingye Silver&Tin Limited
CPR	Competent Person's Report
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne

Term / Abbreviation	Meaning / Definition
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimetre(s)

Term / Abbreviation	Meaning / Definition
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
Ruineng	Chifeng Ruineng Mining Co., Ltd.
Rongbang	Chifeng Rongbang Mining Co., Ltd.
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WRD	waste rock dump
VAT	value-added tax

Executive Summary

Introduction

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver&Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Ruineng Lead-Zinc Project ("**Ruineng Project**" or the "**Project**") which is located in Inner, Mongolia and operated by Chifeng Ruineng Mining Co., Ltd., a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver&Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and resource models provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in January 2026 to the Ruineng Project, including the locations of exploration and production boreholes, drill cores, and underground stopes; the ore processing and smelter plant; ore and waste stockpiles; tailings storage facilities ("**TSF**"); water source and power supply station; office and living areas; and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- discussion with Ruineng Mining and Xingye Silver&Tin management and technical personnel.

- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Ruineng Mining and Xingye Silver&Tin and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

The Ruineng Project comprises one underground mining system, one waste rock dump and associated facilities on operation.

Ruineng has carried out geological exploration including drilling, pitting and trenching on the Project. SRK reviewed the database of previous programs, conducted a data verification program, and reconciled the data. By using the database, SRK estimated the remained mineral resources of the Ruineng Project according to JORC Code (2012) as presented in Table ES-0-1.

Table ES-0-1: Mineral Resource Statement for Ruineng Project, as of 31 December 2025

Area	Block	Cutoff	*Mineral Resource*	Tonnage	*Average Value*					*Material Content*				
				Mass	Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
		ZnEq（%）	*class*	Mt	%	%	%	g/t	%	t	t	t	t	t
			measured	0.29	0.87	1.18	0.03	57.44	4.28	2,483	3,374	96	16	12,203
			indicated	0.01	0.78	0.72	0.07	51.26	3.67	52	48	5	0	244
	Exploration	1.90	Measured + Indicated	0.29	0.87	1.17	0.03	57.30	4.26	2,535	3,422	100	17	12,446
			inferred	0.01	4.52	0.37	0.29	92.33	9.06	307	25	20	1	615
			Total	0.30	0.95	1.15	0.04	58.09	4.37	2,841	3,447	120	17	13,061
			measured	5.98	0.60	1.37	0.13	47.35	4.27	35,995	81,775	7,755	283	255,270
			indicated	0.70	0.51	0.97	0.14	39.00	3.54	3,559	6,761	1,005	27	24,614
Ruineng	Mining	1.90	Measured + Indicated	6.68	0.59	1.33	0.13	46.48	4.19	39,553	88,536	8,760	311	279,884
			inferred	1.17	0.98	1.21	0.56	121.13	9.14	11,466	14,089	6,538	142	106,836
			Total	7.85	0.65	1.31	0.19	57.60	4.93	51,020	102,625	15,298	452	386,719
			measured	6.27	0.61	1.36	0.13	47.81	4.27	38,477	85,149	7,851	300	267,472
			indicated	0.70	0.51	0.97	0.14	39.12	3.54	3,611	6,809	1,009	27	24,858
	Total	1.90	Measured + Indicated	6.97	0.60	1.32	0.13	46.93	4.19	42,088	91,959	8,860	327	292,330
			inferred	1.18	1.00	1.20	0.56	120.97	9.14	11,773	14,114	6,558	142	107,450
			Total	8.15	0.66	1.30	0.19	57.61	4.91	53,861	106,072	15,418	469	399,781

Source: SRK (2026)

Operational Licences and Permits

Chifeng Ruineng Mining Co., Ltd. ("Ruineng Mining") hold one mining licence and one exploration permit located in Maoshandong Township, Ongniuteqi, Chifeng City, Inner Mongolia ("Ruineng Project").

Ruineng Project mining licence No. XC1500002009113210042811, covering area of 1.4840 km², with approved production capacity of 300,000 tpa. The mining licence is valid from 16 November 2025 to 28 July 2041.the exploration permit covering area of 0.8428 km²,

Geology and Mineralogy

Ruineng polymetallic deposits have a close temporal and spatial and genetic relationship with the intermediate-acid volcanic rocks in the late Yanshan period. The polymetallic mineralization bodies are obviously controlled by the NW-trending fault structure (altered fracture zone) in the area. The mineralized body is in a regular vein shape, and there are branches and composite phenomena in the local area. The mineralized body is northwestward, inclined to southwest, and the dip angle is steep.

The hanging and footwall of the Pb–Zn–Ag mineralization bodies are mainly rhyolitic crystal tuff or rhyolite. Wall-rock alteration is dominated by pyrite–sericite alteration and silicification, locally accompanied by intense fluorite alteration, chloritization, and carbonate alteration. In the horizontal and vertical directions, lead-zinc and silver mineralization are the main ones.

Comprehensive geological studies indicate that the metallogenic type of the polymetallic deposits in the project area belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity.

Exploration and QA/QC

The Dazuozishan mine area has been systematically explored by various geological brigades since 2007. As of October 2023, completed exploration works comprise 2,451 m^3 of trenching, 7,653.5 m of tunnels and 81 drill holes totalling 30,174.07 m, including 28,646.86 m of diamond core drilling. The drilling programme comprises 70 surface diamond drill holes (65 inclined and 5 vertical), 10 underground drill holes and one hydrogeological hole. Overall core recovery ranges from 83% to 100%, and core recovery in ore zones from 86% to 100%. Hole depths were checked every 50 m and at end of hole.

Drill core was continuously sampled as half-core, split lengthwise along the core axis, with a nominal sample length of 1 m. One half was submitted for analysis, and the other half was retained in the core box as a duplicate. Trench samples were collected by channel sampling. Channels were cut on the backs of crosscuts or along tunnel walls, with a standard cross-section of 10×3 cm. The nominal sample length was 1 m; adjacent intervals of 1-2 m were composited into single samples where appropriate.

Sample preparation, routine analyses and internal/external check assaying were carried out by different laboratories. Except for the on-site laboratory, all laboratories involved hold the relevant accreditations. Sample preparation and analytical work followed the *Rock and Mineral Analysis* specifications issued by the Ministry of Land and Resources and the *Geology and Mineral Laboratory Testing Quality Management Specification DZ/T 0130.13-2006*.

No formal quality assurance and quality control (QA/QC) protocols involving certified reference materials, blanks or field/analytical duplicates were documented in the earlier exploration reports; quality control was based primarily on occasional internal and external check assays. Since 2007, internal and external check procedures have been implemented in accordance with the *Geology and*

Mineral Laboratory Testing Quality Management Specification DZ/T 0130.13-2006, with internal checks conducted on approximately 10% of all samples and external checks on approximately 5%.

During the site visit from 27 to 30 January 2026, SRK selected 100 pulp duplicates to verify the reliability of historical grade analyses. At SRK's direction, Ruineng Mining also collected 36 blocks larger than 10 cm for specific gravity measurements. These verification samples were submitted to SGS Minerals Laboratory in Tianjin, China, and the returned results indicate that the check assays are generally acceptable.

Based on its review of the available information, SRK considers the sample preparation and assaying undertaken by the relevant laboratories to be fit for purpose. The analytical methods used are in line with standard industry practice, and the resulting primary assay data are considered adequate for inclusion in mineral resource estimation.

Mineral Resource Estimation

SRK generated the Mineral Resource estimation domains using Leapfrog Edge software. The estimates are based on the surface diamond drill holes, trenches and underground drilling and mining depletion information available up to 31 December 2025.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Ruineng Project, at a cut-off grade of 1.9% ZnEq for the project.

There are 6.27 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 0.61% Pb, 1.36% Zn, 0.13% Cu, 47.81 g/t Ag and 4.27% ZnEq; 0.70 Mt of Indicated Mineral Resources at an average grade of 0.51% Pb, 0.97% Zn, 0.14% Cu, 39.12 g/t Ag and 3.54% ZnEq; and 1.18 Mt of Inferred Mineral Resources at an average grade of 1.00% Pb, 1.20% Zn, 0.56% Cu, 120.97 g/t Ag and 9.14% ZnEq. Details of estimated Mineral Resources are shown in Table ES 0-2.

Table ES 0-2: Mineral Resource Statement, Ruineng Project, Prepared by SRK Consulting China Limited, 31 December 2025[1,2,3]

Area	Block	Cutoff	*Mineral Resource*	Tonnage	*Average Value*					*Material Content*				
				Mass	Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
		ZnEq (%)	*class*	Mt	%	%	%	g/t	%	t	t	t	t	t
Ruineng	Exploration	1.90	measured	0.29	0.87	1.18	0.03	57.44	4.28	2,483	3,374	96	16	12,203
			indicated	0.01	0.78	0.72	0.07	51.26	3.67	52	48	5	0	244
			Measured + Indicated	0.29	0.87	1.17	0.03	57.30	4.26	2,535	3,422	100	17	12,446
			inferred	0.01	4.52	0.37	0.29	92.33	9.06	307	25	20	1	615
			Total	0.30	0.95	1.15	0.04	58.09	4.37	2,841	3,447	120	17	13,061
	Mining	1.90	measured	5.98	0.60	1.37	0.13	47.35	4.27	35,995	81,775	7,755	283	255,270
			indicated	0.70	0.51	0.97	0.14	39.00	3.54	3,559	6,761	1,005	27	24,614
			Measured + Indicated	6.68	0.59	1.33	0.13	46.48	4.19	39,553	88,536	8,760	311	279,884
			inferred	1.17	0.98	1.21	0.56	121.13	9.14	11,466	14,089	6,538	142	106,836
			Total	7.85	0.65	1.31	0.19	57.60	4.93	51,020	102,625	15,298	452	386,719
	Total	1.90	measured	6.27	0.61	1.36	0.13	47.81	4.27	38,477	85,149	7,851	300	267,472
			indicated	0.70	0.51	0.97	0.14	39.12	3.54	3,611	6,809	1,009	27	24,858
			Measured + Indicated	6.97	0.60	1.32	0.13	46.93	4.19	42,088	91,959	8,860	327	292,330
			inferred	1.18	1.00	1.20	0.56	120.97	9.14	11,773	14,114	6,558	142	107,450

Area	Block	Cutoff	Mineral Resource	Tonnage	Average Value					Material Content					
				Mass	Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
		ZnEq（%）	class	Mt	%	%	%	g/t	%	t	t	t	t	t
			Total	8.15	0.66	1.30	0.19	57.61	4.91	53,861	106,072	15,418	469	399,781

Source: SRK (2026)

Notes:

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

[2] The information in this report which relates to Mineral Resources is based on information compiled by Liang Li (Elian) and Dr Hancheng Zhang, who are full-time employees of SRK Consulting China Ltd. Mr Li is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and Dr Zhang is a Member of the Australian Institute of Geoscientists (AIG). Both Mr Li and Dr Zhang have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as 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). Mr Li and Dr Zhang consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 1.90% ZnEq.

Exploration Potential

Ruineng polymetallic deposit metallogenic type belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity. In the horizontal and vertical directions, lead-zinc and silver mineralization are the main ones.

During the migration of metallogenic fluids toward the surface along structurally fractured zones, Pb–Zn–Ag–rich fluids discharged into an extensional structural environment. The abrupt change in temperature and pressure conditions caused massive precipitation of sphalerite, galena, argentite and other minerals, thereby forming vein-type, stockwork, and stringer types of mineralization bodies, accompanied by intense silicification, sericitization, and fluorite alteration. In the late stage of mineralization, the metallogenic hydrothermal system clearly evolved into a low-temperature, low-salinity fluid stage, during which calcite and other carbonate minerals gradually appeared. Existing drilling indicates further exploration potential at depth and both sides of the known mineralized body.

Mining and Ore Reserves

SRK has estimated the Ore Reserves for the underground deposits at Ruineng in accordance with the guidelines outlined in the JORC Code. These Ore Reserve estimates are supported by Modifying Factors derived from preliminary design and ongoing operational records, which are considered to meet the confidence level of a Pre-Feasibility Study.

Key factors applied in the estimation process include design scope, mining losses, and dilution. Additional factors, such as processing capabilities, market conditions, environmental considerations, legal and political constraints, and other elements that may influence the quantity and classification of the Ore Reserves, were also taken into account.

The portions of Measured and Indicated Mineral Resources within the designed underground stopes, inclusive of diluting materials and allowances for losses, have been classified as Proved Ore Reserves and Probable Ore Reserves, respectively. The Ore Reserve statement is shown in Table ES 0-2.

Table ES 0-2 Ore Reserves Statement for the Ruineng Mine, as of 31 December 2025

Category	Tonnage	Average Grade				Metal Contained			
		Ag	Pb	Zn	Cu	Ag	Pb	Zn	Cu
	Mt	g/t	%	%	%	t	kt	kt	kt
Proved	1.89	51.72	0.68	1.24	0.14	98	13	24	3
Probable	0.25	4.98	0.13	0.14	0.05	1	0.3	0.4	0.1
Total	2.14	46.34	0.62	1.12	0.13	99	13	24	3

Source: SRK (2026)

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Ms Shan Chuang and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Ms Chuang is a Member of AusIMM and Mr Falong Hu is a Fellow of AusIMM. Both Ms Chuang and Mr Falong Hu 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 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. Ms Shan Chuang and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] Number was rounded to the second significant digit to reflect the uncertainties in estimate.

[3] Total may not add due to rounding discrepancies.

[4] For Ruineng deposit, the mining dilution (waste rock and inferred Mineral Resources) rate is 10%. Mining loss rate is 15%.

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

Mining Assessment

The Ruineng Mine is exclusively an underground mining operation. Commercial production formally commenced on 1 January 2023.

Based on the geological conditions, Ruineng has designed two mining methods. If the orebody thickness is greater than 5-meter, the Modified sublevel open stoping method will be applied. If the orebody thickness is less than 5-meter, the shrinkage stope mining method will be applied. The designed sublevel height is 39~48-meter and a 4-meter sill pillar to maintain geotechnical stability. The designed stope width is the orebody thickness. The sill pillar is considered a permanent loss and not be mined. The production rate is 300,000 tonnes of ore year. The stopes are backfilled after extraction. The stope sill pillar and waste rock are used as backfill in the stope. The backfill will use cemented tailings in the future. Ore is hauled using 0.75 m^3 rotary mine cars and 1.2 m^3 side-dump mine cars. Waste rock on each sublevel is transported by 5 t battery locomotives hauling 0.75 m^3 rotary mine cars.

The mine is developed by underground methods using a vertical shaft system.

Mining dilution is accounted for at 10%, depending on the mining method, and includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 15%, also depending on the mining method used, to allow for unplanned losses during mining and material transportation to the processing plant. Life-of-mine is eight years.

Mineral Processing

The Inner Mongolia Mineral Experiment and Research Institute carried out process mineralogy studies and beneficiation testwork on polymetallic ore from Ruineng Mining Co., Ltd.'s Zuozishan deposit in Ongniud Banner, providing technical support for concentrator design and production operations. The main metallic minerals in the ore are pyrite, chalcopyrite and sphalerite, with secondary minerals including galena, pyrrhotite and tetrahedrite (freibergite). The main non-metallic minerals are quartz, sericite and carbonate minerals.

Ruineng Mining does not have its own concentrator. As the Ruineng and Rongbang deposits are contiguous, with the same mineralisation type and similar ore characteristics, Ruineng ore is toll-treated at the Rongbang concentrator.

The detailed production and techno-economic indicators of the processing plant are presented in the relevant sections of the *Competent Person's Report of Rongbang Project in Inner Mongolia, China.*

Workforce Assessment

As of 31 December 2025, Xingye Silver & Tin employed 136 staff at its headquarters and Ruineng Mining employed 63 staff for the Ruineng Project. The site workforce is structured across management, technical, safety and environmental, production, processing, laboratory, and support functions, and SRK considers these staffing levels adequate to sustain the planned 350 ktpa production rate under the current roster of 8-hour shifts, three shifts per day, over 300 operating days per year. SRK has been advised that all personnel are engaged under formal labor contracts in accordance with applicable PRC labor legislation and that statutory social insurance and housing fund benefits (endowment, medical, work injury, unemployment, pension and housing) are provided by the employer.

Project Infrastructure

The Dazuozishan Mine of Chifeng Ruineng Mining Co., Ltd. has established project infrastructure considered adequate for current and planned operations, with all material aspects compliant with JORC-style reporting requirements. The site is accessed via a dedicated road approximately 3.5 km west of National Highway 306, with onward connection at Jingpeng, Linxi and Daban to the Jining-Tongliao local railway, providing reliable road–rail logistics. Power is supplied via a dual-feed system comprising a 25 km, dedicated 10 kV industrial feeder from Gongguanfangzi Substation as the primary source and a 3 km, 10 kV standby feeder from the Xinkaidi Township Substation via Ruineng's 10 kV busbar, with automatic interlocking to ensure continuity of Category I loads. Power distribution is through a surface main substation (S11-M-800/10 transformer) supplying surface plant and an underground main transformer substation at the 950 m level (two KSG13-630/10 transformers) for dewatering, ventilation, workshops and other underground loads, complemented by a dedicated ventilation shaft substation (two SCB13-250/10 transformers), each configured with dual busbar sections to meet redundancy requirements. Water supply is supported by a 320 m^3 elevated firefighting tank and a 56 m^3 emergency-rescue tank, with a main distribution network constructed from Φ89×4 mm seamless steel pipe, pressure-reducing valves on each level and firefighting take-off points at 50-100 m intervals along underground roadways. A surface workshop provides maintenance and repair facilities for trackless equipment and processing/surface plant, while a hillside office and accommodation complex, set back from the production area, includes an office building, two dormitories for approximately 200 personnel, a canteen, monitoring center, conference and leisure facilities, collectively providing an appropriate working and living environment for site staff.

Environmental and Social Considerations

The project has obtained the main environmental protection-related permits required for operation, including the safety production permits, water use permits, and site discharge registration. The environmental impact assessment (EIA) report for the project was prepared, and corresponding

official approvals are obtained. The EIA report covers the main production facilities including mining industrial sites and other auxiliary facilities.

According to the EIA Report, there are no special or important ecologically sensitive areas, such as nature reserves, scenic spots, forest parks, or natural habitats for rare and endangered species, within the mining site or its 5km radius. All mine water and domestic sewage are fully recycled for dust suppression, drilling, and greening through onsite treatment and sedimentation, achieving zero discharge; additionally, drainage systems are implemented around ore stockpile and WRD to minimize leachate by diverting surface runoff.

According to *Geological Environmental Protection and Land Reclamation Plan ("Reclamation Plan")*, waste rock generated during production is primarily used to backfill mined-out areas. Development waste rock brought to the surface is temporarily stored before being used for backfilling or road construction. Settled sludge from mine water inflow remains underground and is directly backfilled into mined-out areas. In addition to backfilling mined-out areas, support pillars are retained to prevent geological hazards such as surface subsidence.

During the preparation of the *Reclamation Plan*, a public participation process was conducted. The local Natural Resources Bureau and collective land ownership entities expressed strong support for the mine's land reclamation efforts. They requested that the reclamation engineering design be tailored to local conditions and integrated with practical measures to protect the local ecological environment. Furthermore, the company is committed to fulfilling its corporate social responsibility (CSR) by engaging initiatives such as donating funds and distributing epidemic prevention supplies during the COVID-19 pandemic, clearing snow from local roads, and actively participating in poverty alleviation and assistance programs.

Based on available information, including evidence of community acceptance and the absence of documented public objections, the socio-economic risk associated with the Project is assessed as low. No material socio-economic factors have been identified that are expected to affect the Project's operational continuity, provided that land reclamation and stakeholder engagement commitments are effectively maintained.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex is estimated based on historical expenditure and the Life of Mine (LOM) production schedule. The total projected Future Capex is CNY 195.56 million. The summary of Capex is presented in Table ES 0-3.

Table ES 0-3：Summary of Capex for Ruineng Mine

CAPEX	Unit	LOM
Initial Capex		-
Infrastructure	Million CNY	-
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		**180.30**
Land Use Rights	Million CNY	0.07
Mining Rights	Million CNY	40.37
Equipment Purchase	Million CNY	14.45
Buildings	Million CNY	14.75

CAPEX	Unit	LOM
Underground Development	Million CNY	109.83
Others	Million CNY	0.84
Closure Cost	Million CNY	15.26
Total Capex	Million CNY	**195.56**

Source: SRK (2026)

Operating Costs

The Opex are shown in Table ES 0-4, which provides a summary of the unit costs in years 2023 to 2025. SRK considers the historical three-year weighted average cost to be reasonable and uses it for future economic evaluations. The annual cash Opex projection over the LOM is shown in Table ES 0-4. It should be noted that the Project is a mining-only operation; all run-of-mine (ROM) material is sold to the nearby Rongbang Mine for processing.

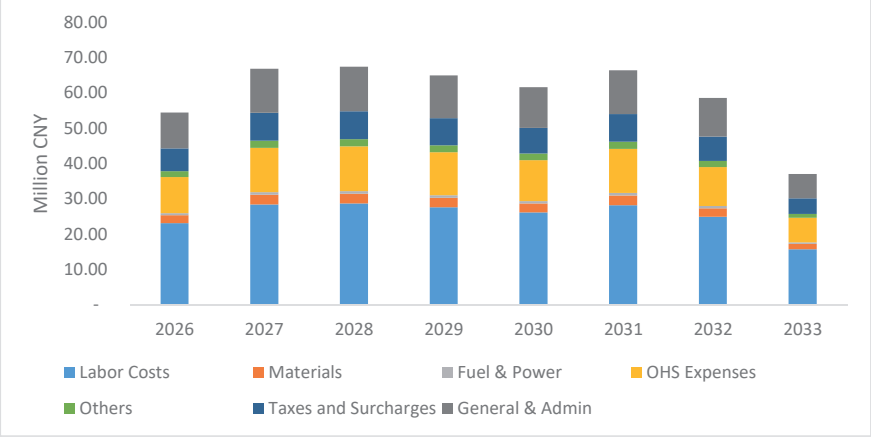
Table ES 0-4：Summary of Opex Historical & Forecasted for Ruineng Mine

OPEX - By Element	Unit	Historical 2023	2024	2025	Total/Average
Mined	kt	208.97	260.64	256.45	726.06
COGS					
Labor Costs	CNY/t	86.20	100.27	102.59	97.04
Materials	CNY/t	9.48	9.51	9.23	9.40
Fuel & Power	CNY/t	0.69	5.30	0.81	2.39
OHS Expenses	CNY/t	30.73	39.49	56.12	42.84
D&A	CNY/t	-	-	-	-
Others	CNY/t	11.02	3.24	7.32	6.92
Taxes and Surcharges	CNY/t	20.63	31.16	27.44	26.81
Selling Expenses	CNY/t	-	-	-	-
General & Admin	CNY/t	48.85	40.06	40.18	42.63
R&D Expenses	CNY/t	-	-	-	-
Total OPEX	CNY/t	**207.62**	**229.02**	**243.69**	**228.04**

Source: Summarized by SRK (2026)

OPEX - By Element	Unit	Historical 2023	2024	2025	Total/Average

Figure ES 0-1：Opex Plan over LOM (in Million CNY)



Source: Summarized by SRK (2026)

Economic Analysis

The economic analysis for the Ruineng Mine has been consolidated into the overall economic evaluation of the Rongbang Mine, as the Ruineng Mine operates as a satellite mining operation without independent processing facilities. All ROM ore produced at Ruineng is transported to the Rongbang Mine for processing. Consequently, the capital expenditures, operating costs, and revenue streams associated with the processing of Ruineng's ore are integrated into the Rongbang technical-economic analysis model to provide a comprehensive assessment of the combined project's viability.

1 Introduction and Scope of Report

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver&Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Ruineng Lead-Zinc Project ("**Ruineng Project**" or the "**Project**") which is located in Inner, Mongolia and operated by Chifeng Ruineng Mining Co., Ltd., a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver&Tin to support the proposed listing on the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the Australian Institute of Geoscientists ("**AIG**").

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK. Rather than ordinary production, SRK is not aware of any material changes to the Mineral Resources and Ore Reserves post the statement.

2.5 Work Program

- review of dataset and wireframes provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in January 2026, to the Ruineng Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the silver mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("TSF"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("EIA") reports, mineral processing technology and mining methodologies, capital expenditures ("Capex") and operating costs ("Opex"), etc.
- discussion with Ruineng Mining and Xingye Silver&Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the report to Xingye Silver&Tin and the related third party for comments and finalise the report based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
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 HKEx
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 HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Hancheng Zhang	Principal Consultant (Geology)	Project Manager / Overall Report Lead
Liang Li	Senior Consultant (Geology)	Geological Resource Modelling
Zimeng Li	Assistant Consultant (Geology)	Assist in Geological Data
Hui Bai	Consultant (GIS)	GIS and Drafting
Falong Hu	Principal Consultant (Mining)	Mining Review and Economic Analysis
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Mining and Economic Analysis
Donghao Luo	Consultant (Mining)	Preparation of the Mining Chapter
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Chao Ding	Consultant (Processing)	Processing and Metallurgy Preparation
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Cynthia Huang	Consultant (Environment)	Environment, Social, and Permitting
Jingran Yang	Project Coordinator	Project Coordination
Yefei Jia	Corporate Consultant (Geology)	Internal Peer Review

Hancheng Zhang, *PhD, Member of AIG,* Professorial Geological Engineer (China), Principal Consultant (Geology and Project Evaluation) in SRK China. Dr. Zhang has more than 30 years of experience in geological exploration, resource estimation and mineral project evaluation, mainly in precious metals (gold, silver and platinum group elements, etc.), rare metals (REE metals, lithium, tungsten, molybdenum, etc.), non-ferrous metals (copper, lead, zinc, nickel, cobalt, aluminum, tin, antimony, etc.), ferrous metals (iron, manganese, chromium, vanadium, titanium) and non-metallic minerals (potash, fluorite, graphite, etc.) and decorative stone. He has been responsible for resource estimation and project evaluation of various mineral species and deposits. In recent years, he has completed a number of due diligence projects in China and overseas, and prepared technical reports which have been used by corporations and financial institutions to raise funds or list on capital markets including the HKEX.

Liang Li, *MEng, MAusIMM;* is a Senior Consultant (Geological) at SRK China. Prior to joining SRK, he worked as an on-site geologist for certain mining companies and has gained lots of experiences and expertise in mine geology, grade control and optimization, and resources/reserves management. He is familiar with Chinese procedures and principles for metallic ore deposits prospecting and specialises in geological statistics for resources and reserves estimation. Liang Li is a proficient user of the Surpac modelling software.

Hui Bai, *BEng*, is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily

responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Falong Hu, ***MBA, B.Eng, FAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Chinese Certified Consulting Engineer (Investment),*** is a Principal Consultant (Mining). He obtained his bachelor's degree in mining engineering from Central South University and Master of Business Administration (MBA) in China University of Geosciences (Beijing). Before joining SRK he worked as an on-site and head office mining engineer in 2 different international mining companies which were called Sino Gold Mining Limited (later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground and open pit mines' production systems and has been involved in mining engineering and development design, scheduling, long-hole blasting and production operation, rock mechanics, ventilation, back-fill; and cost accounting. After take part in SRK, he accumulated extensive experience in ore reserve estimation, economic analysis, project valuation, mining assessment, scoping/pre-feasibility/feasibility studies and so on. Minerals include gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, bentonite and so on. He is a modeler on both technical and economic and proficient in digital modeling by using Surpac, Whittle, Minesched, Datamine and AutoCAD.

TzuHsuan (Shan) Chuang, ***M.Eng., MAusIMM,*** is a Senior Consultant (Mining). She has extensive experience in on-site production and consulting, with expertise in technical studies and project evaluations for both open-pit and underground mines. She is capable of independently conducting stope and pit optimization, mine design, long-term planning, ore reserve modeling, and technical-economic analysis. Her project experience spans Asia, Australia, Africa, Europe, and South America. She is proficient in various industry-standard software, including Deswik, Whittle, and Surpac.

Donghao Luo, ***BEng,*** Consultant (Mining) at SRK China. He obtained his bachelor's degree in mining engineering from Laurentian University. He has three years of experience in underground mining, having worked as a headquarters engineer at Silvercorp Metals Inc. His expertise includes production planning, production management, and the design of development and mining engineering projects.

Lanliang Niu, ***BEng, MAusIMM, Member of MCAMRA,*** is a Principal Consultant (Processing) with SRK Consulting China Ltd. He has 10 years' experience in processing researches and 10 years in plant operation management and 15 years in mining technical consultancy. He has specific expertise in the processing of precious metal, nonferrous metal, ferrous metal, and some non-metallic minerals, as well as processing test, plant design and operation management, and mining project evaluation. He is actively involved with the new development of processing technologies, equipment, and reagents and has received two national awards for his achievements in this area. Since joining SRK, Lanliang has played a pivotal role in the due diligence and technical evaluation of nearly 200 mining financing or M&A projects within China and internationally.

Chao Ding, ***M Eng.,*** Consultant (Mineral Processing) at SRK China. Prior to joining SRK, he worked for Weihai Haiwang Cyclone Co., Ltd. And Ramu NiCo Management Co., Ltd. He has accumulated certain experience in mineral dressing test research, and has a certain understanding and mastery of plant design; in addition, he has accumulated rich experience in production and management of hydrometallurgy of nickel laterite ore.

Nan Xue, *MSc, MBA, MAusIMM*, is a Principal Consultant (Environmental) at SRK China. He holds Master of Environmental Science from Nankai University and Master of Business Administration from Beihang University, respectively. He has over fifteen years' experience in environmental impact assessment, environmental planning and management, environmental due diligence and ESG-related field. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC as well as in the environmental-planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculation, and impact predictions. He also has an acute understanding of equator principles, International Finance Corporation environmental and social performance standards and other international standards related to ESG. After joining SRK, Nan has been involved in a number of IPO and due diligence projects in China, Laos, Russia, Mongolia, Philippines, Indonesia, Kazakhstan, Kyrgyzstan, South Africa, DRC, Ecuador, Chile and Ghana; the clients include Zijin Mining, Future Bright Mining, CNMC, China Gold, Shandong Gold, Chifeng Gold, Sino Steel, Tianqi Lithium, etc.

Hongchen (Cynthia) Huang, *B.A.,* is a senior project executive / consultant (ESG) at SRK China, possessing nearly 10 years of expertise in marketing, technical translation and project management within the mining industry. Currently she is transitioning her focus towards environmental, social, and governance aspects, actively contributing to environmental and social assessments while playing a key role in supporting SRK's carbon accounting program. Since joining SRK, Cynthia has provided project co-ordination and management, technical translations, and environmental review for a diverse range of projects, including Guizhou Union Coal Project, Hanking Indonesian Nickel Project, Mongolian Sujishan Graphite Project, Australian Greenbushes Lithium Project, Chilean Salar Project, Angola Binga Copper Project, and Zijin Group Tajik Gold Project.

Yiefei Jia, *PhD, FAusIMM CP (Geo),* is a Corporate Consultant (geology) with over 25 year's experience in a combination of exploration, resource estimation, mineral project evaluation, and the delivery of multidisciplinary technical assessment reports. He is highly experienced in the management of exploration and mineral resource estimation of precious metals (gold, silver, and PGE), alkali and base metals (lithium, potassium, lead, zinc, copper, vanadium, titanium, cobalt, nickel, aluminum, magnesium, tungsten and tin and etc.), and black metals (iron, manganese and chromium) as well as non-metallic metals (fluorite and graphite) and decorative stone (marble) ore deposits in different geological settings in Australia, China, Mongolia, Africa, America and southeast and central Asia. He also has over five years' experience in coal deposits exploration and due diligence in China, Indonesia and Mongolia. Yiefei's background has provided him with a firm understanding of key criteria required for the successful delivery of projects across a variety of disciplines. In recent years, Yiefei, as both a geologist and project manager, has led and coordinated dozens of due diligence projects with technical reports for mergers and acquisitions, financing and exchange listings, such as the Stock Exchange of Hong Kong Limited.

2.8 Warranties

Xingye Silver&Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver&Tin 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 Xingye Silver&Tin or to Xingye Silver&Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Liang Li, a Member of the Australasian Institute of Mining & Metallurgy (AusIMM Member ID 3089397), and Mr Hancheng Zhang, a Member of the Australasian Institute of Mining & Metallurgy (Annual Membership Certificate No. 9902). Both are full-time employees of SRK. Mr Liang Li and Mr Hancheng Zhang have 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 Competent Persons as defined in the JORC Code. Mr Liang Li and Mr Hancheng Zhang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Ms Shan Chuang, MAusIMM, and reviewed by Mr Falong Hu, FAusIMM. Both are full-time employees of SRK. Mr Falong Hu and Ms Shan Chuang have 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 JORC Code". Mr Falong Hu and Ms Shan Chuang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This Report is a Competent Person's Report in line with the Listing Rules of HKEx. As Mineral Resource and Ore Reserve reporting is a teamwork. Besides the Competent Persons aforementioned, other contributing Competent Persons with relevant areas of expertise are listed below, including

- Mr Lanliang Niu, MAusIMM, Principal Consultant (Processing); and
- Mr Nan Xue, MAusIMM, Principal Consultant (ESG)

Peer review and quality control of the Report were conducted by Dr. Yiefei Jia, FAusIMM, a Corporate Consultant (Geology) at SRK.

2.11 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 Xingye Silver&Tin or employees of Xingye Silver&Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver&Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operating Licenses and Permits

SRK relies on the information provided by Xingye Silver&Tin, and SRK did not conduct a legal due diligence review of the Ruineng Project since such work is outside the scope of SRK's technical review.

3.1 Business License

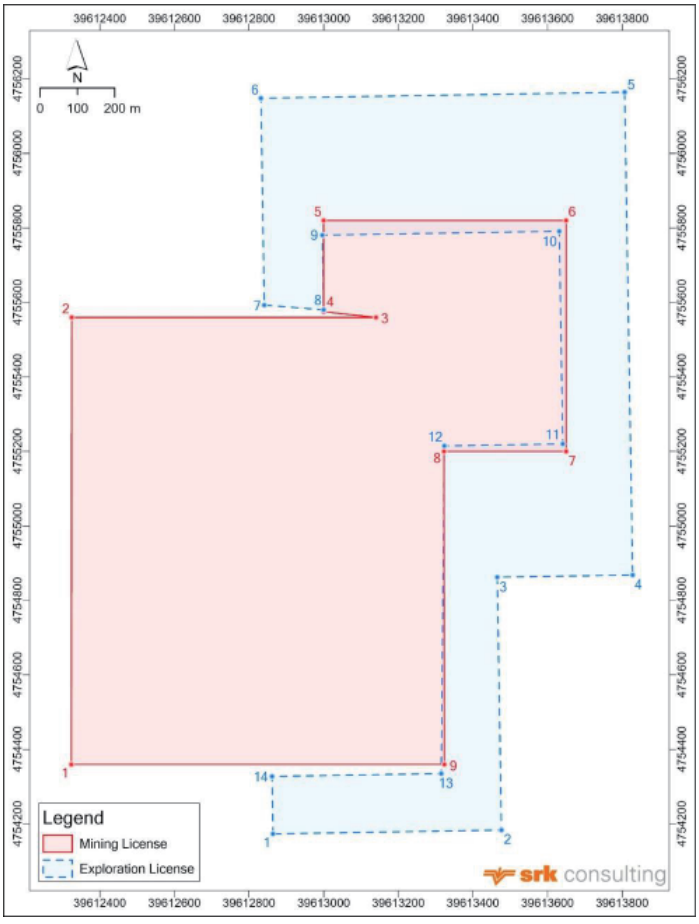
Chifeng Ruineng Mining Co., Ltd. is a limited liability company (a wholly owned subsidiary of a non-natural person investor) established in the PRC on 08 August 2016. The company holds a valid business licence issued by the relevant Market Supervision Administration. The registered capital is RMB 300 million and the legal representative is Mr. Zhang Juncheng. The registered address is Youfang Village, Maodongshan Township, Ongniud Banner, Inner Mongolia, PRC. The company is principally engaged in the mining of non-coal mineral resources and the road transportation of dangerous goods. Details of the business licence are provided in Appendix A.

3.2 Mineral Tenure

3.2.1 Mining License

One mining license and one exploration permit are currently held by Chifeng Ruineng Mining Co., Ltd. (Figure 3-1). Details of the mining license and exploration permit Information are listed in Table 3-1 and Table 3-2.

Figure 3-1: Mineral Tenure Map



Source: SRK (2026)

Table 3-1: Information of Mining License, Ruineng Mining Co., Ltd

Company	Chifeng Ruineng Mining Co., Ltd.
Project Name	Dazuozishan Pb-Zn Mine, Ongniuteqi, Chifeng Ruineng Mining Co., Ltd.
License No.	XC1500002009113210042811
Issued To	Chifeng Ruineng Mining Co., Ltd.
Issued By	Chifeng Municipal Bureau of Natural Resources
Period of Validity	Nov. 16, 2025 – Jul. 28, 2041
Area (km^2)	1.4840
Mining Type	Underground
Mining Depth	From 1159m to 455m
Production Rate (tpa)	300,000

Source: SRK (2026)

3.2.2 Exploration License

Table 3-2: Information of exploration permit, Ruineng Mining Co., Ltd

Company	**Chifeng Ruineng Mining Co., Ltd.**
Project Name	Dazuozishan silver polymetallic exploration, Ongniuteqi, Inner Mongolia
Permit No.	T150400200812401002059 5
Issued To	Chifeng Ruineng Mining Co., Ltd.
Issued By	Chifeng Municipal Bureau of Natural Resources
Period of Validity	Oct. 22, 2024 – Nov. 12, 2026
Area (km^2)	0.8428

Source: SRK (2026)

3.3 Safety Production Permits

The safety production permit for the company is presented in Table 3-3.

Table 3-3: Summary of the Safety Production Permit

Safety Production Permit No.	(Meng) FM (2023) 006728
Issued To	Chifeng Ruineng Mining Co., Ltd.
Issued By	Inner Mongolia Autonomous Region Mine Safety Supervision Bureau
Issue Date	March 9, 2026
Expiry Date	March 9, 2029
Licensed Activity	Underground mining of lead and zinc (Elevation Range: Above +950 mRL)

Source: SRK (2026)

3.4 Pollutant Discharge Permit

In accordance with applicable Chinese regulations, the Project is subject to pollutant discharge registration rather than a discharge permit. The Project completed registration for fixed pollution sources on 7 August 2020 (Registration No. 91150426MA0MYGDJ1D001W), valid until 6 August 2030. Registered emissions include dust and wastewater.

3.5 Water Use Permit

The water use permit for the Project is presented in Table 3-4.

Table 3-4: Summary of the Water Use Permit

Water Use Permit No.	D150426G2021-0050
Issued To	Chifeng Ruineng Mining Co., Ltd.
Issued By	Water Resources Bureau of Ongniud Banner
Issue Date	July 20 2023

Expiry Date	August 3, 2028
Water Supply Source	Groundwater
Water Use Allocation	505,700 m³/year

Source: SRK (2026)

4 Regional Description

4.1 Property Location and Accessibility

The Ruineng Project is administratively under the jurisdiction of Maoshandong Township, Ongniuteqi, Chifeng City, Inner Mongolia, located at geographic coordinates 118° 22′ 33″ – 118° 23′ 17″ E and 42° 54′ 58″ – 42° 55′ 38″ N (China Geodetic Coordinate System 2000) (Figure 4-1).

Figure 4-1: General Location Map of the Project



Source: SRK (2026)

Accessibility

As shown in Figure 4-1, the project area is connected to Ximaobuluo Village on National Highway 306 by a 10 km gravel road. From Ximaobuluo Village, it is approximately 120 km northwards along Highway 306 to Jingpeng Town, Keshiketengqi, and about 110 km southwards to Chifeng City. Chifeng is located approximately 400 km northeast of Beijing, with a well-developed rail and highway network, and is connected to Beijing by both flights and high-speed rail, providing very convenient transportation.

4.2 Local Resources and Infrastructure

The project area is a semi-agricultural, semi-pastoral region, with local residents predominantly of Han ethnicity, primarily engaged in farming and secondarily in animal husbandry. Main crops include millet, corn, wheat, potatoes, sunflower seeds, and sugar beet, while livestock production is mainly cattle and sheep. The principal industries consist of mining, small-scale food processing, repair services, and transportation.

Electricity for local agricultural and pastoral activities is supplied by the State Grid, and a 10 kV high-voltage industrial power line has already been extended to the mine area. Water is sourced from a mechanized well, with a pH value of 8.2, a mineralization of 0.17 g/L, and a discharge of 300 m^3/d. Mobile communication networks of both China Mobile and China Unicom cover the mining area.

Mining equipment, construction materials, and other mine supplies can be procured from Chifeng, Jingpeng, and other nearby locations, adequately meeting the needs of local mining development.

4.3 Physiography

The project area is located on the northern margin of the Qilaotu Mountains of the Yanshan Range. The landform is dominated by low to mid-mountain terrain, with the overall topography higher in the east and lower in the west. The highest point is in the eastern part of the mining area at an elevation of 1,252.20 m, and the lowest point is at the bottom of an east–west-trending gully in the western part at an elevation of 1,047.0 m, giving a maximum relative relief of 205.20 m. The terrain is strongly dissected by erosion, with bedrock exposed on the ridge tops. The mountain mass extends approximately east–west; the summits are mainly erosion–denudation landforms with rounded domes or elongated ridges, and the hillslopes are concave, with gradients generally of 10–20°, composed of Upper Jurassic rhyolite and rhyolitic crystal tuff. Intermontane gullies are belt-like and trend approximately east–west. Valley bottoms and low-lying piedmont areas are mostly covered by Quaternary colluvial–alluvial deposits and eolian loess. Slopes are generally less than 5%, cross-sections are "U"-shaped, valley floors are mostly broad and flat, and vegetation is poorly developed.

The project area lies within the Xiliao River system, in the recharge zone of the Xilamulun River basin. Surface water from the mine area drains to the Weitang River, which originates in the Zhuangjialiang–Shangbaiyinbuluo area to the south of the region, flows from south to north past Youfang, Toubahuo, and Erbahuo, and ultimately joins the Xilamulun River, with a total length of about 40 km. The river is seasonal and is a first-order tributary of the Xilamulun River. Short-lived streamflow occurs during high-flow periods, with a maximum discharge of about 0.3 m^3/s; it is otherwise dry, and there is no perennial surface runoff or standing water within the mining area and its surroundings.

4.4 Climate

The project area is characterized by a temperate continental monsoon climate: spring is variable in temperature, dry and windy; summer is hot, short, with concentrated rainfall; autumn is clear with sudden cold waves and sharply reduced precipitation; winter is long and cold, with prevailing northwesterly winds. According to data from the Wengniute Banner Meteorological Bureau for the last 10 years (2012–2022): the mean annual temperature is 5.80°C, with a minimum of –33.80°C and a maximum of 39.80°C. Interannual precipitation is unevenly distributed, with a mean annual precipitation of 370.00 mm. The maximum annual precipitation is 506.50 mm (in 2012), the maximum

daily precipitation is 143.20 mm (11 August 2017), the maximum hourly precipitation is 43.40 mm (29 July 2021), and the maximum 10-minute precipitation is 34.40 mm. Annual precipitation is mainly concentrated in June–August, accounting for about 75% of the yearly total, which constitutes the principal recharge period for groundwater in the area. The mean annual evaporation is 1,725.70 mm, with annual sunshine hours of 2,850–3,000 h, a frost-free period of 90–140 days, a snowfall period from October to March of the following year, and a freezing period from October to March of the following year, with a maximum frozen soil depth of 1.57 m. The mean annual wind speed is 3.50–4.20 m/s, and the maximum wind speed is 20.8 m/s.

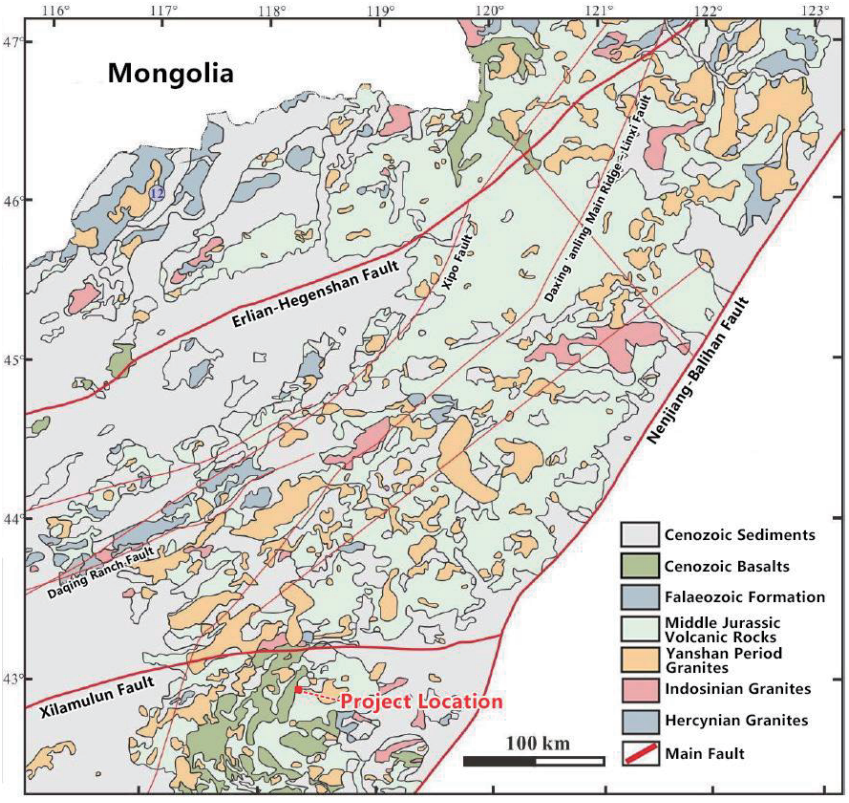
According to the "Seismic Ground Motion Parameters Zonation Map of China" (GB 18306-2015), the peak ground acceleration (PGA) for the area is 0.05 g, corresponding to a basic seismic intensity of Degree VI. No destructive earthquakes have been recorded historically in the area. Given the relatively gentle topography and low precipitation, the likelihood of geological hazards such as rockfalls, landslides, and debris flows occurring under current conditions is considered low.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The Greater Xing'an Range is located at the eastern margin of the Central Asian Orogenic Belt and is mainly composed of several amalgamated microcontinental blocks, including the Erguna, Xing'an, and Songnen blocks. This region has undergone a complex tectonic evolution, having been successively affected by the superposition and reworking of three major tectonic domains: the Paleo-Asian Ocean, the Paleo-Pacific, and the Mongol–Okhotsk Ocean domains. As a result, tectono-magmatic activity has been exceptionally intense, giving rise to highly favorable conditions for mineralization.

Figure 5-1: General tectonic setting background map of the Project

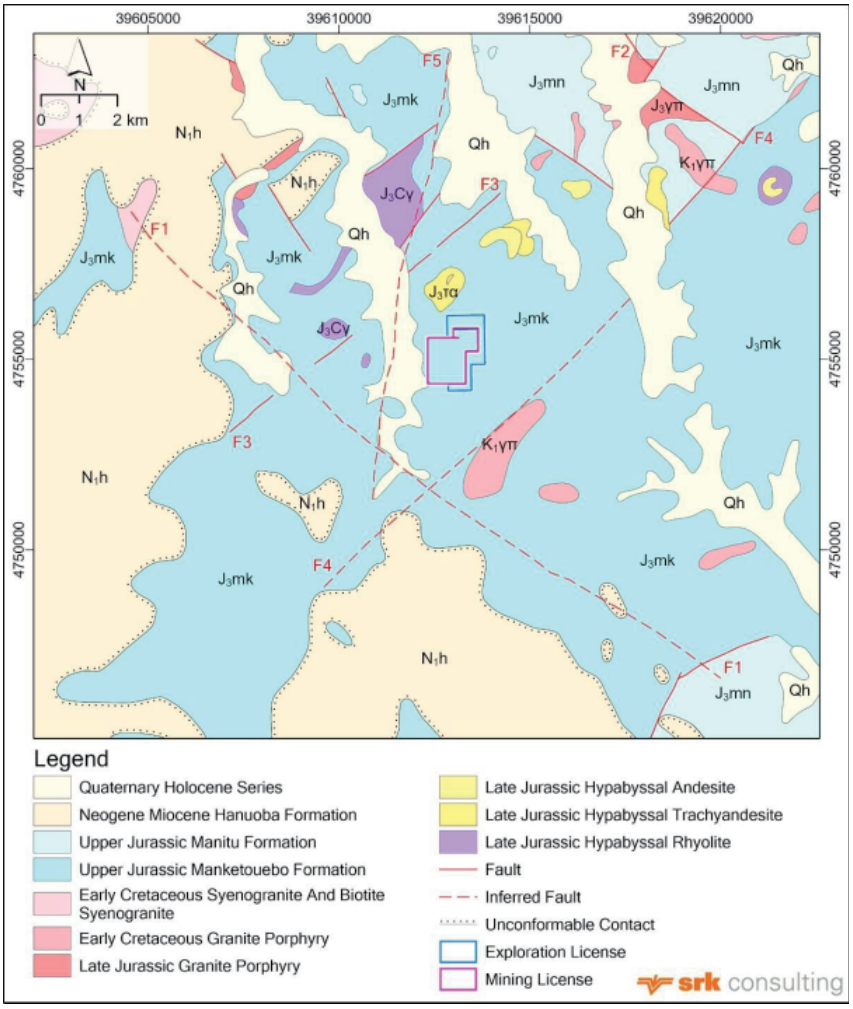


Source: Chifeng Ruineng Mining Co., Ltd. Modified by SRK China, 2026

The project area is located in the eastern segment of the Wenduermiao–Ongniud Banner Early Paleozoic tectono-magmatic belt along the northern margin of the North China Craton, at the intersection between the Xilamulun River deep-seated fault zone in the collisional junction zone of the North China Craton and the Siberian Plate, and the Great Xing'an Range main ridge–Linxi

deep-seated fault. It is situated approximately 60 km north of the Xilamulun River fault zone (Figure 5-1).

Figure 5-2: Regional geological map of the Project



Source: Chifeng Ruineng Mining Co., Ltd. Modified by SRK China, 2026

Within the regional scope, the exposed strata are mainly Paleoproterozoic, Paleozoic, and Mesozoic–Cenozoic. The Paleoproterozoic Baoyintu Group represents the oldest stratigraphic unit in the region and consists predominantly of metamorphosed basic volcanic rocks. Paleozoic strata are widely distributed, including Permian weakly metamorphosed volcaniclastic–sedimentary to intermediate–acid volcanic rock suites along the Xilamulun River fault zone, and Ordovician–Silurian–Carboniferous weakly metamorphosed clastic rock–carbonate rock–volcanic rock

successions along the Shaolang River fault zone. Continental Mesozoic–Cenozoic volcanic cover between the Xilamulun River and Shaolang River faults forms a volcanic basin (Figure 5-2).

Regional fault structures are well developed. Pre-Mesozoic approximately EW trending and NE trending structures, together with Yanshanian NE trending and NW trending structures, define the basic structural framework of the area. The EW striking Xilamulun deep-seated fault in the north and the Shaolang River deep fault in the south constitute basement fault structures that exert a pronounced control on the distribution of mineral deposits.

Volcanic structures are also well developed regionally. Along the Erbahuo–Youfang fault, a fissure–central type volcanic eruptive belt is developed, mainly comprising the Erbahuo compound volcano, the Zuozishan caldera, and other volcanic edifices.

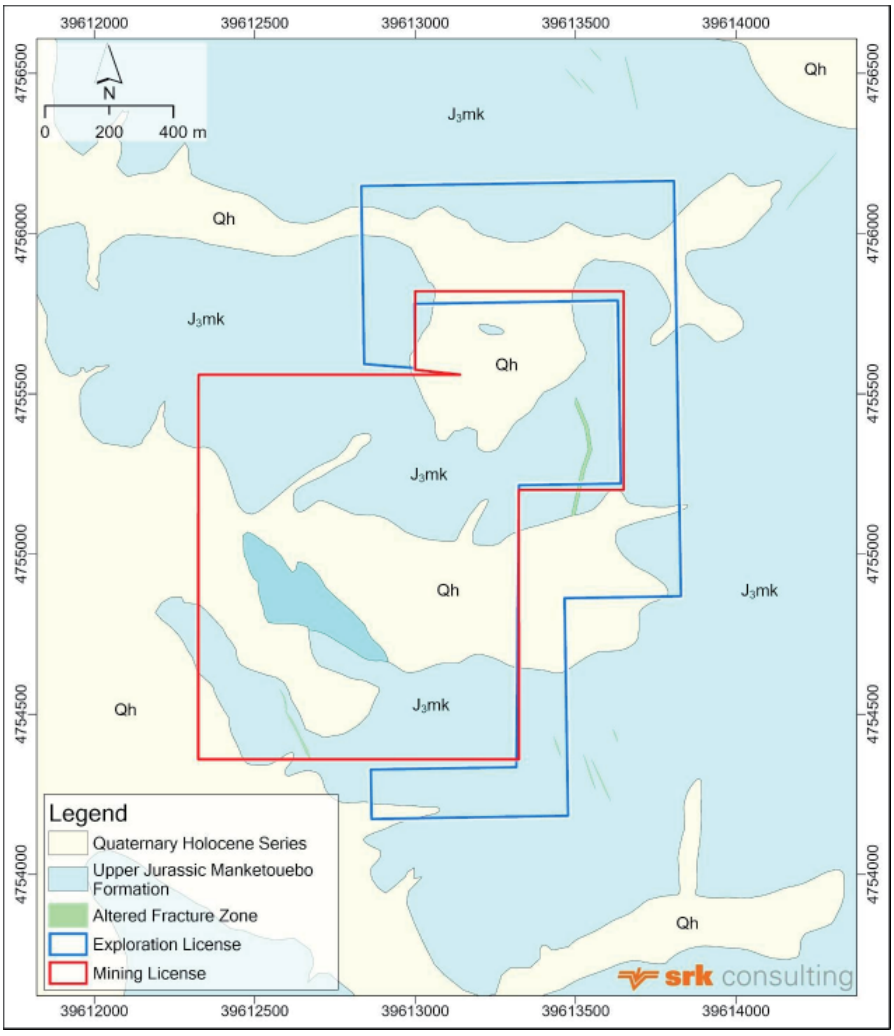
Yanshanian magmatic rocks are widespread in the region. Large scale intrusive activity during this period emplaced abundant intrusive rocks dominated by intermediate–acid calc-alkaline series, which are closely associated with the formation of Pb–Zn–Ag–Cu–Mo polymetallic deposits.

5.2 Property Geology

Stratigraphy

The project area is mainly outcrop by felsic volcanic rocks of the Upper Jurassic Manketouebo Formation and Quaternary unconsolidated deposits (Figure 5-3), specifically:

Figure 5-3: Geological map of the Project area



Source: Chifeng Ruineng Mining Co., Ltd. Modified by SRK China, 2026

The principal lithologies of the Manketouebo Formation include acidic lavas with minor volcaniclastic rocks and intermediate– acidic lavas. Previous geologist have subdivided it into grayish-white to light-gray rhyolite, rhyolitic crystal tuff, and rhyolitic volcanic breccia.

Quaternary unconsolidated deposits are widely distributed in gullies and gentle slope sites in the project area. They are mainly composed of alluvial, colluvial, and residual rock blocks, together with sand, sandy soil, and gravel.

Structure

Fault structures are well developed in the area and are mostly manifested as fault–fracture zones. Among them, NW-trending faults are the major mineralization controlling structures, with strikes of 300–330°, dipping predominantly to the SW and locally to the NE, at angles of 60–90°.

5.3 Mineralization

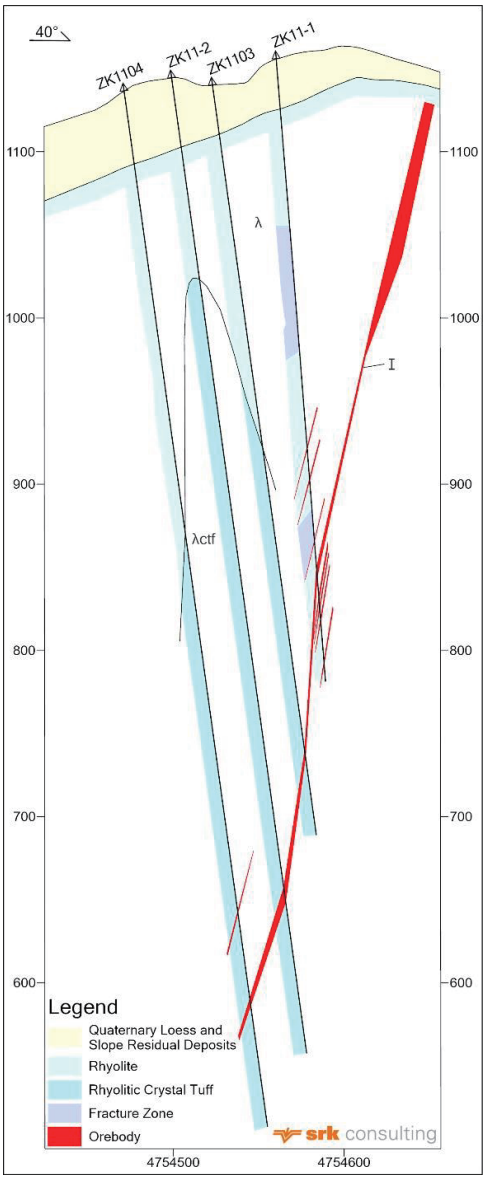
The currently delineated No. 1 Pb–Zn–Ag mineralized zone in the project area extends for about 1200 m along strike and consists of a series of individual mineralization bodies. Single Pb–Zn–Ag mineralization bodies are generally tens to several hundreds of meters long and several tens centimeters to several meters thick. They are predominantly vein like, with a few lenticular or lentil-shaped bodies. Overall, the mineralization bodies share the same attitude as the fault-controlled fractured alteration zones, striking 300–330°, dipping mainly to the SW and locally to the NE, with dip angles of 60–90°. Along dip, they extend from several tens to several hundred meters (Figure 5-4).

The hanging and footwall rocks of the Pb–Zn–Ag mineralization bodies are mainly rhyolitic crystal tuff or rhyolite. Wall-rock alteration is dominated by pyrite–sericite alteration and silicification, locally accompanied by fluorite alteration, chloritization, and carbonate alteration.

The metal minerals in sulfide ores mainly include pyrite, sphalerite, galenite, and chalcopyrite. The secondary minerals are pyrrhotite, freibergite and the trace minerals are argentite, natural silver, and arsenopyrite. Gangue minerals are mainly quartz, sericite, carbonate minerals, a small amount of chlorite, fluorite, epidote, etc(Figure 5-5, Figure 5-6).

In actual production, sulfide ore is classified as silver-lead-zinc industrial type ore.

Figure 5-4: No.11 exploration line profile in the project area



Source: Chifeng Ruineng Mining Co., Ltd. Modified by SRK China, 2026

Figure 5-5: Pb–Zn–Ag mineralization at 556–557 m in borehole ZK005



Source: SRK (2026)

Figure 5-6: Pb–Zn–Ag mineralization near No.27 exploration line, 1032 m level tunnel



Source: SRK (2026)

5.4 Deposit Types

Comprehensive geological studies indicate that the metallogenic type of the polymetallic deposits in the project area belongs to medium– to low-temperature hydrothermal vein-type deposits related to Yanshanian magmatic activity.

During the Early Cretaceous, the crust in the Xilamulun area was in an extensional regime. The extensional setting provided conditions for lithospheric thinning and asthenospheric upwelling, which led to mafic magma underplating and induced partial melting of the lower crust. The resulting granitic magma, carrying ore-forming components, ascended along favorable structural zones. A series of fissure–central volcanic eruptions occurred along the Erbahuo–Youfang fault zone, forming a layered volcanic edifice in the western Youfang area. After the volcanic–subvolcanic activity, deep-seated granitic magma intruded upward along the volcanic conduits. Due to magmatic doming and magmatic cooling and contraction, a structural system dominated by bedding-parallel faults and fractures developed near the contact zone between the intrusion and the volcanic rocks, creating favorable conditions for the ascent, precipitation, and concentration of metallogenic fluids.

During the upward emplacement of granitic magma, crystallization differentiation within the magmatic system promoted the enrichment of large amounts of volatile components and ore-forming elements such as Pb, Zn, Ag, Cu, and Mo at the top and flanks of the magma chamber, thereby forming metallogenic fluids.

During the migration of metallogenic fluids toward the surface along structurally fractured zones, Pb–Zn–Ag–rich fluids discharged into an extensional structural environment. The abrupt change in temperature and pressure conditions caused massive precipitation of sphalerite, galena, argentite and other minerals, thereby forming vein-type, stockwork, and stringer types of mineralization bodies, accompanied by intense silicification, sericitization, and fluorite alteration. In the late stage of mineralization, the metallogenic hydrothermal system clearly evolved into a low-temperature, low-salinity fluid stage, during which calcite and other carbonate minerals gradually appeared.

6 Exploration

6.1 Exploration History

In 2004, the Exploration Unit of North China Geological Exploration Bureau carried out geological exploration in the Dazuozishan mining area, completing geophysical and geochemical surveys and geological mapping.

In 2007, Chifeng Hengjiu Mining Co., Ltd. commissioned Chifeng Boyuan Mineral Exploration Co., Ltd. to conduct exploration within the Dazuozishan exploration licence area.

In June 2010, Chifeng Hengjiu Mining Co., Ltd. prepared a preliminary mining design report, which passed expert review and was filed on 28 July 2011, after which mine construction commenced.

In early 2012, mine construction was suspended due to policy reasons.

In 2017, the mining licence of the Dazuozishan lead-zinc mine in Wengniute Banner was transferred from Chifeng Hengjiu Mining Co., Ltd. to Chifeng Ruineng Mining Co., Ltd. Following this transfer, and after the approval by the Wengniute Banner Administration of Work Safety, the construction was restarted.

In 2021, Chifeng Ruineng Mining Co., Ltd. carried out exploration in the deeper part (below the 930 m level) of the Dazuozishan mining area.

In February 2022, Chifeng Ruineng Mining Co., Ltd. conducted exploration in the peripheral areas of the Dazuozishan mining area.

From July 2022 to October 2023, Chifeng Ruineng Mining Co., Ltd. carried out trenching and drilling projects on selected orebodies.

The work completed in each exploration stage is summarised as follows (Table 6-1):

Table 6-1: Work Completed at Exploration Stages in the Dazuozishan Mining Area

Year	Work item	Unit	Quantity
2007	1:10,000 topographic-geological mapping	km^2	25.46
	1:2,000 topographic-geological mapping	km^2	2.24
	1:2,000 hydrogeological mapping	km^2	1.96
	Trenches	m^3	1471
	Crosscut and along-vein tunnels	m	7151
2021	1:2,000 topographic survey	km^2	3.2
	1:10,000 geological mapping	km^2	14.6
	1:2,000 geological mapping	km^2	3.2
	Exploration tunnels	m	502.5
	Diamond core drilling (34 holes)	m	17716.64
	Underground drilling (10 holes)	m	846.7
	Hydrogeological drillhole (1 hole)	m	650.51
2022	1:10,000 geological mapping	km^2	14.6
	1:2,000 geological mapping	km^2	2.4

Year	Work item	Unit	Quantity
2023	Diamond core drilling (13 holes)	m	6683.05
	Trenches	m^3	980
	Diamond core drilling (23 holes)	m	4277.17

Source: Summarised by SRK from the *Dazuozishani Resource and Reserve Verification Report 2023*

6.2 Trenching and Tunnelling Exploration

Between 2007 and 2023, a total of 2,451 m^3 of trenches were excavated in the mining area. Trenches were oriented perpendicular to the strike of the orebodies to expose and control orebodies (alteration zones) and were laid out along exploration lines. Trench openings are 1.5-2 m wide, with bottom widths of 0.8-1 m. Bedrock is exposed to depths of 0.5-1 m, and the maximum trench depth does not exceed 3 m. Trenches fully expose primary ore and have achieved their geological objectives.

A total of 7,653.50 m of exploration tunnels have been driven in the mining area over the years, with systematic mapping and sampling carried out in these workings. Tunnel cross-sections are 2.2×2 m, with arched backs and gradients not exceeding 5‰. All exploration tunnels have achieved the intended geological control of the orebodies.

6.3 Drilling Exploration

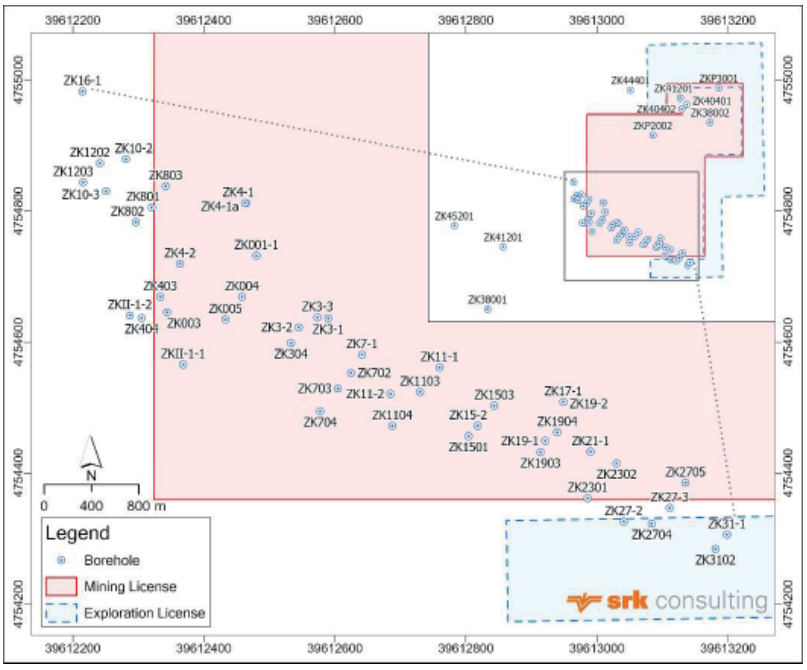
6.3.1 Historical Drilling

2007-2023, a total of 70 surface Diamond core drill holes were completed for 28,676.86 m of drilling, including 65 inclined holes and 5 vertical holes. Small-diameter wireline diamond core drilling was used, with a collar diameter of 108 mm, final hole diameter of 75 mm and core diameter of 48-49 mm. In addition, 10 underground drill holes were completed for 846.70 m, with both collar and final diameters of 60 mm and a core diameter of 36 mm. One hydrological hole was drilled for 650.51 m. Drillhole locations are shown in Figure 6-1.

Overall core recovery ranges from 83% to 100%, and ore core recovery from 86% to 100%. Hole depth was checked every 50 m and at end of hole. The depth correction for each hole ranges from -0.05 m to +0.06 m, all within ±1‰, so no depth correction was required.

Core logging was carried out on the basis of systematic observation of the drill core. Logging was done by subdividing intervals according to lithology, individual mineralized layers or ore types, and recording rock/ore name, colour, texture, structure, mineralogical composition, mineralization characteristics, alteration, contacts, structural fracturing and secondary alterations.

Figure 6-1: Dazuozishan Drillhole Location Map



Source: SRK (2026)

6.4 Sampling, Sample Preparation and Analyses

Ruineng Project involves the following laboratories:

- Inner Mongolia No. 10 Institute of Geological and Mineral Exploration and Development ("Class A" qualification under the Chinese national laboratory grading system), which undertook routine sample analyses in 2007.
- Laboratory of the Inner Mongolia Chifeng Institute of Geological and Mineral Exploration and Development (China Metrology Association, CMA, No.170506300083), which undertook external check assays for 2007 samples and routine sample analyses for 2021-2022.
- Laboratory of Yanjiao Center, Huabei Non-ferrous Geological Prospecting Bureau of Sanhe (CMA, No. 01201711100071), which undertook routine sample analyses in 2021.
- 514 Brigade of North China Geological Exploration Bureau, Hebei Huakan Resource Environmental Survey Co., Ltd. (CMA, No. 150316040048), which undertook external check analyses in 2021-2022.
- Laboratory of Hebei Province Area Geology Investigation Institute (CMA, No. 180320341835), which undertook external check analyses in 2022.
- Inner Mongolia Branch of China National Geological Exploration Center of Building Materials Industry (CMA, No.150502280010), which undertook ore bulk-density (specific gravity) measurements in 2022.
- Nuclear Industry 243 Brigade (CMA, No. 170520330177), which undertook routine assays for 2023.

- China Building Materials Industry Geologic Exploration Center Liaoning Branch (CMA, No.210002281179), which undertook external check assays for 2023.
- An on-site laboratory jointly operated by Chifeng Rongbang Mining Co., Ltd. and Chifeng Ruineng Mining Co., Ltd., which is mainly responsible for sample preparation and assaying of geological samples from production-stage exploration. SRK has not seen any accreditation documentation for this laboratory.

6.4.1 Sampling

Trench samples were collected by channel sampling from surface trenches and underground crosscuts. Channels were cut on the backs of the crosscuts or along the walls of the tunnels, with a standard cross-section of 10×3 cm. The sample length was usually 1 m; intervals of 1-2 m were combined into single samples. Actual sample weights range from 6.5 to 10.57 kg, compared with theoretical weights of 6.48 to 10.53 kg, giving differences of 0.12-4.45%, all within ±10%. Sampling lines were marked in the field and sampling was carried out under geologist supervision.

For drill core, the sample length was usually 1 m. Based on the distribution of mineralisation, continuous sampling was undertaken through altered/mineralised zones. Samples were collected as half-core: the core was split lengthwise along the axis, one half submitted for analysis and the other retained in the core box as a duplicate. Actual sample weights range from 1.64 to 3.28 kg, compared with theoretical weights of 1.71 to 3.17 kg, with differences of 0.1-4.29%, all within ±5%.

According to the 2023 report, sample preparation followed the process below:

Before 2023

Samples are prepared in three stages: primary crushing, secondary crushing and fine grinding. After secondary crushing to <1 mm, each sample is split into original and duplicate portions of approximately 250 g each.

For routine analysis, the primary portion is ground in a rod mill for 3 hours to a particle size <0.097 mm (nominally 160 mesh, in practice approximately 200 mesh). One part is submitted for assay and the remainder retained as a duplicate.

Composite samples and multi-element assay samples are ground in a rod mill for 5 hours to a particle size <0.074 mm (200 mesh).

2023

Samples are crushed to pass a 20-mesh sieve and homogenised. Then the crushed samples are split to about 200 g by manual quartering. The sub-samples are ground until all material passes a 160-mesh sieve and are mixed again. Approximately 20 g is taken for analysis, and the remainder is retained as a duplicate sample.

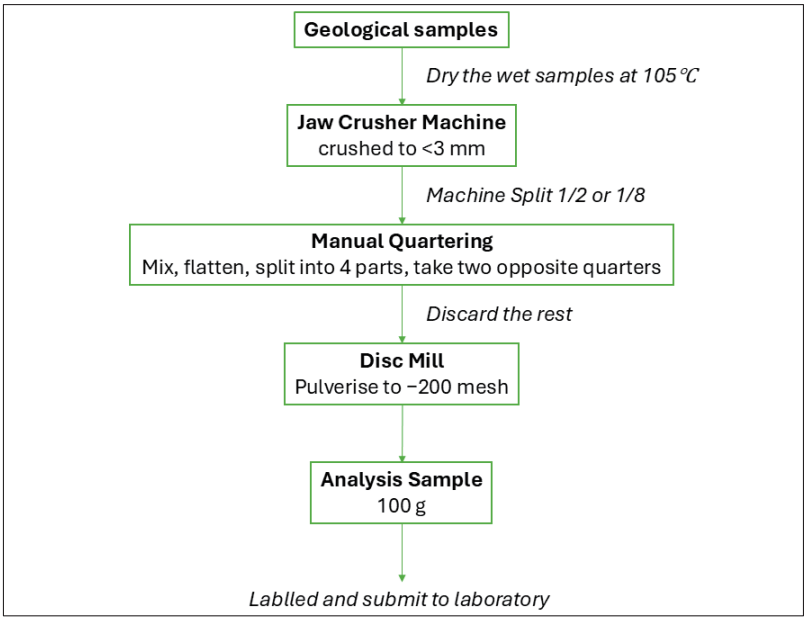
Quality control is implemented through regular inspections of the preparation process, with sample loss during crushing kept below 5% and the weight error of split samples kept below 3%. Sample preparation is occasionally checked to verify the reliability of individual samples. If sample loss during crushing exceeds 5%, the weight error of the split sample exceeds 3%, or the weights of the retained, duplicate and analytical sub-samples are inconsistent, the sample is re-prepared.

The analyses were carried out in strict accordance with relevant procedures and standards. Analytical methods were based on the *Rock and Mineral Analysis* specifications issued by the Ministry of Land and Resources, and quality control followed the *Geology and Mineral Laboratory Testing Quality Management Specification DZ/T0130.13-2006*.

And the sample preparation procedure at the on-site laboratory is shown in Figure 6-2.

Assay elements were Ag, Pb, Zn and Cu, which were analysed by atomic absorption spectrophotometry (AAS) at the on-site laboratory. The sampling and analysis protocols were carried out according to the *Geology and Mineral Laboratory Testing Quality Management Specification DZ/T0130.13-2006*.

Figure 6-2: The Flowchart of the On-site Laboratory



Source: SRK (2026)

6.4.2 Specific Gravity Data

A total of 110 specific gravity measurements have been carried out over the years, comprising 50 measurements in 2007, 30 in 2021 and 30 in 2022. Using the wax-coating method, the maximum ore specific gravity was 3.68 t/m^3 and the minimum was 2.90 t/m^3, with an arithmetic mean specific gravity of 3.19 t/m^3.

The relationships between specific gravities and metal grades are shown in Figure 6-3. Scatter plots of specific gravity versus grade (e.g. Ag, Pb, Zn, Cu) show no strong or systematic correlation. Specific gravity values for a given ore type are relatively uniform across the observed grade range.

Figure 6-3: Relationship Between Specific Gravity and Metal Grade (Dazuozishan 2007-2022)

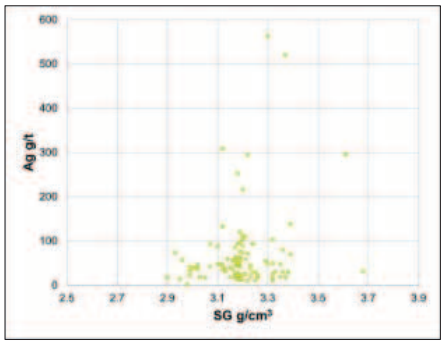


Figure 6-3 A Relationship Between Specific Gravity and Ag Grade

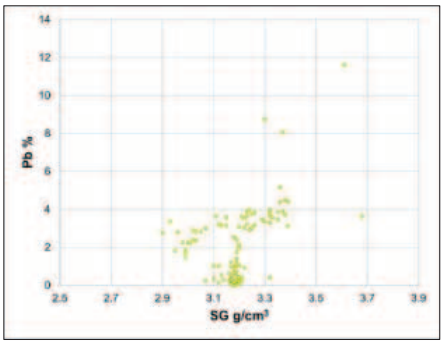


Figure 6-3B Relationship Between Specific Gravity and Pb Grade

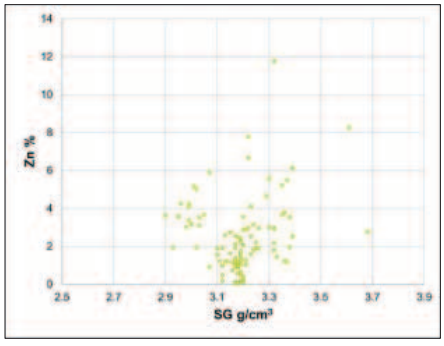


Figure 6-3C Relationship Between Specific Gravity and Zn Grade

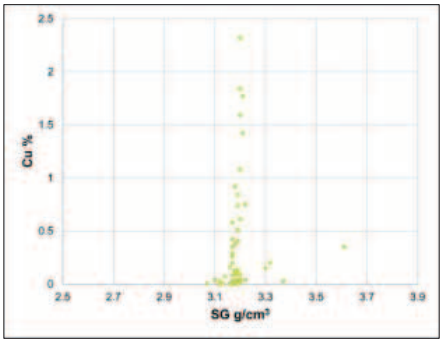


Figure 6-3D Relationship Between Specific Gravity and Cu Grade

Source: SRK (2026)

6.5 Quality Assurance and Quality Control Programs

6.5.1 Certified reference standards

SRK did not find any information in the 2023 report describing the types, grades, quantities or insertion frequency of certified reference materials (CRMs), and therefore cannot use CRM results to directly monitor assay accuracy. However, all laboratories involved in this project are accredited laboratories under the relevant Chinese national systems and are understood to operate with established internal quality-control procedures (including routine repeats and instrument calibration). On this basis, and in the absence of evidence of systematic bias, SRK considers the analytical accuracy to be reasonable for the purposes of this report, while recognising that the lack of documented CRM data remains a limitation.

6.5.2 Blank samples

The 2023 report does not describe a structured programme for the use of field or laboratory blanks, nor does it specify the routine insertion of barren rock blanks at defined intervals (e.g. after mineralised samples or at the start of each batch) to monitor contamination during preparation and assaying.

In practice, contamination control appears to depend mainly on:

- During jaw crushing, each sample was split, with one portion run first through the crusher and discarded to clean the machine.
- During manual splitting, the work surface was brushed between samples to minimise cross-contamination.

The absence of a documented blank-insertion protocol limits the ability to formally quantify potential cross-contamination. Nevertheless, no significant contamination issues have been reported, and the close agreement between internal and external check assays suggests that contamination is unlikely to be a major problem.

6.5.3 Duplicate samples

The 2023 report likewise does not present analytical results for duplicate samples (field or laboratory), so assay precision cannot be directly assessed from duplicate data. However, SRK has reviewed the documented sample preparation procedures and observed that they follow standard industry practice, and the limited internal and external check assays available do not indicate any material precision issues. In addition, sample preparation is occasionally checked on site (including monitoring of sample loss during crushing and mass balance during splitting). On this basis, SRK considers the precision of the assay data to be basically acceptable for the purposes of this report.

6.5.4 Check (umpire) samples

From 2007 to 2023, internal and external check assaying was carried out as required. In 2007, 180 samples were selected for internal check assaying and 90 samples for external check analysis. During 2017-2021, 195 samples of different types were randomly selected from coarse duplicate samples from routine analyses, blind-coded and submitted to the laboratory for internal check assaying, at an internal check rate of 10.80%, and 93 samples were randomly selected for external check analysis, at an external check rate of 5.15%. In 2022, 31 samples were randomly selected from coarse duplicate samples, blind-coded and submitted for internal check assaying (internal check rate 12.65%), and 18 samples were selected for external check assaying, representing 7.35% of all analytical results. In 2023, 30 samples were selected for internal and 30 for external check assaying, each representing 10.79% of the total number of samples.

SRK reviewed the internal and external check data reported in the 2023 report. The details of check duplicates are shown in Figure 6-4 and Figure 6-5, and the pass rates were summarized in Table 6-2.

Figure 6-4: Performance of Internal Check Duplicates in Dazuozishan

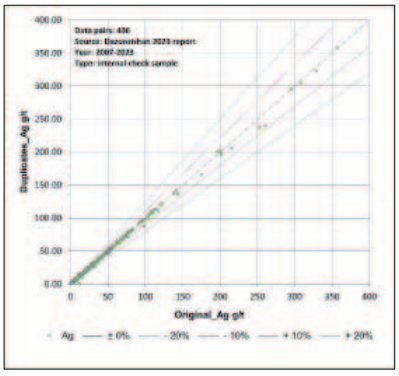


Figure 6-4A Performance of Internal Check Duplicates for Ag

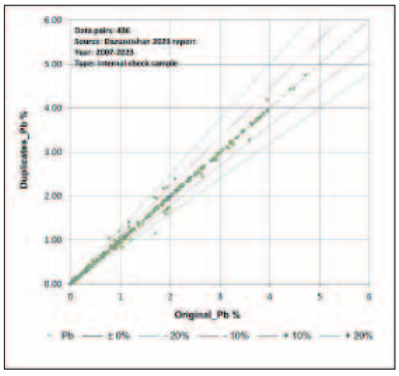


Figure 6-4B Performance of Internal Check Duplicates for Pb

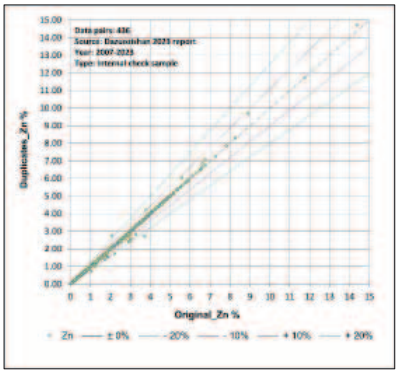


Figure 6-4C Performance of Internal Check Duplicates for Zn

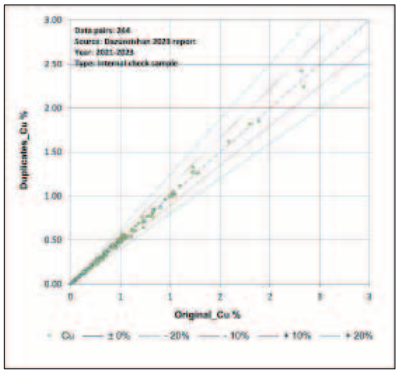


Figure 6-4D Performance of Internal Check Duplicates for Cu

Source: SRK (2026)

Figure 6-5: Performance of External Check Duplicates in Dazuozishan

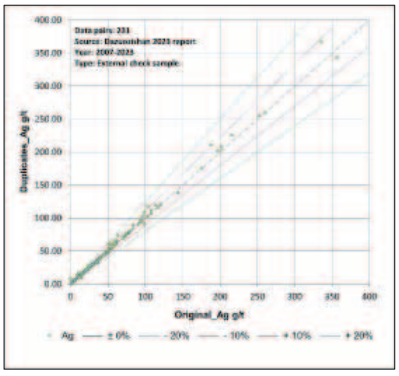


Figure 6-5A Performance of External Check Duplicates for Ag

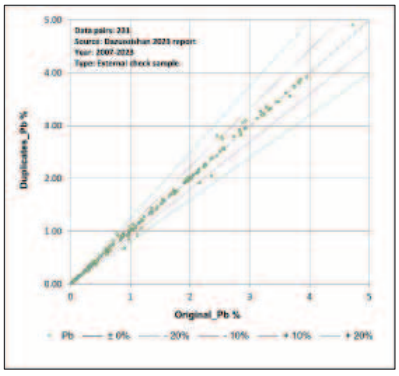


Figure 6-5B Performance of External Check Duplicates for Pb

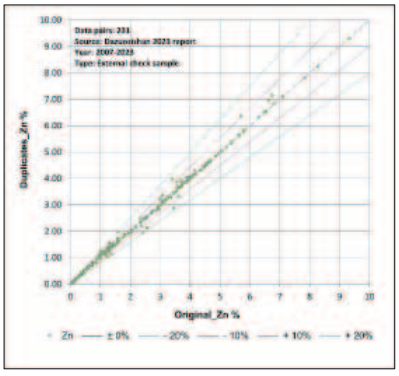


Figure 6-5C Performance of External Check Duplicates for Zn

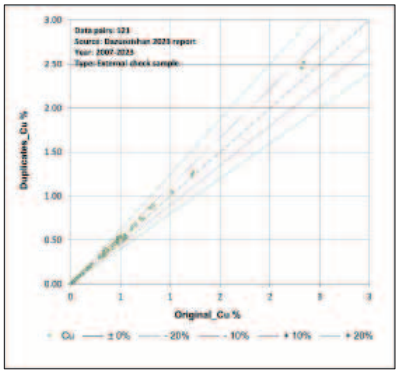


Figure 6-5D Performance of External Check Duplicates for Cu

Source: SRK (2026)

Table 6-2: Statistics of Check Assay Data for Dazuozishan (2007-2023)

Type of Check Samples	Element	Data Pairs Count	Relative Difference						Pass Rate (<20%)
			<10%		10% - 20%		> 20%		
Internal	Ag	436	395	91%	20	5%	21	5%	95.18%
	Pb	436	363	83%	51	12%	22	5%	94.95%
	Zn	436	384	88%	40	9%	12	3%	97.25%
	Cu	244	191	78%	26	11%	27	11%	88.93%
External	Ag	231	207	90%	15	6%	8	3%	96.54%
	Pb	231	188	81%	25	11%	18	8%	92.21%
	Zn	231	207	90%	21	9%	3	1%	98.70%
	Cu	121	96	79%	20	17%	5	4%	95.87%

Source: SRK (2026)

6.6 SRK Data Verification

SRK visited the Ruineng Project site between 27 and 30 January 2026 and conducted the following verification procedures:

- Discussed with the company's geologists and engineers
- Verified a selection of historical exploration drill hole collar
- Visited the drill core shed and inspected mineralized cores
- Visited the on-site laboratory and examined sample preparation procedures
- Reviewed the previous exploration dataset, selected SRK verification samples

Figure 6-6: Ruineng Site Visit Photographic Record



Figure 6-6A Ruineng Core Shed



Figure 6-6B Jaw Crusher in the On-site Laboratory



Figure 6-6C Atomic Absorption Spectrophotometer in the On-site Laboratory

Source: SRK (2026)

Following the review of the historical datasets and site inspections, SRK selected 100 existing pulp duplicate samples from 2024-2025 production-stage drilling as independent check samples. Selection was guided by the 40 g/t Ag cut-off grade reported in the Dazuozishan Resource and Reserve Verification report 2023. These pulps were submitted to SGS Minerals Laboratory in Tianjin, China, for verification analysis. The results are plotted in Figure 6-7. The scatter plots show that most of the Ag, Pb, Zn and Cu results fall within ±20%, and the overall agreement is considered acceptable.

Figure 6-7: Performance of SRK Verification Samples from Dazuozishan

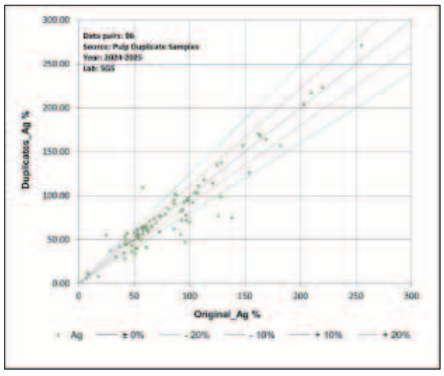


Figure 6-7A Performance of SRK Verification Samples for Ag

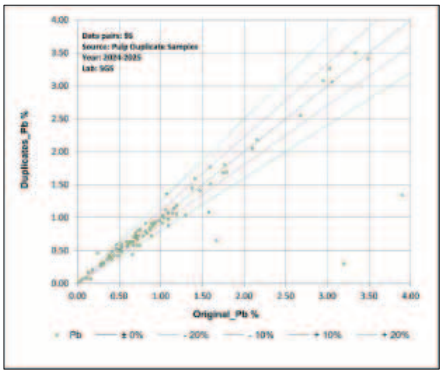


Figure 6-7B Performance of SRK Verification Samples for Pb

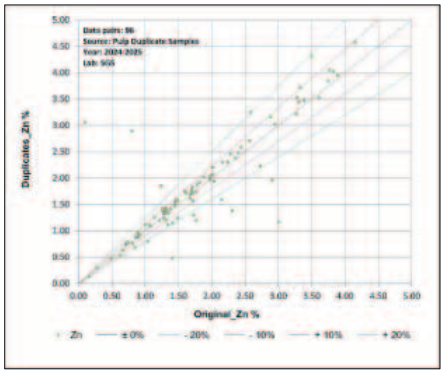


Figure 6-7C Performance of SRK Verification Samples for Zn

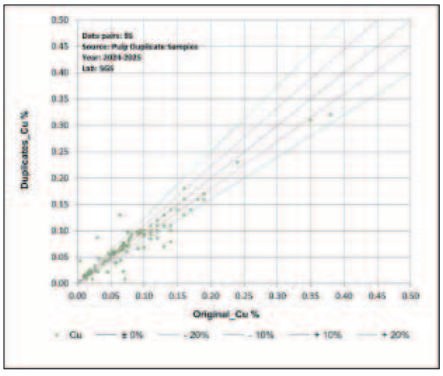


Figure 6-7D Performance of SRK Verification Samples for Cu

Source: SRK (2026)

Under SRK's guidance, Ruineng Mining completed 36 specific gravity measurements. Specific-gravity samples were taken as blocks larger than 10 cm from fresh exposures on tunnel walls, avoiding fault gouge and other disturbed material. After sampling, each sample was wrapped in plastic film. These 36 samples were also sent to SGS, Tianjin for density determination and analysis. The relationships between specific gravity and metal grades for these verification samples are shown in Figure 6-8. The scatter plots indicate no strong or systematic correlation between specific gravity and metal grades. Only silver shows a modest positive trend ($R^2 \approx 0.72$), but even in this case specific gravity remains within a relatively narrow range across the observed grades. The arithmetic mean specific gravity of the SRK verification set is 3.31 g/cm³, while the mean value calculated from 30 client measurements is 3.30 g/cm³. This difference is considered acceptable, and a specific gravity of 3.30 g/cm³, derived from the client's dataset, has been adopted for the Mineral Resource estimate.

Figure 6-8: Relationship Between Specific Gravity (SG) and Metal Grade of 2026 Verification Samples

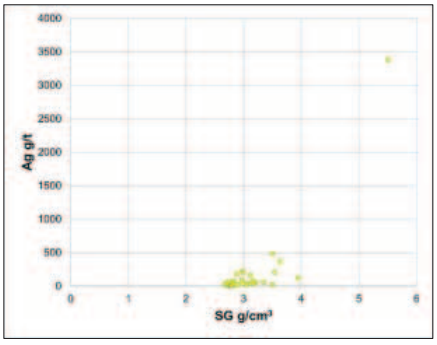


Figure 6-8A Relationship of SG and Ag grade

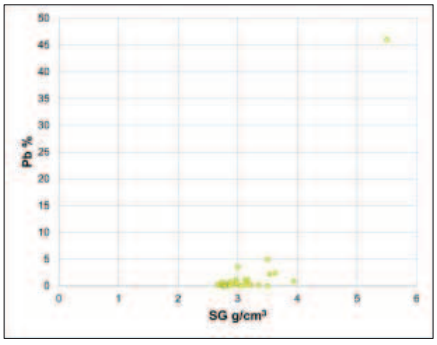


Figure 6-8B Relationship of SG and Pb grade

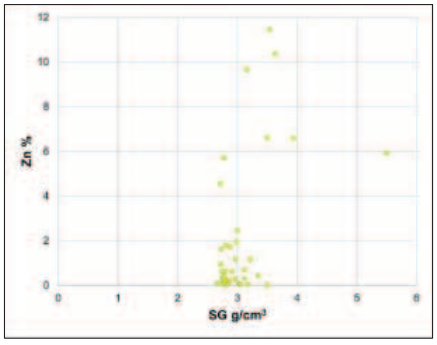


Figure 6-8C Relationship of SG and Zn grade

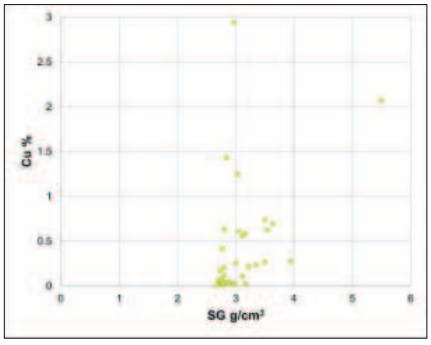


Figure 6-8D Relationship of SG and Cu grade

Source: SRK (2026)

In SRK's opinion, the sampling, sample preparation and analytical procedures used for the Ruineng Project are generally appropriate. The pass rates for both internal and external check samples are acceptable, although other types of QC samples were not employed in these programmes.

7 Mineral Resource Estimates

7.1 Introduction

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global lead, zinc and silver Mineral Resources found in the Ruineng Project at the current level of sampling. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserves.

The estimates are based on drilling, trenches and underground samples information available up to September 2024. With respect to drilling sample information available for the 30 December 2025 Mineral Resource estimates, SRK believes the current drilling sampling information is sufficiently reliable to interpret with confidence the mineralisation domains for Ruineng deposit and that the assay data is reliable to support Mineral Resource estimation.

Leapfrog Edge 2025.2.3 (Leapfrog Edge) software was used by SRK to generate the veins, prepare assay data for geostatistical analysis, establish the block model, estimate metal grades, and tabulate the Mineral Resources.

In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global Mineral Resources defined for the Project at the current level of exploration. The Mineral Resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Ore Reserves Best Practices" guidelines and are reported in accordance with the JORC Code (2012 Edition).

Mineral Resources are not Ore Reserves and have not demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into an Ore Reserve without a minimum of a preliminary feasibility study ("PFS") of the Project.

7.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Geological interpretation for estimation domain review/update;
- Data preparation (compositing and capping) and Variogram;
- Block model and grade interpolation review/update;
- Mining depletion;
- Mineral Resource classification review/update;
- Model validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("RPEEE") and selection of appropriate cut-off grades (COG); and
- Preparation of the Mineral Resource statement.

7.3 Resource Database

The primary database provided by Xingye include database (collar, assay, survey, densit, litho in CSV format), QA/QC data and Historical goaf data for the project, several exploration reports, digitised logging data, all relevant analytical data, geological maps, mineralisation maps, and interpreted maps etc. SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Xingye was acceptable for use in a Mineral Resource estimate.

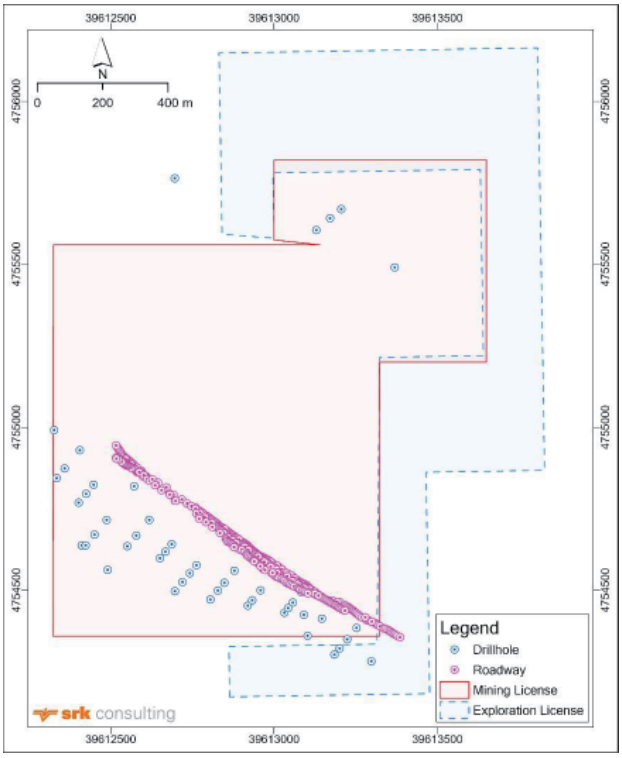
Table 7-1 summarises the Mineral Resource database covering the entire Ruineng Project area, and the holes location are display in Figure 7-1.

Table 7-1: Summary of Resource Database Records

Data Type	Drillhole	Drift	Total
Hole Number	50	401	451
Length (m)	225,808.24	1,501.7	227,309.94
Assay Sample Number	2,010	1,247	3,257

Source: SRK (2026)

Figure 7-1: Drillholes and Underground Sampling Location



Source: SRK (2026)

7.4 Domain Modelling

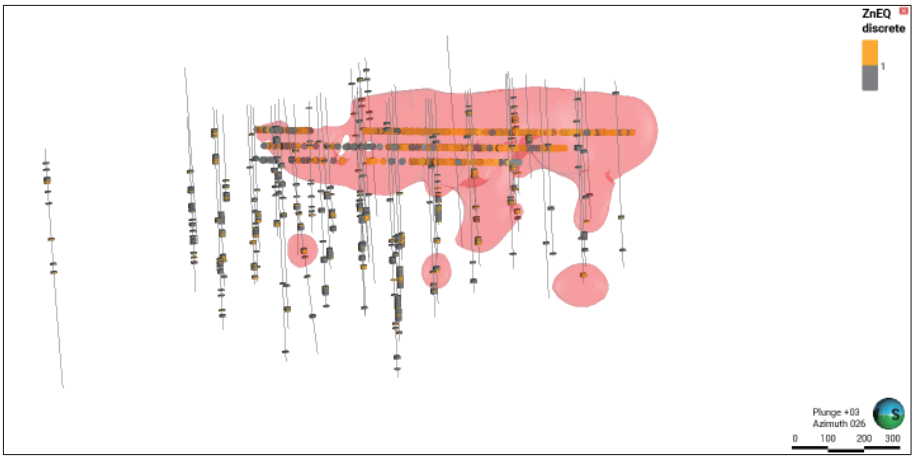
The wireframe models for the Ruineng deposit were established using Leapfrog Edge software. A nominal cut-off grade of 1% ZnEq_Geo was applied to define the mineralised intervals for Domains. The The calculation formula of Zneq is as follows :

ZnEq_Geo =Zn*(if(Zn≥0.2,1,0))+Pb*(if(Pb≥0.2, 0.63,0))+Ag*(if(Ag≥5, 0.028,0))

The wireframe models for the Ruineng deposit were established using Leapfrog Edge software. The samples are composite at equal intervals of 1 meter, and the Zneq_geo_1.0 numerical model is then established using the values of the composited samples. The Zneq_geo_1.0 numerical model serves as the spatial extent of the mineralized domain for Zneq_geo_1.0. As shown in Figure 7-2. A total of 4 mineralized domains were constructed.

As shown in Figure 7-2. A total of 4 mineralized domains were constructed.

Figure 7-2: The Mineralisation Domain of Ruineng Project



Source: SRK (2026)

7.5 Specific Gravity

The SG measurements were conducted using the Archimedes principle (wax-sealing method). A total of 30 SG samples were taken covering different rock types and provided by the client.

Single samples from adits have a volume of 60–120 cm³, while those from drill holes are smaller, generally consisting of core samples with a diameter of 4.9 cm and a length of 5 cm.

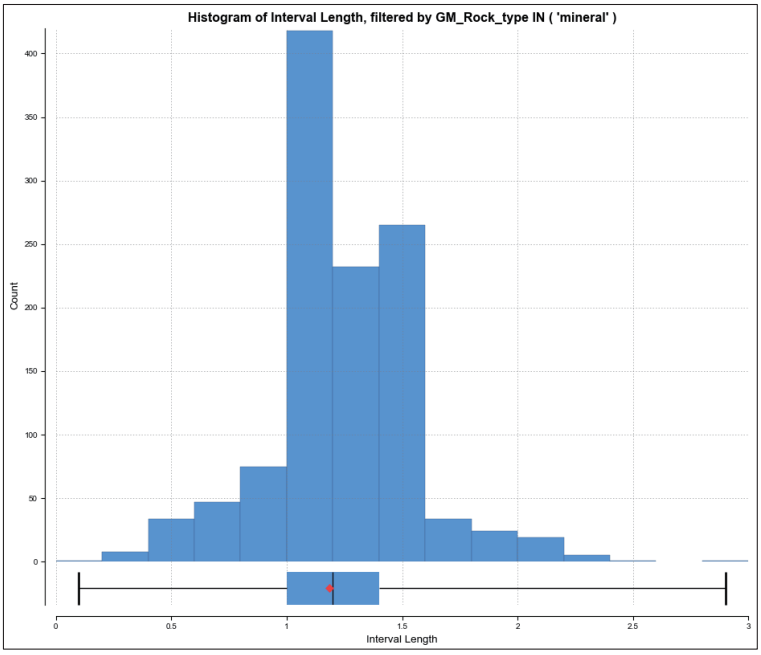
After sampling, the specimens were immediately sealed with paraffin and promptly sent to the Chifeng Geological Laboratory of Inner Mongolia Autonomous Region for testing.

The **paraffin-sealed water displacement method** was adopted for testing, and the small bulk density of the ore was determined to be **3.30 t/m³** using the arithmetic mean method.

7.6 Compositing

Prior to the statistical analysis, the samples were generally combined so the length of each sample was basically equivalent. The distribution of sample lengths is provided in Figure 7-3.

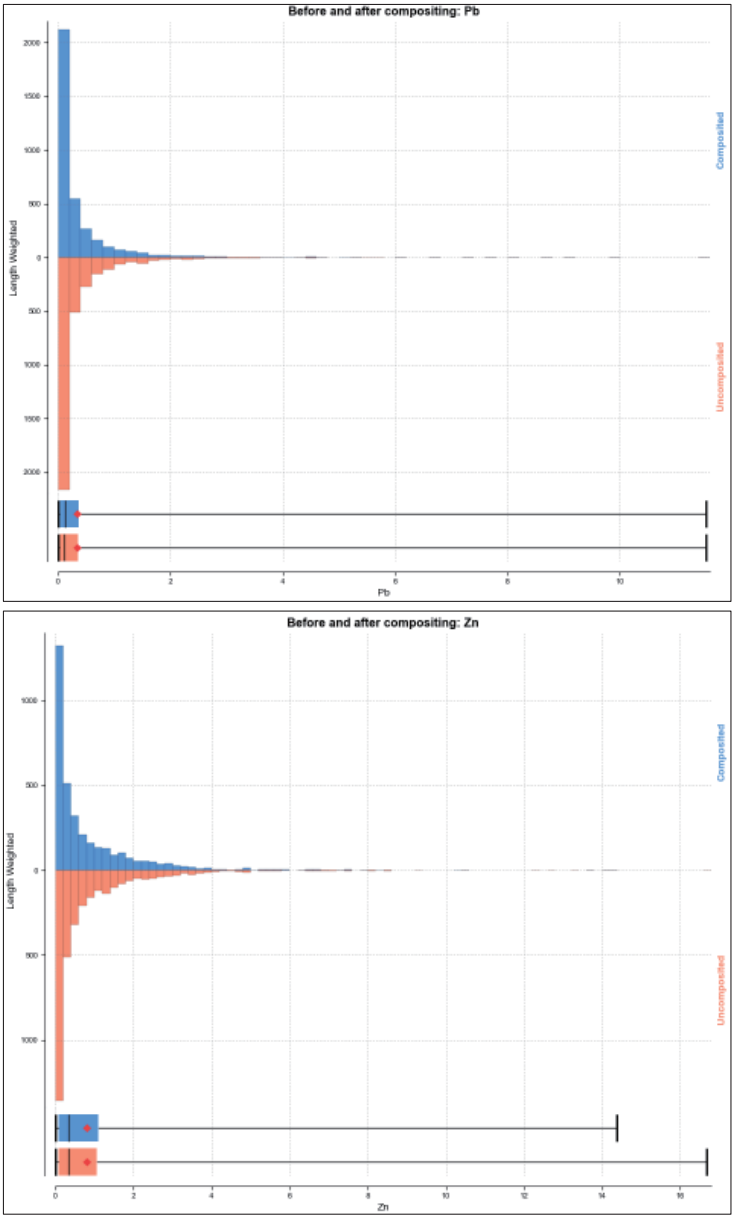
Figure 7-3: Histogram of the Sample Length of the Ruineng Project

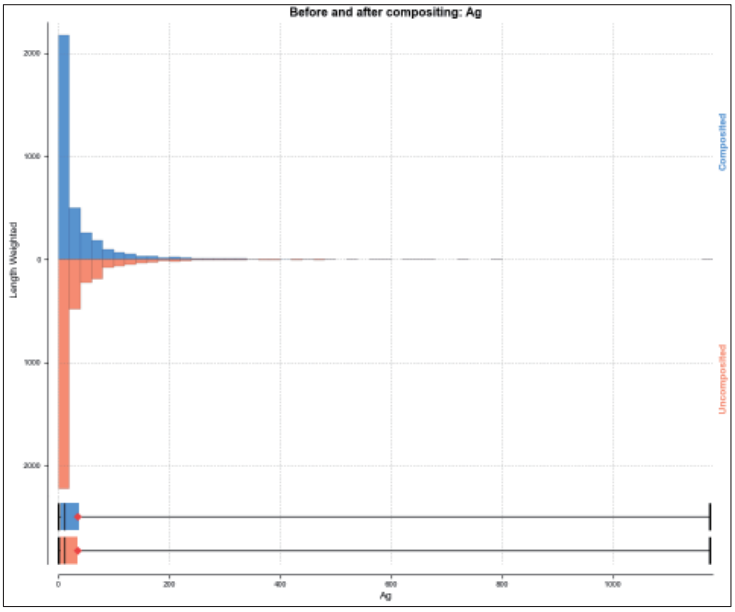


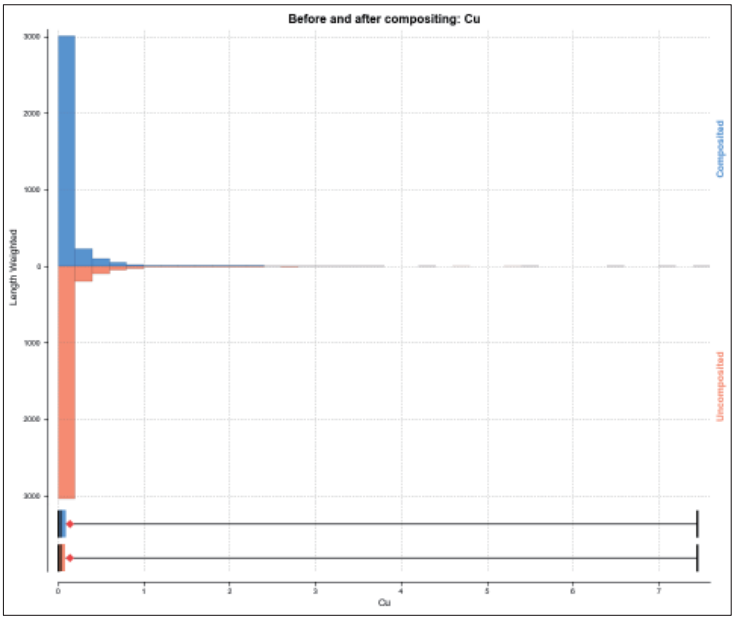
Source: SRK (2026)

The database indicates that the most sample intervals are 1 m. A composite length of 1 m was selected for Ruineng Project. Composites were created within the Mineral Resource estimation domains beginning at the upper contacts. The intersection thickness encountered by any given drill hole, trenches and underground samples, however, is not an even multiple of the composite length. If the remaining length was less than 1 m, the composite was added to previous interval. The treatment of the ended composites did not affect the overall integrity of the composited database. The compositing of samples before and after does not affect the overall distribution of the samples (Figure 7-4).

Figure 7-4: Raw Samples and Composites Distribution of Ag Pb Zn for Ruineng Project







Source: SRK (2026)

7.7 Evaluation of Outliers

Due to the Ag, Pb, Zn skewed distribution of some mineralisation zone, the few high-grade assays represent a significant proportion of the metal content. As the number of such extreme grades is

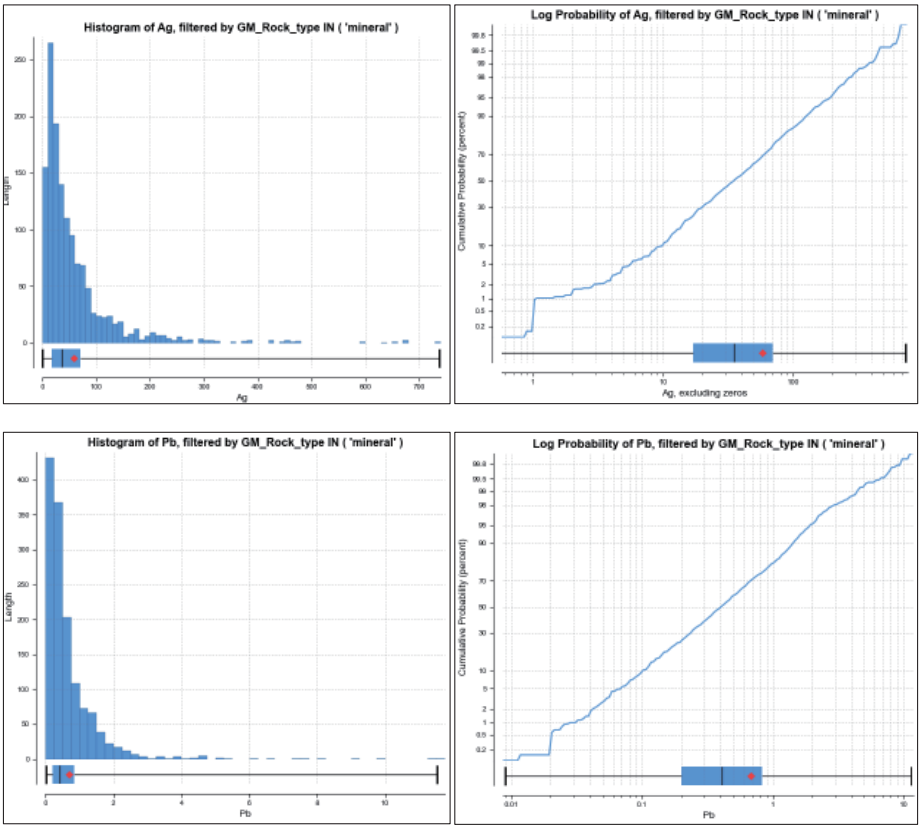
small, this can lead to considerable uncertainty in the tonnage and grade of this material. To help control this uncertainty and risk, metal top cuts were applied to the Ag, Pb, Zn data.

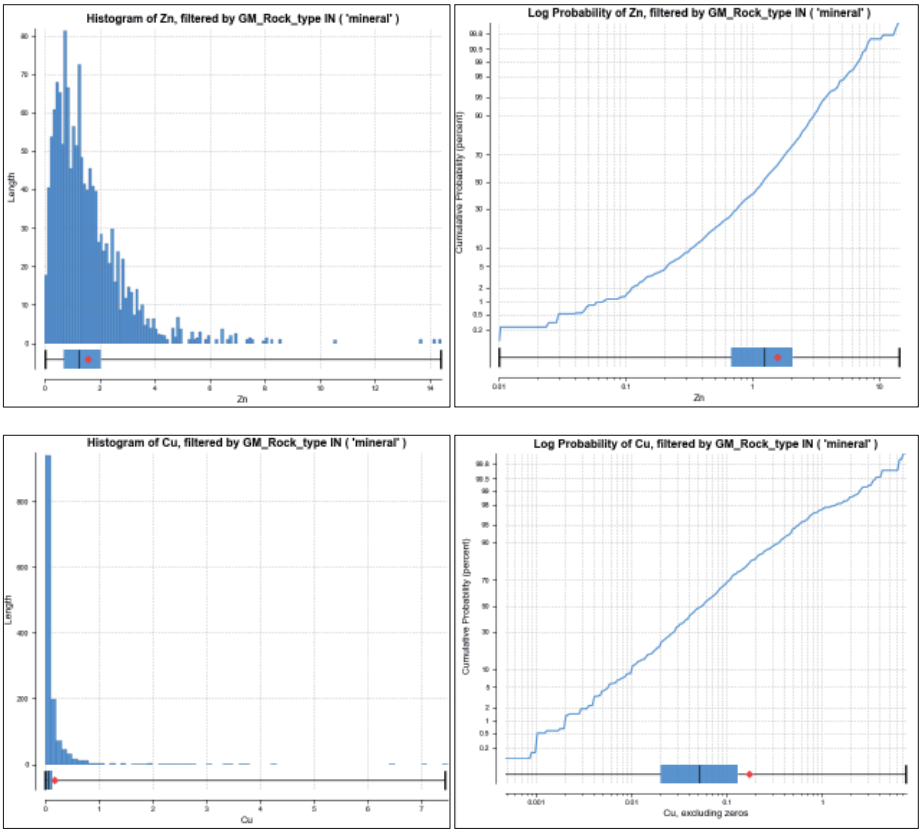
The assessment considers the variable histogram, normal probability plot, and charts where samples are sorted from low to high and the impact of adding samples one by one to the dataset from low to high on the mean, standard deviation and coefficient of variation. The High-grade composites were capped or restricted to a small spatial influence (Table 7-2).

Table 7-2: Capping Values Statistics of the Ruineng Project

Domain	Item	Unit	Before Capping		Cap	After Capping		No. Capped Value	Metal loss
			Mean	Composite Count	Value	mean	Composite Count		
Ruineng	Ag	g/t	58.12	1537	720	58.11	1537	1	0.02
	Pb	%	0.68	1537	6.3	0.67	1537	8	1.47
	Zn	%	1.57	1537	12	1.56	1537	3	0.64
	Cu	%	0.17	1530	4	0.16	1530	6	5.88

Figure 7-5: Histogram and Log Probability Curve of Capping Mineral Domain ZnEq_Geo1.0





Source: SRK (2026)

7.8 Statistical Analysis and Variography

For many of the domains the assessment of the experimental semi-variograms did not show any interpretable structure in the data. This is potentially due to relatively small numbers of composites and relatively widely spaced intersections. For the Ag, Pb, Zn and Cu of Domain ZnEq_Geo1.0 showed a sufficiently robust structure to allow modelling of a semi-variogram for Siliver, lead, Zinc and Copper. The semi-variograms are modelled on normal score transforms of the variables, and the spherical structured modelled semi-variogram is back transformed into real space. The real space back transformed semi-variogram models are shown in Table 7-3 The models are isotropic in the plane of mineralisation.

Table 7-3: Semi-Variogram Model Parameters of Ag, Pb, Zn, Cu

Domain	Item	Direction	Nugget	Structure 1				Structure 2			
		(Dip, Dip Azimuth, Pitch)		Sill	Major	Semi-major	Minor	Sill	Major	Semi-major	Minor
	Ag	85	0.1729	0.4146	7.037	1.984	4.276	0.4356	88.2	19.55	6.722

Domain	Item	Direction (Dip, Dip Azimuth, Pitch)	Nugget	Structure 1				Structure 2			
				Sill	Major	Semi-major	Minor	Sill	Major	Semi-major	Minor
Ruineng Domain ZnEq_Geo1.0	Pb	225	0.1331	0.5	4.738	1.984	4.276	0.3943	129.7	19.34	6.722
		9									
		85									
	Zn	225	0.048	0.5213	5.561	1.984	4.276	0.4454	92.42	22.24	7.247
		10									
		85									
	Cu	220	0.2323	0.2469	4.84	11.12	8.01	0.5857	63.94	30.29	8.169
		9									

Source: SRK (2026)

Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb, Zn and Cu（Domain ZnEq_Geo1.0）

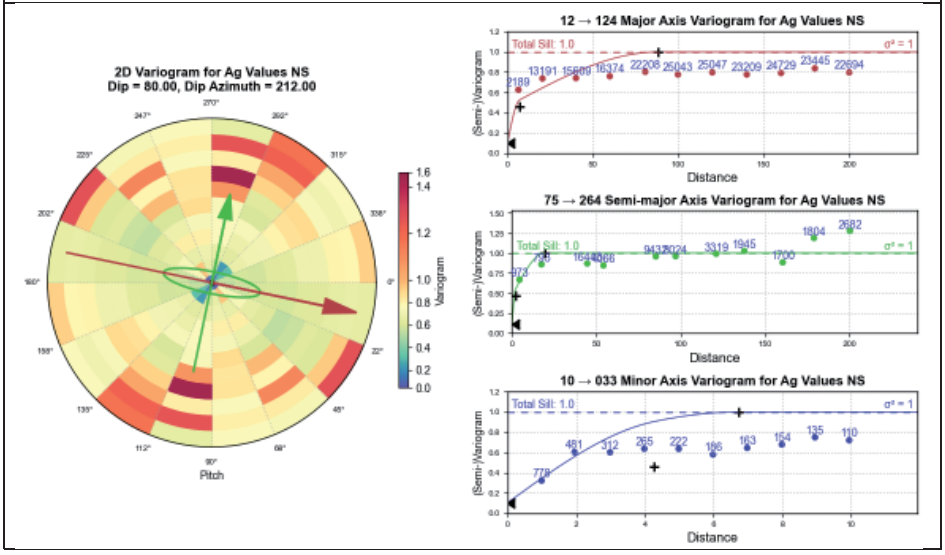


Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb, Zn and Cu（Domain ZnEq_Geo1.0）

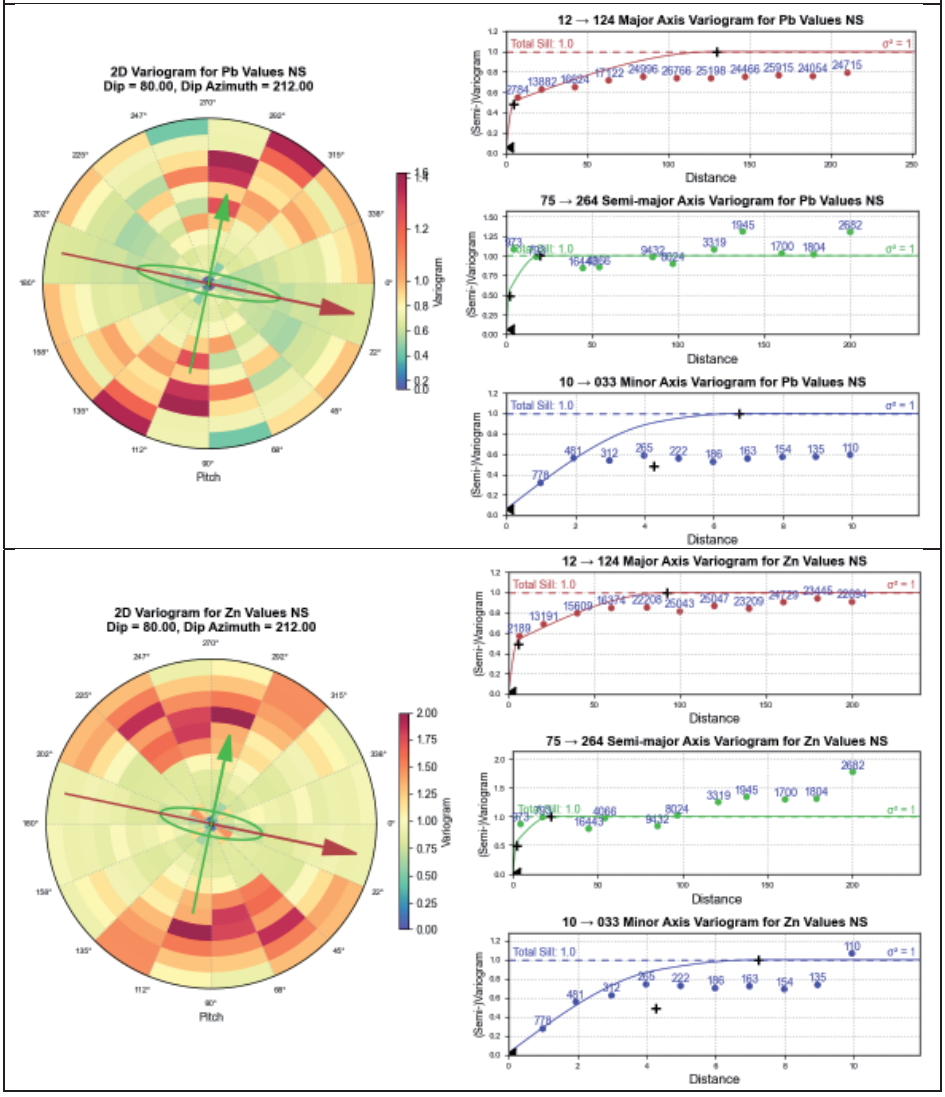
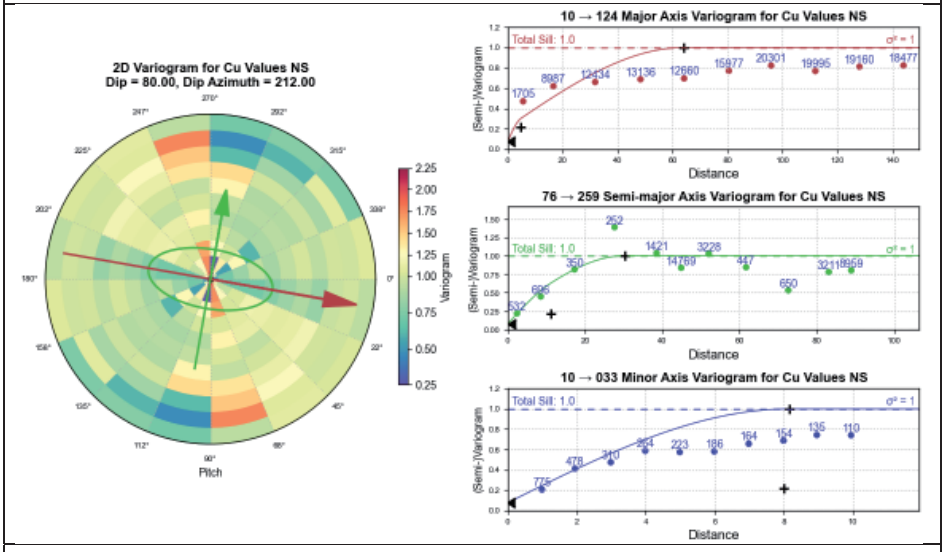


Figure 7-6: Gaussian Space Semi-Variogram Models of Ag, Pb, Zn and Cu（Domain ZnEq_Geo1.0）



Source: SRK (2026)

7.9 Block Model and Grade Estimation

A rotational model for Ruineng Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model which was able to follow the mineralized zones. The block model used the same coordinate system as data collection. The block model summary is presented in Table 7-4. The attributes and descriptions are presented in Table 7-5.

Table 7-4: Block Model Specifications of Ruineng Project

Axis	Minimum	Maximum	Block Size	Sub Block Size	Rotation
	(m)	(m)	(m)	(m)	(degrees)
N	4753958.602	4755276.03	8	2	0
E	612229.3539	613719.6668	8	2	0
Z	-18	1582	8	2	125

Source: SRK (2026)

Table 7-5: Attributes and Descriptions of Ruineng Project

Attribute	Description
Domain	Mineralisation domains
Domain_id	Mineralisation domains id
ZnEq_Geo_mining	[ag] *0.0383+ [pb] *0.8594+ [zn] *1+ [cu] *4.3872
Ag	Silver grade

Attribute	Description
Pb	Lead grade
Zn	Zinc grade
Cu	Copper grade
License	Mining License: in ,out
Resclass	Mineral Resource Classification
Goaf	Mined out area as of 31 December 2025
Sg	Specific gravity

Source: SRK (2026)

The Ordinary Kriging ("**OK**") method was used for the Ag, Pb, Zn and Cu grade estimation of Domain ZnEq_geo_1.0. Hard boundaries were used for both Ag, Pb, Zn and Cu of all domains.

The parameters of the searching ellipsoid were thus manually optimized, and the parameters are summarized in Table 7-6. The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation.

The Domain, Category and Depletion attribute were assigned directly using the solid models.

Table 7-6: Search Parameters

Item	Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites	Drillhole Limit
Ag	1	44,10,7	3	24	6
	2	88,20,7	2	24	6
	3	105,25,10	1	24	/
Pb	1	44,10,7	3	24	6
	2	88,20,7	2	24	6
	3	160,22,8	1	24	/
Zn	1	44,10,7	3	24	6
	2	88,20,7	2	24	6
	3	110,26,10	1	24	/
Cu	1	33,15,4	3	24	6
	2	63,30,8	2	24	6
	3	78,37,10	1	24	/

Source: SRK (2026)

7.10 Model Validation and Sensitivity

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selective assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

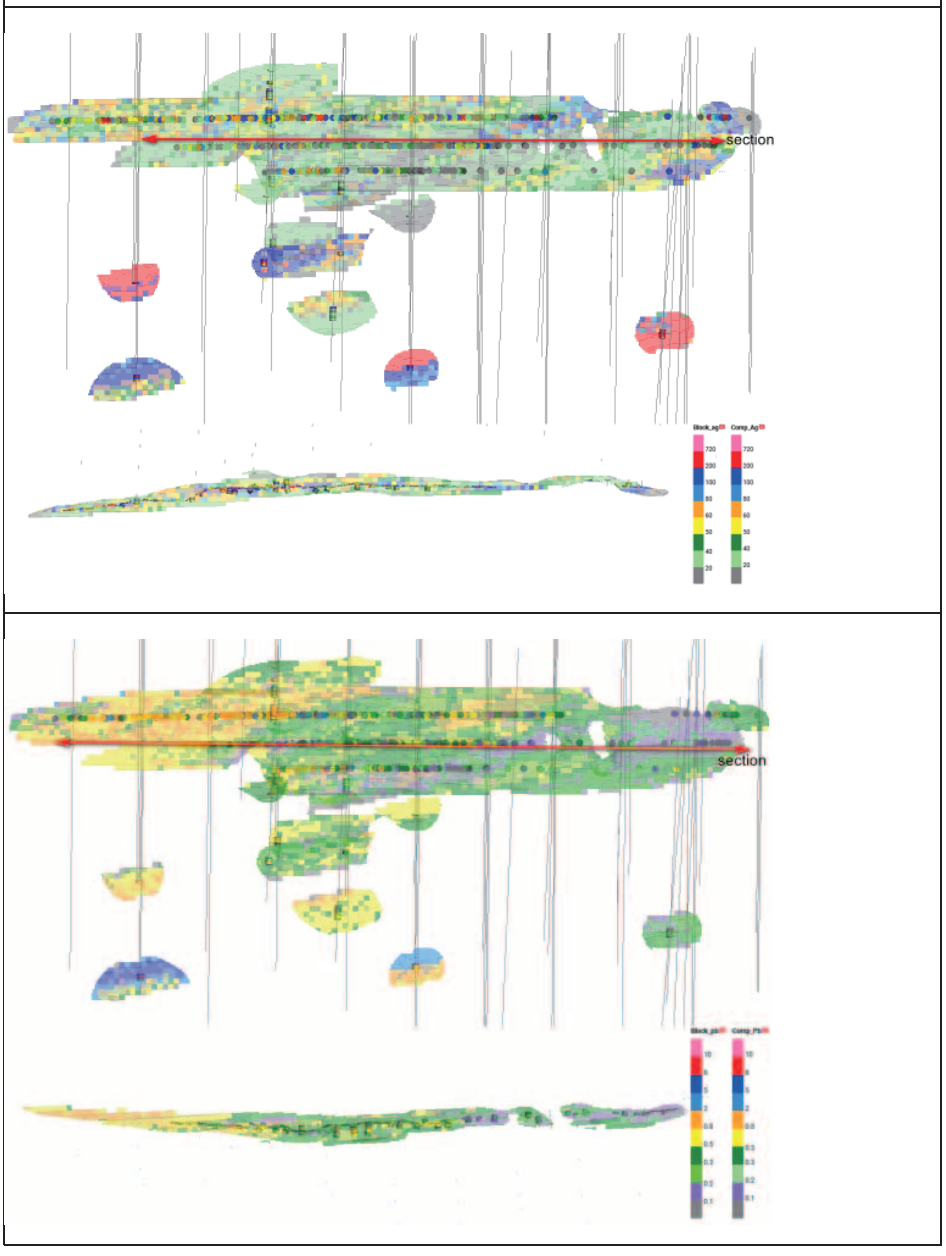
SRK adopted two approaches to validate the model：

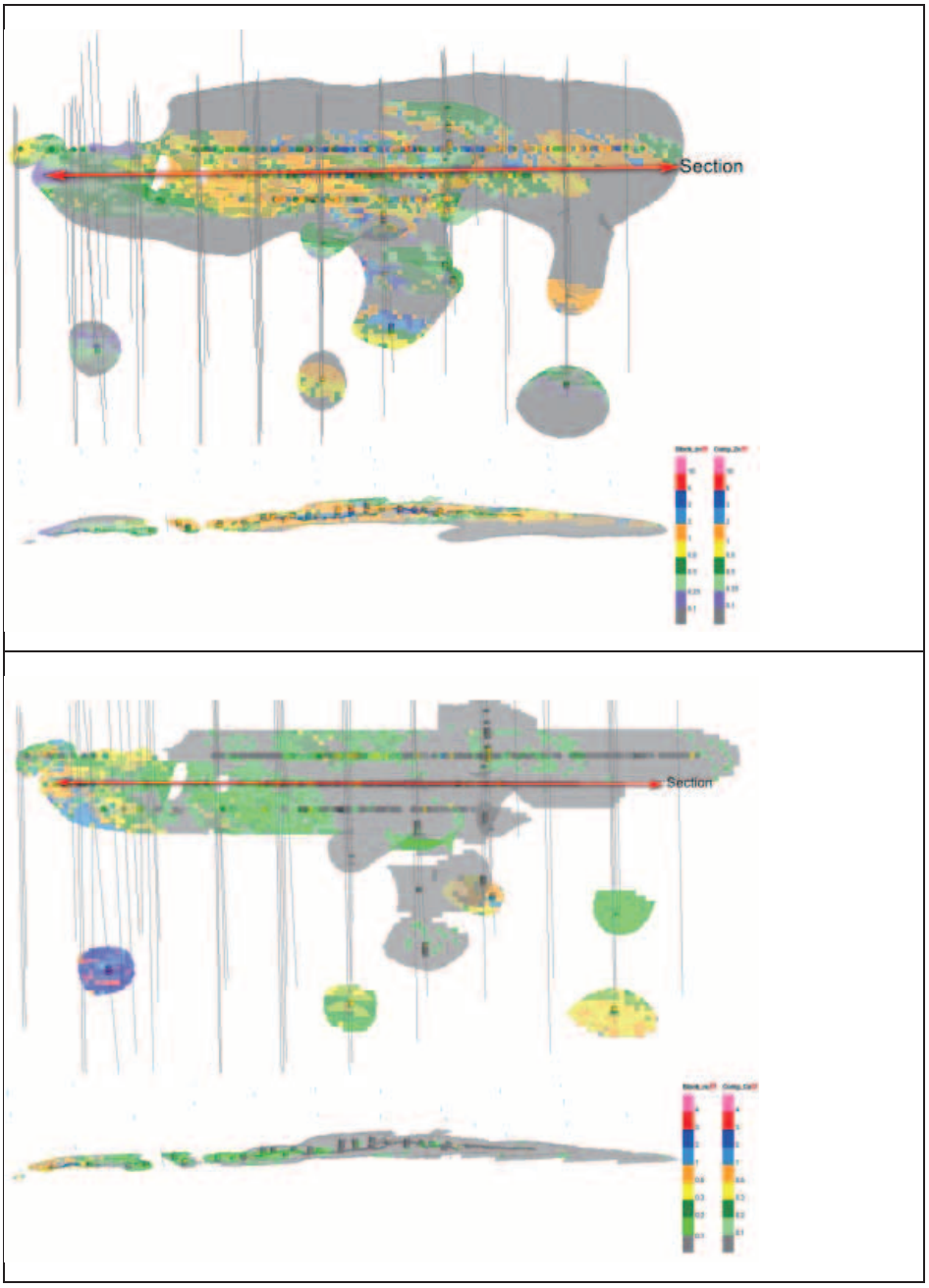
- Visual inspection; and
- Swath plot validation.

Visual inspection provides a validation of the interpolated block model on a local block scale, using visual assessments of composited sample grades versus estimated block grades. The visual

inspections of mineralisation Domain AgEq_10 were present in Figure 7-7 which shows that the Ag, Pb, Zn, and Cu grade estimate match well with the composites.

Figure 7-7: Ag Pb Zn and Cu Visual Inspection of Mineralisation Domain Zneq_1.0





Source: SRK (2026)

Swath plots of Ag, Pb, Zn and Cu were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block

models, as shown in Figure 7-8. This comparison shows close agreement between the Ag, Pb and Zn block estimates and Nearest Neighbour ("**NN**") estimates in terms of overall distribution as a function of X, Y, and Z location.

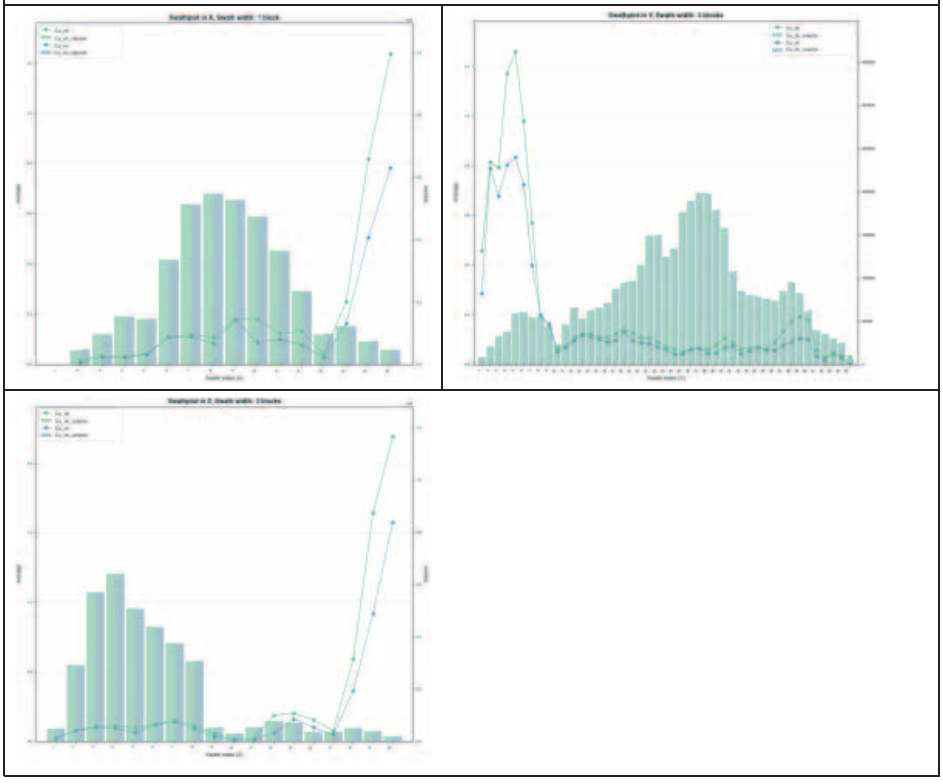
Figure 7-8: Swath Plot of Ag Pb Zn and Cu



Figure 7-8: Swath Plot of Ag Pb Zn and Cu



Figure 7-8: Swath Plot of Ag Pb Zn and Cu



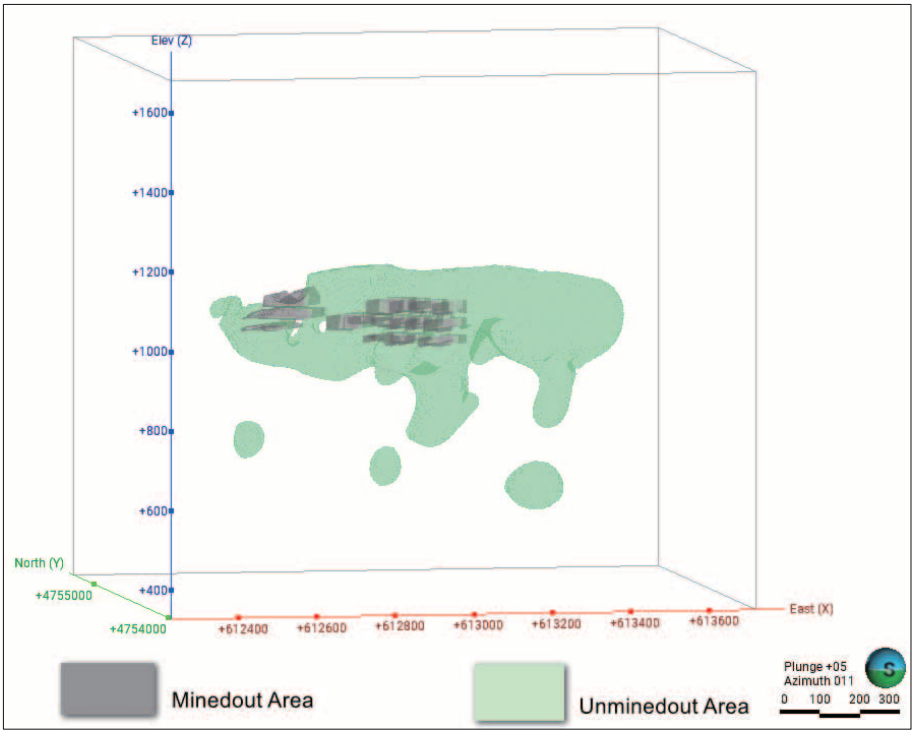
Source: SRK (2026)

7.11 Mining Depletion

The Ruineng Project is currently in production. SRK was provided the survey map and the 3D model for the mined-out area by the Xingye. SRK considers the investigation method for defining mined-out areas to be reasonable it can reflect the actual mining depletion. SRK has adopted the data for Mineral Resource depletion (Figure 7-9).

The cut-off date for mining depletion in the Mineral Resource report is 31 December 2025.

Figure 7-9: Mining Depletion Location with Mineralisation Domains



Source: SRK (2026)

7.12 Mineral Resource Classification

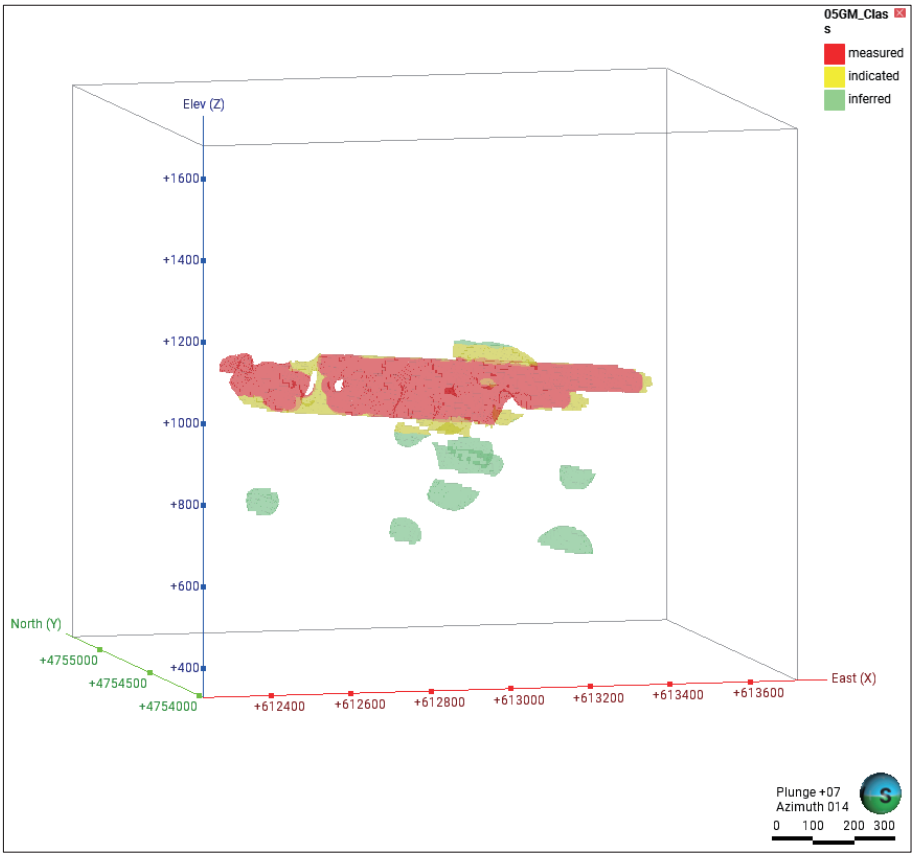
Mineral Resource classification is typically a subjective concept. The industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples is correctly defined, and the assay data are acceptable to support the Mineral Resource evaluation. The sampling information was acquired primarily from diamond drillholes with most holes on a grid density of 80 m by 100m and a minority on a denser 40 m by 40 m grid.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that those blocks within an exploration rid of 40 m × 40 m is defined as Measured resource, those blocks at an exploration of 80 m × 80 m is defined as Indicated resource and those blocks at the exploration rid of 160 m × 160 m and greater is defined as Inferred resource.(Figure 7-10).

SRK notes that some sporadically distributed grades interpolated by the first and second pass were classified as Inferred Mineral Resources. For those Measured and Indicated Mineral Resource blocks, SRK considers that the level of confidence is sufficient to allow appropriate application of technical and economic parameters to support mine planning and to allow evaluation of the economic viability of the deposit, which is also adequate to support mining operation.

Figure 7-10: Mineral Resource Classification



Source: SRK (2026)

7.13 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

"(A) Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific

geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories".

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. SRK acknowledge that the Ruineng Project is an operating underground operation.

The conceptual parameters used to estimate the cut-off grade for the Ruineng Project are summarised in Table 7-7.

Table 7-7: Assumptions Considered for the mining area in the filling mining method of the Ruineng Project

Item	Parameters	Unit	Resource
	Zinc Price	USD/t	3,650
	Zinc Price	CNY/t ore	25,915
P	Ag	USD/t	42.3
	Pb	USD/t	2,600
	Cu	USD/t	12,600
	Ag		0.0383
EQ Factor	Pb		0.8594
	Zn		1
	Cu		4.3872
	Exchange Rate	USD: CNY	7.1
Pa	Payable	CNY/t ore	-5,317.15
Pr	Processing Recovery	%	80.31
Rt	Royalties	%	-
Cm	Mining Cost	CNY/t ore	158.28
Cp	Processing Cost	CNY/t ore	61.21
Cg	G&A Cost	CNY/t ore	80.86
A	COG Zneq	%	1.82
	Preferred COG Zneq	%	1.90

Source: SRK (2026)

SRK generated the Mineral Resource estimation domains using Leapfrog Edge software. The estimates are based on the surface diamond drill holes, trenches and underground drilling and mining depletion information available up to 31 December 2025.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Ruineng Project, at a cut-off grade of 1.9% ZnEq for the project.

There are 6.27 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 0.61% Pb, 1.36% Zn, 0.13% Cu, 47.81 g/t Ag and 4.27% ZnEq; 0.70 Mt of Indicated Mineral Resources at an average grade of 0.51% Pb, 0.97% Zn, 0.14% Cu, 39.12 g/t Ag and 3.54% ZnEq; and 1.18 Mt of Inferred Mineral Resources at an average grade of 1.00% Pb, 1.20% Zn, 0.56% Cu, 120.97 g/t Ag and 9.14% ZnEq. Details of estimated Mineral Resources are shown in Table 7-8.

Table 7-8: Mineral Resource Statement[1], Ruineng Project, Prepared by SRK Consulting China Limited, 31 December 2025[2]

Area	Block	Cutoff	Mineral Resource	Tonnage	Average Value						Material Content				
				Mass	Pb	Zn	Cu	Ag	ZnEq	Pb	Zn	Cu	Ag	ZnEq
		ZnEq (%)	class	Mt	%	%	%	g/t	%	t	t	t	t	t
			measured	0.29	0.87	1.18	0.03	57.44	4.28	2,483	3,374	96	16	12,203
			indicated	0.01	0.78	0.72	0.07	51.26	3.67	52	48	5	0	244
	Exploration	1.90	Measured + Indicated	0.29	0.87	1.17	0.03	57.30	4.26	2,535	3,422	100	17	12,446
			inferred	0.01	4.52	0.37	0.29	92.33	9.06	307	25	20	1	615
			Total	0.30	0.95	1.15	0.04	58.09	4.37	2,841	3,447	120	17	13,061
			measured	5.98	0.60	1.37	0.13	47.35	4.27	35,995	81,775	7,755	283	255,270
			indicated	0.70	0.51	0.97	0.14	39.00	3.54	3,559	6,761	1,005	27	24,614
Ruineng	Mining	1.90	Measured + Indicated	6.68	0.59	1.33	0.13	46.48	4.19	39,553	88,536	8,760	311	279,884
			inferred	1.17	0.98	1.21	0.56	121.13	9.14	11,466	14,089	6,538	142	106,836
			Total	7.85	0.65	1.31	0.19	57.60	4.93	51,020	102,625	15,298	452	386,719
			measured	6.27	0.61	1.36	0.13	47.81	4.27	38,477	85,149	7,851	300	267,472
			indicated	0.70	0.51	0.97	0.14	39.12	3.54	3,611	6,809	1,009	27	24,858
	Total	1.90	Measured + Indicated	6.97	0.60	1.32	0.13	46.93	4.19	42,088	91,959	8,860	327	292,330
			inferred	1.18	1.00	1.20	0.56	120.97	9.14	11,773	14,114	6,558	142	107,450
			Total	8.15	0.66	1.30	0.19	57.61	4.91	53,861	106,072	15,418	469	399,781

Source: SRK (2026)

Notes:

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

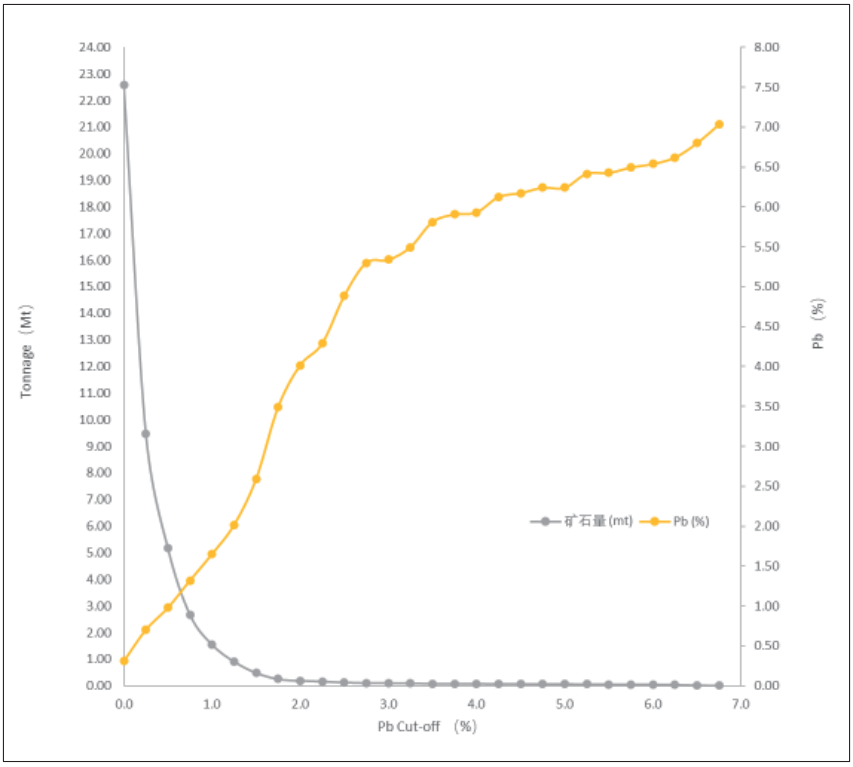
[2] The information in this report which relates to Mineral Resources is based on information compiled by Liang Li (Elian) and Dr Hancheng Zhang, who are full-time employees of SRK Consulting China Ltd. Mr Li is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and Dr Zhang is a Member of the Australian Institute of Geoscientists (AIG). Both Mr Li and Dr Zhang have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as 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). Mr Li and Dr Zhang consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 1.90% ZnEq.

7.14 Grade Sensitivity Analysis

The Mineral Resources of the Ruineng Project are sensitive to the selected reporting cut-off grade. To illustrate this sensitivity, the global model tonnages and grade estimates at various cut-off grades are presented in the accompanying figures and tables. The reader is cautioned that these data should not be misconstrued as a Mineral Resource statement, but are provided solely to illustrate the sensitivity of the block model estimates to the chosen cut-off grade.

Figure 7-11: Pb Grade-Tonnage Plot



Source: SRK (2026)

Table 7-9: Pb Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

Cut-off Grad	Quantity	Grade	Material Content
Pb (%)	(mt)	Pb (%)	t
0.0	22.57	0.31	69,752
0.3	9.48	0.70	66,606
0.5	5.18	0.98	50,702
0.8	2.68	1.32	35,387
1.0	1.56	1.65	25,703
1.3	0.92	2.02	18,489
1.5	0.49	2.59	12,769
1.8	0.26	3.49	8,992
2.0	0.19	4.02	7,823
2.3	0.17	4.29	7,319
2.5	0.13	4.89	6,371
2.8	0.11	5.30	5,854
3.0	0.11	5.34	5,809
3.3	0.10	5.50	5,571
3.5	0.09	5.81	5,149
3.8	0.08	5.91	5,009
4.0	0.08	5.93	4,970
4.3	0.08	6.13	4,624
4.5	0.07	6.17	4,530

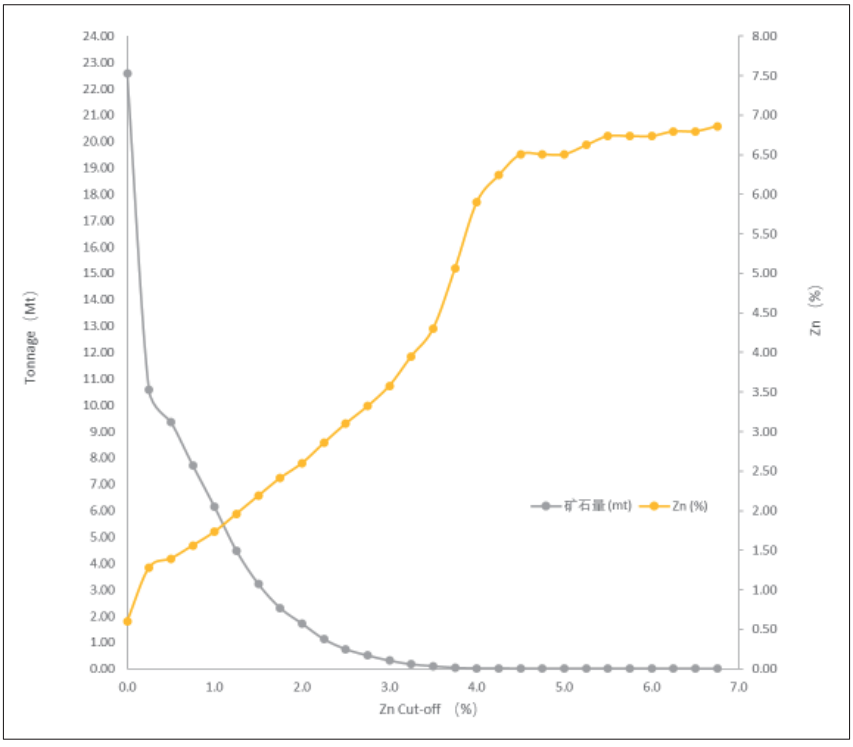
Cut-off Grad	Quantity	Grade	Material Content
Pb (%)	(mt)	Pb (%)	t
4.8	0.07	6.24	4,402
5.0	0.07	6.24	4,402
5.3	0.06	6.42	3,909
5.5	0.06	6.43	3,882
5.8	0.06	6.49	3,640
6.0	0.05	6.54	3,445
6.3	0.04	6.62	2,932
6.5	0.02	6.80	1,655
6.8	0.01	7.03	729

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-12: Zn Grade-Tonnage Plot



Source: SRK (2026)

Table 7-10: Zn Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

Cut-off Grad	Quantity	Grade	Material Content
Zn(%)	(mt)	Zn(%)	t
0.0	22.57	0.60	136,084
0.3	10.58	1.28	135,429
0.5	9.38	1.40	130,821

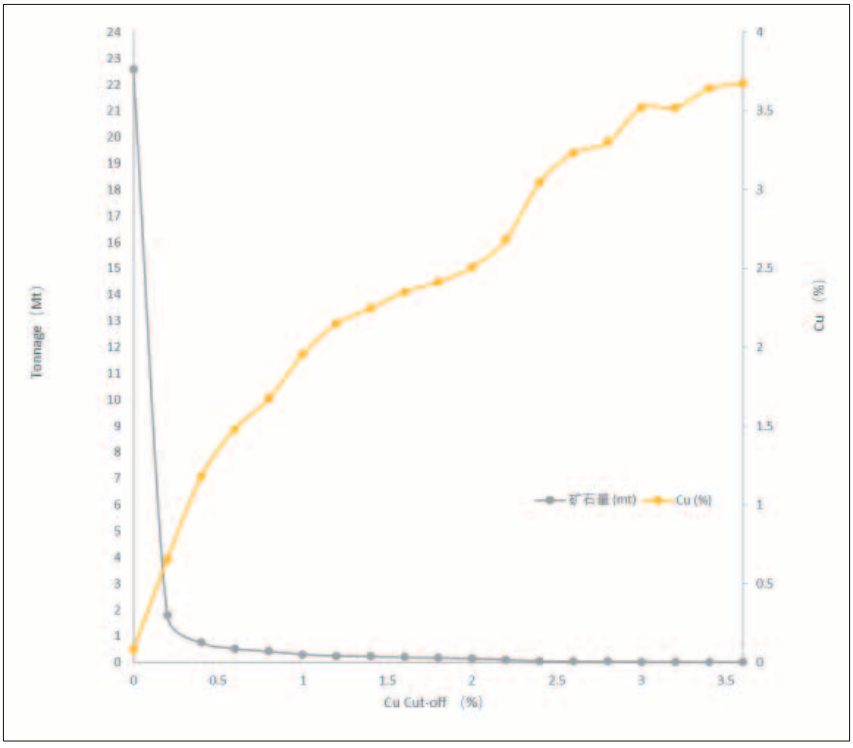
Cut-off Grad Zn(%)	Quantity (mt)	Grade Zn(%)	Material Content t
0.8	7.73	1.56	120,630
1.0	6.15	1.74	106,730
1.3	4.49	1.96	87,997
1.5	3.23	2.19	70,763
1.8	2.32	2.41	55,946
2.0	1.73	2.60	44,889
2.3	1.14	2.86	32,543
2.5	0.76	3.10	23,451
2.8	0.52	3.32	17,136
3.0	0.32	3.58	11,630
3.3	0.18	3.95	7,193
3.5	0.11	4.30	4,913
3.8	0.05	5.06	2,685
4.0	0.03	5.90	1,830
4.3	0.03	6.24	1,629
4.5	0.02	6.51	1,486
4.8	0.02	6.51	1,486
5.0	0.02	6.51	1,486
5.3	0.02	6.62	1,404
5.5	0.02	6.74	1,319
5.8	0.02	6.74	1,319
6.0	0.02	6.74	1,319
6.3	0.02	6.80	1,219
6.5	0.02	6.80	1,219
6.8	0.01	6.86	701

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-13: Cu Grade-Tonnage Plot



Source: SRK (2026)

Table 7-11: Cu Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades

Cut-off Grad Cu (%)	Quantity (mt)	Grade Cu (%)	Material Content t
0	22.57	0.08	18,181
0.2	1.80	0.66	11,803
0.4	0.77	1.18	9,051
0.6	0.53	1.48	7,864
0.8	0.43	1.67	7,136
1	0.31	1.96	6,090
1.2	0.25	2.15	5,471
1.4	0.23	2.25	5,141
1.6	0.20	2.35	4,715
1.8	0.18	2.42	4,411
2	0.15	2.51	3,868
2.2	0.11	2.68	2,891
2.4	0.06	3.05	1,722
2.6	0.04	3.23	1,365
2.8	0.04	3.30	1,237
3	0.02	3.52	842
3.2	0.02	3.52	840
3.4	0.01	3.64	502

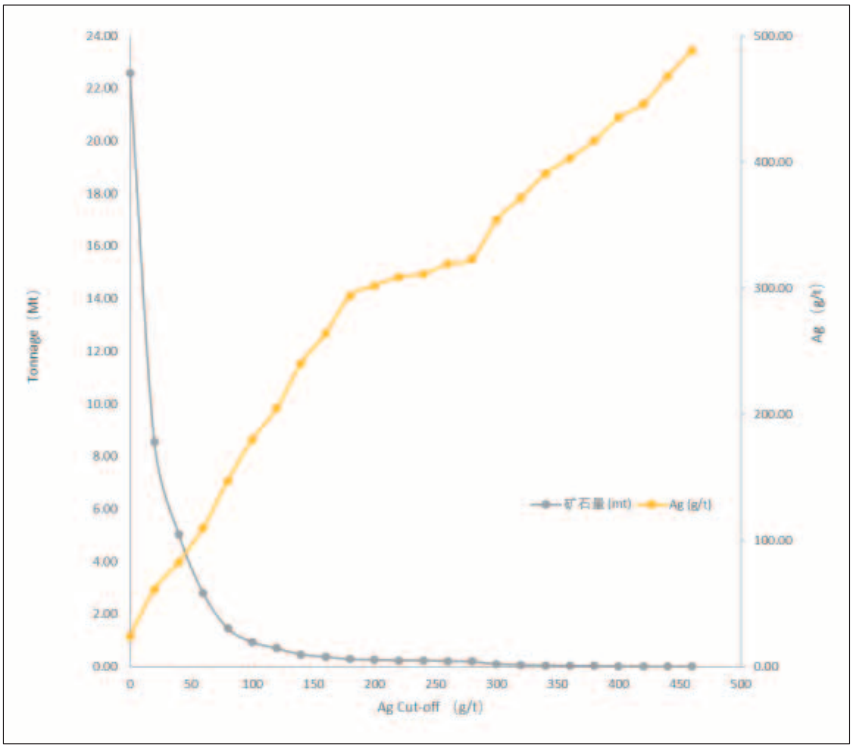
Cut-off Grad	Quantity	Grade	Material Content
Cu (%)	(mt)	Cu (%)	t
3.6	0.01	3.67	446

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-14: Ag Grade-Tonnage Plot



Source: SRK (2026)

Table 7-12: Ag Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

Cut-off Grad	Quantity	Grade	Material Content
Ag (g/t)	(mt)	Ag (g/t)	t
0	22.57	24.13	545
20	8.56	61.12	523
40	5.05	83.07	419
60	2.80	110.08	309
80	1.47	147.31	216
100	0.94	179.93	169
120	0.70	204.58	143
140	0.47	240.27	114
160	0.38	264.04	100
180	0.29	293.86	84
200	0.27	301.74	81

Cut-off Grad	Quantity	Grade	Material Content
Ag (g/t)	(mt)	Ag (g/t)	t
220	0.25	308.90	76
240	0.24	311.26	75
260	0.21	319.15	68
280	0.20	323.24	63
300	0.11	353.90	37
320	0.07	371.72	27
340	0.05	390.98	20
360	0.04	403.11	16
380	0.03	416.86	12
400	0.02	435.39	7
420	0.01	445.94	5
440	0.01	468.36	3
460	0.00	488.54	1

Source: SRK (2026)

Note:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

7.15 Exploration Potential and Recommendations

Ruineng polymetallic deposit metallogenic type belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity. In the horizontal and vertical directions, lead-zinc and silver mineralization are the main ones.

During the migration of metallogenic fluids toward the surface along structurally fractured zones, Pb–Zn–Ag–rich fluids discharged into an extensional structural environment. The abrupt change in temperature and pressure conditions caused massive precipitation of sphalerite, galena, argentite and other minerals, thereby forming vein-type, stockwork, and stringer types of mineralization bodies, accompanied by intense silicification, sericitization, and fluorite alteration. In the late stage of mineralization, the metallogenic hydrothermal system clearly evolved into a low-temperature, low-salinity fluid stage, during which calcite and other carbonate minerals gradually appeared. Existing drilling indicates further exploration potential at depth and both sides of the known mineralized body.

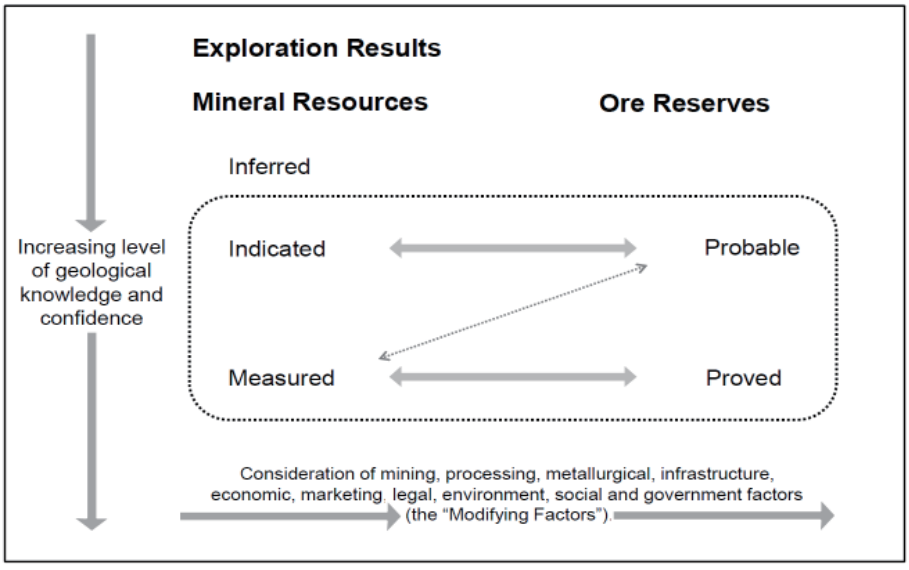
8 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the JORC Code is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 8-1.

Figure 8-1: General relationship between Mineral Resources and Ore Reserves



Source: JORC Code (2012)

Ruineng Mine comprises one mining areas: Mining area contains several lodes, with ongoing or planned operations utilizing underground mining methods. The Ore Reserves for these mine areas were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with on-going operation and have been adjusted to meet a Pre-Feasibility study (PFS) standard, ensuring a reliable assessment of the projects' economic and technical viability.

This section describes the Ore Reserve estimation methodology and summarizes the key assumptions considered. In the opinion of SRK, the Ore Reserve estimation reported are in accordance with the JORC Code guidelines.

The Orebody is currently being mined and is supported by the existing underground infrastructure.

8.1 Technical Studies

Mining related materials acquired by SRK through virtual data request and site visit. SRK has received the following technical studies:

- Updated Design Report on the Ruineng Mine, conducted by Handan Diamond Mineral Resources Development and Design Co.,Ltd. In December 2022 (RN 2022)
- Updated Mining Method Study on the Ruineng Mine, conducted by Handan Diamond Mineral Resources Development and Design Co.,Ltd. In July 2023 (RN 2023)
- Backfill System Design Report on the Ruineng Mine, conducted by Changsha Institute of Mining Research Co., Ltd. In June 2025 (RN 2025)

SRK has reviewed the technical studies and all supporting data for Ruineng Mine. Based on this review, SRK determined that the accuracy of the Modifying Factors, with minimal adjustment, is consistent with a Pre-Feasibility Study (PFS) level. This level of accuracy is considered appropriate for the Ore Reserve estimates.

8.2 Modifying Factors

In accordance with the JORC Code, the Measured and Indicated Mineral Resources are converted to Ore Reserves through the application of appropriate modifying factors. The primary factors considered in the Ore Reserve estimation include stope optimisation, mine design, mining losses, and mining dilution. Additional parameters, such as processing capabilities, market conditions, and environmental, legal, and political constraints, are also taken into account, as these may impact the quantity and classification of the Ore Reserves.

The modifying factors applied to the Reserve estimates in Mine Area are listed as below:

- The Ore Reserve is planned for extraction by underground methods
- SRK modelled the mine design and production schedule according to the strategy proposed by the technical studies and mine's operation
- The scope of the Ore Reserves estimation considers the boundaries of the mining tenure.
- Stope optimisation takes into account various factors, such as mining methods, mining cost, processing costs, recovery rates, and metal prices.
- The underground mine design and planning used for further planning is based on the review of the technical and economical consideration.
- Mining dilution is accounted for at 10%, depending on the mining method, and includes unplanned dilution from the hanging wall (HW) and footwall (FW). Mining loss is considered at 15%, also depending on the mining method used, to allow for unplanned losses during mining and material transportation to the processing plant.
- The cut-off grade (COG) is used to define the economic viability of the stopes.
- The effective date is as of 31 December 2025.

8.3 Cut-off Grade

The COG for the Ruineng Mine are presented in Table 8-1. Key considerations include:

- Price: The Zinc prices are dynamic and are derived from consensus market forecasts (CMF) provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Costs: mining, processing, and general/administrative (G&A) are based on the average of the last three years' historical costs. The Ruineng cost estimate includes cement backfill.

The COG for zinc in the run-of-mine (ROM) feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{(P + P_a) * P_r * (1 - R_t)}$$

The parameters used in estimating the COG are detailed in the Table 8-1. The preferred COG value is rounded up to the nearest 0.1 for practical application.

Table 8-1: COG Estimation Inputs for Ruineng Mine

Item	Parameters	Unit	RN Mine	By Product
	Zinc Price	USD/t	2,800.00	2,800.00
	Exchange Rate	USD: RMB	7.10	7.10
P	Zinc Price	CNY/t ore	19,880.00	19,880.00
Pa	Payable	CNY/t ore	(4,110.15)	(4,110.15)
Pr	Processing Recovery	%	80.31	80.31
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	158.28	
Cp	Processing Cost	CNY/t ore	61.21	61.21
Cg	G&A Cost	CNY/t ore	80.86	80.86
A	COG	%	2.40%	1.20%

Source: SRK (2026)

Note:

[1] The COG for by-products is calculated using the marginal cut-off grade method, which takes mining costs out of estimation. This COG is specifically used to determine the material excavated during development.

The Ag, Pb, and Cu equivalent factors relative to Zn were estimated considering metal prices, recovery rates, and differences in payable factors. The estimates are presented in Table 8-2 below.

Table 8-2: Estimates for Equivalent Factors of Ag, Pb, Cu to Zn

	Ag	Pb	Cu	Zn
Equivalent Factors against Zn	0.0385	0.8628	4.4115	1.0000

Source: SRK (2026)

8.4 Ore Reserve Estimation

The mine is developed by underground methods using vertical shafts. The main shaft and ventilation shaft are located in the FW, at least 20 m outside the calculated rock movement limit.

Based on orebody geometry, the selected mining methods and the ore-handling system, four production levels are planned at the 1,080 m, 1,032 m, 989 m and 950 m elevations, and two ventilation levels at 1,120 m and 1,080 m. Orebody is connected between the 1,080 m and 1,032 m

levels by a blind decline, with ore discharged from the stopes via ore passes to the 1,032 m level for haulage.

The estimated process details are provided in Table 8-3, with the corresponding waterfall charts illustrated in Figure 8-2 and Figure 8-3.

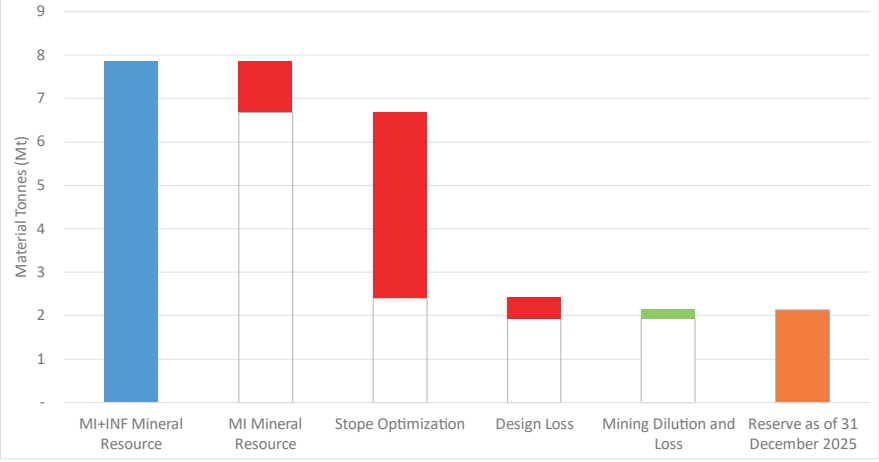
Compressed air, water supply, dewatering pipelines, power cables and communication lines are routed down the main shaft and distributed along each underground level.

Table 8-3: Estimate Process Summary for Ruineng Mine

Description	Material Tonne (Mt)	Contained Zn Metal (kt)
MI+INF Mineral Resource	7.85	106.52
MI Mineral Resource	-1.17	-14.09
Stope Optimization	-4.27	-54.16
Designed Loss	-0.48	-7.48
Mining Dilution and Loss	0.21	-3.02 (only loss)
Ore Reserve as of 31 December 2025	2.14	23.88

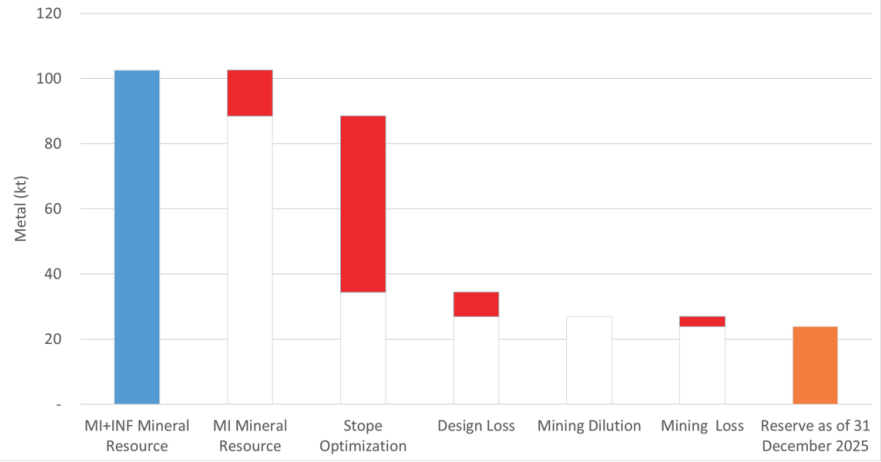
Source: SRK (2026)

Figure 8-2: Estimates Process for Ruineng Mine - Change in Material Tonnes



Source: SRK (2026)

Figure 8-3: Estimates Process for Ruineng Mine - Change in Contained Zn Metal



Source: SRK (2026)

8.5 Ore Reserve Statement

SRK Consulting has estimated the underground Ore Reserves for the Ruineng deposits in accordance with the JORC Code guidelines. These Ore Reserve estimates are supported by technical studies and operational data, which are considered to meet the standards of a Pre-Feasibility Study.

The economically mineable portions of Measured and Indicated Mineral Resources within the designed underground stopes have been classified as Proved and Probable Ore Reserves, respectively, including allowances for mining dilution and losses. The reference point for the Ore Reserve estimation is the stockpile preceding crusher feed, in compliance with best practice under the JORC Code framework.

As at 31 December 2025, underground Ore Reserves are estimated at 2.14 Mt, at average grades of 46.34 g/t Ag, 0.62% Pb, 1.12% Zn and 0.13% Cu, containing 99.02 t of silver (Ag), 13.21 kt of lead (Pb), 23.88 kt of zinc (Zn) and 2.69 kt of copper (Cu).

These Ore Reserves are summarised by deposit in Table 8-4.

Table 8-4: Ore Reserves Statement of Ruineng Mine as of 31 December 2025

Category	Tonnage	Average Grade				Metal Contained			
		Ag	Pb	Zn	Cu	Ag	Pb	Zn	Cu
	Mt	g/t	%	%	%	t	kt	kt	kt
Proved	1.89	51.72	0.68	1.24	0.14	98	13	24	3
Probable	0.25	4.98	0.13	0.14	0.05	1	0.3	0.4	0.1
Total	2.14	46.34	0.62	1.12	0.13	99	13	24	3

Source: SRK (2026)

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Ms Shan Chuang and Mr Falong Hu, who are full-time employees of SRK Consulting China Ltd. Ms Chuang is a Member of AusIMM and Mr Falong Hu is a Fellow

of AusIMM. Both Ms Chuang and Mr Falong Hu 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 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. Ms Shan Chuang and Mr Falong Hu consent to the reporting of this information in the form and context in which it appears.

[2] The Ore Reserves are estimated at a cut-off grade of 2.4% EqZn for Ruineng.

[3] The Ore Reserves include by product ore, with a cut-off-grade of 1.2% EqZn.

[4] The minable shapes optimization exclude the mineout area

[5] Numbers have been rounded and may not sum precisely.

[6] For Ruineng deposit, the mining dilution (waste rock and Inferred Mineral Resources) rate is 10%. Mining loss rate is 15%.

9 Mining Assessment

9.1 Mine Operating Status

The Wengniute Banner Dazuozi Mountain lead–zinc deposit, hereafter referred to as the Ruineng Mine, is owned and operated by Chifeng Ruineng Mining Co., Ltd. The mining licence for the project was transferred to the current owner in 2017. On the basis of this tenure, Ruineng Mine designed and constructed an underground operation with a nominal production capacity of 300 kilotonnes of ore per year (ktpa). Major shaft, level development and surface infrastructure were substantially completed by late 2022, allowing the mine to transition from construction into operations. Commercial production formally commenced on 1 January 2023.

Ruineng Mine is a mining-only operation and does not include an on-site processing plant. Run-of-mine ore is transported by road to the existing concentrator at the Rongbang Mine, where crushing, grinding and flotation are undertaken to produce lead and zinc concentrates. A summary of the historical production data is provided in Table 9-1.

Table 9-1: Ruineng Mine Historical Production

Type	Unit	2023	2024	2025
Ore Mined	kt	209	261	256
Waste Mined	kt	19	25	40
Ag Grade	g/t		49.79	50.83
Pb Grade	%		0.67	0.64
Zn Grade	%		1.63	1.39
Cu Grade	%		0.05	
Ag Metal	kg		12,977	13,035
Pb Metal	t		1,746	1,641
Zn Metal	t		4,248	3,565
Cu Metal	t		130	0
Total Mined	kt	228	285	297

Source: Ruineng Mine (2023)

Note:

[1] The 2023 production records for the Ruineng Mine do not report ore grade data.

9.2 Hydrogeology

The mine is located on the western flank of a regional watershed, on the mid-slope of a hillside within the groundwater recharge zone. The local minimum erosion base level is about 1,040 m, the natural mine water discharge level is approximately 1,100 m, and mineral resources are estimated down to an elevation of about 930 m.

The principal aquifer is weathered bedrock fracture water hosted by rhyolite and rhyolitic crystal-tuff. Structural complexity within the lease is low and both hydrogeological and engineering geological conditions are generally favourable. Because of the elevated topography, the water table is relatively deep and groundwater occurs mainly in the weathered fracture zone. A ventilation-shaft geotechnical borehole indicates the fracture aquifer has a water-table depth of about 163 m and an interpreted

thickness from 163.028 m to 645.60 m. Existing dewatering records and current monitoring show portal drainage at an elevation of 942 m with total inflows of approximately 1,200 m³/d.

Structural fracture water is associated with fault and fracture zones within the host rocks and intrusive bodies that also control orebody emplacement. These structures trend mainly NW, NE and near N–S with dips of about 65–80°, and are accompanied by subordinate joint sets. Most are compressive–shear fractures that are largely closed and have poor water-bearing capacity; observed discharges at individual tunnel seepage points range from 5 to 70 m³/d and are negligible in the dry season.

Within the mine area, which slopes from east to west, groundwater recharge is derived primarily from infiltration of atmospheric precipitation and lateral inflow. During the rainy season, surface and near-surface water drains from higher ground into lower gullies and ultimately discharges off the lease to the northwest.

9.3 Geotechnical Condition

Based on structural features, lithology and degree of alteration, the engineering geology of the area has been divided into three main rock types:

- Loose overburden

This unit comprises Quaternary colluvial and sand–gravel deposits, mainly in piedmont aprons, gullies and valley floors. These deposits are distant from the orebodies and are not relevant to underground stability; their mechanical properties have not been considered further.

- Massive hard rock

All pre-Quaternary rocks in the mining area fall into this category. Lithologies include rhyolitic crystal-tuff, rhyolite and fine porphyry. Jointing is well developed due to structural effects, but laboratory testing indicates high bearing capacities in the range of 2,980–3,700 kPa.

- Altered quartz-vein rock

The hangingwall and footwall to the orebody consist mainly of fine porphyry, with the ore hosted in a silicified alteration zone. The rock is relatively hard and exhibits comparatively high bearing capacity.

Overall, the orebody is hosted within a fractured, silicified alteration zone where the immediate hangingwall and footwall are generally competent. The orebody dips steeply and the rock is hard, providing favourable conditions for underground mining. However, local structurally weakened zones related to post-mineral faulting may occur and require enhanced ground control and safety management.

Rock (ore) mechanics testing was carried out by the MCC Shenyang Engineering Investigation & Design Institute. Samples were collected from the orebody hangingwall and footwall in exploration drifts; lithology is uniform. Three representative sample sets were tested, and the key mechanical parameters are summarised in Table 9-2.

Table 9-2: Rock Mechanics Test Results

Lithology	Sample ID	Sampling Location	Uniaxial Compressive Strength (MPa)	Tensile Strength (MPa)	Cohesion c (MPa)	Friction Angle φ (°)	Elastic Modulus (×10⁴ MPa)	Poisson's Ratio
Tuff	1	Immediate footwall of Orebody	142.64	12.85	6.4	46.3	5.8	0.22
Fine porphyry	2	Immediate footwall of Orebody	132.35	11.74	5.67	40.27	5.39	0.21

Lithology	Sample ID	Sampling Location	Uniaxial Compressive Strength (MPa)	Tensile Strength (MPa)	Cohesion c (MPa)	Friction Angle φ (°)	Elastic Modulus (×10⁴ MPa)	Poisson's Ratio
Fine porphyry	3	Immediate hangingwall of Orebody	139.4	11.6	5.1	35.9	5.1	0.2

Source: Ruineng Mining (2023)

9.3.1 Geotechnical Result

The orebody is hosted within a fractured, silicified zone developed in tuff and fine porphyry. Observations from trenches and shafts indicate that, near surface, weathering and jointing are strongly developed; the rock is locally loose to blocky with generally poor stability, and an unstable zone of approximately 5–10 m thickness is present. With increasing depth, the rock mass becomes more intact and progresses to semi-hard to hard conditions. However, due to strong alteration of the surrounding rock, the mechanical properties of the immediate hanging wall and footwall are reduced and stability is relatively lower, with a tendency for spalling and local rock falls, which increases safety risk and adds complexity to mining operations.

9.4 Stope Optimization

9.4.1 Block Model

The mine design and Ore Reserve estimation were based on MRM developed by in-house geologist, with an effective date of 31 December 2025. The model was provided in Datamine (dm) format.

Key parameters of the block model are outlined Table 9-3 below.

Table 9-3: Block Model Parameters for Ruineng Mine

Type	X	Y	Z
Minimum	612,471.70	4,754,312.36	884.00
User Cell Size	8.00	8.00	8.00
Minimum cell size	8.00	8.00	8.00
Number of cells	82	170	274
User Extents	656.00	1,360.00	2,192
Total extents cell count	8,244,595		

Source: SRK (2026)

9.4.2 Stope Optimization

SRK conducted stope optimisation using Deswik.SO software, using the Mineral Resource block model to generate mineable shapes. These shapes were then used to refine and enhance the proposed mine plan. The Measured Mineral Resources and Indicated Mineral Resources were considered during the optimisation process. For the Ore Reserve estimate, the Inferred Mineral Resource category was assigned a zero grade.

The mineable stope shapes were designed and evaluated as follows:

Geotechnical design criteria

- Shrinkage stoping with delayed backfill
  - Application: Steeply dipping ore; stope height = level interval (40 m).
  - Layout: Stopes along strike; width = orebody thickness.

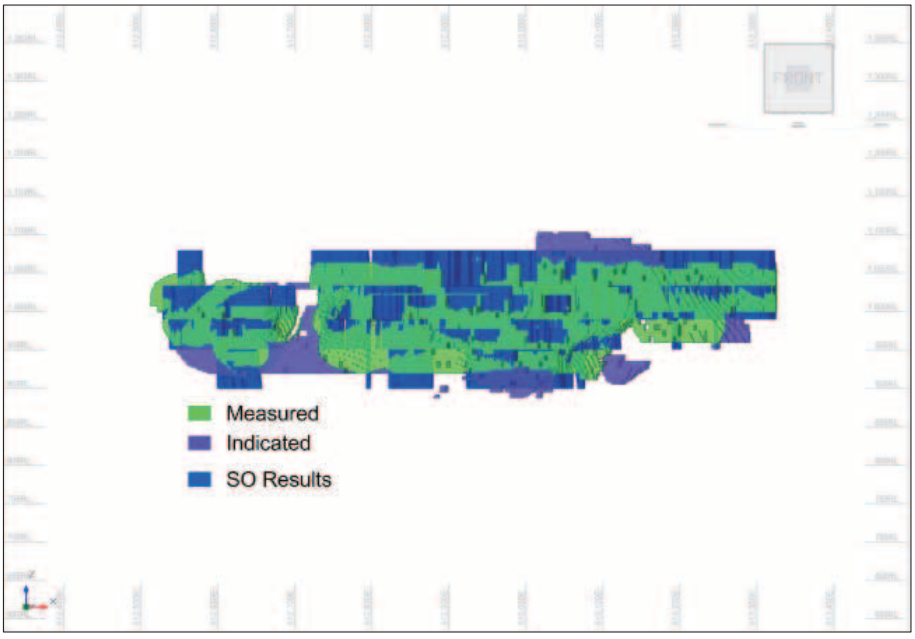
  - Typical dimensions: Length 50–80 m; rib pillars 6 m; crown pillar 4 m; no sill pillars.
- Open stoping with delayed backfill
  - Application: Steeply dipping orebodies, 4–8 m thick.
  - Layout: Stopes along strike; height 40 m; width = horizontal orebody thickness.
  - Typical dimensions: Length 40–60 m; crown pillars 6–8 m; rib pillars 8–10 m; face advances from centre to both ends.
- Sublevel open stoping with delayed backfill
  - Application: Steeply dipping ore with sufficient height for sublevels.
  - Layout: Stopes along strike; height = level interval; width = horizontal ore thickness.
  - Typical dimensions: Length 50–60 m; crown pillars 6–8 m; rib pillars 6 m; sublevel height 15 m; drawpoint spacing 15 m; face advances from central slot to both ends.
- Stope optimization
  - The Deswik.SO module was used on the Mineral Resource block model to generate mineable shapes. These shapes were subsequently used to refine and enhance the proposed design. Once the preliminary stopes were generated, an economic assessment was performed to eliminate any uneconomical ones, based on factors such as development and mining costs.
  - As Ruineng Mine currently operates predominantly using open stope mining method, the SO parameters have been defined and provided only for this mining method.
  - The parameters used in the SO module are summarized in Table 9-4 provides additional key design parameters.
- Block Model
  - The resource estimation were based on MRM developed by SRK China, with an effective date of 31 December 2025. The model was provided in Datamine (.dm) format

Table 9-4: Deswik.SO Parameters for Ruineng Mine

Parameters	Units	Value
Default Density	g/t	3
COG	%	2
Default Dip	°	90
Strike azimuth	°	125
Sub-blocking		yes
Minimal mining width	m	2.5
Mining height	m	20
Mining length	m	10~60
HW dilution	m	0.2
FW dilution	m	0.2
Maximum strike change	°	10
Stope maximum side-length ratio	°	5

Source: Ruineng Mine

Figure 9-1: Deswik.SO Results for Ruineng Mine

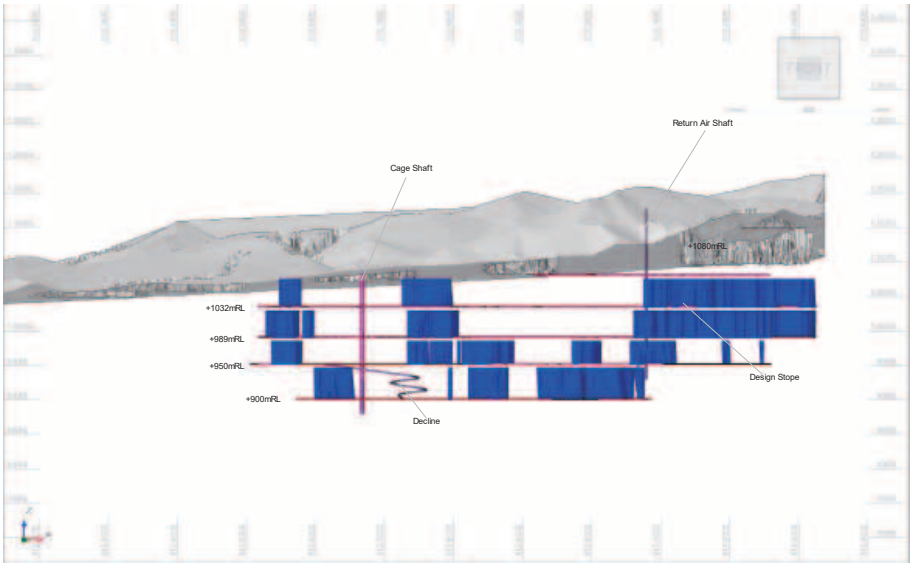


Source: Ruineng Mine

9.5 Mine Design

The operation is an underground lead–zinc mine with a planned capacity of 300,000 t/a, working 330 days per year on three 8-hour shifts. Access and development are by vertical shafts, with the main and ventilation shafts located in the footwall at least 20 m outside the calculated rock movement limit. Three production sublevels are arranged at 1,032 m, 989 m and 950 m, and two ventilation sublevels at 1,120 m and 1,080 m, with level spacing of 39–48 m. Orebody is mined from the 1,080 m level (with 1,120 m as its return-air level), and Orebody from the 1,032 m, 989 m and 950 m levels (with 1,080 m as its return-air level). Shrinkage stope with delayed tailing backfill mining method and Modified sublevel open stope with delayed tailing backfill mining method are employed, with ore mucked by LHDs and hauled underground by 5 t battery locomotives using trains of 0.75 m³ side-tipping cars for ore and waste. Figure 9-2 below shows the mine design for Ruineng Mine.

Figure 9-2: Mine Design for Ruineng Mine



Source: SRK (2026)

9.6 Mining Methods

Based on orebody geometry and surrounding conditions, Modified sublevel open stope mining method is applied where the orebody thickness exceeds 5 m, and shrinkage stope mining method is applied where the orebody thickness is less than 5 m. Within a given orebody, mining proceeds in a retreating sequence along strike, from the extremity of the orebody back towards the ore haulage access.

- Modified sublevel open stoping (orebody thickness > 5 m)
  - Stope layout: along strike.
  - Typical stope length: 40–60 m.
  - Level (stope) height: 39–48 m.
  - Stope width: equal to orebody thickness.
  - Drilling and blasting: medium-depth blast holes arranged in an upward fan pattern; sublevel interval 15–20 m.
  - Pillars: no sill pillars; crown pillar 4–6 m; 6 m continuous rib pillars between stopes.
  - Access: manway raises (≈ 2 m diameter) located within rib pillars.
  - Slot: 2 m × 2 m slot drift; no dedicated ore passes.
- Shrinkage stoping (orebody thickness < 5 m)
  - Stope layout: along strike.

- Typical stope length: 40 m.
- Level (stope) height: 39–48 m.
- Stope width: equal to orebody thickness.
- Drilling and blasting: short-hole blasting with ≈ 2.0 m advance per blast.
- Pillars: crown pillar 4 m; 6 m continuous rib pillars between stopes.
- Access: manway raises in rib pillars with crosscuts to the stope every 6 m; crosscut section 1.5 m × 2.0 m.
- Pillar interaction: upper-level sill pillar used as crown pillar for the level below.
- Stability control: exposed stope area limited to about 200 m².

9.7 Development

9.7.1 Mine Access

The mine is developed by underground methods using a vertical shaft system. The main shaft and ventilation shaft are located in the footwall, at least 20 m outside the calculated rock movement limit.

The main shaft collar is at coordinates X = 4,754,953.977, Y = 39,612,667.052, Z = 1,083.000 m. The shaft bottom elevation is 930 m, giving a total shaft length of 153.0 m, with a diameter of 5.5 m. A double-deck, double-cage hoisting system is installed. The main shaft is used for hoisting ore and waste, and for transporting personnel, materials and equipment. It serves the 1,032 m, 989 m and 950 m levels. The main shaft functions as an intake air shaft and is equipped with a ladderway to provide an auxiliary escapeway.

A blind decline connects the 1,080 m and 1,032 m levels. The decline portal elevation is 1,080 m and the lower connection is at 1,032 m. The decline length is 269.3 m, with a cross-section of 2.6 m × 2.6 m. The maximum gradient is 20%, with a 3% gradient on the gentler sections. As only one LHD is required for Orebody, no passing bays are provided. The decline connects to the 1,080 m level haulage and return air drifts and links to the 1,032 m level, providing the LHD access and intake airway for Orebody and forming a complete haulage and ventilation route. The decline primarily serves the 1,080 m level.

The ventilation shaft collar is at coordinates X = 4,754,586.338, Y = 39,613,079.433, Z = 1,177.658 m. The shaft bottom elevation is 930 m, giving a shaft length of 247.658 m, with a diameter of 3.5 m. This shaft serves as the main return airway during mining and is also equipped with a ladderway, providing a secondary escapeway.

9.7.2 Development

- Shafts
  - Two new vertical shafts are planned: a main shaft and a ventilation shaft. The main shaft will be used for hoisting and as an intake air shaft, while the ventilation shaft will serve as the return airway and secondary escape route. Both shaft barrels will be supported with 300 mm thick C20 shotcrete.

- Drive
  - The main haulage drifts are designed with a cross-section of 2.6 m × 2.6 m, and the return air drifts with a cross-section of 2.2 m × 2.2 m. In general, these drifts are left unsupported; where broken ground is encountered, 100 mm thick C20 shotcrete support will be applied.
- Underground chambers
  - The main underground chambers include auxiliary fan rooms, electrical substations, pump stations and crosscuts.
  - 950 m electrical substation chamber: 31.8 m (L) × 4.5 m (W) × 5.4 m (H), located in competent, dry rock, supported with 100 mm thick C20 shotcrete.
  - 950 m pump station: 21.5 m (L) × 5.0 m (W) × 4.6 m (H), also located in competent, dry rock, with 100 mm thick C20 shotcrete support.
  - 1,032 m auxiliary fan chamber: 10 m (L) × 4.5 m (W) × 3.5 m (H), located in competent, dry rock, supported with 100 mm thick C20 shotcrete.

The table summarises the design cross-sectional dimensions of the principal development.

Table 9-5: Dimensions of the principal development in Ruineng Mine

Development Name	Cross-sectional Dimensions m (WxH)
Shaft	Φ5.5m
Ore Pass	Φ2.5m
Ventilation Shaft	Φ3.5m
Connection drive	2.6×2.6
Crosscut	2.6×2.6
Decline	2.6×2.6
Ore Drive	3×3

Source: Ruineng Mine

9.8 Mining Service

9.8.1 Material Handling

Surface haulage of equipment and materials is provided by one 5 t battery locomotive hauling eight side-tipping mine cars, with two of these cars used for transporting materials underground.

Underground, all levels use rail haulage. On the 1,032 m, 989 m and 950 m levels, material is hauled by 5 t battery locomotives hauling trains of eight 0.75 m³ side-tipping mine cars. On the 950 m level, ore is hauled by 5 t battery locomotives with eight 1.2 m³ side-dump cars. Ore and waste rock haulage is conducted using a distributed haulage system, with material from the 1032 m, 989 m and 950 m sublevels hoisted to surface via the main shaft.

9.8.2 Power

Power for the mine is supplied from the Gongguan Fangzi 10 kV substation via a dedicated 10 kV industrial feeder, approximately 25 km long, using the existing LGJ-120 ACSR overhead line. A second, standby 10 kV feeder is taken from the Chifeng Rongbang Mining Co., Ltd. 10 kV busbar (itself supplied from the Xinkaidi Township substation), at a distance of about 3 km from the mine,

using LGJ ACSR overhead line. This standby feeder provides security of supply for Category I (critical) loads. The two incoming feeders are interlocked so that, in the event of loss of the primary supply, the standby feeder is automatically connected to maintain power to critical loads.

A surface main substation is located near the main shaft collar. Both 10 kV feeders are terminated in the high-voltage switchroom of this substation, from where power is distributed via switchgear to the main hoist, surface transformers and the underground main substation. The substation is equipped with one S11-M-800/10 transformer, operated with a solidly grounded neutral, supplying surface loads including compressors, offices and other plant.

A ventilation shaft substation is installed near the ventilation shaft collar. Its 10 kV supply is taken from the high-voltage switchgear of the surface main substation. It contains two SCB13-250/10 transformers with grounded neutrals, dedicated to the main ventilation fan. Each transformer is fed from a different bus section, providing dual independent supplies for this Category I load.

Underground, the main substation is located adjacent to the 950 m level pump station. Its 10 kV supply is also taken from the surface main substation. High-voltage switchgear in this chamber distributes power to all underground transformers. The installation includes two KSG13-630/10 mine transformers, operated with an ungrounded neutral, supplying underground dewatering pumps, auxiliary fans, workshops and lighting. Each transformer is connected to a separate bus section, providing dual-feed security for critical underground loads.

9.8.3 Maintenance

A dedicated surface maintenance workshop is included in the mine site to support reliable operation of the rail haulage fleet. The workshop will be responsible for routine inspection, servicing and repair of both underground and surface battery locomotives and mine cars, including scheduled preventive maintenance, minor overhauls, component replacement and running repairs. It will be equipped with appropriate lifting, welding and machining facilities, spare parts storage and test equipment, and will function as the central maintenance facility for the mine's rail equipment.

9.8.4 Compressed Air

Based on the planned production rate and development requirements, the maximum simultaneous compressed air demand underground is 79.48 m³/min, comprising six YT-28 rock drills, three KQZ-90 down-the-hole drills and two PS-701 shotcrete machines.

A centralised compressed air system is adopted, with a compressor station located at the main shaft surface industrial area. The existing installation includes:

- One XLD250A screw compressor: capacity 30.8 m³/min, working pressure 0.8 MPa, motor power 185 kW.
- One LGF-40/8 screw compressor: capacity 40.0 m³/min, working pressure 0.8 MPa, motor power 250 kW.
- One 100A screw compressor: capacity 12.6 m³/min, working pressure 0.8 MPa, motor power 75 kW.

The total installed air capacity is 83.4 m³/min, which exceeds the calculated peak demand. In addition, one FHLGD PM-132F23.0/0.8 permanent-magnet variable-frequency screw compressor (380 V) is

provided as a standby unit to ensure reliability of supply. Compressed air is reticulated underground via Φ219 × 6 mm steel pipelines, which are sized to meet production requirements.

9.8.5 Backfill

Changsha Institute of Mining Research Co.Ltd has proposed a cemented tailings backfill system with a capacity of 60–80 m³/h, which is sufficient to meet the mine's backfill requirements. The production schedule is 180 d/a, two shifts per day, with 6 effective filling hours per shift. On this basis, the backfill plant is designed to provide approximately 1.017 × 10^5 m³/a of cemented slurry. Key design parameters for the backfill system are given in Table 9-6.

Table 9-6: Backfill Information in Ruineng Mine

Parameter	Unit	Value	Remarks
Average daily backfill slurry volume	m³/d	565	
Average daily filled void volume	m³/d	284.98	Mining 330 d/a
Maximum daily backfill slurry volume	m³/d	678	
Annual backfill slurry volume	m³/a	1.017×10^5	
Annual filled void volume	m³/a	9.40×10^4	
Consolidation (shrinkage) factor	/	1.05	
Loss factor	/	1.03	
Non-uniformity factor	/	1.2	
System backfill capacity	m³/h	60–80	
Number of preparation systems	/	1	
Backfill operating schedule (days per year)	d/a	180	Effective backfilling time 12 h/d
Backfill operating schedule (shifts per day)	shifts/d	2	Effective backfilling time 12 h/d

Source: Ruineng data, 2025

The system utilises the existing deep-cone thickener underflow from backfill plant. A new feed pump station will pump the thickener underflow to a new filter-press station, where plate-and-frame presses dewater the tailings to a filter cake with about 20% moisture. The cake is discharged by gravity and placed in the filter-press stockpile area by front-end loader. Tailings cake is then transported by dump trucks along the existing road between the two mine sites to the new backfill preparation plant, where it is offloaded and stockpiled by loader.

During backfilling, the tailings cake is loaded by loader into a disintegrator, then transferred via a flat belt conveyor to the upper feed point of the mixers. Binder is metered from storage through a bin-bottom dosing system consisting of twin-impeller and screw feeders into a binder weighing hopper. Process water is supplied as required from a high-level water tank into a water weighing hopper. Once each weighing hopper reaches its setpoint, all components are discharged together into a first-stage high-speed flexible mixer for initial dispersion and de-agglomeration and then flow by gravity into a second-stage high-speed flexible mixer to produce a homogeneous slurry. The slurry then flows into a surge hopper and is pumped by backfill pumps through the pipeline network to the stopes for placement. The backfill preparation plant includes an automated control system to manage the operation of all major equipment.

9.8.6 Dewatering

A centralised dewatering system is adopted. The main pump station is located on the +950 m level at the hoisting shaft and is responsible for pumping all mine inflows via the shaft to a surface high-level water tank. All mine inflows and process water from levels above +950 m are drained via the settling pond and drainage holes to the sump on the +950 m level, from where the main pump

station discharges to the 1,111 m surface high-level tank and the 1,009 m underground production tank.

At the +950 m level, the total mine inflow is estimated at 1,760 m³/d under normal conditions and 6,797 m³/d under peak conditions, with a pumping head of 161 m. The sump cross-section is a three-centre arch, 2.6 m wide by 2.6 m high, with an area of 6.28 m². Sump capacity is designed to store 8 hours of normal inflow, with a utilisation factor of 0.9 and a fill factor of 0.8, and is divided into two independent drift systems. The calculated sump length is 186 m, providing a total effective storage volume of 841.15 m³.

At the shaft bottom, two submersible pumps (types QKS20-240-75 kW and QKS20-240-65 kW) are installed for sump dewatering, each with a duty of 32 m³/h, head of 36 m, motor power of 5.5 kW at 380 V. Two Φ219 × 6 mm seamless steel discharge pipelines are installed (one duty, one standby) to provide redundancy for the dewatering system.

Table 9-7: Water Inflow in Ruineng Mine

Time	Unit	2023	2024	2025
Q1	m³	680	1,035	1,722
Q2	m³	1,480	1,022	1,363
Q3	m³	3,577	1,471	1,627
Q4	m³	1,937	2,270	1,823
All year	m³	7,674	5,798	6,535

Source: Ruineng Mining

9.8.7 Ventilation

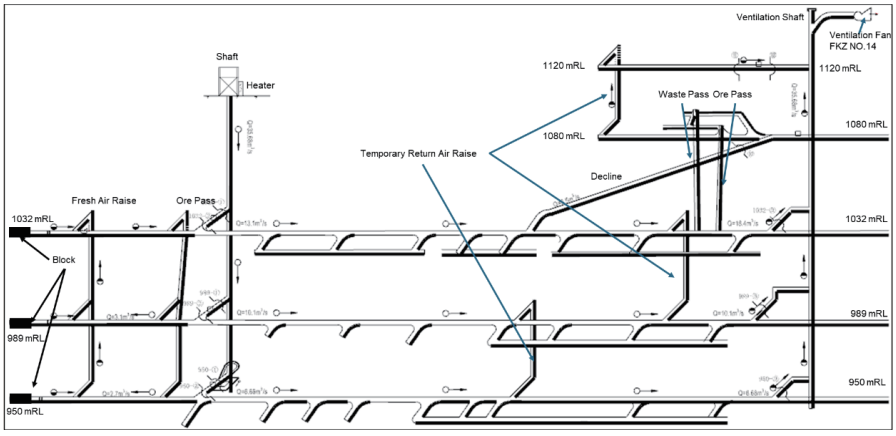
An exhaust (negative-pressure) ventilation system is used. To ensure that all underground workplaces receive the required airflow, airflow distribution is controlled by adding resistance where necessary and by using auxiliary fans.

A single-wing diagonal exhaust ventilation system is adopted, with the main airflow paths as follows:

- When mining the south wing of the orebody, fresh air enters via the main shaft, ventilates the working faces, and then flows through the upper-level return drifts to the ventilation shaft, where contaminated air is exhausted to surface.
- When mining the north wing, fresh air enters via the main shaft, ventilates the working faces, and then flows through the upper-level return drifts to the underground auxiliary fan chamber, from where it is exhausted into the 1,032 m return drift and then to surface via the ventilation shaft.

Under normal (favourable) conditions, the highest ventilation resistance in the main circuit occurs when mining the orebody on the 1,080 m level. Under the most adverse conditions, the critical circuit is during stoping on the 950 m level, with a required airflow of 33.6 m³/s. For the auxiliary fan system, the governing circuit under normal conditions is the north-wing 989 m level during stoping, and under adverse conditions is the north-wing 950 m level during stoping.

Figure 9-3: Overall View Ventilation System



Source: Ruineng Mining

9.8.8 Mining Equipment

Based on the detailed designs for underground material handling, mine dewatering and the primary and auxiliary ventilation systems, all major fixed and mobile equipment has been specified in terms of type and capacity. The complete list of required equipment is presented in the following table.

Table 9-8: Underground Mining Equipment Fleet

Equipment Category	Equipment Type	Model	Location	Quantity
Rail haulage – mine cars	Side-dump mine car	YCC1.2-6	Underground auxiliary fan chamber	10
Rail haulage – mine cars	Side-tipping mine car	YFC0.75-6	Underground auxiliary fan chamber	16
Rail haulage – locomotives	Battery locomotive	CTY5/6GB	Underground auxiliary fan chamber	2
Underground trucks	Mining truck	UK-4	Underground auxiliary fan chamber	3
Hoisting / loading	Slusher winch	2JP-30	Underground auxiliary fan chamber	1
Support / services	Scaling jumbo	XMPYT-88.3/220	Underground auxiliary fan chamber	1
Dewatering	Multistage centrifugal pump	MD120-50*4P	950 m pump station	4
Ventilation – primary	Main fan	FKZ-No14/132	Surface main fan station	1
Ventilation – primary	Auxiliary main fan	FKZ-No13/55	Underground auxiliary fan chamber	1
Ventilation – auxiliary	Auxiliary fan	FBNo/5.0	Underground stopes	10
Ventilation – auxiliary	Auxiliary fan	FBDNo/5.6	Underground drifts	2
Ventilation – auxiliary	Auxiliary fan	FK (JK58-2)	Underground stopes	1

Source: Ruineng Mining

9.9 Mine Production Plan

The Life of Mine ("LOM") production schedule for Ruineng has been developed using Deswik software, based on the underground mining design provided by Xingye. The Deswik software suite facilitates detailed production planning by aggregating the pit inventory according to stages, benches, and predefined grade bins, enabling the prioritization of early Zinc production to optimize economic returns.

The underground production schedule, detailed in Table 9-9, includes contributions from the Ruineng deposits. Early in the schedule, priority is given to the Ruineng deposits to ensure a steady and reliable ore supply to the mill plant, optimizing operational continuity and efficiency.

9.9.1 Operating Schedule and Production Capacity

The schedule is organized on an annual basis, and the following key assumptions were applied during production planning:

- Only blocks classified as Measured and Indicated Mineral Resources, with an overall stope EqZn grade exceeding 2.4% and a product EqZn grade exceeding 1.2% for the Ruineng deposit, were considered as ROM.
- Blocks classified as Inferred Mineral Resources or those located outside the defined stope areas were categorized as waste material.
- The maximum annual production rate is limited to 300 ktpa.
- The vertical separation between mining phases is restricted to a maximum of three levels.

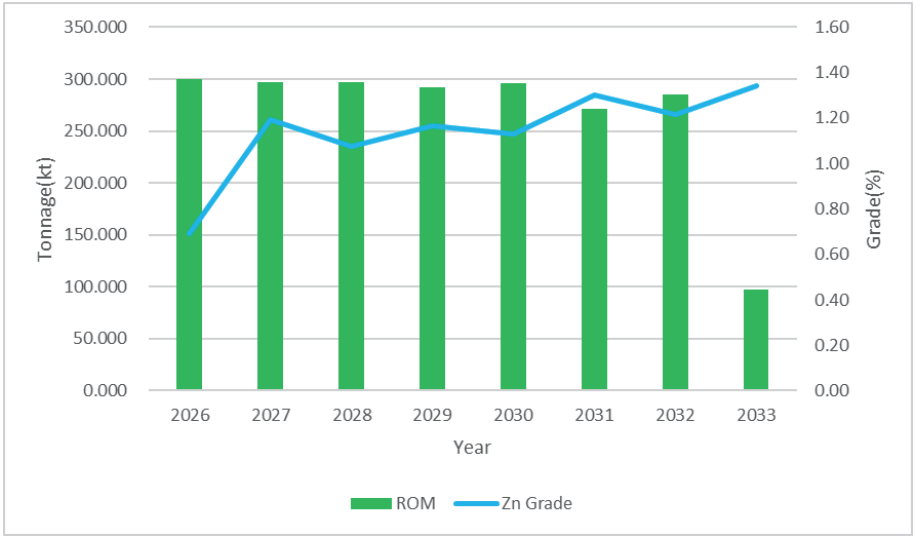
9.9.2 Production Plan and LOM

Table 9-9: Ruineng Mine Production Schedule

RN Mine	Unit	Sub-total	2026	2027	2028	2029	2030	2031	2032	2033
RoM	kt	2,137	300	297	297	292	296	271	285	98
Ag grade	g/t	46.34	43.32	52.11	47.10	52.94	53.29	52.15	31.15	23.07
Pb grade	%	0.62	0.27	0.85	0.66	0.79	0.80	0.60	0.43	0.35
Zn grade	%	1.12	0.69	1.19	1.08	1.17	1.13	1.30	1.22	1.34
Cu grade	%	0.13	0.27	0.08	0.09	0.10	0.21	0.07	0.08	0.05
Ag Metal	t	99.02	13.01	15.49	13.99	15.47	15.79	14.14	8.88	2.25
Pb Metal	kt	13.21	0.82	2.52	1.97	2.32	2.38	1.63	1.22	0.34
Zn Metal	kt	23.88	2.08	3.55	3.20	3.41	3.35	3.53	3.47	1.31
Cu metal	kt	2.69	0.80	0.24	0.28	0.29	0.63	0.19	0.23	0.05

Source: SRK (2026)

Figure 9-4: Annual Mining Production Schedule



Source: SRK (2026)

10 Mineral Processing Assessment

10.1 Introuduction

The Inner Mongolia Mineral Experiment and Research Institute has carried out beneficiation testwork on polymetallic ore from Ruineng Mining Co., Ltd.'s Dazuozishan deposit in Ongniud Banner. The main metallic minerals in the ore are pyrite, chalcopyrite and sphalerite, with secondary minerals including galena, pyrrhotite and tetrahedrite (freibergite). The principal non-metallic minerals are quartz, sericite and carbonate minerals.

Ruineng does not have its own concentrator, and its ore is toll-treated at the Rongbang concentrator.

10.2 Processing Mineralogy

10.2.1 Head-Grade Chemical Analysis

The results of head-grade chemical analysis are shown in Table 10-1. The payable elements are mainly Cu, Zn, Pb and Ag. Other components do not reach the threshold for comprehensive recovery and utilisation.

Table 10-1: Multi-Element Analysis Results for Lead–Zinc Ore

Element	Cu	Pb	Ag(10^{-6})	Zn	S	MgO	As
Content, %	0.62	0.25	50.24	0.42	2.81	0.63	0.018
Element	SiO_2	Al_2O_3	FeO	Fe_2O_3	Na_2O	K_2O	CaO
Content, %	64.89	9.77	3.44	6.29	0.37	2.81	1.75

Source: Laboratory Flowsheet Test Research Report on Beneficiation of Copper Polymetallic Ore below 930 m Elevation, Dazuozishan Mining Area, Ongniud Banner, Inner Mongolia, Inner Mongolia Mineral Experiment and Research Institute, May 2021.

10.2.2 Mineral Composition

The ore contains a relatively large number of target minerals. The principal metallic minerals are pyrite, chalcopyrite and sphalerite; secondary minerals include galena, pyrrhotite and tetrahedrite (freibergite). Trace minerals include helicoidal silver sulfide mineral, native silver, scorodite and arsenopyrite. The main non-metallic minerals are quartz, sericite and carbonate minerals, with minor chlorite, "huangshi" and epidote.

10.2.3 Principal Mineral Locking Characteristics of Lead–Zinc Ore

- Chalcopyrite ($CuFeS_2$)

Chalcopyrite occurs as anhedral irregular grains and massive aggregates disseminated within gangue minerals and in the interstices between pyrite and sphalerite grains. Grain size ranges from 0.005 to 0.2 mm. At contacts with sphalerite and pyrite it corrodes and replaces sphalerite and pyrite. Locally, pyrrhotite is observed enclosed within chalcopyrite and itself corroded and replaced by chalcopyrite.

- Sphalerite (ZnS)

Sphalerite is associated with chalcopyrite, galena and pyrite. It occurs as anhedral granular aggregates disseminated between gangue and pyrite grains, and corrodes and replaces pyrite and scorodite. Irregular and angular chalcopyrite grains occur between sphalerite grains and are corroded and replaced by chalcopyrite. In addition, emulsion-like chalcopyrite exsolution blebs are commonly seen within sphalerite crystals. Early sphalerite is disseminated uniformly within rock fragments in the breccia, generally with grain size <0.1 mm; later sphalerite occurs in the cement, with relatively coarser grain size, generally 0.2–0.5 mm.

- Galena (PbS)

Galena is present in low abundance and is associated with sphalerite and pyrite. It occurs as anhedral granular aggregates disseminated within gangue minerals and locally between pyrite grains, and is occasionally disseminated between sphalerite grains. It corrodes and replaces pyrite and sphalerite. Grain size ranges from 0.01 to 0.5 mm.

- Pyrite (FeS_2)

Pyrite shows subhedral to anhedral granular textures and replacement–relict textures. Under the microscope it displays a yellowish-white reflectance colour, first-order reflectance and good homogeneity. There are two genetic types: One type is a product of the late magmatic auto-metamorphic stage, with lighter colour, better crystallinity and coarser grain size (generally 0.1–0.5 mm, up to 2 mm), occurring as disseminations in the rock. The other type is hydrothermal, generally darker in colour, with variable grain size and variable abundance; where most abundant it forms massive pyrite ore. Hydrothermal pyrite is one of the main carriers of silver minerals.

- Helicoidal silver sulfide mineral [$(Ag、Fe)_2S$]

This occurs in trace amounts, greyish-white in colour, distributed around sphalerite, replacing sphalerite and forming reaction rim structures. It shows quasi-zonal distribution with pyrite or occurs as inclusions within pyrite and chalcopyrite.

- Freibergite [$(Ag、Cu、Fe)_{12}Sb_4S_{13}$]

This occurs in trace amounts, greyish-white with a slight greenish or bluish-grey tint and is heterogeneous. It occurs as anhedral fine granular inclusions within chalcopyrite; it also occurs between galena and sphalerite or between galena and gangue, with minor amounts enclosed in sphalerite. Grain size is generally 0.035–0.075 mm.

- Quartz

Quartz occurs as anhedral grains of variable size, with grain sizes between 0.01 and 1.0 mm. Grain margins are commonly replaced by sericite and carbonate minerals, forming residual spotted distributions. Secondary quartz aggregates also occur as massive clusters or fillings along fractures and microfractures in the rock.

- Sericite

Sericite occurs as fine flakes and their aggregates, and is a product of feldspar alteration. Its content is highly variable. It is commonly observed as veins and massive aggregates, or as uniform disseminations together with quartz, pyrite and other minerals. Grain size is mostly <0.3 mm.

10.2.4 Phase Analysis

In the head ore, copper occurs mainly as copper sulfide, accounting for 88.71% of total copper; lead occurs mainly as galena, accounting for 91.30% of total lead; zinc occurs mainly as zinc sulfide, accounting for 90.48% of total zinc. Phase analysis results for copper, lead and zinc are shown in Table 10-2.

Table 10-2: Phase Analysis Results for Copper, Lead and Zinc

Copper phase analysis					
Mineral	Primary copper sulfide	Secondary copper sulfide	Copper oxide	Total	
Content, %	0.55	0.04	0.03	0.62	
Distribution, %	88.71	6.45	4.84	100	
Lead phase analysis					
Mineral	Lead in cerussite	Lead in galena	Lead in cotunnite	Other	Total
Content, %	0.009	0.21	0.006	0.005	0.23
Distribution, %	3.91	91.3	2.61	2.17	100
Zinc phase analysis					
Mineral	Zinc in carbonates	Zinc in silicates	Zinc sulfide	Zinc ferrite	Total
Content, %	0.01	0.01	0.38	0.02	0.42
Distribution, %	2.38	2.38	90.48	4.76	100

Source：Laboratory Flowsheet Test Research Report on Beneficiation of Copper Polymetallic Ore below 930 m Elevation, Dazuozishan Mining Area, Ongniud Banner, Inner Mongolia, Inner Mongolia Mineral Experiment and Research Institute, May 2021.

10.3 Mineral Processing Tests

A partial priority flotation flowsheet was used in the testwork, including investigations on grinding fineness, types and dosages of copper, lead and zinc flotation reagents, copper–lead separation conditions, and full-process open-circuit and closed-circuit tests. The final flowsheet selected was "copper–lead bulk flotation – copper–lead separation – zinc flotation from the copper–lead tailings", producing a copper concentrate (16.91% Cu), a lead concentrate (46.12% Pb) and a zinc concentrate (41.11% Zn), with corresponding metal recoveries of 87.49% Cu, 83.40% Pb and 81.62% Zn. Silver is mainly enriched in the copper and lead concentrates during flotation. The beneficiation test results are shown inTable 10-3, and the test flowsheet is shown in

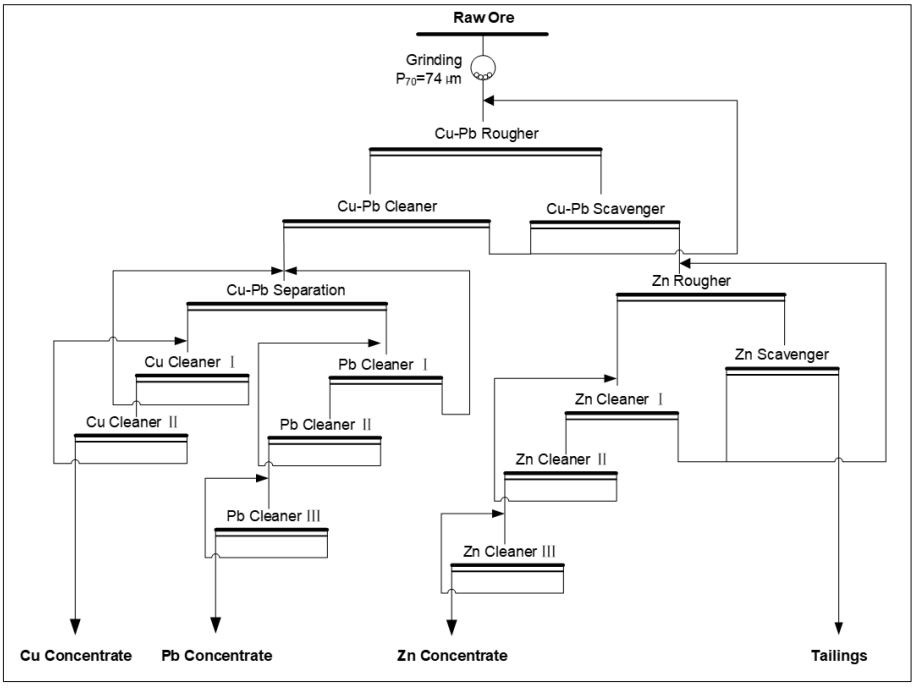
SRK notes that, compared with the resource report, the test sample shows a higher copper grade and lower lead and zinc grades, indicating that the sample is not fully representative.

Table 10-3: Closed-Circuit Test Results

Product	Yield, %	Grade, % (Ag, g/t)				Recovery, %			
		Cu	Pb	Zn	Ag	Cu	Pb	Zn	Ag
Cu concentrate	3.16	**16.91**	0.35	0.78	405.05	**87.49**	4.35	5.87	25.46
Pb concentrate	0.46	2.67	**46.12**	1.64	**4678.54**	2.01	**83.40**	1.80	42.81
Zn concentrate	0.82	1.06	1.12	**41.77**	**459.45**	1.42	3.61	**81.62**	7.49
Tailings	95.56	0.058	0.023	0.047	12.75	9.08	8.64	10.71	24.24
RoM Ore	100.00	0.61	0.25	0.42	50.27	100.00	100.00	100.00	100.00

Source：Laboratory Flowsheet Test Research Report on Beneficiation of Copper Polymetallic Ore below 930 m Elevation, Dazuozishan Mining Area, Ongniud Banner, Inner Mongolia, Inner Mongolia Mineral Experiment and Research Institute, May 2021.

Figure 10-1: Closed-circuit Test Flowsheet



Source : Laboratory Flowsheet Test Research Report on Beneficiation of Copper Polymetallic Ore below 930 m Elevation, Zuozishan Mining Area, Ongniud Banner, Inner Mongolia, Inner Mongolia Mineral Experiment and Research Institute, May 2021.

10.4 Processing Plant

The Ruineng Dazuozishan Ag-Pb-Zn polymetallic deposit is adjacent to the Youfangxi polymetallic deposit owned by Rongbang Mining, and the mineralisation style and ore characteristics are similar. Ore from the Ruineng Dazuozishan deposit is transported to the Rongbang processing plant for treatment. A detailed description of the relevant arrangements is provided in the corresponding sections of the *Competent Person's Report of Rongbang Project in Inner Mongolia, China*.

10.5 Tailing Storage Facility (TSF)

Detailed information on the tailings facilities is provided in the relevant sections of the *Competent Person's Report of Rongbang Project in Inner Mongolia, China*.

11 Workforce Assessment

11.1 Workforce Numbers

According to the information provided by Xingye Silver & Tin and Ruineng Mining, as of 31 December 2025, the total workforce numbers were 136 for the headquarters of Xingye Silver & Tin and 63 for the Ruineng Mining, respectively.

Details of the workforce numbers are presented in Table 11-1 and Table 11-2. SRK considers that the workforce numbers are adequate to meet the 300 ktpa production capacity for the Ruineng Project.

Table 11-1: Workforce Numbers in Ruineng Mining's Headquarters

Department	Workforce Number
Board of Directors	2
President's Office	13
Safety & Environmental Protection Dept.	4
General Office	12
Finance Dept.	3
Party Building Work Dept.	2
Geological Resources Dept.	6
Legal & Compliance Dept.	1
International Business Dept.	1
Corporate Management Dept.	9
Human Resources Dept.	5
Financing Dept.	2
Audit & Supervision Dept.	3
Market Operations Dept.	10
Strategic Investment Dept.	11
Bidding & Procurement Center	7
Securities Dept.	4
General Affairs Dept.	41
Total	**136**

Source: Xingye Silver & Tin

Table 11-2: Workforce Numbers for the Ruineng Project

Department	Workforce Number
General Manager's Office	5
Technical Dept.	6
Safety & Environmental Protection Dept.	24
Equipment & Power Dept.	6
Production Dept.	8
Concentrator	
R&D Center	
Quality Inspection Dept.	

Department	Workforce Number
General Affairs Dept.	8
Laboratory	
Finance Dept.	5
Operations Dept.	1
Rescue Team	
Total	**63**

Source: Ruineng Mining

11.2 Assessment of Workforce

SRK have been informed that all staff and employees will sign work contracts as required by labor law and labor contract law of China. The employer will also provide endowment, medical, work injury, unemployment, and pension insurance, plus housing accumulation funds, for employees.

12 Project Infrastructure

12.1 Road Access

The Dazuozishan mining area of Chifeng Ruineng Mining Co., Ltd. is located approximately 55 km west of Wudan Town, Ongniud Banner, and about 12 km from Maoshandong Township to whose administrative jurisdiction it belongs. A road connects the site to the outside area; this road lies approximately 3.5 km west of National Highway 306 and, at Jingpeng, Linxi and Daban towns, it links to the Jining-Tongliao local railway, providing convenient transportation to and from the mine.

12.2 Power Supply

The primary power supply for the mining area is drawn from the Gongguanfangzi Substation via a dedicated 10 kV industrial feeder, with a line length of approximately 25 km. The existing overhead line, constructed with LGJ-120 steel-core aluminum stranded conductor, is utilised for this purpose. A secondary (standby) power supply is provided from the 10 kV high-voltage busbar of Chifeng Ruineng Mining Co., Ltd., whose upstream supply originates from the Xinkaidi Township Substation. This standby feeder is approximately 3 km long and is installed as an overhead line using JKLYJ-120 steel-core aluminum stranded conductor. It serves as an emergency supply for the mine's Category I loads.

The two incoming feeders are equipped with electrical interlocking so that, in the event of a failure of the main incoming supply, the standby feeder is automatically switched in, thereby ensuring continuous power to the Category I loads within the mining area.

The power-supply system comprises three main subsystems:

Surface Main Substation

A surface main substation is installed near the main shaft collar. Both primary and standby feeders are routed into the high-voltage switchgear room of this substation, from which power is distributed via high-voltage switchgear to the main shaft hoist, surface transformers and the underground main transformer substation. One S11-M-800/10 transformer is installed in this substation, operating in a solidly earthed neutral system, and supplies power primarily to surface consumers such as compressors and office buildings.

Ventilation Shaft Substation

A dedicated substation is constructed near the ventilation shaft collar, with its power supply taken from the high-voltage switchgear of the surface main substation. The station is equipped with two SCB13-250/10 transformers in a solidly earthed neutral configuration, supplying the main ventilation fans. The two transformers are connected to separate busbar sections, providing mutual standby capability and satisfying the dual-power-supply requirement for Category I fan loads.

Underground Main Transformer Substation

The underground main transformer substation is located adjacent to the pump chamber on the 950 m level. Power is fed from the high-voltage switchgear of the surface main substation and is distributed via underground high-voltage switchgear to various underground transformers. Two KSG13-630/10 flameproof mining transformers are installed here, operating in an unearthed neutral system. They supply underground dewatering pumps, auxiliary fans, underground maintenance workshops, lighting and other underground electrical loads. The two transformers are connected to

separate busbar sections and provide mutual standby, thereby meeting the dual-supply requirement for Category I underground loads.

12.3 Water Supply

A new 320 m^3 elevated tank is constructed in the main-shaft industrial area to store firefighting water, and a new 56 m^3 tank is provided to supply emergency water for underground rescue associated with the six major underground safety systems. Together, these facilities are designed to meet the mine's production and domestic water requirements.

The main water supply line is designed using Φ89×4 mm seamless steel pipe. Distribution branches are also constructed with Φ89×4 mm seamless steel pipe and are routed along level drifts to individual water-use points. Pressure-reducing valves are installed on the branch lines at each level to ensure appropriate service pressure for all water-using equipment. Underground water supply lines are fitted with fire-fighting valves at intervals of 50-100 m along the roadways to provide water for firefighting.

12.4 Maintenance Workshop

A surface workshop established at the mine is used for the maintenance and repair of trackless mobile equipment and concentrator/surface plant. The current design continues to utilize this existing facility for routine servicing and repairs.

12.5 Office Buildings and Accommodation

The office and living area of Ruineng Mining is constructed on the hillside and is set back from the production area to maintain an adequate safety buffer. The complex comprises a three-floor office building and two dormitory buildings, providing office space for approximately 70 personnel and accommodation for around 200 persons. The area is functionally well equipped, integrating administrative offices, multimedia conference facilities, tiered employee dormitories and a monitoring center. A staff canteen with strict food-safety management and designated leisure areas are also provided, offering employees a high-quality working and living environment.

13 Environmental and Social Considerations

13.1 Objective

The objective of this due diligence review is to identify and/or verify the existing and potential environmental, Permitting, and Social or Community liabilities and risks, and assess any associated proposed remediation measures for the Project.

13.2 Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprises a review and inspection of the project's environmental management performance against:

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

The methodology applied for this environmental review of the Project consists of a combination of desktop review, site visit, and interviews with Mines' technical representatives.

13.3 Regulatory Framework

13.3.1 Chinese Regulatory Framework

The *Constitution of the People's Republic of China* (2018) forms the foundation of China's environmental policy. According to Article 26 of the *Constitution*, the State is committed to protecting and improving the living and ecological environment of the people, preventing and controlling pollution and other public hazards, and organizing and encouraging afforestation and forest conservation.

In addition, the following laws provide important legislative support to the *Mineral Resources Law* (2024) and the *Environmental Protection Law* (2014):

- Environmental Impact Assessment Law (2018)
- Law on the Prevention and Control of Atmospheric Pollution (2018)
- Law on the Prevention and Control of Noise Pollution (2021)
- Law on the Prevention and Control of Water Pollution (2017)
- Law on the Prevention and Control of Environmental Pollution by Solid Waste (2020)
- Forest Law (2019)
- Water Law (2016)
- Land Administration Law (2019)
- Wildlife Protection Law (2022)
- Regulations on the Administration of Environmental Protection for Construction Projects (2017);

- Rules for Implementation of the Mineral Resources Law (1994);
- Mine Site Geological Environment Protection Regulations (2019);
- Land Rehabilitation Regulation (2011);
- Law on the Prevention and Control of Soil Pollution (2018);
- Regulations on the Management of Groundwater (2021);
- Energy Conservation Law (2018 amendment);
- Renewable Energy Law (2009, as amended);
- Pollutant Discharge Permit Management Regulations (2021).

13.3.2 Applicable International Standards and Guidelines

While environmental and social performance for mining projects in China is governed primarily by national legislation, international standards and guidelines are commonly used as reference benchmarks, particularly for projects seeking international financing or involving foreign joint venture partners or satisfying global supply chain requirements.

For the Project, relevant international frameworks include:

- The **Equator Principles**, which provide a risk management framework for financial institutions financing large-scale projects;
- The **IFC Performance Standards**, which define international good practice for environmental and social risk management and are widely applied by international lenders;
- The **UN Guiding Principles on Business and Human Rights**, which set out expectations for the identification, prevention, and management of human rights impacts associated with business activities.

Alignment with these frameworks is typically driven by lender, investor, or partner requirements rather than by Chinese regulation. As such, they provide a useful benchmark for assessing the Project's environmental and social management practices in the context of international expectations.

13.3.3 Status of Environmental Studies and Approvals

In accordance with Chinese legislation the Project is subjected to a comprehensive Environmental Impact Assessment ("EIA") to assess the environmental impacts of the proposed development on the human and natural environment prior to the commencement of construction, mining and processing operations. The Company has provided the EIA report and corresponding official approval for the project, as presented in Table 13-1.

Table 13-1: Summary of EIA Report and Approval

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
EIA Report for the Modification of the 300 ktpa Lead-Zinc Mining Project in Dazuozishan,	Inner Mongolia Jiahua Environmental Protection Technology Co., Ltd.	January 2022	Chifeng Ecological Environment Bureau	February 25, 2022

EIA Report	Prepared by	Date of Preparation	Approved by	Date of Approval
Chifeng Ruineng Mining Co., Ltd.				

Source: SRK (2026)

SRK reviewed EIA report and approval and concluded that the EIA cover the main production facilities including mining industrial site and other auxiliary facilities.

SRK considers that the project has prepared the EIA in accordance with applicable Chinese regulatory requirements and has obtained the relevant government approval.

13.1 Biodiversity

Located in Maoshandong Township, Wudan Town, Ongniud Banner, Inner Mongolia, P.R. China, the project site sits within a semi-arid continental monsoon climate zone. This region is characterized by arid springs with significant temperature fluctuations, warm summers with concentrated rainfall, clear autumns with early frosts, and long, frigid winters.

Based on the topographical features of the mining area, the terrain is classified as low-to-middle mountain landforms, which include valley micro-topographies. According to the EIA Report, there are no special or important ecologically sensitive areas, such as nature reserves, scenic spots, forest parks, or natural habitats for rare and endangered species, within the mining site or its 5km radius. The Project is categorized as an area of general ecological sensitivity. Per the National Key Ecological Function Zones (September 2016), the project is situated within the Horqin Grassland Ecological Function Zone.

According to the project's *Geological Environmental Protection and Land Reclamation Plan ("Reclamation Plan, June 2024")*, the mining area features relatively well-developed vegetation, primarily consisting of xerophytic (drought-tolerant) species with sparse woody plants. The hillsides within the mining area are covered by abundant herbaceous vegetation and a small number of shrubs, while arbor trees are found in the valleys and at the foot of the mountains, with minor patches of agricultural crops in localized areas. Primary grasses include leymus chinensis (sheep grass), alkali grass, bitter herb, and wild alfalfa. The arbor species mainly consist of Chinese red pine (Pinus tabuliformis), poplar, and Siberian elm, while the shrubs are dominated by spiraea, Manchurian hazelnut, and bush clover. Main crops include buckwheat, millet, and soybean. The EIA stated that there are no rare or endangered plant species within the project area.

According to the EIA Report, both the variety and population of wildlife in the evaluation area are limited. The local fauna primarily consists of birds and small rodents; common bird species include barn swallows and sparrows, while small mammals include steppe zokors and Tolai hares. Field surveys have identified the presence of Mongolian larks and Eurasian skylarks, which are categorized as Class II protected species in China. No other rare, endangered, or protected wildlife was found.

While mobile bird species such as larks and skylarks may exhibit some capacity to avoid disturbance, potential impacts related to habitat disturbance and noise cannot be excluded, particularly given their protected status. Mitigation measures outlined in the EIA, including fitting high-noise equipment with sound insulation to minimize disturbances to local wildlife and limiting land disturbance to the greatest extent possible to preserve natural habitats, are expected to reduce these impacts. On this basis,

residual impacts to these species are considered low to moderate, subject to the effective implementation of these measures.

The Project has resulted in disturbance to natural vegetation and land resources associated with mine infrastructure (including the adit, industrial site, and waste storage areas), with potential impacts related to land-use change, habitat disturbance, emissions, and localized subsidence. A water and soil conservation plan ("WSCP", August 2021) was prepared for the project to optimize construction processes, tighten management, and control the scope of disturbance, coupled with higher-standard vegetative and timely protective measures, providing an effective framework for soil and water conservation. Based on the records provided by the client, progressive rehabilitation was adopted for certain areas, such as adits, processing plant, TSF, industrial sites, and exploration trenches. The backfilling measure is adopted for mined-out areas to mitigate the risk of potential surface subsidence by underground mining. By consistently implementing ecological restoration, soil and water conservation, and land reclamation, the residual impacts are considered low to moderate, subject to the continued implementation of these measures and ongoing monitoring.

13.2 Water Management

13.2.1 Water Sources

According to the *Reclamation Plan 2024*, the surface water discharge outlet for the mining area is the Weitang River, located approximately 500m to the west. It is a first-order tributary of the Xar Moron River. The Weitang River is a seasonal river originating from Wuriduhundichuan in Ongniud Banner. It flows primarily through Ongniud Banner and northward to Qingshuikou, where it joins the Xar Moron River. Brief streams appear during the wet season, but the riverbed is dry for the remainder of the year. There are no perennial surface runoffs or water bodies within or surrounding the mining area; apart from temporary ponding in low-lying areas during the rainy season, no water is present in other seasons. Accumulations of water during the rainy season discharge from the mining area from east to west via valley catchments, eventually draining into the Weitang River.

To understand the dynamic characteristics of groundwater level fluctuations within the assessment area, two rounds of water level measurements were conducted across 14 monitoring wells in 2021. The wells tap into the unconfined (phreatic) aquifer within fractured bedrock. The monitoring was performed in July 2021 (rainy season) and October 2021 (dry season). Analysis results indicate that during both the rainy and dry seasons, groundwater flows from higher to lower elevations following the local topography.

According to the EIA Report, domestic water is supplied by two groundwater wells located near Youfanghe Village. Water is extracted from these wells and pumped into a domestic water storage tank situated approximately 120m north of the office complex's living area. Production water for the mining area primarily utilizes mine water inflow, groundwater flowing naturally into the mine. After collection and sedimentation, this mine inflow is reused for underground rock drilling dust suppression, site greening, and road sprinkling for dust control. Based on the information reviewed, both production and domestic water supplies are sufficient to meet the operational demands of the mine. According to water usage data of 2025 provided by the client, total domestic consumption was 302 m^3, and total mine inflow consumption was 5,780 m^3. The combined total of 6,082 m^3 is significantly below the 505,700 m^3/year per water use permit.

13.2.2 Wastewater Management

The wastewater generated during the operation period includes ore and waste rock leaching water, mine water inflow, and domestic sewage. The primary pollutant in the mine water inflow is Suspended Solids (SS). All mine water is recycled and zero discharge is maintained.

Regarding the ore stockpile and WRD, a certain amount of leaching water is generated due to rainfall. Consequently, intercepting ditches and drainage channels are required around all temporary storage yards to divert surface runoff, preventing the long-term soaking of ore and waste rock and thereby reducing the volume of leachate produced.

The main pollutants in the domestic sewage include oxygen consumption (COD), BOD_5, SS, and ammonia nitrogen (NH_3-N). Domestic sewage is treated by an integrated underground sewage treatment facility and subsequently reused for mine area greening, with no external discharge.

During the EIA 2022 process, Inner Mongolia Dayuan Testing Service Co., Ltd. conducted an assessment of the water quality surrounding the site on August 27, 2021. A total of seven monitoring points were established upstream, downstream, and around the mining area. The testing parameters included K^+, Na^+, Ca^{2+}, Mg^{2+}, CO_3^{2-}, HCO_3^-, Cl^-, SO_4^{2-}, pH, total hardness, total dissolved solids (TDS), COD, NH_3-N, nitrate nitrogen, nitrite nitrogen, volatile phenols, cyanide, fluoride, iron, manganese, arsenic, mercury, hexavalent chromium, lead, cadmium, copper, zinc, total coliforms, total bacterial count, chloride, sulfate, and TPH (Total Petroleum Hydrocarbons). The results indicated that all parameters met the Class III standards of the *Groundwater Quality Standard (GB/T 14848-2017)* at the time.

The EIA has requires a bi-annual groundwater monitoring program, to be conducted once during the dry and once during the wet season. Monitoring locations include J1 (Haojiagou) designated as the background monitoring well, and J2 (the mining area water supply well) and J3 (Youfang Village) designated as downstream compliance wells.

The monitored parameters include pH, arsenic, mercury, hexavalent chromium, lead, cadmium, iron, manganese, copper, and zinc. All parameters are evaluated against to the Class III limits of the *Groundwater Quality Standard (GB/T 14848-2017)*. Based on the 2025 monitoring data provided by the client, all parameters complied with the Class III standards in 2025.

Overall, the Project adopts a closed-loop wastewater management approach, with mine water, leachate, and domestic sewage treated and reused on site, and no routine discharge to the environment. Baseline and 2025 operational monitoring results indicate compliance with applicable groundwater quality standards.

Residual risks are primarily associated with potential seepage from waste rock and ore stockpiles, overflow or ineffective drainage during extreme rainfall events, and the performance of treatment and reuse systems. Given the implementation of mitigation measures, including sedimentation, drainage controls, and monitoring, these risks are considered low, subject to effective operation, maintenance, and continued monitoring.

13.3 Waste Rock Management

According to the EIA Report 2022, Inner Mongolia Dayuan Environmental Testing Co., Ltd. conducted leaching tests on waste rock from the mining area on November 19, 2021. The testing

parameters included pH, Cu, Zn, Pb, Cd, Cr^{6+}, fluoride, mercury, arsenic, cyanide, silver, and total chromium. The test results indicate that none of the monitoring indicators in the leachate from the mining waste rock exceeded the concentration limits specified in the *Identification Standards for Hazardous Wastes—Identification for Extraction Toxicity (GB 5085.3-2007)*; therefore, the waste rock is not classified as hazardous waste with leaching toxicity. Furthermore, the concentration of every pollutant in the leachate remained below the maximum allowable emission concentrations for Class I standards as defined in Table 1 and Table 4 of the *Integrated Wastewater Discharge Standard (GB 8978-1996)*, and the pH value was within the range of 6–9. Consequently, the mining waste rock is categorized as Class I General Industrial Solid Waste. While leaching test results indicate that the waste rock is non-hazardous under current conditions, no acid generation (AMD) testwork (e.g. acid-base accounting or NAG testing) has been identified. As such, the potential for long-term acid generation cannot be fully assessed and represents a source of uncertainty.

According to the *Reclamation Plan 2024*, waste rock generated during production is primarily used to backfill mined-out areas. Development waste rock brought to the surface is temporarily stored before being used for backfilling or road construction; given the minimal storage volume, the existing site is sufficient to meet future storage demands. Settled sludge from mine water inflow remains underground and is directly backfilled into mined-out areas. In addition to backfilling mined-out areas, support pillars are retained to prevent geological hazards such as surface subsidence. Boiler ash and slag are bagged and temporarily stored in a general industrial solid waste storage room before being sold as agricultural fertilizer.

Between 2011 and 2012, a processing plant with a capacity of 500 tpd (150,000 tpa) was constructed, however, it was never commissioned and has since been repurposed as a warehouse for ongoing use. Currently, the extracted ore is sold to the Chifeng Rongbang Mining Co., Ltd. processing plant, located 2.2 km west of the mining area. The initially constructed tailings storage facility (TSF), situated approximately 200 m northeast of the office and living area, was the intended site for the proposed TSF; however, due to legal regulations and non-compliance with work safety requirements, further construction was halted. This site will no longer be used and has already undergone remediation and vegetation restoration.

Overall, waste rock generated by the Project is classified as non-hazardous based on leaching test results and is primarily managed through backfilling, thereby reducing the need for long-term surface storage and associated environmental risks.

Residual risks are related to potential leachate generation from temporary storage areas and the effectiveness of backfilling practices and site management. While backfilling reduces exposure to atmospheric conditions and therefore the potential for acid generation, no acid generation (AMD) testwork has been identified; as such, the potential for long-term acid generation cannot be fully excluded and represents a source of uncertainty. On this basis, risks are considered low to moderate, subject to effective implementation of controls and further geochemical characterization where required.

13.4 Noise and Air Emissions

13.4.1 Noise

The primary sources of noise for the project include mining machinery, such as rock drilling, blasting, hoists, air compressors, and transportation. According to the EIA Report, Inner Mongolia Dayuan Environmental Testing Co., Ltd. conducted an assessment of the acoustic environmental quality surrounding the mine site from August 31 to September 1, 2021, once during the daytime and once during the nighttime. Six monitoring locations were deployed, comprising four site boundary points (N, S, E, W) and two points situated at the main shaft and air shaft industrial sites, respectively. Following the implementing mitigation measures such as indoor installation, vibration damping, and sound insulation for high-noise equipment, noise levels at the industrial site boundary (200m) complied with the Class 2 standards of the *Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)*. Additionally, the acoustic environment at the site boundary met the Class 2 requirements of the *Environmental Quality Standard for Noise (GB 3096-2008)*, with limits of 60 dB(A) during the day and 50 dB(A) at night.

The EIA requires an annual noise monitoring at locations around the main shaft industrial site, measuring equivalent continuous A-weighted sound levels (L_{eq}). Monitoring results are assessed against the Class 2 limits of GB 12348-2008. Based on the 2025 monitoring data provided by the Client, measured noise levels are compliant with these requirements.

In summary, operational noise is expected to have a limited impact on the surrounding acoustic environment, with residual risks considered low, subject to the effective implementation of mitigation measures and ongoing monitoring.

13.4.2 Air Quality

The primary atmospheric pollutants of the project include dust generated from underground rock drilling, blasting, and ore hoisting and transportation; fugitive dust from temporary ore stockpile; fugitive dust from temporary waste rock dump; fugitive dust from road transportation; and flue gas from biomass boilers.

During the EIA 2022, Inner Mongolia Dayuan Testing Service Co., Ltd. conducted continuous 7-day monitoring at the project site from August 27 to September 2, 2021. The results showed that the 24-hour average concentration of TSP (Total Suspended Particulates) at the monitoring points complied with the Class II standards of the *Ambient Air Quality Standard (GB 3095-2012)* and its 2018 amendment.

The EIA requires that during the operational phase, measures such as wet drilling, deep-hole blasting, and water spraying at the mining face be implemented, alongside the enhancement of the underground ventilation system. For the temporary ore stockpile and waste rock dump and the transportation process, measures including water sprinkling for dust suppression and peripheral greening should be adopted. Flue gas from the boilers is to be treated by their respective baghouse dust collectors before being discharged through their individual stacks in compliance with emission standards. During the site visit, SRK was informed that all waste rock is currently being backfilled or reused, with no surface stockpiling of waste rock, and proper mitigation measures are being maintained on-site.

The EIA required quarterly air monitoring. Monitoring points are located at one upwind reference point and one downwind monitoring point at the temporary waste rock dump, as well as the discharge outlets of the stacks for the three hot water boilers and two hot blast stoves. The monitoring parameters include TSP, SO_2, and NO_x. These indicators are evaluated against the concentration limits for atmospheric pollutants at the boundaries of existing and new enterprises, as specified in the *Emission Standard for Pollutants from Aluminum, Antimony, Magnesium, and Zinc Industries (GB 25466-2010)* and its 2013 and 2020 amendments, as well as the Class 2 standards of the *Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008)*. According to the 2025 air monitoring data provided by the client, all parameters comply with the aforementioned standards.

Overall, air emissions from the Project are primarily associated with dust generation and combustion sources, with available monitoring data indicating compliance with applicable ambient air quality and emission standards in 2025. Mitigation measures, including dust suppression and flue gas treatment, are specified in the EIA to control these emissions.

Residual risks are primarily related to fugitive dust generation and the effectiveness of emission control systems. On this basis, risks are considered low, subject to the effective implementation of mitigation measures and continued monitoring.

13.5 Hazardous Substances Management

Hazardous materials are substances that may exhibit corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, and therefore pose potential risks to human and the environment.

Hazardous materials are generated during project's construction, mining, and processing operations include hydrocarbons (i.e. fuels, waste oils, lubricants), chemical reagents used in mineral processing, contaminated containers, batteries, and other hazardous wastes. Accidental releases including leaks and spills may result in contamination of soil, surface water, and groundwater if not properly managed. Ruineng has established an Emergency Environmental Incident Response Plan, which incorporates contingency measures for the leakage of hazardous materials.

The waste engine oil generated by the project is classified as hazardous waste (HW08 900-249-08) and is entrusted to a qualified unit for removal and disposal. During the transfer process, the requirements of the *Technical Specifications for Collection, Storage, and Transportation of Hazardous Waste (HJ 2025-2012)* are strictly enforced, and unauthorized transportation or disposal is prohibited. The Project includes a $10m^2$ hazardous waste temporary storage room, primarily used for storing waste engine oil generated during equipment maintenance. This facility was constructed in accordance with the *Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001)*, with a permeability coefficient not exceeding 1.0×10^{-10}cm/s.

Explosives are temporarily stored in the existing magazine. Built into the hillside, the magazine is a chamber-type structure consisting of two separate chambers for storing detonators and explosives, respectively. The explosives magazine is enclosed by a walled courtyard with a hardened ground surface.

Overall, hazardous materials generated by the Project, including hydrocarbons, reagents, and hazardous wastes, are managed through controlled storage, handling, and disposal by licensed third parties in accordance with applicable standards.

Residual risks are primarily associated with accidental spills or leaks during storage, handling, and transport, as well as the storage of explosives. Given the implementation of standard management measures and regulatory compliance, these risks are considered low, subject to proper handling procedures, emergency response measures, and ongoing monitoring.

13.6 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 (2023), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), 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 geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, the company is required to establish a financial provision for mine closure and environmental rehabilitation.

The latest *Geological Environmental Protection and Land Reclamation Plan* for the Project was produced by Chifeng Mengxin Mining Geological Exploration Co., Ltd. in June 2024. The total estimated cost for mine geological environment protection and land reclamation under this plan includes two components: geological environment treatment and land reclamation. The total investment for environmental restoration over the service life of the mine is 15.2565 million yuan.

According to the Review Form for Mine Geological Environment Governance and Reclamation Fund from Ongniud Banner Natural Resources Bureau dated April 18 2025, the fund account balance from the previous year stands at 800,000 RMB, with no withdrawals made this year. In accordance with Article 11 of the Administrative Measures for the Mine Geological Environment Governance and Reclamation Fund of Inner Mongolia Autonomous Region, the mining right holder has completed the annual or prior environmental protection and land reclamation tasks. As the account balance exceeds 1.5 times the estimated costs for the annually deployed projects, the fund is considered fully accrued. As of 2025, a total of 207,615 m² has been rehabilitated, based on records provided by the client.

In addition to estimating the costs of mine geological environment protection and reclamation, the aforementioned plans also conducted detailed studies on the scope of reclamation responsibilities, geological disaster prevention and control, protection and restoration of topography and landscape, land reclamation, and ecological environment management.

SRK considers that these plans provide an appropriate technical basis for the development of the Project, including mine closure and environmental rehabilitation (covering geotechnical stability, groundwater management, monitoring, and restoration), as well as the prevention and mitigation of land disturbance and associated environmental impacts.

13.7 Key Socio-economic Considerations

The mining area is located in Youfang Village, Maoshandong Township, Ongniud Banner, Chifeng City, and falls under the administrative jurisdiction of Maoshandong Township. Situated in the western part of Ongniud Banner, Maoshandong is a purely mountainous township.

According to the *Reclamation Plan 2024*, the local economy is primarily driven by agriculture and animal husbandry. Major crops include maize, sorghum, millet, and legumes. Local industry remains relatively underdeveloped, with few township-level enterprises. In recent years, Maoshandong Township has intensified efforts to adjust its industrial structure and promote the industrialization of agriculture and animal husbandry, while also developing the cultivation of Chinese medicinal herbs and coarse cereals. The livestock sector focuses mainly on the rearing of pigs, sheep, cattle, and poultry.

The natural villages distributed near the mining area primarily include Youfang Village, located approximately 300m from the western site boundary, and Haojiagou Village, situated about 250m from the southwestern boundary. These villages consist of over 70 households with a total population of around 180. The residents are predominantly of Han ethnicity, followed by Mongolian, and the local labor resource is relatively abundant.

Mining development has injected vitality into the local economy, improving the previously singular industrial structure and gradually becoming a key pillar of local economic development. It serves as one of the primary sources of fiscal revenue for the local government while simultaneously providing employment opportunities and increasing income for local residents, thereby significantly promoting regional economic growth.

Operational activities have resulted in potential social impacts on the local community, including land disturbance and the loss of farmland. Operational activities generate dust and noise, and increased heavy vehicle movements may contribute to to traffic-related impacts, including road safety risks for local residents. The presence of a non-local workforce may also place additional demand on local infrastructure and services, and give rise to expectations regarding local employment.

On-going management of these factors, including community health and safety risks associated with industrial operations remains an important component of the Project's social management framework.

A public participation process was conducted during the preparation of the 2024 Reclamation Plan, during which local authorities and collective land ownership entities expressed support for the Project's land reclamation approach, while emphasizing the need for site-specific design and effective environmental protection measures.

The Project contributes to local economic activity through employment and increased demand for supporting services such as logistics and transportation, and has undertaken community support initiatives. To support ongoing stakeholder relations, enhancements to stakeholder engagement and grievance management processes are considered good practice to ensure that concerns raised by affected communities are effectively captured and addressed in a timely manner.

Based on available information, including evidence of community acceptance and the absence of documented public objections, the socio-economic risk associated with the Project is assessed as low. No material socio-economic factors have been identified that are expected to affect the Project's

operational continuity, provided that land reclamation and stakeholder engagement commitments are effectively maintained.

14 Capital Expenditures and Operating Expenses

This section summarizes the Capital expenditures ("Capex") and Operating expenditures ("Opex") for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan").

14.1 Capital Expenditures

The Capex for the Project is categorized into Sunk Capex and Future Capex.

14.1.1 Sunk Capex

The sunk Capex covers the three-year period from 2023 to 2025, which primarily includes initial infrastructure, underground development, and sustaining Capex.

The summary of sunk Capex is presented in Table 14-1.

Table 14-1: Historical Sunk Capex (2023 to 2025)

CAPEX	Unit	Historical			
		2023	2024	2025	Average
Initial Capex					
Infrastructure	Million CNY	0.03	-	4.28	1.44
Underground Development	Million CNY	-	0.97	-	0.32
Equipment Installation	Million CNY	1.83	1.38	-	1.07
Sustaining Capex					
Land Use Rights	Million CNY	-	0.03	-	0.01
Mining Rights	Million CNY	-	15.14	-	5.05
Equipment Purchase	Million CNY	1.69	6.12	-	2.61
Buildings	Million CNY	7.92	0.06	-	2.66
Underground Development	Million CNY	55.04	0.00	4.40	19.81
Others	Million CNY	0.46	-	-	0.15
Total Capex	Million CNY	**66.97**	**23.70**	**8.68**	**33.12**

Source: Summarized by SRK (2026)

14.1.2 Future Capex

Future Capex is estimated based on historical expenditure and the Life of Mine (LOM) production schedule. The total projected Future Capex is CNY 195.56 million. The summary of LOM Capex is presented in Table 14-2.

The expenditure is divided into three primary categories as shown in Figure 14-1. Sustaining Capex accounts for 92% of the total, followed Closure Cost at 8%.

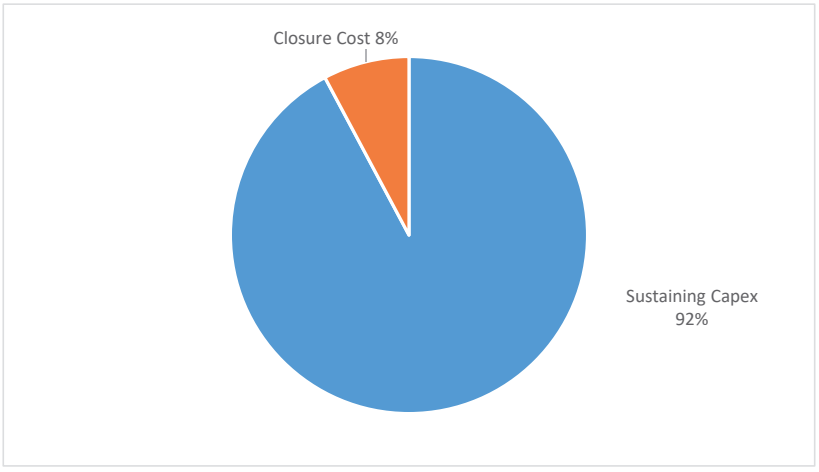
Table 14-2: Summary of LOM Capex

CAPEX	Unit	LOM
Initial Capex		**-**
Infrastructure	Million CNY	-
Underground Development	Million CNY	-
Equipment Installation	Million CNY	-
Sustaining Capex		**180.30**
Land Use Rights	Million CNY	0.07
Mining Rights	Million CNY	40.37
Equipment Purchase	Million CNY	14.45
Buildings	Million CNY	14.75

CAPEX	Unit	LOM
Underground Development	Million CNY	109.83
Others	Million CNY	0.84
Closure Cost	Million CNY	15.26
Total Capex	Million CNY	**195.56**

Source: Summarized by SRK (2026)

Figure 14-1: Capex Investment Plan Distribution over LOM

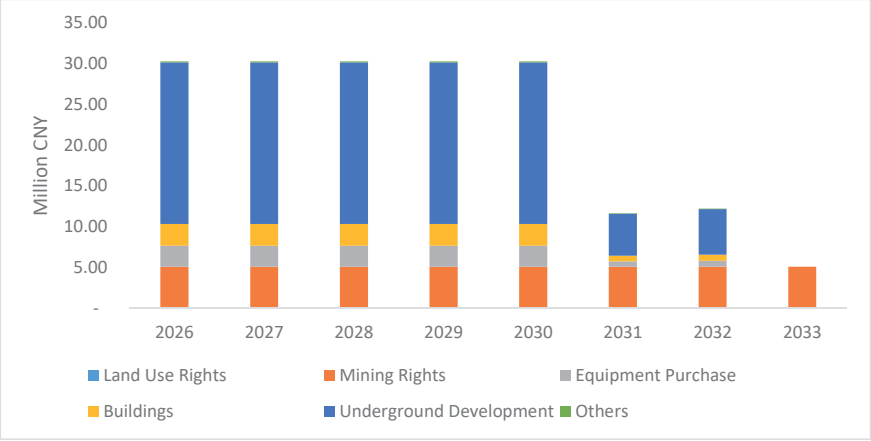


Source: Summarized by SRK (2026)

Sustaining Capex

As shown in Figure 14-2, sustaining costs remain consistent at approximately CNY 30.29 million per year through 2030. These costs include land use rights, equipment purchase, and building maintenance, with a scheduled reduction in the final three years of the LOM.

Figure 14-2: Sustaining Capex Investment Plan over LOM (in Million RMB)

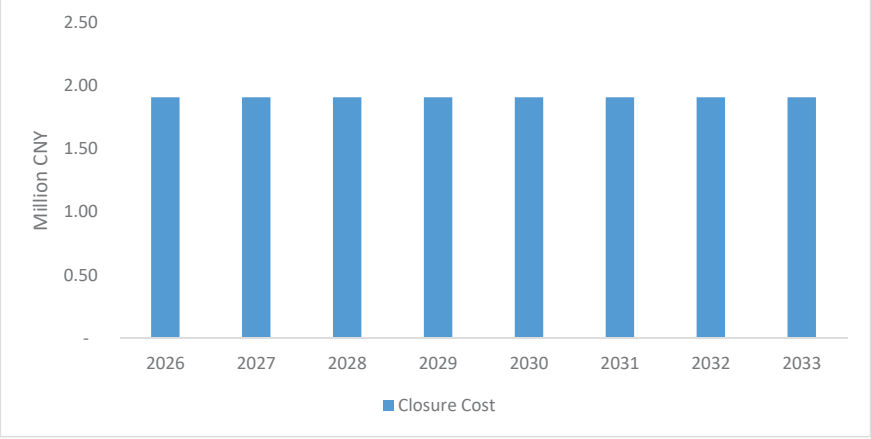


Source: Summarized by SRK (2026)

Closure Cost

As shown in Figure 14-3, closure and rehabilitation costs are allocated as a fixed annual provision of CNY 1.91 million across the entire LOM.

Figure 14-3: Closure Capex Investment Plan over LOM (in Million RMB)



Source: Summarized by SRK (2026)

14.2 Operating Costs

Opex estimates are based on historical cash costs and the LOM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortization (D&A) are excluded.

14.2.1 Historical Operating Costs

Historical operating cash cost for the 2023 to 2025 period is summarized in Table 14-3. Total expenditure during this period was CNY 165.57 million. It should be noted that the Project is a mining-only operation; all run-of-mine (ROM) ore is sold to the nearby Rongbang Mine for processing.

Table 14-3: Historical Cash Opex (2023 to 2025)

Item	Unit	2023	2024	2025	Total
COGS					
Labor Costs	Million CNY	18.01	26.13	26.31	70.46
Materials	Million CNY	1.98	2.48	2.37	6.83
Fuel & Power	Million CNY	0.14	1.38	0.21	1.73
OHS Expenses	Million CNY	6.42	10.29	14.39	31.11
D&A	Million CNY	-	-	-	-
Others	Million CNY	2.30	0.84	1.88	5.02
Taxes and Surcharges	Million CNY	4.31	8.12	7.04	19.47
Selling Expenses	Million CNY	-	-	-	-
General & Admin	Million CNY	10.21	10.44	10.31	30.95
R&D Expenses	Million CNY	-	-	-	-
Total OPEX	Million CNY	**43.39**	**59.69**	**62.49**	**165.57**

Source: Summarized by SRK (2026)

14.2.2 Unit Operating Costs

The historical unit cash costs for the 2023 to 2025 period are provided in Table 14-4.

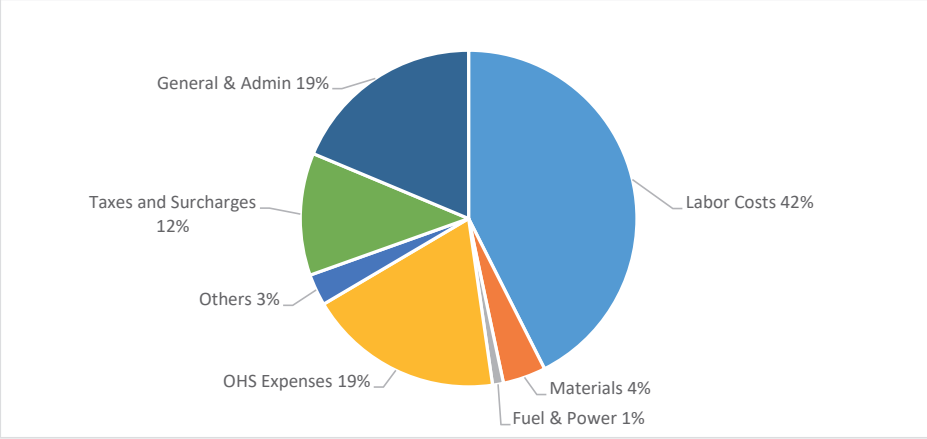
Table 14-4: Historical Unit Cash Opex (2023 to 2025)

OPEX - By Element	Unit	Historical 2023	2024	2025	Total/Average
Mined	kt	208.97	260.64	256.45	726.06
COGS					
Labor Costs	CNY/t	86.20	100.27	102.59	97.04
Materials	CNY/t	9.48	9.51	9.23	9.40
Fuel & Power	CNY/t	0.69	5.30	0.81	2.39
OHS Expenses	CNY/t	30.73	39.49	56.12	42.84
D&A	CNY/t	-	-	-	-
Others	CNY/t	11.02	3.24	7.32	6.92
Taxes and Surcharges	CNY/t	20.63	31.16	27.44	26.81
Selling Expenses	CNY/t	-	-	-	-
General & Admin	CNY/t	48.85	40.06	40.18	42.63
R&D Expenses	CNY/t	-	-	-	-
Total OPEX	CNY/t	**207.62**	**229.02**	**243.69**	**228.04**

Source: Summarized by SRK (2026)

The cash Opex distribution, based on the three-year historical average, is shown in Figure 14-4. Labor costs (42%), G&A (19%), and OHS Expenses (19%) represent the primary cost drivers.

Figure 14-4: Opex Estimated Distribution over LOM



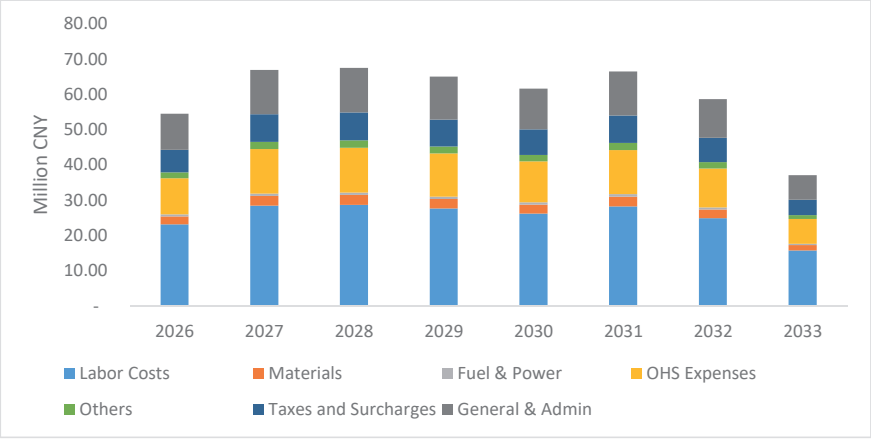
Source: Summarized by SRK (2026)

14.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from the 2023 to 2025 period to the projected production schedule.

The annual cash Opex projection over the LOM is shown in Figure 14-5. Annual Opex increases in 2027 to align with the production ramp-up and decreases in 2032 as production ramps down.

Figure 14-5: Opex Plan over LOM (in Million CNY)



Source: Summarized by SRK (2026)

15 Economic Analysis

The economic analysis for the Ruineng Mine has been consolidated into the overall economic evaluation of the Rongbang Mine, as the Ruineng Mine operates as a satellite mining operation without independent processing facilities. All ROM ore produced at Ruineng is transported to the Rongbang Mine for processing. Consequently, the capital expenditures, operating costs, and revenue streams associated with the processing of Ruineng's ore are integrated into the Rongbang technical-economic analysis model to provide a comprehensive assessment of the combined project's viability.

16 Risk Assessment

SRK 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 the life of mine (LOM) timeframe can be considered as:

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

Table 16-1: Risk assessment Matrix

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

Source: SRK (2026)

SRK completed a risk assessment of the specific risks identified for the Ruineng Project in relation to their likelihood of occurrence within the LOM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Ruineng Project is a production project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Ruineng Project. SRK's final Risk Assessment is presented in Table 16-2.

Table 16-2: Risk Assessment for Ruineng Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Possible	Major	High
Lack of Significant Ore Reserves	Possible	Major	High
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LoM)	Possible	Moderate	Medium
Pumping System Adequacy	Unlikely	Moderate	Low

Risk Source/Issue	Likelihood	Consequence	Risk
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Moderate	Low
Poor Road Transportation/Safety	Unlikely	Minor	Low
Mineral Processing			
Reduction in concentrate recovery due to changes in ore characteristics	Possible	Major	Medium
Environmental and Social			
Lack of Relevant Environmental Permit	Unlikely	Minor	Low
Impact on Flora and Fauna	Possible	Minor	Low
Water Contamination	Possible	Moderate	Low
Hazardous Materials Management	Unlikely	Moderate	Low
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Minor	Low

Source: SRK (2026)

17 Conclusions and Recommendations

17.1 Geology

Ruineng polymetallic deposits have a close temporal and spatial and genetic relationship with the intermediate-acid volcanic rocks in the late Yanshan period. The polymetallic mineralization bodies are obviously controlled by the NW-trending fault structure (altered fracture zone) in the area. The mineralized body is in a regular vein shape, and there are branches and composite phenomena in the local area. The mineralized body is northwestward, inclined to southwest, and the dip angle is steep.

The hanging and footwall of the Pb–Zn–Ag mineralization bodies are mainly rhyolitic crystal tuff or rhyolite. Wall-rock alteration is dominated by pyrite–sericite alteration and silicification, locally accompanied by intense fluorite alteration, chloritization, and carbonate alteration. In the horizontal and vertical directions, lead-zinc and silver mineralization are the main ones.

Comprehensive geological studies indicate that the metallogenic type of the polymetallic deposits in the project area belong to medium to low temperature hydrothermal vein type deposits related to Yanshanian magmatic activity.

17.2 Mineral Resources

SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Xingye Silver & Tin was acceptable for use in a Mineral Resource estimate.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Ruineng Project, at a cut-off grade of 1.9% ZnEq for the project.

There are 6.27 million tonnes ("**Mt**") Measured Mineral Resource at an average grade of 0.61% Pb, 1.36% Zn, 0.13% Cu, 47.81 g/t Ag and 4.27% ZnEq; 0.70 Mt of Indicated Mineral Resources at an average grade of 0.51% Pb, 0.97% Zn, 0.14% Cu, 39.12 g/t Ag and 3.54% ZnEq; and 1.18 Mt of Inferred Mineral Resources at an average grade of 1.00% Pb, 1.20% Zn, 0.56% Cu, 120.97 g/t Ag and 9.14% ZnEq.

17.3 Mining and Ore Reserves

Ore Reserves have been estimated for underground deposits.

As of 31 December 2025, the total Ore Reserves at the mine are as follows:

- Proved: The deposit has proved ore reserves of 1.89 Mt with average grades of 51.72 g/t Ag, 0.68% Pb, 1.24% Zn and 0.14% Cu, containing approximately 98 t of silver, 13 kt of lead, 24 kt of zinc and 3 kt of copper.
- Probable: The deposit has probable ore reserves of 0.25 Mt with average grades of 4.98 g/t Ag, 0.13% Pb, 0.14% Zn and 0.05% Cu, containing approximately 1 t of silver, 0.3 kt of lead, 0.4 kt of zinc and 0.2 kt of copper.

- Proved and Probable: The deposit has total ore reserves of 2.14 Mt with average grades of 46.34 g/t Ag, 0.62% Pb, 1.12% Zn and 0.13% Cu, containing approximately 99 t of silver, 13 kt of lead, 24 kt of zinc and 3 kt of copper.

Underground Operations:

- The start date of the underground production schedule is 31 December 2025.
- Based on the ore reserves, the planned end date for production is 2034.
- Ruineng employs a Modified sublevel open stoping method and shrinkage stope mining method to achieve a production rate of 300,000 tonnes per year.

Recommendation:

- Monitor rock temperatures during shaft deepening operations to ensure safe working conditions.
- Assess and monitor rock failure risks as mining advances to deeper levels.
- Continuously monitor water inflow rates as shaft deepening progresses to prevent water-related challenges.
- Conduct feasibility studies to evaluate the potential for expanding mining operations to greater depths.
- Maintain detailed production data, providing breakdowns from each deposit and distinct stopes to optimize reporting and operational decision-making.

17.4 Processing and Metallurgy

- rocess mineralogy studies indicate that Ruineng's Dazuozishan ore is a silver–lead–zinc polymetallic sulfide ore. Copper occurs predominantly as chalcopyrite, accounting for approximately 88.71% of total copper; lead occurs predominantly as galena, accounting for approximately 91.30% of total lead; zinc occurs predominantly as sphalerite, accounting for approximately 90.48% of total zinc. These metallic sulfides are mostly closely associated with pyrite. Silver is mainly hosted in pyrite, chalcopyrite and minor silver-bearing tetrahedrite. The principal gangue minerals are quartz, sericite and carbonate minerals.
- The Rongbang concentrator has operated stably while treating ore from the Ruineng Dazuozishan zinc polymetallic deposit, and the existing beneficiation flowsheet has demonstrated good suitability for this ore type.

17.5 Environmental and Social Considerations

The project has obtained the main environmental protection-related permits required for operation, including the safety production permits, water use permits, and site discharge registration. The environmental impact assessment (EIA) report for the project was prepared, and corresponding official approvals are obtained. The EIA report covers the main production facilities including mining industrial site and other auxiliary facilities.

According to the EIA Report, there are no special or important ecologically sensitive areas, such as nature reserves, scenic spots, forest parks, or natural habitats for rare and endangered species, within the mining site or its 5km radius.

All mine water and domestic sewage are fully recycled for dust suppression, drilling, and greening through onsite treatment and sedimentation, achieving zero discharge; additionally, drainage systems are implemented around ore stockpile and WRD to minimize leachate by diverting surface runoff.

Waste rock generated during production is primarily used to backfill mined-out areas. Development waste rock brought to the surface is temporarily stored before being used for backfilling or road construction. Settled sludge from mine water inflow remains underground and is directly backfilled into mined-out areas. In addition, support pillars are retained to prevent geological hazards such as surface subsidence.

It is recommended to develop and implement a Stakeholder Engagement Plan to ensure that project risks and impacts are properly managed throughout all stages. Additionally, a grievance mechanism should be established to ensure the effective participation of vulnerable groups.

17.6 Mine Economy

The economic analysis for the Ruineng Mine has been consolidated into the overall economic evaluation of the Rongbang Mine, as the Ruineng Mine operates as a satellite mining operation without independent processing facilities. All ROM ore produced at Ruineng is transported to the Rongbang Mine for processing. Consequently, the capital expenditures, operating costs, and revenue streams associated with the processing of Ruineng's ore are integrated into the Rongbang technical-economic analysis model to provide a comprehensive assessment of the combined project's viability.

Closure

This report, Competent Person's Report of Ruineng Project in Inner Mongolia, China, was prepared by

Hancheng Zhang, PhD, MAIG
Principal Consultant

and reviewed by

Yiefei Jia, PhD, FAusIMM(CP)
Corporate Consultant

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.

References

1. Chifeng Ruineng Mining Co., Ltd. *Verification Report of Zinc Polymetallic Mineral Resources in Dazuozishan Mining Area, Wengniute Banner, Inner Mongolia Autonomous Region.* December 2023.
2. Chifeng Rongbang Mining Co., Ltd. *Experimental Research Report on Beneficiation of Polymetallic Ore.* Changchun Gold Research Institute Co., Ltd., March 2022.
3. Chifeng Rongbang Mining Co., Ltd. Exploration Report of the *Youfangxi Copper-Lead-Zinc-Silver Mining Area, Hexigten Banner, Inner Mongolia Autonomous Region.* December 2011.

Appendix A Mining License

Chifeng Ruineng Mining Co., Ltd. Business License



统一社会信用代码
91150426MA0MYJGJ1D

营业执照

名　　称　赤峰锐能矿业有限公司

类　　型　有限责任公司（非自然人投资或控股的法人独资）

法定代表人　张军成

经营范围　许可项目：非煤矿山矿产资源开采；道路危险货物运输。（依法须经批准的项目，经相关部门批准后方可开展经营活动，具体经营项目以相关部门批准文件或许可证件为准）
一般项目：选矿；金属矿石销售；矿山机械销售；轴承、齿轮和传动部件销售；五金产品批发；五金产品零售；电子元器件与机电组件设备销售；发电机及发电机组销售；汽车零配件批发；建筑材料销售；化工产品销售（不含许可类化工产品）。（除依法须经批准的项目外，凭营业执照依法自主开展经营活动）

注册资本　叁亿元（人民币元）

成立日期　2016年08月08日

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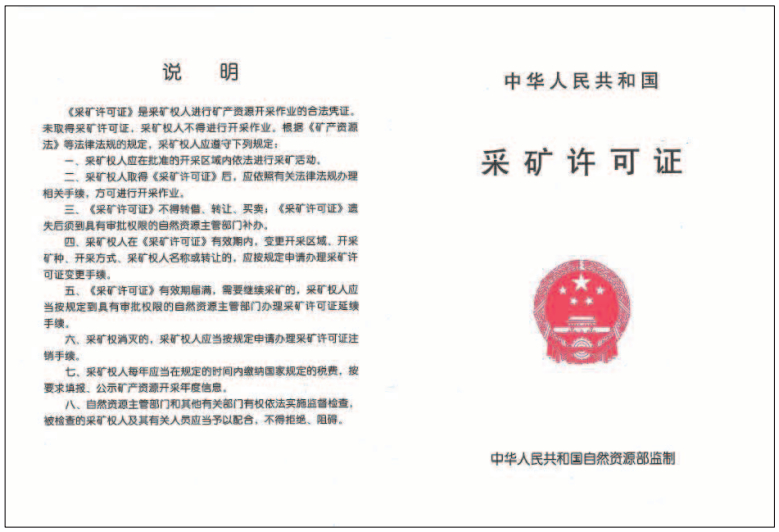
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2025年12月04日

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Chifeng Ruineng Mining Co., Ltd. Mining License



说　明

《采矿许可证》是采矿权人进行矿产资源开采作业的合法凭证。未取得采矿许可证，采矿权人不得进行开采作业。根据《矿产资源法》等法律法规的规定，采矿权人应遵守下列规定：

一、采矿权人应在批准的开采区域内依法进行采矿活动。

二、采矿权人取得《采矿许可证》后，应依照有关法律法规办理相关手续，方可进行开采作业。

三、《采矿许可证》不得转借、转让、买卖；《采矿许可证》遗失后须到具有审批权限的自然资源主管部门补办。

四、采矿权人在《采矿许可证》有效期内，变更开采区域、开采矿种、开采方式、采矿权人名称或转让的，应按规定申请办理采矿许可证变更手续。

五、《采矿许可证》有效期届满，需要继续采矿的，采矿权人应当按规定到具有审批权限的自然资源主管部门办理采矿许可证延续手续。

六、采矿权消灭的，采矿权人应当按规定申请办理采矿许可证注销手续。

七、采矿权人每年应当在规定的时间内缴纳国家规定的税费，按要求填报、公示矿产资源开采年度信息。

八、自然资源主管部门和其他有关部门有权依法实施监督检查，被检查的采矿权人及其有关人员应当予以配合，不得拒绝、阻碍。

中华人民共和国

采矿许可证

中华人民共和国自然资源部监制



根据国家法律、法规规定，经审查合格，特发此证。

证　号：

采矿权人：

统一社会信用代码：

单位地址：

企业类型：

矿山名称：

矿山地址：

开采矿种：

开采方式：

面　积：

有效期限：

发证机关

年　月　日

开采区域拐点坐标：

开采深度：

Appendix B JORC Code Table 1

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION IN THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Trench and tunnel samples were collected by channel sampling, using standard 10×3 cm channels cut on cleaned faces, with nominal 1 m sample lengths (1-2 m intervals composited where appropriate) under geologist supervision. • Diamond drill core was sampled as half-core cut along the core axis at nominal 1 m intervals, with continuous sampling through altered and mineralised zones. • Sample representivity was checked by comparing actual sample weights with theoretical values, with trench channel samples within ±10% and core samples within ±5% of theoretical weights.
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).*	• Historical Drilling: Drill Type: Small-diameter wireline diamond core drilling, comprising 70 surface diamond core holes, 10 underground holes and one hydrological hole. Core Diameter: Surface holes collar diameter 108 mm, final diameter 75 mm, core diameter 48-49 mm; underground holes collar and final diameter 60 mm, core diameter 36 mm. Orientation: Of the 70 surface holes, 65 were inclined and 5 vertical; no core-orientation measurements or tools are reported.
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*	• Core recovery was recorded for all diamond drill holes, with overall recovery ranging from 83-100% and ore-zone recovery from 86-100%; hole depth was checked every 50 m and at end of hole. • Small-diameter wireline diamond coring was used throughout, and depth checks and routine core logging were undertaken to monitor

Criteria	JORC Code explanation	Commentary
	and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	recovery and support representative sampling. • No formal study of the relationship between recovery and grade has been reported, and no sampling bias due to preferential loss or gain of fine or coarse material has been identified.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All diamond core and channel samples from trenches and tunnels were geologically logged, with core divided by lithology and ore type and descriptions including rock/ore type, colour, texture, structure, mineral assemblage, mineralisation, alteration, contacts and fracturing.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Drill core was cut lengthwise with a core cutting machine and sampled as half-core, with the remaining half retained in core boxes. • Trench and tunnel samples were collected as 10×3 cm channels on cleaned faces; samples were taken dry, with 1 m nominal lengths and 1-2 m composites as required. • Samples were dried (if wet), crushed in stages (typically to <1 mm pre-2023 and to 20-mesh in 2023), split to 200-250 g by manual quartering, then ground to 160200 mesh; sub-samples (20 g or ≥100 g pulps, depending on programme) were taken for assay and the remainder retained as duplicates. • Sample loss during crushing was required to be <5% and split-sample weight error <3%; inconsistent weights or out-of-tolerance loss/error triggered re-preparation; sample weights were compared with theoretical values (core within ±5%, channels within ±10%). • Sampling respected lithological/mineralisation boundaries and used fixed-dimension channels and systematic half-core sampling.
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*	• Ag, Pb, Zn and Cu were analysed by Atomic Absorption Spectrophotometry (AAS) in multiple CMA-accredited laboratories. • Routine insertion of CRMs, blanks and duplicates is not documented • QA/QC relied mainly on internal and external check assays (typically 10% internal and 5% external). • Basic contamination controls during crushing/splitting, and laboratory internal controls, with check data indicating no obvious systematic bias and generally acceptable precision for the purposes of this report.

Criteria	JORC Code explanation	Commentary
	of accuracy (ie lack of bias) and precision have been established.	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were independently verified by alternative company personnel or external consultants
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were located using RTK systems, ensuring precise spatial positioning. • All coordinates recorded in the China Geodetic Coordinate System 2000. • Downhole surveys were conducted using XJL-42 Small-Diameter Drillhole Compass Inclinometer (prior to 2023) and KXP-ZX wireless compass inclinometer manufactured (2023) • Topographic control was deemed adequate and accurate, providing sufficient detail for Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing and distribution were sufficient to establish geological and grade continuity, supporting Mineral Resource classifications. • For trench samples, the nominal sample length was 1 m, and intervals of 1–2 m were composited into single samples.
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.*	• Trenches, tunnels and drill holes were generally designed to intersect the main orebodies (alteration zones) at high angles, and sampling intervals were defined to respect lithological and mineralisation boundaries, minimising orientation-related bias. • No material sampling bias related to the relationship between drilling/sampling orientation and the orientation of key mineralised structures has been identified.
Sample security	• *The measures taken to ensure sample security.*	• Trench/channel and core samples were collected under geologist supervision, with sample IDs recorded and actual sample weights measured and compared with theoretical weights; on receipt at the on-site or commercial laboratories, technicians checked sample IDs and quantities before preparation. • After completion of drilling and core sampling, all drill cores were transported to the storage and jointly inspected by technical staff of

Criteria	JORC Code explanation	Commentary
		the drilling contractor and Ruineng Mining. Cores were stacked by drill hole and core box number, systematically registered, and accompanied by layout sketches showing storage locations, which were filed for future reference.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of the sampling techniques and data was carried out by SRK as part of the Mineral Resource estimation and the database is considered to be sufficient quality to carry out a Mineral Resource estimation.

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.*	• Chifeng Ruineng Mining Co., Ltd. owns the mining license and retained various Chinese professional geological exploration brigades or companies to conduct exploration programs • SRK have not independently verified the standing of the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration has been conducted mainly by Chifeng Boyuan Mineral Exploration Co., Ltd., Chifeng Hengjiu Mining Co., Ltd and Chifeng Ruineng Mining Co., Ltd.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The polymetallic deposits in the project area belongs to medium– to low-temperature hydrothermal vein-type deposits related to Yanshanian magmatic activity.
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*	• In 2004, the Exploration Unit of North China Geological Exploration Bureau carried out geological exploration in the Dazuozishan mining area, completing geophysical and geochemical surveys and geological mapping. • In 2007, Chifeng Hengjiu Mining Co., Ltd. commissioned Chifeng Boyuan Mineral Exploration Co., Ltd. to conduct exploration within the Dazuozishan exploration licence area. • In June 2010, Chifeng Hengjiu Mining Co., Ltd. prepared a

Criteria	JORC Code explanation	Commentary
	○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	preliminary mining design report, which passed expert review and was filed on 28 July 2011, after which mine construction commenced. • In early 2012, mine construction was suspended due to policy reasons. • In 2017, the mining licence of the Dazuozishan lead-zinc mine in Wengniute Banner was transferred from Chifeng Hengjiu Mining Co., Ltd. to Chifeng Ruineng Mining Co., Ltd. Following this transfer, and after the approval by the Wengniute Banner Administration of Work Safety, the construction was restarted. • In 2021, Chifeng Ruineng Mining Co., Ltd. carried out exploration in the deeper part (below the 930 m level) of the Dazuozishan mining area. • In February 2022, Chifeng Ruineng Mining Co., Ltd. conducted exploration in the peripheral areas of the Dazuozishan mining area. • From July 2022 to October 2023, Chifeng Ruineng Mining Co., Ltd. carried out trenching and drilling projects on selected orebodies.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The Mineral Resources were estimated. Details see Section 7. • To define the extension of mineralised domains, an appropriate cut-off was applied for the deposit. • A grade capping was used.
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').*	• The Mineral Resources were estimated. Details see Section 7.
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.*	• Appropriate maps and sections were reported in this Report.

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• No other exploration results for the Project
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.*	• SRK is not aware of any material or substantive exploration data that has not been reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• SRK suggests that further geological exploration to upgrade and increase the base of the Mineral Resources.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK was provided with the Csv format tables of all drill holes/ trenches/ underground channel data. • SRK has reviewed the tables and database provided by the client and they are acceptable for the Mineral Resource estimation. • The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/ exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The site visit was conducted during 27 to 30 January 2026. • The second site visit for data verification was completed in April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• This dataset provides a good definition of the dimensions for resource estimation.

Criteria	JORC Code explanation	Commentary
	• *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.*	• SRK has adequate confidence in the geological interpretation. The overall interpretation of the continuity, extent, and orientation of the mineralised domains, based on the various phases of exploration, has been confirmed by operation
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in section7.4
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The Ordinary Kriging (OK) method was used for the Ag, Pb and Zn grade estimation of the mineral Domain. Hard boundaries were used for Ag, Pb and Zn of all domains. • The parameters of the searching ellipsoid were thus manually optimized. • The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation. Details is the section 7.9. • SRK performed a thorough validation of the interpolation model results, which included visual examination and "Swath Plots" analysis.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade of 2.0 ZnEq for underground (UG) mining and a cut-off grade of 1.6 ZnEq for in situ Mineral Resources. • This cut-off grade is estimated to be the minimum grade required for

Criteria	JORC Code explanation	Commentary
		economic extraction at current prices.
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.*	• Underground mining methodology is adopted. • Details are in section 9
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The ore contains a relatively wide range of target minerals. The main sulphide minerals are pyrite, chalcopyrite and sphalerite; subordinate minerals include galena, pyrrhotite and bornite (including argentiferous bornite), and minor minerals include acanthite, native silver, arsenopyrite and pyrite-marcasite–type minerals. The main gangue minerals are quartz, sericite and carbonate minerals, with lesser amounts of chlorite, limonite and epidote; other minerals are present in relatively low proportions. • Ruineng Mining uses a shared concentrator with Rongbang Mining, because the Ruineng and Rongbang deposits are contiguous, with the same mineralisation type and similar ore characteristic.
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.*	• The Ruineng Project obtained all related environmental approvals from the various government bodies, which have been sighted by SRK. • Waste rock generated during production is primarily used to backfill mined-out areas. Development waste rock brought to the surface is temporarily stored before being used for backfilling or road construction. Currently, the extracted ore is sold to the Chifeng Rongbang Mining Co., Ltd. processing plant. • Hazardous materials, such as waste engine oil generated by the project, are entrusted to a qualified unit for removal and disposal. During the transfer process, the requirements of the Technical Specifications for Collection, Storage, and Transportation of Hazardous Waste (HJ 2025-2012) are strictly enforced, and unauthorized transportation or disposal is prohibited. • Details are in section13.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The specific gravity values applied in the resource estimation were derived from average SG data provided by the client.
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.*	• Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. • Details in section 7.12
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• SRK carried out an internal peer review on the Mineral Resource estimate.
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 tonnes and grades for the Measured and Indicated Mineral Resources are estimated to a certain acceptable level of confidence, based on the data density observed by the Competent Person. • SRK's Mineral Resource estimation is a global estimate

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate was reviewed by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 December 2025 • Reported Mineral Resource is inclusive of potential Ore Reserve material.
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.*	• Mr. Falong Hu, the Competent Person for this Ore Reserve statement is a full-time employee of SRK Consulting (China) Ltd. • Mr. Falong Hu conducted the site visit during 27 to 30 January 2026.
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.*	Mining related data acquired by SRK through virtual data request and site visit. Mining review is primarily based on the following information and results: • Updated Design Report on the Ruineng Mine, conducted by Handan Diamond Mineral Resources Development and Design Co.,Ltd. In December 2022 (RN 2022) • Updated Mining Method Study on the Ruineng Mine, conducted by Handan Diamond Mineral Resources Development and Design Co.,Ltd. In July 2023 (RN 2023) • Backfill System Design Report on the Ruineng Mine, conducted by Changsha Institute of Mining Research Co., Ltd. In June 2025 (RN 2025)
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	Below are the parameters used for COGs calculations Zinc 2.40%:

Item	Parameters	Unit	Ruineng Mine	By Product
	Zinc Price	USD/t	2,800.00	2,800.00
	Exchange Rate	USD: CNY	7.10	7.10
P	Zinc Price	CNY/t ore	19,880.00	19,880.00
Pa	Payable	CNY/t ore	-4,110.15	-4,110.15
Pr	Processing Recovery	%	80.31	80.31
Rt	Royalties	%	-	-
Cm	Mining Cost	CNY/t ore	158.28	
Cp	Processing Cost	CNY/t ore	61.21	61.21
Cg	G&A Cost	CNY/t ore	80.86	80.86
A	COG	%	2.40%	1.20%

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Based on orebody geometry and surrounding conditions, Modified sublevel open stope mining method is applied where the orebody thickness exceeds 5 m, and shrinkage stope mining method is applied where the orebody thickness is less than 5 m. Within a given orebody, mining proceeds in a retreating sequence along strike, from the extremity of the orebody back towards the ore haulage access. • The mining methods are technically feasible. • Backfilling has been relied on and will be continually relied on to support the underground voids. • Mining dilution is accounted for at 10% • The Inferred Mineral Resources that must be mined were included in the Ore Reserves, but with a zero grade. • The existing infrastructure can be utilised to support the practised mining methods. • Details are in section 9.
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?*	• Process mineralogy studies indicate that the Ruineng Dazuozishanore is a silver–lead–zinc polymetallic sulfide ore. Copper occurs predominantly as chalcopyrite, accounting for about 88.71% of the total copper; lead occurs mainly as galena, accounting for about 91.30% of the total lead; and zinc occurs mainly as sphalerite, accounting for about 90.48% of the total zinc. These three base-metal sulfides commonly occur in intimate association with pyrite. Silver is mainly hosted in pyrite and chalcopyrite, with a lesser amount in argentiferous tetrahedrite. The principal gangue minerals are quartz, sericite and carbonates. • Testwork was carried out using a partial preferential (differential) flotation flowsheet, including grind-size optimization tests; reagent type and dosage tests for copper, lead and zinc flotation; copper–lead separation tests; and open-circuit and closed-circuit flotation tests over the full flowsheet. The final flowsheet selected was "Cu–Pb bulk flotation – Cu–Pb separation – zinc flotation from Cu–Pb tailings," producing a copper concentrate assaying 16.91% Cu, a lead concentrate assaying 46.12% Pb, and a zinc concentrate assaying 41.11% Zn. The corresponding metal recoveries were 87.49% Cu, 83.40% Pb and 81.62% Zn. Silver in flotation is mainly concentrated in the copper and lead concentrates.

Criteria	JORC Code explanation	Commentary
		• Details are in *Competent Person's Report of Rongbang Project in Inner Mongolia, China* section 10.
Environmen-tal	• *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.*	• The environmental impact assessment (EIA) report for the project was prepared, and corresponding official approvals are obtained. The EIA report basically covers the main production facilities including mine sites and other auxiliary facilities. • According to the EIA, the leaching tests conducted in November 19, 2021 by Inner Mongolia Dayuan Environmental Testing Co., Ltd. confirmed that the project's waste rock is non-hazardous. All the monitored parameters, including heavy metals and pH, fell within the limits of GB 5085.3-2007 for extraction toxicity and met the Grade I discharge standards of GB 8978-1996. Consequently, the waste rock is officially classified as Class I General Industrial Solid Waste. • Waste rock generated during production is primarily used to backfill mined-out areas. Development waste rock brought to the surface is temporarily stored before being used for backfilling or road construction. Currently, the extracted ore is sold to the Chifeng Rongbang Mining Co., Ltd. processing plant. • Details are in section13.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The infrastructure has been in use since commercial production commenced in 2023. • Details are in section 12.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• The operating costs (Opex) in the past three years were reviewed by SRK. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalents to 7 RMB. • The sales contracts were reviewed by SRK. The pricing rates were derived from the reviewed sales contract. • The taxes, royalties and other government charges were made based on Chinese laws. • Details are in section 14.
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.*	• The consensus market forecasts published by Consensus Economics Inc. in December 2025 was adopted by SRK to estimate the revenues.

Criteria	JORC Code explanation	Commentary
	etc. • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalent to 7 RMB. • The sales contracts were reviewed by SRK. The pricing rates and premium were derived from the reviewed sales contract. • Details are in section 15
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.*	• The Company has signed sales contracts with buyers, and the terms have been reached in the contracts. • The prices of the valuable elements in the concentrates, i.e. silver, lead and zinc will be determined according to the trading prices of the metals.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The discount cash flow method was used for the economic analysis. The analysis did not consider inflation, while a discount of 8% was applied. Detailed assumptions have been discussed in section 15.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The socio-economic risk associated with the Project is assessed as low, based on available information, including evidence of community acceptance and the absence of documented public objections. • Enhancements to the grievance mechanism and stakeholder engagement approach have been identified to support the ongoing management of community expectations. • Details are in section 13.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which*	• Risk analysis is shown in section 16.

Criteria	JORC Code explanation	Commentary
	extraction of the reserve is contingent.	
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 classified into Proved Ore Reserves. • The Indicated Mineral Resources were classified into Probable Ore Reserves.
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.
Discussion of relative accuracy/ confidence2017	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The application of statistical or geostatistical procedures is not applied to assess the relative accuracy/ confidence. • The Ore Reserve estimate is related to global estimate.

Final

Competent Person's Report of Bangbu Gold Project in Tibet, China

Bangbu Gold Project, Tibet, People's Republic of China
Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ■ SCN975 ■ 19 May 2026

srk consulting

Final

Competent Person's Report of Bangbu Gold Project in Tibet, China

Bangbu Gold Project, Tibet, People's Republic of China

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Project Site

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The opinions expressed in this document have been based on the information available to SRK at the time of preparation. SRK has exercised all due care in reviewing information supplied by others for use on this project. While 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, except to the extent that SRK was hired to verify the data.

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Appendices

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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
Bosheng	Bosheng Mining (博盛矿业)
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
Ag	the element symbol of silver
Au	the element symbol of gold
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold
CIP	Carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions
CIT	corporate income tax
cm	centimetres
COG	cut-off grade
Xingye Silver&Tin	Xingye Silver&Tin Limited (兴业银锡)
CPR	Competent Person's Report
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne

Term / Abbreviation	Meaning / Definition
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate

Term / Abbreviation	Meaning / Definition
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WRD	waste rock dump
VAT	value-added tax

Executive Summary

Introduction

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver&Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Tibet Bangbu Gold Project ("**Bangbu Project**" or the "**Project**") which is located in Jiacha County, Tibet and operated by Bosheng Mining, a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver&Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Stock Exchange and HKEx.

Outline of Work Programme

- The work program for this project consisted of:
- review of dataset and resource models provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in 27 to 30 April 2026, to the Bangbu Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the gold mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("**TSF**"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- discussion with Bosheng Mining and Xingye Silver&Tin management and technical personnel.

- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the draft to Bosheng Mining and Xingye Silver&Tin and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

Operational Licences and Permits

The underground mining of this mine site is not operation and is under technique upgrade, which is expected to commence operation in 2028. The Company has obtained a mining license to carry out mining and processing activities. In addition, it has acquired other approvals and permits including two safety production permits, a water use permit and various land use permits. The mining license and the safety production permit for underground mining are under renewal process.

Geology and Mineralogy

The Bangbu Gold Project is located in the eastern Langjiexue accretionary wedge of the Yarlung Zangbo suture zone in southern Tibet, within the Zhongba–Lang County orogenic gold belt. Mineralisation is hosted mainly by Upper Triassic deep- to marginal-marine clastic rocks of the Langjiexue Group, especially the third member of the Songre Formation (T_3s_3), comprising carbonaceous sericite phyllite/schist and interbedded fine-grained feldspathic quartz sandstone and quartz siltstone.

Gold is typical of an orogenic, structurally-controlled, mid to low temperature metamorphic hydrothermal quartz-vein lode system. Mineralisation is controlled by a hierarchy of structures: regional E–W thrusts and shear belts focus fluids into the district, while ore is localised in NW–WNW- and NE-trending brittle–ductile shear zones, faults, folds and associated fracture networks within the favourable carbonaceous, fine-grained host rocks.

Ore occurs in quartz–sulfide veins, breccias and fracture-controlled altered rocks. Native gold is predominantly coarse (0.1–0.4 mm), with about half occurring as free gold and half as inclusions or fracture-filling gold in sulfides. Pyrite is the dominant gold-bearing sulfide, accompanied by minor sphalerite, galena, chalcopyrite and rare molybdenite, while the principal gangue minerals are quartz with sericite, chlorite, minor feldspar and carbonates.

Exploration and QAQC

Since 2003, systematic exploration work other than drilling has been carried out over the Bangbu Gold Project area by and on behalf of the current licence holder (Tibet Bosheng Mining Development Co., Ltd.), building on earlier regional work by government geological teams.

Diamond core drilling has been the sole drilling method used in the Bangbu Gold Project area. Drilling has been carried out in several phases by government geological teams and, subsequently, by or on

behalf of Tibet Bosheng Mining Development Co., Ltd. for prospecting, detailed exploration and resource verification.

Sample preparation was undertaken by Class A accredited laboratories to current Chinese standards. Whole-ore samples were crushed and riffle/rotary split to obtain analytical subsamples, with reported preparation loss <5% and subsampling error <3%. Specific subsampling protocols (K value 0.4–0.8) were adopted to manage the nugget effect associated with native gold grain sizes of ~0.1–0.4 mm, which are typical for the deposit. Field handling of soil samples (air-drying, controlled sieving, documented chain-of-custody) is considered appropriate for geochemical exploration purposes.

Assay quality management followed DZ/T 0130-2006 "Specification for Quality Management of Geological and Mineral Laboratory Testing". Primary analytical work and independent check assays were conducted by multiple Class A laboratories. Internal check samples, representing approximately 10% of primary Au assays (633 of 6,077 samples from 2010–2016), were submitted as blind duplicates, achieving an accepted pass rate of ~99%. The distribution of positive and negative differences is broadly symmetrical, indicating no significant systematic bias. External check assays, selected at rates of 3–15% of primary samples depending on year, show Au pass rates typically between 91% and 100%, with no clear systematic high or low bias trend. These results collectively indicate that the Au assay dataset is of acceptable accuracy and precision for resource evaluation purposes.

Mineral Resource Estimation

A non-rotational model for Bangbu Project was generated by leapfrog Edge software for grade and tonnage estimation. The estimates are based on the surface diamond drill holes, Tunnels and Trenchs available up to 31 December 2025.

SRK considers that blocks estimated during the first estimation pass with sample distances less than 40 m can be classified as Measured Mineral Resources; those blocks estimated during the second estimation pass with sample distances less than 80 m can be classified as Indicated Mineral Resources. All other remaining blocks can be categorised as Inferred Mineral Resources

As of 31 December 2025, SRK reported the underground Mineral Resources of the Bangbu Project, at a cut-off grade of 0.9 g/t Au. There are 3.57 million tonnes ("**Mt**") Indicated Mineral Resource at an average grade of 4.90 g/t Au; and 5.99 Mt of Inferred Mineral Resources at an average grade of 3.59 g/t Au.

Details of estimated Mineral Resources are shown in Table ES-1.

Table ES-1: Mineral Resource Statement for Bangbu Project, as of 31 December 2025

Mineral Resource class	Tonnes(Mt)	Au (g/t)	Au (t)
Measured			
Indicated	3.57	4.90	17.5
Measured + Indicated	**3.57**	**4.90**	**17.5**
Inferred	5.99	3.59	21.5

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang and Mr. Pengfei Xiao who are full time employee of SRK Consulting China Ltd. Mr. Xiao is a Fellow of AusIMM, and he has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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*. Mr. Xiao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 0.9 g/t Au.

Exploration Potential

SRK considers that Domain 3 does not pinch out at depth towards the southwest, indicating additional resource potential. SRK recommends infill drilling to upgrade the current resources.

Mining and Ore Reserves

SRK has estimated the Ore Reserves for the Bangbu Gold Mine in accordance with the JORC Code (2012) guidelines. These estimates are supported by the Feasibility Study (*FS 2026*) and related technical investigations, which SRK considers to meet the confidence level of a Pre-Feasibility Study (PFS). The conversion process applied a marginal cut-off grade of 1.25 g/t Au, derived from a long-term gold price of USD 3,000/oz and projected operational costs.

As only Indicated Mineral Resources were identified within the resource model, the economically mineable portions within designed stopes have been classified entirely as Probable Ore Reserves. As of 31 December 2025, the total Ore Reserves are estimated at 2,655.1 kt with an average grade of 4.21 g/t Au, containing 11,167.9 kg (359.1 koz) of gold. These reserves integrate a conservative 25% mining loss rate and a 20% mining dilution rate to account for geotechnical challenges in the host rock.

The Ore Reserve statement is shown in Table ES-2.

Table ES-2: Ore Reserves Statement for Bangbu Mine, as of 31 December 2025

Category	Tonnage	Average Grade	Au Metal Contained	Au Metal Contained
	Kt	g/t Au	kg	koz
Proved	-	-	-	-
Probable	2,655	4.21	11,168	359
Total	2,655	4.21	11,168	359

Source: SRK

Notes:

1. The information in this report which relates to Ore Reserve is based on information compiled by Hongbo Liu and Yonggang Wu. Yonggang Wu is a full-time employee of SRK Consulting China Ltd and a member of AusIMM. Yonggang Wu has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Hongbo Liu and Yonggang Wu consents to the reporting of this information in the form and context in which it appears.
2. Ore Reserves are constrained within an underground mining design that uses the following assumptions: a gold price of US$3,000/oz; gold recoveries 91.3%; a reference mining cost of $46.53/ton mined in-situ; processing costs of $37.19/ton ore processed; G&A costs of $16.21/ton ore processed; royalty of 4%.
3. Ore Reserves are reported at a cut-off grade 1.25g/t.
4. Numbers have been rounded and may not sum precisely.
5. Mining dilution (waste rock and inferred Mineral Resources) rate is 20%. Mining loss rate is 25%.

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

Mining Assessment

The Bangbu Gold Mine is an underground operation expanding to a capacity of 300 ktpa (1,000 tpd) with a projected 10-year service life. Located in high-altitude alpine terrain, the project utilizes a horizontal adit development strategy (PD4, PD6, and PD9) to leverage natural gravity drainage and energy-efficient logistics via a 600mm-gauge tracked haulage system.

Extraction employs a dip-based dual-mining strategy, utilizing Breast stoping and shrinkage stoping to manage the geotechnical requirements of the carbonaceous phyllite host rock. The mine plan conservatively integrates a 25% mining loss rate and 20% dilution rate. Safety is prioritized through specialized winter air pre-heating units and a real-time automated stress-strain monitoring network.

Processing and Metallurgy

The lode gold mineralisation in the Bangbu mining area is dominated by fractured quartz-vein type ore. The ore mineralogy is relatively simple: pyrite is the principal metallic mineral, with native gold occurring predominantly in close association with pyrite. Quartz is the main gangue mineral. The ore is considered to be a free-milling gold ore. Several research institutions have conducted multiple campaigns of process mineralogy studies and beneficiation testwork, providing technical support for the design of the processing plant and its subsequent operation.

The existing processing plant has a treatment capacity of 800 t/d and applies a "gravity concentration + flotation of gravity tails" flowsheet to treat the gold ore, producing a gravity gold concentrate and a flotation gold concentrate. Key production indicators for the last three years are summarised in Table ES-3

In 2025, the Bosheng Processing Plant treated 109.13 kt of ore at an average feed grade of 1.03 g/t Au, producing 1,204 t of flotation gold concentrate with an average gold grade of 65.18 g/t Au, at an overall gold recovery of 69.74%.

Table ES-3: Key Production Indicators of Bosheng Processing Plant

INDICATOR	UNIT	2023	2024	2025	Avg.
Mill Feed					
Dry Ore Processed	t	23,360	22,011	109,130	51,500
Au Grade	g/t	1.24	0.55	1.03	1.00
Contained Au	kg	29.02	12.06	112.68	51.25
Gravity Gold Concentrate					
Production	t	0.46		0.24	0.35
Au Grade	g/t	2,275		35.10	1,510
Contained Au	kg	1.05		0.008	0.53
Recovery	%	3.62		0.08	0.69
Flotation Gold Concentrate					
Production	t	255	127	1,204	529
Au Grade	g/t	92.70	60.30	65.18	69.21
Contained Au	kg	23.61	7.66	78.49	36.59

Recovery	%	81.38	63.54	69.66	71.39
Overall Au recovery	%	84.99	63.54	69.74	72.08

Source: 2023, 2024 and 2025 monthly processing plant reports and monthly metal balance reports, compiled on an annual basis.

Based on records of actual concentrate tonnages stored in the gold flotation and gravity concentrate bins, as provided by the Company's finance department, the contained metal quantities have been calculated and are summarized in Table ES-4.

Table ES-4: Historical Production Performance from Production and Sales Reports

Actual Recovered Metal	Unit	2023	2024	2025
Au	kg	24.66	7.66	77.73

Source: Production and Sales Reports from the financial department.

Project Infrastructure

The project is located in Jiacha County, about 360 km from Lhasa, and is accessed via public highways, a 25 km rural road and a 12 km mine road, with underground access by multi-level adits. Power is supplied from the regional 35 kV grid to an on-site 4,000 kVA substation with emergency diesel backup, and water is sourced from clarified mine inflows and a dedicated river intake, with separate UV-treated domestic supply. Infrastructure includes central and adit-level workshops, permanent camps with offices, accommodation and basic medical facilities, and established systems for domestic, sewage and hazardous waste management. Security, explosives storage, and communications (industrial Ethernet, VOIP, underground radio and "Smart Mine" monitoring) are in place, together with diesel storage sized to support the planned 1,000 t/d operation.

Environmental and Social Impacts

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 Project, currently identified as part of this assessment, are:

- Impacts to local ecology due to land disturbance;
- Potential heavy metal pollution; and
- Dust impacts from the haul roads and waste rock dump area.

It is SRK's opinion that the above environmental risks are categorized as moderate/tolerable risks (i.e., requiring risk management measures) and they are generally manageable. Since various environmental protection measures are planned or conducted by the Company to solve these environmental issues, SRK considers that these environmental risks are controlled properly and not to develop into higher grade risks.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex expenditure ("Capex") is estimated based on historical expenditure and the Life of Mine ("LOM") production schedule. The total projected Future Capex is estimated as CNY 103.2 million according to the FS 2026. The summary of Capex is presented in Table ES-5.

Table ES-5: Summary of Capex for Bangbu Project

CAPEX	Unit	LOM
Initial Capex	**Million CNY**	**58.3**
Infrastructure	Million CNY	19.5
Underground Development	Million CNY	13.5
Equipment Installation	Million CNY	25.3
Sustaining Capex	**Million CNY**	**37.6**
Land Use Rights	Million CNY	1.3
Mining Rights	Million CNY	15.9
Equipment Purchase	Million CNY	4.1
Buildings	Million CNY	0.6
Underground Development	Million CNY	2.2
Others	Million CNY	13.6
Closure Cost	**Million CNY**	**7.2**
Total Capex	**Million CNY**	**103.2**

Source: summarized by SRK

Operating Costs

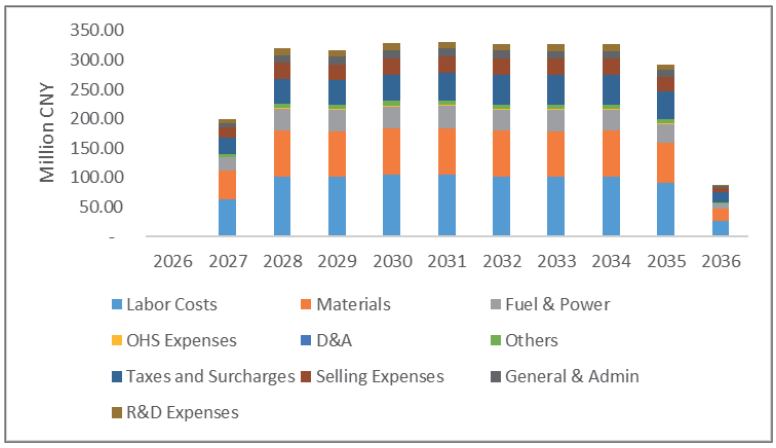
The operating costs ("Opex") are summarised in Table ES-6, and Figure ES-1, which present the life-of-mine unit cost estimates. SRK considers the average operating cost derived from the FS 2026 Opex model to be reasonable and has adopted this value for use in forward-looking economic evaluations.

Table ES-6: Summary of Forecasted for Bangbu Project

OPEX - By Element	Unit	Average
COGS		
Labor Costs	CNY/t	338.0
Materials	CNY/t	257.9
Fuel & Power	CNY/t	119.8
OHS Expenses	CNY/t	5.6
D&A	CNY/t	-
Others	CNY/t	23.7
Taxes and Surcharges	CNY/t	159.2
Selling Expenses	CNY/t	89.4
General & Admin	CNY/t	44.7
R&D Expenses	CNY/t	36.4
Total OPEX	CNY/t	**1,074.9**

Source: summarized by SRK

Figure ES-1: Opex Plan over LOM (in Million CNY)



Source: summarized by SRK

Economic Analysis

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Bangbu Project. The assumptions are as follows:

- The ROM and finial products of Bangbu Project are based on the LOM schedule.
- The local currency for Bangbu Project is Chinese Yuan (CNY).
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LOM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Mineral Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LOM.
- The reference date or effective date is 31 December 2025.

The net present values ("NPVs") at different discount rates were estimated by SRK through DCF model, presented in Table ES-6.

Table ES-7: Estimated NPVs at Different Discount Rate (in Million CNY)

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	3,410	3,223	3,050	2,889	2,739	2,600	2,470	2,350	2,237	2,131	2,033

SRK conducted a single-factor sensitivity analysis for the Project to determine which factors most significantly impact its economics when considered independently. The analysis focused on metal prices, CAPEX, and OPEX, each tested within a ±30% range.

The changes in prices have the greatest impact on the Bangbu Project's NPV, while OPEX and CAPEX have less effects.

To clarify the effects of prices on the Bangbu Project's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -69% from the base scenario prices used in the model. In other words, the price drops to about 31% of the forecasting price, the Project NPV will become negative.

Risk Assessment

SRK completed a risk assessment of the risks identified for the Bangbu Project in relation to their likelihood of occurrence and consequence.

SRK considers various technical aspects which may affect the feasibility and future cash flow of each operating mine and conducts risk assessments for the Bangbu Project based on similar techno-economic conditions among the different deposits or mines, which have been summarized in Table ES-8.

Table ES-8: Risk Assessment for Bangbu Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves			
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LoM)	Unlikely	Moderate	Medium
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Possible	Moderate	Medium
Mineral Processing			
Ore variability resulting in reduced gold recovery in concentrate	Possible	Moderate	Medium
High equipment failure rate and low plant availability preventing the plant from achieving design throughput	Unlikely	Moderate	Low
Unstable ore supply resulting in significant fluctuations in processing plant performance indicators	Possible	Minor	Low
Environmental and Social			
Impacts to local ecology due to land disturbance	Possible	Moderate	Medium
Potential heavy metal pollution	Possible	Moderate	Medium
Dust impacts from the haul roads and waste rock dump area	Possible	Moderate	Medium
Capital and Operating Costs			

Risk Source/Issue	Likelihood	Consequence	Risk
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

1 Introduction and Scope of Report

SRK Consulting China Ltd ("**SRK**") was commissioned by Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. ("**Xingye Silver&Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Tibet Bangbu Gold Project ("**Bangbu Project**" or the "**Project**") which is located in Jiacha County, Tibet and operated by Bosheng Mining, a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("**CPR**", or this "**Report**") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("**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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver&Tin to support the proposed listing on the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and the Australian Institute of Geoscientists ("**AIG**").

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "Effective Date"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK. Rather than ordinary production, SRK is not aware of any material changes to the Mineral Resources and Ore Reserves post the statement.

2.5 Work Program

- review of dataset and wireframes provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in 27 to 30 April 2026, to the Bangbu Project, including the locations of exploration and production boreholes, drill cores and underground stopes showing the silver mineralisation, the ore processing and metallurgical plant, ore and waste stockpiles, tailings storage facilities ("TSF"), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("EIA") reports, mineral processing technology and mining methodologies, capital expenditures ("Capex") and operating costs ("Opex"), etc.
- discussion with Bosheng Mining and Xingye Silver&Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 December 2025).
- submission of the report to Xingye Silver&Tin and the related third party for comments and finalise the report based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
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 HKEx
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 HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Pengfei Xiao	Principal Consultant (Geology)	Project Manager, Overall Responsibility, Economic Analysis
Mingyan Wang	Consultant (Geology)	Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	Data Verification and QAQC
Hongbo Liu	Associate Consultant (Mining)	Mining and Ore Reserve Review
Yonggang Wu	Principal Consultant (Mining)	Mining and Ore Reserve Review
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Chao Ding	Consultant (Processing)	Processing and Metallurgical Review
Yuanhai (Andy) Li	Principal Consultant (Environment)	Environmental and Social Review
Jiayue (Ciara) Bi	Assistant Consultant (Environment)	Assist in Environmental Review
Liyuan (Teresa) Luo	Project Coordinator	Project Coordination and Translation
Yiefei Jia	Corporate Consultant (Geology)	Internal Peer Review and Quality Control

Pengfei Xiao, *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.

Mingyan Wang, *BMg*, is a Geological Consultant at SRK China. Prior to joining SRK in 2022, he worked at China Geological Engineering Group Corporation, where he was primarily involved in ecological restoration design and integrated land remediation projects. Since joining SRK, he has focused on resource modeling, resource estimation, data processing, and map generation, contributing to projects involving a variety of commodities including gold, copper, cobalt, and nickel. In addition, he has served as a field geologist on multiple exploration projects, responsible for core logging, sample collection, and quality control. Mingyan is proficient in software such as GIS, ENVI, Surpac, Leapfrog, and AutoCAD.

Frank Li, *BEng, MSc, FAusIMM,* is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, etc. He has a deep understanding of analysis and mineral resource reporting conversions between of

Chinese and JORC Code standards and has abundant experience in exploration management and quality control.

Hongbo Liu, *MSc, MAusIMM,* is a Senior Mining Engineer of BAW and the CP responsible for Mining and Ore Reserves estimation of all CPRs. He has more than ten years of underground and open pit mining experience in mine operations, constructions, project management, engineering, mine development, ground control, ventilation, backfill, haulage and technical services. He is familiar with multiple mining software including MineSched, Surpac, Vulcan, Whittle, MapGIS and AutoCAD. He obtained his master's degree in Mining Engineering from China University of Mining and Technology (Beijing) in 2003. Before BAW, he served as a Technical Support and Project Manager at GEMCOM International Software Co. (now Geovia/Dassault Syste`mes) (2006.11–2011.9), where he focused on the domestic promotion of digital mining solutions. He holds professional qualifications as a Registered Safety Engineer and has been a member of the Australasian Institute of Mining and Metallurgy (AusIMM) since 2015, as well as a Professional Individual Member of the China Mineral Resources Reserves Association (CIPA) since 2020.

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. Yonggang has expertise in geological and mining modelling and is proficient in using MineSight, AutoCAD, and other specialised software packages.

Lanliang Niu, *BEng, MAusIMM,* is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals projects. With SRK, he has been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

Chao Ding, *MEng,* Consultant (Mineral Processing) at SRK China. Prior to joining SRK, he worked for Weihai Haiwang Cyclone Co., Ltd. And Ramu NiCo Management Co., Ltd. He has accumulated certain experience in mineral dressing test research, and has a certain understanding and mastery of plant design; in addition, he has accumulated rich experience in production and management of hydrometallurgy of nickel laterite ore.

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

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

Ciara (Jiayue) Bi, *MSc,* is an Assistant Consultant in the Environment team of SRK. She graduated from University College London in 2024 with a master's degree in Global Natural Resource Management and joined SRK Beijing office in the same year. During her time at university, she mainly studied the usage and processing of minerals, prevention and remediation of environmental contamination, and social licensing. She has participated in field trips organized by schools in the UK, Finland and Australia on the treatment of high-level radioactive nuclear waste and acid wastewater.

Yiefei Jia, *PhD, FAusIMM (CP Geo),* is a Corporate Consultant (Geology and Project Evaluation) with a specialty of exploration of mineral deposits. He has more than 25 years' experience in the field of exploration, development, and Mineral Resources estimate of precious metal (gold, silver, and PGE), non-ferrous metal (lithium, lead, zinc, copper, vanadium, titanium, cobalt and nickel), and black metal (iron and manganese) as well as non-metallic metal (potash, fluorite and graphite) and decorative stone (marble) ore deposits in different geological settings in Australia, Africa, China, and North and Central America. He also has over five years' experience in coal deposits exploration and due diligence in China, Indonesia and Mongolia. He has extensive experience in project management, exploration design and Mineral Resource assessment. In recent years, he, as Competent Person, has led and coordinated dozens of due diligence projects with technical reports either for fund raising or listing on overseas stock exchanges, such as the Stock Exchange of Hong Kong Limited.

2.8 Warranties

Xingye Silver&Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver&Tin 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 Bosheng Mining or to Xingye Silver&Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Pengfei Xiao, a Fellow of the Australasian Institute of Mining & Metallurgy ("FAusIMM", registration #307962) and a Member of Australian Institute of Geoscientists ("MAIG", registration #8610). Pengfei Xiao is a full-time employee of SRK and 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 JORC Code. Mr Pengfei Xiao consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Hongbo Liu, MAusIMM, and reviewed by Mr Yonggang Wu, FAusIMM. Yonggang Wu is a full-time employees of SRK. Mr Hongbo Liu and Mr Yonggang Wu have 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 Competent Persons as defined in the JORC Code. Mr Hongbo Liu and Mr Yonggang Wu consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

This Report is a Competent Person's Report in line with the Listing Rules of HKEx. As Mineral Resource and Ore Reserve reporting is a teamwork. Besides the Competent Persons aforementioned, other contributing Competent Persons with relevant areas of expertise are listed below, including

- Mr Lanliang Niu, MAusIMM, Principal Consultant (Processing); and
- Mr Yuanhai Li, MAusIMM, Principal Consultant (ESG)

Peer review and quality control of the Report were conducted by Dr. Yiefei Jia, FAusIMM, a Corporate Consultant (Geology) at SRK.

2.11 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 Bosheng Mining or employees of Xingye Silver&Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver&Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operating Licenses 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. This underground mining of this mine site is not operation and is under technique upgrade, which is expected to commence operation in 2028.

3.1 Mining License and Exploration License

Details of the Mining licence for the Project are presented in Table 3-1 and a scanned original copy is attached in the appendix A of this report. Please note that this mining license expires in July 2026, and it is under renewal process.

Table 3-2 summarizes key information of the exploration license, and Figure 3-1 shows the locations of the mining license and the exploration license.

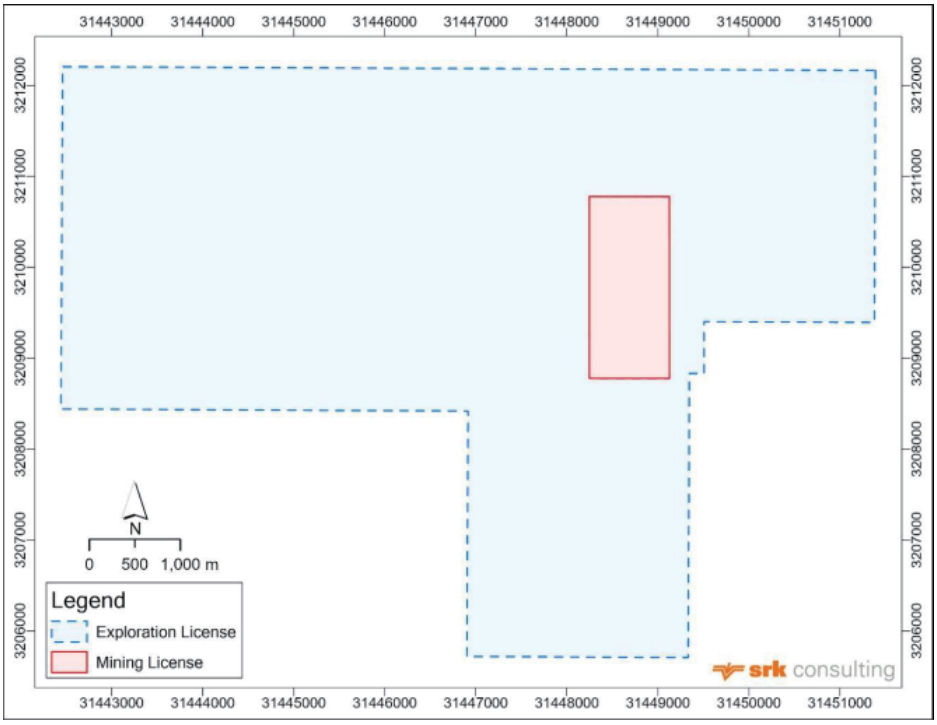
Table 3-1: Mining License

Project	Tibet Bosheng Gold Mine
Mining License No.	C5400002011124110121484
Issued To	Tibet Bosheng Mining Development Co., Ltd.
Issued By	Department of Natural Resources of Tibet Autonomous Region
Issue Date	2 July 2022
Expiry Date	2 July 2026
Area (km^2)	1.7607
Mining Type	Underground Mining
Ore Type	Gold

Table 3-2: Exploration License

Project	Bangbu Gold Mine, Jiacha County, Tibet
Mining License No.	T5400002010024010039215
Issued To	Tibet Bosheng Mining Development Co., Ltd.
Issued By	Department of Natural Resources of Tibet Autonomous Region
Issue Date	30 September 2021
Expiry Date	30 September 2026
Area (km^2)	36.56
Ore Type	Gold

Figure 3-1: Detailed Map of Mining License and Exploration License



3.2 Other Operational Permits

SRK was provided a safety production permit for the underground mining and the other one for TSF operation with details shown in Table 3-3. Please note that the permit for the underground mining expired in March 2025, which is under renewal process. The underground mining activity has been suspended since then.

Table 3-3: Safety Production Permits

Project	Tibet Bosheng Gold Mine
Safety Production Permit No.	(Zang) FM [2024] No. 036
Issued To	Tibet Bosheng Mining Development Co., Ltd
Issued By	Department of Emergency Management of Tibet Autonomous Region
Licensed Activity	Gold Ore Underground Mining
Issue Date	22 November 2024
Expiry Date	31 March 2025

Project	Tibet Bosheng Gold Mine
Safety Production Permit No.	(Zang) FM [2024] No. 035
Issued To	Tibet Bosheng Mining Development Co., Ltd
Issued By	Department of Emergency Management of Tibet Autonomous Region
Licensed Activity	TSF Operation
Issue Date	22 November 2024
Expiry Date	2 February 2027

According to the Company, it has obtained a water use permit, and Table 3-4 provides the details of this permit.

Table 3-4: Water Use Permit

Water Use Permit No.	B540528S2023-0007
Issued To	Tibet Bosheng Mining Development Co., Ltd
Issued By	Water Resources Department of Tibet Autonomous Region
Issue Date	30 September 2025
Expiry Date	1 October 2030
Type of Water Source	Surface Water and Groundwater from Duoka, Langqu River and other locations within Luolin Township and Lasui Township, Jiacha County, Shannan City, Tibet Autonomous Region
Water Allocation	Total: 153,500 m^3/year Surface Water: 138,600 m^3/year Ground Water: 14,900 m^3/year

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

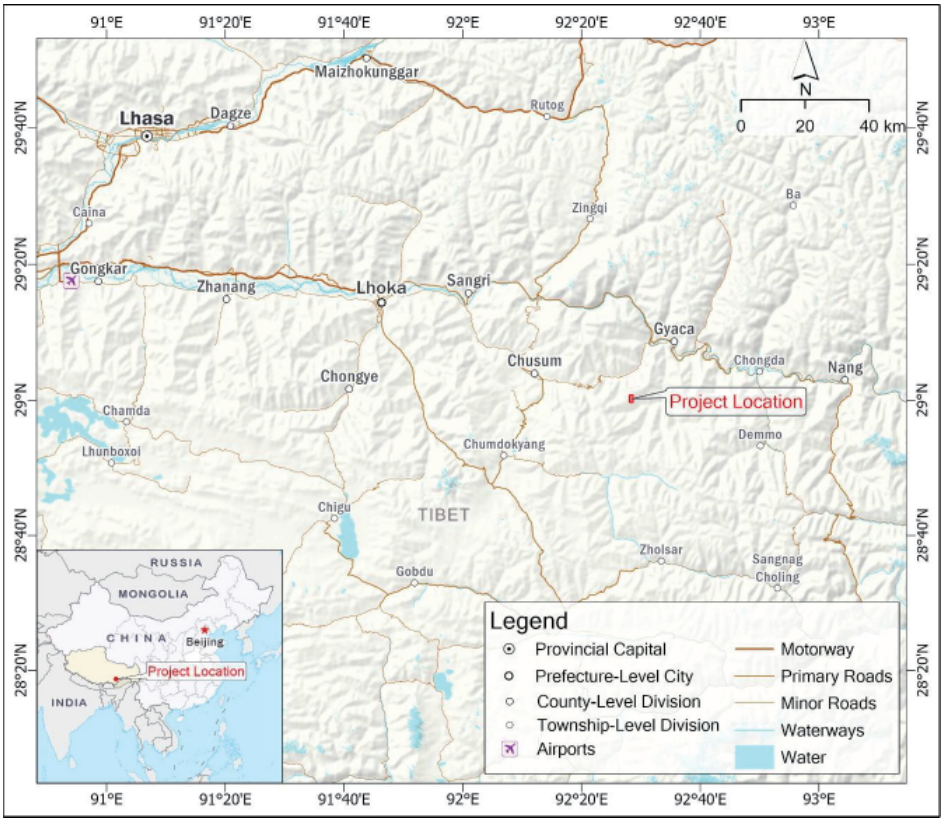
4 Regional Description

4.1 Accessibility

The Bangbu Gold Project is located in Jiacha County, Shannan (Lhoka) Prefecture, Tibet Autonomous Region, China. The project area lies on a high-altitude mountain ridge between two valleys that drain northwards and southwards into tributaries of the Yarlung Tsangpo River (Yarlung Zangbo or Yajiang).

Regional access is via sealed national and provincial highways connecting Lhasa and Shannan to the Jiacha county. From Jiacha, the project is reached by graded mountain roads for the final tens of kilometres, with the last few kilometres serviced by mine access tracks suitable for light trucks and drilling equipment. Access can be temporarily constrained during periods of heavy snowfall or intense summer rainfall which may affect mountain roads and stream crossings.

Figure 4-1: Typical Landscape in the Project Area



Source: SRK

4.2 Local Resources and Infrastructure

The project benefits from existing mine infrastructure developed by the current and previous operators. Underground exploration and mining workings include approximately 3.62 km of adits and cross-cuts and extensive diamond drilling (over 53,000 m in 160 holes in the broader licence area). There is an on-site processing plant located in the valley below the main mining area, with the upper slopes hosting the active mining and exploration workings. Tailings are stored in a dedicated tailings storage facility downslope of the plant.

Local towns and villages provide a limited pool of skilled and unskilled labour familiar with mining activities, supplemented by workers drawn from larger centres in Tibet and other Chinese provinces. Power is typically supplied from the regional grid, with back-up diesel generators used at critical installations. Water for processing and domestic purposes is obtained from local surface water and groundwater sources, including streams and springs identified in the project's hydrogeological surveys. The project area is environmentally sensitive; the mine design includes closed-circuit processing with recycling of process water and measures to control waste rock, mine drainage, dust and potential impacts on local rivers and vegetation.

4.3 Climate

The project lies in a high-plateau continental climate zone with strong monsoonal influence. Winters are long, cold and dry, while summers are short and cool, with most precipitation falling from June to September. Elevations across the mineralised zone range from approximately 4,300 m to nearly 4,900 m above sea level, as indicated by mineralisation elevation ranges (e.g. Mineralised body III: 4,636–4,065 m; other mineralised bodies such as I, IV and V extend up to ~4,900 m).

At these elevations, temperatures are low year-round and snow cover can persist in winter and early spring. Exploration and mining activities are generally feasible on a near year-round basis but are most efficient from roughly May to October, when snow and ice are minimal and road access is more reliable.

4.4 Physiography

Physiographically, the project area is characterised by steep, deeply incised alpine terrain typical of the southern Tibetan Plateau. The deposit is located on a ridge forming a watershed between two valleys; hydrogeological mapping at 1:25,000 scale (106 km²) shows that the mineralised bodies occur above local river and groundwater levels. Slopes are generally steep, with natural and anthropogenic benches, and locally very steep cliff faces and talus.

Elevation ranges from around 4,300 m in the valley floors to nearly 4,900 m along ridgelines over the mineralised zone. Surface cover consists mainly of high-mountain meadow, sparse alpine shrubs and areas of thin Quaternary cover; marshy ground and small peat bogs occur in local depressions, as noted in swamp-land investigations. The drainage pattern is controlled by structural trends and steep relief, with small streams and springs feeding into larger mountain torrents. Hydrogeological and environmental investigations have recorded springs, stream flows, adit inflows and occasional flood and debris-flow (mud-flow) events in the valleys below the mine.

The combination of high relief, fractured bedrock and seasonal intense rainfall makes the area prone to slope instability and debris flows, particularly below waste-rock dumps and in areas influenced by

mine workings. These conditions have been considered in the design and siting of waste dumps, tailings storage, access roads and other infrastructure, with drainage channels and slope-stability measures implemented to mitigate geotechnical and environmental risks.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The Bangbu Gold Project is located in southern Jiacha County, Shannan City, Tibet Autonomous Region, within the eastern segment of the Langjiexue accretionary wedge. This wedge forms part of the Yarlung Zangbo suture zone between the Tethyan Himalaya to the south and the Lhasa terrane to the north, and represents an important component of the eastern, southern margin of the suture belt.

Regionally, the deposit lies in the Zhongba–Lang County metallogenic belt of the Yarlung Zangbo metallogenic province, within the Naidong chromium–gold polymetallic metallogenic cluster.

The Yarlung Zangbo suture zone trends approximately east–west, generally following the present-day course of the Yarlung Zangbo River. It can be traced for about 2,000 km along strike, with a typical north–south width of 5–15 km and a total exposed area about 3,661 km².

It records the closure of the Neo-Tethyan Ocean and the subsequent collision between the Indian Plate and the southern margin of the Lhasa terrane. Oceanic subduction and accretion in Triassic–Cretaceous time built the Langjiexue accretionary complex, while subsequent Cretaceous–Cenozoic collision produced large-scale thrusting, folding and transpressive shear zones. These long-lived structures provided the primary pathways and traps for gold-bearing hydrothermal fluids.

Stratigraphically, the Bangbu deposit is hosted by Upper Triassic deep-marine to marginal-marine sedimentary and low-grade metamorphic rocks of the Langjiexue Group, particularly the third member of the Songre Formation (T_3s_3).

The dominant lithologies are grey to dark grey carbonaceous sericite schist (carbonaceous sericite phyllite) and schistose fine-grained feldspathic quartz sandstone, with interbeds of quartz siltstone and fine sandstone. These relatively incompetent, carbonaceous, fine-grained rocks responded to deformation by intense folding and shearing, favouring the development of brittle–ductile shear zones and fracture corridors that now host the mineralisation.

Magmatism within the immediate Langjiexue Group outcrop is relatively weak; only small, late, intermediate to basic dykes (granodiorite and diabase) intrude along regional east–west-trending faults. However, regionally the project area lies south of the Gangdese batholith and volcanic belt, which formed above the north-dipping Neo-Tethyan subduction zone. This magmatic arc provided a long-lived thermal and fluid source during subduction and early collision, and late intrusive pulses are interpreted to have contributed heat and possibly metals or sulfur to the hydrothermal systems responsible for gold mineralisation in the suture zone.

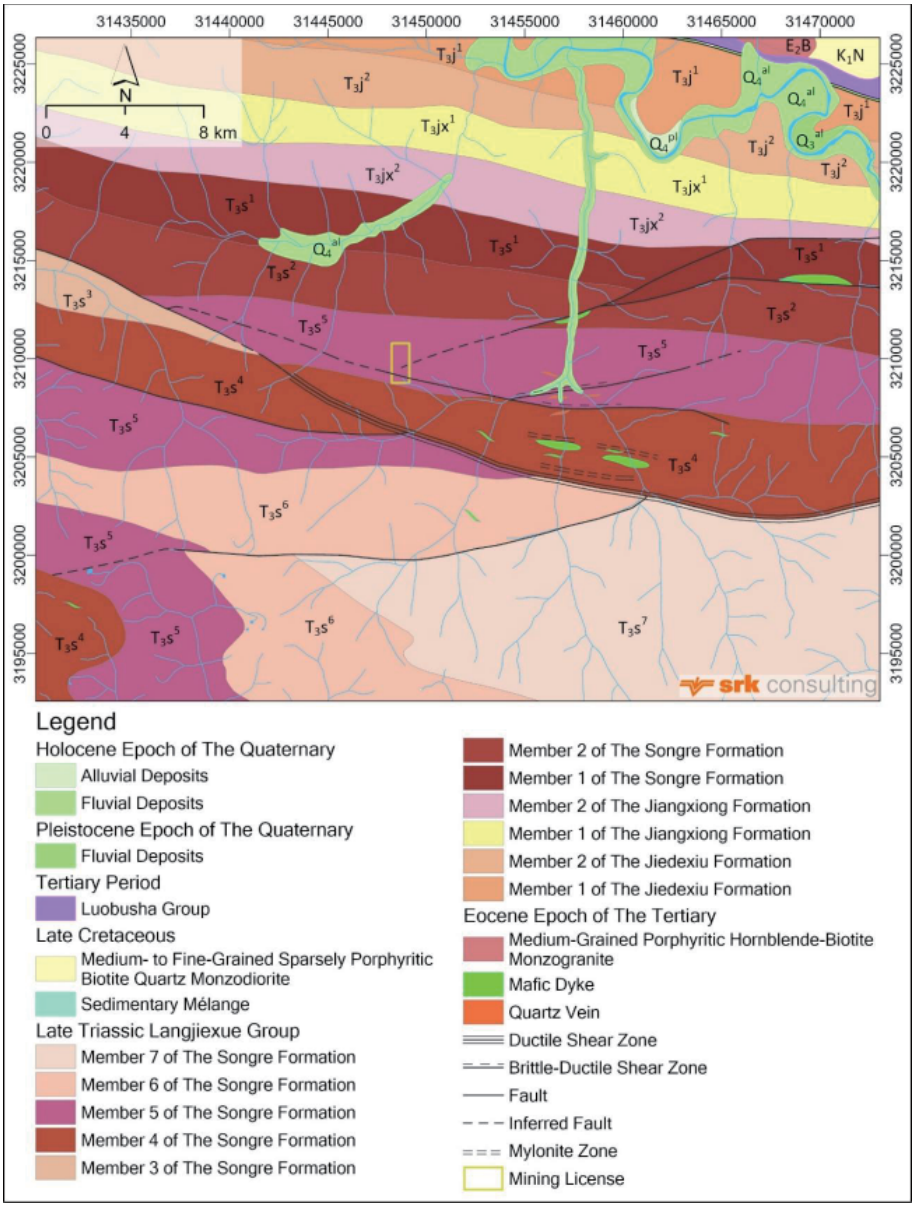
Structurally, the deposit is situated within the Langjiexue accretionary wedge and is influenced by the large Qusong–Cuogu–Zhemulang shear belt to the south.

At the deposit scale, mineralisation is strictly controlled by NW–WNW-trending and NE-trending faults and associated fracture zones.

The main Mineralised body (Mineralised body III) occurs as a thick, lensoid to tabular body within a NW-striking, moderately dipping brittle–ductile shear zone, while subsidiary mineralised bodies occupy parallel or intersecting NW or NE faults and fracture corridors. These structures acted as major conduits and depositional sites for mineralising fluids during multiple deformation stages.

Regional geochemical surveys (1:200,000 and 1:25,000) show broad Au–Ag–Sb–Bi and As–Sb–Hg–Cu anomalous belts, with high background values and strong, coherent anomalies aligned with regional faults. In particular, Au, As, Sb and Hg show high background and large variation coefficients, indicating favourable geochemical conditions for precious-metal mineralisation within the Langjiexue Group and along the Yarlung Zangbo suture zone. These anomalies, together with the structural–lithologic setting, define the Zhongba–Lang County belt as a prospective district for orogenic-style gold deposits. Detailed studies of the Bangbu deposit indicate that the gold mineralisation is associated with mid- to low-temperature, low-salinity, CO_2-rich hydrothermal fluids of predominantly metamorphic origin, and is hosted in quartz veins, quartz–sulfide breccias and altered shear zones. The ore mineral assemblage (dominantly pyrite with minor sphalerite, galena and chalcopyrite) and alteration (sericitisation, silicification, pyritization).

Figure 5-1: Regional Geology Setting


31435000
31440000
31445000
31450000
31455000
31460000
31465000
31470000
3225000
3220000
3215000
3210000
3205000
3200000
3195000
N
0
4
8 km
srk consulting
Legend
Holocene Epoch of The Quaternary
Alluvial Deposits
Fluvial Deposits
Pleistocene Epoch of The Quaternary
Fluvial Deposits
Tertiary Period
Luobusha Group
Late Cretaceous
Medium- to Fine-Grained Sparsely Porphyritic Biotite Quartz Monzodiorite
Sedimentary Mélange
Late Triassic Langjiexue Group
Member 7 of The Songre Formation
Member 6 of The Songre Formation
Member 5 of The Songre Formation
Member 4 of The Songre Formation
Member 3 of The Songre Formation
Member 2 of The Songre Formation
Member 1 of The Songre Formation
Member 2 of The Jiangxiong Formation
Member 1 of The Jiangxiong Formation
Member 2 of The Jiedexiu Formation
Member 1 of The Jiedexiu Formation
Eocene Epoch of The Tertiary
Medium-Grained Porphyritic Hornblende-Biotite Monzogranite
Mafic Dyke
Quartz Vein
Ductile Shear Zone
Brittle-Ductile Shear Zone
Fault
Inferred Fault
Mylonite Zone
Mining License

Source: SRK

5.2 Property Geology

The Bangbu Gold Deposit is hosted in the Upper Triassic Langjiexue Group within the eastern Langjiexue accretionary wedge of the Yarlung Zangbo suture zone in southern Tibet. It is a structurally-controlled, multi-stage, mid- to low-temperature hydrothermal gold deposit developed in quartz veins and fracture-controlled altered rocks, and is consistent with an orogenic-type gold system formed during the India–Asia collision. The main controls on mineralisation are: (i) favourable, carbonaceous, fine-grained host rocks; (ii) a hierarchy of compressional–transpressional structures (major E–W faults and shear belts, second-order NW and NE faults, and related folds); and (iii) the circulation of CO_2-rich metamorphic fluids along these structures during multiple deformation events.

Host stratigraphy and lithology

Gold mineralisation is largely confined to the third member of the Songre Formation (T_3s_3) of the Langjiexue Group, a shallowly metamorphosed deep-marine to marginal-marine clastic sequence . Dominant lithologies are grey to dark-grey carbonaceous sericite schist/phyllite, interbedded with schistose fine-grained feldspathic quartz sandstone, quartz siltstone and fine sandstone . These fine-grained, carbonaceous rocks are mechanically weak and chemically reactive; under compressional stress they developed intense folding, cleavage and shear zones, creating permeable fracture networks and brittle–ductile shear bands that localised both quartz veining and hydrothermal alteration.

At the deposit scale, the ore-hosting stratigraphy lies within the Jindi–Runong composite syncline; many quartz veins and mineralised bodies are confined to fold limbs and hinge zones, indicating that folding played a significant role in focusing fracture development and fluid flow . Folds are generally asymmetric, tight to isoclinal, with local thickness variations that help control Mineralised body thickening.

Structural framework and controls

Regionally, the deposit is situated within the Langjiexue accretionary wedge of the Yarlung Zangbo suture, bounded to the south by the major Qusong–Cuogu–Zhemulang shear belt. This setting records closure of the Neo-Tethys and subsequent India–Asia collision, producing long-lived E–W-striking thrusts and shear zones, later overprinted by NW–SE and NE–SW faults under continued N–S compression and transpression.

In the Bangbu area, several structural sets are distinguished :

- **First-order E–W structures**: regional thrusts and shear zones sub-parallel to the suture, which acted as deep-seated conduits for metamorphic fluids and broadly define the mineralised corridor.
- **Second-order NW–WNW and NE faults and brittle–ductile shear zones**: these are the primary ore-hosting structures. The main Mineralised body (Mineralised body III) and other significant lenses occur within NW-striking, moderately dipping shear zones and fault-fracture belts . Subsidiary mineralised bodies follow parallel or intersecting NW or NE structures.
- **Third-order folds and fractures**: near-E–W folds (including the Jindi–Runong composite syncline) and associated fracture sets further compartmentalise and localise mineralisation. Quartz veins commonly follow fold axial planes and limb-parallel fractures; ore shoots tend to form in hinge zones, dilation zones at bends in faults, and at intersections of NW/NE faults with E–W structures .

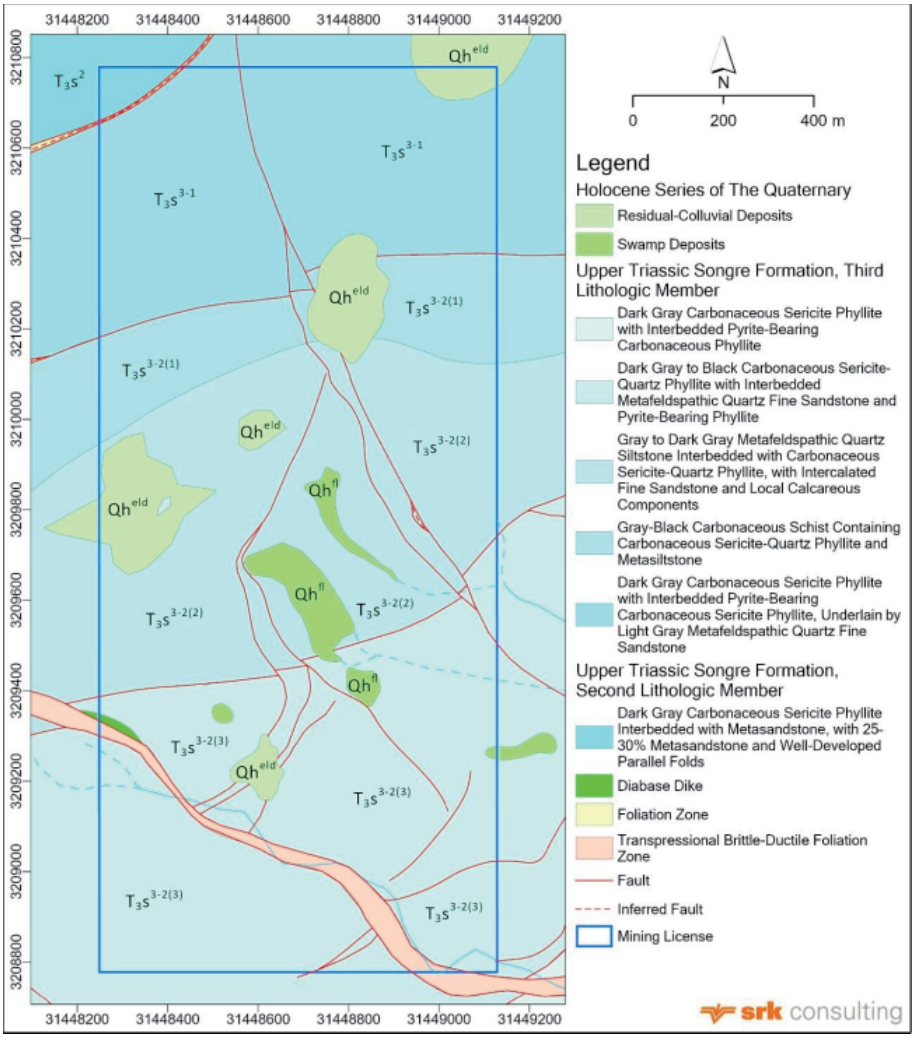
Thus, the distribution and geometry of mineralised bodies reflect a hierarchical structural control: deep E–W shears focus fluid into the district, while NW and NE brittle–ductile zones, flexures and intersections provide the immediate traps and sites of gold deposition.

Mineralisation style, fluids and alteration

Gold mineralisation occurs in quartz–sulfide veins, vein breccias and fracture-controlled altered rocks within the above-mentioned shear and fracture zones. The ores are characterised as low-sulfide, mid- to low-temperature hydrothermal:

- **Ore minerals**: Pyrite is dominant, accompanied by minor sphalerite, galena, chalcopyrite and rare molybdenite. These sulfides occur as coarse to fine grains, fracture fillings and disseminations in quartz and altered wall rock.
- **Gold occurrence**: Native gold is the main gold phase, predominantly coarse (0.1–0.4 mm; >80% of grains). Gold occurs as:
  - fracture-filling "crack gold" in quartz, pyrite, galena and sphalerite;
  - inclusions in sulfides and iron oxides (e.g. pyrite, limonite), and intergranular gold between quartz and sulfides.

Figure 5-2: Local Geology Setting



Source: SRK

5.3 Mineralization

Gold mineralization in the mining area mainly occurs within NW-trending, NE-trending and near E–W-trending fault zones, and is strictly controlled by fault structures. It is predominantly hosted in auriferous quartz veins, which occur as quasi-stratiform and vein-type bodies within the third lithologic member of the Songre Formation of the Upper Triassic Langjiexue Group, in metamorphic strata. SRK has constructed fourteen mineralized domains, among which Domain3 is the principal ones.

Domain 3 is controlled by the NW-trending F7 fault structure. It is 1,200 m long and 300–500 m wide. It shows little variation in thickness and grade.

5.4 Deposit Types

Host and Wall Rocks

The Bangbu gold mineralisation is hosted predominantly by shallowly metamorphosed clastic rocks of the third lithologic member of the Songre Formation (Upper Triassic Langjiexue Group). The main wall rocks are pyrite-bearing carbonaceous sericite phyllite/schist and carbonaceous sericite–quartz phyllite, interbedded with fine-grained feldspathic quartz sandstone and quartz siltstone. These rocks are part of a low-grade greenschist-facies metamorphic assemblage (sericite + chlorite + quartz), commonly showing schistosity, S–C fabrics and pressure-shadow structures related to ductile–brittle shearing. The carbonaceous, fine-grained and mechanically weak nature of these rocks favours the development of shear zones, fractures and cleavage, providing favourable sites for quartz veining and gold deposition.

Mineralisation Type

In terms of industrial ore type, the deposit is classified as an auriferous quartz-vein type lode gold deposit (quartz single-vein subtype), with an associated altered-rock-type lode gold component . At the hand-specimen scale, three natural ore types are distinguished:

- limonite–pyrite–gold-bearing fractured gangue quartz vein type;
- pyrite (limonite) altered phyllite type;
- limonite–pyrite–gold-bearing fractured quartz vein and altered fractured phyllite mixed type developed in fracture zones.

The mineralisation is hosted in quartz veins and quartz–sulfide veinlets within brittle–ductile shear zones and fracture networks, consistent with an orogenic, metamorphic-hydrothermal gold system related to compressional–transpressional deformation along the Yarlung Zangbo suture.

Ore and Gangue Minerals

The ore is dominated by native gold and sulfides, with quartz as the principal gangue :

- **Native gold**: occurs as an independent mineral phase, mainly as coarse grains. Grain sizes are predominantly 0.1–0.4 mm, accounting for about 85.64% of observed grains; grains <0.1 mm comprise ~14.28% [1]. Chemical phase analysis shows that free (particle) gold accounts for ~54.12% of total gold, with inclusion gold in sulfides accounting for ~45.60%; carbonate-hosted gold is negligible and silicate-hosted gold is minor (~0.28%).
- **Pyrite**: the most important gold-bearing sulfide. It occurs as euhedral to subhedral grains (typically 0.1–3 mm), disseminated or vein-like in quartz and wall rock . Pyrite shows multiple generations; coarse early pyrite is cut by later fine pyrite veinlets, and partial oxidation to limonite/goethite is common . Under the microscope, native gold appears both as inclusions in pyrite and as elongate or lensoid grains in pyrite fractures; pyrite hosts about 76% of the observed gold occurrences, with ~35% as inclusion gold and ~41% as fracture-filling gold. Electron-microprobe data indicate low but measurable lattice gold and silver (lattice Au up to ~0.068%).
- **Galena**: occurs with pyrite and sphalerite as subhedral grains or veinlets filling fractures in pyrite, sphalerite and quartz; it locally replaces pyrite. Galena is an important carrier of inclusion gold:

native gold occurs as disseminated inclusions (30–110 μm), with 7–8% frequency of gold inclusions in galena, but lattice gold is negligible.

- **Sphalerite**: deep grey to yellow-brown, typically as anhedral to subhedral grains associated with pyrite and galena, commonly filling pyrite fractures or occurring at pyrite grain margins. It is a significant host for inclusion gold (30–110 μm), although sphalerite itself contains negligible lattice gold.
- **Chalcopyrite**: occurs as anhedral to subhedral blebs within sphalerite, or as veinlet fillings in quartz fractures. Native gold occurs mainly as inclusions in chalcopyrite or in chalcopyrite inclusions within pyrite; chalcopyrite contains little or no lattice gold (0–0.087%).
- **Molybdenite**: minor, as fine, kinked, S-shaped flakes, commonly with limonite in fine veinlets .
- **Oxide minerals**: limonite and goethite are abundant in the oxidised zone, forming crustiform, earthy or boxwork textures after pyrite and other sulfides; these oxides may host minor inclusion or fracture-filling gold.

The gangue mineral assemblage is dominated by quartz, with sericite (fine muscovite), chlorite, minor feldspar and carbonates (calcite, locally ankerite). Heavy-liquid/gravity concentrates confirm a metamorphic-hydrothermal assemblage of quartz + sericite + pyrite (± limonite).

Ore Texture and Structure

Ore textures and structures are consistent with multiple stages of fracturing, veining and hydrothermal sealing:

- **Textures**: coarse- to giant-granular texture, brecciated texture and crustiform/bladed textures are common, with subordinate fragmental and inequigranular textures and schistose recrystallisation. Several generations of quartz are recognised in veins, with early crystalline quartz cut and brecciated by later quartz and sulfide veinlets, and exhibiting undulose extinction and multi-directional cleavages.
- **Structures**: massive, schistose, banded and disseminated structures are present. Quartz veins are often strongly fractured, with network, irregular and mosaic breccia patterns; local dilation zones form beaded or lensoid "blow-outs" filled by pyrite, fine pyrite veinlets and limonite, recording repeated deformation and sealing.

At the gold scale, three main modes of gold occurrence are described:

- **Fracture gold**: native gold filling fractures and cavities in quartz, pyrite, galena and sphalerite, commonly as fine veins or discrete grains (59–213 μm), typically of high fineness; this is the most important occurrence form.
- **Inclusion gold**: native gold as inclusions within pyrite, galena, sphalerite, chalcopyrite and iron oxides (limonite/goethite); in primary sulfide ore, inclusion gold in sulfides, carbonates, silicates (mainly in quartz fractures) and limonite together form an important component of the gold budget.
- **Intergranular gold**: gold located along grain boundaries between quartz and sulfides.

These textures indicate multiple pulses of metamorphic-hydrothermal fluid flow and gold deposition, with gold generally precipitating later than the main sulfide phases.

6 Exploration

6.1 Exploration History

Since 2003, systematic exploration work other than drilling has been carried out over the Bangbu Gold Project area by and on behalf of the current licence holder (Tibet Boshen Mining Development Co., Ltd.), building on earlier regional work by government geological teams. Non-drilling exploration has included multi-scale geological mapping, soil geochemical surveys, trenching and pitting, extensive underground exploration adits, and associated geological, hydrogeological and engineering-geological logging and sampling. These works have progressively delineated and constrained 16 mineralised/ore bodies within a licence area of 50.32 km² and a defined mining area of 3.60 km².

Regional and deposit-scale geological mapping has been the primary framework for exploration:

- 1:100,000–1:50,000 regional geological surveys and 1:200,000 stream-sediment and heavy-mineral surveys by earlier government teams defined the Yarlung Zangbo suture-zone setting and outlined regional Au–As–Sb–Hg anomalies.
- During the prospecting stage (2003–2006), 1:10,000 geological mapping over ~40.7 km² and 1:2,000 detailed topographic–geological mapping over ~6.34 km² were completed in the Bangbu area.
- In the detailed investigation of Mineralised body III (2006–2009), and of Mineralised bodies I, IX and X (2010–2012), additional 1:10,000 and 1:2,000 mapping and profile surveying (1:2,000–1:1,000 cross-sections) covered the main mineralised corridor (~10.8 km²) and the immediate mine area (~4.2 km²).

Mapping procedures followed Chinese national specifications: stratigraphic contacts, lithologic variations, fold axes, faults, shear zones, and quartz-vein swarms were systematically traced and plotted; structural data (strike, dip, kinematics) and alteration zoning were recorded on maps and profiles. This work demonstrated that gold mineralisation is spatially associated with Upper Triassic Langjiexue Group rocks (Songre Formation, T_3s_3) and with NW–WNW and NE-trending brittle–ductile shear zones and faults, providing the basic structural–lithological model for subsequent work.

Soil geochemical surveys and compilation of earlier regional geochemical data were undertaken to screen for and delineate gold anomalies:

- A 1:25,000-scale soil geochemical survey was completed over the core project area, building on 1:200,000 geochemical maps for the Jiacha sheet.
- The survey used standard Chinese protocols for soil sampling at regular line and station intervals (typical line spacings of hundreds of metres and sample intervals of tens of metres for 1:25,000 surveys), sampling the B-horizon where developed.

Samples were analysed for Au and a suite of associated elements (Ag, Cu, Pb, Zn, Sb, As, S, C, W, Mo, Cd, In, Ga, Ge) in composite geochemical sample sets. The work identified coherent Au–As–Sb–Hg–Ag–Pb–Zn anomalies aligned with NW and NE structures within the Langjiexue Group outcrop, and helped define follow-up targets and the 16 mineralised bodies later confirmed by trenching, adits and drilling.

Given the regular survey grid and multi-element suite, the soil data are considered broadly representative of near-surface geochemical patterns at the survey scale. Potential biases relate mainly to variable soil development and slope wash on steep terrain, which were mitigated by field selection of appropriate horizons and avoidance of obvious colluvial concentrations.

6.2 Trenching and Tunnelling Exploration

Surface trenching and shallow pits were used to expose bedrock and directly sample mineralised structures:

- Prospecting stage: 5,393 m³ of trenches and 75.6 m of shallow pits were excavated along and across the main structural trends, combined with ~477 m³ of soil/overburden stripping to expose quartz veins and altered zones.
- Detailed work on Mineralised body III: a further 382 m³ of trenches and sampling pits were completed.
- Detailed work on Mineralised bodies I, IX and X: an additional 263 m³ of trenches and sampling pits were excavated.

Trenches were typically oriented across strike of mapped veins and shear zones, with trench spacing guided by anomaly patterns and structural interpretation. The overall trench/trial-pit spacing, when combined with adits, approximates the exploration grids of ~160 m × 120 m in the prospecting stage and 80–160 m × 80–160 m in the detailed stage along Mineralised body III.

Underground exploration workings are a key component of non-drilling exploration at Bangbu:

- Prospecting stage: 1,477.2 m of adits were driven to intersect and follow the main Mineralised body III and associated mineralised structures.
- Detailed investigation of Mineralised body III: an additional 3,036.1 m of adits and cross-cuts were developed along several levels;
- Subsequent work for resource verification expanded the total underground exploration network to approximately 3.62 km (excluding production development), distributed across multiple levels between 4,450 m and 4,065 m elevation.

Adits and cross-cuts were typically driven approximately perpendicular to the strike of mineralised veins or along vein/sheer zones where appropriate, with level spacing of ~40–80 m vertically in the main ore zone. Detailed geological mapping along all underground exposures included lithological logging, structural measurements, alteration mapping, and engineering-geological and hydrogeological observations.

6.3 Drilling Exploration

Diamond core drilling has been the sole drilling method used in the Bangbu Gold Project area. Drilling has been carried out in several phases by government geological teams and, subsequently, by or on behalf of Tibet Boshen Mining Development Co., Ltd. for prospecting, detailed exploration and resource verification.

Cumulatively, a total of 53,404.24 m of diamond drilling in 160 holes has been completed across the project licence, including 52 holes for 16,119.10 m in the northern area and approximately 108 holes for 37,285.14 m in the main Bangbu deposit area. Within this total:

- At the detailed investigation stage of Mineralised body III, 11 core holes for 2,215.08 m were drilled.
- At the detailed investigation stage of Mineralised bodies I, IX and X, 29 core holes for 3,930.35 m were drilled on a nominal 40–80 m × 40–80 m grid.

Drillholes were designed to test the depth and lateral continuity of 16 identified mineralised/ore bodies and their controlling structures within Upper Triassic Langjiexue Group rocks. The drilling pattern, in combination with adits and trenching, provides an effective 160 m × 120 m grid at the prospecting stage and 80–160 m × 80–160 m at the detailed stage for the main Mineralised body, with vertical control down to about 4,065 m elevation (a drilled depth extent of ~385 m from 4,450 m).

Drilling techniques

All holes are diamond core holes (prefix "ZK"), drilled using wireline equipment. Core diameter is approximately 50 mm, meeting the requirements for geological logging and physical–mechanical testing. In competent ground standard core sizes equivalent to NQ were used; in locally broken zones bit sizes were adjusted as needed, in accordance with Chinese drilling standards.

Drilling was completed using water as the primary drilling fluid. Drilling contractors followed national technical specifications for solid mineral exploration, including requirements for core handling, orientation, and downhole surveying. The report notes systematic engineering-geological logging of 2,884.42 m of core, including fracture, weathering and broken-zone description and calculation of rock quality designation (RQD), which averages 64.6% and indicates moderately competent rock masses.

Downhole deviation surveys were carried out according to Chinese practice to monitor hole trajectory; although the specific survey tool and interval are not detailed in the report, no material issues related to drillhole deviation are reported.

Drillhole location, orientation and spacing

Collar positions for all drillholes and underground exploration workings were surveyed into an E-class control network with 8 control points and 150 engineering survey points, supplemented by a 1.12 km exploration baseline survey. Topographic control is provided by 1:10,000 and 1:2,000 scale mapping, and 1:1,000 and 1:2,000 geological and exploration profiles over the mineralised area.

Drillholes are generally oriented so as to intersect the NW–WNW- and NE-striking, steeply to moderately dipping mineralised shear zones and quartz veins at high angles. In practice, holes were planned either from hanging-wall to footwall or from the less altered side of the structure towards the more strongly altered/veined zone, with collar azimuths typically oblique to the regional strike of the Langjiexue Group strata and local structures. The drilling grid, combined with trenching and multiple underground levels, yields sufficient spatial coverage to interpret the geometry and continuity of the main mineralised bodies.

6.4 Sampling, Sample Preparation and Analyses

6.4.1 Sampling

Sampling from 2008 to 2016 exploration program comprised core drilling, surface trenching, shallow pits and underground workings. Primary assay samples were collected from:

- Outcrops, mineralised zones via channel sampling in trenches and underground openings; and
- Diamond drill core via half-core sampling.

Channel samples were cut as continuous channels with a nominal cross-section of 10 cm × 5 cm. Channels were generally laid out along the lower sidewall of trenches, oriented as close as practicable to perpendicular to the mineralised zone or alteration zone. In underground workings, sample channels were cut along the wall, intersecting both hangingwall and footwall to delineate mineralised contacts. Prior to sampling, the exposed rock surface was cleaned and washed; plastic sheets and smooth cloths were used to collect all material and prevent loss or external contamination.

Drill core was sampled along the core axis, approximately perpendicular to bedding/foliation, by sawing and taking half-core as the primary assay sample; the remaining half-core was retained as reference material. The nominal sample length was 1.0 m, with adjustments made to honour geological boundaries. Samples were collected separately for different mineralisation. The primary assay variable was gold (Au).

The sampling methods and execution are consistent with applicable Chinese technical standards and are considered appropriate and representative for quartz-vein–hosted lode gold mineralisation.

In addition to primary assay samples, the following specialised sample types were collected:

- **Composite assay samples:** Formed by combining secondary splits from 2–10 primary samples, grouped by orebody and ore type. Each composite weighed 300–500 g. These were used to determine associated beneficial and deleterious elements (15 elements: Au, Ag, Cu, Pb, Zn, Sb, As, S, C, W, Mo, Cd, In, Ga, Ge).
- **Mineralogical samples:** Collected from surface trenches and underground workings at various elevations to characterise oxidation/weathering, Au deportment and mineral phases. Samples were sealed and dispatched promptly to minimise oxidation effects. Analytical items included Au grade, iron phase and copper phase analysis.
- **Hydrochemical samples:** Six complete water-quality samples were taken (two from adits, two from rivers/streams, two from springs) for baseline hydrogeochemical characterisation.
- **Rock physical–mechanical test samples:** Thirteen groups of core specimens (each group >20 pieces) were collected from eight drillholes for geotechnical testing.

6.4.2 Sample Preparation and Analyses

All sample preparation was performed by laboratories accredited with national ("Class-A") testing qualifications, following current Chinese standards.

Based on heavy-mineral (panned concentrate) work, approximately 85% of native gold in the ore has a grain size of 0.1–0.4 mm. In order to control the "nugget effect" during subsampling, a subsampling

coefficient (K-value) of 0.4–0.8 was adopted. Whole-ore samples were crushed to the prescribed particle size and then riffle- or rotary-split to obtain analytical subsamples. Reported preparation performance was:

- Sample preparation loss rate <5%; and
- Subsampling error <3%.

These values are considered acceptable for gold assay work and indicate that the preparation process is unlikely to introduce significant bias.

Field preparation of soil geochemical samples was also controlled:

- Raw field mass >150 g;
- Samples air-dried at the field camp and sieved to −10/+60 mesh;
- Chain-of-custody via daily handover and registration between sampling and preparation teams;
- Sample bags labelled with project name, sample ID and date.

Overall, sample preparation procedures and controls are considered appropriate for the ore type and the intended use of the data.

The routine analytical work was carried out by the Yanjiao Central Laboratory of the North China Nonferrous Geological Exploration Bureau and the Southwest Metallurgical Geological Testing Institute, both of which hold Class-A qualifications. External check assays were undertaken by the First Institute of Geological and Mineral Survey of the Henan Bureau of Geology and Mineral Exploration and Development and the Yanjiao Central Laboratory of the North China Nonferrous Geological Exploration Bureau, both also holding Class-A qualifications.

Gold and Multi-element Assays (Rock/Ore)

Gold assays on rock and ore samples were performed using two principal methods:

1. **Activated-carbon adsorption bromine–cyanide titration** (aqua regia digestion → activated-carbon adsorption to remove impurities and pre-concentrate Au → ashing to remove carbon → aqua regia re-dissolution → titration with standard bromine–cyanide solution); and
2. Atomic absorption spectrometry (AAS).

These methods are standard for hard-rock gold deposits in China and are appropriate for the grade range and mineralisation style at Bangbu.

Composite rock samples were analysed for 15 associated elements (Au, Ag, Cu, Pb, Zn, Sb, As, S, C, W, Mo, Cd, In, Ga, Ge) to characterise beneficial and deleterious components.

Mineralogical, chemical and metallurgical testwork included:

- **Gold chemical phase analysis** indicating that Au occurs mainly as free gold and as sulphide-hosted gold; approximately 54% of Au is free and ~46% is associated with sulphides.
- **Hand-panned heavy-mineral tests** on 3.265 kg of ore showing that the largest proportion of native gold occurs in the 0.2–0.4 mm size fraction, and that native gold is generally of high fineness (~90%+ Au, 4–8% Ag).

- **Electron-microprobe analysis** confirming that gold is mainly hosted in pyrite and quartz (in fractures and intergranular spaces), with native gold typically containing 90–94% Au and 4–8% Ag, plus minor Cu and Fe.

These results support the choice of analytical methods and provide context for understanding assay precision and metallurgical behaviour.

Soil Geochemical Analyses

A total of 4,069 soil samples from 1:25,000 grid and 1:5,000 profile surveys were analysed for 12 elements: Au, Ag, Cu, Pb, Zn, As, Sb, Hg, W, Mo, Co, Sn. Analytical methods comprised direct-reading spectrometry, polarographic analysis and atomic fluorescence spectrometry, chosen according to element.

Achieved analytical sensitivities were equal to or better than design specifications. For example:

- Ag: 0.05 ppm (design 0.05 ppm);
- Sb: 0.5 ppm (design 1 ppm);
- Hg: 1 ppb (design 2 ppb);
- Au: 1 ppb (design 50 ppb).

These detection limits are adequate for delineating geochemical anomalies and informing exploration targeting.

- Hydrochemical and Geotechnical Testing
- Six complete water-quality samples were analysed by the Inner Mongolia First Hydrogeology and Engineering Geology Exploration Institute Laboratory (Class-A qualification).
- Thirteen groups of rock physical–mechanical specimens were tested by the Inner Mongolia Water Resources and Hydropower Survey and Design Institute Laboratory (Class-A qualification).

6.4.3 Specific Gravity Data

Bulk density ("small bulk") samples were Collected from exposed orebodies in trenches and underground workings by block sampling (10 × 10 × 10 cm blocks) and from drillholes as ~10 cm lengths of intact ore core. For each orebody and ore type, ≥30 samples were collected for bulk density and basic Au assay.

- Mineralised Body III: 68 bulk density samples collected (4 with Au <1 g/t).
- Mineralised Body II: 33 bulk density samples (5 with Au <1 g/t).
- Other mineralised bodies comprise the same quartz-vein ore type; their bulk density values are taken as equal to those of mineralised III.

6.5 Quality Assurance and Quality Control Programs

During 2008 to 2016 exploration, the assay quality management followed DZ/T 0130-2006 "Specification for Quality Management of Geological and Mineral Laboratory Testing". Primary analytical work was undertaken by:

- Yanjiao Central Laboratory of the North China Nonferrous Geological Exploration Bureau (Class-A); and
- Southwest Metallurgical Geological Testing Institute (Class-A).

External check assays were performed by:

- First Geological and Mineral Exploration Institute of the Henan Provincial Bureau of Geology and Mineral Resources Exploration and Development (Class-A); and
- Yanjiao Central Laboratory (as independent check laboratory).

No certified reference materials ("CRMs"), blanks have been applied during 2008 to 2016 exploration.

6.5.1 Internal (laboratory) check assays

Internal check samples were selected by project geologists based on assay results and spatial distribution, ensuring representation of high-, medium- and low-grade ranges. Secondary splits of primary samples were used, with 7–10% of total samples selected, re-numbered as blind samples and re-submitted to the original laboratory.

From 2010 to 2016:

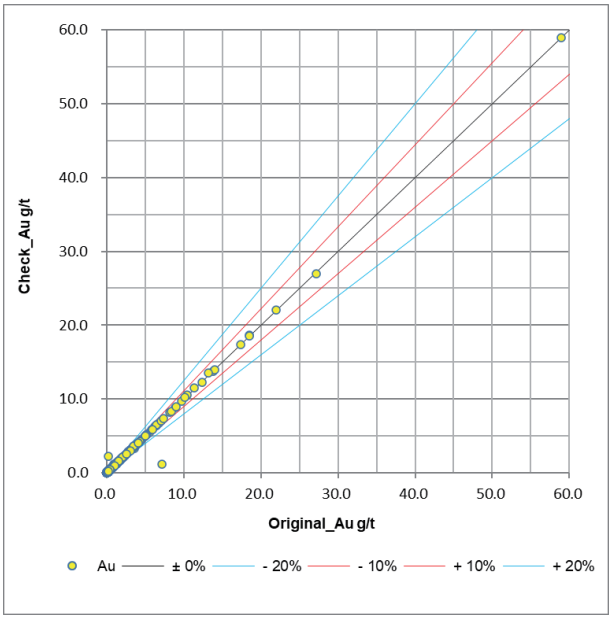
- Total primary Au assay samples: 6,077;
- Internal check samples: 633 (internal check rate ~10%);
- Accepted samples: 627; internal pass rate ~99%.

Bias distribution across all internal checks was approximately:

- Positive bias: 370 samples (~59%);
- Negative bias: 208 samples (~33%);
- Zero bias: 49 samples (~8%).

The distribution of positive and negative differences is broadly symmetrical and does not indicate any significant systematic bias.

Figure 6-1: Internal Check



Source: SRK

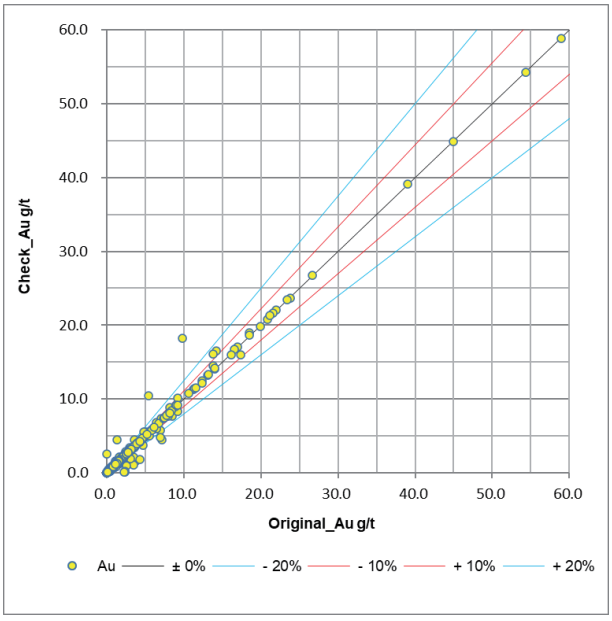
6.5.2 External (independent) check assays

External check samples were selected by the primary laboratory from primary (original) samples at a rate of 3–15% depending on year, and submitted by the tenement holder to independent Class-A laboratories. For example, in 2010:

- 95 external check samples (~15% of 637 primary samples) were analysed, with 86 accepted results and a pass rate of 91%.

Across all years, external check pass rates for Au generally range from 91% to 100%, and the distribution of positive, negative and zero bias is reasonable with no clear systematic high or low trend.

Figure 6-2: External Check



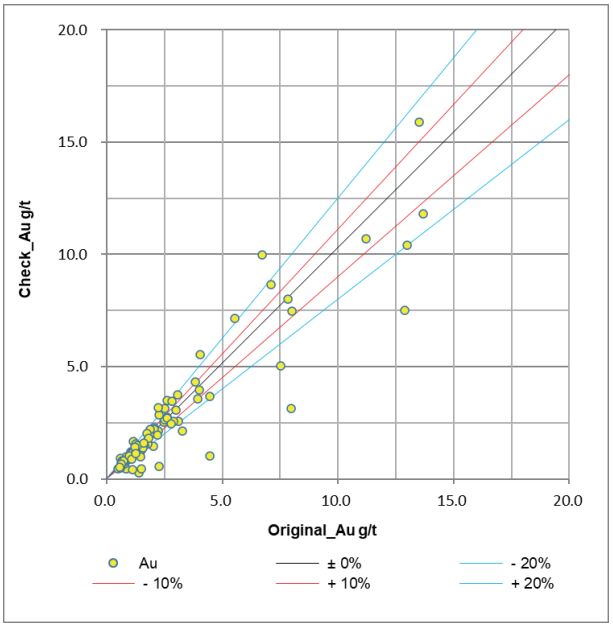
Source: SRK

On this basis, the available internal check and external check data indicate that the Au assay dataset is of acceptable accuracy. No CRMs or blanks were used to evaluate the assay accuracy and pollution during sample preparation, SRK advise that full QA/QC should be included in further exploration.

6.6 SRK Data Verification

In early 2026, SRK conducted independent sampling from available pulp duplicates. A total of 15 samples from the 2023 exploration program and 75 samples from the 2025 exploration program were collected and submitted to the SGS laboratory in Tianjin, China, with the results presented in Figure 6-3 below. Of the 90 sample pairs, 64 exhibited a relative deviation within 20%, while 26 showed a deviation exceeding 20%. Despite this, a consistent general trend is observable, which supports the reliability and competence of the original analytical data quality.

Figure 6-3: Independent Sampling



Source: SRK

6.7 Site Visit

Principal geologist, Mr. Pengfei Xiao who is the Competent Person of the project. Principal geologist Mr. Feng Li. Geologist Mr. Mingyan Wang. Processing consultant Mr. Chao Ding. Principal Environmental consultant Mr. Yuanhai Li and Environmental consultant Ms. Jiayue Bi. Project Coordination and Translation Ms. Liyuan Luo. They are all full-time employees of SRK China. They performed site visit from 27 April 2026 to 30 April 2026.

SRK carried out the following validation work on site:

- Inspection of the core warehouse;
- Inspection of hole sealing location;
- Inspection of tailings storage facility (TSF)

Figure 6-4: Core Warehouse **Figure 6-5: Tailings Storage Facility**



Figure 6-6: Hole Sealing Location



7 Mineral Resource Estimates

7.1 Introduction

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global Gold Mineral Resources found in the Project at the current level of sampling. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserves.

The estimates are based on drilling information available up to December 2025. With respect to drilling sample information available for the 31 December 2025 Mineral Resource estimates, SRK believes the current drilling sampling information is sufficiently reliable to interpret with confidence the mineralisation domains for the deposit and that the assay data is reliable to support Mineral Resource estimation.

Under SRK's guidance, the client constructed the deposit solids and submitted them to SRK for review. Leapfrog Edge 2025.3.1 ("Leapfrog Edge") software was used by SRK to prepare assay data for geostatistical analysis, established the block model, estimate metal grades, and tabulate the Mineral Resources.

In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global Mineral Resources defined for the Project at the current level of exploration. The Mineral Resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Ore Reserves Best Practices" guidelines and are reported in accordance with the JORC Code (2012 Edition).

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into an Ore Reserve without a minimum of a preliminary feasibility study ("PFS") of the Project.

7.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Construction of wireframe models for the boundaries of the mineralization;
- Definition of resource domains;
- Data conditioning (compositing and capping) for geostatistical analysis and Variography;
- Block modelling and grade interpolation;
- Resource classification and validation;
- Selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource Statement.

7.3 Resource Database

The primary database provided by client include database (collar, assay, survey, density，litho in CSV format) , a exploration report, all relevant analytical data, geological maps, mineralisation maps, and interpreted maps etc. SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by client was acceptable for using in a Mineral Resource estimate.

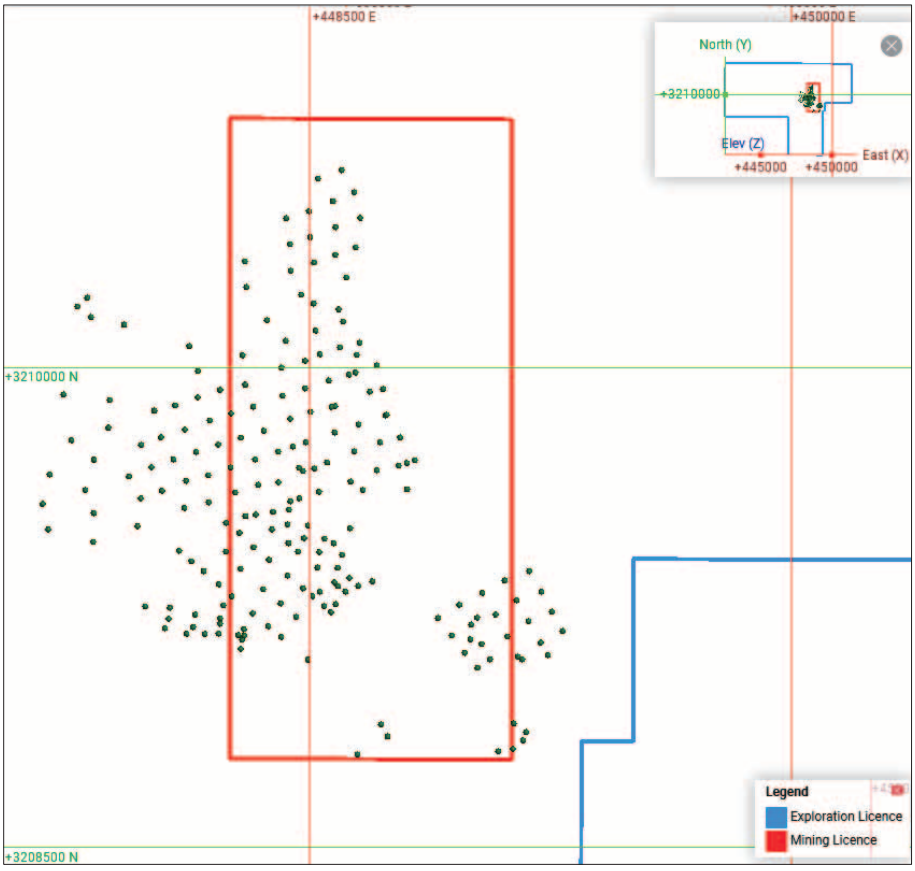
Table 7-1 summarises the Mineral Resource database covering the entire the project area, and the holes location are display in Figure 7-1.

Table 7-1: Summary of Resource Database Records

Data Type	Surface Drillhole	Tunnel	Trench	Total
Hole Number	138	24	50	212
Length (m)	41,325	300	639	42,264
Assay Sample Number	4,985	319	322	5626

Sources: SRK

Figure 7-1: Drillholes 3D Display of Bangbu Project

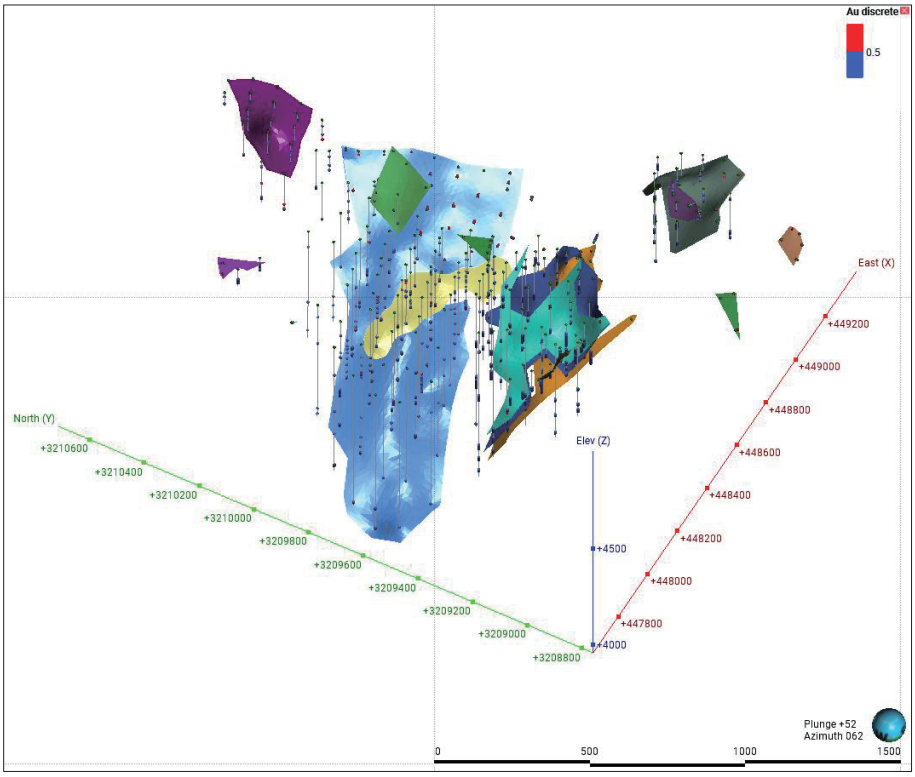


Sources: SRK

7.4 Solid Body Modelling

The wireframe models for the deposit were established by client using Leapfrog Edge software. A nominal cut-off grade of 0.5 g/t Au was applied to define the mineralised intervals for Domains. After review, SRK considers the delineation of the received wireframe models to be reasonable and adequate to support subsequent resource estimation. As shown in Figure 7-2. A total of 14 mineralized domains were constructed.

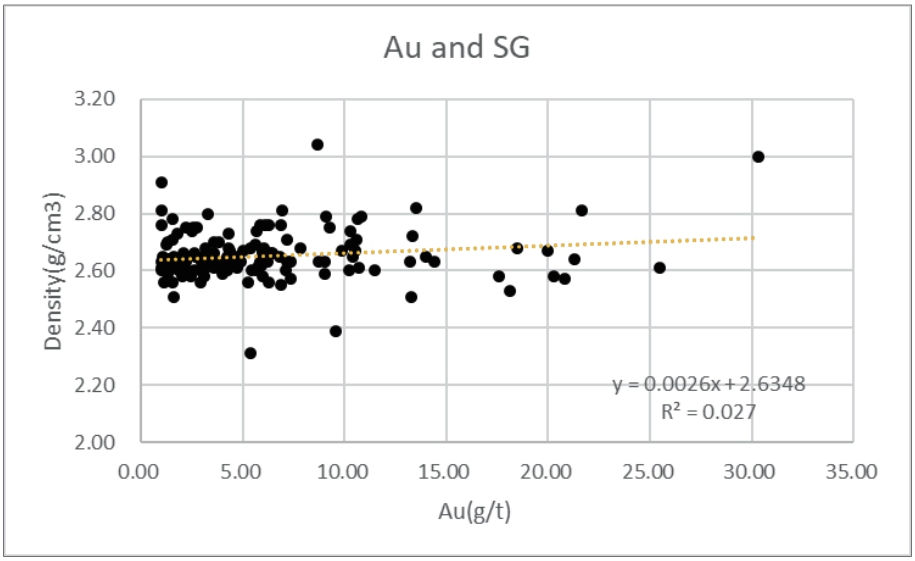
Figure 7-2: The Mineralisation Domain of Bangbu Project



7.5 Specific Gravity

A total of 165 The specific gravity ("SG") samples were provided by the client, as shown in Figure 7-3, SRK did not identify any obvious correlation between grade and SG. An average value of 2.65 g/cm^3 was applied to the block model for each domain.

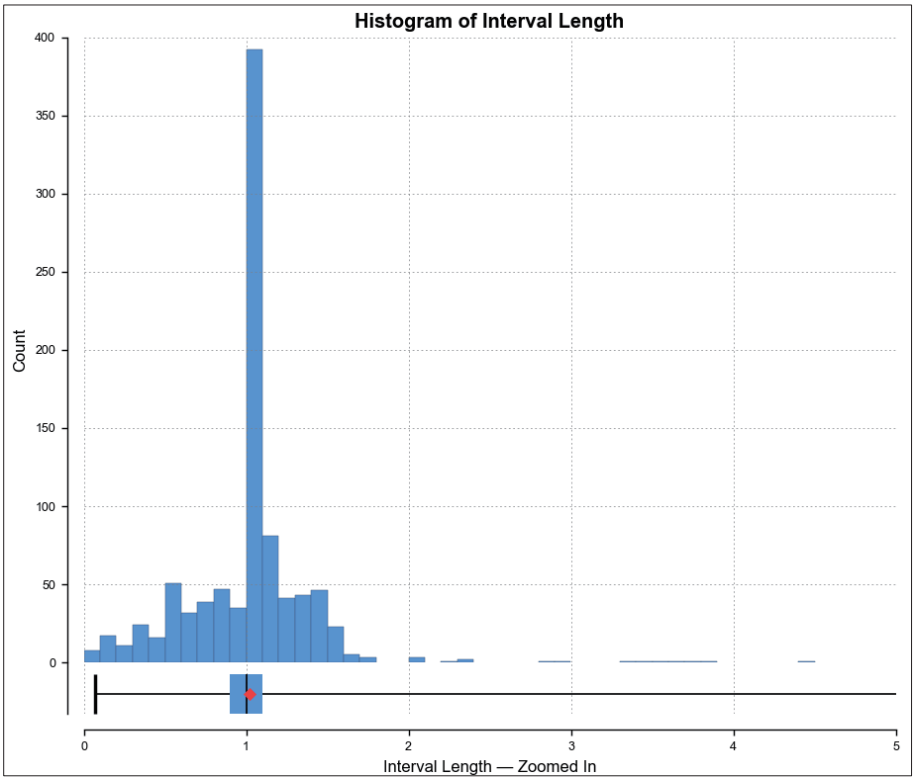
Figure 7-3: Correlation between Grade and SG of Bangbu Project



7.6 Compositing

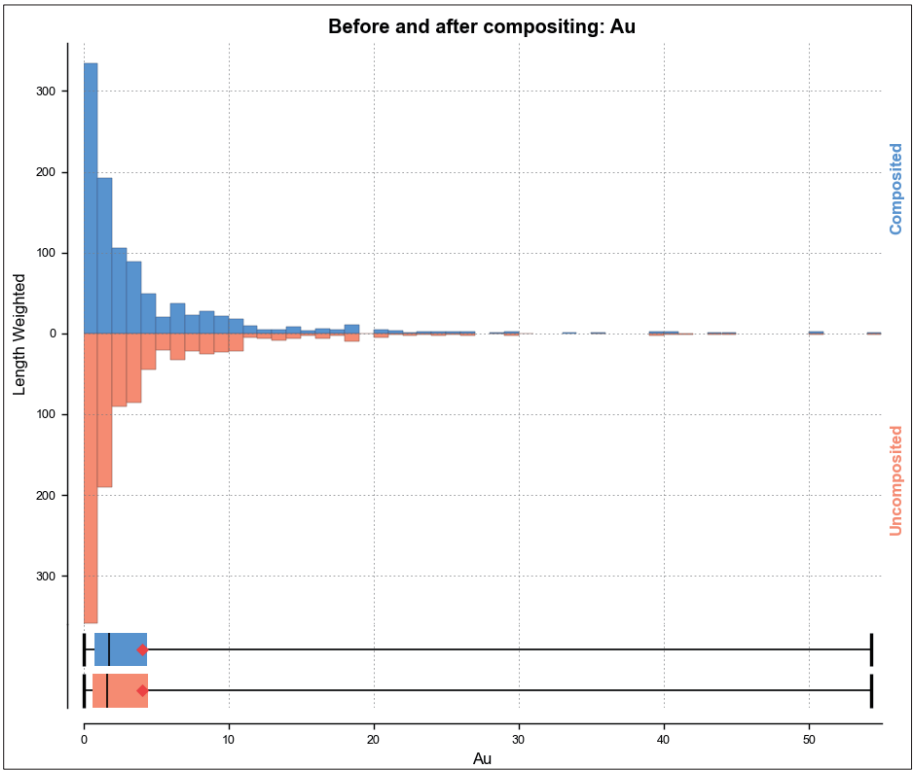
Prior to the statistical analysis, the samples were generally combined so the length of each sample was basically equivalent. The distribution of sample lengths is provided in Figure 7-4.

Figure 7-4: Histogram of the Sample Length of the Bangbu Project



The database indicates that the most sample intervals are 0.5 m and 2 m. A composite length of 1 m was selected for the Project. Composites were created within the Mineral Resource estimation domains beginning at the upper contacts. The intersection thickness encountered by any given drill hole samples, however, is not an even multiple of the composite length. If the remaining length was less than 0.5 m, the composite was added to previous interval. The treatment of the ended composites did not affect the overall integrity of the composited database. The compositing of samples before and after does not affect the overall distribution of the samples (Figure 7-5).

Figure 7-5: Raw samples and Composites Distribution of Au for Bangbu Project



7.7 Evaluation of Outliers

Due to the Au skewed distribution of some mineralisation zone, the few high-grade assays represent a significant proportion of the metal content. As the number of such extreme grades is small, this can lead to considerable uncertainty in the tonnage and grade of this material. To help control this uncertainty and risk, metal top cuts were applied to the Au data.

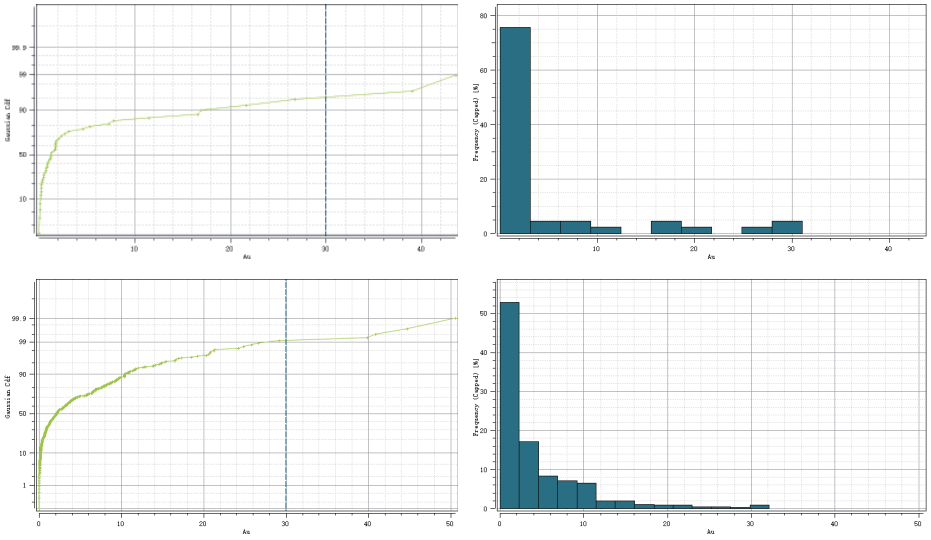
The assessment considers the variable histogram, normal probability plot, and charts where samples are sorted from low to high and the impact of adding samples one by one to the dataset from low to high on the mean, standard deviation and coefficient of variation. The High-grade composites were capped or restricted to a small spatial influence (Table 7-2).

Table 7-2: Capping Values Statistics of the Bangbu Project

Domain	Mean （%）	Cap Value （%）	Capped mean （%）	Capped Count	Metal loss （%）
Domain 2-4	4.76	30	4.75	2	9.53
Domain 3	4.27	30	4.25	4	2.62

The histogram and cumulative probability curve of the composites Au for Domain 2-4 and Domain 3 were presented in Figure 7-6.

Figure 7-6: Histogram and Log Probability Curve of Capping Au (Domain 2-4: Upper, Domain 3: Lower)



Source: SRK

7.8 Statistical Analysis and Variography

SRK considers that, due to the limited number of sample points within each mineralised domain, the project is not suitable for reliable variogram analysis. Consequently, SRK selected inverse distance power (IDW) interpolation for grade estimation in all domains.

7.9 Block Model and Grade Estimation

A non-rotational model for the Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model which was able to follow the mineralized zones. The block model used the same coordinate system as data collection. The block model summary is presented in Table 7-3. The attributes and descriptions are presented in Table 7-4.

Table 7-3: Block Model Specifications of Bangbu Project

Axis	Minimum (m)	Maximum (m)	Block Size (m)	Sub Block Size (m)	Rotation (degrees)
N	3208700	3210804	8	1	0
E	447500	449404	8	1	0
Z	3900	5000	4	1	0

Source: SRK

Table 7-4: Attributes and Descriptions of Bangbu Project

Attribute	Description
Gm	Mineralisation domains
Au	Gold grade
Licence	Mining licence
Category	Mineral Resource Classification
SG	Specific gravity

Source: SRK

Inverse Distance Weighting Square ("**IDW2**") method was used for grade estimation for all domains. Hard boundaries were used for Au of all domains.

Due to the differing levels of complexity in the various mineralised domains, SRK used different search parameters for each domain, and the parameters are summarized in Table 7-5. The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation.

The Domain and Category attribute were assigned directly using the solid models.

Table 7-5: Search Parameters

Domain	Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites	Max Samples per Hole
1	1	30,15,10	6	50	2
	2	60,30,20	4	50	2
	3	120,60,40	1	50	
10	1	30,15,10	6	50	2
	2	60,30,20	4	50	2
	3	120,60,40	1	50	
2-1	1	20,10,5	6	50	2
	2	40,20,10	4	50	2
	3	80,40,20	1	50	
2-2	1	30,15,10	6	50	2
	2	60,30,20	4	50	2
	3	120,60,40	1	50	
2-3	1	30,15,10	6	50	2
	2	60,30,20	4	50	2
	3	120,60,40	1	50	
2-4	1	30,15,10	6	50	2
	2	60,30,20	4	50	2
	3	120,60,40	1	50	
2-5	1	20,10,5	6	50	2
	2	40,20,10	4	50	2
	3	80,40,20	1	50	
3	1	50,20,10	6	50	2
	2	100,40,20	4	50	2

	3	200,100,40	1	50	
	1	20,10,5	6	50	2
3-2	2	40,20,10	4	50	2
	3	80,40,20	1	50	
	1	20,10,5	6	50	2
4	2	40,20,10	4	50	2
	3	80,40,20	1	50	
	1	20,10,5	6	50	2
6-1	2	40,20,10	4	50	2
	3	80,40,20	1	50	
	1	20,10,5	6	50	2
7	2	40,20,10	4	50	2
	3	80,40,20	1	50	
	1	20,10,5	6	50	2
8	2	40,20,10	4	50	2
	3	80,40,20	1	50	
	1	30,15,10	6	50	2
9	2	60,30,20	4	50	2
	3	120,60,40	1	50	

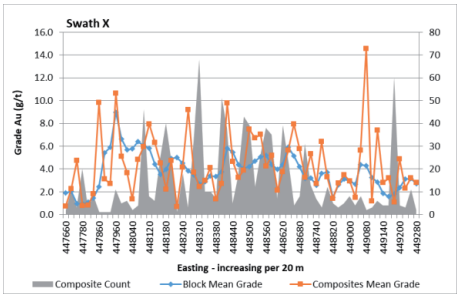
Source: SRK

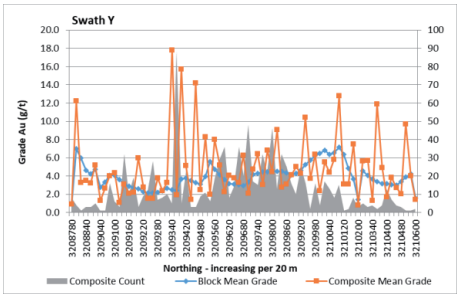
7.10 Model Validation and Sensitivity

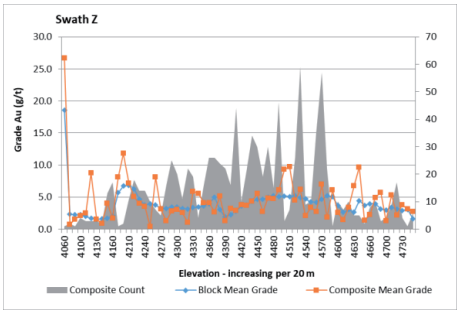
Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selective assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

SRK adopted Swath plot to validate the model, Swath plots were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown in **Figure 7-7**. This comparison shows close agreement between the grade of block estimates and grade of composed samples in terms of overall distribution as a function of X, Y, and Z location.

Figure 7-7: Swath Plot of Au







Source: SRK

7.11 Mineral Resource Classification

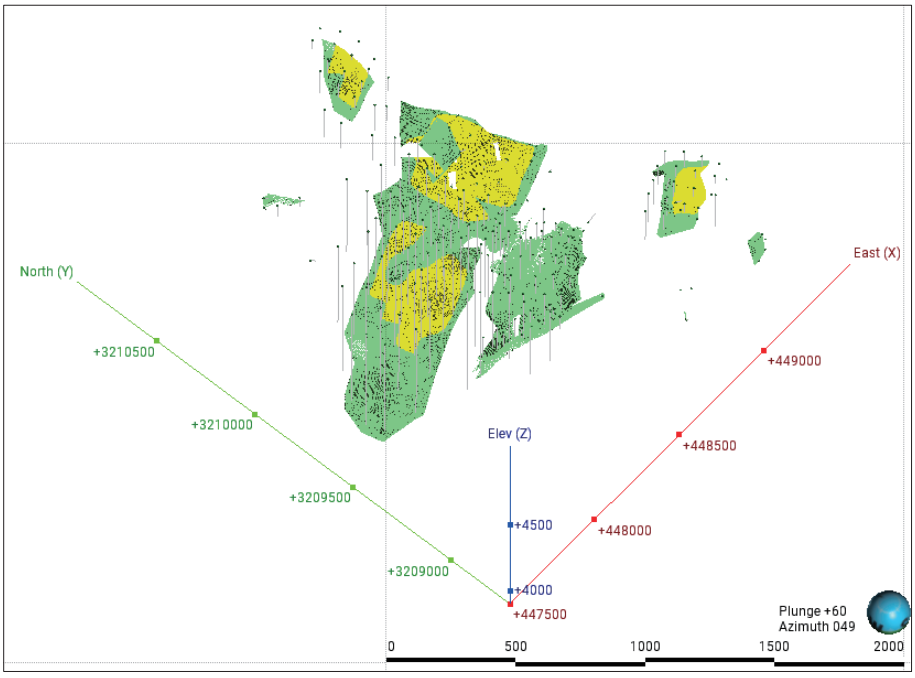
Mineral resource classification is typically a subjective concept, industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating both concepts to delineate regular areas at similar resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples is correctly defined, and the assay data are acceptable to support the Mineral Resource evaluation. The sampling information was acquired primarily from diamond drillholes, Tunnel and Trench with most holes on a grid density of 80 m by 80 m.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that blocks estimated during the first estimation pass with sample distances less than 40 m can be classified as Measured Mineral Resources; those blocks estimated during the second estimation pass with sample distances less than 80 m can be classified as Indicated Mineral Resources. All other remaining blocks can be categorised as Inferred Mineral Resources (Table 7-8).

SRK notes that some sporadically distributed grades interpolated by the first and second pass were classified as Inferred Mineral Resources. For those Measured and Indicated Mineral Resource blocks, SRK considers that the level of confidence is sufficient to allow appropriate application of technical and economic parameters to support mine planning and to allow evaluation of the economic viability of the deposit, which is also adequate to support mining operation.

Figure 7-8: Mineral Resource Classification (Red: Measured resource; Yellow: Indicated resource; Green: Inferred resource)



Source: SRK

7.12 Mineral Resource Statement

The *JORC Code* 2012 defines a mineral resource as:

"(A) Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories".

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. SRK acknowledge that the Bangbu Project is an underground operation.

The conceptual parameters used to estimate the cut-off grade for the Bangbu Project are summarised in Table 7-6.

Table 7-6: Assumptions Considered for the Bangbu Project

Item	Unit	Parameter
Gold price	USD/oz	3900
Process Recovery(Au)	%	91
Mining Cost	USD/t	47
Processing Cost	USD/t ore	37
General and Administration Cost	USD/t ore	16
Cut-off Au grade	g/t	0.88

As of 31 December 2025, SRK reported the underground Mineral Resources of the Bangbu Project, at a cut-off grade of 0.9 g/t Au. There are 3.57 million tonnes ("**Mt**") Indicated Mineral Resource at an average grade of 4.90 g/t Au; and 5.99 Mt of Inferred Mineral Resources at an average grade of 3.59 g/t Au.

Details of estimated Mineral Resources are shown in Table 7-7.

Table 7-7: Mineral Resource Statement[1], Bangbu Project, Prepared by SRK Consulting China Limited, 31 December 2025[2]

Mineral Resource class	Tonnes(Mt)	Au (g/t)	Au (t)
Measured			
Indicated	3.57	4.90	17.5
Measured + Indicated	**3.57**	**4.90**	**17.5**
Inferred	5.99	3.59	21.5

Notes:

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

[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang and Mr. Pengfei Xiao who are full time employee of SRK Consulting China Ltd. Mr. Xiao is a Fellow of AusIMM, and he has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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*. Mr. Xiao consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 0.9 g/t Au.

7.13 Grade Sensitivity Analysis

The Mineral Resources of the Bangbu Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the global model quantities and grade estimates are presented in Table 7-8 and Figure 7-9 at various cut-off grades. The reader is cautioned that these figures listed should not be misconstrued as representing a Mineral Resource Statement but are included for the purpose of illustrating the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-9: Grade-Tonnage Plot

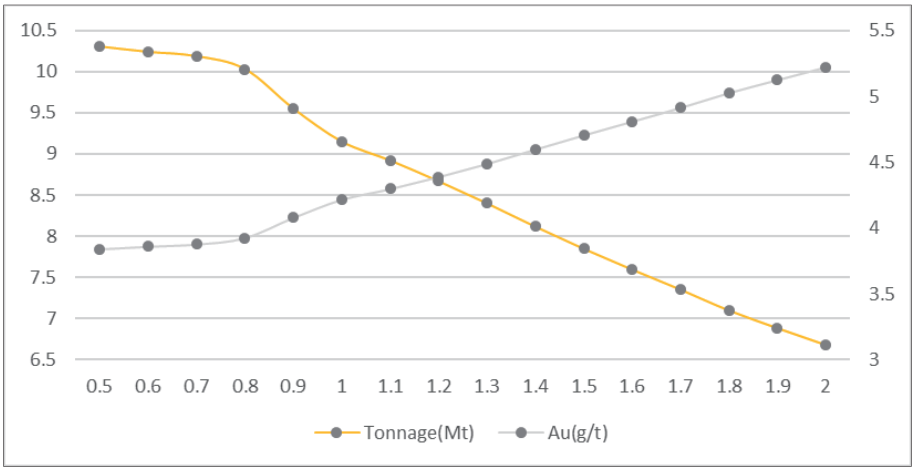


Table 7-8: Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades.

		Average Value	*Material Content*
Cut-off Grade	**Mass**	**Au**	**Au**
Au(g/t)	**Mt**	**g/t**	**t**
0.5	10	3.84	40
0.6	10	3.86	40
0.7	10	3.88	**39**
0.8	10	3.92	39
0.9	10	4.08	39
1	9	4.21	39
1.1	9	4.30	38
1.2	9	4.39	38
1.3	8	4.49	38
1.4	8	4.60	37
1.5	8	4.70	37
1.6	8	4.81	37
1.7	7	4.91	36
1.8	7	5.03	36
1.9	7	5.13	35
2	7	5.22	35

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

7.14 Exploration Potential

SRK considers that Domain 3 does not pinch out at depth towards the southwest, indicating additional resource potential. SRK recommends infill drilling to upgrade the current resources.

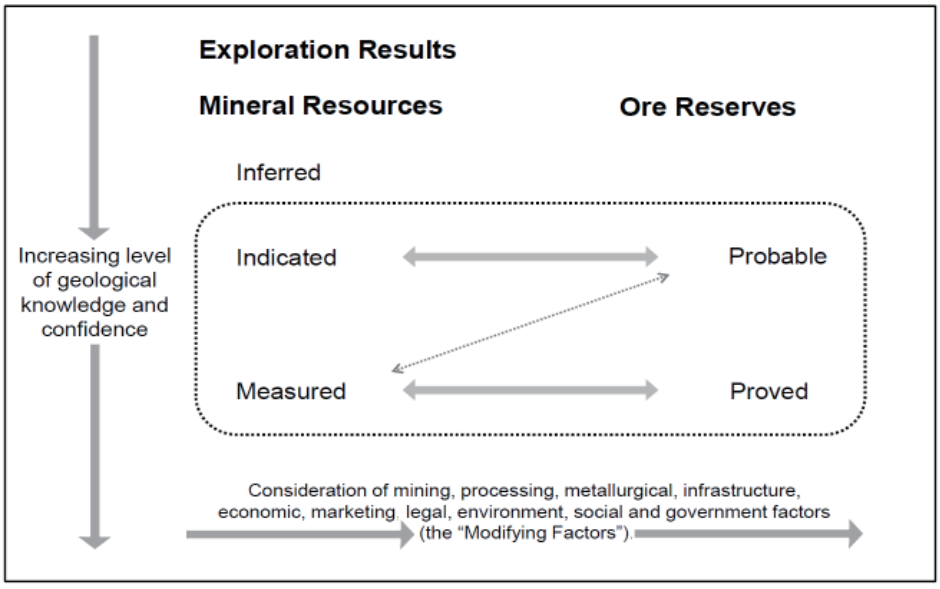
8 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the *JORC Code* (2012 edition) is as follows:

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

The conversion from Mineral Resources to Ore Reserves is presented in Figure 8-1.

Figure 8-1: General Relationship between Mineral Resources and Ore Reserves



Source: *JORC Code (2012)*

The Ore Reserves for the Bangbu Project have been estimated by SRK in compliance with the *JORC Code* guidelines. These estimates are based on technical studies and operational data, with the work conducted to a pre-feasibility study standard as a minimum, ensuring a reliable assessment of the Project's economic and technical viability.

8.1 Ore Reserves Estimation Procedures

Ore Reserve estimation involves converting Mineral Resources into Reserves by applying a resource model and accounting for various "Modifying Factors." These factors include mine planning, historical production data, reconciliation between estimation and actual production, mineral processing, infrastructure, economics, marketing, legalities, and ESG (Environmental, Social, and Governance) considerations.

The standard process for estimating Ore Reserves in underground operations is summarized below:

- Examination of the Resource Block Model: Validate the geological interpretation of the model. This includes a rigorous review of the definitions, confidence levels, and ranges for all attributes and parameters within the resource blocks.
- Technical Study Review: Analyse existing mining studies to evaluate the feasibility of processing methods, operating costs, and technical parameters. This involves assessing how these variables define the mineable extents and reviewing optimized stope shapes to identify potential surface constraints or operational interactions.
- Stope Shape Optimization: Determine the optimal location and geometry of underground workings based on geological, economic, processing, and market parameters. This process ensures the design remains within tenement boundaries and exceeds the minimum cut-off grade before accounting for mining recovery and dilution.
- Mine Design and Development Audit: Conduct a comprehensive review of planned or existing production and development systems. This step verifies compliance with technical, industrial, and regulatory standards. System efficiency is evaluated through site inspections and data analysis to identify potential bottlenecks and operational risks.
- Production Scheduling: Develop a strategic schedule for the material within the optimized stopes, aligning extraction rates with feasible tonnage capacities and processing plant targets.
- Equipment Requirements: Assess mobile and fixed equipment needs based on the selected mining method, production schedule, and specific commodity targets.
- CAPEX and OPEX Analysis: Scrutinize Capital Expenditure (CAPEX) and Operating Expenditure (OPEX) estimates. This involves benchmarking costs against industry standards, identifying financial risks, and providing recommendations for cost optimization and contingency planning.

8.2 Technical Studies

SRK reviewed a number of technical studies prepared for the Bosheng Project. The technical studies reviewed by SRK include:

- Feasibility Study Report on the 1000t/d Mining and Beneficiation Reconstruction and Expansion Project of the Bangbu Gold Mine Area in Jiacha County, Tibet. Conducted by Tibet Bosheng Mining Development Co., Ltd. In February 2026. (hereafter referred to as FS 2026)
- Feasibility Study Report on the Mining and Beneficiation Project of the Bangbu Gold Mine in Jiacha County, Tibet Autonomous Region. Conducted by Lanzhou Nonferrous Metallurgy Design & Research Institute Co., Ltd. In March 2007. (hereafter referred to as FS 2007)

The technical studies for the Bosheng Project have demonstrated a level of confidence in the Modifying Factors that SRK considers equivalent to a Pre-feasibility study standard, which is appropriate for supporting Ore Reserve estimation.

8.3 Cut-off Grade

Only the gold grade was interpolated in the Mineral Resource model. There is no need to calculate an equivalent grade to define economic materials. Key consideration include:

- Price: The prices are dynamic and are derived from consensus market forecasts (CMF) to reflect long-term market trends; however, this gross price is further adjusted by a Payable Factor (estimated at 94-96% for 122 g/t concentrate) to account for smelting losses and commercial deductions, ensuring the CoG aligns with the actual Net Smelter Return (NSR).
- Cost: mining, processing, general/administrative (G&A) are based on *FS 2026* forecast.

The marginal Cut-off Grade (COG) for gold in the Run-of-Mine feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{P * P_a * P_r * (1 - R_t)}$$

Assumptions to calculate cut-off grade are shown in Table 8-1. The calculated cut-off grade was rounded up to 1.25 g/t gold (calculated CoG is 1.244 g/t Au) at the Effective Date based on assumptions derived from the *FS 2026* report.

Table 8-1: Cut-off Grade adopted in Ore Reserves Estimation for the Bosheng Mine

Item	Parameters	Unit	Parameter
P	Gold price	USD/oz	3000.00
Pa	Payable	%	95.00
Rt	Royalty	%	4.0
Pr	Process Recovery (Au)	%	91.30
Cm	Mining Cost	USD/t	46.53
Cp	Processing Cost	USD/t ore	37.19
Cg	General and Administration Cost	USD/t ore	16.21
A	Cut-off Au grade	g/t	1.25

Source: SRK

8.4 Modifying Factors

The following modifying factors are used to determine the Ore Reserves.

Underground Stope Optimization

The Deswik Shape Optimizer™ (SO) module was employed to perform Mineable Shape Optimization (MSO) on the Mineral Resource block model. This process converted geological wireframes into practical, mineable geometries by integrating spatial and technical constraints. Following the generation of preliminary stope shapes, a rigorous economic sensitivity analysis was conducted to exclude any inventory that failed to meet the required margin after accounting for localized development and operating costs.

For further comprehensive details regarding the MSO engineering methodology, configuration parameters, and detailed optimization results, please refer to the dedicated sections of this report.

Mining Loss and Recovery

The Bangbu Gold Mine project demonstrates a significant transition in its operational efficiency between its historical production phase and the current 1,000 tpd expansion design. According to historical production records from 2009 to 2016, the mine experienced a high average dilution rate of 37.81% and a relatively low average mining recovery rate of 73.46%. These historical performance challenges were primarily attributed to the weak geotechnical stability of the carbonaceous phyllite host rock, which led to significant over-break and ore loss during extraction.

In contrast, the technical studies for the 1,000 tpd expansion have set more optimized targets. By implementing adaptive mining methods—specifically breast stoping for gentler dips and shrinkage stoping for steeper sections—the project aims to achieve a mining recovery rate of 85% to 90% while strictly controlling the dilution rate at 20%. This improvement is critical for maintaining the economic viability of the project as it scales its annual processing capacity to 300ktpa.

SRK utilized the Stope Shape Optimizer (MSO) with a 0.5m dilution skin on both the hanging wall and footwall to account for anticipated over-break in the weak carbonaceous phyllite host rock. Compared with the Measured and Indicated Mineral Resource tonnage above the reporting cut-off grade, the optimization integrated a conservative 25% mining loss rate and a 20% dilution rate, strictly delineating the mineable inventory within the No. III and No. I orebodies to ensure a robust and reliable production plan for the project's expansion.

The following parameters have been summarized and listed in Table 8-2.

Table 8-2: Summary of Mining Loss and Dilution Parameters for Bangbu Gold Mine

Category	Mining Loss	Mining Dilution	Source
Historical Performance (2009–2016 Average)	26.54%	37.81%	Actual Production Records
Expansion Design (1,000 tpd)	10.0% – 15.0%	20.00%	Feasibility / Technical Studies
Stope Shape Optimization	25%	20%	SRK

Source: SRK

8.5 Ore Reserve Statement

SRK Consulting has estimated the Ore Reserves for the Banghu Gold Mine in accordance with the guidelines outlined in the JORC Code. The Ore Reserve estimates are based on technical studies and operational records deemed to meet the standards of a Pre-Feasibility Study.

According to the Mineral Resource Model (MRM), only Indicated Mineral Resources are identified, the economically mineable portions of Indicated Mineral Resources within the designed underground stopes have been classified as Probable Ore Reserves, respectively. These estimates include allowances for dilution and mining losses.

As of 31 December 2025, the Ore Reserves for the Banghu Gold Mine are estimated at 2,655 kt, with an average grade of 4.21 g/t Au, containing 11,167.9 kg of gold.

Table 8-3: Ore Reserve Statement for Bangbu Mine, as of 31 December 2025

Category	Tonnage	Average Grade	Au Metal Contained	Au Metal Contained
	Kt	g/t Au	kg	koz
Proved	-	-	-	-
Probable	2,655	4.21	11,168	359
Total	2,655	4.21	11,168	359

Source: SRK

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Hongbo Liu and Yonggang Wu. Yonggang Wu is a full-time employee of SRK Consulting China Ltd and a member of AusIMM. Yonggang Wu has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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. Hongbo Liu and Yonggang Wu consents to the reporting of this information in the form and context in which it appears.

[2] Ore Reserves are constrained within an underground mining design that uses the following assumptions: a gold price of US$3,000/oz; gold recoveries 91.3%; a reference mining cost of $46.53/ton mined in-situ; processing costs of $37.19/ton ore processed; G&A costs of $16.21/ton ore processed; royalty of 4%.

[3] Ore Reserves are reported at a cut-off grade 1.25g/t.

[4] Numbers have been rounded and may not sum precisely.

[5] Mining dilution (waste rock and inferred Mineral Resources) rate is 20%. Mining loss rate is 25%.

[6] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

9 Mining Assessment

9.1 Operation Status

The Bangbu Underground Mine was acquired by the owner in 2023. The sublevel open stoping with delayed backfill was practised in history. Mining operation has been suspended due to the safety and environmental rectification issues. The mine is being modified to expand mining capacity from the 150 ktpa to 300 ktpa (or 1,000 tpd), accompanied by the renewal of relevant permits, updating of environmental impact assessment (EIA), and modification of existing facilities.

9.2 Hydrogeology

Meteorological records from 2005 to 2015 are summarized in Table 9-1.

Table 9-1: Regional Meteorological and Hydrological Parameters

Parameter	Unit	Value	Remarks
Average annual temperature	°C	10.1 – 10.6	Data from 2005–2015
Average annual precipitation	mm	455 – 637	~80% occurs July–Sept
Maximum 24-hr rainfall	mm	37.0	Recorded in 2013
Regional erosion base level	m asl	3,312	Yarlung Tsangpo River

Source: SRK

The Bangbu Gold Project is located on the southern bank of the Yarlung Tsangpo River. The project area is characterized by high-altitude alpine terrain, with steep valleys and ridgelines ranging from 4,361 m to 4,744 m above sea level (asl). The regional erosion base level is controlled by the Yarlung Tsangpo River at approximately 3,312 m asl, while the local erosion base level is defined by the Dogar River at 3,671 m asl. The Mineral Resources and planned development levels located between 4,065 m and 4,310 m asl, both dozens meters above the erosion base levels. It can be expected that the groundwater inflows can be easily drained by gravity drainage.

Surface water is usually observed in valleys to the south of Puqiongla ridge. The surface water is mainly recharged with atmospheric precipitation, seasonal snowmelt and springs. Flow rates varied widely with seasons in a year. For example, the tributary to the southwest of the No. III orebody reaches peak flow rate of 54 m³/h in the wet season, then decreases to approximately 0.4 m³/h in the dry season.

The following aquifers and aquitard was explored in the Project area:

- The Quaternary pore aquifer is distributed along valley floors and hills in the form of unconsolidated alluvial and colluvial sediments. It is composed of gravels, sandy gravels, and 2.0 m to 15.5 m thick clayey materials. The aquifer has a moderate permeability and poor water retention capacity. The groundwater is mainly recharged with precipitation, and infiltrated through pores to the underlying rock mass.
- The bedrock fissure aquifer is hosted within the Langjiexue Group metamorphic sequence. It is composed of carbonaceous sericite phyllite and metamorphosed sandstone. The groundwater

flows through the tectonic fracture zones, discontinuity surfaces between faults, and joint sets. Hydraulic conductivity is therefore structurally controlled and spatially heterogeneous.

- The aquitard is composed of interbedded thick sequences of carbonaceous sericite phyllite and thin sandstone layers. The locally occurred intense tectonic deformation could be acted as the paths of groundwater movement between separated aquifers.

9.3 Geotechnical Conditions

The Bangbu Gold Project is hosted within the Songre Formation (T3s) of the Upper Triassic Langjiexue Group. The stratigraphic sequence is dominated by carbonaceous sericite phyllite, metamorphosed sandstones, and siltstones, typically exhibiting thin- to medium-bedded structures with bed thickness generally less than 30 cm.

The Project is structurally controlled by its location within the Qusum–Cuogu–Zhimulang regional shear zone. Intense tectonic deformation has resulted in tight folding, multiple fault systems (NW-, NE-, and E–W-trending), and high joint frequency and fracture density. The structural regime is summarized in Table 9-2, which shows the main faults and discontinuity sets that could impact the stability of mined-out areas.

Table 9-2: Significant Structural Geotechnical Properties

Structure ID	Orientation (Strike/Dip)	Width (m)	Geotechnical Impact	Operational Risk
F18 Fault	E–W / S 75°–85°	50 – 400	Regional shear zone	Distant from active mining
F7 Fault	NW 335° / SW 26°–45°	Variable	Primary host structure; mud-rich	High risk of caving / mud-rush
NE Set (F4, F6)	NE / NW 30°–45°	1 – 3	Cross-cutting of primary veins	Localized joint instability

Source: SRK

The roof falls and rib spalling events have been observed in history when mined in stopes near to the intersections of NW and NE joint sets. Among the faults and sets in Table 9-2, the F7 fault zone hosts the No. III orebody. It is composed of phyllonitic and clay-rich materials, with a low shear strength and a potential swelling behavior when exposed to groundwater. Debris flow could be induced by the F7 fault.

Rock mass quality has been assessed for the wall rock and orebody through systematic core logging and statistical evaluation of Rock Quality Designation (RQD). The statistical results are summarized in Table 9-3. This different rock mass quality provides an indication that stope span and hanging wall reinforcement should be designed differently.

Table 9-3: Rock Mass Quality Classification (RQD Statistics)

Unit Type	Lithology	RQD Range (%)	Average RQD (%)	Quality Grade	Description
Wall Rock	Phyllite / Sandstone	61.6 – 68.0	64.6	III	Fair
Orebody	Quartz Vein / Altered Rock	69.2 – 83.5	75.6	II	Good

Source: SRK

Representative laboratory testing was performed to determine geotechnical properties of intact rock, which include density, Uniaxial Compressive Strength (UCS), tensile strength, cohesion, and friction angle. The results are summarized in Table 9-4.

Table 9-4: Summary of Intact Rock Mechanical Properties

Lithology	Position	Density (g/cm³)	UCS (Dry, MPa)	Tensile Strength (MPa)	Cohesion (MPa)	Friction Angle (°)
Carbonaceous Phyllite	Hanging Wall	2.67	10.6 – 12.1	0.22 – 0.35	0.65 – 1.21	34.6 – 39.7
Metamorphosed Sandstone	Footwall	2.60	45.3	1.25	3.82	42.0
Gold Orebody (Quartz-rich)	Stope Zone	2.68	22.2 – 37.3	0.70 – 1.15	1.87 – 3.25	41.3 – 42.0

Source: SRK

Although localized stability degradation occurs adjacent to major fault zones and joint intersections, the rock mass is classified as fair based on the available parameters and knowledge.

9.4 Mining Methods

The breast stoping and shrinkage stoping were proposed in the *FS 2026* to extract the Mineral Resources.

9.4.1 Breast Stoping

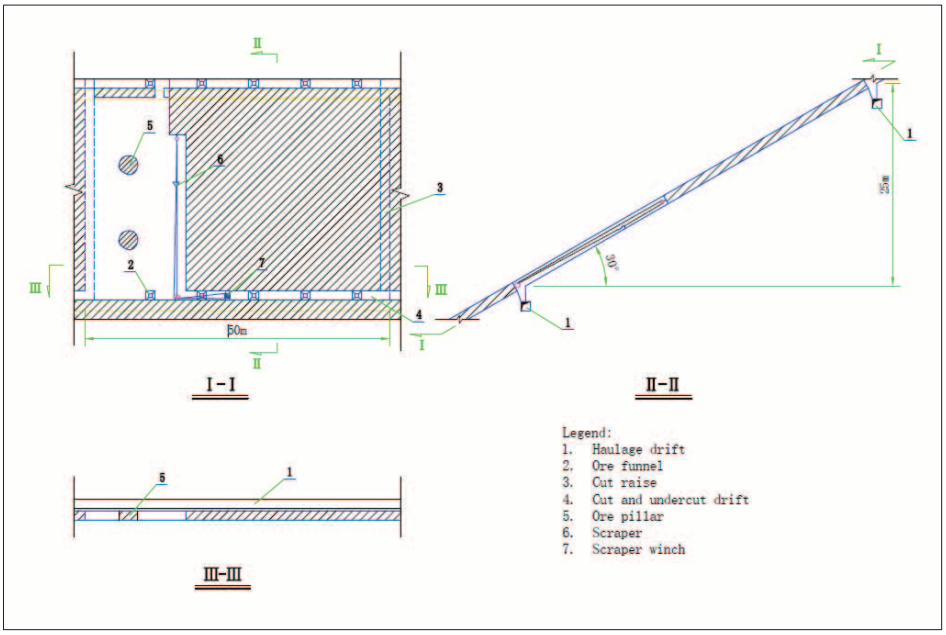
Breast stoping is appropriate to exploit the stopes with a dip angle below 30 degrees. The schematic drawing of breast stoping is shown in Figure 9-1.

The mineralised zones are divided into longitudinally 50 m long by 25 m high stopes. The bottom pillar is 4.0 m high. Irregular pillars are left unmined in the stope to support the hanging wall.

Blasthole is drilled using YT-28 pneumatic handheld drill rig in a plum-blossom pattern. Blasted ore is mucked out of the stope using the 30 kW 2JP-30 model electric slusher (scraper), then loaded into wagons through 12 m interval ore drawing funnels.

It is estimated that 13.1 m tunnels will be developed to extract 1 kt of ore. The mining capacity is about 100 tpd per a stope.

Figure 9-1: Schematic Breast Stoping Method



9.4.2 Shrinkage Stoping

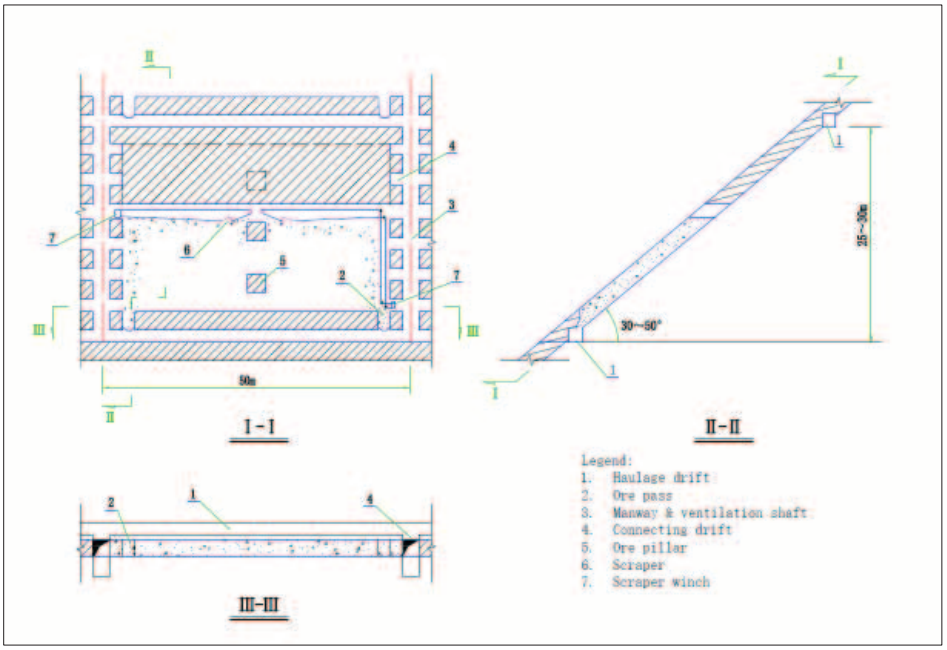
The shrinkage stoping is used for extraction of Mineral Resources in stopes with a dip angle above 30 degrees.

The mineralised zones are divided into longitudinally 50 m long by 25 to 30 m high stopes. Besides the crown pillar, bottom pillar and rib pillar, regularly pillars are also left inside the stope to support the hanging wall. The schematic drawing of breast stoping is shown in Figure 9-2.

Extraction of Mineral Resources starts from the bottom undercut, advancing upward at 1.8 m to 2.5 m slice cuts. After each blasting, a part of blasted materials are mucked out of a stope with 30 kW 2JP-30 model electric slusher (scraper) for loading into wagons through the ore passes next to rib pillars. The remaining broken ore is left in the stope to serve as the working platform for the next cut.

It is estimated that 17.6 m tunnels will be developed to extract 1 kt of ore. The mining capacity is about 110 tpd per a stope.

Figure 9-2: Schematic Shrinkage Stoping Method



9.5 Stope Shape Optimization

Mineable shape optimisation (MSO) was carried out by SRK using Deswik software prior to the effective date of this Report, 31 December 2025. Only the No. I, No. III, and No. IX mineralised zones were used for generating optimised stopes due to the reporting of Indicated Mineral Resources for them.

The optimisation parameters are summarised in Table 9-5, which were selected to consider the specific blasting geometries and operational constraints of the two mining methods.

Table 9-5: Stope Optimization Parameter

Item	Unit	Breast Stoping	Shrinkage Stoping
Width	m	4	4
Length	m	3	3
Height	m	Thickness	Thickness
Dilution	m	0.5 each side wall	0.5 each side wall
COG	g/t	1.25	1.25

Source: FS 2026

After the initial MSO, the fragmented mineralized zones were refined to produce practical mining units in flowing steps. The result of stope shape optimization is shown in Figure 9-3 and Figure 9-4.

- Spatial Filtering: The MSO excludes fragmented or isolated mineralization ("strike outliers") that fails to meet minimum mining dimensions. These patchy segments are removed as they are technically unfeasible or economically inviable via standard development.

- Practical Aggregation: Remaining valid increments are aggregated into coherent Stoping Blocks. This process transforms granular optimization data into functionally mineable units that satisfy equipment access and geotechnical stability constraints.

Figure 9-3: Views of Stope Shape for Bosheng Mine (south view)

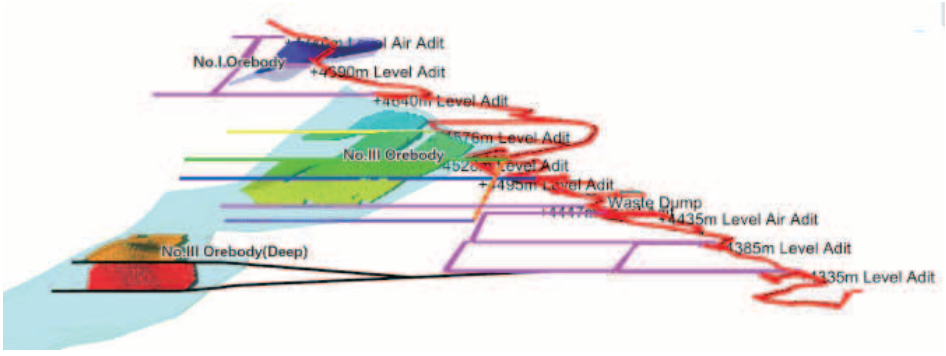
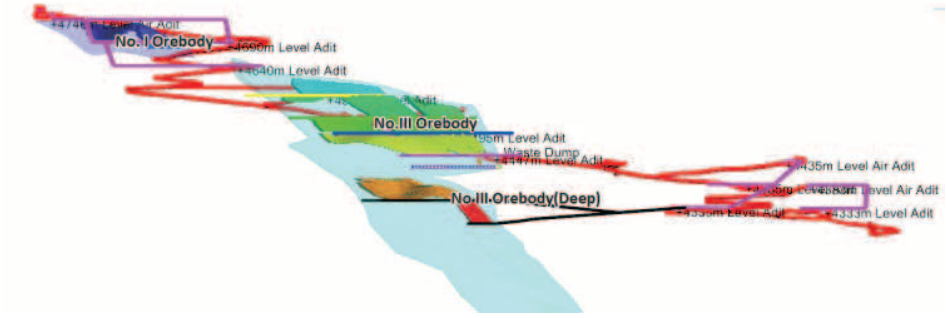


Figure 9-4: Views of Stope Shape for Bosheng Mine (west view)



9.6 Development System and Transportation

The No. 3 mineralised zone has been developed with adits PD2, PD4 and PD9. To expand mining capacity to 1,000 tpd, additional main adits and tunnels designed in the *FS 2026* include the blind decline to access Mineral Resources below 4,447 m asl in No. III mineralised zone, the adit to access No. 1 mineralised zone, and the adit to access No. IX and X mineralized zones. The development system is illustrated in Figure 9-5. The properties of existing adits and the designed blind decline are summarized in Table 9-5. All the main access tunnels are 2.4 m wide by 2.5 m high, in narrow-arch profile (net area of 5.82 m^2). Compared with the vertical shaft access, the advantages of adits access include faster accessing the mineralised zones, less capital expenses, simpler water drainage system, and easier ventilation system.

Figure 9-5: Development System from *FS 2026*

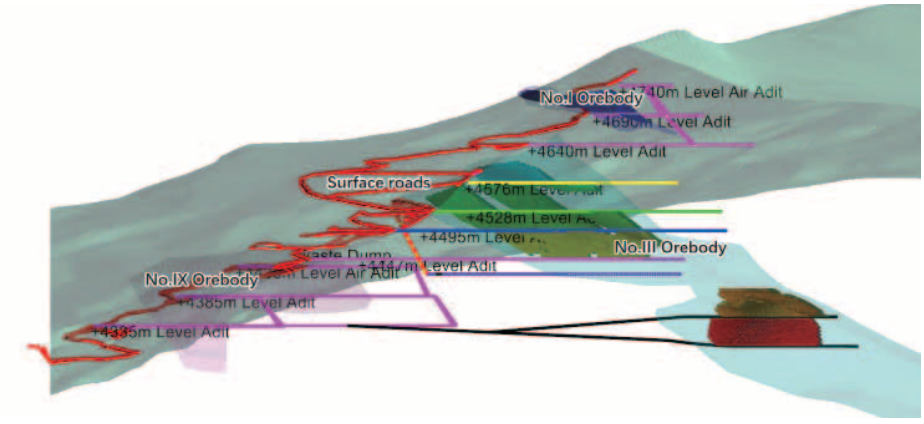


Table 9-6: Primary Development and Level Specifications

Tunnel	Primary Purpose	Elevation (m asl)	Section Size (W X H)	Support Methodology
PD2 (No. III)	Exhaust air and egress way	4576	2.4 × 2.5	Shotcrete & Rock Bolts
PD4 (No. III)	Production and fresh air way	4528	2.4 × 2.5	Shotcrete & Rock Bolts
PD9 (No. III)	Main haulage and fresh air way	4447	2.4 × 2.5	Shotcrete & Rock Bolts
Blind Decline	Deep extraction	4447 to 4422	2.4 × 2.5	Reinforced Concrete
PD (No. I Area)	New production	4740 to 4640	2.4 × 2.5	Shotcrete & Rock Bolts
PD (IX & X)	Satellite access	4435 to 4333	2.4 × 2.5	Shotcrete & Rock Bolts

Source: *FS 2026* provided by Bangbu Mine and summarized by SRK;

The development system is divided into three sections below:

- The No. III mineralised zone, which is the core production zone, has been accessed through the adits PD2 at +4576 m asl, PD4 at 4,528m asl, PD6 at 4,495m asl, and PD9 at 4,447 m asl. Among these adits, the adit PD2 is a dedicated way for exhaust air, and one of emergency egress ways. To access Mineral Resources below the 4,447 m asl, a blind decline (blind shaft) shall be extended to the 4,422 m asl to serve as the main way to transport ore to surface.
- The No. I mineralised zone will be the main source of ore after expanding mining capacity to 1,000 tpd. Three new adits are being developed on levels of 4,740 m asl (Return Air), 4,690 m asl, and 4,640 m asl (Production).
- The No. IX and No. X mineralised zones are satellite ones. Independent development system, air compressor stations and power distribution facilities, will be built to exploit the Mineral Resources between 4,435 m asl and 4,333 m asl.

Transportation of ore from a stope to the processing plant include the underground hauling and surface hauling. The 0.75 m^3 side-dump wagons are grouped and hauled by the 5-tonne or 2.5-tonne battery electric locomotives (Model XZK) to transport and dump ore to the surface ore bins closing to the adit portals through the 600 mm gauge tracks installed in level ways and adits. A 12

km long road is built on the surface to connect each ore bins. The ore from ore bins are then transported to the processing plant with the BZKD20 model truck, which has a payload capacity of 20 t.

9.7 Mining Services

9.7.1 Ventilation System Design

The single-side diagonal ventilation is relied on to intake fresh air and draw out of exhaust air to support underground mining operation.

Regarding the No. III mineralized zone, the fresh air enters the underground mine through adits PD4 and PD9, while the exhaust air is drawn out via the adit PD2. The airflow is regulated through internal raises and regulators to ensure adequate face velocities in development headings and stopes.

Regarding the local ventilation in the development headings, auxiliary fans in 5.5 kW to 11 kW are also used for drawing in or out of air through pipes.

Due to the high-altitude alpine climate, the air heating is carried out to keep air warm in winter.

9.7.2 Water Drainage and Dewatering

The water drainage system is divided into two sections below:

- The groundwater inflow above the 4,447 m asl is drained to the surface settling ponds via ditches in adits by gravity.
- The groundwater inflow below the 4,447 m is collected into a water pump bay with a 400m^3 water sump, then pumped to surface settling ponds via water pipelines. The maximum pumping capacity is 93.0m^3/h. The water sump can hold six to eight hours groundwater inflow in normal conditions.

Approximately 80% of drained water is recycled for mining use after clarification.

9.7.3 Power Supply and Distribution

The total apparent power demand is 3,121 kVA. A dedicated 35/10kV substation is built on site to supply 4,000 kVA power to the mine.

In case of electricity outage, a 100 kW diesel generator is relied on to supply critical water pumps with electricity.

9.7.4 Compressed Air

Screw compressors are situated on the surface to supply compressed air to the mine via 219 mm diameter trunk pipelines and 159 mm diameter branch pipelines.

9.7.5 Water Supply

Industrial water is stored in 200 elevated water tanks to maintain a supply pressure of 0.4–0.7 MPa.

9.7.6 Safety and Digital Systems

In alignment with national "Smart Mine" standards, the project integrates the "Six Major Safety Systems":

- **Monitoring:** Real-time tracking of personnel and automated environmental sensors (CO, wind speed, pressure) linked via an industrial Ethernet backbone.
- **Emergency:** Permanent emergency refuge chambers and compressed-air self-rescue manifolds are installed at active levels.

9.8 Mining Equipment

The Table 9-7 lists the primary and auxiliary mining equipment required to support the 1,000 tpd production capacity.

Table 9-7: Integrated Mining Equipment Fleet (1,000 tpd Expansion)

Category	Equipment Type	Model/Spec	Qty	Application/Function
Drilling	Handheld pneumatic drill	YT-28	20	Stoping and face drilling
Drilling	Stoper drill	YSP-45	8	Secondary blasting / Bolting
Drilling	Medium-hole drill	YGZ-90	4	Development / Secondary dev
Mucking	Electric slusher (30kw)	2JP-30	30	Stope ore transfer
Mucking	Underground loader	GFK-11S	5	Heading / Level cleaning
Hauling	Battery Loco (5t)	XZK5-6/90	4	Primary haulage (No. III)
Hauling	Battery Loco (2.5t)	XZK2.5-6/48	8	Satellite haulage (I, IX, X)
Hauling	Side-dump mine car	KFU0.75	60	Underground lateral transport
Hoisting	Single-drum hoist	JTP-1.2/1	1	Blind decline extraction
Support	Concrete sprayer	PZ-5	2	Ground support (Shotcrete)
Auxiliary	Local fan	5.5kW / 11kW	20	Secondary face ventilation
Auxiliary	Submersible pump	100WQ80-40-22	3	Deep-zone dewatering (+4422m)
Auxiliary	Electric forging machine	YD1	1	Drill steel maintenance
Surface fleet	Mining dump truck	BZKD20 (20-tonne)	15	ROM ore haulage to plant
Surface fleet	Wheel loader	Standard (Z-series)	3	Stockpile/ROM pad management
Surface fleet	Staff transport	GZ6108F (48-seat)	1	Personnel commute
Surface fleet	Emergency/support	JX5045 Ambulance	1	Emergency response

Source: *FS 2026* provided by Bangbu Mine and summarized by SRK;

9.9 Mine Production Plan

9.9.1 Operating Schedule and Production Capacity

The mine follows an operating schedule of 300 working days per year with a three-shift system (8 hours per shift). Within the processing facilities, the main plant operates for 24 hours daily, while the

crushing and screening section runs for 18 hours, and the dewatering workshop operates for 12 hours across two shifts.

9.9.2 Production Plan and LoM

Exploitation of Mineral Resources starts from the top level, dropping down level by level. In a working level, the Mineral Resources are extracted from north to south. Just the No. III and No. I mineralised zones were involved in the production schedule, while the remained mineralised zones were excluded production schedule due to location outside of mining licence area or low level of geological confidence.

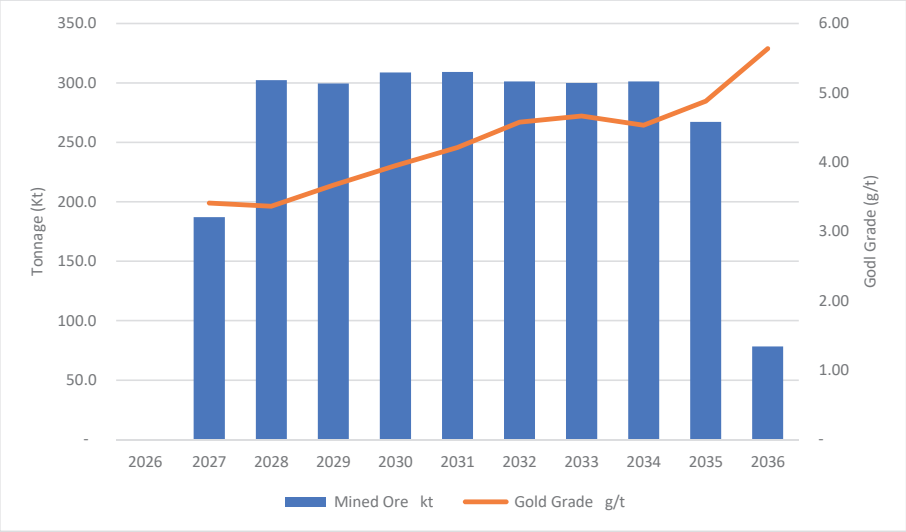
The production schedule is presented in Table 9-8 and Figure 9-6. The Ore Reserves can support 10 years operation, of which seven years are in full production.

Table 9-8: Underground Mine Production Schedule

Item	Unit	Total	2,026	2,027	2,028	2,029	2,030
Mined Ore	kt	2,655.1	-	187.0	302.4	299.6	308.8
Au Grade	g/t	4.21	-	3.41	3.36	3.67	3.95
Au Metal Contained	kg	11,167.9	-	638.2	1,017.6	1,099.6	1,219.2
Au Metal Contained	koz	359.1	-	20.5	32.7	35.4	39.2
Item	**Unit**	**2,031**	**2,032**	**2,033**	**2,034**	**2,035**	**2,036**
Mined Ore	kt	309.2	301.2	300.0	301.2	267.3	78.4
Au Grade	g/t	4.21	4.58	4.67	4.53	4.88	5.64
Au Metal Contained	kg	1,302.7	1,378.1	1,399.8	1,366.0	1,304.5	442.1
Au Metal Contained	koz	41.9	44.3	45.0	43.9	41.9	14.2

Source: SRK;

Figure 9-6: Annual Mining Production Schedule


350.0
300.0
250.0
200.0
150.0
100.0
50.0
-
Tonnage (Kt)
6.00
5.00
4.00
3.00
2.00
1.00
-
Godl Grade (g/t)
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
Mined Ore kt
Gold Grade g/t

10 Processing and Metallurgical Assessment

10.1 Overview

The Bangbu gold deposit is a fractured quartz-vein type lode gold deposit. The principal ore types are quartz-vein type sulphide ore and quartz-vein type oxide ore. For the sulphide ore, several research institutions have carried out process mineralogy studies and metallurgical testwork, providing technical support for process design and plant operation. In contrast, although some testwork has been conducted on the oxide ore, a comprehensive flotation test programme has not yet been completed. Metallurgical testwork on the oxide ore is therefore a key focus for the next stage of work.

The Bangbu gold ore has a relatively simple mineralogical composition, with gold as the only economically significant metal. Pyrite is the dominant metallic mineral and quartz is the main gangue mineral. Valuable components in the ore are simple, with native gold as the main gold occurrence. Gold is generally coarsely disseminated, while fine gold is mainly encapsulated in pyrite. The ore is classified as a free-milling gold ore.

The original design capacity of the processing plant was 200 t/d. Since 2015, through process upgrades and optimisation of equipment configuration, the plant capacity has been increased to 800 t/d. A combined "gravity concentration + flotation of gravity tails" flowsheet is applied to treat the plant feed, producing a gravity gold concentrate and a flotation gold concentrate. In 2025, the Bosheng Processing Plant treated 109.13 kt of plant feed at an average feed grade of 1.03 g/t Au, producing 1,204 t of gold concentrate with an average gold grade of 65.18 g/t, at an overall gold recovery of 69.74%.

10.2 Processing Mineralogy

The Southwest Metallurgical and Geological Testing Center and the Institute of Comprehensive Utilisation of Mineral Resources, Chinese Academy of Geological Sciences, have each conducted metallurgical testwork programmes on the Bangbu gold ore. These programmes included systematic evaluation of the process mineralogy of the ore and testing of several alternative flowsheets, including single-stage flotation, combined gravity concentration + flotation of gravity tails, and cyanide leaching. The objective was to investigate the gold deportment and recovery under different flowsheets and to determine an appropriate processing flowsheet for the ore.

10.2.1 Chemical Multi-Element Analysis of Gold-Bearing Sulphide Ore

The results of multi-element chemical analyses of the ore are shown in Table 10-1. Gold is the only economically significant element; the contents of other potentially valuable elements are low and do not justify recovery. Deleterious components are present at low levels and are not expected to have a significant adverse impact on processing and metallurgy.

Table 10-1: Multi-element Chemical Analysis of Ore

Element	SiO_2	Al_2O_3	CaO	MgO	Fe_2O_3	TiO_2
Assay (%)	91.41	1.70	0.13	0.15	3.98	0.08
Element	Au(10^{-6})	Ag(10^{-6})	K_2O	Na_2O	As	S
Assay (%)	7.48	2.38	0.37	0.079	0.048	2.23
Element	C	CO_2	Pb	Cu	Sb(10^{-6})	Zn
Assay (%)	0.96	0.12	0.052	0.006	17.97	0.034

Source: Metallurgical testwork report on primary ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, July 2005.

10.2.2 Mineralogical Composition of Gold-Bearing Sulphide Ore

The primary gold ore is classified as a low-sulphide gold ore. The main metallic minerals are pyrite and limonite, with minor native gold; galena, chalcopyrite and molybdenite occur locally. The principal gangue mineral is quartz, with minor dolomite, carbonaceous matter and carbonate minerals, and sporadic plagioclase, tourmaline and sericite. The ore has simple valuable components, with native gold as the principal gold-bearing phase and low contents of deleterious components. The ore is therefore considered to be a free-milling gold ore.

10.2.3 Principal Mineral Characteristics of Gold-Bearing Sulphide Ore

- **Native gold**

Occurs as anhedral, irregularly sized grains, irregular patches, thin veinlets and lath-like forms; it is golden yellow in colour. Native gold mainly infills intergranular spaces between quartz grains and fractures within pyrite.

- **Pyrite**

Occurs as euhedral to subhedral granular crystals. Grain sizes range from 1–2 mm for larger crystals down to about 0.1 mm for smaller grains. Pyrite is generally disseminated along fractures and voids within quartz. In some pyrite grains, fractures and cavities are infilled by chalcopyrite, sphalerite and galena.

- **Quartz**

Quartz occurs predominantly as coarse crystals (>2 mm), with a minor proportion of fine- to medium-grained crystals forming a granular, interlocking texture. Due to stress, quartz exhibits pronounced undulatory extinction. Iron staining is present on the surfaces of some quartz grains, and several fractures are developed within the quartz crystals.

10.2.4 Processing Characteristics of Gold Minerals in Gold-Bearing Sulphide Ore

The principal gold-bearing minerals are pyrite and quartz. Gold occurs mainly along fractures in pyrite and within intergranular voids in quartz. In the ore, gold is present predominantly as intergranular gold, fracture-filling gold and sulphide-hosted/encapsulated gold. Gold grains are relatively coarse and readily liberated, making them amenable to recovery by gravity concentration. Pyrite is the main metallic mineral in the ore and shows a close paragenetic association with gold. It is the principal carrier mineral for gold and is suitable for recovery by flotation. Overall, the Bangbu sulphide ore is considered to be a free-milling ore. The distribution of gold among mineral phases is shown in Table

10-2, and the grain size and morphological characteristics of native gold are summarised in Table 10-3.

Table 10-2: Chemical Phase Analysis of Gold in Ore from the Bangbu Deposit

GOLD PHASE	FREE GOLD	LOCKED GOLD			TOTAL
		Sulphides	Carbonates	Silicates	
Au grade (g/t)	3.86	3.25	0.00	0.02	7.13
Distribution (%)	54.12	45.60	0.00	0.28	100.00

Source: Metallurgical testwork report on primary ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, July 2005.

Table 10-3: Grain Size and Morphological Characteristics of Native Gold in Sulphide Ore

Grain Size (mm)	Distribution (%)	Morphological Characteristics	Fineness (%)
0.4~0.2	52.38	Predominantly platy and lath-like	89.27
0.2~0.1	33.34	Predominantly platy and lath-like	92.33
<0.1	14.28	Predominantly granular	91.10
Total	100.00	Total weight of native gold: 0.0015 g	

Source: Metallurgical testwork report on primary ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, July 2005.

10.2.5 Multi-Element Chemical Analysis of Gold-Bearing Oxide Ore

The results of multi-element chemical analyses of the oxide ore are presented in Table 10-4. Gold is the only economically significant element; the concentrations of other potentially valuable elements are low and do not justify recovery. Deleterious components are present at low levels and are not expected to have a significant adverse impact on processing and metallurgy.

Table 10-4: Multi-Element Chemical Analysis of Oxide Ore

Element	SiO_2	Al_2O_3	CaO	MgO	Fe_2O_3	FeO
Assay (%)	95.88	1.43	0.075	0.063	0.60	0.99
Element	TiO_2	P_2O_5	K_2O	Na_2O	As	Au(10^{-6})
Assay (%)	0.097	0.018	0.33	0.72	0.011	4.97
Element	S	C	Pb	Cu	Sb(10^{-6})	Zn
Assay (%)	0.053	0.071	0.018	0.006	3.06	0.053

Source: Metallurgical testwork report on oxide ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, May 2005.

10.2.6 Principal Mineralogical Characteristics of Gold-Bearing Oxide Ore

The oxide ore at the Bangbu Gold Mine is a pure quartz-vein type gold ore with a simple mineralogical composition. The main metallic minerals are pyrite, limonite/goethite and native gold; quartz is the principal gangue mineral.

Native gold: Occurs as anhedral, irregularly sized grains, irregular patches and fine veinlet aggregates, with a golden-yellow colour. Gold mainly infills intergranular voids between quartz grains and zones of brecciation within fractured structures.

Quartz: The quartz vein displays a coarse- to pegmatitic-grained texture, with subordinate inequigranular, broken-grain textures. Quartz occurs predominantly as anhedral, interlocking grains, with grain sizes commonly greater than 3–4 mm. Grain boundaries are generally sinuous, locally embayed or serrated. In places, the margins of large quartz grains show brecciated textures. Fine-

to medium-grained quartz fragments (<0.5–1 mm) are mixed with silt-sized detritus (<0.1 mm), with the finer detritus commonly surrounding the margins of the coarser quartz fragments. Several structural fractures are developed within the quartz veins, forming reticulated, irregular or brecciated fracture patterns that generally extend over considerable distances. Some fractures are open; locally, dilated portions of the fractures form beaded or lens-like features. The maximum fracture width exceeds 1 mm.

10.2.7 Processing Characteristics of Gold Minerals in Oxide Ore

The results of chemical phase analysis of gold are presented in Table 10-5, and the grain size and morphological distribution of native gold are shown in Table 10-6. The analysis indicates that the vast majority of gold in the ore occurs as liberated native gold, exposed gold or free gold in fractures. Gold grains are generally fine, with approximately 80% finer than 0.1 mm. A small proportion of gold is locked in pyrite and gangue minerals; however, the proportion of free gold is high, reaching 93%. On this basis, the oxide ore is considered amenable to flotation and cyanide leaching.

Table 10-5: Chemical Phase Analysis of Gold in Oxide Ore

Chemical Phase	Free Gold	Gold Locked in Sulphides	Gold Locked in Carbonates	Gold Locked in Silicates	Total
Au Grade ($\times 10^{-6}$)	4.49	0.32	0.03	0.01	4.85
Distribution (%)	92.58	6.60	0.62	0.20	100.00

Source: Metallurgical testwork report on oxide ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, May 2005.

Table 10-6: Grain Size, Fineness and Morphological Characteristics of Native Gold in Oxide Ore

Grain Size (mm)	Distribution (%)	Morphological Characteristics	Fineness (%)
0.4—0.2	4.34	Predominantly platy	90.75
0.2—0.1	15.76	Predominantly lath-like	89.26
＜0.1	79.90	Predominantly granular	80.718

Source: Metallurgical testwork report on oxide ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, May 2005.

10.3 Mineral Processing Tests

10.3.1 Sulphide Ore Testwork

In July 2005, the Southwest Metallurgical and Geological Testing Center completed a metallurgical testwork programme and submitted the report titled "Metallurgical Testwork Study on Primary Ore from the Bangbu Gold Mine, Tibet". The programme included exploratory testing of several alternative flowsheets for the primary ore, including gravity concentration, whole-ore cyanidation (WOCN), and a combined "gravity concentration + flotation of gravity tails" flowsheet. A closed-circuit test was ultimately conducted using the flowsheet shown in Figure 10-1, with the results summarised in Table 10-7.

The testwork showed that satisfactory results could not be achieved using a single beneficiation process. At a grind size of −0.9 mm, a gravity circuit comprising one rougher and one cleaner stage (jig + shaking table) produced a gravity concentrate with an Au grade of 149.30 g/t and a gold recovery of 71.39%. The gravity tailings were reground to 70% passing 200 mesh (P_{70} = 74 μm) and

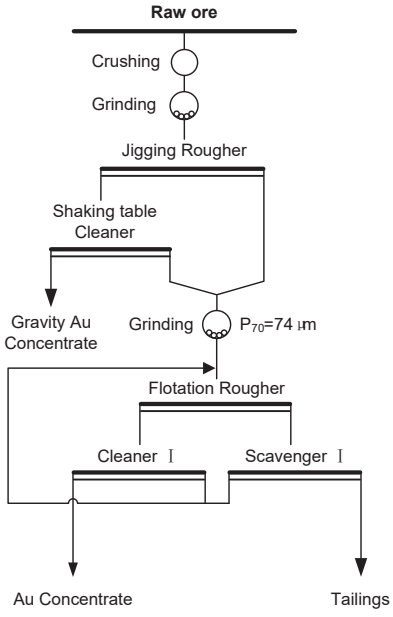
treated in a flotation circuit comprising one rougher, one cleaner and one scavenger stage, using 50 g/t butyl xanthate as the collector. This produced a flotation gold concentrate with an Au grade of 79.60 g/t and a gold recovery (to flotation concentrate) of 24.40%. For the overall flowsheet, the combined gold concentrate had an Au grade of 122.15 g/t and an overall gold recovery of 95.79%. The flowsheet is relatively simple and achieves a high recovery, indicating that the sulphide ore is readily amenable to beneficiation.

Table 10-7: Overall Results for Gravity Concentration + Flotation of Gravity Tails

Product		Yield (%)		Au Grade (g/t)	Au Recovery (%)		Remarks
		Of Stage	Of Head		Of Stage	Of Head	
Gravity Section	Concentrate	—	3.39	149.30	—	71.39	Ag 29.60 g/t
	Tailings	—	96.61	2.10	—	28.61	
	Head Ore	—	100.00	7.09	—	100.00	
Flotation Section	Concentrate	2.25	2.17	79.60	85.29	24.40	Ag 19.50 g/t
	Tailings	97.75	94.44	0.32	14.71	4.21	
	Gravity Tailings	100.00	96.61	2.10	100.00	28.61	
Overall Flowsheet	Combined Concentrate	—	5.56	122.15	—	95.79	Ag 25.66 g/t
	Final Tailings	—	94.44	0.32	—	4.21	
	Head Ore	—	100.00	7.09	—	100.00	

Source: Metallurgical testwork study on primary ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, July 2005.

Figure 10-1: Flowsheet for Gravity Concentration + Flotation of Gravity Tails



Source: Metallurgical testwork study on primary ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, July 2005

10.3.2 Oxide Ore Testwork

In May 2005, the Southwest Metallurgical and Geological Testing Center completed a metallurgical testwork programme and submitted the report titled "Metallurgical Testwork Study on Oxide Ore from the Bangbu Gold Mine, Tibet". The following tests were carried out on the oxide gold ore: 1. gravity concentration of the head ore followed by cyanidation of gravity tailings; 2. WOCN of the head ore; and 3. column leaching tests.

The results are summarised in Table 10-8. The results show that the gravity + cyanidation flowsheet achieved an overall gold recovery of 97.59%. For WOCN at a grind size of 81.78% passing 200 mesh (P81.78= 74 μm), NaCN concentration of 0.75‰ and leaching time of 24 hours, the gold leach extraction was 94.55%. For column leaching at a crush size of −10 mm, the gold leach extraction was 84.29%. These results indicate that the oxide gold ore has good leachability.

Although the test report does not specify the equipment used for gravity concentration, the good gravity test results indicate that the ore is amenable to gravity processing. It is recommended that "gravity + flotation" testwork be conducted on the oxide ore to provide technical support for treating the oxide ore using the existing sulphide ore processing facilities.

Table 10-8: Summary of Oxide Gold Ore Testwork Results

Test Scheme	Product		Au Grade (g/t)	Distribution (%)		Remarks
Gravity Concentration of Head Ore + Cyanidation of Tailings	Gravity concentrate		2489.95	65.52		
	Tailings Cyanidation	Pregnant Solution	0.73	27.07	97.59	Feed size $P_{39.16}$ = 74 μm; Pulp density 33%; Lime consumption 1 kg/t; NaCN concentration 0.75‰; Leaching time 24 h.
		Wash Solution	0.13	5.00		
		Leach Residue	0.12	2.41		
	Head ore		4.97	100.00		
WOCN of Head Ore	Pregnant Solution		3.69	78.25	94.55	81.78% passing 200 mesh; Lime consumption 1 kg/t; NaCN concentration 0.75‰; Leaching time 24 h.
	Wash Solution		0.98	16.30		
	Leach Residue		0.26	5.45		
	Head ore		4.81	100.00		
Column Leach Test	Loaded Carbon		405.85	82.43	84.29	Feed size: −10 mm; NaOH consumption 300 g/t; NaCN consumption 780 g/t; Carbon adsorption rate: 97.94%.
	Barren Solution		0.037	1.86		
	Leach Residue		0.79	15.71		
	Head ore		5.03	100.00		

Source: Metallurgical testwork study on oxide ore from the Bangbu Gold Mine, Tibet, Southwest Metallurgical and Geological Testing Center, May 2005

10.4 Conclusions Of Mineral Processing Tests

10.4.1 Sulphide Ore

- The primary ore at the Bangbu Gold Mine has a relatively simple mineralogical composition. Pyrite is the dominant metallic mineral and has a close association with native gold; quartz is the principal gangue mineral. Gold occurs mainly as free gold and sulphide-hosted (locked) gold.
- A flowsheet comprising gravity concentration followed by flotation of gravity tailings can effectively recover gold. In the tests, the gravity concentrate had an Au grade of 149.30 g/t, the flotation concentrate had an Au grade of 79.60 g/t, and the combined concentrate had an Au

grade of 122.15 g/t, with an overall gold recovery exceeding 95%, indicating good ore amenability to beneficiation.

10.4.2 Oxide Ore

- From a process mineralogy perspective, the oxide gold ore is a pure quartz-hosted ore containing native gold. The grain size of native gold is uneven, and gold in the ore occurs predominantly as free gold.
- For the three test options of gravity concentration + cyanidation of tailings, WOCN, and column leaching, the gold recoveries were 97.59%, 94.55% and 84.29%, respectively. These results indicate that the oxide gold ore is amenable to treatment by a gravity + cyanidation flowsheet.
- Based on the process mineralogy studies, the oxide ore is also considered suitable for treatment using a "gravity + flotation" flowsheet, which could be implemented using the existing sulphide ore processing facilities. It is recommended that gravity + flotation testwork be conducted on the oxide ore to evaluate the feasibility of processing it in the sulphide ore plant.

10.5 Bosheng Processing Plant

10.5.1 Processing Flowsheet

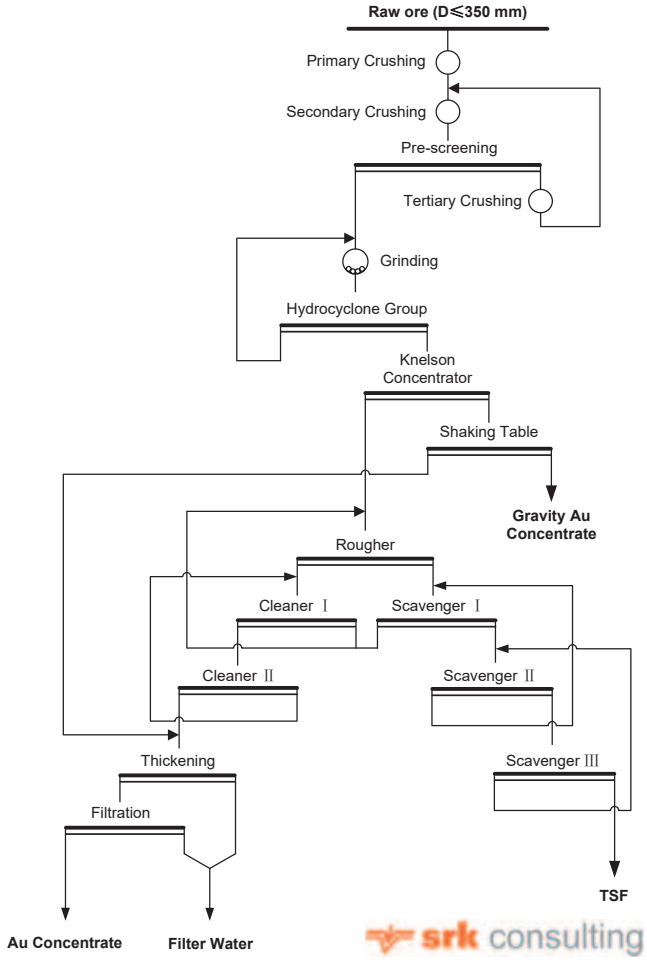
The original design capacity of the processing plant was 200 t/d. Since 2015, through process upgrades and optimisation of equipment configuration, the plant capacity has been increased to 800 t/d. The current plant consists of two production lines, which share a common crushing circuit; the grinding, flotation and product dewatering circuits of the two lines are essentially the same. A "gravity concentration + flotation of gravity tails" flowsheet is employed to produce a gravity concentrate and a flotation gold concentrate. Figure 10-2 shows a general view of the Bosheng Processing Plant, and Figure 10-3 presents the current process flowsheet.

Figure 10-2: Bosheng Processing Plant



Source: Provided by Bosheng Processing Plant

Figure 10-3: Process Flowsheet of Bosheng Processing Plant



Source: SRK

A brief description of the flowsheet is as follows:

- Crushing: A three-stage crushing circuit with one closed circuit is used. The first and second stages use jaw crushers, and the third stage uses a cone crusher. Coarse ore is fed by an apron feeder, and sizing is carried out using a circular vibrating screen. The maximum feed size is approximately 350 mm, and the crushed product size is <10 mm.
- Grinding: A single-stage closed-circuit grinding flowsheet is adopted, with a target grind size of $P_{60–70}$ = 74 μm (i.e. 60–70% passing 74 μm). The closed circuit consists of a wet grid-type ball mill (2.1 × 3.6 m) in closed circuit with a hydrocyclone cluster (LNT350×4).
- Gravity Concentration: Gravity concentration is carried out using a Knelson concentrator followed by a shaking table. Tailings from the Knelson concentrator are returned to flotation, while the

Knelson concentrate is fed to the shaking table. Shaking table concentrate is produced as the gravity gold concentrate product, and shaking table tailings are combined with the flotation concentrate to form the final flotation gold concentrate.

- Gold Flotation: A flotation flowsheet comprising one rougher, three scavenger and two cleaner stages ("one rougher, two scavengers, two cleaners") is used to produce the gold concentrate. Intermediate products are recycled sequentially.
- Concentrate Dewatering: The flotation gold concentrate is dewatered in two stages, via thickening followed by filtration. The final concentrate moisture is controlled below 12%, and the concentrate is then stored for sale.

10.5.2 Facilities And Equipment

The Bosheng Processing Plant mainly comprises the crushing and screening area, the main plant building (including grinding, gravity concentration and flotation workshops), and the concentrate dewatering section. In addition, there is an ore stockpile, ore bin, conveyor galleries, concentrate storage and warehouse facilities. The main processing equipment is summarised in Table 10-9, and selected processing workshops and equipment are shown in Figure 10-4.

Table 10-9: Major Processing Equipment at the Existing Plant

No.	Equipment	Model / Type	Unit	Quantity	Power (KW)
1	Apron Feeder	GBH1200×4500	set	1	11
2	Jaw Crusher	PE600×900	set	1	75
3	Jaw Crusher	PE250×1200	set	1	45
4	Cone Crusher	MH200	set	1	160
5	Grid-Type Ball Mill	MQG2136	set	2	490
6	Circular Vibrating Screen	2YA2170×4710	set	1	15
7	Linear Vibrating Screen	DZS1018	set	2	2.2
8	Hydrocyclone Cluster	LNT350×4	set	1	0
9	Centrifugal Concentrator	KC-CD20	set	2	20
10	Centrifugal Concentrator	C2000B	set	2	60
11	Air Compressor	KRW1.0/3.0H	set	1	11
12	Shaking Table	6S	set	5	1.1×5
13	Belt Conveyor	TD75	set	4	—
14	Air-Inflation Flotation Cell	XCF-4	set	10	11×10
15	Air-Inflation Flotation Cell	KYF-4	set	18	11×18
16	Self-Aspirated Flotation Cell	SF-2.8	set	6	11×6
17	Thickener	NZ-9	set	1	3
18	Filter Press	CJZJ-25	set	1	19
19	Single-Screw Air Compressor	FHOG	set	2	90+15

Source: Provided by Bosheng Processing Plant

Figure 10-4: Current Bosheng Processing Workshops and Equipment



Source: SRK Site Visit

10.5.3 Production Performance

The Bosheng Processing Plant is capable of treating both oxide and sulphide ore using essentially the same processing flowsheet; the main differences are in the reagent regimes. In recent years, unstable ore supply has resulted in significant fluctuations in both the grade and recovery of the gold concentrate. From 2023 to 2024, the plant operated for a cumulative period of five months, treating mainly sulphide gold ore and tailings sand. During this period, the flotation gold concentrate had an average Au grade of 88.81 g/t and a gold recovery of 91.30% (excluding gold recovered in gravity concentrate and any gold contained in the tailings sand). Since April 2025, the plant has treated historical stockpiled oxide gold ore, producing a flotation gold concentrate with an average Au grade of 65.18 g/t and an overall gold recovery of 69.74%.

When treating sulphide ore, gold recovery to concentrate is relatively stable and the technical indicators are favourable. When treating oxide ore, the variability in ore characteristics results in low grade and yield of the gravity concentrate, indicating that the current flowsheet is not optimally suited to oxide ore. The production performance of the plant from 2023 to 2025 is summarised in Table 10-10.

Table 10-10: Production Performance of the Current Bosheng Processing Plant

Indicator	Unit	2023		2024		2025
		Ore Feed	Tailings Sand[1]	Ore Feed	Tailings Sand[1]	Ore Feed
Plant Feed						
Dry Ore Treated	t	10,933	12,427	2,782	19,228	109,130
Au Grade	g/t	2.18	0.41	1.53	0.41	1.03
Contained Au	kg	23.80	5.22	4.25	7.81	112.68

Gravity Concentrate [2]						
Production	t	0.46	—	—	—	0.24
Au Grade	g/t	2,275	—	—	—	35.10
Contained Au	kg	1.05	—	—	—	0.008
Au Recovery	%	4.41	—	—	—	0.08
Flotation Concentrate						
Production	t	228	27	62	65	1,204
Au Grade	g/t	92.01	98.64	61.52	59.12	65.18
Contained Au	kg	20.99	2.62	3.82	3.84	78.49
Au Recovery	%	88.21	50.20	89.98	49.15	69.66
Overall Au Recovery	%	92.62	50.20	89.98	49.15	69.74

Source: Compiled by SRK from monthly production reports and metal balance statements of the Bosheng Processing Plant.

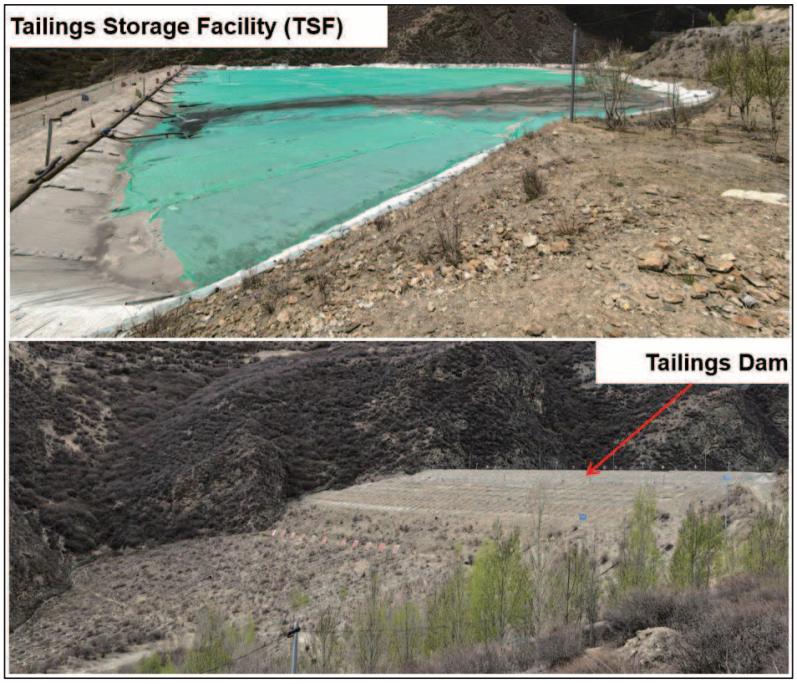
Note:
1. In 2023 and 2024, plant feed comprised gold ore and tailings sand. From 2025 onwards, tailings sand is no longer processed.

2. In 2023, the ore feed was sulphide ore, and products included gravity concentrate and flotation gold concentrate, with a relatively high Au grade in the gravity concentrate. No gravity concentrate was produced in 2024. In 2025, the plant treated historical stockpiled oxide gold ore, and the gravity concentrate Au grade was low.

10.6 Tailings Storage Facility

The Kunbarizhuo Tailings Storage Facility (TSF) serving the Bangbu processing plant is located approximately 1.2 km northwest of the plant and is a valley-type TSF. The TSF has a design ultimate dam height of 61.5 m, a total storage capacity of 0.9714 Mm^3 and an effective storage capacity of 0.7771 Mm^3. The design classification is Class IV under the relevant Chinese standard. To date, two stages of the upstream raise have been completed, and the current dam crest elevation is 3,781 m. The accumulated tailings storage is approximately 0.6237 Mm^3, with remaining total storage capacity of 0.3477 Mm^3, of which the remaining effective storage capacity is 0.2781 Mm^3. Based on a tailings dry density of 1.62 t/m^3, the TSF can accommodate approximately a further 0.4505 Mt of tailings. The TSF is currently operating in a generally stable condition. Tailings discharge within the impoundment is relatively uniform, and the beach surface is relatively flat. The current status of the TSF is shown in Figure 10-5.

Figure 10-5: Current Status of the Bosheng Tailings Storage Facility



Source: SRK site visit

- **Tailings Dam**

The starter dam is a compacted impermeable earth-rockfill dam with a crest elevation of 3,769.0 m, maximum dam height of 43.5 m and crest width of 4.5 m. The upstream slope is 1:2.0 and the downstream slope is 1:2.5. An access bench and mortared stone retaining wall are provided on the downstream side. An 800 g/m² composite geomembrane is installed on the upstream face for seepage control, and the downstream slope is protected by concrete window-type frames with vegetation cover.

The staged raise is constructed using the upstream method. Two sub-dams have been completed to date, with the current raise crest elevation at 3,777 m, a raise height of approximately 12 m and an average downstream slope of 1:3.0. The raise crest width is 3.5 m, with crest drainage ditches and vegetated slope protection installed. A total of three stages are planned; on completion, the ultimate raise crest elevation will be 3,787 m, with a total raise height of 18 m.

- **Flood Control System**

The TSF is designed as a Class IV facility, with a design flood standard of a 1-in-100-year event. The total catchment area is 5.70 km^2, comprising an internal catchment (within the TSF) of 0.56 km^2 and an external catchment of 5.14 km^2. The dry beach length is approximately 190 m. The internal flood discharge system consists of three window-type decant/drainage towers and one decant culvert. The external flood discharge system comprises a diversion dam, a silt-retention dam and a flood discharge channel (3.8 m × 1.4 m).

- **Seepage Control and Drainage Facilities**

PVC drainage pipes (diameter 150 mm) are installed within the raise dam at a horizontal spacing of 18 m and a vertical spacing of 6 m. The pipe ends are perforated and wrapped in geotextile to lower the phreatic line within the dam.

An 800 g/m² composite geomembrane is installed over the basin floor and the upstream face of the starter dam. After stripping and compaction of the foundation, the geomembrane is covered with a clay layer and hexagonal brick protection to prevent seepage of tailings water into the dam body and foundation.

- **Tailings Delivery and Return Water System**

Tailings slurry is pumped to the TSF via a tailings delivery pipeline from the tailings pump station. The main pipeline is a D150×10 hot-rolled seamless steel pipe, installed above ground, with a length of approximately 700 m, configured as one duty and one standby line. Multiple discharge spigots are arranged along the dam front at 10 m spacing to achieve uniform tailings discharge and a flat beach surface, with no evident beach bias or fan-shaped deposition.

Clarified water from the TSF is discharged via the decant towers and culvert system to a return-water pond downstream of the dam (capacity 400 m³), and then conveyed by gravity back to the high-level process water tank at the plant for reuse.

- **Safety Monitoring**

The TSF is equipped with a monitoring system combining online (automated) and manual monitoring. The monitoring programme covers dam surface displacement, phreatic line position, pond water level and rainfall, among other parameters.

10.7 Conclusions And Recommendations

- The Bangbu deposit is a low-sulphide quartz-vein type gold orebody. Gold occurs predominantly as medium to coarse grains, which are amenable to recovery by gravity concentration. Fine-grained and sulphide-hosted (locked) gold is suitable for recovery by flotation or cyanidation.
- The processing plant currently adopts a combined gravity + flotation flowsheet to recover gold and produce gold concentrates. In the existing gravity circuit, a Knelson concentrator treats the hydrocyclone overflow from the grinding–classification circuit. The Knelson concentrate is upgraded on a shaking table. The shaking table concentrate is produced as a high-grade gold concentrate, and the shaking table tailings, which form a lower-grade gold concentrate, are combined with the subsequent flotation concentrate. The Knelson tailings are treated in the flotation circuit to produce a flotation gold concentrate. SRK considers that there are deficiencies in this process configuration and recommends that the Knelson concentrator be moved upstream to treat the mill discharge directly, with the Knelson tailings then reporting to the hydrocyclone for classification. The Knelson concentrate should continue to be upgraded on a shaking table, with the shaking table concentrate as the final high-grade gold concentrate, and the shaking table tailings returned to the mill for regrinding. The hydrocyclone underflow should return to the mill for regrinding, and the hydrocyclone overflow should feed the flotation circuit.

11 Project Infrastructure

11.1 Access

The mine is located in Jiacha County and is accessible from Lhasa (360 km) via established highways. Local access is provided by a Class IV rural highway connecting Jiacha County to the mine (25 km), while a dedicated 12 km mine-site road (5m wide) facilitates transport between the mining area and the processing plant. Underground access utilizes a multi-level adit strategy (PD4, PD6, PD9) appropriate for the steep alpine terrain.

11.2 Power Supply

The site is connected to the regional grid via a 35kV overhead line from the Qusum Substation. Infrastructure includes an on-site 35/10kV substation with a 4,000kVA capacity, which distributes power via 10kV lines to the processing plant and the mining adits. A 100kW emergency diesel generator is maintained to support critical dewatering and safety systems during grid outages.

11.3 Water Supply

The project utilizes a self-sufficient water system where industrial mining water is sourced from clarified underground adit inflow. Process water for the plant is drawn from the Dalong River (宋果绒河) via a dedicated pumping station with a capacity of up to 5,000 m^3/d. Domestic water is sourced from a separate stream and undergoes UV disinfection before being distributed via high-level gravity storage tanks.

11.4 Workshops and Repair Facilities

On-site maintenance is supported by a central vehicle and mechanical repair workshop located near the processing plant, which handles heavy equipment repairs, welding, and spare parts storage. Additionally, smaller adit-portal maintenance shops are established at the mining levels to service pneumatic drills and electric slushers, complemented by specialized units for timber processing and drill rod forging.

11.5 Buildings and Accommodation

11.5.1 Accommodation Camp

The project features established permanent camps located near both the mining area and the processing plant. These facilities customized for Bosheng's 336-person workforce provide comprehensive support, including administrative offices, staff dormitories, dining halls, recreational areas, and an on-site clinic for trauma treatment and basic healthcare.

11.5.2 Solid Waste Disposal

Domestic solid waste is collected at the plant site and periodically transported to Jiacha County's designated landfill for disposal. Hazardous wastes, such as waste oils and batteries, are stored in

secondary containment before being handled by certified contractors. Domestic sewage is treated using septic tanks and buried biological treatment units to meet local discharge standards

11.5.3 Site Security

The mine maintains a robust security presence, particularly at key access points and the explosives storage area. Security measures include 24-hour manned checkpoints, roving patrols, and a comprehensive electronic monitoring system that integrates video surveillance (CCTV) and intrusion alarms.

11.5.4 Explosives Magazine

An existing reinforced concrete explosives magazine is located approximately 1.0 km south of the camp area. It has a 20-tonne storage capacity for explosives and can hold 100,000 detonators. The facility is protected by a 2.8m-high security fence, natural mountain barriers, and constant police/security presence.

11.5.5 Communication and IT Systems

The mine utilizes an integrated industrial Ethernet backbone. Communication services include a dispatch voice system (VOIP), radio coverage for underground operations, and a "Smart Mine" digital management platform. This system supports real-time personnel tracking and automated environmental monitoring (gas, wind speed, and pressure).

11.5.6 Vehicle Fuelling Facility and Mine Equipment Ready Line

The site includes a simplified fuelling station with storage tanks capable of maintaining a 20-day diesel supply for the transport fleet and backup generators. This is complemented by a specialized vehicle repair workshop equipped for heavy equipment maintenance, tire service, and welding, ensuring high mechanical availability for the 1,000 tpd production capacity.

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

12.1 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 Project. A site visit was conducted in 27 to 30 April 2026 by SRK. At the time of this report was written, the underground mining of this mine site is not operation and is under technique upgrade, which is expected to commence operation in 2028. The processing plant is still under operation with the residual oxide ores.

12.2 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprised a review and inspection of the Project'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.

12.3 Status of Environmental Approvals and Permits

The details of the Environmental Impact Assessment ("EIA") report and approval for the Project are presented in Table 12-1.

Table 12-1: EIA Report and Approval

Project	Produced By	Report Date	Approved By	Approval Date
Bangbu Gold Mine Mining Project	Institute of Environmental Sciences of Tibet Autonomous Region	January 2012	Environmental Protection Department of Tibet Autonomous Region	9 March 2012

The significant environmental and social aspects for the Project are associated with the mining and processing at the Project 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 Project 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.

12.4 Environmental Aspects

Site Ecological Assessment

The development of mining and processing may also result in impacts to or loss of flora and fauna habitat. The project 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 project EIA's covering the projects include the following:

- The mining area belongs to high mountain landform type dominated by tectonic erosion. No protected animal species, protected flora, and protected natural area are identified within project area;
- The project area is a mountain with exposed bedrock, with a relatively thin weathered layer on the surface, no trees, and only sparse grass vegetation. The reclamation area is covered with some grasses and shrubs. The shrubs are mainly sea buckthorn and Sabina chinensis; and
- Potential measures to protect the ecological environment include 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.

Waste Rock and Tailings Management

During the site visit, SRK noted several waste rock dump areas located near each portal. 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. 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 classified as hazardous wastes and were considered general industrial waste. The site climatic conditions are characterized with low precipitation but potentially the site may still release heavy metals into the environment because of existing pyrite in the waste rocks 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, and some water treatment facilities may need to be installed.

Tailings from the processing plant are sent to a tailing storage facility. The bottom of this facility is placed by impermeable HDPE layers to prevent tailings leachate from entering the aquifer causing groundwater pollution. In addition, HDPE layers are also installed on the dam inside to prevent leachate horizontal migration. A water recycling system including a pump station and a pipeline system is installed at the toe of the TSF, which will collect infiltrated acid water and pump it back to the supernatant pool on the top of the TSF. A pump station was installed at the top of the TSF, and the supernatant liquid is pumped back to the processing plant for reuse.

Water Management

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

The project areas are located in mountain area with elevations over 4,000 m asl, and the weather condition is characterized as plateau temperate semi-arid monsoon climate by low rainfall with an average annual rainfall between 400mm and 500mm mostly from May to September. Several perennial creeks and Songguorong River flow in these areas with sources of snow melting and rainfall, and these water surface bodies are branches of the Yaluzangbu River eventually. Two types of aquifers exist in the project area which are unconfined aquifer in the soil or weathered bed rock and confined aquifer in the bedrock fissures deep down. Therefore, enough surface water and groundwater resources are available for mining and processing.

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 wastewater is treated by an underground facility on each site, and the Company states that the treated domestic wastewater is generally used for on-site irrigation or supplement of the processing water.

Four quarterly surface water and groundwater monitoring reports in 2025 were provided to SRK for review. Six sampling locations including four spots in deferent creeks, one groundwater monitoring well at the downstream of the TSF, and the other one well in the production wells for the processing plant. The parameters include pH, BOD, petroleum hydrocarbons, ammonia nitrogen, copper, zinc, arsenic, mercury, sulphate, etc., and so far these samples all satisfied the criteria. However, please note that sulphide ores will be mined next, and potentially heavy metals pollution may occur.

Dust and Gas Emissions

The dust emission sources for the project are mainly from the crushing and loading during operation, the temporal waste rock storage yard, haul roads and the dry beach of the TSF. 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 project 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.

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.

Hazardous Materials Management

The use of reagents is required for the gold processing at this Project as gravity separation and flotation are the methods of mineral separation. As such, the hazardous substances used at the sites will mainly constitute sulfuric acid, flotation reagents, lubricants, waste oils, and other hydrocarbons. During the site visit, SRK noted that lubricant drums were placed on concrete or steel plate floors in the processing plant, and waste oil recycling plan was provided to SRK for review.

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 *Tibet Bangbu Gold Mine Site Ecological Restoration Plan* dated November 2024. 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 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.
- Rehabilitation monitoring – Monitoring will be carried out throughout the project 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 the Company, and the total amount is around RMB 4.01m.

12.5 Social Aspects

The Project is located in a sparsely populated mountain area over 4,000 m asl, approximately 360km southeast of Lasa City of Tibet Autonomous Region. The Zang cultural group is predominant within the general project area, which is 25km southwest of Jiacha County town. According to the EIA report, there are no significant cultural heritage sites within or surrounding any of the project area.

Multiple public participation programs were undertaken as part of the project's EIA report. The survey results showed that a majority of local residents support the Project, and presented a predominant view that the development of the project 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 Project.

12.6 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 Project:

- 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 recognized Chinese industry practices and Chinese safety regulations.

According to the operation related injury or fatality records provided by the Company, an accident occurred in which a worker was crushed to death by a loader in Adit No. 6 on 23 July 2024. Taking this accident as a lesson, the company has taken the following measures including analysis of the accident to ensure that it would not happy anymore, conducting a comprehensive investigation of the entire project to identify existing problems and intensifying safety training for personnel and to ensure that all members participate in the training without any personnels left out. No other injuries and fatalities were provided to SRK for review.

SRK opines that the Company should make more efforts to train the employees and provide more frequent safety inspections. It is noted that continuous retraining, real-time monitoring, and safety audits to address risks like traffic accident are needed.

12.7 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 Project, currently identified as part of this assessment, are:

- Impacts to local ecology due to land disturbance;
- Potential heavy metal pollution; and
- Dust impacts from the haul roads and waste rock dump area.

It is SRK's opinion that the above environmental risks are categorized as moderate/tolerable risks (i.e., requiring risk management measures) and they are generally manageable. Since various environmental protection measures are planned or conducted by the Company to solve these environmental issues, SRK considers that these environmental risks are controlled properly and not to develop into higher grade risks.

13 Capital Expenditures and Operating Expenses

This section summarizes the Capital expenditures ("Capex") and Operating expenditures ("Opex") for the Project. All the Capex and Opex are estimated in CNY ("Chinese Yuan"). The Bangbu Project is currently in the construction stage, and project costs have been estimated by the Tibet Bosheng Mining Development Co., Ltd. In February 2026. (hereafter referred to as FS 2026)

13.1 Capital Expenditures

The Capex for the Project is categorized into Future Capex.

13.1.1 Future Capex

Future Capex is estimated based on historical expenditure and the Life of Mine (LOM) production schedule. The total projected Future Capex is CNY 103 million. The summary of LOM Capex is presented in Table 13-1.

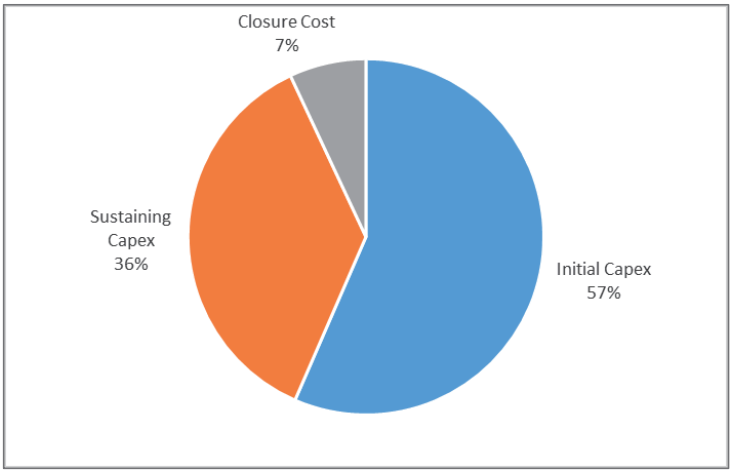
The expenditure is divided into three primary categories as shown in Figure 13-1. Initial Capex accounts for 57% of the total, followed by Sustaining Cost at 36%.

Table 13-1: Summary of LOM Capex

CAPEX	Unit	LOM
Initial Capex	Million CNY	58.31
Infrastructure	Million CNY	19.48
Underground Development	Million CNY	13.51
Equipment Installation	Million CNY	25.32
Sustaining Capex	Million CNY	37.64
Land Use Rights	Million CNY	1.27
Mining Rights	Million CNY	15.85
Equipment Purchase	Million CNY	4.10
Buildings	Million CNY	0.65
Underground Development	Million CNY	2.19
Others	Million CNY	13.58
Closure Cost	Million CNY	7.20
Total Capex	Million CNY	103.16

Source: summarized by SRK

Figure 13-1: Capex Investment Plan Distribution over LOM

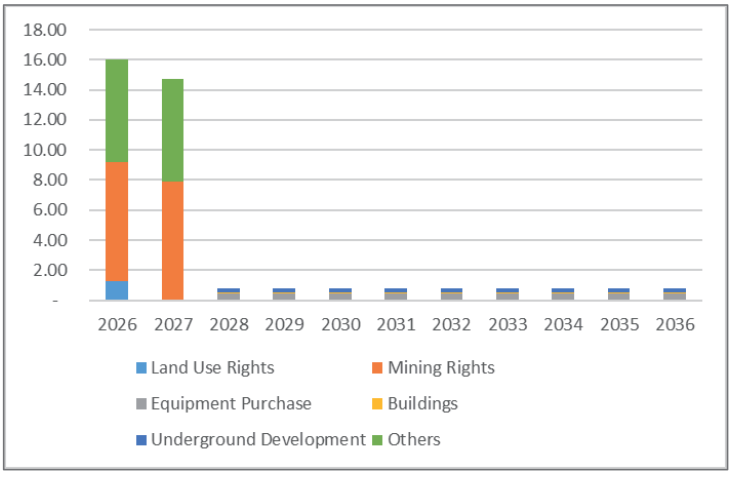


Source: summarized by SRK

Sustaining Capex

As shown in Figure 13-2, As this is a development project, the first two years are treated as the construction period. Sustaining capital is projected to commence in 2027, with an initial peak of approximately CNY 15.99 million, after which it is expected to decline.

Figure 13-2: Sustaining Capex Investment Plan over LOM (in Million RMB)

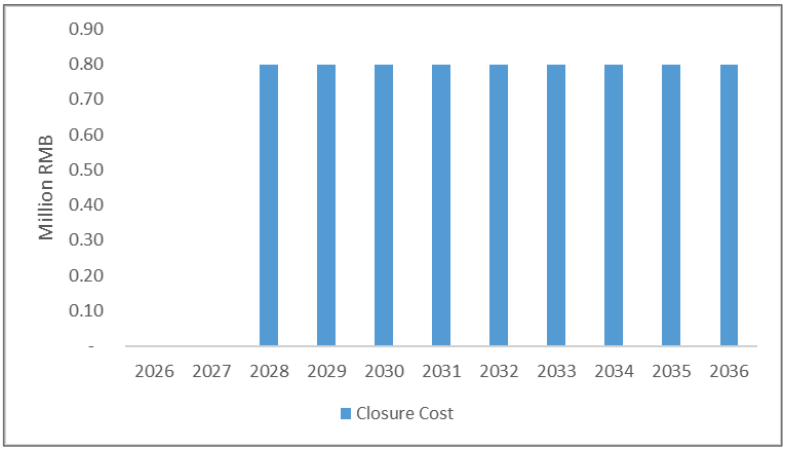


Source: summarized by SRK

Closure Cost

As shown in Figure 13-3, closure and rehabilitation costs are allocated as a fixed annual provision of CNY 7.2 million across the entire LOM.

Figure 13-3: Closure Capex Investment Plan over LOM (in Million RMB)



Source: summarized by SRK

13.2 Operating Costs

Opex have been estimated by FS 2026. The OPEX estimates are based on the LoM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortization (D&A) are excluded.

13.2.1 Operating Costs

The operating cash cost estimates in 2026 FS are summarized in Table 13-2. Total expenditure during this period is CNY 2,854 million.

Table 13-2: Cash Opex Estimated for Bangbu Project

Item	Unit	Total
COGS		
Labor Costs	Million CNY	897.52
Materials	Million CNY	684.76
Fuel & Power	Million CNY	318.17
OHS Expenses	Million CNY	15.00
D&A	Million CNY	-
Others	Million CNY	62.96
Taxes and Surcharges	Million CNY	422.77
Selling Expenses	Million CNY	237.46
General & Admin	Million CNY	118.73
R&D Expenses	Million CNY	96.70
Total OPEX	**Million CNY**	**2,854.07**

Source: FS 2026

13.2.2 Unit Operating Costs

The estimated unit cash costs are provided in Table 13-3.

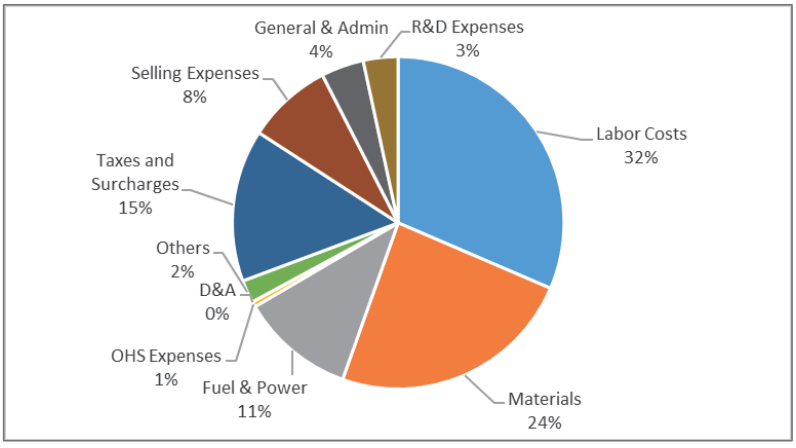
Table 13-3: Unit Cash Opex

OPEX - By Element	Unit	Average
COGS		
Labor Costs	CNY/t	338.03
Materials	CNY/t	257.90
Fuel & Power	CNY/t	119.83
OHS Expenses	CNY/t	5.65
D&A	CNY/t	-
Others	CNY/t	23.71
Taxes and Surcharges	CNY/t	159.23
Selling Expenses	CNY/t	89.44
General & Admin	CNY/t	44.72
R&D Expenses	CNY/t	36.42
Total OPEX	**CNY/t**	**1,074.93**

Source: 2026 FS

The cash Opex distribution, based on the 2026 FS estimates, is shown in Figure 13-4. Labor costs (32%), Materials (24%), and fuel & Power (11%) represent the primary cost drivers.

Figure 13-4: Opex Estimated Distribution over LOM



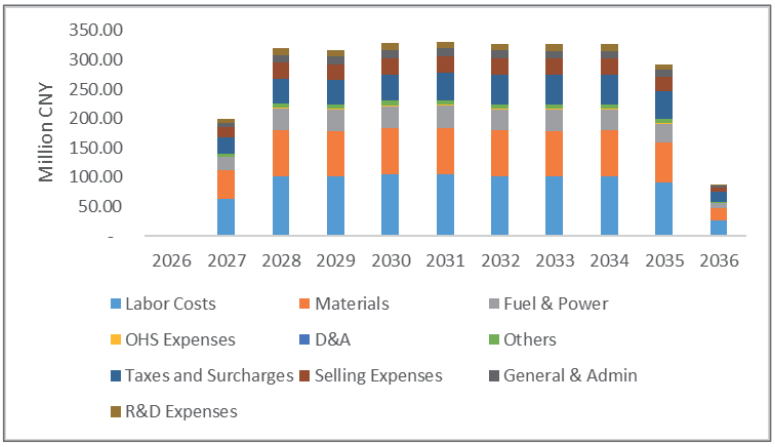
Source: FS 2026, summarized by SRK

13.2.3 Future Opex Estimation

Future Opex is calculated by applying the average unit cash costs from FS 2026 to the projected production schedule.

The annual cash Opex projection over the LoM is shown in Figure 13-5.

Figure 13-5: Opex Plan over LOM (in Million CNY)



Source: summarized by SRK

14 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis was conducted using conventional Discounted Cash Flow ("DCF") techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived Net Present Values ("NPVs") do not indicate the fair market values or the profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and financing costs were not considered.

The NPV was determined from the project's cash flow using an 8% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and pricing.

14.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Bangbu Project. The assumptions are as follows:

- The ROM and finial products of Bangbu Project are based on the LOM schedule.
- The local currency for Bangbu Project is Chinese Yuan (CNY).
- Annual gross revenue is calculated by applying the forecasted metal prices and payable metal percentages from contracts to the annual recovered metal for each operating year.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LOM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical-economic analysis.
- Corporate obligations and financing costs are not considered.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Mineral Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LOM.
- The reference date or effective date is 31 December 2025.

14.1.1 LOM Physical

The mine production and key technical inputs parameters are described in the previous section. The summary of the key physical assumptions is presented in Table 14-1.

Table 14-1: LOM Physical Inputs for Economic-Analysis

Item	Unit	LOM
Mining		

Item	Unit	LOM
Ore Resereves	kt	2,655
Average Grade		
Au grade	g/t	4.21
Total Metal		
Au metal	kg	11,168
Capacity (average over LOM)	ktpa	266
Mine life	yrs	11
Processing		
Au Gravity		
Au recovery	%	71.00
Au grade in Concentrate	%	1,500.00
Au Flotation		
Au recovery	%	24.00
Au grade in Concentrate	%	80.00

Sources: SRK

14.1.2 Pricing Assumptions

Table 14-2 shows the prices for Tin. These commodity prices are dynamic and are derived from CMF, published by Consensus Economics Inc., to which SRK subscribes annually.

Table 14-2: Pricing Assumptions for Economic Analysis

Commodity	Unit	LT Price	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Au Price	USD /oz	3,000	4,200	3,670	3,390	3,160	3,020	3,000	3,000	3,000	3,000	3,000	3,000

Source: CMF, 15 December 2025

14.1.3 Tax and Royalties

The tax, government charges and royalties for Bangbu Project are mainly corporate income tax, resource tax, which is in term of royalties, and value added tax ("VAT").

- Corporate Income Tax ("CIT")
  - The standard corporate tax rate in Tibet is 25.0% of taxable income.
- Resource Tax (Royalties)
  - 4% of the net sales from Gold (Au) mineral products
- Value Added Tax
  - 13% of the Value Added Tax
- A 1% Urban Maintenance and Construction Tax is applied.
- A 3% Education Surcharge is applied.
- A 2% Local Education Surcharge is applied.

14.1.4 Depreciation

The initial capital and sustaining expenditures, including development costs, have been depreciated on a unit production basis. The assumed depreciation follows the straight-line method over a period of 10 years.

14.1.5 Working Capital

Working capital is the capital needed to fund operations before revenue is received from the finished product. Working Capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project's life, the working capital nets to zero.

14.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 14-3.

Table 14-3: LOM Key Economic Results

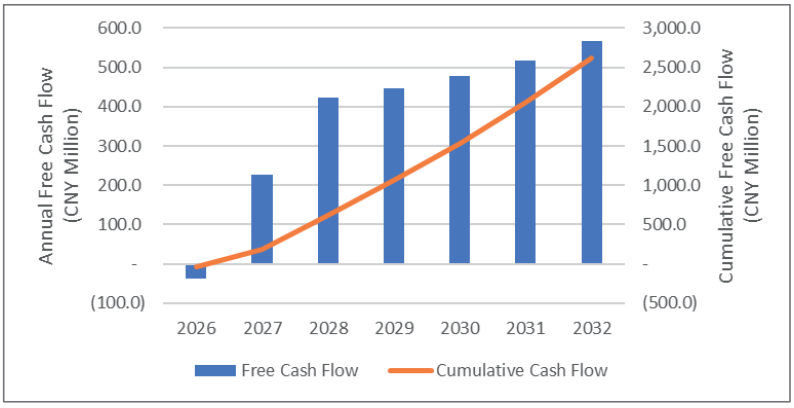
Item	Unit	Value
Production Start date	Date	1-Jan-26
Discounting period convention	-	Mid
Discount rate	RMBm	8.0%
Net Present Value, pret-tax	RMBm	3,870.6
Net Present Value, post-tax	RMBm	2,888.9
IRR	%	N/A
Payback	in year	N/A

Sources: SRK

The projection for Project operation shows a positive economic prospect. At a discount rate of 8%, the NPV of the Project is CNY 2,888.9 million. The sensitivity of NPV against discount rate is presented in Figure 14-2. The annual cash flows are presented graphically in Figure 14-1 and in tabular form in Table 14-4.

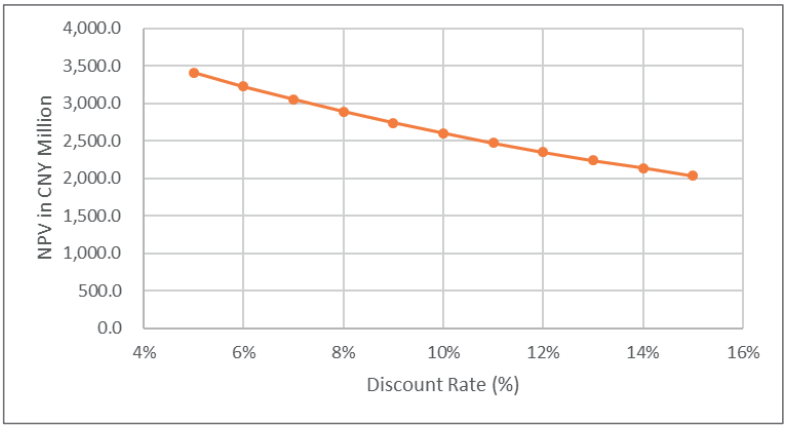
Project cash flows are negative during the initial first-year construction period (from 2026) but become positive from 2027 with the start of commercial production. Positive cash flows are maintained thereafter.

Figure 14-1: Cash Flow Profile



Source: SRK

Figure 14-2: Bangbu Project NPV versus Discount Rate



Source: SRK

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Table 14-4: LOM Production and Cash Flow Forecast

Operating costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
COGS													
Labor Costs	RMBm	897.5	-	63.2	102.2	101.3	104.4	104.5	101.8	101.4	101.8	90.4	26.5
Materials	RMBm	684.8	-	48.2	78.0	77.3	79.6	79.7	77.7	77.4	77.7	68.9	20.2
Fuel & Power	RMBm	318.2	-	22.4	36.2	35.9	37.0	37.0	36.1	35.9	36.1	32.0	9.4
OHS Expenses	RMBm	15.0	-	1.1	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.5	0.4
D&A	RMBm	-	-	-	-	-	-	-	-	-	-	-	-
Others	RMBm	63.0	-	4.4	7.2	7.1	7.3	7.3	7.1	7.1	7.1	6.3	1.9
Taxes and Surcharges	RMBm	422.8	-	28.7	42.2	42.5	45.1	47.9	50.6	51.4	50.2	47.9	16.2
Selling Expenses	RMBm	237.5	-	16.7	27.0	26.8	27.6	27.7	26.9	26.8	26.9	23.9	7.0
General & Admin	RMBm	118.7	-	8.4	13.5	13.4	13.8	13.8	13.5	13.4	13.5	12.0	3.5
R&D Expenses	RMBm	96.7	-	6.8	11.0	10.9	11.2	11.3	11.0	10.9	11.0	9.7	2.9
Total	**RMBm**	**2,854.1**	**-**	**199.9**	**319.2**	**316.9**	**327.9**	**331.0**	**326.4**	**326.1**	**326.0**	**292.7**	**88.1**

Capital costs		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Initial Capex	RMBm	58.3	20.9	37.4	-	-	-	-	-	-	-	-	-
Sustaining Capex - Mining	RMBm	37.6	16.0	14.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Closure	RMBm	7.2	-	-	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total	**RMBm**	**103.2**	**36.9**	**52.1**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**

Cash flow		LOM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Net revenue	RMBm	9,092	0	617	908	915	969	1,029	1,089	1,106	1,079	1,030	349
Operating costs	RMBm	(2,431)	0	(171)	(277)	(274)	(283)	(283)	(276)	(275)	(276)	(245)	(72)
Royalties	RMBm	(423)	0	(29)	(42)	(43)	(45)	(48)	(51)	(51)	(50)	(48)	(16)
Closure Costs	RMBm	(7)	0	0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Change in net working capit	RMBm	0	0	(37)	(18)	(2)	(4)	(5)	(6)	(2)	2	2	71
Capex	RMBm	(103)	(37)	(52)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Tax paid	RMBm	(1,534)	0	(102)	(145)	(147)	(159)	(173)	(189)	(193)	(187)	(183)	(55)
Free Cash Flows	RMBm	4,594	(37)	226	424	447	478	519	566	583	567	555	275

Sources: SRK

14.3 Sensitivity Analysis

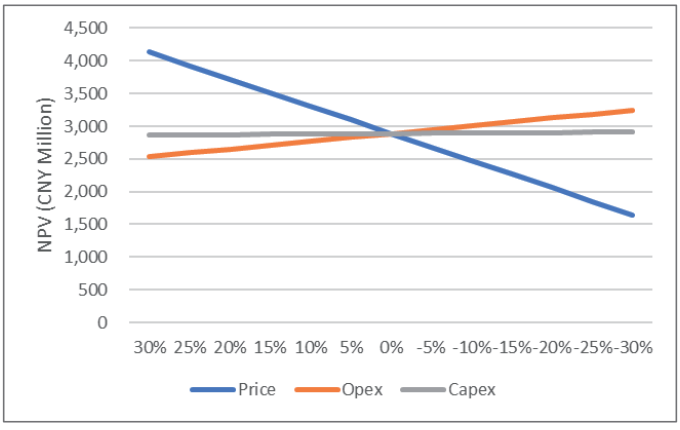
SRK conducted a single-factor sensitivity analysis for the Bangbu Project to determine which factors significantly impact its economics when considered independently. The analysis focused on metal prices, Capex, and Opex, each tested within a ±30% range. The results showed that the Project is most sensitive to changes in metal prices and least sensitive to variations in Capex. Results of the sensitivity tests are presented in Table 14-5 and Figure 14-3.

Table 14-5: Sensitivity Analysis Result (@8% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 8% Annual Discount Rate (CNY Million)		
30%	4,133	2,534	2,866
25%	3,926	2,593	2,870
20%	3,718	2,652	2,874
15%	3,511	2,711	2,878
10%	3,304	2,771	2,881
5%	3,096	2,830	2,885
0%	2,889	2,889	2,889
-5%	2,682	2,948	2,893
-10%	2,474	3,007	2,896
-15%	2,267	3,066	2,900
-20%	2,059	3,125	2,904
-25%	1,852	3,185	2,908
-30%	1,645	3,244	2,911

Sources: SRK

Figure 14-3: Sensitivity Spider Chart (8% Discount Rate)



Source: SRK

It can be seen that the changes in prices have the greatest impact on the Bangbu Project's NPV, while Opex and Capex have smaller effects.

To clarify the effects of prices on the Bangbu Project's NPV, SRK estimated that the break-even price (NPV=0, at 8% discount rate) is around a change of -69% from the base scenario prices used

in the model, i.e. if the price drops to about 31% of the forecasting price, the Bangbu Project NPV will become negative.

15 Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Bangbu Project in relation to their likelihood of occurrence within the LoM and consequence.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Bangbu Project is an advanced project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Bangbu Project. SRK's final Risk Assessment is presented in the following Table 15-1.

Table 15-1: Risk Assessment for Bangbu Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves			
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LoM)	Unlikely	Moderate	Medium
Excessive Surface Subsidence	Unlikely	Moderate	Low
Poor Underground Condition	Possible	Moderate	Medium
Poor Mine Plan	Possible	Moderate	Medium
Ore Processing and Metallurgy			
Ore variability resulting in reduced gold recovery in concentrate	Possible	Moderate	Medium
High equipment failure rate and low plant availability preventing the plant from achieving design throughput	Unlikely	Moderate	Low
Unstable ore supply resulting in significant fluctuations in processing plant performance indicators	Possible	Minor	Low
Environmental and Social			
Impacts to local ecology due to land disturbance	Possible	Moderate	Medium
Potential heavy metal pollution	Possible	Moderate	Medium
Dust impacts from the haul roads and waste rock dump area	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

16 Conclusions and Recommendations

16.1 Geology and Mineral Resources

SRK considers that Domain 3 does not pinch out at depth towards the southwest, indicating additional resource potential. SRK recommends infill drilling to upgrade the current resources.

Considering the sampling methods (channels and half-core) are appropriate for narrow to moderately thick quartz-vein lode gold mineralisation;

- Sample preparation controls explicitly address nuggety gold, with low reported preparation losses and subsampling errors;
- Accredited laboratories and suitable analytical methods were used, with documented internal and external check programs and high pass rates;
- Soil geochemical data were collected and quality-controlled using systematic field and laboratory procedures;

The overall sampling, sample preparation, analytical methods and QA/QC are considered adequate and appropriate for reporting Mineral Resources. Subject to the caveat that documentation of CRMs, and blanks protocols for assays would ideally be enhanced in future work.

SRK recommends infill drilling to upgrade the current resources class.

16.2 Mining and Ore Reserves

SRK has estimated Probable Ore Reserves for the Bangbu Gold Mine at 2,655.1 kt grading 4.21 g/t Au, containing 11,167.9 kg of gold as of 31 December 2025. These reserves are supported by the 2026 Feasibility Study, which achieves a level of confidence consistent with a Pre-Feasibility Study (PFS) under JORC Code (2012) guidelines.

The project is advancing a 1,000 tpd (300 ktpa) expansion utilizing a horizontal adit development system. Extraction employs a dip-based dual-mining strategy: Breaststoping is applied to zones with dips $\leqslant 30^\circ$, while shrinkage stoping is used for steeper sections ($30^\circ - 45^\circ$) to provide lateral wall support.

The mine plan conservatively integrates a 25% mining loss rate and a 20% dilution rate to account for the geotechnical challenges of the weak carbonaceous phyllite host rock. Key recommendations include prioritizing ground control monitoring, conducting geothermal investigations for deep-level development, and maintaining winter air pre-heating units at adit portals.

16.3 Processing and Metallurgy

- The Bangbu deposit is a low-sulphide quartz-vein type gold orebody. Gold occurs predominantly as medium to coarse grains, which are amenable to recovery by gravity concentration. Fine-grained and sulphide-hosted (locked) gold is suitable for recovery by flotation or cyanidation.
- The processing plant currently adopts a combined gravity + flotation flowsheet to recover gold and produce gold concentrates. In the existing gravity circuit, a Knelson concentrator treats the hydrocyclone overflow from the grinding–classification circuit. The Knelson concentrate is

upgraded on a shaking table. The shaking table concentrate is produced as a high-grade gold concentrate, and the shaking table tailings, which form a lower-grade gold concentrate, are combined with the subsequent flotation concentrate. The Knelson tailings are treated in the flotation circuit to produce a flotation gold concentrate. SRK considers that there are deficiencies in this process configuration and recommends that the Knelson concentrator be moved upstream to treat the mill discharge directly, with the Knelson tailings then reporting to the hydrocyclone for classification. The Knelson concentrate should continue to be upgraded on a shaking table, with the shaking table concentrate as the final high-grade gold concentrate, and the shaking table tailings returned to the mill for regrinding. The hydrocyclone underflow should return to the mill for regrinding, and the hydrocyclone overflow should feed the flotation circuit.

16.4 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 Project, currently identified as part of this assessment, are:

- Impacts to local ecology due to land disturbance;
- Potential heavy metal pollution; and
- Dust impacts from the haul roads and waste rock dump area.

It is SRK's opinion that the above environmental risks are categorized as moderate/tolerable risks (i.e., requiring risk management measures) and they are generally manageable. Since various environmental protection measures are planned or conducted by the Company to solve these environmental issues, SRK considers that these environmental risks are controlled properly and not to develop into higher grade risks.

Closure

This report, Competent Person's Report of Bangbu Gold Project in Tibet, China, was prepared by

Pengfei Xiao, BSc, MSc, FAusIMM, MAIG
Managing Director, Principal Consultant

and reviewed by

Yiefei Jia, PhD, FAusIMM(CP)
Corporate Consultant

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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1. Metallurgical Testwork Study on Oxide Ore from the Bangbu Gold Mine, Tibet. Southwest Metallurgical and Geological Testing Center, May 2005
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Appendix A Mining License

中华人民共和国

采矿许可证

（副本）

证号：C5400002011124110121484

采矿权人：西藏博盛矿业开发有限公司

地　　址：西藏自治区山南市加查县洛林乡

矿山名称：西藏加查县邦布矿区岩金矿

经济类型：有限责任公司

开采矿种：金矿

开采方式：地下开采

生产规模：15.00万吨/年

矿区面积：1.7607平方公里

有效期限：肆年 自 2022年7月12日 至 [illegible]年[illegible]月[illegible]日

发证机关（采矿登记专用章）

二〇[illegible]年[illegible]月[illegible]日

中华人民共和国自然资源部印制

矿区范围拐点坐标：（2000国家大地坐标系）

点号　X坐标　Y坐标

1、3210778.84、31449127.86

2、3210778.77、31449247.93

3、3208777.68、31449248.70

4、3208777.68、31449128.51

开采深度：由4749米至4300米标高，共由4个拐点圈定

Appendix B JORC Code Table 1

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*
		• Sampling was mainly completed during the exploration stage from 2008 to 2016, and included diamond drilling, surface trenching, shallow pits and underground workings. The main sampling target was vein-type gold mineralisation hosted in quartz veins. The sampling procedures complied with the relevant Chinese technical standards and are considered to be representative of the orebody.
		• Channel sampling (surface and underground)
		  • Collected from mineralised and altered zones exposed in outcrops, surface trenches and underground drifts.
		  • Channels were cut continuously; the standard channel cross-section was approximately 10 cm × 5 cm.
		  • Channels were generally located along the lower sidewall of trenches and drifts, as close as possible to perpendicular to the strike/dip of the mineralised or altered zone.
		  • Underground, channels were cut along drift walls across both hanging wall and footwall in order to clearly define mineralised boundaries.
		  • Before sampling, exposed rock surfaces were cleaned and washed; plastic sheets and cloth pads were used to catch the material during cutting to minimise sample loss and contamination.
		  • Channel samples are one of the main sources of gold (Au) grade data.
		• Diamond core sampling
		  • Diamond drilling was used; cores were sawn along the core axis, with half-core taken for assay and the remaining half retained for reference and check purposes.
		  • Sampling was oriented approximately perpendicular to

Criteria	JORC Code explanation	Commentary
		bedding/foliation to improve representativity. • The standard sample length was 1.0 m, adjusted as necessary according to geological boundaries; different types of mineralisation were sampled separately. • Core samples were also primarily analysed for gold (Au).
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).*	• All drillholes were diamond core holes with the prefix "ZK", using wireline drilling technology. • The standard core diameter was approximately 50 mm (equivalent to NQ size), which meets the requirements for geological logging and rock physical–mechanical testing. • Standard bit sizes were used in competent, hard rock sections; bit sizes were adjusted as required in local fractured zones, in accordance with the relevant Chinese drilling technical specifications. • Fresh water was used as the primary drilling fluid. • The drilling contractor followed the national technical specifications for solid mineral exploration, including requirements for core handling, core orientation and downhole surveying. • Systematic engineering–geological logging of the core was carried out, including recording fractures, weathering, fracture zones and rock mass quality indices. • The calculated average Rock Quality Designation (RQD) is 64.6%, indicating that the rock mass is generally of moderate integrity and moderate stability. • Downhole deviation monitoring was performed in accordance with common Chinese practice to control and record drillhole trajectories. • The report does not specify the type of survey instrument used or the survey intervals; however, no significant issues related to drillhole deviation were identified, and the impact on resource estimation and geological interpretation is considered immaterial.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Core recovery for drillholes ranges from 76% to 97%, with an average of 82%; ore core recovery ranges from 77% to 98%, with an average

Criteria	JORC Code explanation	Commentary
	• *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.*	of 84%. • Maximizing Sample Recovery: Core cleaning, careful handling, and secure transport/storage. Sampling intervals aligned with lithological/mineralization boundaries. • Sample Recovery and Bias: High recovery rates suggest minimal loss or bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core logged for lithology supporting resource estimation, mining, and metallurgical studies. • Both qualitative and quantitative. Core digitally photographed. • All drill core logged; percentage of intersections not specified but appears comprehensive.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut using a diamond saw or split with a knife (saprolite) or splitter, with half-core typically taken for analysis. • All sample preparation was carried out in testing laboratories holding national "Class A" accreditation, in accordance with current Chinese standards. • Heavy mineral (panning) tests indicate that about 85% of native gold grains have a particle size of 0.1–0.4 mm. • To control the "nugget effect" of gold, a splitting factor K = 0.4–0.8 was adopted. • After crushing whole samples to the specified particle size, analytical sub-samples were obtained using a riffle splitter or rotary sample divider. • Sample loss during preparation was <5%. • Splitting error was <3%.
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.*	•

Criteria	JORC Code explanation	Commentary
	• *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.*	•
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.*	•
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillhole collar surveys were carried out using GPS RTK. Underground development (drift) surveys were conducted with a total station using the polar-coordinate method. Goaf (void) surveys were also completed with a total station using the polar-coordinate method. • During drilling, downhole deviation (inclination and azimuth) was measured every 50–100 m. Borehole curvature measurements were taken using a CQ-1 inclinometer. • Trench depths generally do not exceed 3 m, with a minimum trench bottom width of 0.6 m. Fresh bedrock is exposed to a thickness of 20–50 cm. Trench logging was carried out using the semi-instrumental method. • Prospecting workings were mechanically excavated with a standard cross-section of 1.8 × 2 m. Crosscut adits driven across the veins were oriented approximately perpendicular to the strike of the orebody and extended 2–5 m beyond the orebody.
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.*	• Data spacing for reporting of Exploration Results are not applicable. • The drillhole spacing is sufficient to support the Mineral Resource estimation and classification. Most drillholes were implemented on a grid of 80 m (along the strike) by 160 m (down the dip). • All data from the database containing the flagged raw sample intervals were composited to 1 m downhole lengths, with a minimum length of 0.5 m required to create a composite used for grade interpolation.
Orientation of data in relation to	• *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*	• Drill holes were distributed along the Exploration Lines which are perpendicular to the strikes of mineralized bodies. • Drill holes were generally oriented perpendicular to key mineralized structures to ensure unbiased sampling, though deeper holes

Criteria	JORC Code explanation	Commentary
geological structure	*of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	intersected structures at a shallower angle due to practical constraints. • No material sampling bias related to drilling orientation and key mineralized structures was reported.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by site staff. Geologists managed the process from sampling to sample delivery to sample preparation facility, abiding Chinese regulations.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of the sampling techniques and data was carried out by SRK as part of the Mineral Resource estimation and the database is considered to be sufficient quality to carry out a Mineral Resource estimation.

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.*	• Mineral tenement is shown in Chapter 3. . • SRK have not independently verified the standing of the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Chinese professional exploration brigades or companies conducted exploration programs on the Bangbu Project, which were reported and acknowledged and assessed in the report.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• An auriferous quartz-vein type lode gold deposit (quartz single-vein subtype)
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*	• Since 2003, many companies was commissioned to undertake further exploration, including geological mapping, diamond drilling, trench, tunnel, sampling workings survey, and various sample assaying. drilled on a grid of 80 m (along the strike) by 160 m (down the dip). • As of December 2025, a total of 138 diamond drillholes, 24 tunnel and 50 trench for a combined length of 42,264 m were conducted

Criteria	JORC Code explanation	Commentary
	○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	within the Project area.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• To define the extension of mineralised domains, an appropriate cut-off was applied. • A grade capping was used.
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').*	• The drill holes were generally oriented perpendicular to the mineralized structures to achieve representative sampling.
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.*	• Appropriate maps and sections were reported in this Report.
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.*	• Details of individual drill holes are not considered Material to the overall Mineral Resource estimate presented in this Report and are omitted.
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.*	• SRK is not aware of any material or substantive exploration data that has not been reported.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The overall sampling, sample preparation, analytical methods and QA/QC are considered adequate and appropriate for reporting Mineral Resources. Subject to the caveat that documentation of CRMs, and blanks protocols for assays would ideally be enhanced in future work. • SRK recommends infill drilling to upgrade the current resources class.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK was provided with the Csv format tables of all drill holes data. SRK has reviewed the tables and database provided by the client and they are acceptable for the Mineral Resource estimation. • The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/ exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Pengfei Xiao and a team including geologist Mingyan Wang; processing engineer Chao DING; mining engineer Hongbo Liu and environmental scientist Yuanhai Li, Jiayue Bi and Coordinator Liyuan Luo conducted the site visit from 27 to 30 April 2026.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Geological interpretation is based on information such as collar, survey, lithology, and assay data. • The wireframe models for the Bangbu deposit were established by client using Leapfrog Edge software. A nominal cut-off grade of 0.5 g/t Au was applied to define the mineralised intervals for Domains. The data used for Mineral Resource estimation is derived from reliable exploration reports and laboratory analysis. • A total of 14 mineralized domains were constructed for the Bnagbu Project.

Criteria	JORC Code explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Extrapolation was limited to approximately half of the level interval and the drill spacing. The drillholes spacing is 80 - 160.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Inverse Distance Weighting Square (IDW2) method was used for grade estimation for all domains. Hard boundaries were used for Au of all domains. • The parameters of the searching ellipsoid were thus manually optimized, • The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation. Details is the Section 7.9. • SRK performed a thorough validation of the interpolation model results, which included visual examination and "Swath Plots" analysis
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Specific gravity (SG) ore samples were sealed and sent to the laboratory for Au and SG analysis, the tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Details are in section 7.12
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*	•

Criteria	JORC Code explanation	Commentary
	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.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The Bangbu gold deposit is a fractured quartz-vein type lode gold deposit. The ore has a relatively simple mineralogical composition, with gold as the only economically significant metal. Pyrite is the dominant metallic mineral and quartz is the principal gangue mineral. The valuable components are simple, with native gold as the main gold-bearing phase. Gold occurs predominantly as relatively coarse grains, while fine-grained gold is largely encapsulated in pyrite. The ore is considered to be a free-milling gold ore. • In the gold ore, gold is the only metal present at economically recoverable levels; the contents of other potentially valuable elements are low and do not meet the criteria for economic recovery. The existing processing plant employs a combined "gravity concentration + flotation of gravity tails" flowsheet, producing a gravity gold concentrate and a flotation gold concentrate.
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.*	• Refer to the Chapter 13 for more details.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the*	• The specific gravity values applied in the resource estimation were derived from average SG data provided by the client.

Criteria	JORC Code explanation	Commentary
	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.*	• Drillhole spacing distance was used as the basis for classification. • The blocks estimated for during the first estimation pass with sample distances less than 40 m can be classified as Measured Mineral Resources; • Those blocks estimated during the second estimation pass with sample distances less than 80 m can be classified as Indicated Mineral Resources. All other remaining blocks can be categorised as Inferred Mineral Resources.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The results were peer reviewed internally by SRK consultants.
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 tonnes and grades for the Measured and Indicated Mineral Resources are estimated to a certain acceptable level of confidence, based on the data density observed by the Competent Person. • The tonnes and grades for the Inferred Mineral Resources are estimated to a low-level confidence, as sparse data cannot support a precise estimation of the deposit. • SRK's Mineral Resource estimation is a global estimates.

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	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Ore Reserve estimate is based on the Mineral Resource Model (MRM) with an effective date of 31 December 2025. Within this model, only Indicated Mineral Resources were identified and utilized for conversion into Probable Ore Reserves. • Inclusive/Additional Statement: Mineral Resources are reported

Criteria	JORC Code explanation	Commentary
conversion to Ore Reserves		inclusive of Ore Reserves. The Ore Reserves represent the economically mineable portion of the total Mineral Resource inventory and should not be added separately to avoid double counting
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.*	• Pengfei Xiao and a team including geologist Mingyan Wang; processing engineer Chao DING; mining engineer Hongbo Liu and environmental scientist Yuanhai Li, Jiayue Bi and Coordinator Liyuan Luo conducted the site visit from 27 to 30 April 2026.
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.*	• The conversion of Mineral Resources to Ore Reserves is primarily supported by the Feasibility Study (*FS 2026*) and comprehensive historical operational records. • SRK considers the level of technical detail and the accuracy of the Modifying Factors within these studies to meet or exceed the Pre-Feasibility Study (PFS) standard required by the JORC Code (2012). • These studies have determined a technically achievable and economically viable mine plan for the 1,000 tpd expansion, ensuring that all material Modifying Factors—including mining, processing, metallurgical, and economic parameters—have been rigorously considered.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• A marginal cut-off grade of 1.25 g/t Au was applied for Ore Reserve estimation.Economic Basis: The CoG is derived from technical and economic assumptions in the 2026 Feasibility Study, utilizing a long-term gold price of USD 3,000/oz. The calculation integrates a metallurgical recovery of 91.3% and comprehensive unit operating costs, including mining (USD 46.53/t), processing (USD 37.19/t), and G&A (USD 16.21/t).
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for*	• Mineral Resources were converted to Ore Reserves using the Mineable Stope Optimizer (MSO) on the resource block model, integrating technical and economic parameters from the 2026 Feasibility Study. • Extraction utilizes a dip-based dual-strategy of Breaststoping (dips $\leqslant$ 30°) and sublevel shrinkage stoping (dips 30° – 45°), accessed via a horizontal multi-level adit development system (PD4, PD6, and PD9). • The orebody exhibits high mechanical strength (UCS of 196.3 MPa, Grade I "Excellent"). Stability is managed through point pillars, a real-

Criteria	JORC Code explanation	Commentary
	pit and stope optimisation (if appropriate). • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	time automated stress-strain monitoring network, and a mandatory "probe-before-drilling" protocol for all headings. • MSO was applied using standard 50m x 50m production blocks, aligned with surveyed adit elevations and optimized for specific blasting geometries. • A conservative dilution factor of 20.0% was applied, incorporating a 0.5m dilution skin on both the hanging wall and footwall to account for the weak carbonaceous phyllite host rock. • A mining recovery factor of 75.0% (based on a 25.0% mining loss rate) was utilized for the mineable inventory to ensure a robust and reliable production plan. • Inferred Resources: Inferred Mineral Resources were treated as waste (zero grade) during optimization; the mineable inventory is strictly confined to Indicated Mineral Resources within the No. I and No. III orebodies. • The project is supported by an established adit system, energy-efficient 600mm-gauge tracked haulage (battery-electric locomotives), and specialized winter air pre-heating units at intake portals.
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?*	• Systematic process mineralogy studies have been carried out on the lode gold deposit in the Bangbu mining area, defining the ore mineralogy and gold grain occurrence characteristics, and providing a mineralogical basis for metallurgical testwork and flowsheet development. • The primary ore at the Bangbu Gold Mine has a relatively simple mineralogical composition. Pyrite is the dominant metallic mineral, and native gold is closely associated with pyrite; quartz is the principal gangue mineral. Gold occurs mainly as free gold and sulphide-hosted (locked) gold. The oxide gold ore is a pure quartz-hosted ore containing native gold, with uneven grain size of native gold; gold occurs predominantly as free gold. For both ore types, the valuable components are simple, with native gold as the principal gold-bearing phase, and the ore is considered to be free-milling. • The Bosheng Processing Plant is capable of treating both oxide and sulphide ores, using essentially the same processing flowsheet, with the main differences reflected in the reagent regimes. During 2023–2024, when treating sulphide ore, the flotation gold concentrate had

Criteria	JORC Code explanation	Commentary
		an average Au grade of 88.81 g/t and an average gold recovery of 91.30% (excluding gold recovered in gravity concentrate and contained in tailings sand). In 2025, when treating oxide ore, the flotation gold concentrate had an average Au grade of 65.18 g/t and an overall gold recovery of 69.74%.
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.*	• Please refer to Chapter 13 for more details.
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.*	• See Chapter 11.
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.*	• See section 13.1 for the capital costs. • See section 13.2 for the operating costs.
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.*	• See section 14.1.2 for the prices. • See Chapter 9 for the recovery rate.
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*	• Mature channel for selling of products has been built and maintained well.

Criteria	JORC Code explanation	Commentary
	acceptance requirements prior to a supply contract.	
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.*	• See section 14.1 for the assumptions.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• No evidence of material land disputes or organized opposition has been identified. • Further socio-economic baseline refinement and structured stakeholder engagement will be required prior to construction. • No social fatal flaws identified.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• See chapter 15 for the risks.
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 results appropriately reflect the Competent Person's view, as the Modifying Factors and technical investigations meet the required level of accuracy for Ore Reserve estimation. • Indicated Mineral Resources within designed stopes were converted to Probable Ore Reserves based on technical and economic studies achieving Pre-Feasibility Study (PFS) standards. • Only Indicated Mineral Resources were identified within the current resource model and utilized for the conversion.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• This report has been peer reviewed by Dr Yiefei Jia, FAusIMM (CP Geo), a Corporate Consultant (Mining and Project Evaluation).
Discussion of relative	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or*	• See chapter 15 for the risks.

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	*procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Appendix C Compliance with *Chapter 18*

	Chapter 18			Sections in SRK's Report
18.01	DEFINITIONS AND INTERPRETATION			
18.02-18.04	**CONDITIONS FOR LISTING OF NEW APPLICANT MINERAL COMPANIES**			
18.02	In addition to satisfying the requirements of Chapter 8, a Mineral Company which has			
	applied for listing must also satisfy the requirements of this Chapter.			
18.03	A Mineral Company must:—			
	(1)	establish to the Exchange's satisfaction that it has the right to participate actively in		3
		the exploration for and/or extraction of Natural Resources, either:—		
		(a)	through control over a majority (by value) of the assets in which it has invested	
			together with adequate rights over the exploration for and/or extraction of	
			Natural Resources; or	
			Note: 'control over a majority' means an interest greater than 50%.	
		(b)	through adequate rights (arising under arrangements acceptable to the	
			Exchange), which gives it sufficient influence in decisions over the exploration	
			for and/or extraction of the Natural Resources;	
	(2)	establish to the Exchange's satisfaction that it has at least a portfolio of:—		7.12
		(a)	Indicated Resources; or	
		(b)	Contingent Resources,	
			identifiable under a Reporting Standard and substantiated in a Competent Person's Report. This portfolio must be meaningful and of sufficient substance to justify a listing;	
	(3)	if it has commenced production, provide an estimate of cash operating costs		12
		including the costs associated with:—		
		(a)	workforce employment;	
		(b)	consumables;	
		(c)	fuel, electricity, water and other services;	
		(d)	on and off-site administration;	
		(e)	environmental protection and monitoring;	
		(f)	transportation of workforce;	
		(g)	product marketing and transport;	
		(h)	non-income taxes, royalties and other governmental charges; and	
		(i)	contingency allowances;	
		Note:	*A Mineral Company must:*	
			• *set out the components of cash operating costs separately by category;*	
			• explain the reason for any departure from the list of items to be included	
			under cash operating costs; and	
			• discuss any material cost items that should be highlighted to investors.	
	(4)	demonstrate to the Exchange's satisfaction that it has available working capital for		12
		125% of the group's present requirements, that is for at least the next 12 months,		
		which must include:—		
		(a)	general, administrative and operating costs;	
		(b)	property holding costs; and	
		(c)	the cost of any proposed exploration and/or development; and	
		Note:	Capital expenditures do not need to be included in working capital	
			requirements. Where they are financed out of borrowings, relevant interest	
			and loan repayments must be included.	
	(5)	ensure that its working capital statement in the listing document under Listing		12
		Rule 8.21A states it has sufficient available working capital for 125% of the group's		
		present requirements, that is for at least 12 months from the date of its listing		
		document.		
18.04	If a Mineral Company is unable to satisfy either the profit test in rule 8.05(1), the market			not applicable
	capitalisation/revenue/cash flow test in rule 8.05(2), or the market capitalisation/revenue test in rule 8.05(3), it may still apply to be listed if it can establish to the Exchange's satisfaction that its directors and senior managers, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the Mineral Company			

	is pursuing. Individuals relied on must have a minimum of five years relevant industry experience. Details of the relevant experience must be disclosed in the listing document of the new applicant.			
	Note: *A Mineral Company relying on this rule must demonstrate that its primary activity is the exploration for and/or extraction of Natural Resources.*			
18.05-18.08	CONTENTS OF LISTING DOCUMENTS FOR NEW APPLICANTS			
18.05	In addition to the information set out in Appendix 1A, a Mineral Company must include in its listing document:—			
	(1)	a Competent Person's Report;		Whole report
	(2)	a statement that no material changes have occurred since the effective date of the Competent Person's Report. Where there are material changes, these must be prominently disclosed;		2.4
	(3)	the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;		3
	(4)	a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine;		3
	(5)	disclosure of specific risks and general risks. Companies should have regard to Guidance Note 7 on suggested risk analysis; and		16
	(6)	if relevant and material to the Mineral Company's business operations, information on the following:—		13
		(a)	project risks arising from environmental, social, and health and safety issues;	
		(b)	any non-governmental organisation impact on sustainability of mineral and/or exploration projects;	
		(c)	compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;	
		(d)	sufficient funding plans for remediation, rehabilitation and closure and removal of facilities in a sustainable manner;	
		(e)	environmental liabilities of its projects or properties;	
		(f)	its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;	
		(g)	its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and	
		(h)	any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.	
18.06-18.08	*Additional disclosure requirements that apply to certain new applicant Mineral Companies*			
18.06	If a Mineral Company has begun production, it must disclose an estimate of the operating cash cost per appropriate unit for the minerals and/or Petroleum produced.			12
18.07	If a Mineral Company has not yet begun production, it must disclose its plans to proceed to production with indicative dates and costs. These plans must be supported by at least a Scoping Study, substantiated by the opinion of a Competent Person. If exploration rights or rights to extract Resources and/or Reserves have not yet been obtained, relevant risks to obtaining these rights must be prominently disclosed.			
18.08	If a Mineral Company is involved in the exploration for or extraction of Resources, it must prominently disclose to investors that its Resources may not ultimately be extracted at a profit.			
18.09-18.13	**RELEVANT NOTIFIABLE TRANSACTIONS INVOLVING THE ACQUISITION**			not applicable

	OR DISPOSAL OF MINERAL OR PETROLEUM ASSETS	
18.09	A Mineral Company proposing to acquire or dispose of assets which are solely or mainly	
	Mineral or Petroleum Assets as part of a Relevant Notifiable Transaction must:—	
	(1) comply with Chapter 14 and Chapter 14A, if relevant;	
	(2) produce a Competent Person's Report, which must form part of the relevant circular,	
	on the Resources and/or Reserves being acquired or disposed of as part of the	
	Relevant Notifiable Transaction;	
	Note: *The Exchange may dispense with the requirement for a Competent Person's*	
	Report on disposals where shareholders have sufficient information on the	
	assets being disposed of.	
	(3) in the case of a major (or above) acquisition, produce a Valuation Report, which must	
	form part of the relevant circular, on the Mineral or Petroleum Assets being acquired	
	as part of the Relevant Notifiable Transaction; and	
	(4) comply with the requirements of rules 18.05(2) to 18.05(6) in respect of the assets	
	being acquired.	
	Note: *Material liabilities that remain with the issuer on a disposal must also be discussed.*	
18.10-18.11	*Requirements that apply to listed issuers*	
18.10	A listed issuer proposing to acquire assets which are solely or mainly Mineral or Petroleum	
	Assets as part of a Relevant Notifiable Transaction must comply with rule 18.09.	
18.11	On completion of a Relevant Notifiable Transaction involving the acquisition of Mineral or	
	Petroleum Assets, unless the Exchange decides otherwise, a listed issuer will be treated	
	as a Mineral Company.	
18.12-18.13	*Requirements that apply to Mineral Companies and listed issuers*	
18.12	The Exchange may dispense with the requirement to produce a new Competent Person's	
	Report or a Valuation Report under rules 18.05(1), 18.09(2) or 18.09(3), if the issuer	
	has available a previously published Competent Person's Report or Valuation Report (or	
	equivalent) which complies with rules 18.18 to 18.34 (where applicable), provided the	
	report is no more than six months old. The issuer must provide this document and a no	
	material change statement in the listing document or circular for the Relevant Notifiable	
	Transaction.	
18.13	An issuer must obtain the prior written consent of a Competent Person(s) or Competent	
	Evaluator for their material to be included in the form and context in which it appears in	
	a listing document or circular for the Relevant Notifiable Transaction, whether or not such	
	person or firm is retained by the listing applicant or the issuer.	
18.14-18.17	CONTINUING OBLIGATIONS	not applicable
18.14	*Disclosure in reports*	
18.14	A Mineral Company must include in its interim (half-yearly) and annual reports details	
	of its exploration, development and mining production activities and a summary of	
	expenditure incurred on these activities during the period under review. If there has been	
	no exploration, development or production activity, that fact must be stated.	
18.15-18.17	*Publication of Resources and Reserves*	
18.15	A listed issuer that publicly discloses details of Resources and/or Reserves must give an	
	update of those Resources and/or Reserves once a year in its annual report, in accordance	
	with the reporting standard under which they were previously disclosed or a Reporting	
	Standard.	
18.16	A Mineral Company must include an update of its Resources and/or Reserves in its annual	
	report in accordance with the Reporting Standard under which they were previously	
	disclosed.	
18.17	Annual updates of Resources and/or Reserves must comply with rule 18.18.	
	Note: *Annual updates are not required to be supported by a Competent Person's Report*	
	and may take the form of a no material change statement.	
18.18-18.27	STATEMENTS ON RESOURCES AND/OR RESERVES	

18.18	*Presentation of data*			
18.18	Any data presented on Resources and/or Reserves by a Mineral Company in a listing			7.14; 8.2； 8.3
	document, Competent Person's Report, Valuation Report or annual report, must be			
	presented in tables in a manner readily understandable to a non-technical person. All			
	assumptions must be clearly disclosed and statements should include an estimate of			
	volume, tonnage and grades.			
18.19	*Basis of evidence*			
18.19	All statements referring to Resources and/or Reserves:—			
	(1)	in any new applicant listing document or circular relating to a Relevant Notifiable		Whole report
		Transaction must be substantiated in a Competent Person's Report which must form part of the document; and		
	(2)	in all other cases, must at least be substantiated by the issuer's internal experts.		
18.20	*Petroleum Competent Persons' Reports*			not applicable
18.20	A Competent Person's Report for Mineral Companies involved in the exploration for and/or			
	extraction of Petroleum Resources and Reserves must include the information set out in			
	Appendix 25.			
18.21-18.22	*Competent Person*			
18.21	A Competent Person must:—			
	(1)	have a minimum of five years' experience relevant to the style of mineralization		2.10
		and type of deposit under consideration or to the type of Petroleum exploration,		
		reserve estimate (as appropriate), and to the activity which the Mineral Company is		
		undertaking;		
	(2)	be professionally qualified, and be a member in good standing of a relevant		2.10
		Recognised Professional Organisation, in a jurisdiction where, in the Exchange's		
		opinion, the statutory securities regulator has satisfactory arrangements (either by		
		way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the		
		Exchange) with the Commission for mutual assistance and exchange of information		
		for enforcing and securing compliance with the laws and regulations of that		
		jurisdiction and Hong Kong; and		
	(3)	take overall responsibility for the Competent Person's Report.		
18.22	A Competent Person must be independent of the issuer, its directors, senior management			2.11
	and advisers. Specifically the Competent Person retained must:—			
	(1)	have no economic or beneficial interest (present or contingent) in any of the assets		
		being reported on;		
	(2)	not be remunerated with a fee dependent on the findings of the Competent Person's		
		Report;		
	(3)	in the case of an individual, not be an officer, employee or proposed officer of the		
		issuer or any group, holding or associated company of the issuer; and		
	(4)	in the case of a firm, not be a group, holding or associated company of the issuer.		
		Any of the firm's partners or officers must not be officers or proposed officers of any		
		group, holding or associated company of the issuer.		
18.23	*Additional requirements of Competent Evaluators*			
18.23	In addition to the requirements set out in rules 18.21(2) and 18.22, a Competent Evaluator			2.7
	must:—			
	(1)	have at least ten years relevant and recent general mining or Petroleum experience		
		(as appropriate);		
	(2)	have at least five years relevant and recent experience in the assessment and/or		
		valuation of Mineral or Petroleum Assets or securities (as appropriate); and		
	(3)	hold all necessary licences.		
	Note:	*A Competent Person's Report or Valuation Report may be performed by the same*		
		Competent Person provided he or she is also a Competent Evaluator.		
18.24	*Scope of Competent Persons' Reports and Valuation Reports*			
18.24	A Competent Person's Report or Valuation Report must comply with a Reporting Standard			2.2
	as modified by this Chapter, and must:—			
	(1)	be addressed to the Mineral Company or listed issuer;		2.1
	(2)	have an effective date (being the date when the contents of the Competent		2.4
		Person's Report or Valuation Report are valid) less than six months before the		
		date of publishing the listing document or circular relating to a Relevant Notifiable		

		Transaction required under the Listing Rules; and		
	(3)	set out what Reporting Standard has been used in preparing the Competent		2.2
		Person's Report or Valuation Report, and explain any departure from the relevant		
		Reporting Standard.		
18.25-18.26	*Disclaimers and Indemnities*			
18.25	A Competent Person's Report or Valuation Report may contain disclaimers of sections			2.3
	or topics outside their scope of expertise in which the Competent Person or Competent			
	Evaluator relied upon other experts' opinions, but must not contain any disclaimers of the			
	report in its entirety.			
18.26	The Competent Person or Competent Evaluator must prominently disclose in the			2.9
	Competent Person's Report or Valuation Report the nature and details of all indemnities			
	provided by the issuer. Indemnities for reliance placed on information provided by issuers			
	and third party experts (for information outside the Competent Person's or Competent			
	Evaluator's expertise) are generally acceptable. Indemnities for fraud and gross negligence			
	are generally unacceptable.			
18.27	*Obligations of sponsor*			not applicable
18.27	Any sponsor appointed to or by a new applicant Mineral Company under Chapter 3A must			not applicable
	ensure that any Competent Person or Competent Evaluator meets the requirements of			
	this Chapter.			
18.28-18.34	REPORTING STANDARD			
18.28-18.30	*Mineral reporting standard*			
18.28	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a			
	Mineral Company exploring for and/or extracting mineral Resources and Reserves must			
	also satisfy rules 18.29 and 18.30.			
18.29	A Mineral Company must disclose information on mineral Resources, Reserves and/or			
	exploration results either:—			
	(1)	under:		
		(a)	the JORC Code;	2.2
		(b)	NI 43-101; or	
		(c)	the SAMREC Code,	
		as modified by this Chapter; or		
	(2)	under other codes acceptable to the Exchange as communicated to the market		not applicable
		from time to time, provided the Exchange is satisfied that they give a comparable		
		standard of disclosure and sufficient assessment of the underlying assets.		
	Note:	*The Exchange may allow presentation of Reserves under other reporting standards*		
		provided reconciliation to a Reporting Standard is provided. A Reporting Standard		
		applied to specific assets must be used consistently.		
18.30	A Mineral Company must ensure that:—			
	(1)	any estimates of Ore Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;		8; 9; 10; 11; 12; 13; 14
	(2)	estimates of Ore Reserves and mineral Resources are disclosed separately;		7.12; 7.14
	(3)	Indicated Resources and Measured Resources are only included in economic		8
		analyses if the basis on which they are considered to be economically extractable		
		is explained and they are appropriately discounted for the probabilities of their		
		conversion to Ore Reserves. All assumptions must be clearly disclosed.		
		Valuations for Inferred Resources are not permitted;		
	(4)	for commodity prices used in Pre-feasibility Studies, Feasibility Studies and		15.1
		valuations of Indicated Resources, Measured Resources and Reserves:—		
		(a)	the methods to determine those commodity prices, all material assumptions	
			and the basis on which those prices represent reasonable views of future	
			prices are explained clearly; and	
		(b)	if a contract for future prices of Ore Reserves exists, the contract price is	
			used; and	
	(5)	for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher		15.2; 15.2.4

		and lower prices are supplied. All assumptions must be clearly disclosed.	
18.31-18.33	*Petroleum reporting standard*		not applicable
18.31	In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a		
	Mineral Company exploring for and/or extracting Petroleum Resources and Reserves must		
	also satisfy rules 18.32 and 18.33.		
18.32	A Mineral Company must disclose information on Petroleum Resources and Reserves		
	either:—		
	(1)	under PRMS as modified by this Chapter; or	
	(2)	under other codes acceptable to the Exchange if it is satisfied that they give a	
		comparable standard of disclosure and sufficient assessment of the underlying	
		assets.	
	Note:	*A Reporting Standard applied to specific assets must be used consistently.*	
18.33	A Mineral Company must ensure that:—		
	(1)	where estimates of Reserves are disclosed, the method and reason for choice of	
		estimation are disclosed (i.e. deterministic or probabilistic methods, as defined in	
		PRMS). Where the probabilistic method is used, the underlying confidence levels	
		applied must be stated;	
	(2)	if the NPVs attributable to Proved Reserves and Proved plus Probable Reserves are	
		disclosed, they are presented on a post-tax basis at varying discount rates (including	
		a reflection of the weighted average cost of capital or minimum acceptable rate of	
		return that applies to the entity at the time of evaluation) or a fixed discount rate of	
		10%;	
	(3)	Proved Reserves and Proved plus Probable Reserves are analysed separately and	
		principal assumptions (including prices, costs, exchange rates and effective date) and	
		the basis of the methodology are clearly stated;	
	(4)	if the NPVs attributable to Reserves are disclosed, they are presented using a	
		forecast price as a base case or using a constant price as a base case. The bases	
		for the forecast case must be disclosed. The constant price is defined as the	
		unweighted arithmetic average of the closing price on the first day of each month	
		within the 12 months before the end of the reporting period, unless prices are	
		defined by contractual arrangements. The basis on which the forecast price is	
		considered reasonable must be disclosed and Mineral Companies must comply with	
		rule 18.30;	
		Note: *In the forecast case under PRMS, the economic evaluation underlying the*	
			investment decision is based on the entity's reasonable forecast of future
			conditions, including costs and prices, which will exist during the life of the
			project.
	(5)	if estimated volumes of Contingent Resources or Prospective Resources are	
		disclosed, relevant risk factors are clearly stated;	
		Note: *Under PRMS, wherever the volume of a Contingent Resource is stated,*	
			risk is expressed as the chance that the accumulation will be commercially
			developed and graduate to the reserves class. Wherever the volume of a
			Prospective Resource is stated, risk is expressed as the chance that a potential
			accumulation will result in a significant discovery of Petroleum.
	(6)	economic values are not attached to Possible Reserves, Contingent Resources or	
		Prospective Resources; and	
	(7)	where an estimate of future net revenue is disclosed, whether calculated without	
		discount or using a discount rate, it is prominently disclosed that the estimated	
		values disclosed do not represent fair market value.	
18.34	*Mineral or Petroleum Asset Valuation Reports*		not applicable
18.34	A Mineral Company must ensure that:—		
	(1)	any valuation of its Mineral or Petroleum Assets is prepared under the VALMIN	
		Code, SAMVAL Code, CIMVAL or such other code approved by the Exchange from	
		time to time;	
	(2)	the Competent Evaluator states clearly the basis of valuation, relevant assumptions	
		and the reason why a particular method of valuation is considered most appropriate,	

		having regard to the nature of the valuation and the development status of the	
		Mineral or Petroleum Asset;	
	(3)	if more than one valuation method is used and different valuations result, the	
		Competent Evaluator comments on how the valuations compare and on the reason	
		for selecting the value adopted; and	
	(4)	in preparing any valuation a Competent Evaluator meets the requirements set out in	
		rule 18.23.	

Appendix D Chapter 2.6 of the Guide for New Listing Applicants

Chapter 2.6		Section in SRK's Report
(i)	The cut-off grade (which should be an industry standard commonly used), minimum mining width, economic parameters (e.g. waste to ore ratio, stope productivity), specific gravity derivation, prevailing commodity price assumptions;	7.12; 7.14; 7.15; 8
(ii)	If the Competent Person has a different view on certain assumptions (e.g. processing recovery rate) made by the applicant, both views should be disclosed in the listing document, with differences highlighted and underlying reasons for the different views, and the impact on the applicant if the more conservative view is adopted;	not applicable
(iii)	Detailed analysis for harmful elements identified at mines (e.g. mercury or arsenic at lead and zinc mines) to give a better picture of whether there are material concentrations of these elements within particular lodes, and the impact on the saleability of the minerals;	Yes
(iv)	Clear and meaningful drawings and diagrams, shown to scale, of the location of the applicant's principal Mineral or Petroleum Assets;	5.3; 10.5
(v)	The procedures, amount of testing, assessment and time required to ascertain the amount of Reserves, and the existing Reserves of the mine over its entire mine life, expected average Resource and Reserve grades of ore that can be extracted in future years (preferably covering the whole economic life of the mine), depletion charges and hedging activities;	8; 9
(vi)	Whether the historical or expected improved recovery rate is used for estimating the net present value ("NPV"), and the basis on which the discount rates are considered appropriate;	10; 15.2
(vii)	If the Competent Person did not conduct a site visit, the applicant should disclose in the "Business" section of the listing document the basis on which the Reserves/Resources, cost forecasts and other data relating to the mines/ oilfields as disclosed in the CPR are arrived at, how the lack of a site visit would affect the reliability of the information, and an appropriate risk factor 3; and	not applicable
(viii)	All material risks mentioned in the CPR should be disclosed in the "Risk Factors" section of the listing document.	16

Final

Competent Person's Report of the Zhou'an Copper-Nickel Project in Henan Province, the People's Republic of China

Report Prepared for

Inner Mongolia Xingye Silver & Tin Mining Co., Ltd.



SRK Consulting China Ltd. ▪ SCN974 ▪ 20 May 2026

srk consulting

Final

Competent Person's Report of the Zhou'an Copper-Nickel Project in Henan Province, the People's Republic of China

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Appendices

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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term·/·Abbreviation	Meaning·/·Definition
%	percent
°	degree, angle of inclination
Φ	diameter
°C	degrees of temperature
/	per
3D	Three-dimensional
AAS	atomic absorption spectrometry
AER	Annual Environmental Report
Ag	The chemical symbol for silver
AISC	All in sustaining cost; the cost consists of cash cost, taxations and fees, and sustaining Capex
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
As	The chemical symbol for arsenic
asl	above sea level
Au	the element symbol of gold
Au Eq.	Gold equivalent; including gold, and other elements salable converted into gold equivalent
AusIMM	Australasian Institute of Mining and Metallurgy
B.Eng.	Bachelor of Engineering
B×H	breadth × height
BD	bulk density
Capex	capital expenditure(s)
CIL	carbon-in-leach, a continuous agitation cyanide leaching process with active carbon in the leaching tanks to adsorb resolved gold and silver.
CIP	carbon-in-pulp, similar with CIL, there is pre-leaching operation before carbon adsorption. Most of the time, the two processes are not distinguished in expressions.
CIT	corporate income tax
cm	centimetres
COG	cut-off grade
Company	Xingye Silver and Tin Mining Co., Ltd.
CPR	Competent Person's Report
DCF	discounted cash flow
Dr.	Doctor of Philosophy
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy

Term·/·Abbreviation	Meaning·/·Definition
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the Project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
FY	financial year
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd.
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
Intertek	Intertek Laboratory in Beijing
IP	Induced Polarisation, which is an exploration technique whereby an electrical current is pulsed through the ground and the response from the sub surface measured in order to identify minerals of interest. Strong IP responses may be a result of sulphide which may be associated with gold mineralisation
IPO	Initial Public Offering
IRR	internal rate of return
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum

Term·/·Abbreviation	Meaning·/·Definition
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m^2	square metre
m^3	cubic metre
MAusIMM	member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimeter(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
OHS	occupational health and safety
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that

Term·/·Abbreviation	Meaning·/·Definition
	include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Project	Zhou'an Copper-Nickel Project
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd.
Stock Exchange	The Stock Exchange of Hong Kong Ltd., a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
Tanghe Shidai	Tanghe Shidai Mining Co., Ltd. In Tanghe County, Henan Province, and owns the Zhou'an Copper-Nickel Project
tpd	tonnes per day
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WRD	waste rock dump
VAT	value-added tax
Xingye Silver-Tin	Xingye Silver and Tin Mining Co., Ltd.

Executive Summary

Introduction

SRK Consulting China Ltd. ("**SRK**") was commissioned by Xingye Silver and Tin Mining Co., Ltd.. ("**Xingye Silver-Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Zhou'an Copper-Nickel Project ("**Zhou'an Project**" or the "**Project**") which is located in Tanghe County, Henan Province, People's Republic of China ("**P.R. China**" or "**China**"). The Zhou'an Project is operated and 100% owned by the Tanghe Shidai Mining Co., Ltd. ("**Tanghe Shidai**"), which is a 100% owned subsidiary of Xingye Siver-Tin.

It is SRK's understanding that the independent technical assessment on the Zhou'an Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a filing on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary HKEx.

The Report has been prepared to report the Mineral Resources and Ore Reserves of the Project 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.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver-Tin and potential equity investors and future shareholders of Xingye Silver-Tin with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects of the Zhou'an Project based on all available technical data, as of the Effective Date of this report. It is understood that the aim of this Report will be used by Xingye Silver-Tin for the filing on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for the Project consisted of:

- Review of the dataset and Mineral Resource models provided by Xingye Silver-Tin, and preparation of the data verification plan to be implemented during site inspection.
- Site visits between 31 January 2026 and 1 February 2026, and from 8 to 10 April 2026 to the Project, SRK had inspected and verified the locations of exploration boreholes, drill cores, the completed shafts and office building, and the sites of industrial facilities, i.e., the ore processing plant, ore and waste stockpiles, and tailings storage facilities ("**TSF**"), as well as water source and power supply station, the office and living areas, and other infrastructure, etc. SRK also took some verification samples.
- Review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.

- Discussion with Xingye Silver-Tin and Tanghe Shidai management and technical personnel regarding various technical aspects.
- Preparation of a draft report in accordance with the *JORC Code* and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx, where the declaration date of Mineral Resources and Ore Reserves is 31 December 2025.
- Submission of the draft to Xingye Silver-Tin and related third party for comments and finalisation of the draft Report based on the feedback.

Results

Overall

The Zhou'an Project is located in Tanghe County, Nanyang City, Henan Province, the People's Republic of China. Currently It is a development project with partial engineering completed. It consists of a mining license of mining and processing 3.3 million tonnes per annum ("**Mtpa**"), valid till 26 August 2026, and some completed mining and supportive facilities.

Chinese institutes have carried out geological exploration including drilling on the Project. SRK reviewed the database of previous programs, conducted a data verification program, and reconciled the data. By using the database, SRK estimated the remained mineral resources of the Zhou'an Project according to *JORC Code* as presented in Table ES- 1.

Table ES- 1: Zhou'an Project Mineral Resources as of 31 December 2025

Area	*Mineral Resource class*	Tonnage	*Average Value* Ni	Cu	Pt	Pd
		Mt	%	%	g/t	g/t
Mining License Area	Measured	17.00	0.33	0.12	0.21	0.17
	Indicated	31.30	0.32	0.12	0.17	0.14
	Measured + Indicated	**48.30**	**0.32**	**0.12**	**0.18**	**0.15**
	Inferred	31.75	0.33	0.12	0.13	0.11

China ENFI Engineering Corporation ("**ENFI**") conducted a feasibility study in 2008 to assess the development of the mineral resources of the project, and then Jinjian Engineering and Design Co., Ltd. ("**Jinjian**") conducted a preliminary design in 2014 and updated the design in 2023 ("***PD 2023*"**). The *PD 2023* proposed that the underground mining facility, ore processing and supportive facilities would be constructed to mine and process ores at a capacity of 3.3Mtpa to produce salable copper-nickel concentrates which contain valuable copper, nickel and precious metals, i.e. gold, platinum and palladium.

By considering various parameters proposed in the *PD 2023*, SRK has converted the qualified Mineral Resources into Ore Reserves. As of 31 December 2025, the Zhou'an Project possesses Ore Reserves of about 27.25 million tonnes ("**Mt**") averaging 0.34%Ni, 0.13%Cu, 0.17 g/t Pt, and 0.22 g/t Pd. The Ore Reserves may support a life of mine about 12 years, including 3.5 years of construction period.

Based on the *PD 2023* with SRK's adjustments, the total remained capital expenditure for the project is Chinese RenMinBi Yuan ("**CNY**") 1,179 million ("**M**" or "**mln**"), and working capital is CNY 60.52 M. The proposed operating cost is averaging 167.09 CNY/t ore.

By using the Discounted Cash Flow ("DCF") method and various economic and technical parameters, SRK has carried out the mine economics analysis of the Project. The Zhou'an Project will have a net present value ("**NPV**") in a range of CNY 297.11 M (at 10% discount rate) to CNY 603.43 M (at 6% discount rate), with a base case of CNY 434.28 M using a discount rate of 8%. The internal rate of return ("**IRR**") is 16.67%, and the pay-back period is about 6.3 years, including the construction period.

It should be emphasised that the value of gold was considered in the economic analysis, but the grades of gold were only defined by some composite samples, and no systematic sampling and assaying have been carried out yet, and that the economic analysis shows that the viability of the project is subject to changes of metal prices and Opex, i.e. once the prices decrease for about 15%, or the Opex increases for about 25%, the project will become uneconomic. Therefore, the economic analysis results should be used with caution.

Operational Licences and Permits

The Company has obtained a mining license to carry out mining and processing, and the Company is in a process of renewing this license. In addition, it has land use agreements. The Company plans to obtain other key operational licenses and permits in the coming three years.

Geological Setting and Mineralisation

The project is located within the subduction zone between the Yangtze paleo-block and the North China paleo-block. The ore-bearing intrusive body belongs to a concealed ultramafic body within the southwestern Henan–southern Henan ophiolite belt, situated in the southern Asia belt of the Qinling–Dabie basic–ultrabasic rock zone, in the western segment of the Suizao Group. The ore-bearing ultramafic body is concealed beneath Cenozoic strata and was emplaced into Mesoproterozoic strata.

In the western part of the project, Quaternary deposits are extensively distributed, underlain by Neogene strata, while in the eastern part a suite of Mesoproterozoic Daqueshan Formation of the Zhujia Mountain Group is exposed.

Cu–Ni mineralization is mainly concentrated within the alteration shell developed along the inner contact zone of the intrusion. Local mineralization also occurs in the hanging-wall and footwall country rocks at the top and bottom of the intrusion, as well as at the internal contact between the clinopyroxene–orthopyroxene peridotite and lherzolite facies within the body.

More than 30 minerals have been identified in the ore, with metallic minerals dominated by sulfides, followed by metal oxides. The total content of metallic minerals is generally 4–7%, locally over 10%, and in some cases up to 22%. Metal sulfides are generally 3–5%, locally 5–10%. The main sulfides are pyrrhotite and pentlandite, followed by chalcopyrite, cubanite, pyrite, mackinawite, and minor millerite, colloform pyrite, bornite, covellite, galena, cobaltite, etc.

Deposit Types

The deposits is deeply buried and consists of primary ore. Industrially, the ore type is nickel (platinum–palladium) sulfide ore hosted in ultramafic rocks. Metallic minerals are dominated by sulfides, which generally occur as fine disseminations and patchy disseminations; locally they appear as thin veinlets between gangue minerals. In terms of natural ore type, it is classified as disseminated ore.

The deposits is located at the top and bottom of the ultramafic intrusion. In the upper mineralised zone (K1), the hanging wall consists mainly of Mesoproterozoic strata with lithologies of biotite–quartz schist, two-mica quartz schist and granulite, with a minor proportion of altered lherzolite; the footwall is altered lherzolite. In the lower mineralised zone (K2), the hanging wall is altered lherzolite and the footwall is Mesoproterozoic strata. Hanging- and footwall rocks are pervasively altered, commonly showing actinolitization, serpentinization and pyritization. From the mineralised zone outward into the country rock, the intensity of alteration gradually decreases. There is no sharp boundary between the deposits and wall rocks; the contact is gradational.

Drilling

The deposit in the project is concealed, and all exploration work has been carried out by diamond drill. A Topcon total station was used for drillhole surface positioning, and upon completion each collar was re-surveyed with the total station and marked with a concrete monument.

Across the entire deposit, the average rock/ore core recovery is 83%, with ore core recovery generally greater than 90%. In the ultramafic intrusion and Mesoproterozoic strata, the rocks are relatively competent and recoveries are high, exceeding 95%. However, in some holes the core recovery in Quaternary and Neogene strata is low, only 20–40%.

Sample Preparation, Analyses, and Quality Assurance and Quality Control ("QA/QC")

In principle, all drill-holes in the exploration programs were designed to be located on the exploration lines and surveyed with a total station and marked with concrete posts. The opening diameter of the hole is 91mm and then is 75mm. Core size is 49mm in diameter. Downhole survey was conducted every 100m, with errors less than 1 degree, and the maximum error allowed for a drill hole is 5 degrees. Depth verification survey was also conducted together with downhole survey and at the end of a hole. The allowed error of depth is less than 1/1000. The recovery of all holes was greater than 95%, with some lower recovery in overburden.

All samples of the project were from drilling cores. The samples were taken by splitting the cores into two halves, with one half as samples, and other half for storage. The length of the samples ranges from 1.20 to 1.50 m, maximum of 2.00m, which was determined by site geologists according to mineralisation.

All samples were assayed in Xi'an Testing and Assaying Centre of the Ministry of Land and Resources, and Nanyang Assaying Centre of No. 1 Geological Exploration Institute of Henan Bureau of Exploration and Development of Mineral Resources. The assaying items were Ni, and Cu. Some internal checking samples were used for QAQC, counting for about 28% of all samples. Internal checking results show that the satisfying rates are above 97% for Ni, and above 99% for Cu.

Some external checking samples were also used for QAQC, counting for about 6% of all samples. The external checking samples were assayed either in Xi'an Centre or Zhengzhou Institute of Comprehensive Using Mineral Resources, China Academy of Science. External checking results show that the satisfying rate is about 85% for Ni.

In the early drilling programs of this project, most of the core from the historical drillholes was either badly lost or severely weathered and broken due to poor storage conditions, and can no longer meet the requirements for resampling and verification. Zijin Mining drilled three holes in the area, for which the core is generally well preserved; however, the assay results were not provided to Tanghe Shidai.

SRK collected approximately half of the remaining core from Zijin's three drillholes as verification samples and submitted them to SGS Tianjin for analysis. The analytical results indicate average grades of 0.28 % Ni and 0.09 % Cu. SRK considers that these assay results can only serve as independent basic data for understanding the mineralisation grades and cannot be used to evaluate or quantify any systematic bias in the original assay data set.

Mineral Resource Estimation

A non-rotational model for Zhou'an Project was generated by leapfrog Edge software for grade and tonnage estimation. The estimates are based on the surface diamond drill holes available up to 31 December 2025.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Tanghe Project, at a cut-off grade of 0.25% NiEq. There are 17 million tonnes ("Mt") Measured Mineral Resource at an average grade of 0.12%Cu, 0.33% Ni, 0.21 g/t Pt and 0.17 g/t Pd; 31.3 Mt of Indicated Mineral Resources at an average grade of 0.12%Cu, 0.32%Ni, 0.17 g/t Pt and 0.14 g/t Pd; and 31.75 Mt of Inferred Mineral Resources at an average grade of 0.12% Cu, 0.33% Ni, 0.13 g/t Pt and 0.11 g/t Pd.

Details of estimated resources are shown in Table ES- 2.

Table ES- 2: Mineral Resource Statement, Zhou'an Project, Prepared by SRK Consulting China Limited, 31 December 2025[1,2,3,4]

Area	*Mineral Resource class*	Tonnage	*Average Value*				*Matel Contain*			
			Ni	Cu	Pt	Pd	Ni	Cu	Pt	Pd
		Mt	%	%	g/t	g/t	kt	kt	t	t
Mining License Area	Measured	17.00	0.33	0.12	0.21	0.17	56	21	4	3
	Indicated	31.30	0.32	0.12	0.17	0.14	100	38	5	4
	Measured + Indicated	**48.30**	**0.32**	**0.12**	**0.18**	**0.15**	**157**	**59**	**9**	**7**
	Inferred	31.75	0.33	0.12	0.13	0.11	104	39	4	3

Sources: SRK

Note:

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

2 The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang and Dr. Anshun Xu who are full time employee of SRK Consulting China Ltd. Dr. Xu is a Fellow of AusIMM. Dr. Xu have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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*. Mr. Wang and Dr. Xu consent to the reporting of this information in the form and context in which it appears.

3 Mineral Resources are reported at a cut-off grade is 0.25% NiEq = Ni + 0.38 * Cu.

Exploration Potential

Based on the available exploration data, the hanging-wall mineralized domain remains open towards the southeast and is considered to have further resource potential in that direction. The footwall mineralized domain, except for the southeastern contact area with the hanging-wall domain, is interpreted to remain open at depth in all other directions and is therefore considered to have good potential for additional resources at depth.

Ore Reserves Estimate

The Zhou'an Project is designed as a high-capacity underground operation with a production scale of 10,000 tpd (3.3 Mtpa). Extraction utilizes a mechanized dual-mining strategy: Sub-level Open Stoping (75%) and Room and Pillar (25%), both integrated with subsequent backfill to maximize resource recovery and ensure geotechnical stability. Based on an economic cut-off of 0.32% Ni equivalent and Modifying Factors (20.0% loss and 7.0% dilution), the total mineable inventory is 27.25 Mt.

The Ore Reserve statement is shown in Table ES- 3.

Table ES- 3: The Ore Reserve Statement of Zhou'an Nichel-Copper Project as of 31 December 2025

Ore-body	Ore Reserve	Tonnage	Grade				Metal Contained			
			Ni	Cu	Pt	Pd	Ni	Cu	Pt	Pd
		Mt	%	%	g/t	g/t	t	t	kg	kg
Ni_1	Proved	4.15	**0.35**	**0.13**	0.18	0.22	14,504	5,300	761	925
	Probable	2.23	0.32	0.12	0.14	0.19	7,185	2,748	316	416
	Sub-total	6.38	0.34	0.13	0.17	0.21	21,690	8,048	1,076	1,341
Ni_2	Proved	7.62	0.34	0.14	0.17	0.23	25,999	10,593	1,318	1,762
	Probable	13.25	0.35	0.14	0.17	0.21	45,772	18,095	2,293	2,813
	Sub-total	20.87	0.34	0.14	0.17	0.22	71,772	28,688	3,611	4,573
Total	Proved	11.77	0.34	0.14	0.18	0.23	40,504	15,893	2,079	2,686
	Probable	15.48	0.34	0.13	0.17	0.21	52,958	20,843	2,608	3,230
	Sub-total	27.25	0.34	0.13	0.17	0.22	93,461	36,737	4,687	5,915

Source: SRK

Notes:

[1] Number of grades was rounded to the second significant digit to reflect the uncertainties in estimate.

[2] Total may not add due to rounding discrepancies

[3] The mining dilution (waste rock and inferred Mineral Resources) rate is 20%. Mining loss rate is 7%.

[4] The Ore Reserves are included in the Mineral Resources.

[5] Mineral Resources are reported at a cut-off grade is 0.32% NiEq. NiEq = Ni + 0.38 * Cu.

[6] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Hongbo Liu, MAusIMM, who is an associate of SRK, and reviewed by Mr. Yonggang Wu, who is a full time employee of SRK Consulting China Ltd. Both Mr. Liu 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*. Mr. Wu takes the responsibility as the main Competent Person for the Ore Reserve statement, and consents to the reporting of this information in the form and context in which it appears.

[7] The reference point of Ore Reserves is set at the feed of process plant, using the 2012 version of *JORC Code*, with an effective date of 31 December 2025.

Mining Assessment

Mine Development and Capacity

The Zhou'an Project is a large-scale underground mine with a design capacity of 10,000 tpd (3.3 Mtpa). It utilizes a phased development strategy: Phase I targets upper orebodies (above -280mRL) via surface-collared shafts, while Phase II accesses deeper mineralization through blind shafts and internal declines. The project involves a 3.5-year construction period followed by 1.0-year ramp-up to full capacity, that continues for 7 years, and the production ramps down in the last year.

Mining Methodology

A mechanized dual-mining strategy with subsequent backfill is implemented to optimize recovery across varying ore thicknesses. Sublevel Open Stoping is applied to orebodies >6.0m (75% of production), while Room and Pillar is utilized for thinner zones (25%). The integrated system uses Cemented Paste Backfill (CPB) to ensure geotechnical stability, with numerical modeling predicting minimal surface subsidence of 0.30m, well within safety thresholds.

Mining Services and Operational Risks

Hydrogeological Control: The mine incorporates a multi-stage relay pumping system (peak capacity 14,150 m^3/d) and strictly enforces "probe-before-drilling" protocols and waterproof structural doors to mitigate water inrush risks.

Monitoring and Geothermal: Stability is managed via an automated 71-point stress-strain network providing real-time data. Prior to deep-level advancement, supplementary geothermal investigations are required to manage risks associated with high rock temperatures (up to 36.7° C).

Production Plan and Life of Mine (LoM)

The Life of Mine is estimated at approximately 8.5 years, comprising seven years of full-capacity production and a half year ramp-up and a year of winding-down phase. Extraction follows a top-down, phased sequence to prioritize high-grade central mineralized zones.

Processing and Metallurgy

The Tanghe Shidai Zhou'an copper–nickel deposit is nickel-dominant, with copper, cobalt, gold, silver and platinum-group metals as valuable by-products. The ore is a primary sulfide ore that is easy to be enriched by flotation, but the nickel and copper minerals are finely disseminated, and most of the precious metals occur in isomorphic form within sulfide minerals, making their mutual separation difficult. Using flotation, whether with sequential return of middlings or centralized middlings treatment, both flowsheets can produce a Cu–Ni bulk concentrate enriched in precious metals.

Two qualified research institutions—the Zhengzhou Institute of Multipurpose Utilization of Mineral Resources, Chinese Academy of Geological Sciences ("Zhengzhou Institute"), and the Beijing General Research Institute of Mining and Metallurgy ("BGRIMM")—conducted process mineralogy studies and flotation testwork on composite samples from Zhou'an deposit, respectively.

For three different composite samples, the "one-stage grinding, single-circuit flotation" flowsheet achieved nickel recoveries of 67.9%, 65.8%, and 71.1%, respectively. The sample with a 65.8% nickel recovery was further tested using a "stage grinding, stage flotation" flowsheet, which yielded a nickel recovery of 71.3%.

The design capacity of the concentrator is 3.3 Mt/a (10,000 tpd). A conventional "three-stage flowsheet of one stage closed-circuit crushing and two-stage closed-circuit grinding" is adopted. The ore is ground to 88% passing 200 mesh (88% < 74 μm). A "one rougher – three scavengers – four cleaners with sequential middlings return" flotation flowsheet is used to produce a Cu–Ni bulk concentrate containing precious metals. The design targets are shown in Table ES- 4. Due to the high nickel price, the company plans to optimize the beneficiation flowsheet by modifying the process designed by Jinjiang's *PD 2023* to a "stage grinding, stage flotation" flowsheet, thereby increasing the nickel recovery rate from the designed 64% to 71%.

Table ES- 4: Design Technical Indices of the Tanghe Shidai Zhou'an Concentrator

Item		Concentrate	Tailings	Run-of-mine
Output (tpd)		333.5	9,666.5	10,000
Output (ktpa)		110	3,190	3,300
Mass Yield (%)		3.335	96.665	100.0
Grade (%)	Ni	7.1	0.14	0.37
	Cu	3.02	0.04	0.14
	Co	0.119	0.004	0.008
	Au[1]	1.41	0.046	0.09
	Ag[1]	8.18	2.78	2.95
	Pt[1]	3.55	0.067	0.18
	Pd[1]	2.47	0.083	0.16
Recovery (%)	Ni	64	36	100.0
	Cu	72	28	100.0
	Co	50	50	100.0
	Au	51	49	100.0
	Ag	9	91	100.0
	Pt	64	36	100.0
	Pd	50	50	100.0

Note: [1] Au, Ag, Pt and Pd grades are in g/t.

Although there is no fundamental flaw in the designed flowsheet, considering that the processing plant site is located in a farmland adjacent to villages and residential areas, in order to reduce the plant footprint, minimize dust and noise pollution, and facilitate automated process control and management, SRK recommends:

- Upgrading the crushing and grinding circuit to an SABC flowsheet (primary crushing + SAG milling + ball milling + pebble crushing), with primary crushing remaining underground.
- Combining the two parallel 5,000 tpd grinding–flotation circuits into a single circuit and updating the flotation flowsheet to "one rougher – three scavengers – three cleaners with centralized middlings treatment." This will avoid the adverse impact of magnesium-rich slimes returning with the middlings on the process, and will produce a high-quality concentrate product.

- Carrying out ore comminution testwork to provide a technical basis for equipment selection and conducting detailed flotation flowsheet tests to determine the optimal middlings treatment scheme, thus providing a reliable basis for flotation flowsheet design.

Environmental and Social Impacts

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. The environmental and social risks for the Project are:

- Impact to the surface water bodies;
- Dust impact to the surrounding communities; and
- Noise impact to the surrounding communities.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Historically Capex refers to those invested into the Project that have been provided by the Company for the construction in 2015 and 2016. Jinjian's preliminary design in 2023 proposed the Capex needed for the Project, as listed in Table ES- 5.

Table ES- 5: Further Capex needed According to Usage (CNY Million)

No.	Item	Total Capex	Completed Capex	Remained Capex
I	Engineering costs			
A	Main production engineering			
1	Geological	3.58		3.58
2	Mining	594.82	244.31	350.51
3	Ore processing	210.83	1.35	209.48
4	Tailings	162.82	0.65	162.17
B	Public facilities			
1	Water supply and drainage	34.67	11.01	23.66
2	Heat supply	1.43		1.43
3	Electricity supply	32.27	1.26	31.01
4	General layout	15.62		15.62
C	Officing and living facilities	84.25	28.77	55.48
II	Others	188.09	47.94	140.15
III	Contingency	92.99		92.99
	Total	**1421.37**	**335.29**	**1086.08**

Source: *PD 2023, and Xingye*

The company provided SRK with a plan for restoring the construction of the project. It is proposed that additional work and period of about 10 months are needed for re-starting the construction of the

project. The total Capex needed for the preparation is about CNY 29.72 M. For the optimization of ore processing flowsheet, additional CNY 21 M will be needed.

After the 10 months preparation period, the remained construction period will be 2 years and 3 months. SRK assumes that the restoration of the construction will start in 2028 after the preparation period, and the production will start in the middle of 2029. The working capital needed for the expansion is CNY 60.52 M over the first two years of production. Table ES- 6 gives the investment plan for remained construction of the Zhou'an Project. SRK deems that the proposed Capex and investment plan are reasonable and attainable.

Table ES- 6: Further Investment Plan (CNY in Million)

Item	2026	2027	2028	2029	2030	2031	2037
Additional Capex	29.72						
Further Capex		450	460	197.08			
Mine closure							150
Residual value							-150
Working capital				25	35.52		-60.52
Total	**29.72**	**450**	**460**	**222.08**	**35.52**		**-60.52**

Source: *PD 2023, Xinye,* with SRK modification

Operating Costs

SRK reviewed the Opex proposed in the *PD 2023*. SRK added additional 5% as contingency, and CNY 8.43/t for the optimization of ore processing. Table ES- 7 provide details about the Opex.

Table ES- 7: Summary of the Opex Proposed by *PD 2023*, and used by SRK

Item	Mining	Ore Processing	G&A	Others	Total
Materials	30.50	20.00			50.50
Fuel and power	11.20	23.90			35.10
Salaries	17.00	5.20	2.50		24.70
Repairing	2.70	1.00			3.70
Production safety	15.00	1.60			16.60
Other manufacture fee	3.80	1.80			5.60
Environmental etc.			0.80		0.80
Other and admin fee			7.40		7.40
Accounting fee				2.80	2.80
Sales cost				3.90	3.90
Total cash Opex	**80.20**	**53.50**	**10.70**	**6.70**	**151.10**
Contingency	4.01	2.68	0.54	0.34	7.56
Optimization		8.43			
Adjusted Opex	**84.21**	**64.61**	**11.24**	**7.04**	**167.09**

Source: *PD 2023* with SRK modification

Notes:

[1] In the prospectus, salaries is deemed to be labor costs, production safety and environmental etc are deemed to be OHS expenses, accounting fee and sales cost are regarded as selling expenses, other admin fee is regarded as general & admin, other manufacture fee is regarded as R & D expenses, contingency and optimization are deemed to be others.

Economic Analysis

By using the DCF method and various economic and technical parameters, SRK has carried out the mine economics analysis of the Project. The Zhou'an Project will have NPVs in a range of CNY 297.11 M (at 10% discount rate) to CNY 603.43 M (at 6% discount rate), with a base case of CNY 434.28 M using a discount rate of 8%. The IRR is 16.67%, and the pay-back period is about 6.3 years, including the 3.5 years of construction period.

It should be emphasised that the value of gold was considered in the economic analysis, but the grades of gold were only defined by some composite samples, and no systematic sampling and assaying have been carried out yet, and that the economic analysis shows that the viability of the project is subject to changes of metal prices and Opex, i.e. once the prices decrease for about 15%, or the Opex increases for about 25%, the project will become uneconomic. Therefore, the economic analysis results should be used with caution.

Risk Assessment

SRK considered various technical aspects which may affect the future cash flow of the Zhou'an Project. SRK's final Risk Assessment is presented in the following Table ES- 8.

Table ES- 8: Risk Assessment for Tanghe Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Ore Reserves			
Underestimate of mining loss	Unlikely	Minor	Low
Underestimate of mining dilution	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Possible	Major	High
Mining			
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Underground Condition	Possible	Minor	Low
Underestimate of wall rock stability	Possible	Minor	Low
Underestimate of groundwater inflow	Unlikely	Minor	Low
Significant Production Shortfalls	Possible	Moderate	Medium
Processing Plant			
Metallurgical testwork is not sufficiently advanced to support concentrator design	Possible	Moderate	Medium
The designed processing flowsheet occupies a large area and is prone to generating dust and noise pollution	Possible	Moderate	Medium
The parallel dual grinding and flotation circuits increase plant footprint, maintenance workload, and operating costs	Possible	Moderate	Medium
Environmental and Social			
Impact to the surface water bodies	Possible	Moderate	Medium
Dust impact to the surrounding communities	Possible	Moderate	Medium

Noise impact to the surrounding communities	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Likely	Minor	Medium
Capital Cost Increases	Possible	Moderate	Low
Capital Costs- Ongoing	Unlikely	Minor	Low
Operating Cost Underestimated	Likely	Moderate	High

Sources: SRK

Recommendations

Since the Mineral Resources of the Zhou'an Project have low grades, the projection of the mine economy is only marginally economic viable, which bears high risks for the development of the project. SRK offers the following recommendations:

- SRK recommends that the company should conduct further studies on whether the project would be developed as what is planned, since the economic analysis shows that the viability of the project is subject to changes of metal prices and Opex, i.e. once the prices decrease for about 15%, or the Opex increases for about 25%, the project will become uneconomic.
- SRK recommended that in future drilling and sampling programs, the company should establish a complete chain of primary data, including: a strict core storage and management system, standardised sampling and sample dispatch procedures, a systematic QA/QC programme, and electronic database management. This will provide a fully independently verifiable dataset and gradually reduce reliance on historical data that cannot be validated.

1 Introduction and Scope of Report

SRK Consulting China Ltd. ("**SRK**") was commissioned by Xingye Silver and Tin Mining Co., Ltd.. ("**Xingye Silver-Tin**" or the "**Company**") to undertake an independent assessment of all relevant technical aspects of the Zhou'an Copper-Nickel Project ("**Zhou'an Project**" or the "**Project**") which is located in Tanghe County, Henan Province, People's Republic of China ("**P.R. China**" or "**China**"). The Zhou'an Project is operated and 100% owned by the Tanghe Shidai Mining Co., Ltd. ("**Tanghe Shidai**"), which is a 100% owned subsidiary of Xingye Siver-Tin.

It is SRK's understanding that the independent technical assessment on the Zhou'an Project is required to be included in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") suitable for inclusion in a filing with the Main Board of the Stock Exchange of Hong Kong Ltd. (the "**SEHK**" or "**Stock Exchange**"), a wholly owned subsidiary HKEx.

The Report has been prepared to report the Mineral Resources and Ore Reserves of the Project 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.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in the filing by Xingye Silver-Tin on the Stock Exchange and the HKEx. The SRK report is proposed to provide an unbiased technical assessment of the risks and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "**Valmin Code**"). The Valmin Code incorporates the *JORC Code* for the reporting of Mineral Resources and Ore Reserves and is binding upon all the Australasian Institute of Mining and Metallurgy ("**AusIMM**") members.

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the *JORC Code*. However, it should not be assumed that these Mineral Resource and Ore Reserve Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the *JORC Code*, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the *JORC Code*.

2.3 Limitations Statement

SRK is not professionally qualified to opine upon and/ or confirm that the Client has 100% ownership of its underlying tenements 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 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 Effective Date

The effective date for this CPR is deemed to be 31 March 2026 (the "**Effective Date**"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK.

2.5 Work Program

The work program for this Project consisted of:

- Review of the dataset and Mineral Resource models provided by Xingye Silver-Tin, and preparation of the data verification plan to be implemented during site inspection.
- Site visits between 31 January 2026 and 1 February 2026, and from 8 to 10 April 2026 to the Project, SRK had inspected and verified the locations of exploration boreholes, drill cores, the completed shafts and office building, and the sites of industrial facilities, i.e., the ore processing plant, ore and waste stockpiles, and tailings storage facilities ("**TSF**"), as well as water source and power supply station, the office and living areas, and other infrastructure, etc. SRK also took some verification samples.
- Review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditures ("**Capex**") and operating expenses ("**Opex**"), etc.
- Discussion with Xingye Silver-Tin and Tanghe Shidai management and technical personnel regarding various technical aspects.
- Preparation of a draft report in accordance with the *JORC Code* and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx, where the declaration date of Mineral Resources and Ore Reserves is 31 December 2025.
- Submission of the draft to Xingye Silver-Tin and related third party for comments and finalisation of the draft Report based on the feedback.

2.6 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, petroleum exploration.

Formed in 1974 in Johannesburg, South Africa, SRK Consulting now employs more than 1,800 professionals internationally in over 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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 a significant number of independent technical reports for the Chinese mining companies who have completed successfully listed and/ or acquired 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
Yanzhou Coal Ltd. (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Ltd.	2005	IPO Listing on the HKEx
Yue Da Holdings Ltd. (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd. (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Ltd.	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd.	2007	IPO Listing on the HKEx
Kiu Hung International Holding Ltd.	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Ltd.	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd.	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd.	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Ltd.	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Ltd.	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd.	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd.	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd.	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Ltd.	2010	IPO Listing on the HKEx
Citic Dameng Holdings Ltd.	2010	IPO Listing on the HKEx
China Hanking Holdings Ltd.	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Ltd.	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Ltd.	2012	IPO Listing on the HKEx
Hengshi Mining Investments Ltd.	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Ltd.	2014	IPO Listing on the HKEx
King Stone Energy Group Ltd.	2014	Acquisition of Shareholding in silver mines in Fujian, China
Agritrade International Pte Ltd.	2015	Acquisition of Shareholding in one coal mine in Indonesia

Company	Year	Nature of Transaction
China Unienergy Group Ltd.	2016	IPO Listing on the HKEx
Pizu Investment Co. Ltd.	2020	Acquisition of Shareholding in a polymetallic project in China
China Qinfa Group Ltd.	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Ltd.	2022	IPO Listing on the HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd.	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd.	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Tasks
Dr. Anson Xu	Corporate Consultant (Geology)	Project Manager, whole report, CP
Mingyan Wang	Consultant (Geology)	Geology, Mineral Resource Estimation
Yonggang Wu	Principal Consultant (Mining)	Mining and Ore Reserve Review
Hongbo Liu	Senior Consultant (Mining)	Mining engineering and ore reserve estimation
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Dr. Yuanhai Li	Principal Consultant (Environment)	Environment, Social, and Permitting
Yanchen Fossard	Project Coordinator	Project Coordination and Translation
Hui Bai	GIS Consultant	GIS and drafting
Dr. Yonglian Sun	Corporate Consultant (Project Evaluation)	Internal Peer Review and Quality Control
Alexander Thin	Corporate Consultant (Project Evaluation)	Peer Review and Quality Control

Dr. Anshun (Anson) Xu, *PhD, FAusIMM,* is a Corporate Consultant (Geology) who specialises in the exploration of mineral deposits. He has more than 30 years' experience in the exploration and development of various types of mineral deposits, including Cu-Ni sulphide deposits related to ultra-basic rocks, tungsten and tin deposits, diamond deposits, and especially deep expertise in various types of gold deposits, including vein-type, fracture-breccia zone type, alteration type, and Carlin type. He was responsible for the resource estimations of several diamond deposits and for reviews of resource estimations for several gold deposits. He recently completed for clients from both China and overseas several due diligence projects, including technical review projects, such as Canadian NI43-101 reports and HKEx IPO technical reports. Dr. Xu is the main Competent Person of the report.

Mingyan Wang, *BMgt,* is a Geological Consultant at SRK China. Prior to joining SRK in 2022, he worked at China Geological Engineering Group Corporation, where he was primarily involved in ecological restoration design and integrated land remediation projects. Since joining SRK, he has

focused on resource modeling, resource estimation, data processing, and map generation, contributing to projects involving a variety of commodities including gold, copper, cobalt, and nickel. In addition, he has served as a field geologist on multiple exploration projects, responsible for core logging, sample collection, and quality control. Mingyan is proficient in software such as GIS, ENVI, Surpac, Leapfrog, and AutoCAD. Mr. Wang assisted Dr. Xu for the Mineral Resource estimation and review on geology and exploration.

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 Mineral Resource/ Ore 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, sylvine, alum, and phosphorus among many others. Yonggang has expertise in geological and mining modelling and is proficient in using MineSight, AutoCAD, and other specialised software packages. Mr. Wu is the Competent Person for the Ore Reserves.

Hongbo Liu, *M. Sc., MAusIMM,* serves as a Senior Mining Consultant (Mining) at BAW. He earned his master's degree in mining engineering from China University of Mining and Technology (Beijing) in 2003. He holds professional qualifications including Registered Safety Engineer, and has been an active member of the Australian Institute of Mining and Metallurgy (AusIMM) since 2015, as well as a Professional Individual Member of the China Mineral Resources Reserves Association (CIPA) since 2020.Prior to joining BAW, Mr. Liu worked as a Technical Support and Project Manager at GEMCOM International Software Co. (now Geovia/Dassault Systèmes) from November 2006 to September 2011, where he focused on the domestic promotion and application of digital mining solutions. In his current role as a Senior Mining Engineer at BAW, he is responsible for mining engineering and ore reserve estimation for this engagement. With over eighteen years of experience in underground and open-pit mining, he has extensive expertise in mine operations, construction, project management, engineering design, mine development, ground control, ventilation, backfill, haulage, and technical consulting services. Mr. Liu is proficient in a range of mining software, including MineSched, Surpac, Vulcan, Whittle, MapGIS, and AutoCAD. He fully meets the requirements for a "Competent Person" as defined in the Australasian JORC Code and the HKEX Listing Rules, specifically for the estimation and reporting of mineral resources and ore reserves.

Lanliang Niu, *B.Eng, MAusIMM*, is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals projects. With SRK, he has been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

Yuanhai (Andy) Li, *PhD, 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 16 years' experience in the environmental engineering field, and has worked in various environmental projects in USA, China, and the Great Asia Area 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 has wide work experiences in compliance with internationally recognized environmental

requirements, such as Equator Principles (EP), World Bank/International Finance Corporation (WB/IFC), and U.S. Environmental Protection Agency (USEPA) legislations, etc. Furthermore, he also has extensive experience in contaminated site assessments and remedial design, wetland and landfill rehabilitation, water/wastewater treatment design, water distribution systems, and storm water management system design.

Yanchen Fossard, *master's degree in Linguistics and MBA.* Assistant for Business Development at SRK China. With 14 years of study and work experience in France, including experience at multinational corporations, she has extensive expertise in supporting and coordinating major international projects such as U.S./French presidential elections, the Beijing Winter Olympics, the Tokyo Olympics, and the G20 Summit. Since joining SRK, she has primarily assisted project managers in project coordination and business development.

Hui Bai, *BEng,* is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Dr. Yonglian Sun, *BEng, PhD, FAusIMM, FIEAust*, 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 coordinated 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 internal peer review to ensure the quality of the report meets the required standard.

Alexander (Alex) Thin, *B.Eng (Hons), FAusIMM (CP Mining)*, is a Corporate Consultant (Project Evaluation and Mining) with SRK. He is an experienced mining professional with over 30 years' experience. His strategy and leadership experience spans feasibility studies, mineral asset audits and evaluations, independent technical reports, techno-economic studies, capital raising, merger and acquisitions, managing joint ventures, local and international stock exchange compliance, business development and investor/ stakeholder relations. Alex's industry experience spans operational (underground and open pit), technical, consulting and corporate within the metalliferous resources sector, covering precious metals, base metals and bulk commodities. Alex takes the responsibility of final peer review and QA/QC of the report.

2.8 Warranties

Xingye Silver-Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver-Tin has provided SRK with an indemnity letter, 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 Xingye Silver-Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Dr. Anson Xu, a Competent Person who is a Fellow of AusIMM, Mr. Yonggang Wu, Competent Person who is a Member of the AusIMM. They are full-time employees of SRK.

This Report is a Competent Person's Report in line with the Listing Rules of the Stock Exchange and HKEX.

Dr. Anson Xu and Mr. Yonggang Wu have 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 *JORC Code*.

Dr. Anson Xu and Mr. Yonggang Wu consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Peer review and quality control of the Report were conducted by Dr. Yonglian Sun, *FAusIMM (CP*), a Corporate Consultant (Geotech & Project Evaluation), and Mr. Alexander Thin, *FAusIMM (CP Mining),* a Corporate Consultant (Mining & Project Evaluation).

2.11 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 Xingye Silver-Tin'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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver-Tin's filing, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

3 Operating Licenses and Permits

This section summarises key operational licences and permits. SRK relied on the information provided by the Client and SRK does not intend to undertake a legal due diligence review since such work is outside the scope of technical review.

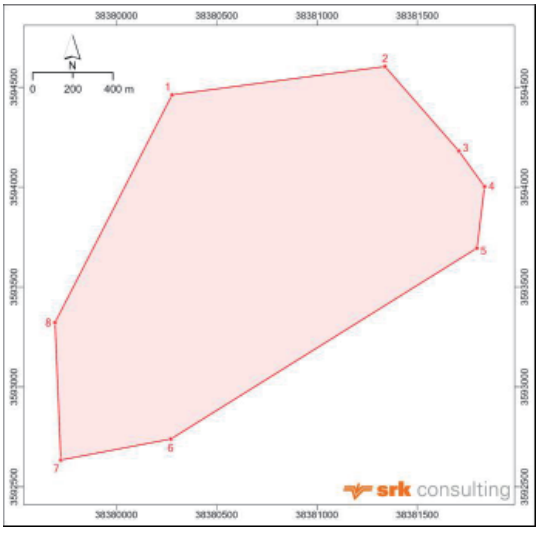
3.1 Mining Licenses and Exploration Licenses

SRK was provided a mining licence for the Project with details shown in Table 3-1, and a scanned original copy is provided in the appendix A of this report. Please note that the Company is in a process of renewing this license.

Table 3-1: Mining License

Project	Zhou'an Copper-Nickel Mine
Mining License No.	C1000002014083210135260
Issued To	Tangheshidai Mining Co., Ltd.
Issued By	Ministry of Land and Resources of the People's Republic of China
Issue Date	20 August 2014
Expiry Date	20 August 2026
Area (km²)	2.6089
Mining Type	Underground Mining
Ore Type	Nickel and Copper

Figure 3-1: Map of the Mining Licence



Sources: SRK

3.2 Other Operational Permits

This mine has been shut down since 2014 when it just finished underground mining development. Therefore, all operational licenses and permits obtained then were expired, but the Company still keeps the land use agreements.

It seems that this mine is considered to be into operation in the near future possibly in 2029, and the Company starts to apply the following key operational permits:

- Safety operational permits
- Water use permits and
- Discharge permit.

4 Regional Description

4.1 Property Location

The Zhou'an Project is located approximately 30-kilometre ("**km**") southwest ("**SW**") of Tanghe County Town, Nanyang City, Henan Province, within the township of Huyang in the southwestern part of the Tanghe County. Its geographic coordinates are 32°27′00″ – 32°28′30″ North and 112°43′00″ – 112°45′00″ East. The Project's location is shown in Figure 4-1.

Figure 4-1: Location of the Zhou'an Project



Sources: SRK

The Zhou'an Project region is quite developed area with a few cities, such as Tanghe, Dengzhou, Nanyang and Zaoyang, within one hour driving distance. Highways and railways networks are also well developed in the area. Nanyang has an airport, and both Nanyang and Dengzhou have high speed railway stations to connect other cities, including Beijing. The access to the project is quite convenient.

4.2 Local Resources and Infrastructure

The Zhou'an Project region is a developed agricultural area with a lot of villages, and crops include wheat, maize, cotton, yam, soybeans, peanuts and sesames, etc. There are about 9.5 million people in Nanyang, and more than 1 million people in Tanghe County. Human resources are abundant in the project region.

4.3 Climate

The climate in the Zhou'an Project region belongs to a monsoon climate, with the highest temperature of 41.7°C, and the lowest temperature of -19.0 °C, with an average annual temperature of 15.1 °C. The highest rainfall is 1228.7mm and the lowest rainfall is 529.5mm. The maximum daily rainfall is 246.2mm. The rainfalls concentrate in the summer, from June to September, accounting for about 60% of the annual rainfall. The annual evaporation is about 1469.2mm. The frozen period is from December to March next year, and the frozen soil layer is about 40cm. The frost-free period is 220-250 days in a year.

4.4 Physiography

The Zhou'an Project region is in the extension area of Tongbo mountainous belt, with low hills and plains and the conjunction area in between. The landscape appears high in the eastern part and low in the western part. The elevations are from 130m above sea level ("**asl**") in the eastern hilly area, to 90-130m asl in the western plain areas.

The Zhou's Project is about 11km east from Tanghe River, with a very gentle slope of 7‰ -2‰ from the hill to the river. The elevations within the Project vary from 119 to 127m asl, with an elevation difference of only 8m.

Liaoyang River, a tribute of a tribute of Tanghe River, runs by about 2km southeast of the Project with an actual measured rate of flow of 0.021m^3/sec in January, and a maximum of 12m^3/sec in flooding season. There are no other large water bodies in the project area. The base level of erosion in the area is 85m asl, i.e. the elevation of the Tanghe River valley.

5 Geological Setting and Mineralisation

5.1 Regional Geology

The project is located within the subduction zone between the Yangtze paleo-block and the North China paleo-block. The ore-bearing intrusive body belongs to a concealed ultramafic body within the southwestern Henan–southern Henan ophiolite belt, situated in the southern Asia belt of the Qinling–Dabie basic–ultrabasic rock zone, in the western segment of the Suizao Group. The ore-bearing ultramafic body is concealed beneath Cenozoic strata and was emplaced into Mesoproterozoic strata.

In the western part of the area, Quaternary and Neogene clastic sediments are widely distributed, while in the eastern part a suite of medium-grade metamorphic rocks of the Mesoproterozoic Zhujia Mountain Group and Xincheng Group is exposed.

Quaternary (Q): Widely distributed in the eastern part of the area and in valleys, and is subdivided into the Middle Pleistocene Hongshantou Formation (Q2h), the Yanzhuang Formation (Q2y), the Upper Pleistocene Juwan Formation (Q3j), and the Holocene (Q4).

The Zhujiashan Group: from bottom to top, is divided into the Daqueshan Formation (Pt2d) and the Ziyushan Formation (Pt2z).

- Daqueshan Formation (Pt2d): The lithology of the Daqueshan Formation is highly variable. In general, from top to bottom, the carbonate rocks gradually change from being dominated by calcareous components to being dominated by magnesian components, with increasing contents of diopside, tremolite, dolomite, and graphite. The clastic rocks change from being predominantly argillaceous to predominantly arenaceous. Lateral facies changes along strike are abrupt.

- Ziyushan Formation (Pt2z): Largely covered by Quaternary deposits and not continuously exposed. The main lithologies in the lower part are biotite–quartz schist and muscovite–quartz schist with minor granulite; the upper part consists of biotite–quartz schist, pebble-bearing biotite – quartz schist, muscovite–quartz schist, and biotite–garnet rock.

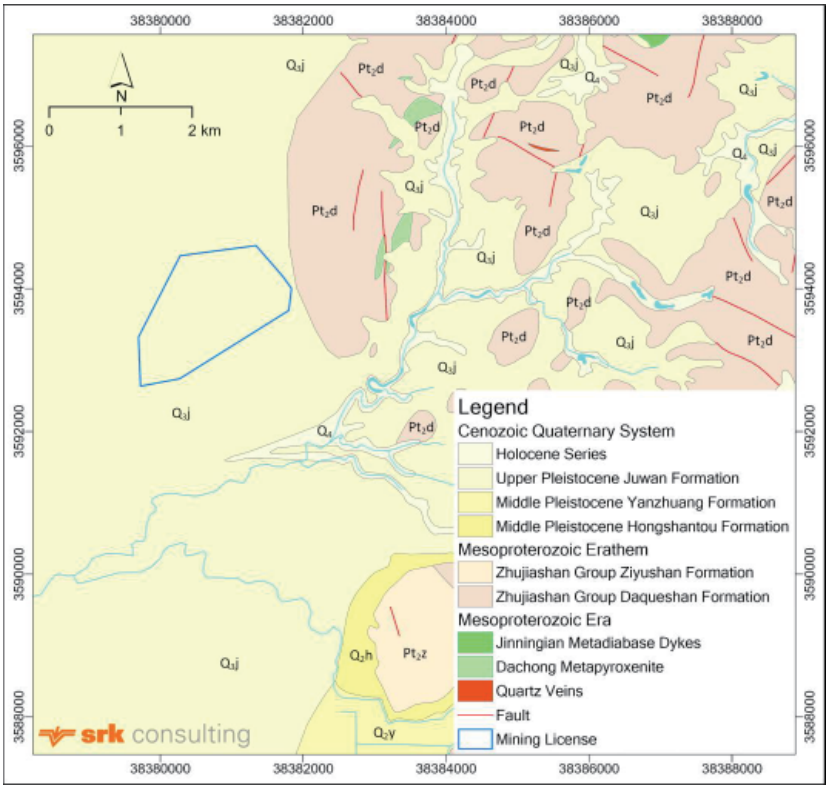
Xincheng Group: This group is divided into the Houjiazhuang Formation (Pt2h2) and the Qiugou Formation (Pt2q).

- Houjiazhuang Formation (Pt2h2): Occurs sporadically near Tongshuzhuang in the eastern part of the area. The lower part consists of biotite–plagioclase gneiss, muscovite–quartz schist, quartz–muscovite schist, muscovite–plagioclase–quartz schist and minor plagioclase–amphibole gneiss. The upper part is composed of biotite–plagioclase gneiss and plagioclase–amphibole gneiss, with thin interlayers of banded quartzite at the top.

- Qiugou Formation (Pt2q): Also occurs sporadically near Tongshuzhuang in the eastern part of the area. The lower and middle parts are composed of biotite–plagioclase gneiss, muscovite (two-mica)–plagioclase gneiss, muscovite–quartz schist, graphite-bearing dolomitic marble and carbonaceous dolomitic quartz schist, intercalated with minor carbonaceous schist and thin-bedded banded quartzite. The upper part consists of biotite–

plagioclase gneiss, muscovite–quartz schist and muscovite–plagioclase gneiss, with minor dolomitic marble and graphite-bearing dolomitic marble.

Figure 5-1: Regional Geology Setting (Modified after Tanghe Geology)



Sources: Tanghe Geology with SRK modification

5.2 Property Geology

In the western part of the project, Quaternary deposits are extensively distributed, underlain by Neogene strata, while in the eastern part a suite of Mesoproterozoic Daqueshan Formation of the Zhujia Mountain Group is exposed.

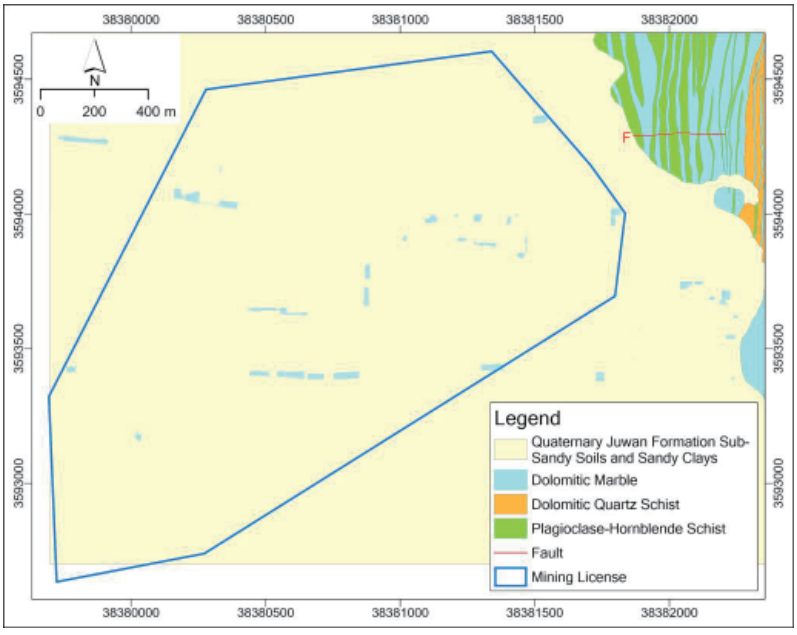
- Daqueshan Formation (Pt2d): Distributed in the northeastern part of the ore district, covering an area of about 0.4 km². The lithologies consist of (carbonaceous) muscovite–quartz schist, biotite schist, plagioclase–amphibole schist, foliated muscovite–quartzite, hypabyssal rock, banded dolomitic marble, graphite-bearing marble and marble, with local occurrences of garnet–plagioclase–amphibolite. Overall, the formation is characterized by marble-dominated sequences with interlayered marble and schist. The strata generally strike nearly north–south, with dips of 260°–290° and dip angles of 30°–42°. The rocks are pervasively altered, with particularly strong alteration in the contact zones with the ultramafic body. The

main alteration types include amphibolitization, serpentinization, chloritization, epidotization, sericitization and pyritization. Locally, mineralization is intense and can form Ni–Cu deposits.

- Neogene (N): The lithologies are mainly pebbly dolomitic limestone, dolomitic limestone, conglomerate and pebbly mudstone, and are overlain by Quaternary deposits. The depth to the basal contact ranges from 1.00 to 129.76 m, and the thickness from 0 to 93.44 m. The Neogene is buried deeper and is thicker in the western and southern parts, and shallower and thinner in the eastern and northern parts. The Neogene strata are in unconformable contact with the Daqueshan Formation.

- Quaternary Upper Pleistocene Juwan Formation (Q3j): Extensively exposed in the area. The lithologies are gravel, quicksand, sandy clay with Fe–Mn nodules, and gravelly clay. The thickness ranges from 0 to 77.52 m, being greater in the west and smaller in the east. The Quaternary deposits are in paraconformable contact with the Neogene strata.

Figure 5-2: Property Geological Setting (Modified after Tanghe Geology)



Sources: Tanghe Geology with SRK modification

Both the intrusion and the surrounding country rocks have undergone varying degrees of alteration and metamorphism. Owing to differences in the composition of the original rocks, their positions, temperature–pressure conditions, and types of metamorphism, different physicochemical environments were created, resulting in variable intensities and types of alteration and metamorphism. These can be divided into two aspects: alteration of the intrusive body and hydrothermal alteration.

- Alteration of the intrusive body: The main types include serpentinization, actinolitization, chloritization, carbonatization, and metallic mineralization.

- Alteration of the country rocks: This occurs mainly within a 3–6 m outer contact zone at the intrusion–country rock interface, where rocks are altered to varying, and uneven, degrees. The dominant alteration types are chloritization (talcification) and actinolitization (hornfelsization). Locally, metallic mineralization such as pyritization, nickeline–pyrite (nickeliferous pyrite) mineralization, chalcopyritization, and magnetitization is also observed. Metallic minerals infiltrate along the foliation of the rocks, forming streaky and banded textures and developing into vein-type orebodies.

5.3 Mineralised Zones

Cu–Ni mineralization is mainly concentrated within the alteration shell developed along the inner contact zone of the intrusion. Local mineralization also occurs in the hanging-wall and footwall country rocks at the top and bottom of the intrusion, as well as at the internal contact between the clinopyroxene–orthopyroxene peridotite and lherzolite facies within the body. SRK has constructed three mineralized domains, among which Domain1 and Domain2 are the principal ones.

The Domain1 occurs in the altered zone at the top of the intrusion and constitutes the "upper ore zone." It is 1,600 m long and 300–1,300 m wide, with greatly variable thickness and a gentle attitude; grade variations are broadly consistent with thickness variations.

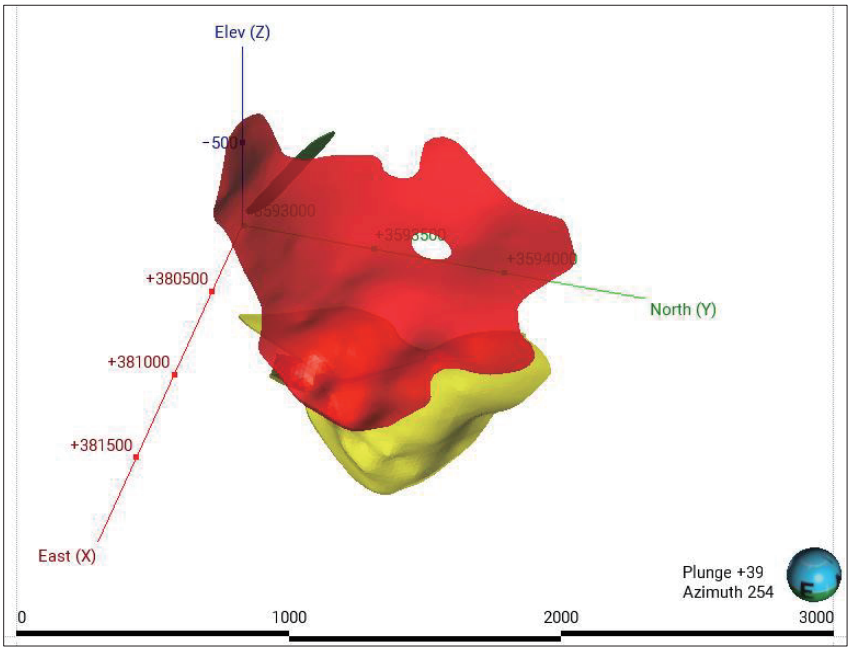
The Domain2 occurs in the altered zone at the bottom of the intrusion and constitutes the "lower ore zone." It is 1,300 m long and 350–1,000 m wide, with a relatively steep attitude and large thickness variations; grade variations are generally consistent with the thickness variations.

The attitudes of the Domain1 and Domain2 mineralization zones are consistent with those of the upper and lower contacts of the intrusion, respectively.

The Domain3 mineralization zone is hosted in an internal alteration zone within the intrusion.

All ore(-bearing) layers show gradational transitions into the surrounding rocks, with no sharp boundaries.

Figure 5-3: Mineralised Zone in Property Area Interpreted by SRK (Red: Domain1; Yellow: Domain2; Green: Domain3)



Sources: SRK

5.4 Mineralogy

More than 30 minerals have been identified in the ore, with metallic minerals dominated by sulfides, followed by metal oxides. The total content of metallic minerals is generally 4–7%, locally over 10%, and in some cases up to 22%. Metal sulfides are generally 3–5%, locally 5–10%. The main sulfides are pyrrhotite and pentlandite, followed by chalcopyrite, cubanite, pyrite, mackinawite, and minor millerite, colloform pyrite, bornite, covellite, galena, cobaltite, etc.

Metal oxides are generally 2–3%, locally up to 10%. The principal oxides include magnetite, chromite (chrome spinel), ilmenite, limonite, maghemite (γ-Fe_2O_3), rutile, etc., among which chromite is relatively stable, with a content of about 1–2%.

Pyrrhotite is one of the main metallic sulfides in the ore; its content is generally 2–3%, locally 5–7%, and in some cases up to 15%. It mainly occurs as anhedral granular aggregates disseminated in the gangue. The grain size of pyrrhotite is generally 0.05–1 mm, with a small amount of very fine grains of 10–30 μm. Pyrrhotite commonly forms intergrowths with pentlandite; the contact boundary between the two is mostly irregular or gently embayed. Fine-grained chalcopyrite can be observed enclosed within pyrrhotite. Chalcopyrite and magnetite also commonly occur along the margins of pyrrhotite grains or in the interstices between them, with relatively smooth contact boundaries.

Pentlandite is one of the most abundant metallic minerals in the ore and the principal Ni-bearing mineral. Its content is about 1.5–2% (including a small amount of pyrite).

According to ore assemblage analyses, the main beneficial elements in the ore are: Ni, Cu, Co, Pt, Pd, Os, Ir, Ru, Rh, Cr_2O_3 and S (11 in total). Their contents are as follows:

- Ni: generally 0.3–0.5%, locally 0.74–0.84%;
- Cu: generally 0.2–0.3%, locally up to 0.78%;
- Co: generally 0.01–0.016%, locally 0.08%;
- Pt: 0.15–0.55 g/t;
- Pd: 0.15–0.45 g/t;
- Os: 0.012–0.034 g/t;
- Ru: 0.014–0.054 g/t;
- Rh: 0.008–0.027 g/t;
- Ir: 0.015–0.038 g/t;
- Cr_2O_3: 0.41–0.56%;
- S: 0.14–1.97%.

Harmful elements in the ore include:

- P: 0.002–0.022%;
- As: 0.0002–0.0003%.

5.5 Deposit Types

The deposits are deeply buried and consists of primary ore. Industrially, the ore type is nickel (platinum–palladium) sulfide ore hosted in ultramafic rocks. Metallic minerals are dominated by sulfides, which generally occur as fine disseminations and patchy disseminations; locally they appear as thin veinlets between gangue minerals. In terms of natural ore type, it is classified as disseminated ore.

The ore grade is relatively low. The principal commodity, nickel, generally grades 0.2–0.4%, corresponding to a low-grade ore class.

The deposits is located at the top and bottom of the ultramafic intrusion. In the upper mineralised zone (K1), the hanging wall consists mainly of Mesoproterozoic strata with lithologies of biotite–quartz schist, two-mica quartz schist and granulite, with a minor proportion of altered lherzolite; the footwall is altered lherzolite. In the lower mineralised zone (K2), the hanging wall is altered lherzolite

and the footwall is Mesoproterozoic strata. Hanging- and footwall rocks are pervasively altered, commonly showing actinolitization, serpentinization and pyritization. From the mineralised zone outward into the country rock, the intensity of alteration gradually decreases. There is no sharp boundary between the deposits and wall rocks; the contact is gradational.

Internal waste rock is common within the deposits, mainly in the western part of the deposit, with thicknesses ranging from 2.0 to 20 m. The main lithologies are mineralized clinopyroxene–orthopyroxenite, serpentinite, actinolite rock, etc. Nickel contents are generally 0.10–0.19%, and there is no clear boundary with the mineralised zone, the contact being transitional.

6 Exploration

6.1 Exploration History

Multiple exploration campaigns were conducted between 1960 to 2007.

From 1960 to 1961, the Henan Petroleum Team and the Hydrogeological Team respectively compiled 1:200,000 regional geological maps and Quaternary geological maps in the area.

In 1977, the field practice team of Zhengzhou Geological School and Henan No. 12 Geological Party carried out 1:50,000 phosphate reconnaissance in the eastern part of the area and prepared 1:25,000 geological sketch maps. In the same year, the Airborne Survey Team of the Henan Geological Bureau conducted a 1:50,000 aeromagnetic survey in the Nanyang area, discovering anomalies Yu C-77-38, 39, 40, 41 and 42, and recommended that anomaly Yu C-77-39 be drilled first for verification.

From 1978 to 1981, Henan No. 12 Geological Party conducted 1:10,000 ground magnetic surveys over aeromagnetic anomalies Yu C-77-38, 39 and 40, followed by verification drilling, and confirmed that anomaly Yu C-77-39 was caused by a platinum- and nickel-bearing ultramafic body.

From 1990 to 1992, the Fourth Geological Survey Team of the Henan Provincial Department of Geology and Mineral Resources carried out regional geological mapping of the Xinji and Qiyi sheets in the eastern part of the area, and reclassified the stratigraphy using new theories and methods.

From 2004 to 2005, the First Geological Exploration Institute of the Henan Bureau of Geology and Mineral Exploration and Development conducted 1:2,000 topographic and geological mapping, 1:10,000 hydrogeological surveys, hydrogeological observations of wells and springs, simplified hydrogeological observations in drillholes, 1:2,000 exploration line profile surveys, core drilling, sampling and testing of various sample types, special-purpose hydrogeological drilling, geophysical borehole logging, radiometric γ-logging, mechanical testing, preliminary beneficiation tests, and a prefeasibility study.

From January to June 2007, the First Geological Exploration Institute of the Henan Bureau of Geology and Mineral Exploration and Development drilled five dedicated hydrogeological boreholes around the intrusion in the mining area, with a total drilling advance of 606.55 m, and four engineering-geological boreholes, with a total drilling advance of 1,694.79 m.

From July to December 2007, the same institute carried out geological exploration between Lines 12 and 40 within the mining area, designing and completing 27 core geological boreholes and one dedicated hydrogeological borehole, for a total drilling advance of 21,724.06 m.

Table 6-1: Geological Work Completed in the Zhou'an Project as of December 2007

Item	Unit	Total	Remarks
Regional traverse geological survey	km²	162	
Hydrogeological traverse survey	km²	70	
1:2,000 geological mapping	km²	5.4	

1:2,000 topographic survey	km²	9.5	
Engineering survey	point	74	
1:10,000 regional hydrogeological survey	point	22	
Hydrogeological observation of springs, wells and boreholes	no.	79	
Geological logging of boreholes	m	48,438.30	
Hydrogeological & engineering geological logging	m	41,759.74	
1:2,000 exploration line profile survey	km	22.75	
Gamma-ray measurement on drill core	m	3,000	
Pumping tests	hole	9	
Borehole geophysics – three-component magnetometry	m	3,613	12 holes
Borehole geophysics – electrical logging	m	6,450	
Borehole geophysics – temperature, resistivity, SP	m	826.55	1 hole
Core drilling	m	60,315.94	
Specialized hydrogeological drilling	m	1,665.72	
Geotechnical (engineering geological) drilling	m	1,694.79	Reconnaissance: 24 holes; detailed: 44 holes; prospecting: 37 holes. Total drilling: 63,931.75 m
Through-hole inspection drilling	m	200.3	
Drilling of hydrogeological observation holes	m	55	
Cu, Ni routine analysis samples	sample	1,941	
Pt, Pd analysis samples	sample	1,003	
Spectrographic analysis samples	sample	313	
Ni phase analysis samples	sample	31	
Silicate rock analysis samples	sample	116	
Complete chemical analysis samples (ore)	sample	13	
Water-chemistry subsamples	sample	74	
Specific gravity (bulk density) determination samples	sample	79	
Ore identification – polished sections	sample	28	
Rock/ore thin sections	sample	657	
Hand-concentrated heavy mineral samples (simple)	sample	16	
Palynological samples	sample	6	
Composite analysis samples	sample	250	
External check analysis samples	sample	128	
Mechanical test samples	sample	20	
REE content determination samples	sample	19	
Isotopic age samples	sample	8	
Samples for material-composition study	sample	50	
Samples for preliminary beneficiation testing	sample	3	Domain1: 1 sample; Domain2: 2 samples
Samples for beneficiation process study	sample	1	Domain1

Sources: Tanghe Geology with SRK modification

6.2 Drilling Exploration

The deposit in the project is concealed, and all exploration work has been carried out by diamond drill. A Topcon total station was used for drillhole surface positioning, and upon completion each collar was re-surveyed with the total station and marked with a concrete monument.

The initial hole diameter was 91 mm, reduced to 75 mm after casing, giving a core diameter of 49 mm. In some holes, due to increasing depth and highly fractured rock preventing further drilling, the hole diameter was reduced to 60 mm, with a core diameter of 39 mm.

Downhole deviation was measured every 100 m, as well as at mineralized intervals and at end of hole, using a Baoliangkefo inclinometer.

Across the entire deposit, the average rock/ore core recovery is 83%, with ore core recovery generally greater than 90%. In the ultramafic intrusion and Mesoproterozoic strata, the rocks are relatively competent and recoveries are high, exceeding 95%. However, in some holes the core recovery in Quaternary and Neogene strata is low, only 20–40%.

6.2.1 Drilling Pattern and Density

The mineralised zone was defined by exploration lines being perpendicular to the mineralisation strike. The exploration lines are oriented north-east ("NE") 57° over the entire Project area, with interval of 200 m.

So far, most diamond drillholes were preferentially arranged along the exploration line, where most drillholes were implemented on a grid of 100 – 200 m (along the strike) by 80 – 160 m (down the dip).

6.2.2 SRK's Comments

SRK did not physically inspect the drilling procedures; however, the field inspection and data review conducted by SRK indicate that the exploration lines in the Project are generally reasonable.

In SRK's opinion, the documented procedures and primary data may still be, in general, acceptable by Chinese industry practice, and SRK has therefore assumed that no significantly material biases have been introduced.

SRK concludes that sampling working's data acquisition procedures and thus the data so collected are basically acceptable for the purposes of Mineral Resource estimation in this Report.

6.3 Sampling, Sample Preparation and Analyses

6.3.1 Sample Preparation and Analyses

All samples were taken from drillholes. A mechanical core splitter was used to divide the core evenly into two halves, with one half taken as the sample. Sampling was carried out separately according

to deposit type, characteristics of mineralization and alteration, and mineralization intensity. Sample lengths are generally 1.20–1.50 m, with a maximum of 2.00 m.

The sample preparation procedures are summarised as follows:

- Any wet sample must be dried before crushing or pulverising.
- All samples were crushed into size of not more than 2mm in diameter by jaw crusher.
- All materials without allowed splitting were pulverised by ring mill until more than 95% materials would pass through the 200 mesh, which were then allowed for splitting by riffle splitter for assaying.
- Each machine, sample pan, and work area were cleaned using compressed air between sample runs.

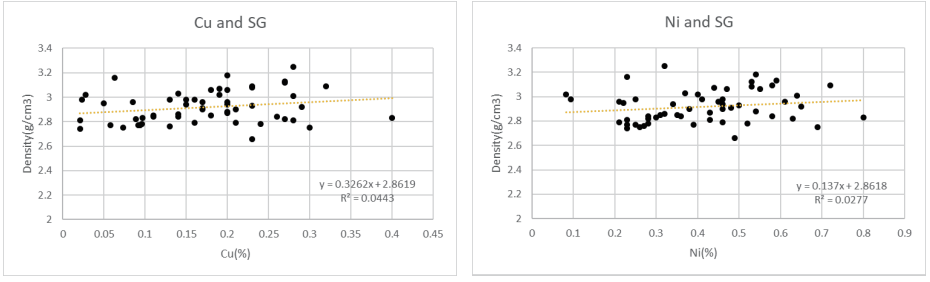
The sample testing was conducted by the Xi'an Comprehensive Rock and Mineral Testing Center of the Ministry of Land and Resources and the Nanyang Geological Testing and Research Center of the First Geological Exploration Institute of the Henan Bureau of Geology and Mineral Exploration and Development.

The analytes were Cu and Ni, and the test method was atomic absorption spectrometry (AAS).

6.3.2 Specific Gravity Samples

A total of 70 SG samples were provided by the client with an average of 2.93 g/cm^3, Assay grade results are available for 56 SG samples. As shown in Figure 6-1, SG value has a weak positive correlation coefficient with Cu and Ni grade, indicating that SG value has not significant impacts caused by Cu and Ni grade. As such, SRK used the average SG value of 2.93 g/cm^3 as dried bulk density data for converting volumes into tonnages.

Figure 6-1: Correlation between SG Value and Grade (%)



Sources: SRK

6.4 Quality Assurance and Quality Control Programs ("QAQC")

6.4.1 QAQC on Drilling

In principle, all drill-holes in the exploration programs were designed to be located on the exploration lines and surveyed with a total station and marked with concrete posts. The opening diameter of the hole is 91mm, and then is 75mm. Core size is 49mm in diameter. Downhole survey was conducted every 100m, with errors less than 1 degree, and the maximum error allowed for a drill hole is 5 degrees. Depth verification survey was also conducted together with downhole survey and at the end of a hole. The allowed error of depth is less than 1/1000.

The recovery of all holes was greater than 95%, with some lower recovery in overburden.

6.4.2 QAQC on Assaying

All samples of the project were from drilling cores. The samples were taken by splitting the cores into two halves, with one half as samples, and other half for storage. The length of the samples ranges from 1.20 to 1.50 m, maximum of 2.00m, which was determined by site geologists according to mineralisation.

All samples were assayed in Xi'an Testing and Assaying Centre of the Ministry of Land and Resources, and Nanyang Assaying Centre of No. 1 Geological Exploration Institute of Henan Bureau of Exploration and Development of Mineral Resources. The assaying items were Ni, and Cu. Some internal checking samples were used for QAQC. Table 6-2 gives details about the internal checking results.

Table 6-2: Internal Checking Results for QAQC of the Basic Assaying

Stage	Item	Sample #	Checking Sample #	%	Passed Sample #	Passing Rate
Detailed Prospect	Ni	1081	327	30.25	325	99.64
	Cu	1081	322	29.79	320	99.56
Exploration	Ni	860	232	26.05	221	95.26
	Cu	860	232	26.98	230	99.14
Total	**Ni**	**1941**	**559**	**28.8**	**546**	**97.67**
	Cu	**1941**	**554**	**28.13**	**550**	**99.28**

Sources: No. 1 Henan Institute 2008

Some external checking samples were also used for QAQC. The external checking samples were assayed either in Xi'an Centre or Zhengzhou Institute of Comprehensive Utilisation of Mineral Resources, China Academy of Science. Table 6-3 gives details about the external checking results.

Table 6-3: External Checking Results for QAQC of the Basic Assaying

Stage	Item	Sample #	Checking Sample #	%	Passed Sample #	Passing Rate
Detailed Prospect	Ni	1081	66	6.1	53	80.3
Exploration	Ni	860	50	5.81	45	90
Total	**Ni**	**1941**	**116**	**5.98**	**98**	**84.48**

6.5 Data Verification

6.5.1 Verifications by SRK

In the early drilling programs of this project, most of the core from the historical drillholes was either badly lost or severely weathered and broken due to poor storage conditions, and can no longer meet the requirements for resampling and verification. Zijin Mining drilled three holes in the area, for which the core is generally well preserved; however, the assay results were not provided to Tanghe Shidai.

SRK collected approximately half of the remaining core from Zijin's three drillholes as verification samples and submitted them to SGS Tianjin for analysis. The analytical results indicate average grades of 0.28 % Ni, 0.09 % Cu, 0.08 g/t Pd and 0.12 g/t Pt (Table 6-4). SRK considers that these assay results can only serve as independent basic data for understanding the mineralisation grades and cannot be used to evaluate or quantify any systematic bias in the original assay data set.

Table 6-4: Verification results by SRK

Hole ID	From	To	Sample ID	Length	Cu(%)	Ni(%)	Pd(g/t)	Pt(g/t)
ZK1204	366.23	367.69	H01	1.46	0.003	0.004	0.001	0.004
ZK1204	367.69	369.69	H02	2.00	0.005	0.007	0.003	0.002
ZK1204	369.69	372.39	H03	2.70	0.008	0.028	0.004	0.007
ZK1204	372.39	373.73	H04	1.34	0.007	0.029	0.001	0.003
ZK1204	373.73	376.22	H05	2.49	0.003	0.005	0.002	0.003
ZK1204	376.22	377.81	H06	1.59	0.004	0.006	0.001	0.001
ZK1204	377.81	379.47	H07	1.66	0.007	0.009	0.001	0.004
ZK1204	379.47	381.23	H08	1.76	0.005	0.018	0.003	0.005
ZK1204	381.23	382.71	H09	1.48	0.032	0.059	0.024	0.044
ZK1204	382.71	384.27	H10	1.56	0.011	0.030	0.002	0.004
ZK1204	384.27	385.67	H11	1.40	0.019	0.026	0.007	0.028
ZK1204	385.67	387.67	H12	2.00	0.046	0.115	0.024	0.065
ZK1204	387.67	389.67	H13	2.00	0.034	0.135	0.031	0.055
ZK1204	389.67	391.71	H14	2.04	0.077	0.236	0.077	0.146
ZK1204	391.71	394.57	H15	2.86	0.125	0.323	0.147	0.221
ZK1204	394.57	396.67	H16	2.10	0.139	0.312	0.138	0.213
ZK1204	396.67	398.63	H17	1.96	0.240	0.442	0.265	0.381

ZK1204	398.63	400.59	H18	1.96	0.211	0.454	0.223	0.332
ZK1204	400.59	402.49	H19	1.90	0.370	0.669	0.236	0.368
ZK1204	402.49	404.49	H20	2.00	0.061	0.315	0.049	0.096
ZK1204	404.49	406.51	H21	2.02	0.196	0.494	0.129	0.212
ZK1204	406.51	408.64	H22	2.13	0.166	0.459	0.263	0.386
ZK1204	408.64	410.61	H23	1.97	0.033	0.219	0.065	0.131
ZK1204	410.61	412.71	H24	2.10	0.011	0.122	0.003	0.007
ZK1204	412.71	414.67	H25	1.96	0.003	0.193	0.003	0.011
ZK1204	414.67	416.63	H26	1.96	0.005	0.179	0.002	0.010
ZK1204	416.63	418.57	H27	1.94	0.006	0.187	0.007	0.009
ZK1204	418.57	420.27	H28	1.70	0.007	0.182	0.004	0.014
ZK1204	659.84	661.21	H29	1.37	0.006	0.222	0.002	0.010
ZK1204	661.21	662.76	H30	1.55	0.005	0.217	0.002	0.011
ZK1204	833.53	835.13	H31	1.60	0.007	0.085	0.001	0.006
ZK1204	835.13	836.73	H32	1.60	0.004	0.200	0.008	0.025
ZK1204	836.73	838.33	H33	1.60	0.003	0.206	0.008	0.013
ZK1204	838.33	840.03	H34	1.70	0.006	0.197	0.003	0.014
ZK1204	840.03	842.1	H35	2.07	0.004	0.201	0.009	0.016
ZK1204	842.1	843.7	H36	1.60	0.004	0.196	0.002	0.013
ZK1204	843.7	845.3	H37	1.60	0.005	0.181	0.002	0.009
ZK1204	845.3	846.9	H38	1.60	0.004	0.205	0.002	0.013
ZK1204	846.9	848.5	H39	1.60	0.003	0.202	0.005	0.011
ZK1204	848.5	851.1	H40	2.60	0.004	0.209	0.004	0.015
ZK1204	851.1	853.7	H41	2.60	0.004	0.201	0.001	0.008
ZK1204	853.7	855.3	H42	1.60	0.006	0.190	0.008	0.013
ZK1204	855.3	856.9	H43	1.60	0.004	0.190	0.007	0.013
ZK1204	856.9	858.5	H44	1.60	0.002	0.187	0.007	0.018
ZK1204	858.5	860.1	H45	1.60	0.000	0.185	0.004	0.013
ZK1204	860.1	861.7	H46	1.60	0.001	0.192	0.007	0.007
ZK1204	861.7	863.3	H47	1.60	0.071	0.326	0.089	0.121
ZK1204	871.83	873.43	H48	1.60	0.023	0.143	0.010	0.013
ZK1204	873.43	875.03	H49	1.60	0.016	0.155	0.013	0.018
ZK1204	875.03	876.63	H50	1.60	0.054	0.212	0.060	0.067
ZK1204	876.63	878.23	H51	1.60	0.142	0.255	0.139	0.146
ZK1204	878.23	879.83	H52	1.60	0.082	0.243	0.177	0.158
ZK1204	879.83	881.43	H53	1.60	0.010	0.113	0.004	0.007
ZK3602	388	389.52	J01	1.52	0.082	0.302	0.141	0.199
ZK3602	389.52	391.33	J02	1.81	0.108	0.361	0.218	0.246
ZK3602	391.33	392.83	J03	1.50	0.157	0.374	0.217	0.250
ZK3602	392.83	394.33	J04	1.50	0.178	0.371	0.215	0.293
ZK3602	394.33	395.83	J05	1.50	0.186	0.404	0.196	0.252
ZK3602	395.83	397.19	J06	1.36	0.100	0.264	0.130	0.147
ZK3602	397.19	398.59	J07	1.40	0.279	0.571	0.354	0.447
ZK3602	398.59	400.19	J08	1.60	0.373	0.783	0.466	0.601
ZK3602	400.19	401.99	J09	1.80	0.431	0.933	0.492	0.629

ZK3602	401.99	403.2	J10	1.21	0.369	0.810	0.449	0.581
ZK3602	403.2	405.5	J11	2.30	0.339	0.666	0.301	0.403
ZK3602	405.5	407.61	J12	2.11	0.272	0.655	0.311	0.421
ZK3602	407.61	409.21	J13	1.60	0.326	0.731	0.197	0.310
ZK3602	409.21	410.71	J14	1.50	0.161	0.489	0.122	0.197
ZK3602	410.71	412.22	J15	1.51	0.005	0.194	0.011	0.018
ZK3602	412.22	413.82	J16	1.60	0.002	0.193	0.005	0.010
ZK3602	413.82	415.23	J17	1.41	0.003	0.137	0.006	0.009
ZK3602	728.75	730.26	J18	1.51	0.004	0.198	0.003	0.009
ZK3602	730.26	731.8	J19	1.54	0.005	0.189	0.008	0.017
ZK3602	731.8	733.12	J20	1.32	0.006	0.199	0.011	0.017
ZK3602	733.12	734.52	J21	1.40	0.006	0.199	0.016	0.019
ZK3602	734.52	735.97	J22	1.45	0.006	0.196	0.013	0.018
ZK3602	735.97	737.47	J23	1.50	0.007	0.197	0.016	0.023
ZK3602	737.47	739.07	J24	1.60	0.007	0.192	0.011	0.018
ZK3602	739.07	740.57	J25	1.50	0.006	0.188	0.009	0.013
ZK3602	740.57	742.17	J26	1.60	0.005	0.188	0.006	0.009
ZK3602	742.17	743.67	J27	1.50	0.006	0.195	0.011	0.014
ZK3602	743.67	745.17	J28	1.50	0.006	0.185	0.012	0.019
ZK3602	745.17	746.67	J29	1.50	0.008	0.193	0.017	0.022
ZK3602	746.67	748.2	J30	1.53	0.009	0.209	0.011	0.021
ZK3602	748.2	749.53	J31	1.33	0.031	0.242	0.027	0.040
ZK3602	749.53	751	J32	1.47	0.053	0.269	0.039	0.077
ZK3602	751	752.45	J33	1.45	0.145	0.412	0.147	0.240
ZK3602	752.45	754.01	J34	1.56	0.085	0.323	0.088	0.153
ZK3602	754.01	755.51	J35	1.50	0.132	0.381	0.132	0.234
ZK3602	755.51	757.11	J36	1.60	0.095	0.278	0.090	0.146
ZK3602	757.11	758.35	J37	1.24	0.085	0.250	0.079	0.136
ZK3602	758.35	759.87	J38	1.52	0.095	0.281	0.078	0.157
ZK3602	759.87	761.47	J39	1.60	0.057	0.231	0.031	0.073
ZK3602	761.47	762.95	J40	1.48	0.093	0.284	0.081	0.128
ZK3602	762.95	764.45	J41	1.50	0.167	0.392	0.125	0.245
ZK3602	764.45	765.94	J42	1.49	0.255	0.517	0.159	0.282
ZK3602	765.94	767.47	J43	1.53	0.277	0.583	0.175	0.291
ZK3602	767.47	768.97	J44	1.50	0.062	0.141	0.016	0.028
ZK3602	768.97	770.37	J45	1.40	0.013	0.113	0.006	0.012
ZK3602	770.37	771.47	J46	1.10	0.003	0.207	0.029	0.043
ZK3602	778.95	779.95	J47	1.00	0.299	0.642	0.302	0.537
ZK3602	779.95	781.5	J48	1.55	0.331	0.730	0.316	0.537
ZK3602	785	786.51	J49	1.51	0.737	0.503	0.296	0.494
ZK3602	786.51	788.01	J50	1.50	0.365	0.953	0.471	0.647
ZK3602	788.01	789.51	J51	1.50	0.231	0.341	0.095	0.030
ZK2001	355.24	356.74	K01	1.50	0.009	0.178	0.005	0.011
ZK2001	356.74	358.28	K02	1.54	0.005	0.179	0.006	0.012
ZK2001	358.28	359.78	K03	1.50	0.005	0.171	0.003	0.011

ZK2001	359.78	361.35	K04	1.57	0.005	0.172	0.002	0.020
ZK2001	361.35	363.02	K05	1.67	0.005	0.176	0.002	0.008
ZK2001	363.02	364.39	K06	1.37	0.001	0.178	0.002	0.007
ZK2001	364.39	365.99	K07	1.60	0.003	0.179	0.001	0.010
ZK2001	365.99	367.46	K08	1.47	0.002	0.180	0.006	0.011
ZK2001	367.46	369.36	K09	1.90	0.003	0.169	0.002	0.006
ZK2001	369.36	370.51	K10	1.15	0.002	0.186	0.001	0.007
ZK2001	777.87	779.37	K11	1.50	0.252	0.591	0.215	0.368
ZK2001	779.37	780.93	K12	1.56	0.228	0.527	0.173	0.299
ZK2001	780.93	782.43	K13	1.50	0.201	0.497	0.157	0.286
ZK2001	782.43	783.99	K14	1.56	0.171	0.457	0.111	0.194
ZK2001	831.72	833.31	K15	1.59	0.053	0.221	0.045	0.070
ZK2001	833.31	834.78	K16	1.47	0.282	0.616	0.086	0.144

6.5.2 Site Inspection and Data Audit on Exploration Database

To verify the geological, mining, beneficiation and environmental technical information for the Zhou'an Project, SRK organised a multi-disciplinary team of specialists in geology, mining, mineral processing and environment, and conducted site visits from 30 January to 1 February 2026 and from 8 to 10 April 2026.

During the site visits, the SRK team held interviews and technical discussions with the project owner and technical staff regarding exploration programmes, geological understanding, resource estimation methods, development concepts and environmental management. The team inspected the drill core storage facilities and core preservation, visited the mine shaft and other key engineering installations, and reviewed site infrastructure such as access and power supply. SRK also carried out necessary observations and documentation of the surrounding environmental conditions.

Figure 6-2: Core Storage and Shaft Conditions of Zhou'an Project







The primary database provided by client include database (collar, assay, survey, density，litho in CSV format), an exploration report, all relevant analytical data, geological maps, mineralisation maps, and interpreted maps etc. SRK has reviewed the data received.

- Confirm the coordinate system used for each data type and ensure a unified coordinate and elevation system is applied.
- Check drillhole locations on geological maps and sections: Confirm all drillholes lie within the mining area. Verify that collar surface lithologies broadly match the geological map. Ensure projected drillhole positions on sections are reasonable.
- Check the representativity of density (specific gravity) data: Analyse the spatial distribution of density samples in plan and with depth.
- Data-table checks: Collar table: Verify the uniqueness of hole IDs and the reasonableness of end-of-hole (EOH) depths. Survey table: Check that survey depths are in ascending order, and that azimuths and dips fall within reasonable ranges. Assay table: Ensure From/To intervals do not overlap, are not reversed, and do not exceed EOH; check that sample lengths fall within the designed range, and clearly flag unsampled intervals. Lithology table: Confirm lithological intervals are continuous, with no overlaps and no gaps at key depths, and that lithology codes follow a consistent coding scheme.
- Hole ID consistency: Ensure that all hole IDs appearing in the survey, assay and lithology tables are present in the collar table, and that there are no "orphan" holes.
- Depth consistency: For each hole, the maximum depths in the assay, lithology and survey tables must not exceed the EOH depth recorded in the collar table; any exceedances must be checked and corrected.

6.5.3 SRK's Comments

It is recommended that in future drilling and sampling programs the company should establish a complete chain of primary data, including: a strict core storage and management system, standardised sampling and sample dispatch procedures, a systematic QA/QC programme, and electronic database management. This will provide a fully independently verifiable dataset and gradually reduce reliance on historical data that cannot be validated.

7 Mineral Resource Estimates

7.1 Introduction

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global copper and nickel Mineral Resources found in the Project at the current level of sampling. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserves.

The estimates are based on drilling information available up to December 2025. With respect to drilling sample information available for the 30 December 2025 Mineral Resource estimates, SRK believes the current drilling sampling information is sufficiently reliable to interpret with confidence the mineralisation domains for the deposit and that the assay data is reliable to support Mineral Resource estimation.

Under SRK's guidance, the client constructed the deposit solids and submitted them to SRK for review. Leapfrog Edge 2025.3.1 ("Leapfrog Edge") software was used by SRK to prepare assay data for geostatistical analysis, established the block model, estimate metal grades, and tabulate the Mineral Resources.

In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of the global Mineral Resources defined for the Project at the current level of exploration. The Mineral Resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Ore Reserves Best Practices" guidelines and are reported in accordance with the *JORC Code* (2012 Edition).

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into an Ore Reserve without a minimum of a preliminary feasibility study ("PFS") of the Project.

7.2 Mineral Resource Estimation Procedures

The Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification
- Construction of wireframe models for the boundaries of the copper and nickel mineralisation
- Definition of Mineral Resource domains
- Data conditioning (compositing and capping) for geostatistical analysis
- Block modelling and grade interpolation
- Mineral Resource classification and validation
- Selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource Statement

7.3 Mineral Resource Database

The primary database provided by client include database (collar, assay, survey, density，litho in CSV format), an exploration report, all relevant analytical data, geological maps, mineralisation maps, and interpreted maps etc. SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by client was acceptable for using in a Mineral Resource estimate.

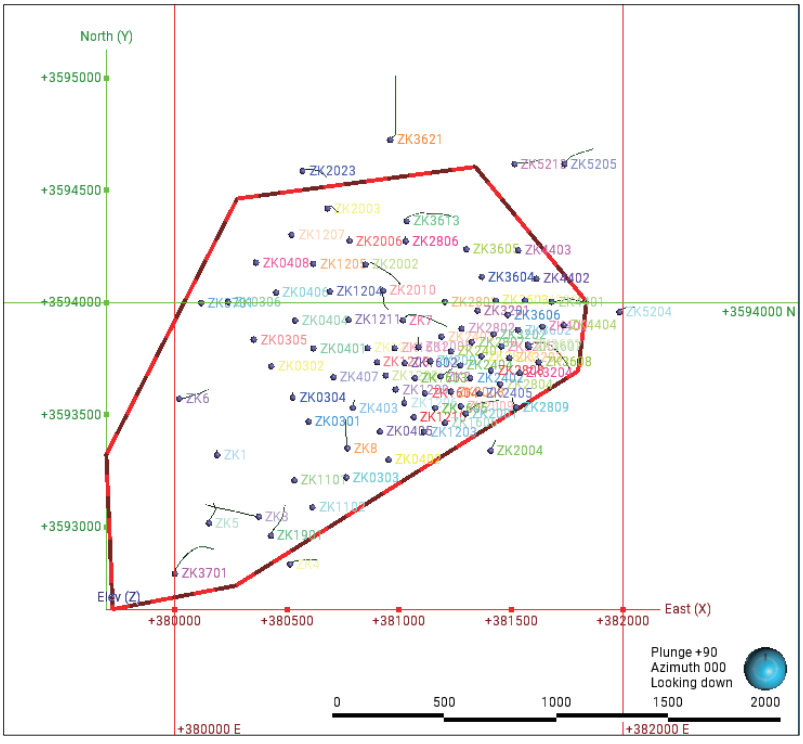
Table 7-1 summarises the Mineral Resource database covering the entire the project area, and the holes location are display in Figure 7-1.

Table 7-1: Summary of Resource Database Records

Data Type	Surface Drillhole	Total
Hole Number	92	92
Length (m)	61,128	61,128
Assay Sample Number	2,186	2,186

Sources: SRK

Figure 7-1: Drillholes 3D Display of Zhou'an Project



Sources: SRK

7.4 Domain Modelling

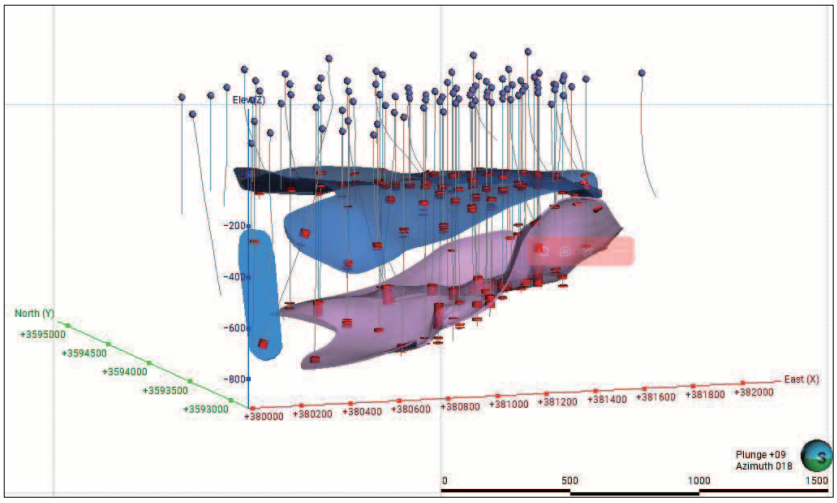
The wireframe models for the deposit were established by client using Leapfrog Edge software. A nominal cut-off grade of 0.2% Nieq was applied to define the mineralised intervals for Domains. After review, SRK considers the delineation of the received wireframe models to be reasonable and adequate to support subsequent resource estimation. As shown in Figure 7-2. A total of 3 mineralized domains were constructed.

The wireframe models in this project are based primarily on the current level of geological exploration and the understanding of Cu–Ni mineralisation. Although metallurgical testwork indicates that platinum and palladium can be recovered with the Cu–Ni concentrates and can be economically valued as by-products under current assumptions, the number and spatial coverage of Pt and Pd assay samples are relatively limited.

For this reason, Pt and Pd have not been included in the nickel-equivalent (NiEq) calculation used for wireframe construction and reporting cut-off grades. This approach is intended to avoid introducing an economic driver with a higher degree of uncertainty that could unduly influence the geometry of the wireframes and the magnitude and classification of the reported Mineral Resources.

Pt and Pd grades and contained metal are estimated and reported within the Cu–Ni mineralised envelopes, but they do not control the definition of the Mineralisation domain nor its classification.

Figure 7-2: The Mineralisation Domain of Zhou'an Project



Sources: SRK

7.5 Specific Gravity

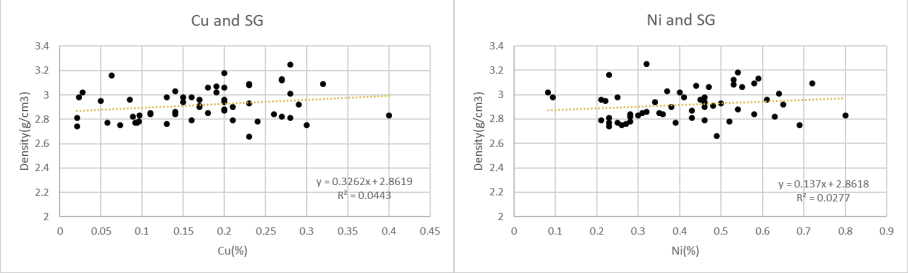
A total of 70 SG samples were provided by the client, Assay grade results are available for 56 SG samples, as shown in Table 7-2 and Figure 7-3, SRK did not identify any obvious correlation between grade and SG. An average value of 2.93 g/cm^3 was applied to the block model for each domain.

Table 7-2: The Specific Gravity Values of Tanghe Project

Number of samples	Average SG g/cm^3
70	2.93

Sources: Tanghe Geology

Figure 7-3: Correlation between Grade and SG of Tanghe Project

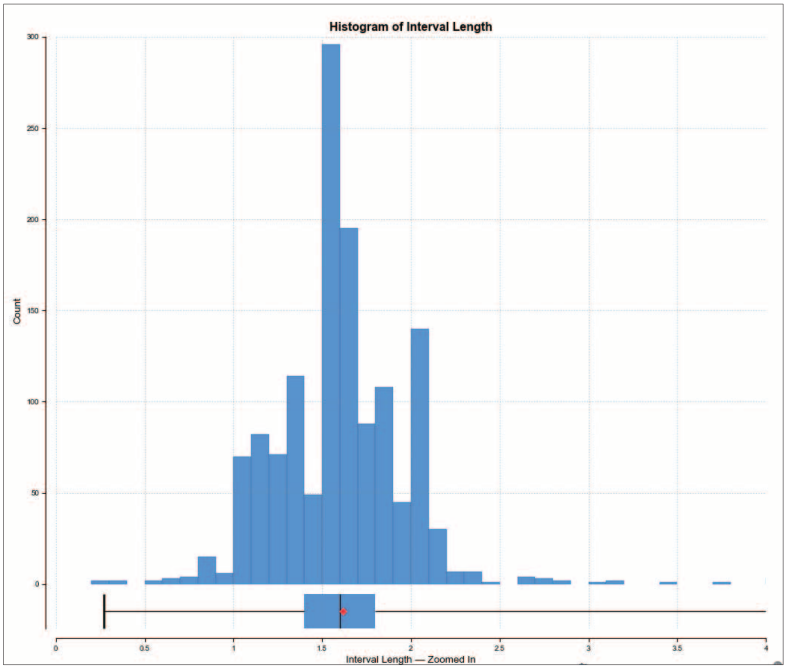


Sources: SRK

7.6 Compositing

Prior to the statistical analysis, the samples were generally combined so the length of each sample was basically equivalent. The distribution of sample lengths is provided in Figure 7-4.

Figure 7-4: Histogram of the Sample Length of the Zhou'an Project

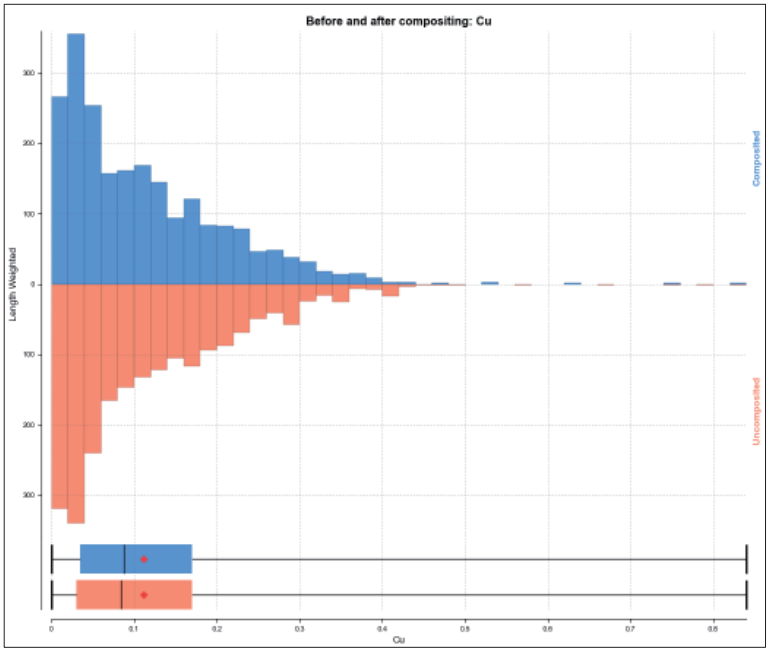


Sources: SRK

The database indicates that the most sample intervals are 1 m and 2 m. A composite length of 1.5 m was selected for Zhou'an Project. Composites were created within the Mineral Resource estimation domains beginning at the upper contacts. The intersection thickness encountered by any

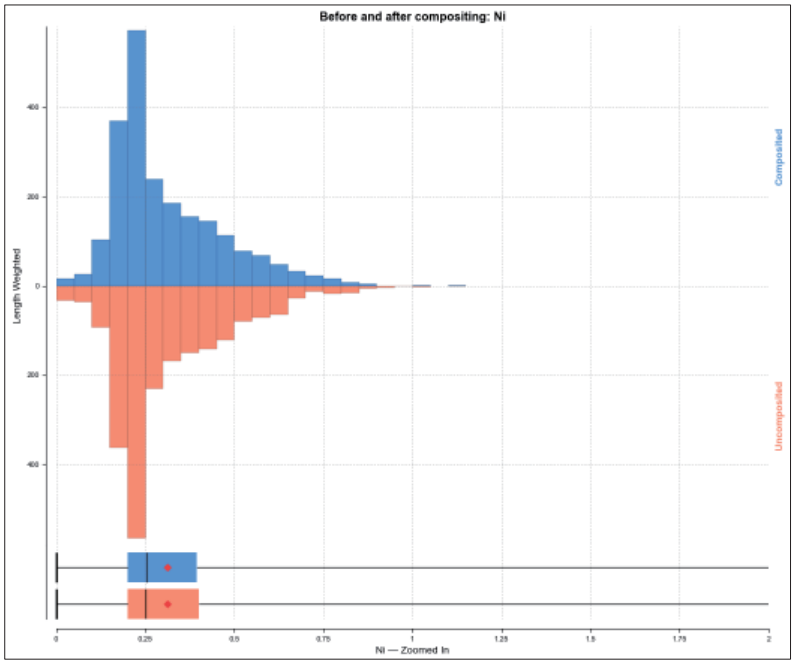
given drill hole samples, however, is not an even multiple of the composite length. If the remaining length was less than 0.75 m, the composite was added to previous interval. The treatment of the ended composites did not affect the overall integrity of the composited database. The compositing of samples before and after does not affect the overall distribution of the samples（Figure 7-5 and Figure 7-8）.

Figure 7-5: Raw samples and Composites Distribution of Cu for Zhou'an Project



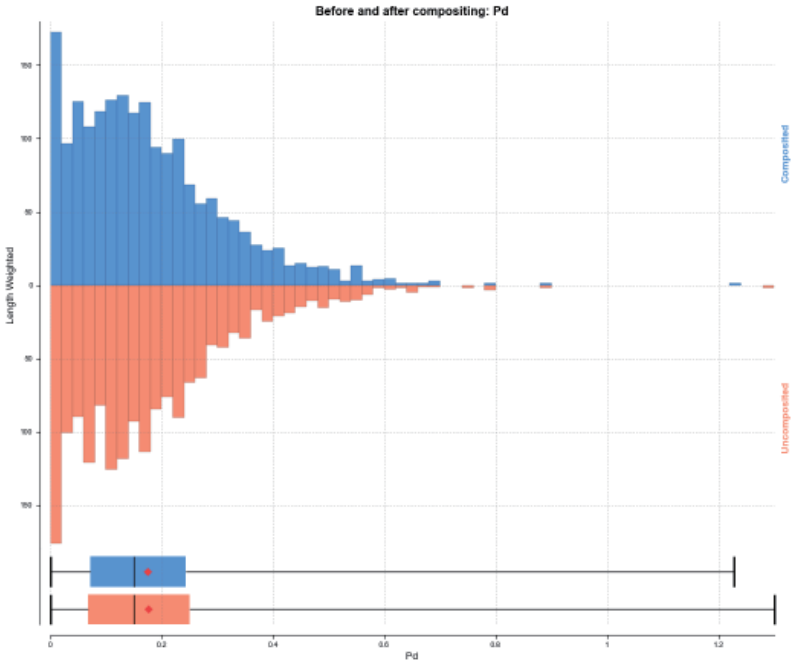
Sources: SRK

Figure 7-6: Raw samples and Composites Distribution of Ni for Zhou'an Project


Before and after compositing: Ni
Length Weighted
Composited
Uncomposited
Ni — Zoomed In

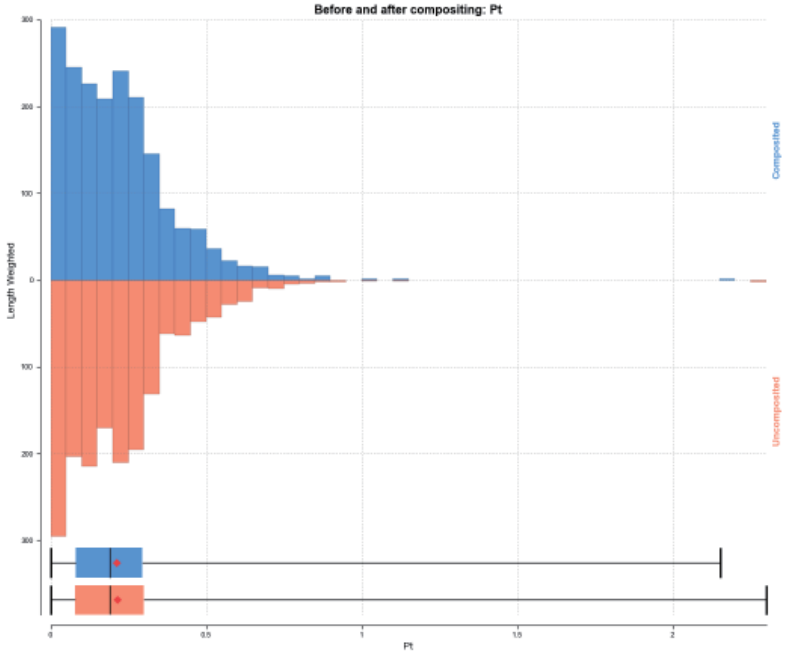
Sources: SRK

Figure 7-7: Raw samples and Composites Distribution of Pd for Zhou'an Project



Sources: SRK

Figure 7-8: Raw samples and Composites Distribution of Pt for Zhou'an Project



Sources: SRK

7.7 Evaluation of Outliers

Due to the Cu, Ni, Pt and Pd skewed distribution of some mineralisation zone, a few high-grade assays represent a significant proportion of the metal content. As the number of such extreme grades is small, this can lead to considerable uncertainty in the tonnage and grade of this material. To help control this uncertainty and risk, metal top cuts were applied to the Cu, Ni, Pt and Pd data.

The assessment considers the variable histogram, normal probability plot, and charts where samples are sorted from low to high and the impact of adding samples one by one to the dataset from low to high on the mean, standard deviation and coefficient of variation. The High-grade composites were capped or restricted to a small spatial influence (Table 7-3).

Table 7-3: Capping Values Statistics of the Zhou'an Project

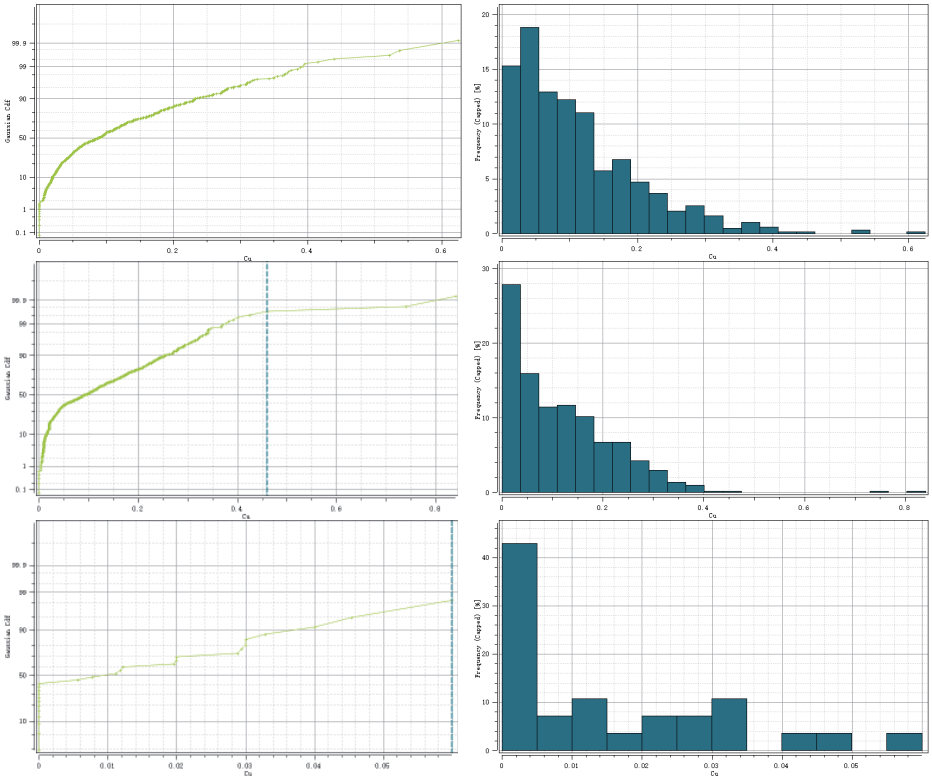
Domain	Element	Mean (%)	Cap Value (%)	Capped mean (%)	Capped Count	Metal loss (%)
Domain 1	Cu	0.12	-	-	-	-
	Ni	0.29	1.2	0.3	2	0.29
	Pt	0.15	0.75	0.16	2	1.77
	Pd	0.13	0.75	0.13	1	0.64
Domain 2	Cu	0.12	0.46	0.12	3	0.39
	Ni	0.31	-	-	-	-
	Pt	0.19	0.89	0.18	2	0.28
	Pd	0.14	0.65	0.14	3	0.50
Domain 3	Cu	0.01	-	-	-	-

Domain	Element	Mean (%)	Cap Value (%)	Capped mean (%)	Capped Count	Metal loss (%)
	Ni	0.24	-	-	-	-
	Pt	0.01	-	-	-	-
	Pd	0.01	-	-	-	-

Sources: SRK

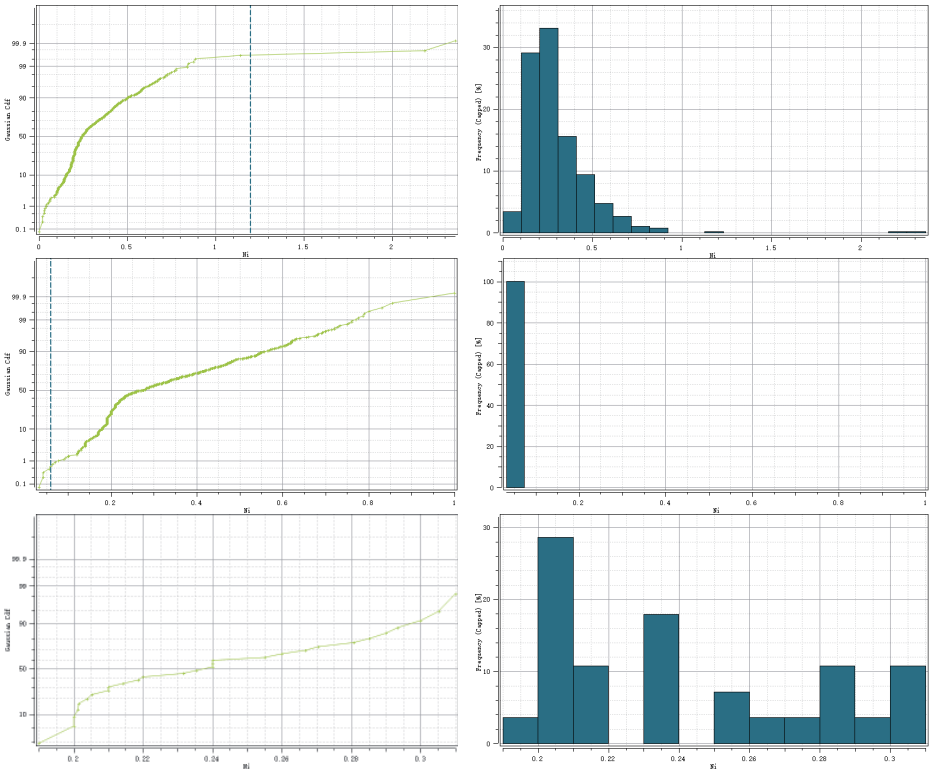
The histogram and cumulative probability curve of the composites Cu, Ni, Pt and Pd for Domain1, Domain2 and Domain 3 was presented in Figure 7-9 and Figure 7-12. Due to the very limited number of Pt and Pd samples in Domain 3, the data are not statistically meaningful.

Figure 7-9: Histogram and Log Probability Curve of Capping Cu （Domain1：Upper, Domain2：Middle, Domain3：Lower）



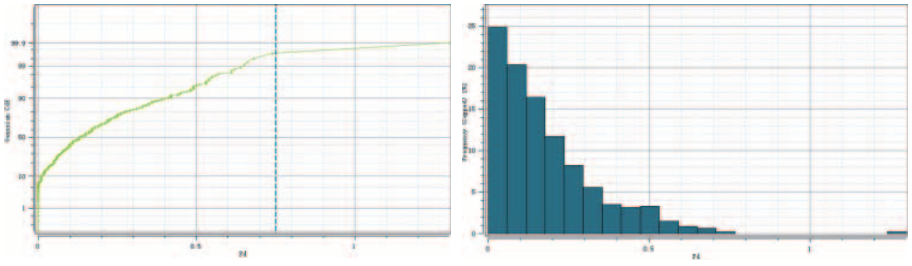
Sources: SRK

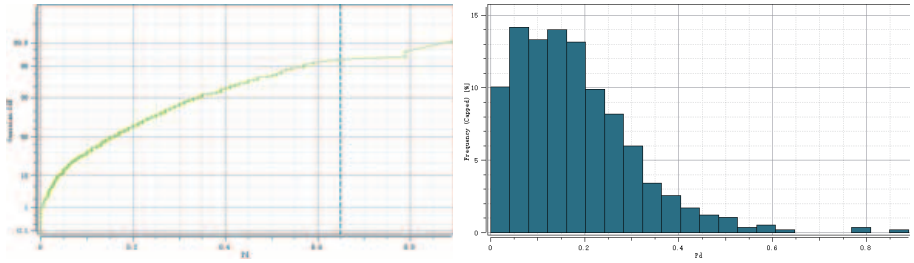
Figure 7-10: Histogram and Log Probability Curve of Capping Ni （Domain1：Upper, Domain2：Middle, Domain3：Lower）



Sources: SRK

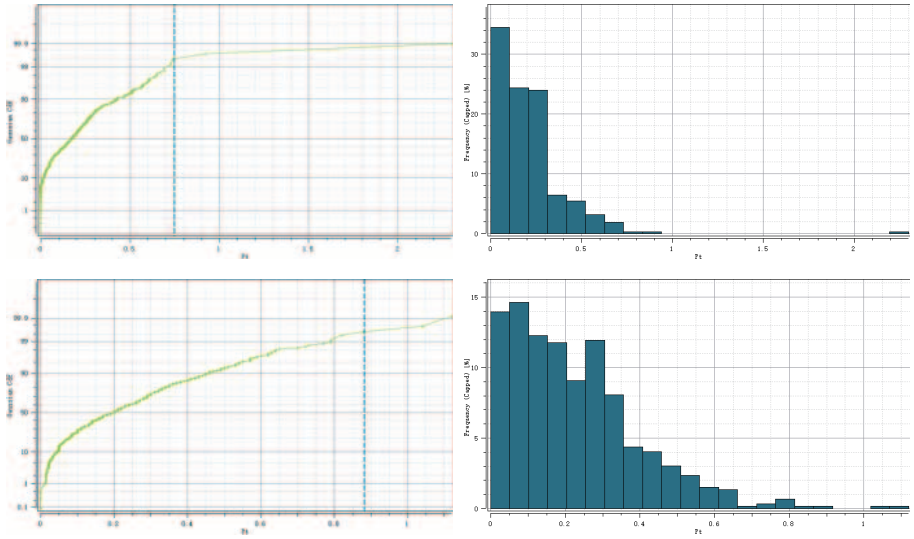
Figure 7-11: Histogram and Log Probability Curve of Capping Pd （Domain1：Upper, Domain2：Lower）





Sources: SRK

Figure 7-12: Histogram and Log Probability Curve of Capping Pt （Domain1：Upper, Domain2：Lower）



Sources: SRK

7.8 Statistical Analysis and Variography

For many of the domains the assessment of the experimental semi-variograms did not show any interpretable structure in the data. This is potentially due to relatively small numbers of composites and relatively widely spaced intersections. The Cu, Ni, Pt and Pd of Domain 1 and Domain 2 showed a sufficiently robust structure to allow modelling of a semi-variogram for copper, nickel, platinum and palladium. As shown in Table 7-4 and Table 7-5.

Table 7-4: Semi-Variogram Model Parameters of Cu and Ni

Variogram Name	Cu in Domain 1	Cu in Domain 2	Ni in Domain 1	Ni in Domain 2
Normalised Nugget	0.13	0.04	0.08	0.01
Dip	6	13	6	13

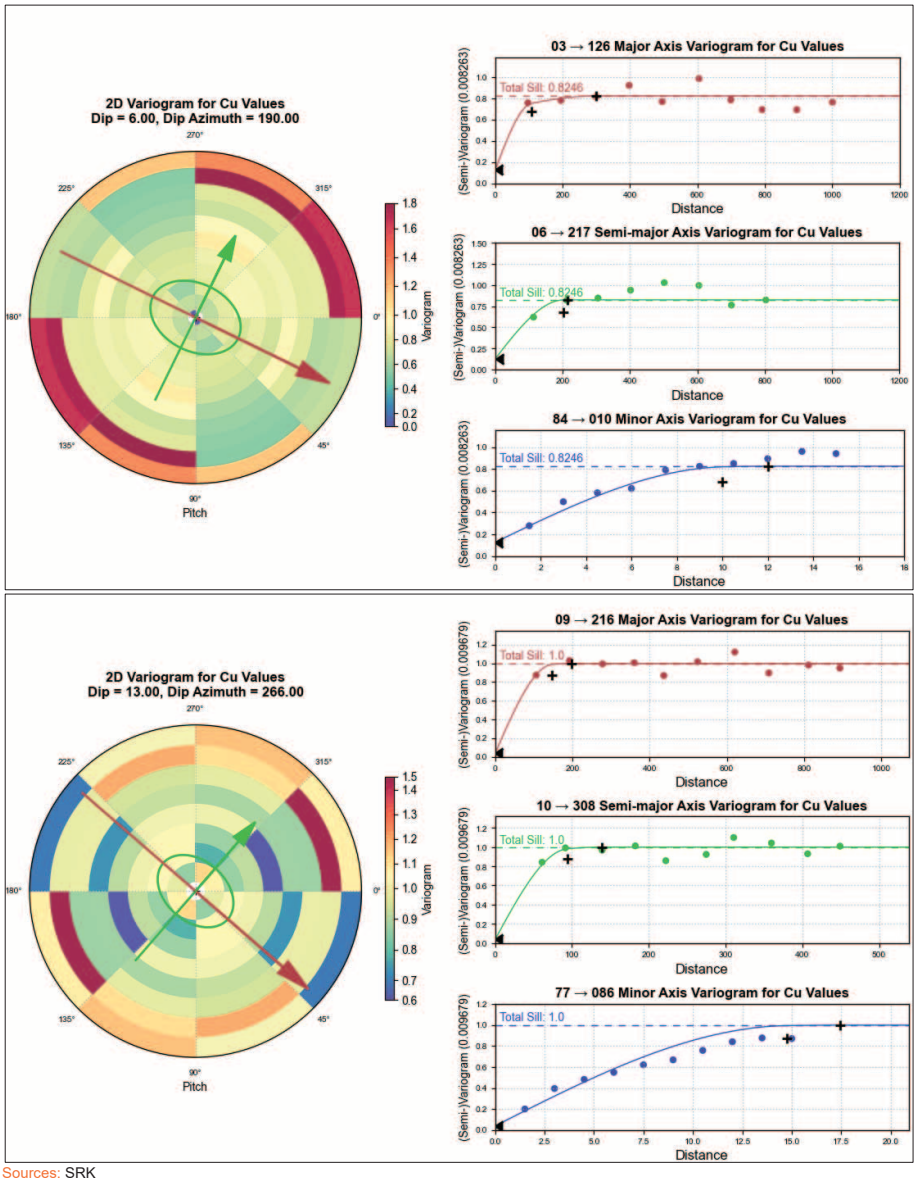
Dip Azi.		190	266	190	266
Pitch		26	64	26	9
Structure 1	**Normalised Sill**	0.55	0.83	0.42	0.70
	Structure	Spherical	Spherical	Spherical	Spherical
	Alpha				
	Major	108	147	95	174
	Semi-major	201	94	168	99
	Minor	10	15	3	9
Structure 2	**Normalised Sill**	0.15	0.13	0.12	
	Structure	Spherical	Spherical	Spherical	
	Alpha				
	Major	300	197	200	
	Semi-major	214	139	183	
	Minor	12	17	5	

Sources: SRK

Table 7-5: Semi-Variogram Model Parameters of Pd and Pt

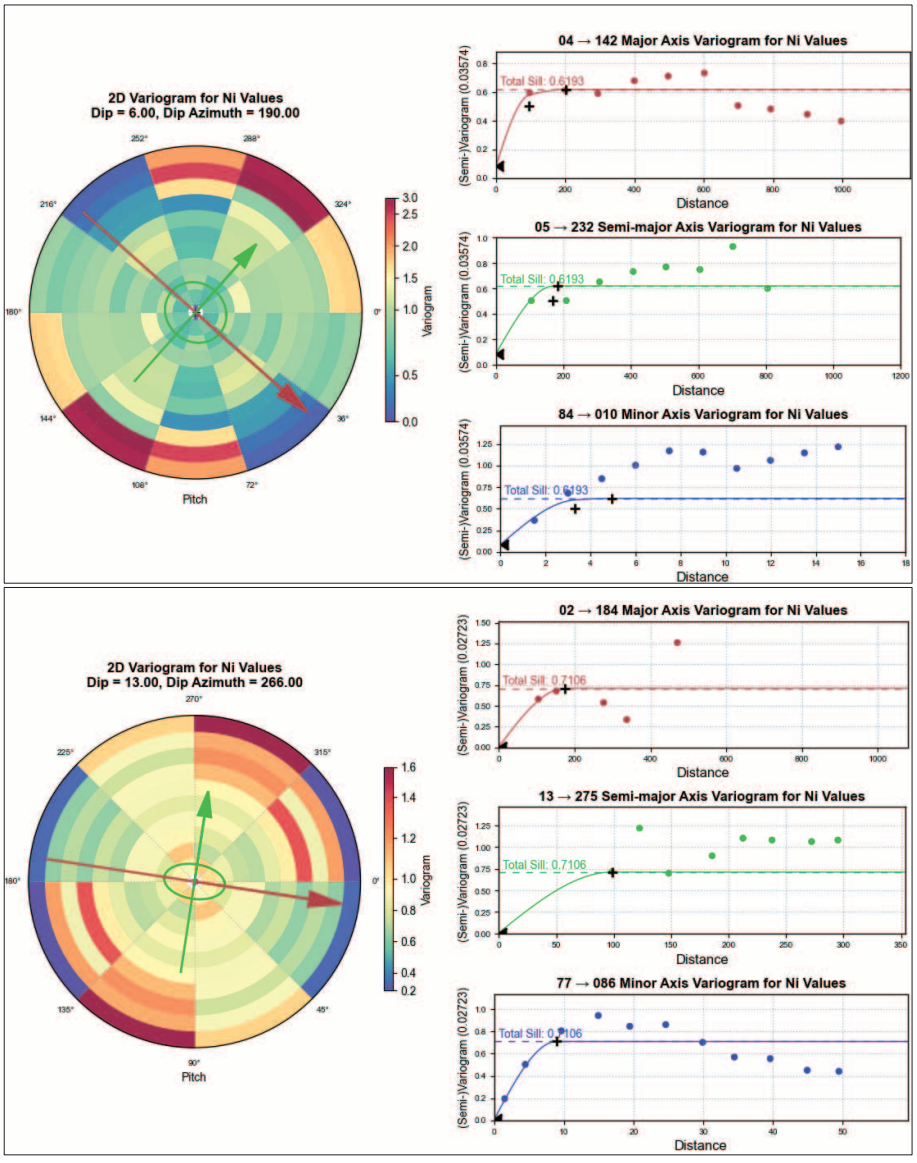
Variogram Name		Pd in Domain 1	Pd in Domain 2	Pt in Domain 1	Pt in Domain 2
Normalised Nugget		0.13	0.11	0.08	0.08
Dip		6	13	6	13
Dip Azi.		190	266	190	266
Pitch		42	9	42	9
Structure 1	**Normalised sill**	0.49	0.60	0.59	0.92
	Structure	Spherical	Spherical	Spherical	Spherical
	Major	103	152	108	201
	Semi-major	145	99	168	123
	Minor	10	8	5	12
Structure 2	**Normalised sill**	0.39		0.29	
	Structure	Spherical		Spherical	
	Major	204		200	
	Semi-major	180		183	
	Minor	15		7	

Figure 7-13: Gaussian Space Semi-Variogram Models of Cu（Domain1：Upper, Domain2：Lower）



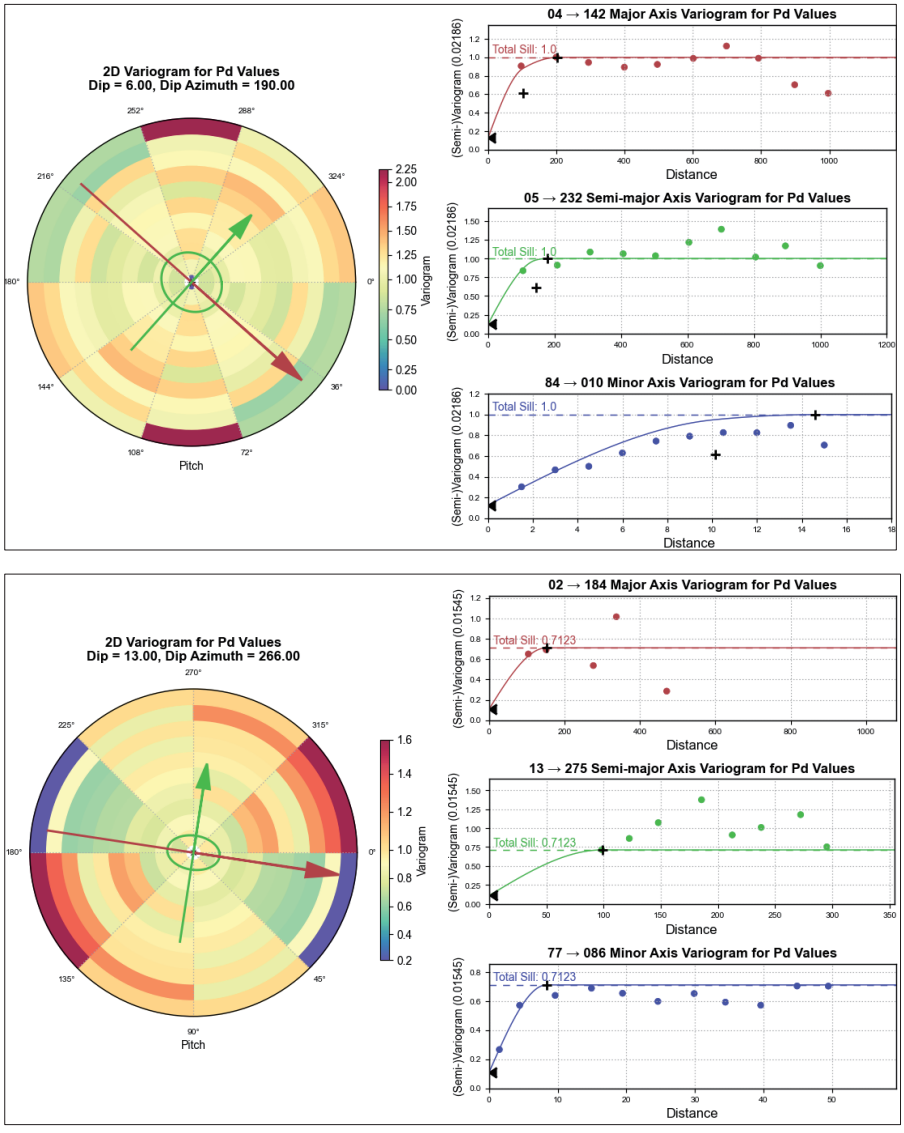
Sources: SRK

Figure 7-14: Gaussian Space Semi-Variogram Models of Ni (Domain1：Upper, Domain2：Lower)


2D Variogram for Ni Values
Dip = 6.00, Dip Azimuth = 190.00
Pitch
Variogram
04 → 142 Major Axis Variogram for Ni Values
Total Sill: 0.6193
(Semi-)Variogram (0.03574)
Distance
05 → 232 Semi-major Axis Variogram for Ni Values
Total Sill: 0.6193
(Semi-)Variogram (0.03574)
Distance
84 → 010 Minor Axis Variogram for Ni Values
Total Sill: 0.6193
(Semi-)Variogram (0.03574)
Distance
2D Variogram for Ni Values
Dip = 13.00, Dip Azimuth = 266.00
Pitch
Variogram
02 → 184 Major Axis Variogram for Ni Values
Total Sill: 0.7106
(Semi-)Variogram (0.02723)
Distance
13 → 275 Semi-major Axis Variogram for Ni Values
Total Sill: 0.7106
(Semi-)Variogram (0.02723)
Distance
77 → 086 Minor Axis Variogram for Ni Values
Total Sill: 0.7106
(Semi-)Variogram (0.02723)
Distance

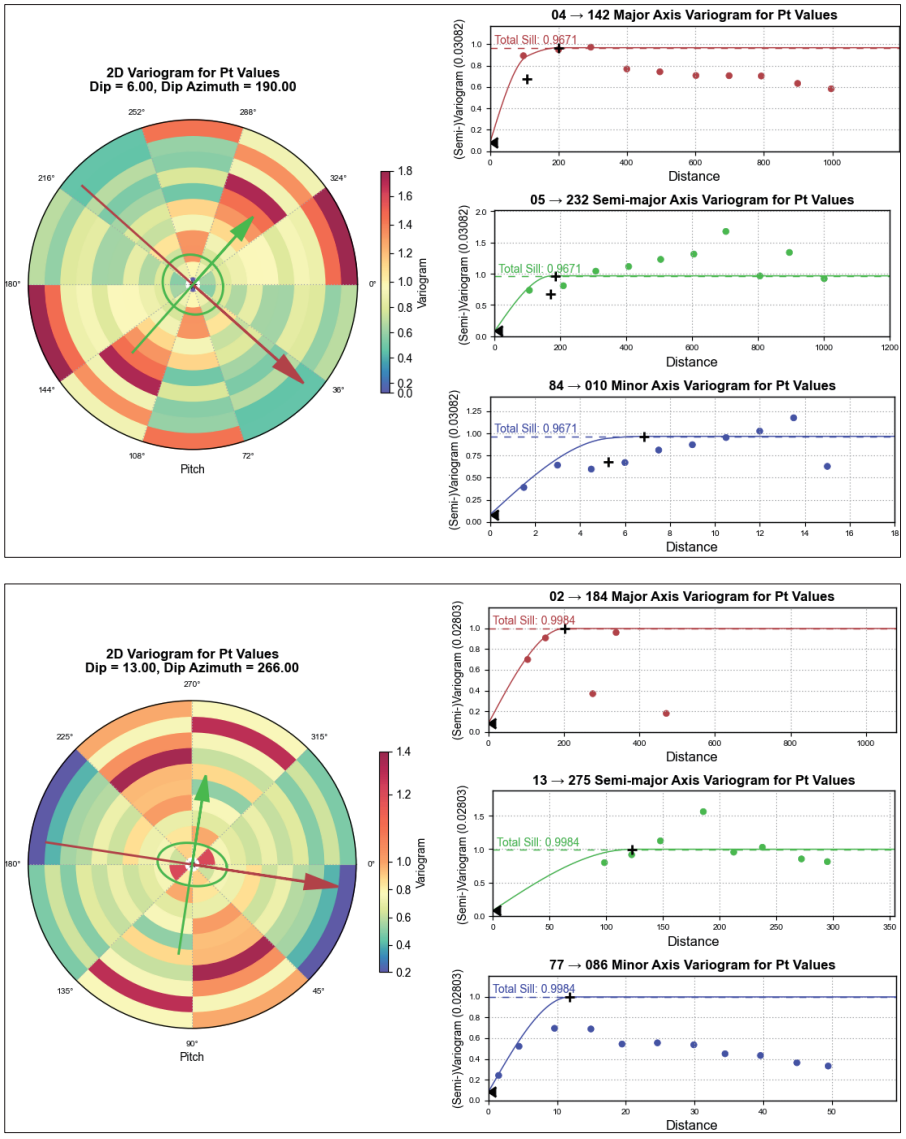
Sources: SRK

Figure 7-15: Gaussian Space Semi-Variogram Models of Pd (Domain1：Upper, Domain2：Lower)



Sources: SRK

Figure 7-16: Gaussian Space Semi-Variogram Models of Pt (Domain1：Upper, Domain2：Lower)



Sources: SRK

7.9 Block Model and Grade Estimation

A non-rotational model for Zhou'an Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model which was able to follow the mineralized zones. The block model used the same coordinate system as data collection. The block model summary is presented in Table 7-6. The attributes and descriptions are presented in Table 7-7.

Table 7-6: Block Model Specifications of Zhou'an Project

Axis	Minimum (m)	Maximum (m)	Block Size (m)	Sub Block Size (m)	Rotation (degrees)
N	3592510	3595318	12	6	0
E	379670	382478	12	6	0
Z	-1000	200	12	6	0

Sources: SRK

Table 7-7: Attributes and Descriptions of Zhou'an Project

Attribute	Description
Gmeq_cu	Mineralisation domains
Cu_final	Copper grade
Ni_final	Nickel grade
Pt_F	Platinum grade
Pd_F	Palladium grade
eqni	Ni_eq grade
Category	Mineral Resource Classification
SG	Specific gravity

Sources: SRK

The Ordinary Kriging ("OK") method was used for the Cu, Ni, Pt and Pd grade estimation of Domain 1 and Domain2. Inverse Distance Weighting Square ("IDW2") method was used for Cu, Ni, Pt and Pd grade estimation for Domain3. Hard boundaries were used for both Cu, Ni, Pt and Pd of all domains.

The parameters of the searching ellipsoid were thus manually optimized, and the parameters are summarized in Table 7-8. These three progressively more relaxed search criteria were used for estimation. The search dynamic ellipsoids were aligned with the general mineralisation orientation.

The Domain and Category attribute were assigned directly using the solid models.

Table 7-8: Search Parameters

Domain	Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites
1	1	80,40,10	8	50
	2	160,80,20	6	50
	3	320,160,40	1	50
2	1	80,40,10	8	50
	2	160,80,20	6	50
	3	320,160,40	1	50
3	1	80,40,10	8	50
	2	160,80,20	6	50

Domain	Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites
	3	320,160,40	1	50

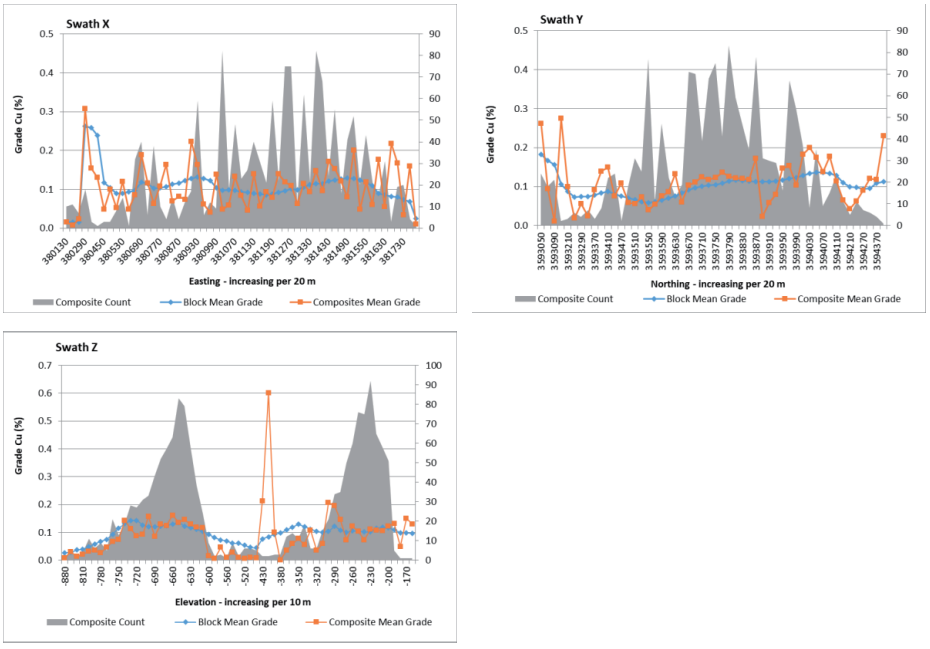
Sources: SRK

7.10 Model Validation

Model validation is a common approach for determining whether grade estimation has been performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selective assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

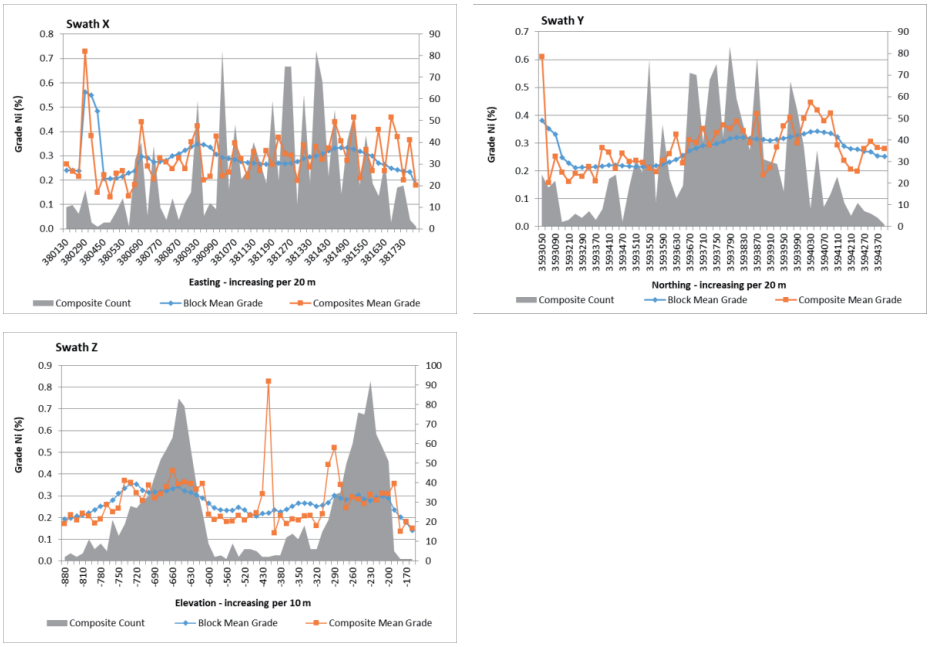
SRK adopted Swath plot to validate the model, Swath plots were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown in Figure 7-17 and Figure 7-20. This comparison shows close agreement between the grade of block estimates and grade of composed samples in terms of overall distribution as a function of X, Y, and Z location.

Figure 7-17: Swath Plot of Cu



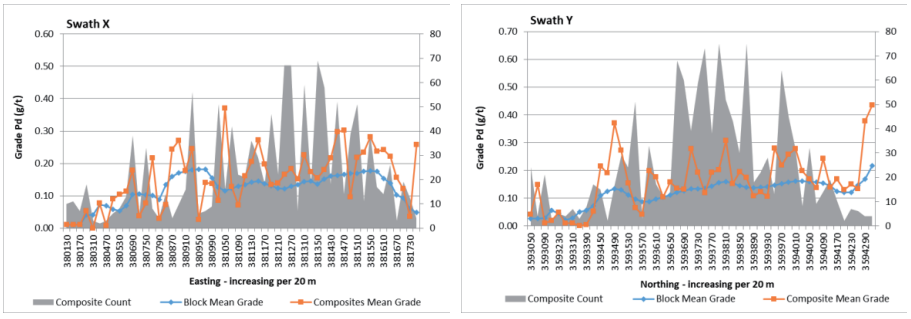
Sources: SRK

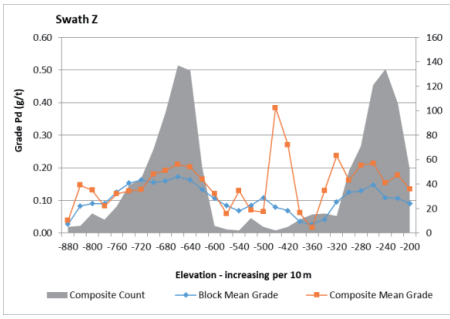
Figure 7-18: Swath Plot of Ni



Sources: SRK

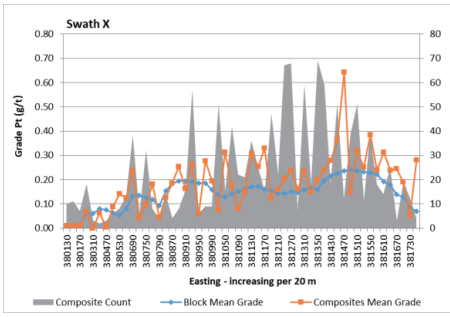
Figure 7-19: Swath Plot of Pd

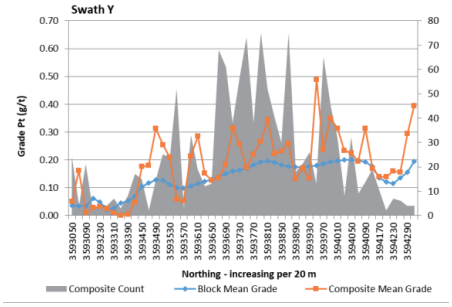


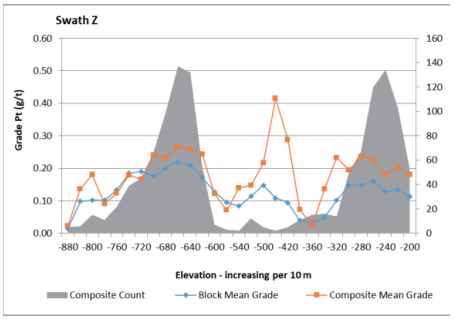


Sources: SRK

Figure 7-20: Swath Plot of Pt







Sources: SRK

7.11 Mineral Resource Classification

Mineral Resource classification is typically a subjective concept. The industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification

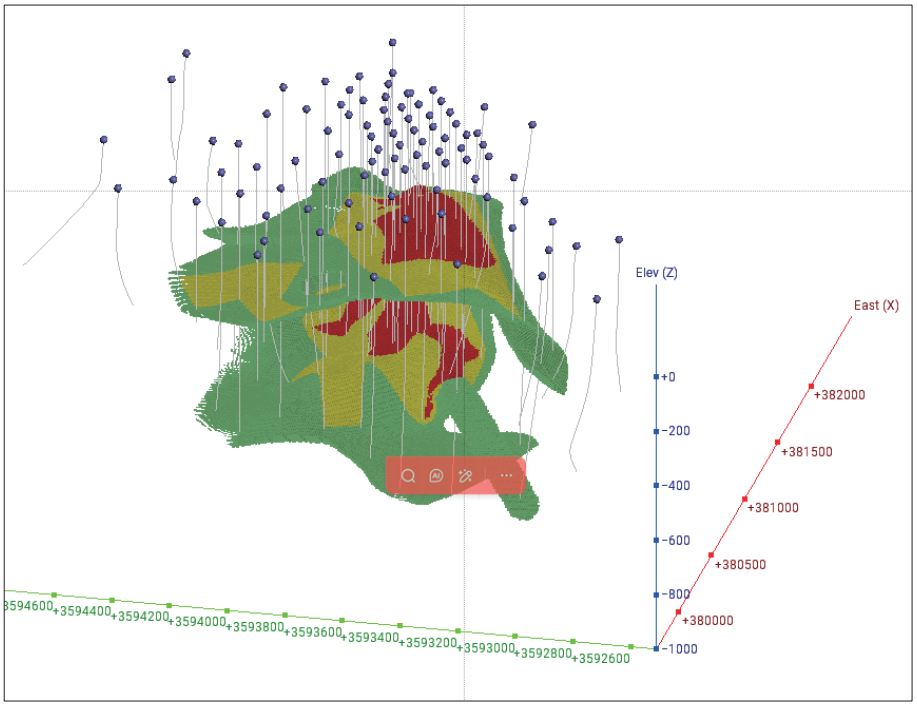
criteria should aim at integrating these concepts to delineate regular areas at similar Mineral Resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples is correctly defined, and the assay data are acceptable to support the Mineral Resource evaluation. The sampling information was acquired primarily from diamond drillholes with most holes on a grid density of 200 m by 200 m and a minority on a denser 100 m by 100 m grid.

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that blocks estimated during the first estimation pass with sample distances less than 80 m can be classified as Measured Mineral Resources; those blocks estimated during the second estimation pass with sample distances less than 160 m can be classified as Indicated Mineral Resources. All other remaining blocks can be categorised as Inferred Mineral Resources (Figure 7-21).

SRK notes that some sporadically distributed grades interpolated by the first and second pass were classified as Inferred Mineral Resources. For those Measured and Indicated Mineral Resource blocks, SRK considers that the level of confidence is sufficient to allow appropriate application of technical and economic parameters to support mine planning and to allow evaluation of the economic viability of the deposit, which is also adequate to support mining operation.

Figure 7-21: Mineral Resource Classification (Red: Measured Resource; Yellow: Indicated Resource; Green: Inferred Resource)



Sources: SRK

7.12 Mineral Resource Statement

The *JORC Code* 2012 defines a mineral resource as:

"(A) Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories".

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of the resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. SRK acknowledge that the Zhou'an Project is an underground operation.The conceptual parameters used to estimate the cut-off grade for the Zhou'an Project are summarised in Table 7-9.

Table 7-9: Assumptions Considered for the Zhou'an Project

Item	Unit	Parameter
Nickel price	USD/t	21,700
Mining Dilution	%	7
Payable	%	70
Process Recovery(Ni)	%	63
Mining Cost	USD/t ore and waste	14
Processing Cost	USD/t ore	9
General and Administration Cost	USD/t ore	3
Cut-off Ni grade	%	0.25%

As of 31 December 2025, SRK reported the underground Mineral Resources of the Tanghe Project, at a cut-off grade of 0.25% NiEq. There are 17 million tonnes ("Mt") Measured Mineral Resource at an average grade of 0.12%Cu, 0.33% Ni, 0.21 g/t Pt and 0.17 g/t Pd; 31.3 Mt of Indicated Mineral Resources at an average grade of 0.12%Cu, 0.32%Ni, 0.17 g/t Pt and 0.14 g/t Pd; and 31.75 Mt of Inferred Mineral Resources at an average grade of 0.12% Cu, 0.33% Ni, 0.13 g/t Pt and 0.11 g/t Pd. Details of estimated Mineral Resources are shown in Table 7-10.

Table 7-10: Mineral Resource Statement[1], Zhou'an Project, Prepared by SRK Consulting China Limited, 31 December 2025[2]

Area	*Mineral Resource class*	Tonnage	*Average Value*				*Matel Contain*			
			Ni	Cu	Pt	Pd	Ni	Cu	Pt	Pd
		Mt	%	%	g/t	g/t	kt	kt	t	t
Mining License Area	Measured	17.00	0.33	0.12	0.21	0.17	56	21	4	3
	Indicated	31.30	0.32	0.12	0.17	0.14	100	38	5	4
	Measured + Indicated	**48.30**	**0.32**	**0.12**	**0.18**	**0.15**	**157**	**59**	**9**	**7**
	Inferred	31.75	0.33	0.12	0.13	0.11	104	39	4	3

Notes:

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

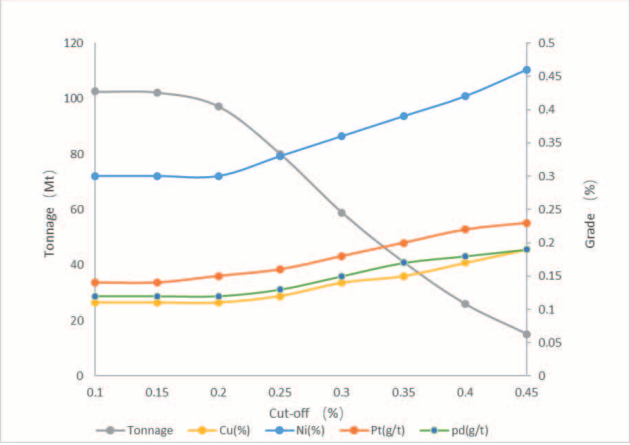
[2] The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang and Dr. Anshun Xu who are full time employee of SRK Consulting China Ltd. Dr. Xu is a Fellow of AusIMM. Dr. Xu have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking 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*. Mr. Wang and Dr. Xu consent to the reporting of this information in the form and context in which it appears.

[3] Mineral Resources are reported at a cut-off grade is 0.25% NiEq.=Ni+0.38*Cu

7.13 Grade Sensitivity Analysis

The Mineral Resources of the Zhou'an Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the global model quantities and grade estimates are presented in Table 7-11 and Figure 7-22 at various cut-off grades. The reader is cautioned that these figures listed should not be misconstrued as representing a Mineral Resource Statement but are included for the purpose of illustrating the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 7-22: Grade-Tonnage Plot



Sources: SRK

Table 7-11: Global Block Model Quantities and Grade Estimates[1], at Various Cut-off Grades

Cut-off Grade	Mass	*Average Value*				*Material Content*			
		Cu	Ni	Pt	Pd	Cu	Ni	Pt	Pd
NiEq (%)	Mt	%	%	g/t	g/t	kt	kt	t	t
0.10	103	0.11	0.3	0.14	0.12	109	305	14	12
0.15	102	0.11	0.3	0.14	0.12	109	304	14	12
0.20	97	0.11	0.3	0.15	0.12	107	296	14	12
0.25	**80**	**0.12**	**0.33**	**0.16**	**0.13**	**97**	**261**	**13**	**11**
0.30	59	0.14	0.36	0.18	0.15	80	209	11	9
0.35	41	0.15	0.39	0.2	0.17	62	158	8	7
0.40	26	0.17	0.42	0.22	0.18	44	109	6	5
0.45	15	0.19	0.46	0.23	0.19	28	69	3	3

Notes:

[1] The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

7.14 Exploration Potential

Based on the available exploration data, the hanging-wall mineralized domain remains open towards the southeast and is considered to have further resource potential in that direction. The footwall mineralized domain, except for the southeastern contact area with the hanging-wall domain, is interpreted to remain open at depth in all other directions and is therefore considered to have good potential for additional resources at depth.

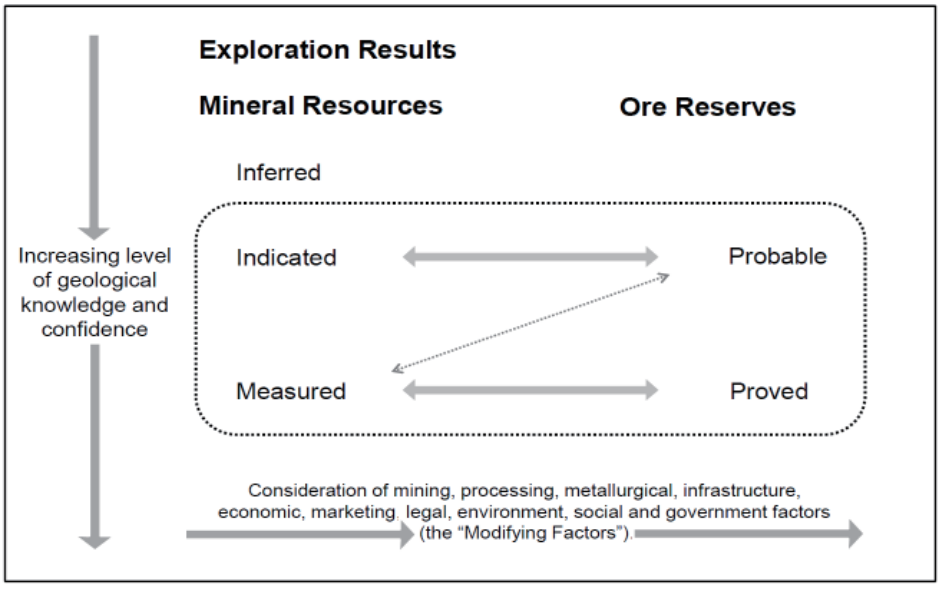
8 Ore Reserve Estimation

The definition of Ore Reserves in accordance with the *JORC Code* (2012 edition) is as follows:

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

The conversion from Mineral Resources to is Ore Reserves is presented in Figure 8-1.

Figure 8-1: General Relationship between Mineral Resources and Ore Reserves



Sources: *JORC Code*

The Ore Reserves for the Zhou'an Project have been estimated by SRK in compliance with the *JORC Code* guidelines. These estimates are based on technical studies and operational data, with the work conducted to a pre-feasibility study standard as a minimum, ensuring a reliable assessment of the Project's economic and technical viability.

8.1 Technical Studies

In compliance with the requirements of Ore Reserves estimation outlined in the *JORC Code*, SRK reviewed a number of technical studies prepared for the Zhou'an Project. The technical studies reviewed by SRK include:

- Feasibility Study Report on the Copper-Nickel Deposit in Zhouan Mining Area, Tanghe County, Henan Province. Tanghe Shidai Mining Co., Ltd., conducted by China ENFI Engineering Technology Co., Ltd. In October 2008. (hereafter referred to as *FS 2008*),
- Development and Utilization Plan for the Copper-Nickel Deposit in Zhouan Mining Area, Tanghe County, Henan Province. Tanghe Shidai Mining Co., Ltd., conducted by China ENFI Engineering Technology Co., Ltd. In November 2008. (hereafter referred to as *DUP 2008*), and
- Preliminary Design of Mining and Processing Project for Copper-Nickel Deposit in Zhouan Mining Area, Tanghe County, Henan Province. Tanghe Shidai Mining Co., Ltd., conducted by Jinjian Engineering Design Co., Ltd. In February 2023. (hereafter referred to as *PD 2023*).

The technical studies for the Zhou'an Copper-Nickel Project have demonstrated a level of confidence in the Modifying Factors that SRK considers equivalent to a feasibility study standard, which is appropriate for supporting Ore Reserve estimation. Since the project has not yet entered production, the company will use the *PD 2023* as both the primary guiding document for future mining operations and the foundational basis for Ore Reserve estimation. This document supersedes earlier studies and provides the most up-to-date technical and economic parameters to underpin the Ore Reserve statement.

8.2 Site Visits

When preparing this Report, site visits were carried out from 30 January to 1 February 2026 and from 8 to 10 April 2026. During the time of site visits, SRK had a chat with personnels of Zhou'an Project and visited the shafts, explosive magazine, office buildings, and so on. Some data and information were also collected to prepare this Report.

8.3 Mineral Resource Model

The mineral resource in the *Exploration Report on the Zhou'an Copper-Nickel Property in Tanghe County, Henan Province*, which was prepared in accordance with China standards in July 2017, was utilised by Jinjian Engineering Design Co., Ltd to prepare the *PD 2023*.

The Mineral Resources as of Effective Date were estimated by SRK in March 2026 to support the Ore Reserve estimate in accordance with *JORC Code*. The Mineral Resources are inclusive of Ore Reserves. The grades of nickel, copper, platinum and palladium are globally estimated.

8.4 Cut-off Grade

The cut-off grades for the Zhou'an mine are presented in Table 8-1. Key considerations include:

- Price: The prices are dynamic and are derived from consensus market forecasts (CMF) provided by the Energy and Metals Consensus Forecast, published by Consensus Economics Inc., to which SRK subscribes annually.
- Cost: mining, processing, general/administrative (G&A) are based on *PD 2023* forecast. Zhou' an mine cost included cement backfill cost.

Given that the Zhou'an Project is a polymetallic sulfide deposit, its economic viability is fundamentally anchored by nickel, which generates revenue several times greater than copper while offering

superior market payability. By mathematically converting the significant contributions of byproduct precious metals—such as gold, platinum, and palladium—into an additive nickel grade, the project can more accurately reflect the ore's comprehensive market value. Furthermore, as a low-grade asset highly sensitive to price fluctuations, utilizing a nickel-based metric provides a more precise tool for determining break-even thresholds and managing operational risk. Consequently, adopting Nickel Equivalent (NiEq) as the primary reporting metric is the most rational approach to aligning the project's technical disclosures with its underlying economic reality.

The breakeven Cut-off Grade (COG) for Nichel in the Run-of-Mine feed has been calculated using the following formula.

$$A = \frac{C_p + C_g + C_m}{P * P_a * P_r * (1 - R_t)}$$

The parameters used in estimating the COG are detailed in Table 8-1**.** The preferred COG value is rounded up to the nearest 0.01, As a low-grade project, the estimation and economic viability are highly sensitive to variations in the cut-off grade.

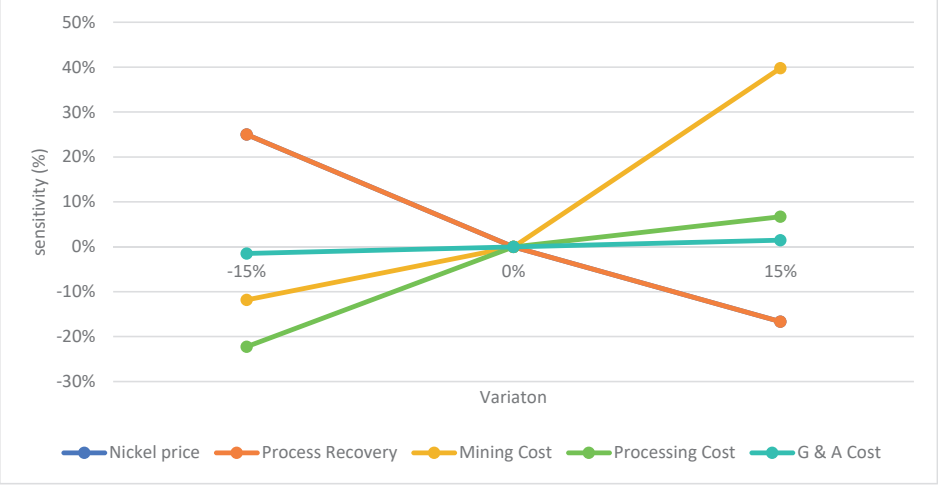
Table 8-1: Cut-off Grade Adopted in Ore Reserves Estimation for the Zhou'an Project

Item	Parameters	Unit	Value
P	Nickel price	USD/t	16,700
		CNY/t	118,570
Pa	Payable	%	70
Rt	Royalty	%	4
Pr	Process Recovery (Nickel)	%	63.0
Cm	Mining Cost	CNY/t ore and waste	84.21
Cp	Processing Cost	CNY/t ore	56.1
Cg	G & A Cost	CNY/t ore	18.44
A	Cut-off grade	%	0.32%

Source: PD2023, provided by Tanghe and summarized by SRK

The sensitivity analysis (Figure 8-2) demonstrates that the Nickel Cut-off Grade (CoG) is most acutely sensitive to variations in the base nickel price and metallurgical recovery. Additionally, fluctuations in Operating Expenditures (OPEX) and mining modifying factors (dilution and ore loss) significantly impact the economic threshold; an increase in these variables necessitates a higher CoG, potentially leading to reserve contraction and increased project risk near the break-even point.

Figure 8-2: Sensitive Analysis of Nichel Equivalent Cut-off Grade



8.5 Modifying Factors

The following modifying factors are used to determine the Ore Reserves.

Underground Stope Optimization

The Deswik Shape Optimizer™ ("SO") module was used on the Mineral Resource block model to generate mineable shapes. These shapes were subsequently used to refine and enhance the proposed design. Once the preliminary stopes were generated, an economic assessment was performed to eliminate any uneconomical ones, based on factors such as development and mining costs. The parameters used in the SO module are summarized in in the Stope Shape Optimization Section of this report.

Underground Dilution and Extraction

The project utilizes two primary underground mining methods, both incorporating backfill to maximize safety and recovery. Based on the technical indicators provided in the design report, the following parameters have been summarized and listed in Table 8-2.

Dilution

Stope dilution includes both planned and unplanned dilution. At Zhou'an Project, where the deposit is currently not in production, the dilution is derived from *PD 2023*, indicating a total dilution of approximately 7%. The hanging wall and the footwall, both set at 0.3 meters, contribute to a planned dilution of 15%. The remaining 5% accounts for unplanned dilution.

Mining Loss

The estimated mining loss for Tanghe, where the deposit is currently not in production, a total loss of 20% is derived from *PD 2023*. The total loss includes planned ore loss and unplanned ore loss.

Table 8-2: Mining loss and dilution for Tanghe

Mining Methods	Proportion of production (%)	Mining Loss (%)	Mining Dilution (%)
Sublevel Open Stoping with Backfill	75	20	7
Room and Pillar with Backfill	25	20	7
Comprehensive/Weighted Average	100	20	7

Source: PD2023, provided by Tanghe and summarized by SRK

8.6 Ore Reserve Statement

Based on SRK's independent economic analysis, the Zhou'an Project demonstrates technical and economic viability when the value of associated byproduct elements—including platinum, palladium, and gold— is included in the revenue model. Conversely, the project is considered sub-economic if the valuation is restricted solely on the primary copper and nickel content.

Given this economic sensitivity, while the deposit possesses significant potential for formal Ore Reserve estimation, the mineable inventory is conservatively stated in this report as Mineable Mineral Resources. This classification ensures a robust assessment of the project's current economic standing while acknowledging the high recovery potential of the associated metal suite.

A comprehensive summary of the ore reserves is presented in Table 8-3.

Table 8-3: Ore Reserve Statement for the Zhou'an Mine as of 31 December 2025

Ore-body	Ore Reserve	Tonnage	Grade				Metal Contained			
			Ni	Cu	Pt	Pd	Ni	Cu	Pt	Pd
		Mt	%	%	g/t	g/t	t	t	kg	kg
Ni_1	Proved	4.15	**0.35**	**0.13**	0.18	0.22	14,504	5,300	761	925
	Probable	2.23	0.32	0.12	0.14	0.19	7,185	2,748	316	416
	Sub-total	6.38	0.34	0.13	0.17	0.21	21,690	8,048	1,076	1,341
Ni_2	Proved	7.62	0.34	0.14	0.17	0.23	25,999	10,593	1,318	1,762
	Probable	13.25	0.35	0.14	0.17	0.21	45,772	18,095	2,293	2,813
	Sub-total	20.87	0.34	0.14	0.17	0.22	71,772	28,688	3,611	4,573
Total	Proved	11.77	0.34	0.14	0.18	0.23	40,504	15,893	2,079	2,686
	Probable	15.48	0.34	0.13	0.17	0.21	52,958	20,843	2,608	3,230
	Sub-total	27.25	0.34	0.13	0.17	0.22	93,461	36,737	4,687	5,915

Source: SRK

Notes:

[1] Number of grades was rounded to the second significant digit to reflect the uncertainties in estimate.

[2] Total may not add due to rounding discrepancies

[3] The mining dilution (waste rock and inferred Mineral Resources) rate is 20%. Mining loss rate is 7%.

[4] The Ore Reserves are included in the Mineral Resources.

[5] Mineral Resources are reported at a cut-off grade is 0.32% NiEq. NiEq = Ni + 0.38 * Cu.

[6] The information in this report which relates to Ore Reserve is based on information compiled by Mr. Hongbo Liu, MAusIMM, who is an associate of SRK, and reviewed by Mr. Yonggang Wu, who is a full time employee of SRK Consulting China Ltd. Both Mr. Liu 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*. Mr. Wu takes the responsibility as the main Competent Person for the Ore Reserve statement, and consents to the reporting of this information in the form and context in which it appears.

[7] The reference point of Ore Reserves is set at the feed of process plant, using the 2012 version of *JORC Code*, with an effective date of 31 December 2025.

8.7 Production Schedule

8.7.1 Operating Schedule and Production Capacity

The Zhou'an Project utilizes a continuous working system, operating 330 days per year with a daily schedule of three 8-hour shifts. The designed production scale for both underground mining operations and the processing plant is established at 10,000 tonnes per day (tpd), resulting in a total annual ore throughput of 3.3 million tonnes per annum (Mtpa). This capacity is validated by the available number of active stope blocks and a planned vertical advance rate consistent with high-mechanization backfill mining standards.

The Zhou'an Project includes a 3.5-year construction period for primary infrastructure, and a half-year ramp-up phase to reach its full design capacity of 10,000 tpd for seven years and one year winding down.

8.7.2 Production Plan and LoM

The Zhou'an Project follows a top-down, phased extraction sequence designed to prioritize high-grade industrial ore.

- Phase 1: The primary focus is the upper K1-I layer above -280m elevation, starting with the thick, rich central zone between Exploration Lines 20 and 28.
- Phase 2: Production expands to the lower K2-I layer's main zone between -590m and -690m. Simultaneously, recovery of K1-I's marginal zones below -280m begins.
- Phase 3: Extraction shifts to the remaining peripheral parts of the lower layer, specifically areas above -590m and below -690m.

Mining utilizes a two-step backfill logic: Step 1 stopes are filled with cemented paste to allow for the safe extraction of Step 2 stopes. This strategy supports a stable 10,000 tpd capacity across the mining operations.

The modified production schedule is shown in Table 8-4, based on SRK's modelling. The life of mine ("LoM") is about nine years, including a seven-years full-production period and a two-years ramp-down period, excluding the construction period.

Table 8-4: LoM Production Schedule Proposed by SRK

Item	Unit	Total	2029	2030	2031	2032	2033	2034	2035	2036	2037
Mined Ore	Mt	27.25	1.66	3.31	3.30	3.29	3.30	3.29	3.27	3.29	2.53

Item	Unit	Total	2029	2030	2031	2032	2033	2034	2035	2036	2037
Grade (Ni)	%	0.343	0.32	0.34	0.39	0.35	0.33	0.32	0.33	0.34	0.35
Grade (Cu)	%	0.135	0.12	0.13	0.14	0.13	0.13	0.14	0.13	0.14	0.14
Grade (Pt)	g/t	0.172	0.11	0.18	0.22	0.17	0.14	0.17	0.18	0.17	0.17
Grade (Pd)	g/t	0.217	0.16	0.21	0.26	0.19	0.18	0.23	0.25	0.23	0.23
Metal (Ni)	t	93,461	5,257	11,420	12,735	11,532	11,004	10,659	10,637	11,291	8,927
Metal (Cu)	t	36,737	2,042	4,189	4,787	4,287	4,283	4,664	4,326	4,561	3,597
Metal (Pt)	Kg	4,687	188	596	725	561	472	548	595	571	430
Metal (Pd)	kg	5,915	268	691	847	631	580	748	810	766	574

Source: SRK

9 Mining Assessment

9.1 Operating History and Current Status

Initial construction of Zhou'an Project commenced in May 2009. During the construction period, a safety accident happened on 15 July 2016 resulted in the suspension of construction till the end of 2022. In 2023, the *PD 2023* was prepared to resume construction. At the time of this reporting, four shafts in Figure 9-1 have been built with shaft insets in place to be extended to access the underground mine. The originally procured equipment and devices must be replaced or modified to resume construction. Xingye Silver-Tin planned to spend about 10 months to resume the construction, then spend two years and three months to finish the construction.

Figure 9-1: Portals of Existing Shafts



Main shaft and cage shaft



East exhaust air shaft



West exhaust air shaft

Source: SRK, 9 April 2026

Overall, the Zhou'an Project is still in the process of construction at the time of this reporting, and will be exploited as an underground mine.

9.2 Hydrogeology

The landform of the mine area consists of erosional hills formed by the western branches of the Tongbai Mountains and gently sloping alluvial and proluvial plains at the piedmont. The terrain generally dips from east to west, with elevations in the hilly area ranging from 130 to 417 m asl and in the plain area from 90 to 130 m asl. The area is part of the Tang River basin, with an underdeveloped surface water system and predominantly seasonal streams upstream. The main rivers within the area are the Tang River and its tributaries. The Tang River is located about 11 km west of the mine area, and its riverbed serves as the local erosion base level, with an elevation of 85 m asl. A tributary of the Tang River, the Liaoyang River branch, is located about 2 km to the southeast. There is no significant surface water body within the mine area, except for those shallow ditches and ponds in 1–2 meters deep. Temporary surface water may occur during the rainy season but dry out in the dry season.

9.2.1 Aquifers and Aquiclude in the Ming Area

The aquifers and aquicludes in the mine area are described below:

- The unconsolidated Quaternary pore aquifer is mainly composed of overlying clay and clay-like calcareous concretion layer and the Quaternary diluvium layer. The thickness of aquifer varied between 5 m and 38.1 m, usually ranging from 16 m to 20 m. The overburden clay shrinks in dry days to generate cracks, which is favourable for rainfall infiltration. Fissures and pores developed

in the clay and clay-like calcareous concretion layer, but the locally concentrated calcareous concretions separate the layer to hold upper stagnant water and unconfined aquifers. Single-well inflow rate measured in domestic wells is 1–3 m³/h, with some wells drying up during droughts.

- The Neogene clastic rock fissure and pore aquifer developed over the whole mine area. It is mainly composed of gravelly medium-coarse sand (sandstone), sandstone, and conglomerate. The thickness is 2.5–75.05 m, usually 20–30 m. The upper part is unconsolidated, while the central and lower parts are more consolidated with argillaceous and calcareous cementation. The specific capacity ranges from 1.17 to 0.94 t/h·m, classified as the moderate water abundance.
- The marble karst fissure aquifer is mainly composed of interbedded marble, quartz schist, quartzite, plagioclase and amphibolite. The aquifer typically consists of 2–4 interbedded rock layers, as much as 6 layers. The thickness of a rock layer is usually 10–20 m, ranging from the minimum 1.2 m to the maximum 64.4 m. The first intersected rock layer is explored at a depth of 52.7–165.5 m, with a weak development of solution holes in shallow or tectonically fractured zones. The size of solution holes is usually 1–3 mm, but can be as large as 6x8 cm. The deeper rock has a good massiveness. The marbles in fractured zones usually appears as breccia or cataclasite that have the intensive fissures being filled with fine calcite veins. Some tensional fissures are 1–4 mm wide, filled with karst fissure water. The aquifer is directly contacted with the Neogene clastic rock fissure and pore aquifer in some boreholes, indicating hydraulic connectivity. Pumping test at SZK2005 shows a specific capacity of 7.88 L/s·m, which is a large water yield due to direct contact with the Neogene aquifer. The marble east of mine area is fractured and occurred with fissures that were induced by the nearly north-south fractures. Cavities in 40 cm by 50 cm size and solution ditches and channels in 0.8 m by 1.0 m size were observed, forming a water-rich karst fissure zone at the front of the hill. Wells along the line of Yeshanxi–Tangta Cement Plant have the depth of 6.3 to 11.3 m, and the single-well yield rate of 50–100 m³/h. It remains unclear whether the marble zone easting of mine area is hydraulically connected to the fractured zones in the mine area.
- The fractured metamorphic bedrock aquiclude is filled with fissure water in the weathered zone, tectonic fracture zones, and a few tensional fissures. The fracture zone in the mine area has a wider width and moderately developed fissures in the shallow depth, then becoming narrower as the depth increases. The deep fractured zone has a weak water abundance due to a specific capacity of 0.017 L/s·m, which has little impact to the groundwater inflow. Nevertheless, some tensional fractures could connect with other fractured zones, particularly the water-bearing karst fissure zone in front of hill, to induce groundwater inflow. The bedrock in the mine area is deeply buried and weakly weathered. Strongly weathered zones are mainly found in biotite schist and plagioclase amphibole schist in a thickness of 2.7–4.4 m. Weakly weathered zones are 5–7 m thick.

The Quaternary clays, Neogene mudstone and marl, together with the Daqiaoshan Formation dolomitic quartzite, biotite quartz schist, plagioclase amphibolite, and ultrabasic rocks act as aquicludes in the mine area. Considering no significant surface water body in the mine area, and the aquiclude feature of hanging wall, footwall and mineralized zones, the groundwater inflow will not be materially recharged by the surface water body. Groundwater is recharged primarily by the atmospheric precipitation, and secondarily by the lateral runoff of fissure water in low hills and hilly areas. Groundwater is discharged through pumping, evaporation, and underground runoff.

9.2.2 Groundwater Inflow

The steady-state flow big well method was utilised to estimate the groundwater inflow in the *PD 2023*. The estimates for each mining level are shown in Table 9-1.

Table 9-1: Results of Groundwater Inflow Calculations

Level	Normal groundwater inflow (m^3/d)	Maximum groundwater inflow (m^3/d)
310m	5,520	8,280
750m	9,430	14,150
400m	560	840
800m	330	500

Sources: *PD 2023*

For the primary production horizon at the -750m level, the Zhou'an Project has integrated a robust multi-stage relay-pumping system. This infrastructure facilitates the transfer of mine water and backfill drainage from the -750m and -310m levels to surface-based clarification ponds for treatment and recycling, ensuring underground operations remain stable and dewatered.

While the project is technically categorized under "simple" hydrogeological conditions, the design maintains high operational vigilance regarding the latent risk of sudden water inrushes. Such events could be triggered if mining establishment establish hydraulic connectivity with high-pressure karst aquifers through unmapped structural zones or tension fractures. To mitigate these hazards, the project employs robust engineering controls consistent with international best practices:

- Structural Barriers: Installation of waterproof doors (rated at 0.5 MPa) at critical entries and central substations to isolate potential flooding.
- Sediment Management: Implementation of dedicated settling basins at each pumping station to manage backfill return water and protect dewatering equipment.
- Operational Protocol: Strict adherence to a "probe-before-drilling" (探放水) policy for all development headings, ensuring advance detection and grouting of water-bearing structures before excavation proceeds.

9.3 Geotechnics

The stratigraphy of the mine area, from top to bottom, consists of Quaternary unconsolidated rocks, Neogene clastic rocks, Mesoproterozoic Zhujiashan Group Daqiaoshan Formation metamorphic rocks, and ultrabasic rock bodies. The structure in the bedrock outcrop area is relatively simple, with small-scale interlayer flexures and conformable faults, as well as locally developed near east-west faults. The area features monoclinic strata with some minor folds, but these are small in scale and have no impact on ore extraction. There are two main groups of faults in the area: east-west trending and north-south trending faults. The east-west trending faults crosscut the strata, with faults F1 and F2 being the main ones. Based on current outcrops, these faults are located far from the mineralised zone and do not intersect or disrupt the mineralised zone, thus having no impact on mining operations.

9.3.1 Geotechnical Setting and Lithology

The Zhou'an Project is hosted within a sequence of Proterozoic metamorphic units and concealed ultramafic mineralised zones, where the primary lithology exhibits significant mechanical strength that directly influences mine design and extraction feasibility. The Geotechnical Testing Center of

MCC Group Wuhan Survey & Research Institute carried out the physical and mechanical tests on rock samples obtained from drill holes within the mine area. The test results of representative samples are summarized in Table 9-2. The altered peridotite, which constitutes the primary mineralised zone, demonstrates exceptional mechanical competence, with a measured UCS of 196.3 MPa. The footwall gabbro, serving as a major supporting rock unit beneath the mineralised zone, exhibits a UCS of approximately 119.3 MPa, providing adequate bearing capacity for underground mining activities. The hanging wall units, composed of dolomitic quartz schists and marbles, are classified as semi-hard to hard rock; their UCS values range from 44 MPa to 109 MPa, with the dolomitic quartz schist (upper hanging wall) reaching the upper limit of this range (109.0 MPa) and vein carbonatite (upper hanging wall) representing the lower limit (44.4 MPa).

Table 9-2: Rock Mechanics Test Results (Representative Samples)

Lithology	Part	UCS (Dry, MPa)	Tensile Strength (MPa)	Friction Angle (°)
Altered Peridotite	Upper Ore Layer	196.3	10.3	37.5
Gabbro	Lower Footwall	119.3	12.0	41.4
Dolomitic Quartz Schist	Upper Hanging Wall	109.0	8.9	37.4
Vein Carbonatite	Upper Hanging Wall	44.4	7.3	34.8

Source: *PD 2023*, provided by Tanghe and summarized by SRK

9.3.2 Rock Mass Quality Classification

Based on borehole data and the results of rock mechanical tests, the rock mass quality of the mineralised zone in the mine area was evaluated using the M system, which are derived from the China standard *GBT-12719-2021 Code for Hydrogeological and Engineering Geological Investigation of Mining Areas*. The assessment results are shown in Table 9-3. Almost all the mineralised zone and the wall rocks consist of relatively hard rocks, except for the vein-like carbonate rocks in the hanging wall of the upper mineralised zone, which are classified as weak to semi-hard rocks. The RQD of the mineralised zone and its wall rocks generally ranges from 50% to 95%, corresponding to rock mass quality classes II–III, indicating medium to good quality. The core integrity is evaluated as moderately intact to intact.

Table 9-3: M System Result

Sequence	Place	Lithology	Average RQD (%)	M	Classification	Evaluation
Upper Ore Layer	Hanging Wall	Dolomitic Quartzite Schist	70.2	1.91	II	Good
		Banded Marble		0.77	III	Medium
	Mineralised zone	Diopsidic Dunite		3.41	I	Excellent
	Footwall	Diopsidic Dunite		2.15	II	Good
Lower Ore Layer	Hanging Wall	Altered Diopsidic Dunite	89.27	2.87	II	Good
	Mineralised zone	Altered Dunite with Diopside		1.87	II	Good
	Footwall	Fine-grained Gabbro		2.21	II	Good

Sources: *PD 2023*

9.3.3 Numerical Simulation and Surface Stability

Using Roclab software and the Hoek-Brown criterion, the mechanical parameters of rock mass were calculated, which include the unconfined compressive strength (UCS), the Poisson's ratio (v), the Young modulus (E), the cohesion (c), the internal friction angle (φ), the tensile strength, and the bulk density. The calculations assumed a rock mass quality of class IV to determine the design values of Neogene rocks based on the reduced mechanical parameters. The parameters for the backfill were determined based on a minimum fill strength of 2 MPa and by referring to similar backfill parameters with the same cement-sand ratio from other mines. The results are summarized in Table 9-4.

Table 9-4: Summary of Rock Mass Properties

Lithology	Bulk Density (KN/m^3)	UCS (MPa)	Tensile Strength (MPa)	c (MPa)	φ (°)	E (GPa)	v
Quaternary	1.9		0	0.56	29.3	2.1	0.32
Neogene Rock Mass	2.7	5.0	0.1	0.60	33.0	6.0	0.30
K1 Hanging Wall	2.7	12.0	1.6	3.28	32.8	12.0	0.26
K1 Footwall	2.8	29.8	1.2	6.73	41.5	16.8	0.26
K2 Footwall	2.7	30.9	1.5	6.95	41.5	15.3	0.26
Mineralised zone	2.9	42.4	3.4	9.28	44.2	26.6	0.26
Cemented Backfill	2.0	3.2	0.4	0.50	32	0.6	0.25
Uncemented Tailings Backfill	1.9		0	0.01	30	0.1	0.30

Sources: *PD 2023*

To validate the geotechnical stability of the planned mining operation and assess potential surface impacts, FLAC3D numerical modelling was performed using the Mohr-Coulomb constitutive model. The modelling incorporated the key mechanical parameters of each geological unit, which were derived from laboratory tests and field investigations and are presented in Table 9-4. The numerical simulation focused on evaluating the cumulative impact of two core mining activities: the extraction of both primary and low-grade orebodies, and subsequent backfilling operations. Modeling results predict a maximum surface subsidence of 0.30 m, which remains well within the critical safety thresholds defined by national regulations for nearby infrastructure—including local brick-concrete residential structures and provincial highways. This outcome confirms that the mining design, when implemented with the mechanical parameters specified in Table 9-4, will maintain surface stability throughout the operational period.

9.3.4 Risk Mitigation and Operational Controls

Although the Zhou'an Project being characterized by a "simple" engineering geological setting, the latent risks associated with structural fracture zones (13–40 m wide) will continually exist, as well as the potential hydraulic connectivity risks that could impact rock mass stability and mining safety if not properly mitigated. Consistent with international best practices, the Zhou'an Project has implemented following robust engineering controls tailored to address these risks, complementing the favorable geotechnical conditions and mechanical properties.

- Automated Monitoring: A network of 71 monitoring points and an online stress-strain monitoring system have been deployed to provide real-time data on surface deformation and rock mass stability. This system enables proactive detection of any abnormal movements, particularly in areas adjacent to structural fracture zones or where the rock mass (e.g., hanging wall vein carbonatite with a UCS of 44.4 MPa, Table 1) is relatively weaker.
- Structural Detection: A strict "probe-before-drilling" protocol is mandatory for all development headings. This protocol is critical for detecting unmapped structural weaknesses that may not have been identified during initial logging, ensuring that mining activities avoid or properly support areas with compromised rock mass integrity (e.g., regions with RQD values at the lower end of the 50–95% range, Table 2).
- Geothermal Management: Due to limited data on deep-seated rock temperatures, supplementary geothermal investigations are required prior to advancing into deeper production levels. This is particularly important given the high mechanical strength of deep mineralized zone and wall rock units (e.g., altered peridotite UCS of 196.3 MPa, Table 1), as temperature variations could influence rock mass properties and long-term stability.

9.4 Mining Methods

9.4.1 Mining Method Selection and Overall Strategy

The Zhou'an Project is designed as a large-scale underground mining operation, which adopts a two-step method strategy to optimize resource recovery efficiency for mineralised zones with different thicknesses. To guarantee geotechnical stability in the mine area and protect surface infrastructure, all extracted stopes will undergo subsequent backfilling operations in line with relevant safety standards. The choice of specific mining method is mainly determined by the thickness of mineralised zones. The detailed application scope and production allocation are summarized in Table 9-5.

Table 9-5: Summary of Mining Method Application

Mining Method	Proportion of Production	Applied Ore Thickness	Design Capacity (Per Stope)
Sublevel open stoping	75%	> 6.0m	700 t/d
Room and pillar (mechanized)	20%	2.5m – 6.0m	300 t/d
Room and pillar (manual)	5%	< 2.5m	300 t/d

Source: *PD 2023*, provided by Tanghe and summarized by SRK

Specifically, sublevel open stoping with delayed backfilling is applied to stopes with a thickness greater than 6 meters, serving as the primary mining method and accounting for 75% of the total mine output. Room and pillar with delayed backfilling is used for thinner ore zones (thickness < 6 meters), contributing the remaining 25% of the total production. The room and pillar mining is furtherly divided based on the mechanization level: specialized drilling jumbos are adopted for ore zones with a thickness of 2.5–6 meters, while handheld drill rig is used for zones with a thickness of less than 2.5 meters.

9.4.1 Sublevel Open Stoping

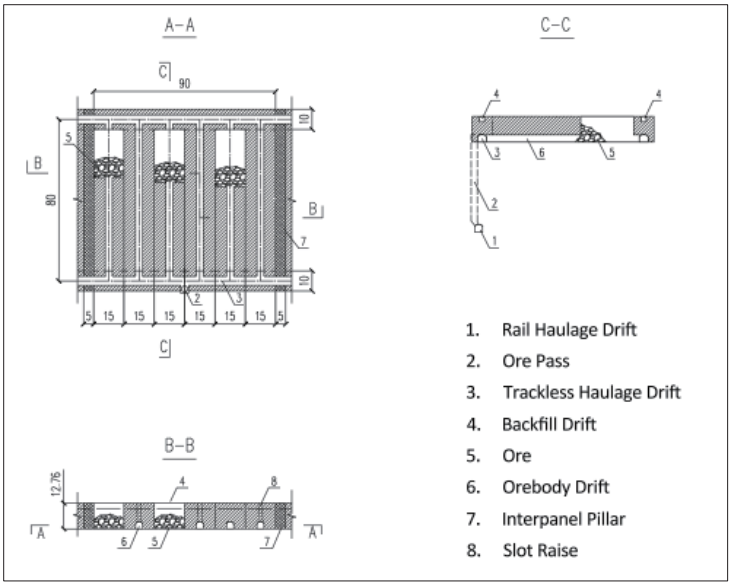
The sublevel open stoping method adopts a two-step extraction sequence implemented within predefined panels. Each panel is designed with dimensions of 90 meters along the transverse direction and 80 meters in the strike direction. The orebodies are extracted in stopes with a width of 15 meters, separated by reserved pillars to ensure structural stability. The key design parameters of this method are detailed in Table 9-6 and Figure 9-2.

Table 9-6: Principal Stope Design Parameters – Sublevel Open Stoping (SOS)

Parameter	Unit	Sublevel Stoping
Stope length	m	80.0
Stope width	m	15.0
Stope height	m	Mineralised zone thickness
Panel pillar width	m	10.0 along the strike direction. 5.0 along the transverse direction.
Internal pillars	m	not applicable
Drill hole diameter	mm	76
Mining loss	%	20.0
Mining dilution	%	7.0

Source: *PD 2023*, provided by Tanghe and summarized by SRK

Figure 9-2: Sublevel Open Stoping (SOS) Mining Method



The extraction of each panel is carried out in two phases: Phase 1 involves the first step of mining three primary stopes, and the second step of backfilling of mined-out stopes with cemented backfilling. After the backfill achieved the compressive strength of 2 MPa, the Phase 2 starts in the

remaining three secondary stopes, which will be filled with unconsolidated tailings after mucking of ore.

Drilling operations are performed using Simba 1354 long hole drilling jumbos, which drill fan holes with a diameter of 76 mm and a burden of 1.5–2.0 meters. Blasting works adopt ammonium nitrate / fuel oil (ANFO) explosive combined with a non-electric ignition system to ensure blasting efficiency and safety.

Blasted ore is mucked using LH409E electric Load-Haul-Dump (LHD) machine and remote-controlled LH410 diesel LHD machine. This configuration keeps operators away from open stopes, effectively enhancing personnel safety during the mucking process.

9.4.2 Room and Pillar Mining

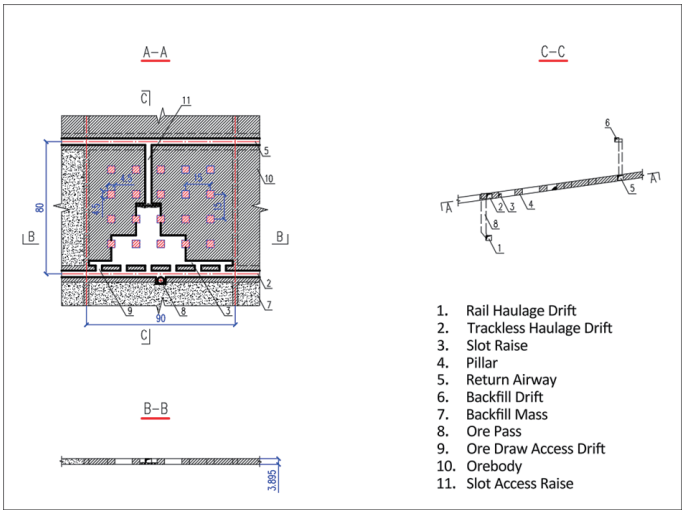
The room and pillar method is utilized for thinner stopes with an average thickness of approximately 3.9 meters, providing high flexibility to adapt to the varying thickness of the orebodies. Its principal stope design parameters are shown in Table 9-7 and Figure 9-3.

Table 9-7: Principal Stope Design Parameters – Room and Pillar (R&P)

Parameter	Unit	Room and Pillar (R&P)
Stope length	m	80.0 (Panel)
Stope width	m	90.0 (Panel)
Stope height	m	Mineralised zone thickness
Panel pillar width	m	10.0 along the strike direction. 3.0 along the transverse direction.
Internal pillars	m	4.5 x 4.5 (regular pillars)
Drill hole diameter	mm	43 – 45
Mining loss	%	20.0
Mining dilution	%	7.0

Source: *PD 2023*, provided by Tanghe and summarized by SRK

Figure 9-3: Room and Pillar (R&P) Mining Method



Panels for room and pillar mining are designed with the same dimensions as sublevel open stoping panels (80m × 90m). To maintain the stability of the mined-out area, regular pillars in 4.5m × 4.5m size are left unmined in 15 m spacing interval, supplemented by 10-meter-wide panel pillars between panels.

Mechanized drilling is implemented using Boomer 281 face drill rigs, which drill horizontal holes with a depth of 2.3 meters. For thinner stopes where mechanized drilling is not feasible, handheld YT28 drill rigs are used. After blasting with emulsion explosives, the ore is transported using CYE-2 electric LHDs or CY-2 diesel LHDs.

9.5 Underground Stope Shape Optimization

The Deswik Shape Optimizer™ ("SO") module was used on the Mineral Resource block model to generate mineable shapes. These shapes were subsequently used to refine and enhance the proposed design. Once the preliminary stopes were generated, an economic assessment was performed to eliminate any uneconomical ones, based on factors such as development and mining costs. The parameters used in the SO module are summarized in Table 9-8.

Table 9-8: Stope and Panel Geometry Parameters

Parameter	Sublevel Open Stoping (SOS)	Room and Pillar (R&P)
Target Ore Thickness	> 6.0 m	2.5 m – 6.0 m (mechanized). < 2.5 m (manual)
Panel Length (E-W)	80 m	80 m
Panel Width (N-S)	90 m	90 m
Stope Width	15 m	N/A (Standard room layout)
Vertical Interval	Full ore thickness.	Matches mineralised zone thickness

	2 sublevels if > 20 m	
Transverse rib pillar	10 m wide	10 m wide
Longitudinal rib pillar	5 m wide (not recovered)	3 m wide
Regular pillar	N/A	4.5 m × 4.5 m square at 15 m spacing
Bottom structure	Flat bottom structure	Integrated within the stope floor

Source: SRK

9.6 Development

The Zhou'an Project adopts a sophisticated and staged underground development to access its multi-layered mineralization zones. The nominated ore mining capacity is 10,000 tpd. The opening system employs a two-stage vertical shaft configuration. The Stage I targets upper mineralized zone (primarily above -280m asl) via surface-collared shafts. The Stage II accesses deeper mineralized zone (K2-1) through a hybrid system of blind shafts and internal declines. Key infrastructure, logistics, and safety systems are detailed below, with core specifications summarized in Table 9-9. The isometric view and longitudinal view of development system are shown in Figure 9-4 and Figure 9-5.

Figure 9-4: Isometric View of Development System

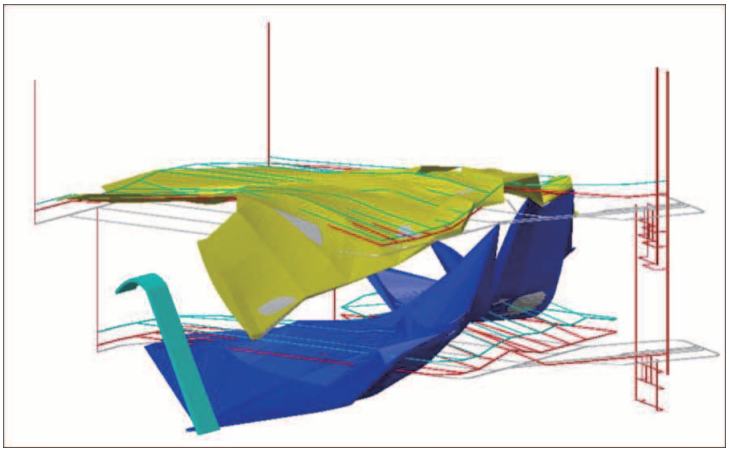
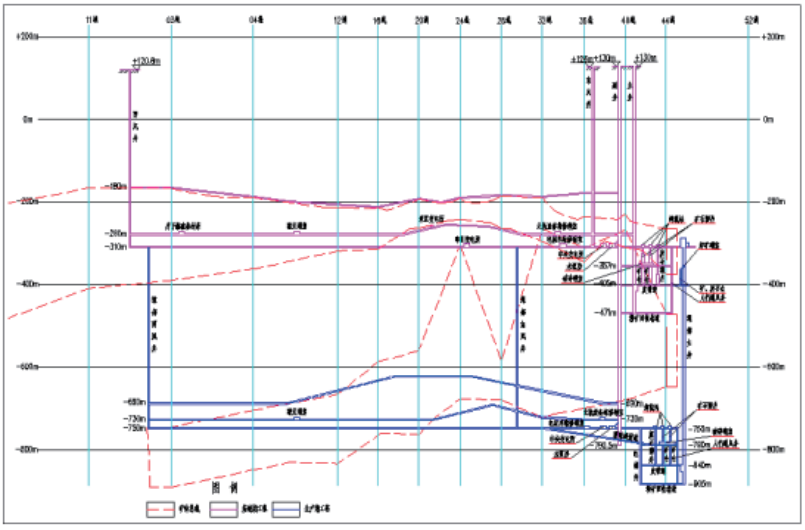


Figure 9-5: Longitudinal View of Development System



The main tunnels are described below:

- Two vertical shafts are strategically located in the central of deposits near to exploration line 40, serving as the core of the mine's vertical hoist and operational support:
  - The main shaft (or the skip shaft) will be developed in two stages. The stage 1 of main shaft has been developed with a 5.6 m diameter, reaching a total depth of 601.0 meters (-471.0 m asl) to access the upper mineralised zone. It is equipped with a tower-mounted friction hoisting system and 16 m³ bottom-dump skips, designed for high-duty-cycle operation (approximately 18 hours per day) to handle both ore and waste rock transportation. The stage 2 of main shaft will be developed upward to connect the existing main shaft to access the lower mineralised zone. The stage 2 main shaft has a 5.6m diameter, and a depth of 440.0 meters (-905.0 m asl).
  - The auxiliary shaft (or cage shaft) has been developed with a 7.5m diameter and a total depth of 920.5 meters (-790.5m asl), functioning as the primary way for personnel, equipment, and fresh air intake. It features two separate cage systems, with the large double-deck cage capable of transporting 120 personnel per trip, complying with international standards for efficient shift changes.
- Underground logistics are organized around a concentrated tracked haulage system established at primary horizontal horizons, with supplementary trackless access for peripheral ore zones, ensuring efficient ore movement and operational flexibility:
  - Haulage Level Ways: The -310m asl and -750m asl level ways serve as the central arteries for underground ore transportation, utilizing CJY20/9G electric locomotives (powered by overhead wires) pulling 12-car trains (10m³ per car), with an effective payload of 180 tonnes per trip.

- Trackless Decline Access: For thinner "corner" orebodies outside the main shaft influence area, internal declines with a 12% gradient are incorporated to facilitate the movement of trackless mucking and drilling equipment, enhancing operational adaptability.

Table 9-9: Primary Vertical Development Specifications

Tunnel	Diameter (m)	Depth (m)	Bottom (m asl)	Primary Function
Stage 1 main shaft	5.6	601.0	-471.0	Skip hoisting (ore/waste)
Auxiliary shaft	7.5	920.5	-790.5	Personnel/materials/fresh air
East ventilation shaft	4.0	456.0	-330.0	Exhaust / emergency safety exit
West ventilation shaft	4.0	446.8	-326.0	Exhaust / emergency safety exit
Stage 2 main shaft	5.6	440.0	-905.0	Phase II deep ore hoisting

Source: *PD 2023*, provided by Tanghe and summarized by SRK

Table 9-10: Underground Haulage and Track Parameters

Parameter	Unit	Specification	Remarks
Primary haulage levels	m asl	-310, -750	Main tracked haulage horizons
Locomotive type	-	CJY20/9G	Electric powered by overhead wire
Train configuration	-	12 x 10 m³ cars	180t effective payload per trip
Rail weight	kg/m	38	Heavy-duty steel rail for high load
Track gauge	mm	900	Standard underground mining gauge

Source: *PD 2023*, provided by Tanghe and summarized by SRK

9.7 Mining Service

9.7.1 Ventilation System

The fresh air enters the underground mine via the Main Shaft and Auxiliary Shaft, while the exhaust air is drawn out via the East and West Ventilation Shafts (4.0m diameter each). Both ventilation shafts are also equipped with independent ladder compartments, serving as dedicated emergency egress routes with direct surface access, further enhancing the mine's safety redundancy.

The total required fresh air has been calculated at 339 m^3/s, based on diesel equipment utilization, workforce requirements, and statutory air quality criteria.

9.7.2 Thermal Environment and Cooling Strategy

A significant technical constraint at depth is the elevated Virgin Rock Temperature (VRT), which reaches approximately 36.7°C at the -750 m level. To maintain compliance with international occupational health standards (wet-bulb temperature < 27°C), a centralized surface refrigeration system has been adopted.

The cooling scheme includes:

- A surface ice-making plant

- A 1,500 m insulated ice-delivery pipeline
- Underground ice-melting chambers at -617 m, -690 m, and -750 m levels
- MK-series air coolers installed at active working faces

The total installed cooling capacity is 10,460 kW, distributed across multiple modular refrigeration units to ensure redundancy and operational flexibility.

Table 9-11: Ventilation and Cooling Design Parameters

Parameter	Unit	Design Value	Remarks
Production Rate	tpd	10,000	Steady-state operation
Total Required Airflow	m³/s	339	Based on diesel fleet and manpower
Ventilation Circuit	–	Diagonal	Intake via Main & Auxiliary Shafts
Main Fan Type	–	FKCDZ-10-NO32	Axial flow, 630 kW
Virgin Rock Temperature (-750 m)	°C	36.7	High geothermal gradient
Maximum Allowable Wet-Bulb Temp	°C	< 27	Safety compliance criterion
Total Installed Cooling Capacity	kW	10,460	10 × 1,046 kW ice-making units
Underground Air Coolers	No.	35	MK300 units at production faces
Ice Delivery Depth	m	1,500	Insulated pipeline system

Source: PD2023, provided by Tanghe and summarized by SRK

9.7.3 Mine Drainage and Dewatering System

The mine employs a multi-stage relay pumping system to manage groundwater inflows and operational water accumulation.

The design considers a normal inflow rate of 9,430 m³/d and a peak inflow rate of 14,150 m³/d.

Permanent pump stations and settling facilities are in levels at -310 m asl and -750 m asl. The drainage strategy incorporates staged lifting from deep production levels to surface via relay pumping.

To prevent pump damage from backfill-related slurry contamination, dedicated settling ponds are integrated upstream of the primary pump chambers. These facilities utilize double-compartment sedimentation to reduce suspended solids prior to pumping through high-pressure centrifugal units.

9.7.4 Backfill System

Backfilling forms a critical component of the mine's geotechnical risk management and surface subsidence control strategy.

The operation utilizes cemented paste backfill (CPB) for primary stopes, and unconsolidated tailings fill for secondary stopes.

The surface backfill preparation plant is located adjacent to the Auxiliary Shaft. It includes a deep-cone thickener, a high-density paste mixing system, and a gravity-driven four-line pipeline distribution reticulation.

Tailings are thickened to 65–68% solids by weight prior to underground delivery. The CPB is designed to achieve a minimum UCS of 2.0 MPa in 28 days curing.

Table 9-12: Backfill System Technical Summary

Item	Specification	Remarks
Backfill Type (Primary Stopes)	Cemented Paste Backfill (CPB)	Structural support
Backfill Type (Secondary Stopes)	Unconsolidated Tailings	Void filling
Tailings Source	Full mill tailings	Process plant
Slurry Concentration	65%–68% (by weight)	High-density paste
Design UCS (28 days)	≥ 2.0 MPa	Geotechnical requirement
Delivery Method	4-line gravity pipeline	Redundant layout
Daily Backfill Capacity	~4,828 t (dry tailings)	Steady-state

Source: *PD 2023*, provided by Tanghe and summarized by SRK

9.7.5 Power Supply

The power of underground mine comes from the new 110/10 kV surface substation, designed with dual-circuit high-voltage feeders to ensure operational redundancy and reliability. Underground distribution is stepped down to operational voltage levels through dedicated transformers located at major production levels.

9.7.6 Compressed Air System

A centralized surface compressed air station equipped with variable frequency drive (VFD) screw compressors supplies air to underground operations. Distribution is via D219 and D159 pipelines installed in vertical shafts and extended to all active development headings.

9.7.7 Water Supply System

Separate water systems are maintained for:

- Industrial water (recycled from TSF return water and mine drainage)
- Potable and emergency water

Fire-extinguishing hydrants are installed at 50–100 m intervals along main haulage levels in compliance with underground fire protection standards.

9.7.8 Explosive Supply and Management

A subsidiary of Ansteel Mining Blasting Co., Ltd ("**Ansteel Blasting**") is located near to the project site. The explosives have been supplied by this company when developing shafts. It operates two 20 tonnes explosive magazines and a 500,000 pieces detonator magazine. The company will continually supply explosives to the Zhou'an Project.

Figure 9-6: Explosive Magazine of Ansteel Blasting



Source: SRK, 9 April 2026

9.7.9 Communications and Digital Safety Systems

In accordance with modern "Smart Mine" design standards, the operation incorporates an integrated digital communication and safety management system.

Digital Infrastructure consists of industrial fiber-optic backbone network (ethernet-based), real-time data exchange between surface and underground, and centralized control room integration.

Emergency refuge facilities include two permanent refuge chambers in levels at -310 m asl and -750 m asl. Each chamber is designed to provide up to 96 hours of life support capacity (air purification, water, food supplies) for 60–100 personnel.

Automation and personnel positioning system consists of remote-controlled hoisting system, automated personnel positioning system, and real-time underground worker tracking.

9.8 Mining Equipment

The Zhou'an Project's underground equipment selection follows three core principles—high mechanization, efficiency, and safety—to support its 10,000 tpd designed capacity, with a fleet tailored to the two-step mining strategy (sublevel open stoping and room & pillar). The key configurations include remote-controlled, electric and diesel LHDs for safety and flexibility, drill rigs differentiated by mining method, a specialized development and auxiliary fleet for continuity, and heavy-duty hoisting systems and crushers to ensure steady ore transport from underground horizons

to the surface. All primary equipment, auxiliary equipment and core infrastructure are summarized in Table 9-13.

Table 9-13: Key Mining Equipment proposed for Tanghe Mine

Category	Equipment Type	Specification	Quantity	Application/Function
Primary Extraction & Mucking	Long-hole Drill Rig	Simba 1354 (76mm hole)	7	Sublevel Open Stoping
	Face Drill Jumbo	Boomer 281	2	Mechanized Room & Pillar
	Handheld Drill	YT28	8	Manual Room & Pillar / Aux
	Electric LHD	LH409E (4.0 m³)	5	Main Stope Mucking
	Diesel LHD (Remote)	Sandvik LH410 (4.0 m³, RC)	3	High-risk Stope Mucking
	Small Electric LHD	CYE-2 (2.0 m³)	3	Room & Pillar Mucking
	Small Diesel LHD	CY-2 (2.0 m³)	2	Room & Pillar / Development
	Development Jumbo	Boomer 281	6	Level & Ramp Development
	Stoper/Drifter	YSP45 / YT28	30	Secondary Dev / Rock Bolting
Development & Auxiliary	Diesel LHD	CY-2 (2.0 m³)	3	Waste Mucking (Development)
	Low-Profile Truck	XYUK-5 (5-tonne)	1	Waste Haulage (Aux Levels)
	Scaling Jumbo	XMPYT-97-700	1	Mechanized Loose Rock Removal
	Shotcrete Machine	Concrete Sprayer	2	Ground Support
	Explosive Charger	BQF-100	2	ANFO/Emulsion Loading
	Service Vehicle	Listai Multi-functional	-	Material & Explosive Transport
Hoisting & Crushing	Main Shaft Hoist	JKM-4.5×4(III)E (Tower)	-	10,000 tpd; 16m³ Skips, 3550kW Motor
	Auxiliary Shaft Hoist	JKMD-4×4(III)E (Floor)	-	120 pax/trip; Large Cage, 1250kW Motor
	Traffic Cage Hoist	JKMD-1.85×4(I)	-	Personnel/Small Equipment
	Primary Crusher	Metso C130 Jaw Crusher	-	470 t/h; 2 Units at -357m
	Underground Locos	CJY20/9G Electric	-	180 t/trip; 12-car train, 10m³ side-dump

Source: *PD 2023*, provided by Tanghe and summarized by SRK

10 Processing Assessment

10.1 Overview

The Tanghe Shidai Zhou'an copper–nickel deposit is a low-grade Cu–Ni ore body with associated gold, silver and platinum-group metals (PGMs). The Zhengzhou Institute for Comprehensive Utilization of Mineral Resources, Chinese Academy of Geological Sciences (referred to as the "Zhengzhou Institute"), and the Beijing General Research Institute of Mining & Metallurgy ("BGRIMM") have respectively carried out process mineralogy studies and beneficiation testwork.

The ore is a primary sulfide ore, and sulfide minerals are the main carriers of the valuable metals. Therefore, a full-sulfide flotation process can be used to concentrate and recover the valuable components.

The Zhengzhou Institute conducted preliminary laboratory beneficiation tests on a composite sample representative of the entire mineralised zone, using a "one rougher – three scavengers – two cleaners, with partial middlings re-cleaned and then returned" flotation flowsheet. BGRIMM carried out laboratory beneficiation tests on a composite sample representative of the upper mineralised zone and another composite sample representative of the lower mineralised zone, using respectively the "one rougher – two scavengers – four cleaners with sequential middlings return," "one rougher – three scavengers – five cleaners with sequential middlings return," and "stage grinding – stage separation" flotation flowsheets.

These test flowsheets yielded broadly similar beneficiation results, indicating that the ore is easy to process and that the performance indices are stable.

In October 2008, China ENFI Engineering Corporation ("ENFI") completed the feasibility study for the development of the Zhou'an copper–nickel deposit. In February 2023, Jinjian Engineering Design Co., Ltd. completed the preliminary design for mining and processing ("*PD 2023*"). The design capacity of the concentrator is 10,000 tpd, operating continuously throughout the year, with an annual operating rate of 90.4%, equivalent to 330 effective operating days per year and an annual ore treatment capacity of 3.3 Mt/a.

The designed concentrator crushing system adopts a conventional "three-stage, one closed-circuit crushing – two-stage closed-circuit grinding – one rougher, three scavengers, four cleaners with sequential middlings return flotation" process flowsheet, with the grinding–flotation system arranged as two parallel lines.

The concentrator has not yet been built. The plant site is located to the east of the main shaft and southeast of the office building and the reserved residential area and is currently still farmland planted with wheat. According to the production resumption plan, construction of the concentrator will commence in 2026, be completed and commissioned in 2029, and enter formal production in 2029.

The associated tailings storage facility is located in the Xiafutian valley, 10 km southeast of the concentrator site, with a designed total storage capacity of 11.189 million m³ and a service life of 8.5 years. Engineering geological, hydrogeological and geotechnical investigations have already been completed.

Although there is no fundamental defect in the designed process flowsheet, in light of the environmental conditions around the concentrator site, SRK considers that it is not the optimal flowsheet and recommends that it be redesigned, and that equipment selection be recalculated.

10.2 Process Mineralogy Study

10.2.1 Comprehensive Chemical Analysis of the Run-of-Mine Ore

The results of the comprehensive chemical analysis of the run-of-mine ore are shown in Table 10-1. The useful elements in the ore are mainly nickel and copper. Copper and nickel are the primary target elements for recovery, while gold, silver, platinum, palladium, cobalt, and other valuable elements can be comprehensively recovered.

Table 10-1: Results of Comprehensive Chemical Analysis of Run-of-Mine Ore

Element	Ni	Cu	Au(g/t)	Ag(g/t)	Pt(g/t)	Pd(g/t)	Co	S
Content (%)	0.38	0.16	0.19	0.81	0.22	0.12	0.008	0.82
Element	SiO2	Al2O3	MgO	CaO	K2O	Na2O	TFe	
Content (%)	39.01	4.12	26.56	1.88	0.3	0.3	9.96	

Source: Preliminary Beneficiation Test Study Report on the Zhou'an Copper-Nickel Ore, Tanghe County, Henan Province, Zhengzhou Institute for Comprehensive Utilization of Mineral Resources, Chinese Academy of Geological Sciences, October 2005.

The results of the chemical phase analysis of nickel and copper are shown in Table 10-2. Nickel and copper occur mainly in sulfide form, with small amounts present as silicates and oxides. The degree of oxidation of the ore is low; it is a primary metal sulfide ore.

Table 10-2: Chemical Phase Analysis Results of Nickel and Copper

Nickel phase	**Nickel sulfide**	**Nickel silicate**	**Nickel oxide**	**TOTAL**
Content (%)	0.378	0.03	0.013	0.42
Distribution (%)	89.92	7.19	2.99	100
Copper phase	**Copper sulfide**	**Copper silicate**	**Copper oxide**	**TOTAL**
Content (%)	0.1756	0.0039	0.0005	0.18
Distribution (%)	97.56	2.17	0.27	100

10.2.2 Mineralogical Composition of the Ore

The metallic minerals in the run-of-mine ore include pentlandite, pyrrhotite, chalcopyrite, violarite, chalcocite, bornite, mackinawite (also known as tetragonal iron sulfide), pyrite, magnetite, chromite, hematite, ilmenite, and small amounts of sperrylite and native gold.

The gangue minerals include serpentine, olivine, pyroxene, tremolite, mica, chlorite, apatite, and small amounts of diopside, talc, feldspar, etc.

The X-ray diffraction analysis results for the run-of-mine ore are shown in Table 10-3. The main target metals occur in sulfide minerals, which have good floatability, indicating that a flotation process can be used for concentration and recovery. On the other hand, the gangue contains large amounts of

magnesium-bearing layered silicate minerals such as serpentine and talc, which also float readily. This suggests that, in the flotation of the target metals, the suppression of gangue minerals (magnesia reduction) is an important task in the beneficiation test work.

Table 10-3: Mineralogical Composition of the Run-of-Mine Ore

Mineral	Content (%)	Mineral	Content (%)
Pentlandite[1]	1.23	Olivine	20
Pyrrhotite	3.28	Pyroxene	9
Pyrite	1.46	Amphibole	10
Chalcopyrite	0.5	Serpentine	30
Magnetite	4.31	Talc	7
Chromite	0.58	Chlorite	4
Ilmenite	0.5	Mica	4
Hematite	<0.1	Others	Balance

Source: Beneficiation Amenability Study Report on the Zhou'an Copper-Nickel Ore, Tanghe County, Henan Province, BGRIMM (Beijing General Research Institute of Mining and Metallurgy), February 2005.

Note:
Includes mackinawite (tetragonal iron sulfide), which is closely associated and difficult to quantify separately.

10.2.3 Occurrence of the Main Target Minerals

- Pyrrhotite

Pyrrhotite is the most abundant metallic sulfide mineral in the run-of-mine ore. Most pyrrhotite has a simple chemical composition containing only Fe and S; only a small portion contains nickel, and the Ni content is very low.

Pyrrhotite commonly occurs as coarse, irregular, massive aggregates together with pentlandite, pyrite and magnetite, embedded between gangue mineral grains or along fractures. It is often intergrown and replaced by chalcopyrite and pentlandite, forming exsolution textures, and sometimes occurs as disseminated single grains within the gangue. In many cases, the margins of pyrrhotite are clearly oxidized to magnetite.

Among all sulfide minerals, pyrrhotite has the coarsest grain size of occurrence, but the size distribution is very uneven. Overall, pyrrhotite occurring together with small amounts of pentlandite and chalcopyrite in the gangue tends to be relatively coarse, whereas pyrrhotite forming exsolution structures with pentlandite and chalcopyrite is finer grained. The small amount of pyrrhotite disseminated in the gangue is also fine grained. When the grinding fineness reaches 100% passing 0.074 mm, 80.09% of the pyrrhotite can be liberated as individual grains.

- Pentlandite

Pentlandite is the principal nickel-bearing mineral in the ore. Its main constituent elements are Fe, Ni and S, with minor Co.

Pentlandite is very closely associated with pyrrhotite in the ore; about 90% of the pentlandite is related to pyrrhotite. Most pentlandite occurs as irregular grains along the boundaries of pyrrhotite and often replaces pyrrhotite at its margins together with magnetite. Pentlandite disseminated within pyrrhotite is mostly associated with chalcopyrite and mackinawite, forming exsolution structures.

Pentlandite is also sometimes observed, together with chalcopyrite, mutually replacing and filling fractures in the gangue. In a few cases, fine-grained, disseminated pentlandite occurs as individual grains in the gangue, or fills the contacts between magnetite and chalcopyrite.

Pentlandite in the run-of-mine ore shows distinct cleavage, breaking along cleavage planes into numerous irregular blocky particles of relatively fine grain size. When the grinding fineness reaches 100% passing 0.074 mm, only 47.98% of the pentlandite can be liberated as individual grains.

- Chalcopyrite

Chalcopyrite is the main copper-bearing mineral in the ore, and some chalcopyrite contains minor nickel. Its modes of occurrence are mainly as follows:

1) Chalcopyrite and pyrrhotite, pentlandite, and mackinawite mutually replace one another;
2) Chalcopyrite occurs as irregular disseminated grains in the gangue, and some chalcopyrite particles show clear oxidation at their margins;
3) Chalcopyrite, together with pyrrhotite, replaces or fills fractures in magnetite and hematite;
4) A small amount of fine-grained chalcopyrite is embedded within magnetite crystals;
5) A small amount of chalcopyrite fills fractures in pyrite.

The grain size of chalcopyrite is clearly finer than that of pyrrhotite and pentlandite. Chalcopyrite disseminated as individual grains in the gangue generally occurs as irregular, very fine particles (about 0.01 mm); chalcopyrite intergrown with pyrrhotite is somewhat coarser. Chalcopyrite forming exsolution structures with pentlandite and pyrrhotite commonly occurs as fine veinlets and is very fine grained. When the grinding fineness reaches 100% passing 0.074 mm, only 24.22% of the chalcopyrite can be liberated as individual grains.

- Pyrite

Pyrite is also one of the main metallic sulfide minerals in the ore. Its chemical composition is simple; it contains neither copper nor nickel.

Pyrite commonly occurs as euhedral to subhedral crystals embedded in the gangue or in magnetite, and it is often intergrown with pyrrhotite and chalcopyrite.

Pyrite has a relatively coarse grain size of occurrence. Pyrite embedded in the gangue usually occurs as coarse euhedral or subhedral crystals, whereas pyrite on the pyrrhotite matrix is finer grained. When the grinding fineness reaches 100% passing 0.074 mm, 84.11% of the pyrite is liberated as individual grains.

- Mackinawite

Mackinawite, also known as tetragonal iron sulfide, is a relatively common Ni–Fe sulfide mineral in the ore. Nickel occurs in isomorphic form within this sulfide, and its Ni content is much lower than that of pentlandite.

Mackinawite is very closely associated with pentlandite, pyrrhotite and chalcopyrite. It often occurs as wormy, fibrous, clustered or lamellar disseminations along the margins of these sulfide mineral grains, among which mackinawite on the pentlandite matrix is the most abundant. At the edges of mackinawite grains, fine veinlets of chalcopyrite and pentlandite are often seen replacing it.

Mackinawite in the ore is extremely fine grained, entirely below 0.043 mm. It is difficult to achieve adequate liberation of mackinawite during conventional grinding, and therefore the recovery of nickel contained in mackinawite is relatively low in the beneficiation process.

- Vallerite

This is the main secondary copper mineral in the run-of-mine ore. Its composition is complex: in addition to Cu, Fe, and S, it also contains a certain amount of O and Mg, as well as minor Si.

In the run-of-mine ore, Vallerite occurs as very fine veinlets, with an extremely fine grain size. Where it develops along the boundary between pyrrhotite and the gangue, its grain size is only about 0.01 mm. It is difficult to achieve liberation of this mineral as single grains under conventional grinding conditions, and its surface is coated by a layer of magnesium hydroxide, so it is a refractory copper mineral from a beneficiation standpoint.

- Magnetite

Magnetite is the most abundant metallic oxide mineral in the ore. It commonly occurs as euhedral to subhedral crystals hosted in gangue minerals. Banded magnetite is frequently seen along the edges and in the fractures of sulfide mineral grains such as pyrrhotite, pentlandite, and chalcopyrite; this is mainly the result of oxidation of iron sulfide minerals. In addition, magnetite often occurs as fine veinlike disseminations filling fractures in the gangue or between gangue grains.

Most magnetite occurs with a medium grain size, but where it is present as banded or fine veinlike aggregates in the gangue, it is relatively fine grained.

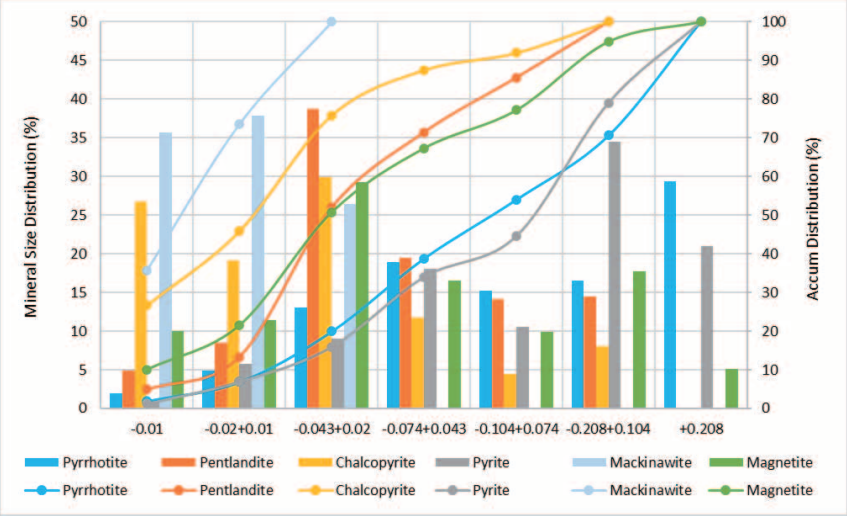
- Sperrylite

Sperrylite is the principal platinum-bearing mineral in the ore, though its content is very low. The sperrylite observed in the ore is fine grained, about 0.02–0.03 mm in size, occurring as euhedral to subhedral granular crystals. In cross-section it appears as quadrilateral cubes. Euhedral crystals can be seen embedded between pyrrhotite and gangue grains or within gangue minerals.

The grain-size distribution of the main metallic minerals is shown in Figure 10-1. Mackinawite has the finest grain size, followed by chalcopyrite and then pentlandite, whereas pyrite is relatively coarse grained. Pyrrhotite is also relatively coarse, but with a markedly uneven grain-size distribution.

Among the three main metallic sulfide minerals to be recovered, pyrrhotite has the coarsest grain size of occurrence, pentlandite is intermediate, and chalcopyrite is the finest. When the grinding fineness reaches 100% passing 0.074 mm, pyrrhotite is basically liberated (about 80%), while the liberation degree of pentlandite is about 48%, and that of chalcopyrite is about 24%.

Figure 10-1: Grain-size Distribution of the Main Metallic Minerals



Source: Prepared by SRK based on the process mineralogy study results of BGRIMM.

10.2.4 Distribution of Target Metals in the Main Minerals

Nickel

The main nickel-bearing mineral in the run-of-mine ore is pentlandite. In addition, small amounts of nickel are also present in chalcopyrite, mackinawite, pyrrhotite, sperrylite, magnetite and some nonmetallic minerals, while pyrite does not contain nickel.

Copper

The copper-bearing minerals in the ore are mainly chalcopyrite, followed by small amounts of bornite, covellite and the secondary vallerite.

Cobalt

Cobalt occurs mainly as the independent mineral cobaltite, and also in isomorphous form within metallic sulfides such as pyrrhotite, pentlandite, chalcopyrite, bornite and mackinawite.

Gold and Silver

Gold and silver occur mainly in isomorphous form within chalcopyrite, pyrrhotite, pentlandite and sperrylite.

Platinum-group Elements (PGE)

Platinum occurs as the independent mineral sperrylite, and in small amounts in isomorphous form within metallic sulfides such as pentlandite and pyrrhotite.

Os, Ir, Ru, Rh and Pd occur in isomorphous form within pentlandite, pyrrhotite and sperrylite.

Selenium

No independent selenium minerals have been found in the ore. Selenium occurs mainly in isomorphous form within metallic sulfide minerals.

Tellurium

No independent tellurium minerals have been found in the ore; only a small amount of tellurium has been observed in isomorphous form in pyrrhotite.

10.3 Processing Tests

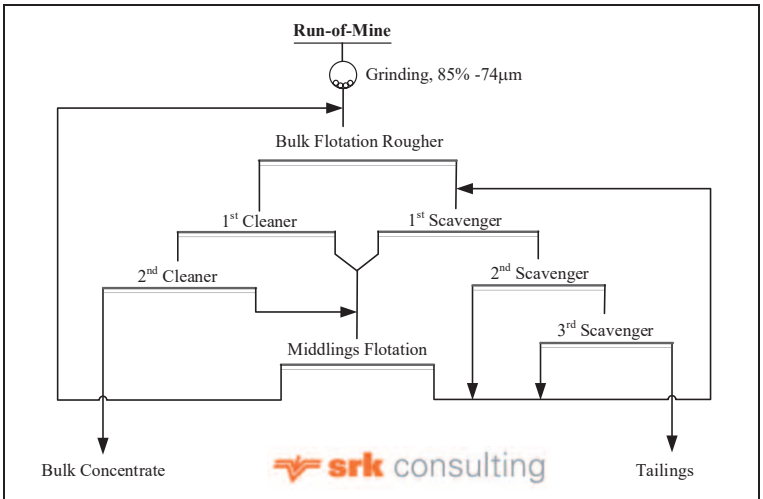
10.3.1 Flotation Flowsheet with Middlings Returnning after Treatment

Nickel is the most valuable target element in the ore, followed by copper, gold, silver and the platinum-group metals. Sulfide minerals are the main carriers of these target metals; therefore, the objective of processing is to recover these sulfide minerals, separate them from the gangue, and produce nickel and copper bulk concentrate that are as rich as possible in the various target metals.

The Zhengzhou Institute carried out processing amenability tests on a composite sample representative of the whole deposit. A flotation flowsheet was adopted in which part of the middlings (intermediate products in the flotation circuit) is combined, re-cleaned, and then recycled. This greatly reduces the build-up of easily floatable gangue minerals (magnesium-bearing layered silicates such as serpentine and talc) in the circuit and achieves a good magnesium-reduction effect. The test flowsheet is shown in Figure 10-2, and the results are presented in Table 10-4 and Table 10-5. Multi-element analyses of the concentrates are given in Table 10-6.

The concentrates obtained with this flowsheet have a high nickel grade and are enriched in valuable metals such as Cu, Co, Au, Ag, Pt, Pd, Os, Ir, Ru, Rh, Se and Te, while the contents of harmful components MgO and As are low.

Figure 10-2: Locked-cycle Flotation Test Flowsheet with Re-cleaning and Recycling of Intermediate Concentrates



Operation	Reagent dosage (g/t)					
	H_2SO_4	$(NaPO_3)_6$	FCMC	$CuSO_4$	SEX	ADD
Bulk rougher	3000	150		300	42+25	41+25
1st scavenger					22	18
2nd scavenger					20	19
3rd scavenger					20	20
1st cleaner		13	7	30		10
2nd cleaner		13	7	30		15
Middlings flotation		22	12	50		9

Source: Preliminary Beneficiation Amenability Test Study Report on the Zhou'an Copper-Nickel Ore, Tanghe County, Henan Province, Zhengzhou Institute for Comprehensive Utilization of Mineral Resources, Chinese Academy of Geological Sciences, October 2005.

Table 10-4: Test Results of Flotation Flowsheet with Middlings Returning after Treatment

Product	Yield (%)	Grade (%)				Recovery (%)		
		Ni	Cu	Co	MgO	Ni	Cu	Co
Concentrate	2.98	**8.25**	3.39	0.22	8.58	**67.86**	**67.12**	87.11
Tailings	97.02	0.12	0.051	0.001		32.14	32.88	12.89
ROM	100.0	0.36	0.15	0.008		100.0	100.0	100.0

Source: Preliminary Beneficiation Amenability Test Study Report on the Zhou'an Copper-Nickel Ore, Tanghe County, Henan Province, Zhengzhou Institute for Comprehensive Utilization of Mineral Resources, Chinese Academy of Geological Sciences, October 2005.

Table 10-5: Precious Metal Recovery Results for Flotation Flowsheet with Middlings Return after Treatment

Product	Yield (%)	Grade (g/t)				Recovery (%)			
		Au	Ag	Pt	Pd	Au	Ag	Pt	Pd
Concentrate	2.98	1.87	9.58	3.89	3.44	**29.33**	**33.66**	**59.9**	**74.59**

Tailings	97.02	0.14	0.58	0.08	0.036	70.67	66.34	40.1	25.41
ROM	100.0	0.19	0.84	0.19	0.14	100.0	100.0	100.0	100.0

Source: Preliminary Beneficiation Amenability Test Study Report on the Zhou'an Copper-Nickel Ore, Tanghe County, Henan Province, Zhengzhou Institute for Comprehensive Utilization of Mineral Resources, Chinese Academy of Geological Sciences, October 2005.

Table 10-6: Multi-element Chemical Analysis Results of Concentrate

Element	Ni	Cu	Co	S	Au[1]	Ag[1]	Pt[1]	Pd[1]
Content (%)	8.25	3.39	0.22	23.78	1.87	9.58	3.89	3.44
Element	Os[1]	Ir[1]	Ru[1]	Rh[1]	Se[1]	Te[1]	As[1]	MgO
Content (%)	0.268	0.217	0.389	0.154	93.04	53	168.8	8.58

Source: Preliminary Beneficiation Amenability Test Study Report on the Zhou'an Copper-Nickel Ore, Tanghe County, Henan Province, Zhengzhou Institute for Comprehensive Utilization of Mineral Resources, Chinese Academy of Geological Sciences, October 2005.

Note:

1. The unit of content is g/t. As and MgO are price penalty elements.

10.3.2 Flotation Flowsheet with Sequential Recycling of Middlings

BGRIMM carried out separate tests on the upper mineralised zone and the lower mineralised zone composite samples, adopting a bulk flotation flowsheet with sequential recycling of intermediate concentrates, as shown in Figure 10-3. The test results for the upper mineralised zone are given in Table 10-7 and Table 10-8, and those for the lower mineralised zone in Table 10-9 and Table 10-10. Compared with the flowsheet in which intermediate products are retreated and then recycled, the sequential recycling of middlings gives a lower nickel grade in the concentrate and a higher MgO impurity content.

The tests showed that the performance of bulk flotation is not very sensitive to grinding fineness: within the range of 85%–95% passing 0.074 mm, the grade and recovery of the Cu–Ni bulk concentrate do not differ significantly.

Table 10-7: Locked-cycle flotation test results for the upper orebody

Product	Mass (%)	Grade (%)		Recovery (%)	
		Ni	Cu	Ni	Cu
Bulk Concentrate	2.39	**7.54**	3.49	**65.8**	**75.33**
Tailings	97.61	0.096	0.028	34.2	24.67
Run-of-mine	100.0	0.274	0.111	100.0	100.0

Source: Beneficiation Process Study Report on the Upper Mineralised zone of the Zhou'an Copper-Nickel Deposit, Tanghe County, Henan Province, BGRIMM (Beijing General Research Institute of Mining and Metallurgy), March 2008.

Table 10-8: Results of multi-element analyses of flotation concentrate from the upper ore body

Element	Ni	Cu	Co	S	SiO2
Content (%)	7.14	3.20	0.27	19.04	24.96
Element	Au[1]	Ag[1]	Pt[1]	Pd[1]	**MgO**
Content (%)	2.13	25.01	2.99	2.71	**11.94**

Source: "Study Report on the Beneficiation Process of the Upper Ore Body of the Zhou'an Copper-Nickel Deposit, Tanghe County, Henan Province," Beijing General Research Institute of Mining & Metallurgy, March 2008
Note: (1) Content unit is g/t

Table 10-9: Closed-circuit flotation test results for the lower ore body

Product	Mass (%)	Grade (%)				Recovery (%)		
		Ni	Cu	Co	MgO	Ni	Cu	Co
Bulk Concentrate	5.05	**6.47**	2.58	0.17	15.12	**71.07**	**64.05**	53.04
Tailings	94.95	0.14	0.077	0.008		28.93	35.95	46.96
Run-of-mine	100.0	0.46	0.20	0.016		100.0	100.0	100.0

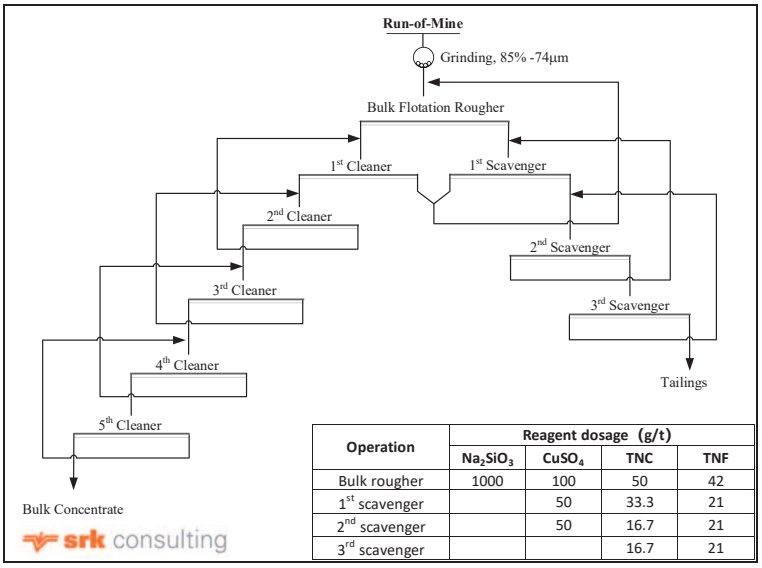
Source: "Study Report on the Beneficiation Possibility of the Lower Ore Body of the Zhou'an Copper-Nickel Deposit, Tanghe County, Henan Province," Beijing General Research Institute of Mining & Metallurgy, September 2006

Table 10-10: Precious metal recovery results for flotation concentrate from the lower ore body

Product	Mass (%)	Grade (g/t)				Recovery (%)			
		Au	Ag	Pt	Pd	Au	Ag	Pt	Pd
Bulk Concentrate	5.05	1.63	9.25	2.97	2.78	**63.29**	**10.68**	**74.96**	**70.17**
Tailings	94.95	0.05	4.11	0.053	0.063	36.71	89.32	25.04	29.83
Run-of-mine	100.0	0.13	4.37	0.20	0.20	100.0	100.0	100.0	100.0

Source: "Study Report on the Beneficiation Possibility of the Lower Ore Body of the Zhou'an Copper-Nickel Deposit, Tanghe County, Henan Province," Beijing General Research Institute of Mining & Metallurgy, September 2006

Figure 10-3: Closed-circuit flotation test flowsheet with middlings returned in sequence



Operation	Reagent dosage (g/t)			
	Na_2SiO_3	$CuSO_4$	TNC	TNF
Bulk rougher	1000	100	50	42
1st scavenger		50	33.3	21
2nd scavenger		50	16.7	21
3rd scavenger			16.7	21

Source: "Study Report on the Beneficiation Possibility of the Lower Ore Body of the Zhou'an Copper-Nickel Deposit, Tanghe County, Henan Province," Beijing General Research Institute of Mining & Metallurgy, September 2006

10.3.3 Stage grinding–stage flotation flowsheet

Because the ore contains a high proportion of gangue minerals that are prone to sliming, in order to reduce the adverse impact of slimes generated by fine grinding on the flotation process, BGRIMM carried out tests on a "stage grinding–stage flotation" flowsheet using ore from the upper ore body.

First, at a grinding fineness of 75% passing 0.074 mm, a flowsheet of "one rougher, two scavengers, four cleaners, with middlings returned in sequence" was used to produce Concentrate 1. The tailings were then reground to 95.5% passing 0.074 mm, followed by a flowsheet of "one rougher, two scavengers, three cleaners, with middlings returned in sequence" to produce Concentrate 2. The two concentrates were combined to obtain the final concentrate.

The test results are shown in Table 10-11. Compared with the test results for ore from the upper ore body in Table 10-7, the nickel recovery increased from 65.8% to 71.3%, but the nickel grade of the concentrate decreased from 7.54% to 5.84%, and the impurity content in the concentrate also increased.

It is considered that the "stage grinding–stage flotation" flowsheet is long, and both capital investment and operating costs are higher than for other flowsheets. Its advantage of higher nickel recovery would be offset by the higher costs. Given the high nickel price, the company, based on a preliminary economic comparison, concluded that this process flowsheet would deliver better economic returns. It has therefore decided to adopt this flowsheet in the detailed engineering design in order to recover more nickel.

Table 10-11: Test results of the stage grinding–stage flotation flowsheet

Product	Mass (%)	Grade (%)			Recovery (%)	
		Ni	Cu	MgO	Ni	Cu
Concentrate 1	2.49	6.31	2.8	12.66	61.15	63.33
Concentrate 2	0.64	4.03	1.44	14.53	10.13	8.45
Concentrate 1+2	3.13	**5.84**	2.52	13.04	**71.28**	71.78
Tailings	96.87	0.076	0.032		28.72	28.22
Run-of-mine	100.0	0.256	0.11		100.0	100.0

Source: "Study Report on the Beneficiation Process of the Upper Ore Body of the Zhou'an Copper-Nickel Deposit, Tanghe County, Henan Province," Beijing General Research Institute of Mining & Metallurgy, March 2008

10.3.4 Conclusions of Processing Tests

The Tanghe Shidai ore is a low-grade copper-nickel ore, but it is associated with gold, silver and platinum-group metals. The nickel-bearing minerals are mainly pentlandite, chalcopyrite, mackinawite, pyrrhotite and sperrylite; a small amount of nickel is also contained in magnetite and in non-metallic minerals. The copper-bearing minerals are mainly chalcopyrite and bornite, with minor chalcocite and covellite. Platinum occurs as the independent mineral sperrylite, and a small amount occurs isomorphously in pentlandite and pyrrhotite. Cobalt, gold and silver occur mainly isomorphously in pyrrhotite, pentlandite, chalcopyrite, bornite and sperrylite. Os, Ir, Rh and Pd occur isomorphously in pentlandite, pyrrhotite and sperrylite. The ore is a sulfide ore; the target minerals are sulfide minerals with good floatability, so a flotation process can be used for recovery.

The processing tests adopted a full sulfide mineral flotation process. The flowsheets tested—sequential return of middlings, re-cleaning of middlings before return, and stage grinding–stage

flotation—all gave good beneficiation indicators. The metal recoveries were Ni 65%–71%, Cu 64%–75%, Co 53%–87%, Au 29%–63%, Ag 10%–33%, Pt 60%–75%, Pd 70%–75%. Sequential return of middlings readily leads to accumulation of middlings in the circuit, resulting in a relatively high MgO impurity content in the concentrate. The stage grinding–stage flotation flowsheet is long, with higher capital and operating costs. Re-cleaning of middlings before return can avoid middlings accumulation, reduce MgO impurities in the concentrate, and achieve a higher concentrate grade. In view of the insufficient depth of testing on the flowsheet with centralized re-cleaning and return of middlings, SRK recommends more in-depth test work on this conceptual flowsheet to obtain more reliable circuit configuration, operating conditions and technical indices.

The main copper mineral, chalcopyrite, has a fine dissemination size and is difficult to liberate; moreover, the chalcopyrite contains nickel. Copper-nickel separation is therefore expected to be difficult. As a result, copper-nickel separation tests were not carried out, and no independent copper concentrate was produced in the tests. SRK recommends conducting copper-nickel separation tests to investigate the possibility of producing an independent copper concentrate.

The ore contains a relatively high proportion of magnetite, and magnetic separation of the flotation tailings may allow production of an iron concentrate. SRK recommends magnetic separation tests on the flotation tailings to determine the feasibility of producing an iron concentrate.

10.4 Processing plant

10.4.1 Processing Design Flowsheet

The concentrator flowsheet includes crushing, grinding, flotation and concentrate dewatering circuits, summarized as follows.

- Ore crushing

The crushing circuit is a conventional three stage closed circuit flowsheet, reducing the ore to 100% −12 mm.

Primary crushing is located underground. Ore from underground mining is crushed underground to −280 mm, hoisted to the surface skip bin, and then conveyed by belt conveyor to the intermediate ore bin for secondary crushing in the concentrator. Ore in the bin is fed by belt feeder to the secondary cone crusher.

The secondary crushed ore is transferred by belt conveyor to the screening building's buffer ore bin. From the bin, ore is fed by vibrating feeder to a circular vibrating screen. The oversize from the circular vibrating screen (+12 mm) is conveyed to the fine crushing buffer ore bin, from where it is fed by belt feeder to the fine cone crusher. The fine crushing product is combined with the secondary crushing product and conveyed back to the screening buffer ore bin, forming a closed circuit.

The undersize from the circular vibrating screen (−12 mm) is conveyed to the fine ore bin. The fine ore bin is used to regulate the imbalance between crushing and grinding caused by their different operating schedules. The total effective capacity of the fine ore bin is about 10,000 t, sufficient for one day's ore demand of the main plant.

- Grinding

The grinding circuit is a conventional two stage closed circuit flowsheet, with a final grind of 88% passing 200 mesh (88% −74 μm). Two parallel grinding lines are designed, each with a capacity of 5,000 tpd.

Ore in the fine ore bin is discharged through a plate gate and fed by belt conveyor into the first stage ball mill. The feed conveyor is equipped with a belt weigher to measure ore tonnage and ensure a constant feed rate to the ball mill.

The first stage grinding closed circuit consists of a ball mill and a hydrocyclone cluster. Mill discharge is pumped to the cyclones for classification; cyclone underflow returns to the mill for regrinding, and cyclone overflow at a fineness of 55% −74 μm flows by gravity to the second stage grinding circuit.

The second stage grinding circuit consists of a hydrocyclone cluster and a ball mill. The overflow from the first stage cyclones flows by gravity into the discharge sump of the second stage ball mill, from where the slurry is pumped to the cyclones for classification. Cyclone underflow flows by gravity into the ball mill for grinding, and cyclone overflow, controlled at 88% −74 μm, flows by gravity to the flotation circuit.

- Flotation

The flotation circuit adopts a flowsheet of one rougher, three scavengers and four cleaners, with middlings returned sequentially, producing a bulk copper nickel concentrate. Two parallel flotation circuits are designed.

Cyclone overflow passes through conditioning tanks for pulp conditioning and thorough mixing with flotation reagents, then enters the flotation circuit. Rougher and scavenger stages use fourteen 100 m³ air inflation mechanical agitation flotation cells. Cleaning stages use fourteen 16 m³ air inflation mechanical agitation flotation cells. The rougher concentrate is cleaned four times to produce the final bulk copper nickel concentrate slurry, which is pumped to the dewatering circuit.

- Concentrate dewatering

The concentrate dewatering circuit adopts a "thickening + filtration" flowsheet. The copper nickel concentrate is first thickened in a thickener; the thickener underflow is then pumped to a ceramic filter for filtration and dewatering, reducing the concentrate moisture to not more than 10%. The filter cake falls into the concentrate storage shed for stockpiling and is loaded out by grab crane for sale. Filtrate is returned to the process for recycling.

Flotation tailings slurry is pumped to a deep cone thickener for thickening, with reclaimed water returned to the plant. Thickener underflow is pumped to the backfill station or to the tailings storage facility.

10.4.2 Facilities and equipment

The concentrator is located to the east of the main shaft, to the west of Yeshan Village, and to the south of the planned living quarter. At the time of SRK's site due diligence, the proposed plant site was still a wheat field. The terrain at the plant site is flat, allowing plant construction on level ground, and the centralized layout of the main plant building facilitates production management.

The concentrator consists of the following workshops: secondary and tertiary crushing building, screening building, belt conveyor galleries, secondary/tertiary crushing buffer ore bins, screening

buffer ore bins, fine-ore bins, main plant building (grinding and flotation workshops), concentrate thickener tank, concentrate filtration building and concentrate storage shed, etc. Auxiliary facilities are arranged in the offset bay of the main plant building.

The main concentrator equipment is shown in Table 10-12. The crushing system is configured as a single line; the grinding–flotation system is configured as two parallel lines; concentrate dewatering and tailings thickening are configured as a single line.

Table 10-12: Main equipment of the Tanghe Shidai concentrator

Equipment	Model / specification	Motor (kW)	Quanti ty	REMARKS
Vibrating grizzly screen	VF544-2V	30	2	Feed to primary crusher
Jaw crusher	C130	160	2	Primary crushing (underground)
Heavy-duty mobile belt feeder	B=1400 L=9.3m V≤1.25m/s	30	3	Feed to secondary crusher
Cone crusher	HP500	400	1	Secondary crushing
Cone crusher	HP500	400	2	Tertiary crushing
Electro-hydraulic flat gate	600x600	1.1	8	Ball mill feed
Overflow ball mill	MQY4576	2200	4	Grinding
Hydrocyclone	φ660-5		2	First-stage grinding classification
Hydrocyclone	φ500-7		2	Second-stage grinding classification
Agitation tank	φ4500×5000	37	2	Pulp conditioning
Flotation cell	KYFII-100	132	14	Rougher and scavenger
Flotation cell	XCFII-16	37	4	Cleaning
Flotation cell	KYFII-16	22	10	Cleaning
Blower	C200-1.53	315	3	Air supply for flotation cells
Slurry pump	300ZBD-630 Q=750m3 H=45m	315	4	Feed to first-stage cyclones
Slurry pump	300ZBD-500 Q=980m3 H=45m	355	4	Feed to second-stage cyclones
Slurry pump	65ZBG(P)-400 Q=50m3 H=40m	22	2	Concentrate slurry transfer
Reagent agitation tank	φ1500×1500	3	3	Reagent preparation
Automatic dosing unit	16 point		1	Flotation reagent dosing
Thickener	φ30m	7.5	1	Concentrate dewatering
Slurry pump	65ZBG(P)-400 Q=30m3 H=30m	15	2	Feed to filter
Ceramic filter	45m2	25.1	2	Concentrate dewatering
Deep-cone high-density thickener	φ32m	90	1	Tailings thickening

Source: Preliminary Design for the Copper-Nickel Mining and Processing Project at the Zhou'an Mining Area, Tanghe County, Henan Province, Tanghe Shidai Mining Co., Ltd., Jinjian Engineering Design Co., Ltd., February 2023

10.4.3 Technical Indices

The concentrator is designed for a processing capacity of 10,000 tpd, operating continuously throughout the year, with an annual operating rate of 90.4% and an effective operating time of 330 days per year. The annual ore processing capacity is 3.30 million tonnes. The designed processing technical indices are shown in Table 10-13.

Table 10-13: Designed technical indices for processing production

Item			Product		
			Concentrate	Tailings	Run-of-mine
Output (tpd)			333.5	9,666.5	10,000
Output (ktpa)			110	3,190	3,300
Mass Yield (%)			3.335	96.665	100.0
Grade	(%)	Ni	7.1	0.14	0.37
		Cu	3.02	0.04	0.14
		Co	0.119	0.004	0.008
		Au[1]	1.41	0.046	0.09
		Ag[1]	8.18	2.78	2.95
		Pt[1]	3.55	0.067	0.18
		Pd[1]	2.47	0.083	0.16
Recovery	(%)	Ni	64	36	100.0
		Cu	72	28	100.0
		Co	50	50	100.0
		Au	51	49	100.0
		Ag	9	91	100.0
		Pt	64	36	100.0
		Pd	50	50	100.0

Source: Preliminary Design for the Copper-Nickel Mining and Processing Project at the Zhou'an Mining Area, Tanghe County, Henan Province, Tanghe Shidai Mining Co., Ltd., Jinjian Engineering Design Co., Ltd., February 2023

Note: (1) Grade unit for precious metals is g/t

10.5 Tailings Storage Facility

Over the service life of the mine, the concentrator will produce 47.705 Mt of tailings, of which 23.022 Mt (a utilization rate of 48.3%) will be used for underground backfill. Approximately 24.683 Mt of tailings will need to be stored in the tailings storage facility (TSF). Based on a dry density of 1.35 t/m³, the required effective storage capacity is 18.284 million m³.

The TSF is located in a mountain gully near Xiafutaian Village and is designed as a valley-type tailings impoundment. The storage basin is formed by the main tailings dam, the adjacent hill slopes, and saddle dams at the col. The maximum height of the main dam is 59.0 m (crest elevation 300 m asl), with a total storage capacity of about 11.189 million m³ and an effective storage capacity of 10.070 million m³, providing 8.5 years of service. This does not meet the storage requirements for the full life of the mine; the TSF will need to be expanded or a second TSF will need to be constructed at a new site when the existing facility approaches capacity.

The Xiafutaian TSF is located approximately 10 km southeast of the concentrator. Engineering geological investigation, hydrogeological investigation and geotechnical investigation have been completed, and residents within the impoundment area have been relocated.

Because the tailings are fine-grained and cannot be used for dam construction, the dams are built in stages using locally sourced earth and rockfill, with one-time foundation construction and staged raising of the dam. The main tailings dam is a rolled earth-rockfill dam, constructed in three stages:

- **Stage I**: dam foundation elevation 241.0 m, crest elevation 275.0 m, maximum dam height 34.0 m, dam length 445.0 m, crest width 5.0 m. Total storage capacity 2.016 million m³, sufficient for 1.5 years of tailings storage.
- **Stage II**: dam raised by 15.0 m to a crest elevation of 290.0 m, maximum dam height 49.0 m, dam length 616.0 m, crest width 5.0 m. Total storage capacity increased to 6.23 million m³, adding 3.2 years of service.
- **Stage III**: dam raised by a further 10.0 m to a crest elevation of 300.0 m, maximum dam height 59.0 m, dam length 772.0 m, crest width 5.0 m. Total storage capacity reaches 11.189 million m³, extending the service life by an additional 3.8 years.

In the later stages, two saddle dams will be constructed at the col on the southern side of the TSF:

- Saddle Dam #1: crest elevation 300.0 m, foundation elevation 281.0 m, maximum dam height 19.0 m, dam length 415.0 m, crest width 5.0 m.
- Saddle Dam #2: crest elevation 300.0 m, foundation elevation 291.5 m, maximum dam height 8.5 m, dam length 122.0 m, crest width 5.0 m.

Tailings slurry from the concentrator is pumped to a deep-cone thickener at the backfill station and thickened to 65–68% solids, to first meet underground backfill requirements. When backfilling is not being carried out, tailings are pumped via diaphragm pumps and pipeline to the TSF and discharged around the perimeter. The tailings pipeline is 12 km long with a head difference of 216 m. A twin pipeline system is designed (one operating, one standby), laid along field roads, with an emergency pond at the lowest point for temporary storage of tailings in the event of pipeline leakage or failure.

During the flood season, sufficient flood-storage capacity is reserved in the TSF to ensure zero discharge of contaminated water. Spillways are used as drainage structures in Stage I and Stage III, while Stage II uses a combination of a decant tower and tunnel. A diversion channel is excavated and constructed at elevation 302.5 m to intercept hillside runoff and prevent it from entering the impoundment.

The TSF is designed with a full-area geomembrane liner for seepage control. To prevent seepage from contaminating downstream water quality, a rubble masonry cutoff dam is constructed 370 m downstream of the main tailings dam. Return-water ponds are built behind the cutoff dam and at the outlet of the drainage tunnel, each equipped with submersible pumps to return seepage water to the TSF.

Clarified supernatant water in the TSF is pumped back to the concentrator via a floating pump station, with the return-water pipeline laid along the tailings pipeline route. A high-level water tank, pump control room, tailings-water return substation and transformers are arranged on the west side of the TSF.

The Xiafutaian TSF is classified as a Class III facility. Accordingly, a safety monitoring system combining manual and automatic monitoring is installed, and groundwater monitoring wells are set around the impoundment. Safety monitoring covers dam surface displacement, internal displacement, phreatic line, pond water level, rainfall, and real-time video monitoring of the impoundment area.

11 Workforce Assessment

11.1 Workforce Numbers

Based on the *PD 2023*, the Zhou'an project will adopt a general manager responsibility system under the leadership of the Board of Directors. There are following managemental departments:

- Headquarter office;
- Accounting department;
- Production and Technology department;
- Safety and Environmental Protection department;
- Supply and Sales department; and
- Human resources department.

Two production workshops are: Mining and developing workshop, Ore processing workshop.

The two workshops are: Mining and developing workshop and Ore processing workshop. There is also a contractor for some engineering, with 155 personnel.

It is proposed that the project will employ total 836 personnel, with 554 personnel in mining workshop, 212 personnel in ore processing and tailings workshop, and 70 personnel in the headquarters. Table 11-1 provides the distribution of the distribution of the workforce.

Table 11-1: Manpower for the Zhou'an Copper-Nickel Project

No.	Position	Shift 1	Shift 2	Shift 3	Subtotal	On Turn	Total On book
A	Mining workshop	**143**	**154**	**136**	**433**	**121**	**554**
1	Mining	41	43	60	144	44	188
2	Developing	53	59	49	161	48	209
3	Back-filling	10	11	10	31	9	40
4	General supportive	39	25	17	81	20	101
5	Admin and services		16		16		16
B	Ore processing plant	**61**	**72**	**40**	**173**	**39**	**212**
1	Ore bin	1	1	1	3	1	4
2	Medium-fine crushing	2	2	2	6	2	8
3	Screening	2	2	2	6	2	8
4	Fine ore bin	2	2	2	6	2	8
5	General supportive	7	7	7	21	7	28
6	Concentrate de-watering	3	3	3	9	3	12
7	Tailings workshop	8	9	5	22	6	28
8	Others	36	34	18	88	16	104

9	Plant admin personnel		12		12		12
C	Headquarter	**9**	**52**	**9**	**70**		**70**
	Total	**213**	**278**	**185**	**676**	**160**	**836**

Source: *PD 2023*

11.2 Working Schedules

For Zhou'an project's production, the working schedule is 8 hours/ shift, 3 shifts/ day and 330 days/ year. There are four-shifts personnel ready, with one shift on standby.

The managemental and service personnel also work around the clock to serve the production, with adjustments according to the actual requirements of the mine production.

The company informed SRK that related Chinese laws and regulations will be abided regarding working hours for every of its employees.

11.3 Assessment of Workforce

It is SRK's opinion that the numbers of the employees and their compositions are reasonable. There is also sufficient manpower available for the Zhou'an Project.

12 Project Infrastructure

12.1 Infrastructure Layout

The industrial sites of the project consist of the sites for mining and processing, west ventilation shaft, east ventilation shaft, tailings storage facility, transformer station, back-filling station, as well as officing and living sections.

The industrial sites for mining and ore processing are located in the southeastern of the project, and in between No. 240 provincial highway and Yeshan Vellage. The elevation of the site range from 128.5 to 134.0m asl. The main shaft and auxiliary shaft and mining facility are located in the northern part of the site, and the ore processing plant is located in the eastern and southeastern part of the site. The supportive facility for mining and ore processing is located in the south and southwestern of the site.

The TSF is located in Xiafutian, about 10km southeast of the ore processing plant.

The water source is located in the south bank of the Tanghe River in Huxi Vellage of Heilong Township, which is about 10km northwest of the project.

Back-filling station is located at the west side of the West ventilation shaft.

The officing and living section is located in the north side of the industrial site for mining and ore processing.

There will be about 231 kt of waste annually from the project. There is a waste dump bin in the side of the main shaft for temporarily storing the waste. The waste rock will be sold at site, and no formal waste dumping site is necessary.

There will be about 13,900 tonnes of materials for mining and ore processing and 90,400t materials for back-filling transported in the project from external sources. The materials will be from Tanghe County Town, which is about 29km away from the project. External companies will be contracted to transport the materials into the project.

There will be 110,060t of concentrates with additional 10% contained water to be shipped out. External companies will be contracted to transport the concentrates.

Table 12-1 provides details about the work in infrastructure of the project.

Table 12-1: Main work in Infrastructures of the Zhou'an Copper-Nickel Project

No.	Item	Unit	Amount	Remarks
1	Land usage	ha		
	Industrial site for mining and processing	ha	13.7072	
	Industrial site for west ventilation shaft	ha	0.8288	
	industrial site for east ventilation shaft	ha	0.7122	
	Water source	ha	3.3	including 3 ha for pipes
	Officing area	ha	4.6563	
	Tailings storage facility	ha	81.88	

	Land usage in early stage	ha	59.84	including 8.13 ha for pipes
	Land usage increasing in late stage	ha	22.04	
	Total land in early stage	ha	83.0445	Early TSF
	Total of land used	ha	105.0845	Whole TSF
2	Construction in industrial and office-living sites			
	Land used for buildings	ha	30535	
	Efficient of construction	%	30.2	
	Greening land area	ha	34438	
	Rate of greening	%	18.8	
3	Internal and external transportation			
	Ore	kt/a	3,300	
	Waste	kt/a	231	
	Transporting-in mining and processing materials	kt/a	13.9	
	Transporting-in back-filling materials	kt/a	74.1	
	Transporting-out concentrates	kt/a	110.06	addition 10% water
4	Earth and stonework			
	Back-filling	x 1000 m^3	45.7	
	excavating	x 1000 m^3	57.7	
5	Concrete roads	km	4.3	1.4 km of 7.5m wide; 2.2km of 6m wide; 0.7 km of 4.5m wide
6	Wall	m	2900	0.24m wide and 2.2m high

12.2 Electricity Power Supply

According to the *PD 2023*, the annual consumption of electricity of the project is about 155,760,000kWh in early stage and 161,400,000 kWh in late stage.

It is proposed that a transformer station will be built in the southwest side of the mining and processing industrial site to decrease the electricity from 110kV to 10kV. One source of electricity is from the 110kV transformer station and Heilong Township, and other source of electricity is from the 220kV transformer station at Zongpu station, with one being used and other standby, in order to ensure the steady electricity supply.

12.3 Water Supply

According to the *PD 2023*, the total consumption of water of the project is about 39,841.52m3/day. Considering the recycling of using returning water, the new fresh water needed is 10,649 m3/day.

The Tanghe County government has approved that "water withdrawing location is the section of Tanghe River within the area of Huxi Village of Heilong Township, which is about 10km northwest of the project area"; and "the method of water withdraw is to build storage pond and shallow wells, and using staged pumps and pipes to transport water to the water storage facilities of the project".

According to historical data, Tanghe River has a maximum flow rate of 4,010m3/sec, and a minimum flow rate of 10.9m3/sec. The water resources are abundant enough to support the project.

12.4 Office and Living Facilities

The project will have officing facilities, including an office building which is built, general service building and service building near the portal of the main shaft. A living section will be built near the officing facility, including 4 buildings of dormitories and dinner rooms etc.

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

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

The objective of this review is to identify and verify the existing and potential Environmental, Social, and Occupational Health and Safety ("OHS") liabilities and risks and assess any associated proposed remediation measures for the Project. An environmental site visit was conducted in January 2026. At the time of this report was written, the Project's mining and processing activities have been on a shutdown phase since 2014, and the processing plant with the TSF has yet been built.

13.2 Environmental and Social Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprised a review and inspection of the Project'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.

13.3 Status of Environmental Approvals and Permits

SRK was provided with the EIA reports and associated approvals shown in Table 13-1.

Table 13-1: EIA Reports and Approvals

Project	Produced By	Production date	Approved By	Approval date
Zhou'an Copper-Nickel Mining and Processing Project (3,300,000 t/a)	Sinoma Geological Engineering Exploration & Research Institute	October 2012	Ministry of Environmental Protection of the People's Republic of China	27 June 2013

The significant environmental and social aspects for the Project are associated with the mining and mineral processing activities at the Project 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 Project 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, as well as those environmental and social aspects that have not been addressed.

13.4 Environmental Aspects

13.4.1 Site Ecological Assessment

The main impact on the surrounding ecological environment is due to disturbance and contamination caused by surface stripping, tailings storage, processing plant drainage, processing wastewater, explosions, transportation and buildings that are erected. If effective measures are not taken to manage and rehabilitate the disturbed areas, the surrounding land can become polluted and the land utilization function will be changed, causing an increase in land desertification, water loss and soil erosion.

The underground mining area and industrial area are about 2.0 km^2 within flat agricultural area, and the TSF is about 63ha located in a valley. The EIA report indicates that no rare or endangered lora and fauna were identified within the Project areas. It also states the mining operation will have little impact on the ecological environment if the appropriate preventive measures are taken. The EIA report contains proposed measures for controlling and monitoring soil erosion and minimising loss of flora and fauna habitat. These proposed measures include water and soil conservation, geological hazard protection and ecological restoration.

13.4.2 Waste Rock and TSF Management

Since this region is short of rock material, a waste rock dump is not proposed for this project since all waste rock can be sold as construction material or backfilled into underground workings. According to the EIA report, a leaching test was conducted for the samples taken from the waste rocks and tailings in accordance with Chinese identification standards for hazardous wastes and identification for extraction toxicity (standard: GB5085.3-1996). The test results showed that the waste rock and tailings can be classified as general industrial waste and not hazardous waste and would have little impact on the surrounding environment.

The TSF has yet been built, and it will be built in a valley 10 km southeast away from the mine site. According to the EIA report, a portion of coarse tailings will be used for backfilling in the mined-out stopes underground and the remaining (fine) tailings are sent to the TSF. SRK opines that tailings backfilling is a recognized international industry practice to mitigate the impact of surface subsidence and to save space in the TSF, which can limit the land surface subsidence caused by the underground mining. The bottom of this TSF will be placed by impermeable HDPE layers to prevent tailings leachate from entering the aquifer causing groundwater pollution. In addition, HDPE layers also will be installed on the dam inside to prevent leachate horizontal migration. A water pump station is installed downstream of the outlet from the TSF underdrain, which sends the supernatant of tailings back to the processing plant for reuse and limit the discharge from the TSF.

13.4.3 Water Management

The annual average rainfall in the project area remains stable at around 900 mm. The climate is characterized as a north subtropical monsoon continental climate, with rain and heat occurring in the same season, and precipitation mostly concentrated in summer. This project will source water from the Tang River and mine water, and adequate amount water is available in this region.

The wastewater generated from the Project includes industrial wastewater and domestic wastewater. The industrial wastewater is mainly mine dewatering water and processing water. The industrial water is treated via primary flocculation, settlement and bio-treatment. The treated water will be used for underground mining operation, dust depression, and processing plant floor washing. The domestic wastewater will be treated by an integrated wastewater treatment unit. This unit includes a bar screen, a regulation tank, an anaerobic tank, an aerobic tank, a settlement tank, a sand filter, and a carbon filter. The treated water is used for irrigation and dust depression in the industrial area. All wastewaters shall be treated to satisfy the Chinese national environmental discharge criteria if extra wastewater needs to be discharged into the environment. SRK is of the opinion that a comprehensive surface water and groundwater monitoring system is needed to monitor the qualities of waters potentially impacted by the Project.

13.4.4 Dust and Gas Emissions

Dust emission sources for the Project are mainly from the processing plant during operations, haul roads, the concentrates storage area, and the dry beach of the TSF. Yeshan village and Yangzhuang village are 100 m away from the industrial area. According to the EIA report, it is proposed to build a comprehensive dust collection system in the processing plant including high efficiency wet scrubbers, dust collection hoods and sprinklers, and a stack to be installed in crushing and screening rooms and at transfer points in the processing plant. All concentrates will be stored in an enclosed space within the processing plant. Water trucks will be used on site for dust suppression of haul roads.

Gas emission sources for the Project are predominantly from heating boilers, fixed and mobile plants in use at the mine site and blasting emissions from underground mining. According to the EIA report, sulphide/ fine dust removal equipment (ceramic multi-tube dust collectors and wet de-dusting/ de-sulphurising equipment for flue gas) will be installed in the boilers to control sulphide and dust emissions. Moreover, the onsite heavy equipment shall be maintained properly to avoid any serious exhaust gas particulate emissions.

13.4.5 Noise Emissions

The main sources of noise emissions for the Project are from the operation of the processing plant (crushers, compressors, and pumps), underground blasting, mobile equipment (mainly drilling and haulage activities), and ventilation shafts. Yeshan village and Yangzhuang village are 100 m away from the processing plant and ventilation shafts. According to the EIA report, all noise generating fixed equipment will be placed in enclosed areas or equipped with mufflers, and low noise equipment will be selected where possible. In addition, trees and shrubs will be planted between the industrial area and these two villages to reduce the noise impacts.

13.4.6 Hazardous Materials Management

Hazardous materials for the Project comprise hydrocarbons (e.g., fuel, oils, and lubricants) and processing reagents. At the time of this site visit, the processing plant has yet been built. A permanent fuel and reagent storage facility stored dry reagent storage and above ground tanks for wet reagent storage may need to be considered in the future. In addition, waste oil shall be collected and treated by a certified waste oil recycling Company off site in compliance with the hazardous waste management regulation.

13.4.7 Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under *Chapter 4 of the Mineral Resources Law of People's Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China (2025), 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 recognised 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 recognised international industry management practice.

SRK was provided with a Mine Site Geological Environment Protection and Site Rehabilitation Plan for Zhou'an Copper-Nickel Mine dated March 2010, and this plan provides the following with respect to the proposed site closure and rehabilitation measures:

- Site rehabilitation objective – The rehabilitation program is aimed at rehabilitating land disturbed by mining operations to control soil loss and improve ecological environment.
- Progressive rehabilitation – The rehabilitation will be conducted progressively with mining, for example, mined out areas underground will be backfilled with tailings from the processing plant or waste rocks from the waste rock dumps to prevent surface subsidence or side lope failure.
- Replanting – where required, seeding will be undertaken and seedlings will be planted. The species used will be local perennials that are capable of growing in the local weather conditions prevailing on site.
- The waste dump area and the TSF at the time of the project completion, the associated land will be rehabilitated by covering with topsoil and seeds to allow for revegetation.
- Rehabilitation monitoring – Monitoring activities and rehabilitation will be carried out throughout the project lifetime.
- A cost estimate and financial accrual process for site closure is established, and the total environmental rehabilitation cost is estimated to be CNY 105.9M, but SRK was not provided with a letter from the local land and resources bureau proving the deposit payment made into a designated bank.

SRK notes that the proposed approach to the site rehabilitation is generally in line with the relevant recognised Chinese industry practices.

13.5 Social Aspects

The Project is located in a densely populated agricultural area in Huyang town with a population of over 60,000, approximately 29km south of Tanghe County town of Henan Province. The Han cultural group is predominant within the general project area with a small number of minority Hui ethnic group people. According to the EIA report, there are no significant cultural heritage sites within or surrounding any of the project area.

A resettlement plan prepared in 2010 for the TSF was sighted by SRK, and Luodixa village, Langdonggou village, Xiafutian village and an elementary school will be relocated. A total of 38 households of 133 people and an elementary school of 22 students and teachers were impacted. In order to achieve not net losses on their livelihoods resulting from resettlement, they were relocated to places nearby and all procedures were under the local government's supervision.

Multiple public participation programs were undertaken as part of the project's EIA report. The survey results showed that a majority of local residents support the Project and presented a predominant view that the development of the project 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 Project.

13.6 Occupational Health and Safety

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

- OHS administration
- Establishment of an emergency response plan
- Regular OHS training for relevant employees
- Safety and hazard signage
- Dust/ gases monitoring and control within the workplace
- Distribution of Personal Protective Equipment ("PPE") to all relevant employees
- Fire prevention and fire fighting
- Lightning strike prevention
- Mining, crushing, blasting and explosives handling
- Traffic management
- Waste rock disposal
- Sanitary provision
- Power provision, and

- Labour and supervision.

SRK notes that the above site occupational health and safety ("OHS") management measures are generally in line with recognized Chinese industry practices and Chinese safety regulations. Since this mine is still on the shutdown phase, operation related injuries or fatalities have yet been surveyed and recorded for the time being.

13.7 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. The environmental and social risks for the Project are:

- Impact to the surface water bodies;
- Dust impact to the surrounding communities; and
- Noise impact to the surrounding communities.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

14 Capital Expenditures and Operating Expenses

14.1 Capital Expenditures

The preliminary design by Jinjian Engineering Design Co., Ltd. in 2023 ("*PD 2023*") has proposed the capital expenditures ("**Capex**") needed for the development of the Zhou'an project for the construction of the mining, processing and other facilities at a capacity of 3.3 Mt/a or 10,000t/d for mining and processing. Totally about 1.42 billion CNY are necessary for the initial Capex. Table 14-1, and Table 14-2 gives details of the Capex needed.

Table 14-1: Capex Needed According to Cost Centres (CNY Million)

No.	Item	Amount (CNY M)	%
I	Engineering costs	**1140.29**	**80.22%**
A	Main production engineering	972.05	68.39%
1	*Geological*	*3.58*	*0.25%*
2	*Mining*	*594.82*	*41.85%*
3	*Ore processing*	*210.83*	*14.83%*
4	*Tailings*	*162.82*	*11.46%*
B	Public facilities	83.99	5.91%
1	*Water supply and drainage*	*34.67*	*2.44%*
2	*Heat supply*	*1.43*	*0.10%*
3	*Electricity supply*	*32.27*	*2.27%*
4	*General layout*	*15.62*	*1.10%*
C	Officing and living facilities	84.25	5.93%
II	Others	**188.09**	**13.23%**
III	Contingency	**92.99**	**6.54%**
	Total Capex	**1421.37**	**100.00%**

Source: *PD 2023*

Table 14-2: Details of Capex Needed for the Project (CNY Million)

No.	Item	Construction	Equipment	Installation	Others	Total
I	Engineering costs					
A	Main production engineering					
a	***Exploration***	***2.71***	***0.87***			***3.58***
b	Mining					
1	Tunnels	343.44				343.44
2	Equipment for mining and development		55.86			55.86
3	Hoisting system	26.03	45	8.66		79.68
4	U/g ventilation system	0.49	6.87	0.84		8.21
5	U/g transportation system		11.62	3.21		14.82
6	U/g drainage system		2.54	6.59		9.14
7	U/g crushing system		11.33	1.3		12.63

8	Air supply system	0.94	3.85	2.2	6.99
9	Repairing facility		0.03		0.03
10	Back-filling station	3.13	2.93	9.58	15.65
11	U/g safety systems		8.48	0.8	9.28
12	U/g electricity supply		10.96	1.55	12.51
13	Mining automation system		24.51	2.07	26.58
	Subtotal for mining	***374.03***	***183.98***	***36.8***	***594.82***
c	Ore processing engineering				
1	Medium-fine crushing workshop	5.74	18.28	2.17	26.19
2	Screen workshop	6	3.68	0.5	10.17
3	Fine ore bin	8.44	0.47	0.06	8.97
4	Main building	47.73	68.64	10.28	126.65
5	Concentrate condensing workshop	3.6	0.73	0.13	4.46
6	Concentrate filtration	5.1	2.22	0.36	7.67
7	Belt corridor	7.75	7.02	1.09	15.86
8	Lab	0.5	0.95	0.12	1.58
9	Automation system		8.48	0.64	9.12
10	Ventilation equipment and installation		0.15	0.02	0.16
	Subtotal for ore processing	***84.85***	***110.62***	***15.36***	***210.83***
d	Tailings engineering				
1	Early dam	37.55			37.55
2	Protection for penetration and drainage	19.34			19.34
3	Facility for flood drainage	3.65			3.65
4	Surveillance system		0.28		0.28
5	Tailings transportation system	7.93	35.03	24.97	67.93
6	Water returning system for tailings	0.62	0.93	31.4	32.95
7	Admin of tailings	1.07	0.04		1.11
	Subtotal for tailings	***70.17***	***36.27***	***56.38***	***162.82***
	Subtotal of main production engineering	**531.76**	**331.74**	**108.54**	**972.05**
B	Public facilities				
1	Water supply and drainage	10.49	7.67	16.52	34.67
2	Heat supply	1.13	0.27	0.03	1.43
3	Electricity supply	1.84	12.61	17.82	32.27
4	General layout	13.79	1.83		15.62
	Subtotal for public facilities	**27.25**	**22.38**	**34.37**	**83.99**
C	Officing and living facilities				
1	Office buildings	27			27
2	General service buildings	12.86			12.86
3	Dormitory buildings	17.81			17.81
4	Dinner rooms	3.78			3.78
5	Service buildings for productions	10.36			10.36
6	Apartments for management	12.45			12.45

	Subtotal for officing and living facilities	**84.25**				**84.25**
	Total engineering cost	**643.26**	**354.12**	**142.91**		**1140.29**
II	Other costs					
1	Land usage				62.28	62.28
2	Compensation for land usage				13.4	13.4
3	Management fees for construction company				26.23	26.23
4	Supervision fees				2.1	2.1
5	Cost for feasibility studies				1.4	1.4
6	Fees for assessment of safety and occupational health				3.42	3.42
7	Consulting and service cost for water-soil maintenance				2.3	2.3
8	Fees for restoration and management of environment				0.89	0.89
9	Fees for the scheme of land reclamation				0.53	0.53
10	Fees for research and testing				2.1	2.1
11	Geotech exploration				5.7	5.7
12	Design fees				8.5	8.5
13	Maps and diagrams				1.88	1.88
14	Fees for as-built drawings				0.68	0.68
15	Fees for the examination of the design				1.57	1.57
16	Cost for the temporary facility for construction				12.7	12.7
17	Cost for maintenance of tunnels				3.43	3.43
18	Insurance				2.28	2.28
19	Workforce training and mobilization				5.02	5.02
20	Costs for office and living furniture				1.46	1.46
21	Costs for tools and production furniture				1.77	1.77
22	Cost for pilot run				8.45	8.45
23	Mining right				20	20
	Subtotal for others				**188.09**	**188.09**
III	Contingency				92.99	92.99
	Total of Capex	**643.26**	**354.12**	**142.91**	**281.08**	**1421.37**

Source: *PD 2023* with SRK modification

The construction period of the project in the *PD 2023* was proposed being three years. The working capital needed for the project is CNY 60.52 million over the first two years of production.

The construction began in 2015 and then stopped due to an accident. Some engineering projects had been completed, including the development of the main shaft, auxiliary shaft, east and west ventilation shafts, as well as some underground tunnels at different levels from the shafts. Table 14-3 summarizes the engineering projects and Capex invested.

Table 14-3: Details of Capex invested and remained for the Project (CNY Million)

No.	Item	Total Capex	Completed Capex	Remained Capex
I	Engineering costs			
A	Main production engineering			
1	Geological	3.58		3.58
2	Mining	594.82	244.31	350.51
3	Ore processing	210.83	1.35	209.48
4	Tailings	162.82	0.65	162.17
B	Public facilities			
1	Water supply and drainage	34.67	11.01	23.66
2	Heat supply	1.43		1.43
3	Electricity supply	32.27	1.26	31.01
4	General layout	15.62		15.62
C	Officing and living facilities	84.25	28.77	55.48
II	Others	188.09	47.94	140.15
III	Contingency	92.99		92.99
	Total	**1421.37**	**335.29**	**1086.08**

The company provided SRK with a plan for restoring the construction of the project. It is proposed that additional work and period of about 10 months are needed for re-starting the construction of the project. Table 14-4 gives details of the additional Capex needed to restart the construction of the project.

Table 14-4: Details of additional Capex needed for re-starting the Project (CNY Million)

No.	Item	Amount
1	Assessment and design	0.30
2	Equipment replacement	7.98
3	Drainage of u/g water	2.46
4	Shaft equipment for main shaft	9.00
5	Clearing and supporting tunnels	5.00
6	Examination and acceptance	0.10
7	Office building opening	0.30
8	Salaries of management	2.18
9	Other costs	2.40
	Total additional Capex	**29.72**

After the start of the project construction after the 10 months preparation period, the remained construction period will be 2 years and 3 months. SRK assumes that the restoration of the construction will start in 2028 after the preparation period, and the production will start in the middle of 2029. Table 14-5 gives the investment plan for remained construction of the Zhou'an Project. SRK deems that the proposed Capex and investment plan are reasonable and attainable.

SRK also reviewed an optimized design for ore processing to enhance the recovery of nickel. It is opined by SRK that the optimization is reasonable, and more Capex and Opex are needed for

adoption of the optimization. SRK would like to increase CNY 21 M for Capex, CNY 10 M in 2028, and CNY 11 M in 2029.

Table 14-5: Further Investment Plan (CNY in Million)

Item	2026	2027	2028	2029	2030	2031	2037
Additional Capex	29.72						
Further Capex		450	460	197.08			
Mine closure							150
Residual value							-150
Working capital				25	35.52		-60.52
Total	**29.72**	**450**	**460**	**222.08**	**35.52**		**-60.52**

Source: *PD 2023, Xinye,* with SRK modification

14.2 Operating Expenses

The Zhou'an Project is a development project without any production. The operating expenses ("Opex") of the project has been proposed in the *PD 2023*. SRK added additional 5% as contingency, and additional CNY 8.43/t for the optimization of ore processing. Table 14-6 provides a summary of operating costs in details.

Table 14-6: Summary of the Opex proposed for the Project

Item	Mining	Ore Processing	G&A	Others	Total
Materials	30.50	20.00			50.50
Fuel and power	11.20	23.90			35.10
Salaries	17.00	5.20	2.50		24.70
Repairing	2.70	1.00			3.70
Production safety	15.00	1.60			16.60
Other manufacture fee	3.80	1.80			5.60
Environmental etc.			0.80		0.80
Other admin fee			7.40		7.40
Accounting fee				2.80	2.80
Sales cost				3.90	3.90
Total cash Opex	**80.20**	**53.50**	**10.70**	**6.70**	**151.10**
Contingency	4.01	2.68	0.54	0.34	7.56
Optimization		8.43			
Adjusted Opex	**84.21**	**64.41**	**11.24**	**7.04**	**167.09**

Source: *PD 2023* with SRK modification

Notes:

[1] In the prospectus, salaries is deemed to be labor costs, production safety and environmental etc are deemed to be OHS expenses, accounting fee and sales cost are regarded as selling expenses, other admin fee is regarded as general & admin, other manufacture fee is regarded as R & D expenses, contingency and optimization are deemed to be others.

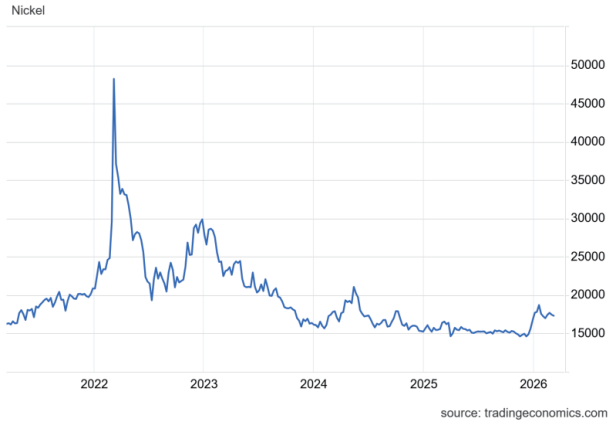
15 Economic Analysis

15.1 Metal Prices

According to the *PD 2023* and the study provided by the company, the valuable metallic elements contained in the concentrates of the Zhou'an Project include mainly nickel and copper, with minor amounts of gold, platinum and palladium.

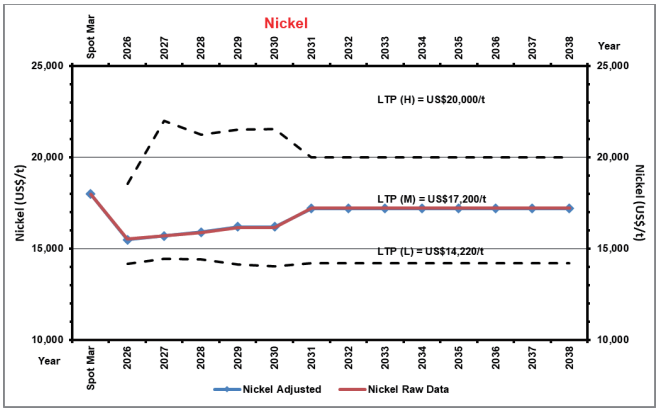
The nickel price trend historically is shown in Figure 15-1, and the nickel forecast price of Consensus Market Forecast ("**CMF**") published by Consensus Economics Inc. in January 2026 is shown in Figure 15-2.

Figure 15-1: Nickel Price Trend in History



Sources: https://tradingeconomics.com/commodity/nickel

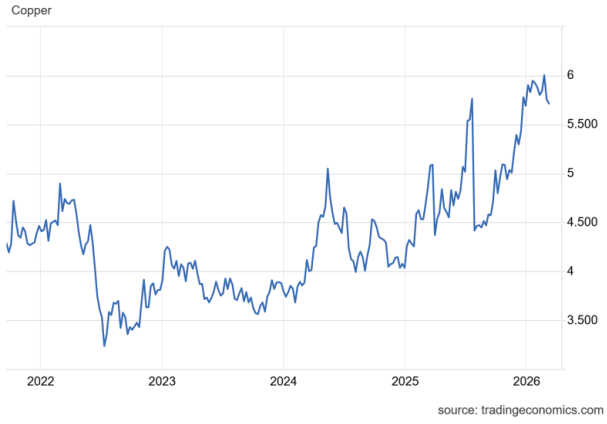
Figure 15-2: Nickel Price Forecast



Sources: CMF in January 2026

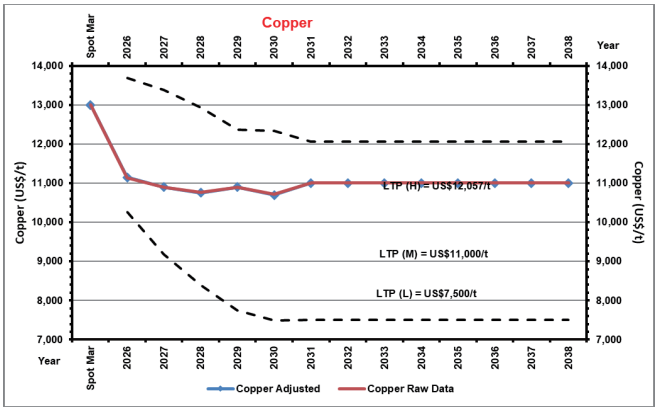
Copper price trend in history is shown in Figure 15-3. Copper forecast of CMF, as of January 2026 is shown in Figure 15-4.

Figure 15-3: Copper Price Trend in History



Sources: https://tradingeconomics.com/commodity/copper

Figure 15-4: Copper Price Forecast



Sources: CMF in January 2026

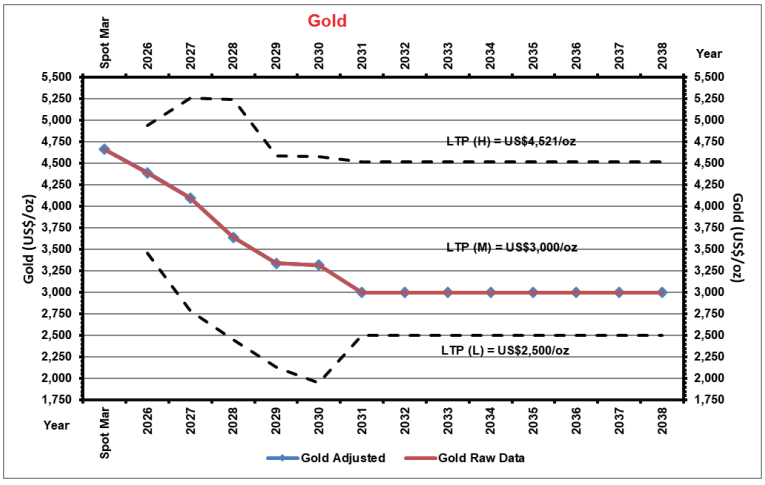
Gold price trend in history is shown in Figure 15-5. Gold forecast of CMF, as of January 2026 is shown in Figure 15-6.

Figure 15-5: Gold Price Trend in History



Sources: https://tradingeconomics.com/commodity/gold

Figure 15-6: Gold Price Forecast



Sources: CMF in January 2026

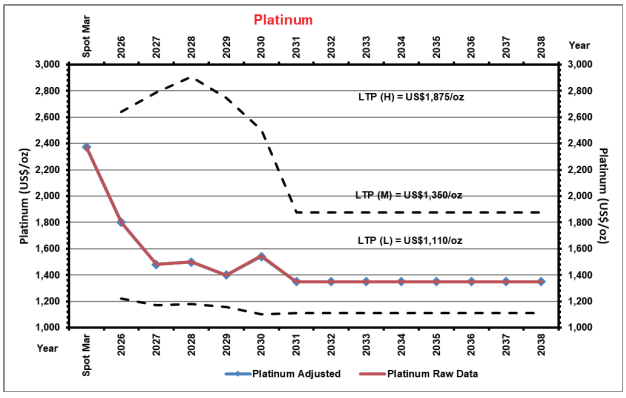
Platinum price trend in history is shown in Figure 15-7. Platinum forecast of CMF, as of January 2026 is shown in Figure 15-8.

Figure 15-7: Platinum Price Trend in History



Sources: https://tradingeconomics.com/commodity/platinum

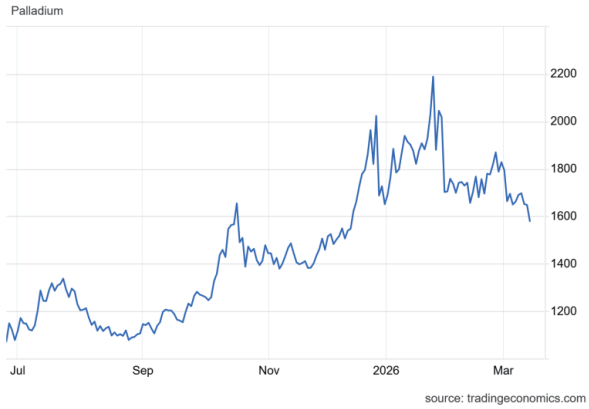
Figure 15-8: Platinum Price Forecast



Sources: CMF in January 2026

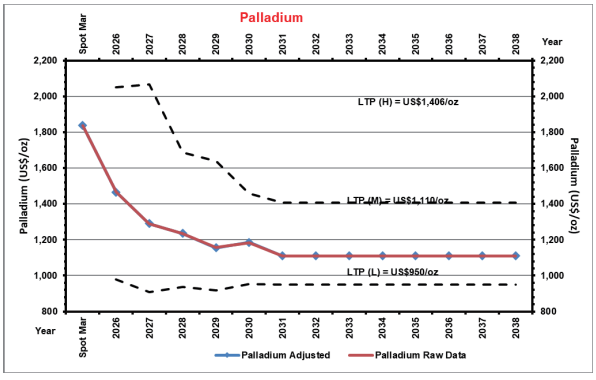
Palladium price trend in history is shown in Figure 15-9. Palladium forecast of CMF, as of January 2026 is shown in Figure 15-10.

Figure 15-9: Palladium Price Trend in History



Sources: https://tradingeconomics.com/commodity/palladium

Figure 15-10: Palladium Price Forecast



Sources: CMF in January 2026

Table 15-1 lists its prediction on prices of nickel, copper, gold, platinum and palladium the future by SRK in the 1st quarter of 2026, which is a CMF, considering various forecasts made by other professional institutions. The three-year average of exchange rates between US dollar ("**US$**") and Chinese Yuan ("**RMB Yuan**" or "**CNY**" or "**¥**") was used.

Table 15-1: Forecasted Metal Prices by SRK in the 1st Quarter of 2026

Metal	Unit	2026	2027	2028	2029	2030	2031 and After
Nickel	US$/t	15500	15700	15900	16200	16200	17200
Copper	US$/t	11150	10900	10750	10900	10700	11000
Gold	US$/Oz	4390	4100	3640	3340	3320	3000
	US$/g	141.14	131.82	117.03	107.38	106.74	96.45
Platinum	US$/Oz	1800.00	1480.00	1500.00	1400.00	1540.00	1350.00
	US$/g	57.87	47.58	48.23	45.01	49.51	43.40
Palladium	US$/Oz	1465.00	1290.00	1235.00	1155.00	1185.00	1110.00

Exchange Rate	US$/g CNY / US$	47.10 7.1	41.47 7.1	39.71 7.1	37.13 7.1	38.10 7.1	35.69 7.1
Nickel	CNY/t	110050	111470	112890	115020	115020	122120
Copper	CNY/t	79165	77390	76325	77390	75970	78100
Gold	CNY /g	1002.11	935.91	830.90	762.42	757.86	684.81
Platinum	CNY /g	410.89	337.84	342.41	319.58	351.54	308.16
Palladium	CNY /g	334.42	294.47	281.91	263.65	270.50	253.38

15.2 Sales Contracts

Since the project is still in its development stage, there is no sales contract at the moment. According to the preliminary design and study done by the company, the project will produce concentrates saleable which contain valuable elements of nickel, copper, gold, platinum and palladium. The pricing efficiency of each of the elements is provided in Table 15-2. Table 15-3 gives the payable prices of the valuable elements in the concentrates.

Table 15-2: Pricing Efficiencies of Base Prices for Valuable Elements

Element	Pricing coefficient (%)
Nickel	70
Copper	40
Gold	82
Platinum	95
Palladium	95

Table 15-3: Pricing Efficiencies of Base Prices for Valuable Elements

Elements	Unit	2026	2027	2028	2029	2030	2031 and After
Nickel	CNY /t	77035.00	78029.00	79023.00	80514.00	80514.00	85484.00
Copper	CNY /t	31666.00	30956.00	30530.00	30956.00	30388.00	31240.00
Gold	CNY /g	821.73	767.44	681.34	625.19	621.44	561.54
Platinum	CNY /g	390.34	320.95	325.28	303.60	333.96	292.76
Palladium	CNY /g	317.69	279.75	267.82	250.47	256.98	240.71

15.3 Tax Obligations

According to the data provide from the Company, SRK has summarised the taxes and other fees in Table 15-4.

Table 15-4: Main Taxes Obligations in China

Item	Unit	Amount	Remarks
Income tax	%	25	On taxable income
Resource tax	%	4	On revenue
VAT	%	13	On sales, VAT paid for production can be off set

Item	Unit	Amount	Remarks
Fee for city construction	%	1	On VAT payable
Surcharge for general education	%	3	On VAT payable
Surcharge for local education	%	2	On VAT payable

15.4 Technical and Economic Analysis

It should be emphasised that the economic analysis presented in this section is based solely on the results of the technical review provided in previous sections together with some key assumptions. It is primarily provided for Ore Reserve estimation purposes as required by *JORC Code*.

15.4.1 Principal Assumptions

As discussed in previous sections, various technical and economic parameters have been reviewed. The discounted cash flow ("**DCF**") model has been used in the economic analysis of the Zhou'an Project and the following simplifications and assumptions are made:

- The production rates are as planned on a yearly basis and ore quality are evenly distributed over a production year (average grades were used);
- The final products will be copper-nickel concentrates enriching copper, nickel and precious metals (Au, Pt and Pd);
- Chinese RMB and US$ were used as the currency and inflation is not considered in the model (real-term model). The exchange rate between US$ and CNY is assumed be US$1 = CNY 7.10 (recent three-year average);
- Unit cash costs are also considered constants over the production period; and the cash costs do not include depreciation and amortization;
- Product prices are based on the CMF forecasts, as of January 2026 for copper, nickel and precious metals;
- Previous capital investment of construction was deemed as sunk Capex, and newly investments have been considered as Capex;
- The sunken Capex will be considered for depreciation and amortization; and the newly investment will be also depreciated and amortized;
- The Capex will be depreciated and/ or amortized evenly over a 10-year period; and
- Discount rate of 8% will be used in base case, and the weight-average cost of capital ("**WACC**") assumptions are given in Table 15-5.

Table 15-5: Discount Rate Calculation (WACC Method)

Item	Unit	Value	Remarks
Risk Free Rate	%	4.0	Treasury bonds rate
Market Risk Premium	%	6.0	
Beta of the Investment	/	1.5	
Cost of Equity	%	13.0	

Item	Unit	Value	Remarks
Debt Margin	%	5.0	Policy rate
Cost of Debt	%	9.0	
CIT	%	30.0	
Post-tax Cost of Debt	%	6.3	
Target Debt Equity Ratio	%	30.0	
WACC	%	11.0	
Inflation Rate	%	3.0	
WACC in Real Terms	%	7.8	

15.4.2 Summary of the Cash flow Projection

For the economic analysis of the Zhou'an Project, SRK adopted a DCF analysis based on previous assumptions and parameters as discussed in previous sections. Detailed cash flow projection has been given in Appendix C.

15.4.3 Results of the Discount Cash flow Projection of the Project

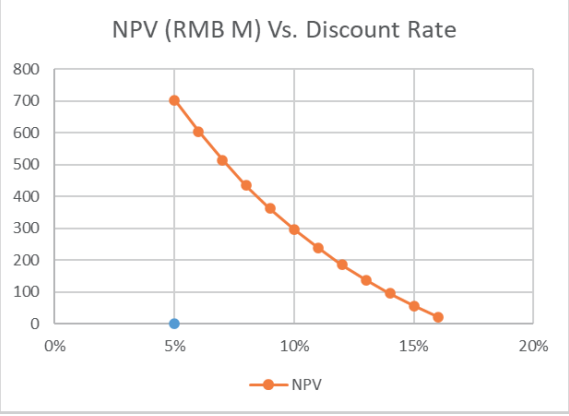
Table 15-6 below presents the net present value ("**NPV**") for the Project as calculated using SRK's DCF analysis. SRK estimated the NPV in a range of CNY 297.11 M (at 10% discount rate) to CNY 603.43 M (at 6% discount rate), with a base case of CNY 434.28 M using a discount rate of 8%. The IRR is 16.67%, and the pay-back period is about 6.3 years, including the construction period.

Figure 15-11 shows the NPV varies with the discount rate.

Table 15-6: NPV Projections

Item	Upper Case	Base Case	Lower Case
Discount Rate	6%	**8%**	10%
NPV (CNY M)	603.43	**434.28**	297.11

Figure 15-11: NPV Vs Discount Rate



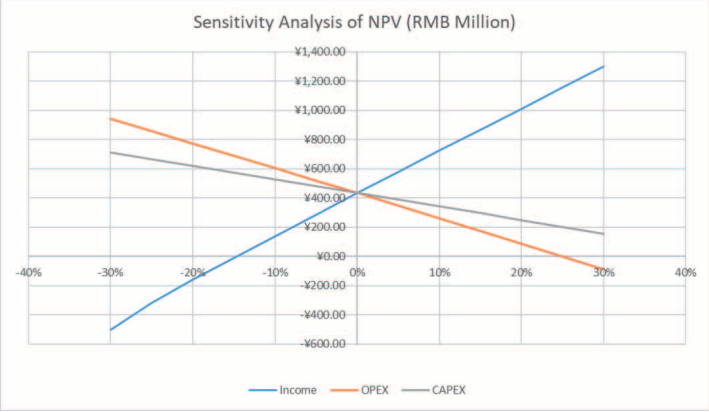
15.5 Sensitivity Analysis

SRK applied a single factor method for the sensitivity analysis. Many parameters can affect the Zhou'an Project's NPV. To simplify the calculations, and the products' prices or income, Opex, and Capex were selected as the essential variable factors on cash flow. The effects of these essential factors on the NPV were analysed within a ±30% range. The results are shown in Table 15-7 and Figure 15-12.

Table 15-7: Sensitivity Study of NPV (at 8% Discount Rate, in CNY M)

Changes	Income	Opex	Capex
30%	¥1,301.28	-¥86.35	¥157.28
25%	¥1,156.91	¥0.43	¥203.44
20%	¥1,012.55	¥87.20	¥249.61
15%	¥868.18	¥173.97	¥295.78
10%	¥723.82	¥260.74	¥341.94
5%	¥579.45	¥347.51	¥388.11
0%	¥434.28	¥434.28	¥434.28
-5%	¥286.47	¥519.55	¥480.45
-10%	¥138.67	¥604.01	¥526.61
-15%	-¥9.14	¥688.47	¥572.78
-20%	-¥156.94	¥772.93	¥618.95
-25%	-¥319.63	¥857.39	¥665.11
-30%	-¥504.28	¥941.86	¥711.28

Figure 15-12: Univariate Sensitivity Analysis of NPV (8% Discount)



As shown in the figure above, changes in Capex have a smaller effect than Opex on the Project's NPV, and the changes in income (prices) have the most effect on the NPV. The analysis above also

shows that the Zhou'an Project is economically viable, and the viability of project is sensitive to the changes of metal prices, and Opex.

The economic analysis shows that the project is basically economically viable, and may support the ore reserve statement. It should be emphasised that the viability of the project is quite sensitive to the changes of metal prices and the Opex, i.e. once the metal prices decrease about 15% or the Opex increases about 25%, the NPV of the project will be negative. Therefore, the economic analysis should be used with caution.

16 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 16-1: Risk assessment Matrix

Likelihood	Consequence		
	Minor	**Moderate**	**Major**
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

SRK completed a risk assessment of the specific risks identified for the Tanghe Project in relation to their likelihood of occurrence within the LoM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

In general, the risk of a project decreases from exploration, through development, to the production stage. The Tanghe Project is an advanced project.

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Tanghe Project. SRK's final Risk Assessment is presented in Table 16-2.

Table 16-2: Risk Assessment for the Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Ore Reserves			
Underestimate of mining loss	Unlikely	Minor	Low
Underestimate of mining dilution	Unlikely	Minor	Low

Risk Source/Issue	Likelihood	Consequence	Risk
Lack of Significant Ore Reserves	Possible	Major	High
Mining			
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Unlikely	Minor	Low
Poor Underground Condition	Possible	Minor	Low
Underestimate of wall rock stability	Possible	Minor	Low
Underestimate of groundwater inflow	Unlikely	Minor	Low
Significant Production Shortfalls	Possible	Moderate	Medium
Processing Plant			
Metallurgical testwork is not sufficiently advanced to support concentrator design	Possible	Moderate	Medium
The designed processing flowsheet occupies a large area and is prone to generating dust and noise pollution	Possible	Moderate	Medium
The parallel dual grinding and flotation circuits increase plant footprint, maintenance workload, and operating costs	Possible	Moderate	Medium
Environmental and Social			
Impact to the surface water bodies	Possible	Moderate	Medium
Dust impact to the surrounding communities	Possible	Moderate	Medium
Noise impact to the surrounding communities	Possible	Moderate	Medium
Capital and Operating Costs			
Project Timing Delay	Likely	Minor	Medium
Capital Cost Increases	Possible	Moderate	Low
Capital Costs- Ongoing	Unlikely	Minor	Low
Operating Cost Underestimated	Likely	Moderate	High

Sources: SRK

Since the Mineral Resources of the Zhou'an Project have low grades, and support only 8.5 years of production life of the mine, the projection of the mine economy based on the ore reserves is only marginally economic viable, which bears high risks for develop the project. SRK offers the following recommendations:

SRK recommends that the company should conduct further studies on whether the project would be developed as planned, because of that once the metal prices decrease about 15% or the Opex increases about 25%, the NPV of the project will be negative

17 Conclusions

17.1 Geology

Cu–Ni mineralization is mainly concentrated within the alteration shell developed along the inner contact zone of the intrusion. Local mineralization also occurs in the hanging-wall and footwall country rocks at the top and bottom of the intrusion, as well as at the internal contact between the clinopyroxene–orthopyroxene peridotite and lherzolite facies within the body.

The deposits is deeply buried and consists of primary ore. Industrially, the ore type is nickel (platinum–palladium) sulfide ore hosted in ultramafic rocks. Metallic minerals are dominated by sulfides, which generally occur as fine disseminations and patchy disseminations; locally they appear as thin veinlets between gangue minerals. In terms of natural ore type, it is classified as disseminated ore.

17.2 Mineral Resource Estimation

SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Tanghe was acceptable for use in a Mineral Resource estimate.

As of 31 December 2025, SRK reported the underground Mineral Resources of the Tanghe Project, at a cut-off grade of 0.25% NiEq. There are 17 million tonnes ("Mt") Measured Mineral Resource at an average grade of 0.12%Cu, 0.33% Ni, 0.21 g/t Pt and 0.17 g/t Pd; 31.3 Mt of Indicated Mineral Resources at an average grade of 0.12%Cu, 0.32%Ni, 0.17 g/t Pt and 0.14 g/t Pd; and 31.75 Mt of Inferred Mineral Resources at an average grade of 0.12% Cu, 0.33% Ni, 0.13 g/t Pt and 0.11 g/t Pd.

17.3 Ore Reserves

The Zhou'an Project is a large-scale underground operation with a design capacity of 10,000 tpd (3.3 Mtpa). Mining will employ Sublevel Open Stoping (75%) and Room and Pillar (25%), both utilizing mechanized subsequent backfill to ensure stability and maximize recovery. Based on a 0.32% Ni equivalent cut-off and modifying factors (20% loss, 7% dilution), the ore reserve is 27.25 Mt at 0.38% Ni, 0.16% Cu, 0.17g/t Pt and 0.22g/t Pd.

17.4 Mining

The project is a high-capacity underground operation designed for 10,000 tpd (3.3 Mtpa). It utilizes a phased vertical shaft development strategy: Phase I accesses upper zones via surface shafts, while Phase II targets deeper orebodies through blind shafts and declines. The Life of Mine (LoM) is estimated at 8.5 years, following a 3.5-year construction.

Extraction employs a mechanized dual-mining strategy with subsequent backfill to optimize recovery:

- Sublevel Open Stoping (75%): Applied to orebodies >6.0m thick.
- Room and Pillar (25%): Utilized for thinner zones (<6.0m). The integration of Cemented Paste Backfill (CPB) ensures geotechnical stability, restricting surface subsidence to a minimal 0.30m.

The mineable inventory of 27.25 Mt (0.34% Ni, 0.14% Cu, 0.17 g/t Pt and 0.22 g/t Pd) is based on a 0.39% Ni cut-off, with a 20% mining loss and 7% dilution rate. Due to byproduct price sensitivity, this is classified as Modified Mineral Resources.

Critical Recommendations

- Safety Monitoring: Fully operationalize the 71-point automated stress-strain network to manage risks in structural fracture zones.
- Water Control: Strictly enforce the "probe-before-drilling" (探放水) protocol and maintain waterproof structural doors to prevent karst-related water inrush.
- Geothermal Management: Conduct supplementary rock temperature investigations before advancing to Phase II deep-level mining.

17.5 Processing and Metallurgy

The Zhou'an copper-nickel ore of Tanghe Shidai is a low-grade nickel ore with associated Cu, Co, Au, Ag and platinum-group metals. The ore is a primary sulfide ore, with nickel and copper occurring as sulfide minerals. The main nickel mineral is pentlandite, and the main copper mineral is chalcopyrite. Gold, silver and PGMs mostly occur isomorphously within sulfide minerals. Pentlandite and chalcopyrite are finely disseminated and require a relatively fine grind to achieve good liberation; beneficiation tests determined the optimal grinding fineness to be 85–95% passing 74 μm.

Using different flotation flowsheets yields broadly similar results, with metal recoveries as follows: Ni 65–71%, Cu 64–75%, Co 53–87%, Au 29–63%, Ag 10–33%, Pt 60–75%, Pd 70–75%. The concentrator design adopts a "one rougher, three scavengers, four cleaners with sequential middlings return" flotation circuit. The design grades of the bulk concentrate are Ni 7.1% and Cu 3.0%, with design recoveries of Ni 64% and Cu 72%. The designed nickel recovery is somewhat conservative.

The concentrator is designed for a capacity of 10,000 tpd (3.30 Mt/a) and is located adjacent to the main and auxiliary shafts, so that ore from underground mining can be hoisted directly into the plant, reducing ore transport costs. The concentrator is built on flat ground, and the flowsheet includes a conventional three-stage, one-closed-circuit crushing circuit, a two-stage closed-circuit grinding circuit, and a two-stage "thickening + filtration" concentrate dewatering circuit. Primary crushing is located underground, and the flotation section uses two parallel 5,000 tpd circuits.

With respect to the processing flowsheet, SRK makes the following recommendations:

- Change the crushing and grinding flowsheet to an SABC circuit of "primary crushing + SAG milling + ball milling + pebble crushing," with primary crushing still located underground. During SRK's site due diligence it was found that the concentrator site is farmland and close to villages and the living area. Adopting an SABC comminution flowsheet, with no dry crushing or dry screening on surface and fewer belt-conveyor transfer points, would (i) reduce occupation of farmland, (ii) reduce dust and noise, and (iii) facilitate automation. To support adoption of an SABC flowsheet, SRK recommends additional comminution testwork to provide ore-specific parameters for equipment selection, including SMC tests, Drop Weight tests and Bond ball mill work index tests.

- Combine the two parallel grinding–flotation lines into a single line. Compared with two lines, a single line reduces the number of equipment items, thereby reducing maintenance and

management workload, reducing plant footprint, and lowering capital cost. The use of two parallel lines may have been considered to allow operation of only one line when ore supply is insufficient. SRK considers that if there are concerns about inadequate mining capacity, it is preferable to reduce the mining and processing scale rather than compromise ore supply.

- Adopt a "centralized middlings treatment" flowsheet for flotation. Comparing sequential middlings return with centralized middlings treatment, SRK considers that centralized treatment of middlings can avoid the accumulation of Mg-bearing minerals and slimes in the circuit, make it easier to control the flotation process, and produce a higher-quality bulk copper-nickel concentrate. SRK therefore recommends detailed testwork on this flotation flowsheet to determine an appropriate circuit configuration and provide a basis for flotation-circuit design and equipment selection for the concentrator.

The Xiafutaian tailings storage facility is located about 10 km from the concentrator and is a valley-type TSF with favorable topographic conditions. It has a designed total storage capacity of 11.189 million m³ and a service life of 8.5 years, which cannot accommodate all tailings over the mine life. A second tailings storage facility at a new site will need to be constructed one year before the Xiafutaian TSF reaches full capacity.

17.6 Environmental and Social Risks

The sources of inherent environmental and social risks are project activities that may result in potential environmental and social impacts. The environmental and social risks for the Project are:

- Impact to the surface water bodies;
- Dust impact to the surrounding communities and
- Noise impact to the surrounding communities.

The above risks are categorised as moderate/ tolerable risks (i.e., requiring risk management measures). It is SRK's opinion that these risks for the Project can be generally managed if the Company makes efforts in solving the issues.

17.7 Mine Economy

Previous Capex invested in the Zhou'an Project has completed some facilities of an operation for mining, ore processing and associated facilities to produce saleable copper-nickel concentrates enriching copper and nickel, as well as precious metals, i.e. gold, platinum, and palladium. Based on the parameters proposed in the preliminary design in 2023, SRK converted the qualified Mineral Resources into ore reserve. For a life of mine of about 12 years (including the construction period), the Zhou'an Project will have NPV in a range of CNY 297.11 M (at 10% discount rate) to CNY 603.43 M (at 6% discount rate), with a base case of CNY 434.28 M using a discount rate of 8%. The IRR is 16.67%, and the pay-back period is about 6.3 years, including the construction period.

Closure

This report, Competent Person's Report of the Zhou'an Copper-Nickel Project in Henan Province, the People's Republic of China, was prepared by

Dr. Anson Xu, Corporate Consultant

and reviewed by

Dr. Yonglian Sun, Corporate Consultant

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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Appendix A Mining License

Mining License



中华人民共和国

采 矿 许 可 证

(正本)

证号：C1000002014083210135260

采矿权人：唐河时代矿业有限责任公司

地　　址：河南省南阳市唐河县

矿山名称：河南省唐河县周庵铜银矿

经济类型：有限责任公司

有效期限：拾贰年　自2014年08月20日至2026年08月20日

开采矿种：银矿、铜

开采方式：地下开采

生产规模：330万吨/年

矿区面积：2.6089平方公里

矿区范围：(见副本)

发证机关

(发矿章记专用章)

二〇一四年八月二十日

Appendix B *JORC Code* Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• After logging, the on-site geologist defined intervals to be sampled and recorded "cut from/ to" intervals in a sampling sheet kept on site. In general, only mineralised portions of the drill core was sampled for assaying including some samples of wall rocks. The core was manually cut in half lengthways using a saw splitter. • Geologists perform geological logging first then mark sample location to ensure sample representivity. • Chinese standards were abided for taking the diamond drilling core samples, as well as the channelling samples for trenching and tunnelling samples.
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).	• The initial hole diameter was 91 mm, reduced to 75 mm after casing, giving a core diameter of 49 mm. In some holes, due to increasing depth and highly fractured rock preventing further drilling, the hole diameter was reduced to 60 mm, with a core diameter of 39 mm.
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.	• Across the entire deposit, the average rock/ore core recovery is 83%, with ore core recovery generally greater than 90%. In the ultramafic intrusion and Mesoproterozoic strata, the rocks are relatively competent and recoveries are high, exceeding 95%. However, in some holes the core recovery in Quaternary and Neogene strata is low, only 20–40%.

Criteria	JORC Code explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Logging is qualitative in nature; all core was photographed. • The logging has provided adequate coverage of the full length of each sample the Project.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core was sawn half through axis line, with some splitting by cutting. • All samples were crushed into a size of not more than 2 mm in diameter by jaw crusher. After split by riffle splitter, half the sample was pulverised using a ring mill until more than 95% materials would pass through the 200 mesh, which was then split using a riffle splitter for assaying. • Each machine, sample pan, and work area was cleaned using compressed air between sample runs. • Sample grain size was calculated with the empirical formula to have appropriate representative.
Quality of assay 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.	• In the early drilling programs of this project, most of the core from the historical drillholes was either badly lost or severely weathered and broken due to poor storage conditions, and can no longer meet the requirements for resampling and verification. Zijin Mining drilled three holes in the area, for which the core is generally well preserved; however, the assay results were not provided to Tanghe Shidai. • SRK collected approximately half of the remaining core from Zijin's three drillholes as verification samples and submitted them to SGS Tianjin for analysis. The analytical results indicate average grades of 0.28 % Ni and 0.09 % Cu(Table 6 4). SRK considers that these assay results can only serve as independent basic data for understanding the mineralisation grades and cannot be used to evaluate or quantify any systematic bias in the original assay data set.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	•
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.	• Downhole deviation was measured every 100 m, as well as at mineralized intervals and at end of hole, using a Baoliangkefo inclinometer. • The coordinate system is the 1954 Beijing Coordinate System.
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.	• Data spacing for reporting of Exploration Results are not applicable. • The drillhole spacing is sufficient to support the Mineral Resource estimation and classification. Most drillholes were implemented on a grid of 100 – 200 m (along the strike) by 80 – 160 m (down the dip). • All data from the database containing the flagged raw sample intervals were composited to 1.5 m downhole lengths, with a minimum length of 0.75 m required to create a composite used for grade interpolation.
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.	• Drill holes were distributed along the Exploration Lines which are perpendicular to the strikes of mineralized bodies. • Drilling holes were designed to perpendicular cut through the bodies.
Sample security	• The measures taken to ensure sample security.	• Chain of custody was managed by site staff. Geologists managed the process from sampling to sample delivery to sample preparation facility, abiding Chinese regulations.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• A review of the sampling techniques and data was carried out by SRK as part of the Mineral Resource estimation and the database

Criteria	JORC Code explanation	Commentary
		is considered to be sufficient quality to carry out a Mineral Resource estimation.

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.	• Tanghe owns the mining license and retained various Chinese professional geological exploration brigades or companies to conduct exploration programs. • SRK have not independently verified the standing of the tenements.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Chinese professional exploration brigades or companies conducted exploration programs on the Tanghe Project, which were reported and acknowledged and assessed in the report.
Geology	• Deposit type, geological setting and style of mineralisation.	• The mineralisation is of disseminated type.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Since 1960, many companies was commissioned to undertake further exploration focusing on the Exploration License area, including geological mapping, diamond drilling, sampling workings survey, and various sample assaying. A total of 92 diamond drill holes were completed, and drilled on a grid of 100 – 200 m (along the strike) by 80 – 160 m (down the dip). • As of December 2007, a total of 92 diamond drillholes for a combined length of 61,128 m were conducted within the Project area.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• The Mineral Resources were estimated. Details see Section 7. • Cut-off grades for copper were determined using Nickel equivalent (NiEq).
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').	• The Mineral Resources were estimated. Details see Section 7.
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.	• Maps and cross-sections have been used to report the exploration results. Please refer to the report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• No other exploration results for the Tanghe Project.
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.	• SRK is not aware of any material or substantive exploration data that has not been reported.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	• SRK suggests that further geological exploration to upgrade and increase the base of the Mineral Resources.

Criteria	JORC Code explanation	Commentary
	• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• SRK was provided with the Csv format tables of all drill holes data. SRK has reviewed the tables and database provided by the client and they are acceptable for the Mineral Resource estimation. • The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/ exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	•
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Geological interpretation is based on information such as collar, survey, lithology, and assay data. • The wireframe models for the Tanghe deposit were established by client using Leapfrog Edge software. A nominal cut-off grade of 0.25% Ni_eq was applied to define the mineralised intervals for Domains. The data used for Mineral Resource estimation is derived from reliable exploration reports and laboratory analysis. • A total of 3 mineralized domains were constructed for the Tanghe Project.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• Extrapolation was limited to approximately half of the level interval and the drill spacing. The drillholes spacing is 100*200-80*160.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• The Ordinary Kriging (OK) method was used for the Cu and Ni grade estimation of Domain 1 and Domain 2. Inverse Distance Weighting Square (IDW2) method was used for grade estimation for Domain 3. Hard boundaries were used for both Cu and Ni of all domains. • The parameters of the searching ellipsoid were thus manually optimized, • The three progressively more relaxed search criteria used for estimation The search dynamic ellipsoids were aligned with the general mineralisation orientation. Details is the Chapter 7.9. • SRK performed a thorough validation of the interpolation model results, which included visual examination and "Swath Plots" analysis.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Specific gravity (SG) ore samples were sealed and sent to the laboratory for both Cu and SG analysis, the tonnages are estimated on a dry basis.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• A cut-off grade of 0.25 % NiEq was used to report the in situ Mineral Resources. • This cut-off grade is estimated to be the minimum grade required for economic extraction at current prices.
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	• Underground mining methodology is adopted. • The mining cost is USD 14 per tonne of ore, and the general and administrative cost is USD 3 per tonne of ore.

Criteria	JORC Code explanation	Commentary
	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.	
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Detailed process mineralogy and laboratory floatability testwork on three flowsheets have been carried out. These studies confirm that the ore is a sulfide ore dominated by nickel, with associated Cu, Co, Au, Ag and PGMs, and is suitable for producing a bulk Cu–Ni concentrate by flotation, with precious metals reporting to the bulk concentrate. The three flowsheets produced broadly similar results, demonstrating that the ore is readily beneficiated. • Based on the beneficiation test results, the concentrator has been designed to use a conventional "three-stage, one-closed-circuit crushing + two-stage closed-circuit grinding" comminution flowsheet, and a "one rougher, three scavengers, four cleaners" flotation flowsheet to produce a bulk Cu–Ni concentrate. Although the flowsheet requires updating, the design parameters lie within a reasonable range and can be used for Resource and Reserve estimation.
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.	• This is an operational mine site, and wase rock and tailings have been disposed of in waste rock dumps and tailings storage facilities or back filling underground workings. Refer to the section 14.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity,	• The specific gravity values applied in the resource estimation were derived from average SG data provided by the client.

Criteria	JORC Code explanation	Commentary
	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.	• Drillhole spacing distance was used as the basis for classification. • The blocks estimated for during the first estimation pass with sample distances less than 80 m can be classified as Measured Mineral Resources; • Those blocks estimated during the second estimation pass with sample distances less than 160 m can be classified as Indicated Mineral Resources. All other remaining blocks can be categorised as Inferred Mineral Resources • Blocks excluded by Indicated category and within the mineralized domains should be appropriately classified in the Inferred Mineral resource category because the confidence in the estimate is insufficient to allow for the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• The results were peer reviewed internally by SRK consultants.
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 tonnes and grades for the Measured and Indicated Mineral Resources are estimated to a certain acceptable level of confidence, based on the data density observed by the Competent Person. • The tonnes and grades for the Inferred Mineral Resources are estimated to a low-level confidence, as sparse data cannot support a precise estimation of the deposit. • SRK's Mineral Resource estimation is a global estimates.

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 8.2. • The mineral resource model in Chinese standard is not utilised by SRK to estimate Ore Reserves. The Mineral Resources as of Effective Date were estimated by SRK in December 2025 to support the Ore Reserve estimate in accordance *with JORC Code*. • The Mineral Resources are inclusive of Ore Reserves. The grades of Cu and Ni 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 8.5. • An additional site visit will be carried out between 30 January and 01 February 2026.
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 8.1. • The conversion of Mineral Resources to Ore Reserves is supported by comprehensive technical studies, primarily the Preliminary Design (*PD 2023*).
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• Section 8.2. • A cut-off grade at 0.32% Nichel equivalent is utilised by SRK to estimate Ore Reserves.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.	• Chapter 9. • Mineral Resources were converted to mineable inventory based on the Preliminary Design (*PD 2023*) utilizing the Mineable Stope Optimizer (MSO) to define economically viable extraction shapes. • A mechanized dual-strategy of Sublevel Open Stoping (75%) and Room and Pillar (25%) is employed, both utilizing subsequent backfill to ensure geotechnical stability and maximize resource recovery. • The rock mass is generally high-strength (Grade II-III, RQD 50–95%). Stability is managed via an automated 71-point stress-

Criteria	JORC Code explanation	Commentary
	• The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	strain network and a mandatory "probe-before-drilling" protocol to detect structural weaknesses. • Stope Optimization MSO was applied to the block model using standard production panels of 80m x 90m, further discretized into 10m x 15m units to conform to undulating orebody contacts. • A comprehensive dilution factor of 7.0% (comprising planned skin dilution and unplanned components) was integrated into the mine plan. • A global mining recovery factor of 80.0% (based on a 20.0% mining loss rate) was applied, consistent with high mechanization backfill mining. • Inferred Mineral Resources were treated as waste (zero grade) during optimization; they account for approximately 7.7% of the total material moved but do not contribute to the economic metal inventory
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• The Zhou'an copper-nickel ore of Tanghe Shidai is a nickel-dominant sulfide ore with associated Cu, Co, Au, Ag and PGMs, suitable for beneficiation by flotation. Three flotation flowsheets were tested at laboratory scale and yielded broadly similar technical results, demonstrating that the ore is easy to beneficiate and can produce a high-quality nickel concentrate, with copper, cobalt and other valuable metals enriched in the nickel concentrate. • Laboratory beneficiation tests have been carried out on ore representative of the whole deposit, as well as separately on ore from the upper and lower ore bodies. The results are broadly consistent, indicating that the ore is suitable for flotation and is relatively tolerant of different circuit configurations. • The concentrator is designed for 10,000 tpd and adopts a traditional "three-stage, one-closed-circuit crushing + two-stage closed-circuit grinding" comminution flowsheet, with a target grind of 88% passing 74 μm; a "one rougher, three scavengers, four cleaners with sequential middlings return" flotation flowsheet is used to produce a bulk Cu–Ni concentrate. Although there is no fundamental flaw in the designed flowsheet, optimization is warranted in light of the specific conditions at the project site.

Criteria	JORC Code explanation	Commentary
		• The main deleterious elements in the ore are arsenic and magnesium. Arsenic grades are low and will not affect product quality. Magnesium is relatively high and occurs mainly as serpentine and talc, which are prone to sliming and are readily floatable. In the flotation circuit, talc–serpentine slimes tend to report to the middlings; with sequential middlings return, these materials can accumulate in the circuit, adversely affecting flotation performance and product quality. • Because the ore is easy to beneficiate, large-scale continuous pilot tests and industrial trials are not considered necessary. However, SRK recommends detailed laboratory testwork on a "centralized middlings treatment" flotation flowsheet to define an appropriate circuit configuration. • The designed concentrator metallurgical indices fall within a reasonable range and can be used as a basis for Ore Reserve estimation and project economic evaluation.
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.	•
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 12.
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.	• Section 14.2. • The operating costs (Opex) in the past three years were reviewed by SRK, as well as the Opex forecasts in the *FS 2025*. SRK considered the Opex forecasts in the *FS 2025* is appropriate to estimate Ore Reserves. • The Consensus Market Forecast (CMF) published by Consensus Economics Inc. in December 2025 was adopted by SRK to estimate the revenues. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalent to 7.15 CNY.

Criteria	JORC Code explanation	Commentary
		• The sales contracts were reviewed by SRK. The pricing rates and premium were derived from the reviewed sales contract. • The taxes, royalties and other government charges were made based on Chinese laws.
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.	• Sections 15.1 and 15.2. • The CMF published by Consensus Economics Inc. in December 2025 was adopted by SRK to estimate the revenues. • The exchange rates in history were reviewed by SRK. SRK assumed that one US$ equivalent to 7.15 CNY. • The sales contracts were reviewed by SRK. The pricing rates and premium were derived from the reviewed sales contract.
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.	• The Company has sales contracts with buyers, and the terms have been reached in the contracts. The buyers will be responsible for shipment of the final products, i.e. copper concentrates from the mine. • The prices of the valuable elements in the concentrates, i.e. copper and silver will be determined according to the trading prices of the metals.
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• The discount cash flow method was used for the economic analysis. The CMF metal prices have been used, and the terms in the contracts to determine the pricing coefficients were also applied. The analysis did not consider inflation, while a discount of 8% was applied. Detailed assumptions have been discussed in Chapter 16.
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• Section 13.5. • The Company obtained social licence via various communications and a corporate social responsibility program. • opposition.
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements.	• Risk analysis is shown in Chapter 16.

Criteria	JORC Code explanation	Commentary
	• 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.	
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 economically mineable inventory of approximately 27.25 Mt is conservatively classified as Modified Mineral Resources (or Mineable Mineral Resources) rather than formal Proved or Probable Ore Reserves. • The project's technical and economic viability is acutely sensitive to associated byproduct elements (platinum, palladium, and gold), which contribute approximately 25% of the total projected revenue. While these precious metals are critical to the project's economics, their grades were defined only by composite samples rather than systematic sampling and assaying. Consequently, the current level of data confidence is insufficient to meet the strict JORC requirements for formal Ore Reserve conversion
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.
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	• The application of statistical or geostatistical procedures are not applied to assess the relative accuracy/ confidence. • The Ore Reserve estimate is related to global estimate.

Criteria	JORC Code explanation	Commentary
	impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

Appendix C Financial Model for Economic Analysis

			1	2	3	4	5	6	7	8	9	10	11	12
Category	**Unit**	**Total**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Mining Inventory														
Tonnage	kt	27,253				1,656	3,313	3,303	3,292	3,301	3,291	3,269	3,294.09	2,534.28
Ni grade	%	0.34				0.32	0.34	0.39	0.35	0.33	0.32	0.33	0.34	0.35
Cu grade	%	0.13				0.12	0.13	0.14	0.13	0.13	0.14	0.13	0.14	0.14
Pt grade	g/t	0.17				0.11	0.18	0.22	0.17	0.14	0.17	0.18	0.17	0.17
Pd grade	g/t	0.22				0.16	0.21	0.26	0.19	0.18	0.23	0.25	0.23	0.23
Ni content	t	93,461				5,257	11,420	12,735	11,532	11,004	10,659	10,637	11,291	8,927
Cu content	t	36,737				2,042	4,189	4,787	4,287	4,283	4,664	4,326	4,561	3,597
Pt conetnt	kg	4,687				188	596	725	561	472	548	595	571	430
Pd content	kg	5,915				268	691	847	631	580	748	810	766	574
Price														
Ni	RMB/t		110,050	111,470	112,890	115,020	115,020	122,120	122,120	122,120	122,120	122,120	122,120	122,120
Cu	RMB/t	-	79,165	77,390	76,325	77,390	75,970	78,100	78,100	78,100	78,100	78,100	78,100	78,100
Mineral Processing and Metallurgy														
Cu-Ni Concentrate														
Yield rate	t					3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%	3.33%
Ni Recovery	%					71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00
Cu Recovery	%					71.50	71.50	71.50	71.50	71.50	71.50	71.50	71.50	71.50
Pt Recovery	%					64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00
Pd Recovery	%					50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Concentrate Tonnage	t					55,200	110,427	110,090	109,722	110,042	109,685	108,967	109,802	84,475
Nickel grade in concen	%					6.76	7.34	8.21	7.46	7.10	6.90	6.93	7.30	7.50
Copper grade in concentrates	%					2.64	2.71	3.11	2.79	2.78	3.04	2.84	2.97	3.04
Au grade	g/t					1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41
Pt grade	g/t					2.18	3.46	4.21	3.27	2.75	3.20	3.50	3.33	3.26
Pd grade	g/t					2.43	3.13	3.85	2.88	2.63	3.41	3.72	3.49	3.40
Ni content in concentrate	t					3,732	8,108	9,042	8,188	7,813	7,568	7,552	8,016	6,338
Cu content in concentrate	t					1,460	2,995	3,423	3,065	3,062	3,335	3,093	3,261	2,572
Au content	kg					77.83	155.70	155.23	154.71	155.16	154.66	153.64	154.82	119.11
Pt content	kg					120.26	381.56	463.69	359.26	302.32	350.87	380.91	365.65	275.02
Pd content	kg					134.22	345.26	423.39	315.53	289.84	374.03	404.95	383.18	286.99
Payableprice Ni in conc	RMB/t		77,035	78,029	79,023	80,514	80,514	85,484	85,484	85,484	85,484	85,484	85,484	85,484
Payableprice for copper in conc	RMB/t		31,666	30,956	30,530	30,956	30,388	31,240	31,240	31,240	31,240	31,240	31,240	31,240
Payable price for Au	RMB/g		821.73	767.44	681.34	625.19	621.44	561.54	561.54	561.54	561.54	561.54	561.54	561.54
Payable price for Pt	RMB/g		390.34	320.95	325.28	303.60	333.96	292.76	292.76	292.76	292.76	292.76	292.76	292.76
Payable price for Pd	RMB/g		317.69	279.75	267.82	250.47	256.98	240.71	240.71	240.71	240.71	240.71	240.71	240.71
Revenue of Ni in conc	RMB M		-	-	-	300.50	652.82	772.91	699.92	667.90	646.92	645.62	685.28	541.79
Revenue of copper in conc	RMB M		-	-	-	45.19	91.01	106.93	95.76	95.66	104.19	96.63	101.88	80.35
Revenue of gold in conc	RMB M					48.66	96.76	87.17	86.88	87.13	86.85	86.28	86.94	66.89
Revenue of platinum in conc	RMB M					36.51	127.43	135.75	105.18	88.51	102.72	111.51	107.05	80.51
Revenue ofpalladium in conc	RMB M					33.62	88.72	101.91	75.95	69.77	90.03	97.47	92.24	69.08
Total revenue	**RMB M**	5,829	**-**	**-**	**-**	**464.49**	**1,056.73**	**1,204.66**	**1,063.68**	**1,008.96**	**1,030.71**	**1,037.52**	**1,073.38**	**838.62**

Category	**Unit**	**Total**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**
Opex (unit cost)														
Unit OPEX	RMB/t Mined ore	-				167.09	167.09	167.09	167.09	167.09	167.09	167.09	167.09	167.09
Total OPEX	**RMB M**	4,553	**-**	**-**	**-**	**276.69**	**553.53**	**551.84**	**549.99**	**551.59**	**549.81**	**546.21**	**550.39**	**423.44**
Revenue-OPEX	RMB M	4,225	-	-	-	187.79	503.21	652.82	513.69	457.37	480.91	491.31	522.99	415.18
		167.09												
VAT rate	%		13	13	13	13	13	13	13	13	13	13	13	13
VAT received from sales	RMB M	1,311.77	-	-	-	69.41	157.90	180.01	158.94	150.76	154.01	155.03	160.39	125.31
VAT paid (deducable)	RMB M	392.89	-	-	-	23.87	47.76	47.61	47.45	47.59	47.44	47.13	47.49	36.54
VAT payable	RMB M	(918.88)	-	-	-	(45.53)	(110.14)	(132.39)	(111.49)	(103.17)	(106.58)	(107.90)	(112.90)	(88.78)
Resource tax (4% of revenue)	RMB M	(310.75)	-	-	-	(16.44)	(37.41)	(42.64)	(37.65)	(35.72)	(36.49)	(36.73)	(38.00)	(29.69)
Surtaxes (6% of VAT payable)	RMB M	(55.13)	-	-	-	(2.73)	(6.61)	(7.94)	(6.69)	(6.19)	(6.39)	(6.47)	(6.77)	(5.33)
Total	RMB M	(1,284.76)	-	-	-	(64.71)	(154.16)	(182.98)	(155.83)	(145.08)	(149.46)	(151.10)	(157.67)	(123.79)
Revenue-OPEX-other taxes and fee	RMB M		-	-	-	123.08	349.05	469.84	357.86	312.29	331.45	340.21	365.32	291.40
DA	RMB M	1,305				127.50	147.21	147.21	147.21	147.21	147.21	147.21	147.21	147.21
Taxable income	RMB M		-	-	-	(4.42)	201.84	322.64	210.65	165.08	184.24	193.00	218.11	144.19
Corporate income tax rate	%		25	25	25	25	25	25	25	25	25	25	25	25
Income tax	RMB M	409.94				0.00	50.46	80.66	52.66	41.27	46.06	48.25	54.53	36.05
Net profit	RMB M	2,530.57				123.08	298.59	389.19	305.20	271.02	285.39	291.96	310.79	255.35
CAPEX	RMB M	(1,136.80)	-29.72	-450	-460	-197.08								
Working capital	RMB M	-				-25	-35.52							60.52
Mine closure	RMB M													-150
Residual value	RMB M													150
Cashflow	RMB M	1,393.77	-29.72	-450.00	-460.00	-99.00	263.07	389.19	305.20	271.02	285.39	291.96	310.79	315.87
Accumulated cash flow	RMB M		-29.72	-479.72	-939.72	-1038.72	-775.65	-386.46	-81.26	189.76	475.15	767.11	1077.90	1393.77

Final

Competent Person's Report of Xinchangchong Project in Yunnan Province, China

Xinchangchong Tin Polymetallic Project, Yunnan Province, People's Republic of China

Inner Mongolia Xinye Silver & Tin Mining Co., Ltd.



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srk consulting

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Project Site

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Appendices

Appendix A Exploration License
Appendix B JORC Code Table 1

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Term / Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
asl	above sea level
AusIMM	Australasian Institute of Mining and Metallurgy
cm	centimetres
COG	cut-off grade
Cu	the element symbol of Copper
CPR	Competent Person's Report
DCF	discounted cash flow
E	East
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
G&A	general and administration
g	gram
g/cm^3	gram(s) per cubic centimetre
g/t	gram per tonne
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km^2	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts

Term / Abbreviation	Meaning / Definition
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
M	million
MLP Mining	Yunnan Malipo Tin & Precious Metals Mining Co., Ltd. (云南省麻栗坡锡贵金属矿业有限公司)
m	metres
m^2	square metre
m^3	cubic metre
Mm^3	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million metres); Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
Mt	million tonnes
OK	Ordinary Kriging
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Pb	the element symbol of Lead
QA/QC	quality assurance/quality control
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
Sn	the element symbol of Tin
SG	specific gravity
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("HKEx")
t	tonnes
t/d or tpd	tonnes per day
t/m^3	tonnes per cubic metre
Xingye Silver&Tin	Inner Mongolia Xinye Silver & Tin Mining Co., Ltd. (兴业银锡)
XCC	Xinchangchong（新厂冲）
US$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.

Term / Abbreviation	Meaning / Definition
VAT	value-added tax
Zn	the element symbol of Zink

Executive Summary

Introduction

SRK Consulting China Ltd ("SRK") was commissioned by Inner Mongolia Xinye Silver & Tin Mining Co., Ltd. ("Xingye Silver&Tin" or the "Company") to undertake an independent assessment of all relevant technical aspects of the Xinchangchong Tin Polymetallic Project ("XCC Project" or the "Project") which is located in Yunnan Province and operated by Yunnan Malipo Tin & Precious Metals Mining Co., Ltd. (Malipo Mining), a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("CPR", or this "Report") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "Stock Exchange"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

Summary of Principal Objectives

The principal objective of this Report is to provide Xingye Silver&Tin and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed listing on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and resource models provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit on 11 March 2026, to the XCC Project, including the locations of exploration boreholes, drill cores showing the Tin mineralisation, the office and living areas, and other infrastructure, etc.
- review of all available documents, including exploration licenses and permits, geology reports, etc.
- discussion with Xingye Silver&Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources is 31 December 2025).
- submission of the draft to Xingye Silver&Tin and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

The reviewed XCC project is owned by Xingye Silver&Tin. It is located in southeastern Yunnan Province, is approximately 405 km by road from Kunming, the capital of Yunnan Province, and approximately 1.5 km from the Tianbao–Malipo section of National Expressway G5615 (Tianbao–Houqiao Expressway), which is currently under construction

The deposit is classified as a contact metasomatic type, or Skarn type. The mineralized bodies mainly occur in the contact between a Silurian granite intrusion and its host strata. led

Since the 1960s, investigations in the Dulong mineralization-field have defined igneous evolution and metallogenic frameworks, with drilling at Manjiazhai and high-grade mineralized bodies establishing a prospecting model. This led to the Tongjie tin deposit, multiple other large tin–zinc deposits, a 2003 Pb–Zn–Ag–Sn resource estimation, and a 2019–2020 exploration campaign with drilling in the XCC area.

From September 2024 to December 2025, Yunnan No. 2 Geological Brigade conducted staged exploration programs focusing on tin and zinc (with secondary copper, lead, and kaolin), with drilling and trenching on a 320 m × 240 m grid.

As the project is at an early exploration stage and no detailed technical or economic assessments have been done, a cutoff grade of 0.1% Sn Equivalent (SnEq) has been adopted for the Mineral Resource reporting of this project with reference to nearby similar projects.

As of 31 December 2025, the XCC project, at a cut-off grade of 0.1 % SnEq for underground mining, there are 7.70 Mt of Inferred Resources at an average grade of 0.14% Sn, 0.01% Cu and 0.02% Zn.

Licences and Permits

Currently, XCC possesses an exploration permit consists of 20 inflection points with a total area of 17.8144 km^2, which is valid till August 2029.

Geology and Mineralogy

The XCC Project area is located within the Yangtze – South China Platform (Ⅴ-3), southeastern part of the southeastern Yunnan thrust – nappe tectonic belt (Ⅴ-3-2), on the northern limb of the Laojunshan dome-shaped anticline.

The principal commodities of mineralization within the project area are tin and zinc, with mineralization-hosting lithologies dominated by silicified phyllite, skarn, skarn-altered phyllite, and skarn-altered marble.

Based on field observations, petrographic identification, and whole-rock analyses, the mineralization are classified as silicate-type. Furthermore, considering metal species and structural features, they are further defined as silicate-type, silicate-impregnated tin mineralization .

Within the XCC project area, mineralized zones occur in the middle to lower sections of the Xinzai Formation, specifically within muscovite–quartz schist and stratified skarn, with a complex spatial

distribution of mineralized bodies. The immediate mineralization-hosting rocks are mainly skarn-altered phyllite and skarn, generally muscovite–quartz schist. The contacts between mineralization bodies and host rocks are mostly gradational, with minor occurrences of abrupt contacts.

Exploration and QAQC

Since the 1960s, geological investigations in the project area have defined the igneous evolution, metallogenic associations, and structural–metamorphic framework. Early work (1957–1962) in the Dulong mineralization-field applied drilling and trenching to test shallow stratabound sulfide mineralization at Manjiazhai, while exploration between 1978 and 1990 verified thick, high-grade mineralized bodies between the F0 and F1 faults and established an integrated prospecting model, leading to delineation of the Tongjie tin deposit and discovery of multiple large to super-large tin and tin–zinc polymetallic deposits. Subsequent programs included a 2003 regional Pb–Zn–Ag–Sn resource evaluation and a 2019–2020 mineral geological survey with drilling verification in the XCC project area.

From September 2024 to December 2025, Yunnan No. 2 Geological Brigade conducted staged exploration programs focusing on tin and zinc (with secondary copper, lead, and kaolin), with drilling and trenching on a 320 m × 240 m grid.

The core samples were collected, logged, and processed by professional personnel using standardized protocols, maintaining the integrity of the data throughout the exploration process.

The QA/QC program as designed and the assay results in the database are suitable for Mineral Resource estimation.

SRK team including geologists, mining engineer and processing engineer, visited the XCC Project on 11 March 2026. SRK has inspected the XCC Project. SRK also checked sealed boreholes and trenches, visited the drill core shed and inspected mineralized cores.

Based on the exploration database available and the site observations, SRK selected a total of 226 representative samples from the boreholes as independent verification samples.

The performance for Cu and Zn was unsatisfactory, owing to the extremely low grades of the samples (average Cu: 0.15%, average Zn: 0.02%). SRK considers these data not meaningful for verification purposes.

By contrast, results for Sn were relatively reliable: most paired data fall within a ±20% deviation range, demonstrating good repeatability of the original analytical results.

Processing and Metallurgy

The XCC Project is at a relatively early stage of exploration, and no processing tests have yet been carried out. At this stage, only mineralogical information and processing data from nearby deposits of the same type have been collected.

For the nearby operations, the average zinc recovery is 90% at zinc grade 45% for zinc concentrate, the average copper recovery is 55% at 16% of copper grade, and the average tin recovery is 44% at tin grade 39% for tin concentrate. Associated silver is mainly recovered into the copper concentrate,

while cadmium is largely concentrated in the zinc concentrate; both are recovered in subsequent smelting. Arsenic-bearing arsenopyrite is largely rejected to tailings.

It is recommended to strengthen beneficiation optimization testwork at a later stage to improve metal recovery.

Mineral Resource Estimation

Based on SRK's site visit, review of the exploration datasets, communication with the Xingye Silver&Tin's technical personnel and consideration of the mineralization characteristics of the XCC deposit, SRK is satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.

As the project is at an early exploration stage and no detailed technical or economic information is available, a cutoff grade of 0.1% SnEq has been adopted for the Mineral Resource reporting of this project with reference to nearby similar projects.

As of 31 December 2025, the XCC project, at a cut-off grade of 0.1 % SnEq for underground mining, the Mineral Resources was summarized in Table ES-1.

Table ES-1: Mineral Resource Statement for XCC Project, as of 31 December 2025

Category	Tonnes (Mt)	Grade (%)			Contained Metal (kt)		
		Sn	Cu	Zn	Sn	Cu	Zn
Inferred	7.7	0.14	0.01	0.02	10.8	0.4	1.6

Note:
1. The Mineral Resources results are used solely for the purpose of testing the "reasonable prospects for eventual economic extraction" by underground mining and do not represent an attempt to estimate Ore Reserves.
2. Mt – million tonnes.
3. All figures are rounded to reflect the relative accuracy of the estimate. The significant differences are due to rounding.
4. The information in this Report which relates to Mineral Resource is based on information compiled by Ms Yanfang Zhao; who is full time geological consultants of SRK Consulting. Ms Yanfang Zhao is a Member of the Australasian Institute of Mining and Metallurgy (the "AusIMM"). Ms Zhao has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration. To the qualification, experience and activity Ms Yanfang Zhaois undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Ms Yanfang Zhao consent to the reporting of this information in the form and context in which it appears.
5. Equivalent factor was based on the metal price and Metallurgical recovery, SnEq: Sn+0.445*Cu, Copper price of 12,600 US$/t, tin price of 36,800 US$/t.

Exploration Potential

2011 regional 1:50,000 data indicated that the Wenma fault zone controls a series of aeromagnetic and geochemical anomalies that are spatially and structurally aligned from the Luoshuodong tin deposit into the current licence area, with local magnetite already identified. These features are interpreted to reflect concealed intrusive bodies with favourable conditions for polymetallic mineralization, and Pb mineralization exposed at surface further supports this potential.

In 2026, these target zones will be prioritised for detailed 1:5,000 structural–lithological mapping and verification drilling to assess their exploration potential.

Conclusions and Recommendations

The XCC deposit is classified as a contact metasomatic type. The mineralization occurs bear the contact zone between a Silurian granite intrusion and its host strata.

The drilling, sampling, sample preparation, analyses, security, and data verification consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.

A mineralogy study and beneficiability test work are recommended for the resource estimation and deposit evaluation.

At the current stage, the delineated mineralized zones are predominantly low-grade tin mineralization. It is recommended that, in conjunction with geophysical and geochemical survey data, additional exploration engineering works be deployed in target areas to further get the potential Mineral Resources.

1 Introduction and Scope of Report

SRK Consulting China Ltd ("SRK") was commissioned by Inner Mongolia Xinye Silver & Tin Mining Co., Ltd. Co., Ltd. ("Xingye Silver&Tin" or the "Company") to undertake an independent assessment of all relevant technical aspects of the Xinchangchong Tin Polymetallic Project ("XCC Project" or the "Project") which is located in Yunnan Province and operated by Yunnan Malipo Tin & Precious Metals Mining Co., Ltd. (Malipo Mining), a subsidiary company of Xingye Silver&Tin.

It is SRK's understanding that the independent technical assessment on the Project is required to be included in a Competent Person's Report ("CPR", or this "Report") suitable for inclusion in a prospectus prepared to support the proposed listing of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the "Stock Exchange"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd ("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 including the *Chapter 18* requirements and other relevant regulations of the Stock Exchange and HKEx.

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Xingye Silver&Tin to support the proposed listing on the Stock Exchange and the HKEx. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the 2015 edition of the *Code for Technical Assessment and Valuation of Mineral Petroleum Assets and Securities for Independent Expert Reports* (the "Valmin Code"). The Valmin Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves and is binding upon all members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG").

This Report is not a Valuation Report 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.

In this Report, identified Mineral Resources are quoted using categorisation in accordance with the JORC Code. However, it should not be assumed that these Mineral Resource Estimates have necessarily been carried out in accordance with the guidelines and recommendations laid out in the JORC Code, at least until further documentation can be obtained on the estimates and they have been formally endorsed by a "Competent Person" in accordance with the JORC Code.

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 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 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "Effective Date"). The Mineral Resource statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources at the Effective Date as audited by SRK.

2.5 Work Program

- review of dataset and resource models provided by Xingye Silver&Tin, and preparation of data verification plan which will be conducted during site inspection.
- a site visit in 11th March 2026, to the XCC Project, including the locations of exploration boreholes, drill cores showing the Tin mineralisation, the office and living areas, and other infrastructure, etc.
- review of all available documents, including exploration licenses and permits, geology reports, etc.
- discussion with XCC Mining and Xingye Silver&Tin management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the Chapter 18 on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources is 31 December 2025).
- submission of the draft to XCC Mining and Xingye Silver&Tin and the related third party for comments and finalise the draft based on the feedback.

2.6 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 1,800 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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. Its seamless integration of services, along with its global base, has made the company a world leader 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 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 the Chinese mining companies who have completed successfully listed and/or acquired 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
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
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 HKEx
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 HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Company Limited	2025	IPO Listing on HKEx

2.7 Project Team

The SRK project team and responsibilities are shown in Table 2-2.

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Yanfang (Bonnie) Zhao	Principal Consultant (Geology)	Project Manager, Overall Responsibility, Geology, Mineral Resource Estimation
Feng (Frank) Li	Principal Consultant (Geology)	Data validation
Zimeng Li	Assistant Consultant (Geology)	Data process
Hui Bai	Consultant (GIS)	Map and Drawing
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Nan Xue	Principal Consultant (Environment)	Permitting
Ting (Mia) Qiu	Project Coordinator	Project Coordination
Anson Xu	Corporate Consultant (Geology)	Internal Peer Review and Quality Control

Yanfang Zhao (Bonnie), *MEng, MAusIMM*; is a Principal Consultant at SRK China, she and has 16 years of experience geological modelling, Mineral Resource estimations, technical reporting, gap analysis and due diligence studies. As a consulting geoscientist, she has been active in over 150 mineral projects including due diligence reviews, exploration design, data verification, resource estimation and preparing Qualified Person Report in China, Mongolia, Indonesia, Cambodia, Malaysia, Serbia, Australia , Ecuador and many countries of Africa with minerals including Au, Ag, Cu, Fe, Pb, Zn, Mo, Co, Sn, Cr, bauxite and Coal. She is proficient in using mining software, including Surpac, Minex, Leapfrog, Arcgis, and AutoCAD etc.

Frank Li (Frank), *BEng, MSc*, *FAusIMM*, is a Principal Consultant (Geology). He joined SRK in 2010 and has been involved in more than one hundred projects, including project management, exploration management, geological logging and mapping, data verification, resource modelling and estimation. the projects located in China, Mongolia, Middle Asia, Southeast Asia, Africa and South America; the projects include gold, silver, lead, zinc, iron, nickel, vanadium, magnesium, marble, graphite, bauxite, uranium, etc. He has a deep understanding of analysis and Mineral Resource reporting conversions between of Chinese and JORC Code standards and has abundant experience in exploration management and quality control. Frank has worked on uranium projects in Kazakhstan.

Zimeng Li, *MSc,* Assistant Consultant (Geology). She holds bachelor's and master's degrees in Mineral Resource Engineering and Geology from University of Science and Technology Beijing. Her academic background covers core courses in mining engineering, mineralogy and petrology, as well as geochemistry.

Hui Bai, *BEng,* is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Lanliang Niu, *B.Eng, MAusIMM*, is a Principal Mineral Processing Engineer, who graduated in 1987 from Beijing University of Science and Technology majoring in ore processing. He has worked on the industrial testing of gold leaching with low grade ores, managed or participated in processing and metallurgical testing for more than 10 precious and non-ferrous metals

projects. With SRK, he has been responsible for the ore processing and metallurgical scope of work and involved in many key projects.

Nan Xue, *M.Sc, MAusIMM,* is a Principal Environmental Consultant with SRK Consulting China Ltd. He holds a master's degree in environmental sciences from Nankai University in Tianjin. He has four years' experience in environmental impact assessment, environmental planning, and environmental management. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC, as well as the environmental planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculations, and impact predictions. In recent years after he joined SRK, Nan Xue has been involved in a number of due diligence projects, such as the Fuguiniao Mining project in China.

Dr. Anshun (Anson) Xu, *PhD, FAusIMM,* is a Corporate Consultant (Geology) who specialises in the exploration of mineral deposits. He has more than 30 years' experience in the exploration and development of various types of mineral deposits, including Cu-Ni sulphide deposits related to ultra-basic rocks, tungsten and tin deposits, diamond deposits, and especially deep expertise in various types of gold deposits, including vein-type, fracture-breccia zone type, alteration type, and Carlin type. He was responsible for the resource estimations of several diamond deposits and for reviews of resource estimations for several gold deposits. He recently completed for clients from both China and overseas several due diligence projects, including technical review projects, such as Canadian NI43-101 reports and HKEx IPO technical reports.

2.8 Warranties

Xingye Silver&Tin 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.

2.9 Indemnities

As recommended by the VALMIN Code, Xingye Silver&Tin 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 Xingye Silver&Tin or to Xingye Silver&Tin not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Ms Yanfang Zhao, a Member of the AusIMM ("MAusIMM"), full-time employees of SRK. Ms Yanfang Zhao have 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 JORC Code". Ms Yanfang Zhao consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Peer review and quality control of the Report were conducted by Dr. Anson Xu, FAusIMM, a Corporate Consultant (Geology) at SRK.

2.11 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 Xingye Silver&Tin or employees of Xingye Silver&Tin 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.

2.12 Consent

SRK consents to this Report being included, in full, in the Xingye Silver&Tin prospectus, in the form and context in which the technical assessment is provided, and not for any other purpose.

SRK provides this consent on the basis that the technical assessments expressed in the Executive Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report and the Cover Letter.

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.

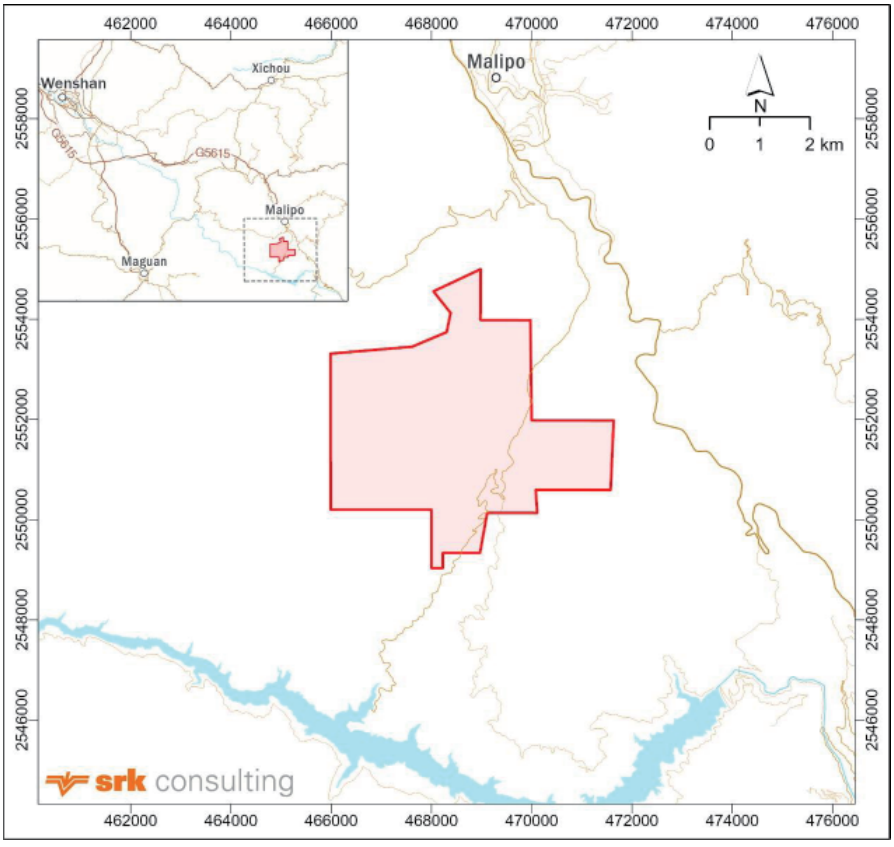
The possible sources of error in the forward-looking statements are addressed in more detail in the appropriate sections of this report. Also provided in the report are comments on the areas of concern inherent in the different areas of the mining and processing operations.

3 Licenses and Permits

SRK relies on the information provided by Xingye Silver&Tin, and SRK did not conduct a legal due diligence review of the XCC Project since such work is outside the scope of SRK's technical review.

The XCC Project is situated approximately 8 km in a straight-line distance at an azimuth of 190° from the center of Malipo County. Administratively, the Project is located within the jurisdiction of Maocaoping Village Committee, Malizhen Town, Malipo County, Wenshan Zhuang and Miao Autonomous Prefecture, Yunnan Province. (Figure 3-1).

Figure 3-1: Mineral Tenure Map



Source: SRK

Currently, XCC possesses an exploration permit with a total area of 17.8144 km^2, which is valid till august 2029. The exploration permit consists of 20 inflection points in the China Geodetic Coordinate System 2000 (SGCS2000) grid system which have been provided in Table 3-1 below.

Table 3-1: Corner Points of Exploration Licence – XCC Project

Corner Point ID	Latitude	Longitude
1	23°04′44.007″	104°40′05.000″
2	23°04′48.640″	104°41′02.194″
3	23°04′58.149″	104°41′26.341″
4	23°05′10.593″	104°41′29.033″
5	23°05′24.562″	104°41′16.989″
6	23°05′39.000″	104°41′50.000″
7	23°05′06.000″	104°41′50.000″
8	23°05′06.000″	104°42′25.000″
9	23°04′01.000″	104°42′26.000″
10	23°04′01.003″	104°43′23.503″
11	23°03′16.000″	104°43′21.462″
12	23°03′16.000″	104°42′29.000″
13	23°03′01.000″	104°42′30.000″
14	23°03′01.000″	104°41′55.000″
15	23°02′35.000″	104°41′50.000″
16	23°02′35.000″	104°41′24.000″
17	23°02′25.000″	104°41′24.000″
18	23°02′25.000″	104°41′16.000″
19	23°03′02.960″	104°41′15.927″
20	23°03′02.816″	104°40′05.322″

Source: Summarized by SRK based on the license provided by Xingye Silver&Tin

4 Regional Description

4.1 Accessibility

The Project area is located in Wenshan Prefecture, Yunnan Province, approximately 405 km by road from Kunming, the capital of Yunnan Province, and approximately 1.5 km from the Tianbao–Malipo section of National Expressway G5615 (Tianbao–Houqiao Expressway), which is currently under construction.

Figure 4-1: Location Map of XCC Project



Source: SRK

4.2 Local Resources and Infrastructure

The Project area is located in Malipo County, Wenshan Prefecture, southeastern Yunnan Province. Owing to its geographic location and related constraints, the region is classified as economically underdeveloped. As of the end of 2023, the total permanent population of the county was approximately 233,000, predominantly of Han ethnicity, with several ethnic minority groups also present. The area has relatively abundant labour resources.

Agricultural production is mainly based on food crops, with rice and maize as the principal staples, and grain output is generally sufficient to meet local demand. The region is rich in solid mineral resources, and mining constitutes a pillar industry of the local economy. Mineral development has been carried out for several decades, with principal mineral commodities including tungsten, tin, lead, zinc, copper, manganese, iron, silica, and kaolin.

Infrastructure within the area is generally well established, with access to water supply, electricity, road networks, television, and telecommunications services. Overall, however, the region remains relatively underdeveloped in terms of economic and social development.

4.3 Climate

The Project area lies south of the Tropic of Cancer at relatively low latitude and is characterized by a subtropical humid monsoon climate. Due to significant elevation differences within the area, vertical temperature variation is pronounced, resulting in uneven thermal distribution. Temperatures are generally higher during winter and spring, although seasonal fluctuations are evident. The mean annual temperature is 17.7°C, with recorded extreme maximum and minimum temperatures of 35.1°C and 2.5°C, respectively. The prevailing wind direction is east-southeast, with an average wind speed of 1.8 m/s, a maximum recorded wind speed of 7.9 m/s, and occasional calm conditions. The mean annual precipitation is 1,075.3 mm, and the average relative humidity is approximately 83%.

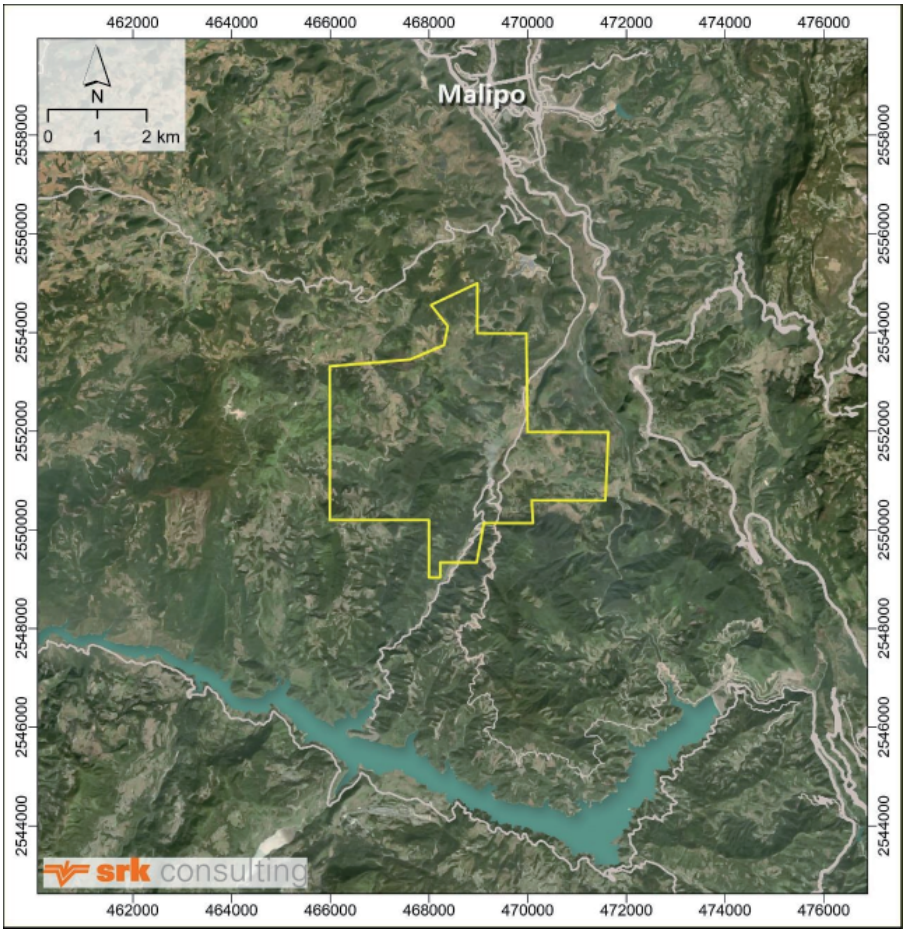
4.4 Physiography

The XCC Project area is located in the southeastern part of the southeastern Yunnan karst plateau. The overall topography is characterized by higher elevations in the northwest and lower elevations in the southeast. The geomorphological setting is classified as mid-mountain terrain(Figure 4-2). Slope gradients generally range from 20° to 40°, locally reaching up to 65°. Elevations vary from a maximum of 1,630 m to a minimum of 900 m, with a relative relief of approximately 730 m.

Surface water is not well developed within the project area. Two seasonal streams flow from north to south across the Project area before discharging into the Nanwen River. The Malutang Hydropower Station has been constructed on the Nanwen River to the south of the exploration area and is capable of providing adequate power supply for potential future project development.

The project area is characterized by steep terrain, high mountains, deep valleys, and intense topographic dissection. Bedrock weathering is generally strong. Within the completely to highly weathered zones, the rock and soil masses are structurally loose and unstable, and under extreme weather conditions are susceptible to geological hazards such as landslides and debris flows.

Figure 4-2: Typical Landscape in the XCC project



Source: SRK

5 Geological Setting and Mineralisation

*The contents of this section are mainly sourced from the 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit, Malipo County, Yunnan Province by Yunnan Malipo Tin & Precious Metals Mining Co., Ltd.（"**MLP Mining**"）in 2026.*

5.1 Regional Geology

The XCC Project area is located within the Yangtze–South China Platform (Ⅴ-3), southeastern part of the southeastern Yunnan thrust–nappe tectonic belt (Ⅴ-3-2), on the northern limb of the Laojunshan dome-shaped anticline (Figure 5-1).

The Laojunshan metamorphic core complex represents a composite tectonic unit formed through multi-stage detachment and uplift processes. It can be subdivided into two principal components: a metamorphic core and a sedimentary cover sequence.

The metamorphic core is lithologically complex and comprises predominantly Precambrian granites and gneisses, the Proterozoic Mengdong Group, and Yanshanian acidic intrusive rocks, including granitic pegmatites. The cover sequence consists mainly of Cambrian, Devonian, and Triassic strata.

The tectonic evolution of the region has undergone multiple orogenic stages, including the Pre-Caledonian, Caledonian, Indosinian, Yanshanian, and Himalayan periods. These successive tectono-magmatic events resulted in frequent magmatic activity, intense metamorphism, and the development of abundant mineral resources within the region.

The regional tectonic setting of the project area is located on the northeastern flank of the Dulong metamorphic core complex dome. The Dulong metamorphic core complex represents a secondary structure developed in the northern part of a large-scale domal tectonic system. It is exposed as an irregular dome-shaped structure and extends southward into Vietnam.

Late-stage structures related to the Nanwenhe metamorphic core complex are distributed mainly in the central and southern parts of the survey area. These are predominantly northwest-trending brittle faults developed within both the core and the cover sequences. The faults exhibit good continuity, truncate the earlier-formed principal structures, and are interpreted as products of post-emplacement tectonic deformation following the structural stabilization of the Nanwenhe metamorphic core complex. Representative structures include the Nanwenhe Fault and the Wenma Fault.

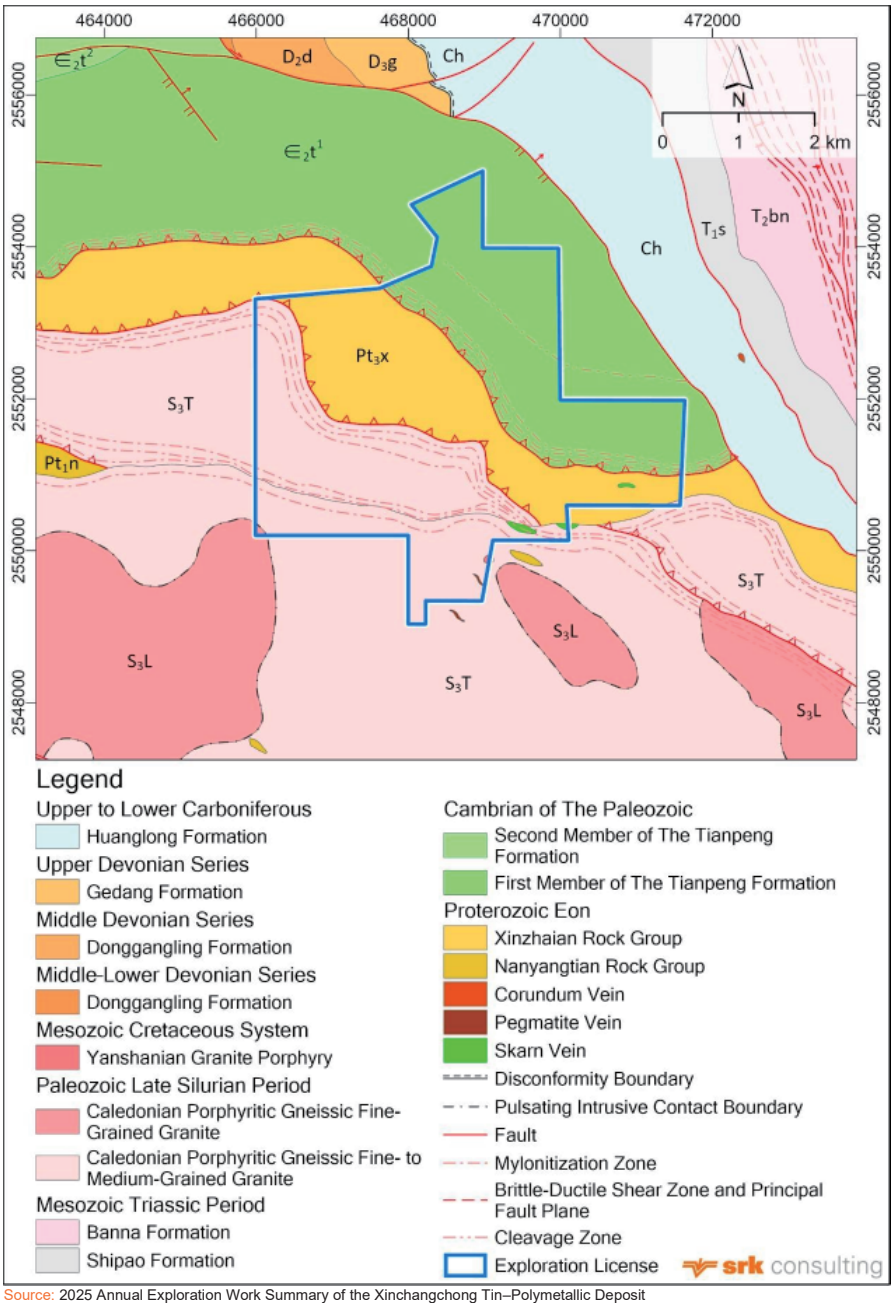
A major detachment shear zone separates the metamorphic core from the overlying cover sequence. From the core outward toward the cover, the deformation mechanism shows a clear transition from ductile deformation to brittle–ductile deformation. Accordingly, the detachment system is subdivided into a lower detachment shear zone and an upper detachment shear zone.

Magmatic activity is mainly concentrated within the inner core of the metamorphic core complex and its adjacent areas, characterized by a series of successively emplaced felsic intrusive bodies, commonly associated with Sn–W polymetallic mineralization. Mafic rocks are sparsely exposed, represented by limited occurrences of diabase and diabase porphyrite dykes. These mafic intrusions are interpreted as products of continental rifting during the Variscan to Indosinian periods. In addition, large-scale continental rift-type basaltic eruptions occurred regionally during the Middle to Late Triassic.

Metamorphic rocks within the XCC project area are distributed in a concentric zonal pattern, controlled by the structural development of the Nanwenhe metamorphic core complex. The metamorphosed stratigraphic units include the Lower Proterozoic Mengdong Group, the Upper Proterozoic Xinzhai Formation, the Cambrian of the Paleozoic, and locally the Devonian.

The metamorphic rocks in the area are characterized by diverse lithologies and record evidence of multiple metamorphic events.

Figure 5-1: Regional Geology Setting of XCC Project

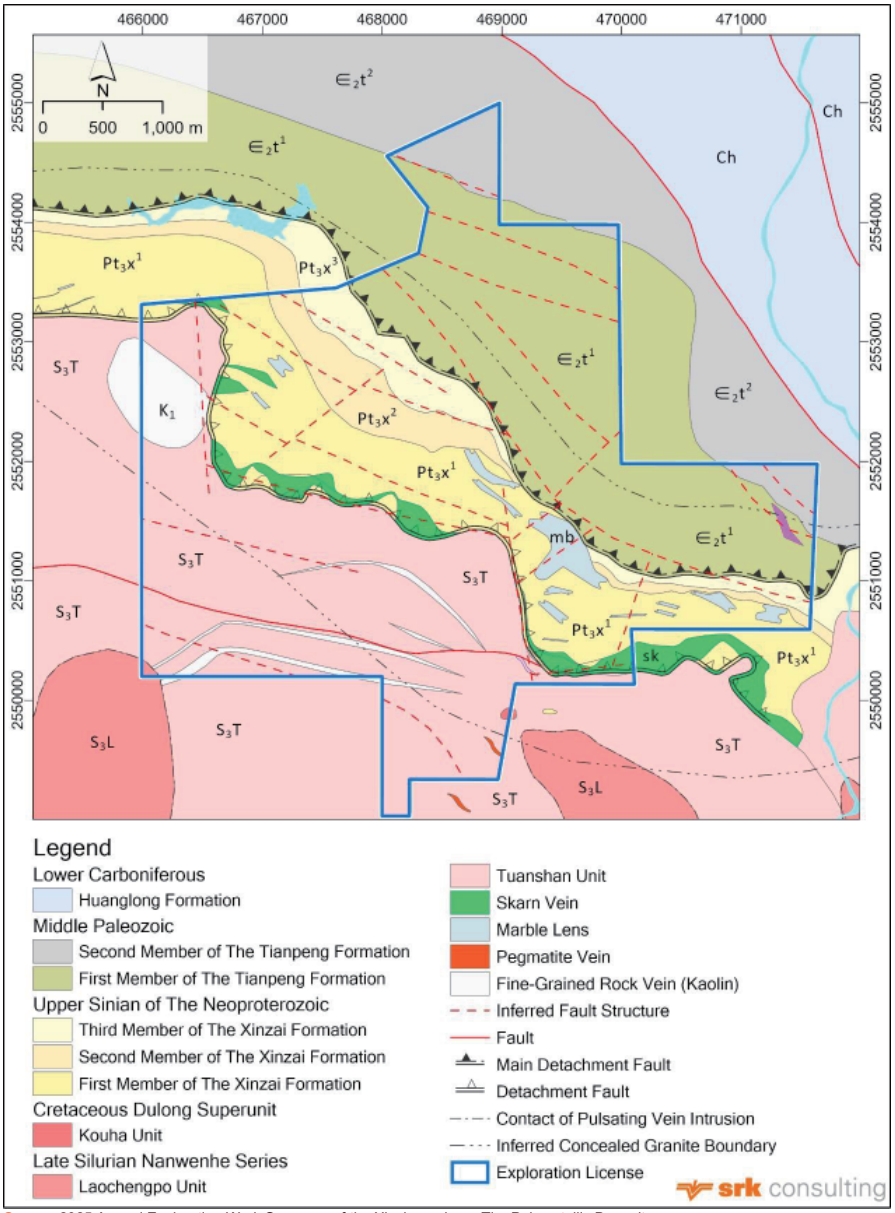


Source: 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit

5.2 Property Geology

The XCC project area is mainly underlain by the Middle Cambrian Tianpeng Formation and the Neoproterozoic Xinzai Formation exposed between detachment fault systems. The Neoproterozoic Mengdong Group Xinzai Formation constitutes the principal mineralization - hosting stratigraphic unit within the mining area (Figure 5-2).

Figure 5-2: Local Geology Setting of XCC project



Source: 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit

Neoproterozoic Mengdong Group Xinzai Formation

The Neoproterozoic Mengdong Group Xinzai Formation represents the principal mineralized stratigraphic layer within the project area. The strata generally protrude northward and are confined between the F9 and F10-1 faults, forming an arcuate distribution. The overall strike ranges from NW to NE, with dips toward either NE or NW at angles of 15° to 47°. Dip angles are generally steeper in the western part and gentler in the eastern part of the area. The sequence is located in the axial zone of an arcuate flexure, where N–S–trending transpressional faults are well developed. Compressional deformation generated detachment spaces, providing favourable structural conditions for post-magmatic hydrothermal activity and associated mineralization.

The protolith comprises a clastic sedimentary sequence with minor carbonate intercalations. Following deformation and metamorphism during the Caledonian to Indosinian orogenic events, the original sedimentary structures were completely overprinted and replaced by secondary foliations, resulting in a stratiform but internally disordered rock assemblage. Layer-parallel shear-slip structures are well developed. Two generations of tectonic foliation are recognized: D_1S_1 flow cleavage and D_2S_2 crenulation cleavage, with D_2S_2 representing the dominant regional foliation preserved at present.

The unit is in detachment fault contact with the TuanTian Unit (S_3T). Based on lithological assemblage characteristics, the Xinzai Formation is subdivided into three lithological members：

Xinzai Formation, Member 1

The basal contact with the TuanTian Unit develops a skarn zone, which occurs as irregular, arcuate, and discontinuous lenses, gradually pinching out toward the northwest. The middle to upper section consists of biotite–dolomitic schist and biotite–quartz schist, locally intercalated with dolomitic marble, with well-developed quartz veins. The member has a thickness exceeding 411.97 m, showing a thinning in the central portion and thickening toward both the eastern and western ends. It is distinguished by the presence of dolomitic marble and is delineated from Member 2 (Pt1x2) of the Xinzai Formation. Currently, it represents the main mineralization -bearing horizon within the exploration area.

Xinzai Formation, Member 2

This member predominantly comprises biotite–quartz schist interlayered with muscovite–quartz schist, white mica–quartz schist, and minor biotite schist, with a thickness exceeding 166.18 m. The geometry is lenticular, thick in the west and thinning toward the east, pinching out in the central portion of the mining area. Quartz veins and quartz aggregates are well developed. It is distinguished by the muscovite–biotite quartz schists and is separated from Member 3 of the Xinzai Formation.

Xinzai Formation, Member 3

This member is dominated by biotite schist, locally intercalated with biotite–quartz schist and minor muscovite schist, with a thickness exceeding 212.19 m, showing a west-thick, east-thin pattern.

Middle Cambrian Tianpeng Formation

The Formation is mainly exposed in the northeastern part of the mining area, with a wide outcrop extent. It predominantly occurs north of the upper detachment fault along the

Dayutang–Xintianzai–Xinpingzhai–Maocaoping–Dayanpian corridor, extending in a northwest–southeast synclinal orientation across the entire exploration area, showing a thickened central zone and thinning toward both ends.

The principal lithologies of XCC project include light grey to greyish-white, grey, and pale grey thin- to medium- to thick-bedded and banded marble and dolomitic marble, locally interlayered with purple-red, grey-green, or pale grey-green sericite schist, quartz–sericite schist, and sericite–quartz schist. The strata generally strike NW–SE, locally trending NW or NE, with dip angles ranging from 20° to 47°. The formation is in faulted contact with the Carboniferous Huanglong Formation.

Magmatic activity within the exploration area is frequent, represented by acidic intrusive rocks exposed in the southwestern part of the area, covering approximately 6.41 km², accounting for 35.99 % of the exploration area, and exhibiting multiple intrusion phases.

Within the XCC project area, Cambrian strata are predominantly represented by schist, whereas phyllite occurs mainly within the Neoproterozoic Xinzai Formation. Metamorphic intensity increases with stratigraphic age, indicating that regional metamorphism in this area has been influenced by upwelling of deep-seated thermal flux and burial metamorphism.

Structurally, the area is roughly divided by the NW-trending F10-1 fault. The northern sector—including the Shuidefang–Xinpingzhai–Dayanpian corridor—is dominated by low-grade metamorphic schist, whereas the central sector, around Xinzhai–Xinchangchong, is dominated by phyllite, showing a metamorphic gradient from weak in the north to strong in the south. This indicates that metamorphism within the mining area has also been controlled by regional tectonic processes.

In summary, the metamorphism of this metamorphic belt reflects the combined effects of upwelling deep thermal flux and tectonic activity, representing regional dynamic thermal metamorphism, with possible contributions from burial metamorphism.

5.3 Mineralization

The principal mineralization commodities within the project area are tin and zinc, with mineralization-hosting lithologies dominated by silicified phyllite, skarn, skarn-altered phyllite, and skarn-altered marble. Chemically, these rocks belong to the silicate rock group, and both their mineral assemblages and chemical compositions are primarily controlled by silicate minerals.

Based on field observations, petrographic identification, and whole-rock analyses, the mineralization are classified as silicate-type. Furthermore, considering metal species and mineralization structural features, they are further defined as silicate-type, silicate-impregnated tin mineralization .

Within the XCC project area, mineralized zones occur in the middle to lower sections of the Xinzai Formation, specifically within muscovite–quartz schist and stratified skarn, with a complex spatial distribution of mineralized bodies. The immediate mineralization -hosting rocks are mainly skarn-altered phyllite and skarn, generally muscovite–quartz schist. The contacts between mineralization bodies and host rocks are mostly gradational, with minor occurrences of abrupt contacts. Host rocks at the top and bottom of the mineralization bodies contain tin concentrations ranging from 0.01 % to 0.09 %.

5.4 Deposit Types

The deposit is classified as a contact metasomatic type. The mineralization occurs in the contact zone between a Silurian granite intrusion and its host strata. The mineralizing structures are controlled by the upper and lower detachment fault systems and ductile deformation zones within the Nanwenhe metamorphic core complex. The mineralizing structural surfaces are characterized by calcsilicate planes, and the mineralization indicators include skarnization, greisenization, fluorite mineralization, muscovite–quartz alteration, and silicification.

6 Exploration

6.1 Exploration History

Since the 1960s, numerous geological exploration units have successively carried out regional geological investigations at various mapping scales in the project area. These investigations have established the evolutionary sequence and emplacement mechanisms of the igneous rocks, clarified the genetic relationship between tungsten, tin, lead, and zinc polymetallic mineralization and granitic intrusions, and systematically characterized the deformation and metamorphic features within the district.

From 1957 to 1962, the No. 310 Team of the former Southwest Bureau of Metallurgical Geology Exploration Company focused on the Dulong mineraliztion-field and carried out surface geological investigations on dozens of mineral occurrences located along the periphery of the Laojunshan intrusion, including Yinchang Lead Deposit, Bajiao Lead Deposit, Qianchang, Gada Chang, Tongchangpo Copper Deposit, Sanbao Lead-Zinc Deposit, Tongchangpo, Sijiaotian Copper Deposit, Luoshuidong, and Huangjiapo Lead Deposit. During this period, exploration methods such as drilling and trenching were employed to conduct reconnaissance exploration of the shallow stratabound sulfide mineralization developed in the western block of the F1 fault along exploration lines 51 to 91 in the Manjiazhai area.

From 1978 to 1990, No. 317 Team of Southwest Nonferrous Geological Exploration （**"Southwest *No. 317 Team*"**）verified, through drilling, the presence of thick and high-grade mineralization within the lithofacies transitional zone between marble and schist located between the two longitudinal faults (F0 and F1) in the Dulong project area. While achieving substantial exploration breakthroughs, the team established a prospecting model for the Laojunshan mineralization concentration area characterized by stratigraphic control, lithofacies control, structural control, and magmatic control. Guided by this model, a large-scale tin deposit was first delineated in the Tongjie mineralization block. Subsequently, a series of significant discoveries were made, including the large-scale Nanyangtian scheelite deposit, the large-scale Xinzhai tin deposit, the super-large Manjiazhai tin–zinc polymetallic deposit, the medium-scale Lazizhai and Shuidongchang tin–zinc polymetallic deposits, and the medium-scale Nandangchang silver–lead–zinc deposit.

In 2003, the No.2 Institute of Geological and Mineral Survey of the Yunnan Institute of Geological Survey （***"Yunnan No.2 Institute"***）carried out the project entitled "Evaluation of Lead–Zinc–Silver–Tin Mineral Resources in the Maguan–Malipo Area, Yunnan" in this area, and subsequently submitted the "Evaluation Report on Lead–Zinc–Silver–Tin Mineral Resources in the Maguan–Malipo Area, Yunnan."

From 2019 to 2020, the Development Research Centre of the China Geological Survey （***"Development Center"***）implemented the project entitled "Mineral Geological Survey of the Dulong Tin Polymetallic Mineralization Area, Yunnan." No. 317 Team of the Yunnan Bureau of Nonferrous Geology （***"Yunan No. 317 Team***"） conducted drilling verification in the XCC project area delineated under the sub-project "Mineral Survey and Prospecting Prediction of the Peripheral Zn–Sn–Cu Polymetallic Integrated Exploration Area of the Dulong Mining District, Maguan County, Yunnan Province." Detailed exploration activities are summarized in Table 6-1.

Table 6-1: Summary of Historical Exploration Work from 2019 to 2020

Work Item	Unit	2019	2020

1:10,000 Geological Survey	km²	30	35
1:2,000 Geological Profile Survey	km	9.54	7.1
1:10,000 Geochemical Survey	km²	30	—
Induced Polarization (IP) Survey	km²	9	—
Survey Lines	m	1,806.84	600.65
Trenching	m	233.15	—
Stripping	m³	100	160
Basic Analytical Samples	Piece	315	430
Thin Section Samples	Piece	14	14
Polished Section Samples	Piece	40	28

Source: 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit, Malipo County, Yunnan Province

6.2 Current Exploration

From September 2024 to March 2025, the No. 2 Geological Brigade of the Yunnan Bureau of Geology and Mineral Resources Exploration and Development ("***Yunan No. 2 Team***") conducted geological exploration within the exploration area. Fieldwork commenced on 13 September 2024 and was completed on 21 January 2025. Detailed exploration activities are presented in Table 6-2.

Table 6-2: Summary of Exploration Work from 2024 to March 2025

Work Item	Unit	Work	Note
1:10,000 Geological Survey	km²	19.58	
1:1,000 Geological Profile Survey	km	7.89	
1:10,000 Geochemical Survey	km²	17.81	100m*40m
Grab sampling	Piece	15	—
Chip sampling	m	89.1	10cm*3cm
Thin Section Samples	Piece	62	
Spectral analysis	Piece	143	
Soil geochemical survey		4,555	Including 121 duplicate samples
Chemical analysis	Piece		Kaolin, Skarn, Schist
Overburden Stripping and Geological Logging	Piece	40	28

Source: 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit, Malipo County, Yunnan Province

From 12 May 2025 to 31 December 2025, Yunnan No. 2 Team carried out the 2025 exploration work. The program focused primarily on tin and zinc, with secondary attention to copper, lead, and kaolin. Drilling and trenching were laid out on a 320 m × 240 m grid. Details are presented in Table 6-3.

Table 6-3: Exploration Work from May 2025 to December 2025

Item	Unit	Work	Remarks
Class-D GPS control points (RTK)	point	6	
Surveying of engineering points	point	40	
1:10,000 hydrogeological, engineering geological and environmental geological survey	km²	63	
1:5,000 low-altitude UAV aeromagnetic survey	km²	18	XCC project area
Mechanical core drilling	m	3,202.70	

Item	Unit	Work	Remarks
Trenching	m³	210	
Core logging (drillholes)	m	3,441.50	Including 238.8 m from earlier abandoned hole ZK02
Re-logging of historical core	m	2,410	
Logging of sampling drillholes	m		
Trench logging	m	917	Including overburden stripping
Various samples	piece	2,549	Including 897 samples taken from historical core

Source: 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit, Malipo County, Yunnan Province

6.2.1 Trenching

In 2025, a total of 9 trenches and two overburden-stripping cuts were excavated, with an aggregate length of 917 m. The combined trenching and overburden-stripping volume was 210 m³. These works were mainly used to expose, trace and control the surface outcrops of the mineralized bodies. Overburden stripping removes the soil cover over the bedrock to fully expose the geological body.

The exploration trenches have an inverted-trapezoidal cross section, with a maximum depth of 5 m and a usual depth of ⩽3 m. Where the depth exceeds 3 m, stepped (benched) trenches are excavated. The trench bottom width is 0.8–1 m, and the slope angle is determined according to the depth. Fresh loose soil and broken rock are piled 0.3–0.5 m outside the trench edge. In general, trenching is carried down to fresh bedrock in order to expose and control the roof and floor of the mineralized body and to meet the designed trench width and depth.

The surveying for the trenches and overburden-stripping works was carried out using a Huace T10Air receiver connected to the Yunnan Provincial Integrated Satellite Positioning Service System (YNCORS), adopting the Real-Time Kinematic (RTK) GNSS positioning (***"RTK"***) control-point surveying method. For each survey, the discrepancies in plan coordinates and ellipsoidal heights were not greater than ±2 cm. A total of 30 points for trenches and overburden-stripping works were surveyed.

6.2.2 Drilling

The drilling work in 2025 was carried out by the Hukou Branch of Shaanxi Huaxin Mining Engineering Co., Ltd. A total of 9 holes （3,202.70 m） were completed (5 vertical holes and 4 inclined holes). In addition, one drillhole ZK0-2 was abandoned at a depth of 238.8 m.

The drilling was conducted using an LZ–1000 drill rig, with a collar diameter of PQ(91 mm) and a final hole diameter of HQ(75 mm). Drillhole collars were set out using an RTK receiver and a total station.

The core recovery of the drillholes ranged from 93.17% to 98.76%. while the mineralized interval recovery was 86.7%–100%.

Borehole deviation was measured using a KPX-2A small-diameter digital compass inclinometer, manufactured by Shanghai Changji Geological Instrument Co., Ltd., The deviation measurements were taken at 100 m intervals in vertical holes and at 50 m intervals in inclined holes. An additional measurement was made at 25 m downhole from the collar in all drillholes, and a deviation survey at final depth was mandatory.

Depth correction was carried out using a steel tape every 100 m of drilling in vertical holes, every 50 m in inclined holes, and again after reaching final depth. For the 5 vertical holes, depth corrections were performed at 28 points, with maximum depth deviations ranging from –0.14 m to 0.30 m. For the 4 inclined holes, depth corrections were performed at 25 points, with maximum depth deviations ranging from –0.06 m to 0.21 m.

All 9 drillholes completed during 2025, as well as the one abandoned hole, were properly sealed and found to be compliant. Borehole sealing was carried out by full-length, high-pressure grouting using No. 425 cement slurry. Subsequent inspections of the sealed holes indicated that the sealing quality meets the requirements of the relevant specifications.

Hole collar markers were erected in a timely manner at all drillholes, with the collar center marked by an iron nail. Drilling records were completed promptly.

After geological logging and sampling, all drill core were transported collectively to the project camp for storage. Following transportation, the core boxes were inspected; any damaged boxes were repaired or replaced in a timely manner. The core was stacked and stored in sequence according to drillhole number.

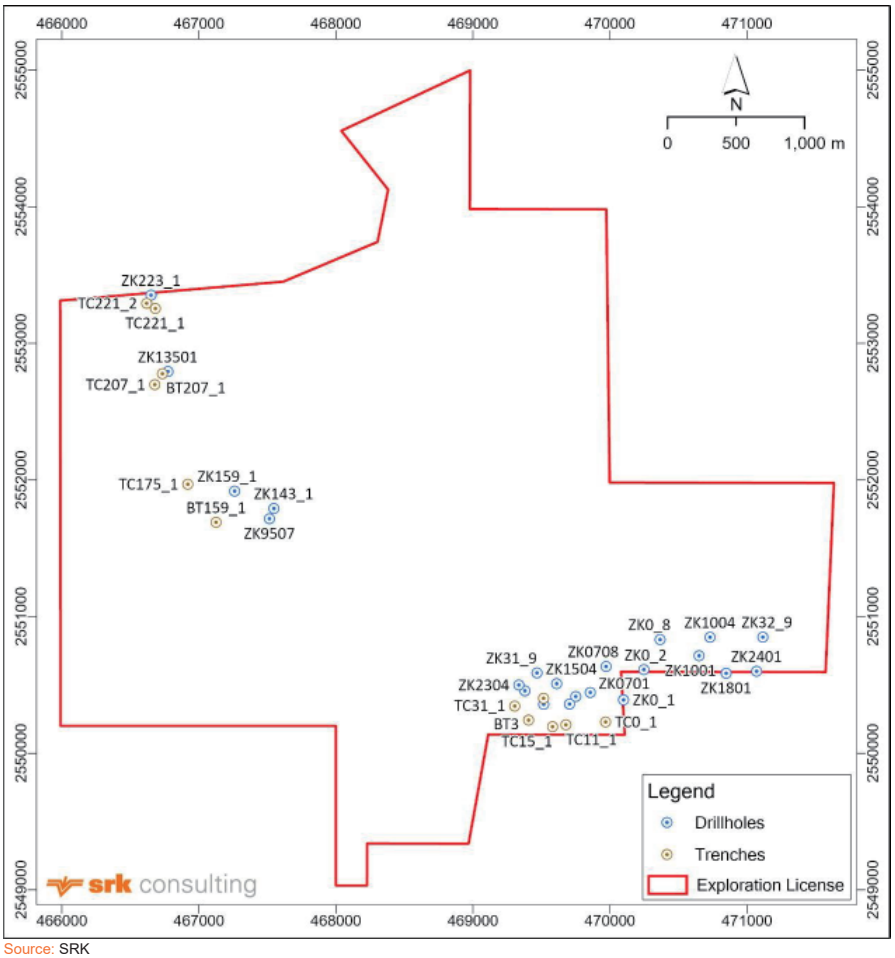
During routine drilling operations, the geologist (logger) visits the drill site at least once per day to log the core, and to check whether the shift reports have been completed fully and accurately, including the required entries for hole depth, borehole deviation and simple hydrological observations. The logger also checks whether the core boxes, core blocks/markers and core numbering are complete and correct and verifies the implementation of borehole deviation measurements.

All core drilled on that day is photographed collectively. During logging and interval subdivision, sample numbers and position lines are marked on the dividers in the core boxes using a paint marker, and sampling records are prepared. Specially made plastic sample tags are filled in (including hole number, interval number, interval position, logging date and logger's name) and placed at the end of each sampled core interval.

The core is then subdivided according to stratigraphic horizon/age, lithology, structure, mineralization, alteration and correlatable marker beds, and each interval is described and recorded layer by layer.

The trenches and drillholes location are shown in Figure 6-1

Figure 6-1: Drillholes and Trenches Location of XCC project



Source: SRK

6.3 Sampling, Sample Preparation and Analyses

6.3.1 Sampling

A total of 338 samples/469.13 m of channels were sampled in trenches and overburden-stripping works. Continuous sampling was carried out separately for different ore types, mineralization–alteration types and grade intervals. The length of individual samples was generally 1.0–1.5 m (true thickness 0.11–2.13 m). The nominal sample cross-section was 10 cm × 3 cm. Prior to sampling, the channel face was trimmed, and all adhering material and impurities were removed; canvas was laid underneath to prevent contamination. Samples were then collected sequentially, with sample tags completed and placed in bags. After sampling, samples were checked and weighed, and sample submission forms were duly completed and the samples sent to the laboratory in a timely manner.

For drillholes, a total of 2,211 samples/1,417.57 m was sampled (including 955.54 m / 897 samples from historical drillholes and 1,417.57 m / 1,314 samples from drillholes in 2025). Before sampling, drilling mud was removed from the surface of the rock and mineralization core. Using a diamond saw blade with wet cutting, the core was cut along the long axis to split it in half: one half was taken as the sample, and the other half retained as archive core. The length of basic chemical-analysis samples was generally controlled within 0.5–1.5 m (vertical thickness), with only a very small number of important intervals sampled at less than 0.5 m.

Continuous sampling was carried out separately for different mineralization types, mineralization–alteration types and grade intervals. Prior to sampling, drilling mud on the core surface was removed, and the core was cut through the centre with a core saw, with one half used as the analytical sample and the other half retained. Sample tags were placed at the end of each sampled core interval in the core box. Samples were sealed in woven bags, each bag containing an internal sample tag, and the outside of each bag was marked with the hole id, sample id and other relevant information.

6.3.2 Sample Preparation and Analyses

Sample preparation and analyses for the XCC Project were carried out by the Central Laboratory of the Yunnan Bureau of Geology and Mineral Exploration and Development (Kunming Mineral Resources Testing Centre Laboratory of the Ministry of Natural Resources).

Sample preparation was conducted in strict accordance with the national industry standard DZ0130.2-2006 "Specification for Preparation of Samples for Rock and Ore Analysis". The raw samples were subjected to multiple stages of crushing and splitting to produce representative analytical test portions, ensuring sample homogeneity and attainment of the specified grain size, while maintaining the original material composition and contents unchanged.

During sample preparation, reasonable operating procedures and multiple measures were employed to prevent cross-contamination of samples. After each batch of samples was processed, residual sample powder was first removed from the equipment using a high-power air blower, and the equipment was then cleaned with a clean damp cloth. This effectively prevented contamination of the samples during the preparation process.

Different sample preparation procedures were adopted according to the specific geological objectives, mineralization types and analytical requirements, so as to ensure the quality of the prepared test samples.

Stannum, zinc and copper were analysed by inductively coupled plasma optical emission spectrometry ("***ICP-OES***"). and antimony was analysed by the silver diethyldithiocarbamate colorimetric method.

6.3.3 Specific Gravity Data

In 2019, 22 Specific Gravity ("***SG***") measurements were carried out for XCC Project using the wax-coated water displacement method combined with constant-temperature drying to determine SG and moisture content. No additional density measurements have been added to the database since the 2019 report.

SG measurements were collected by grab sampling from representative drillholes and overburden-stripping exposures, including 4 Specific Gravity samples from zinc-mineralization. Measurements indicate that the average SG of the tin mineralization is 3.06

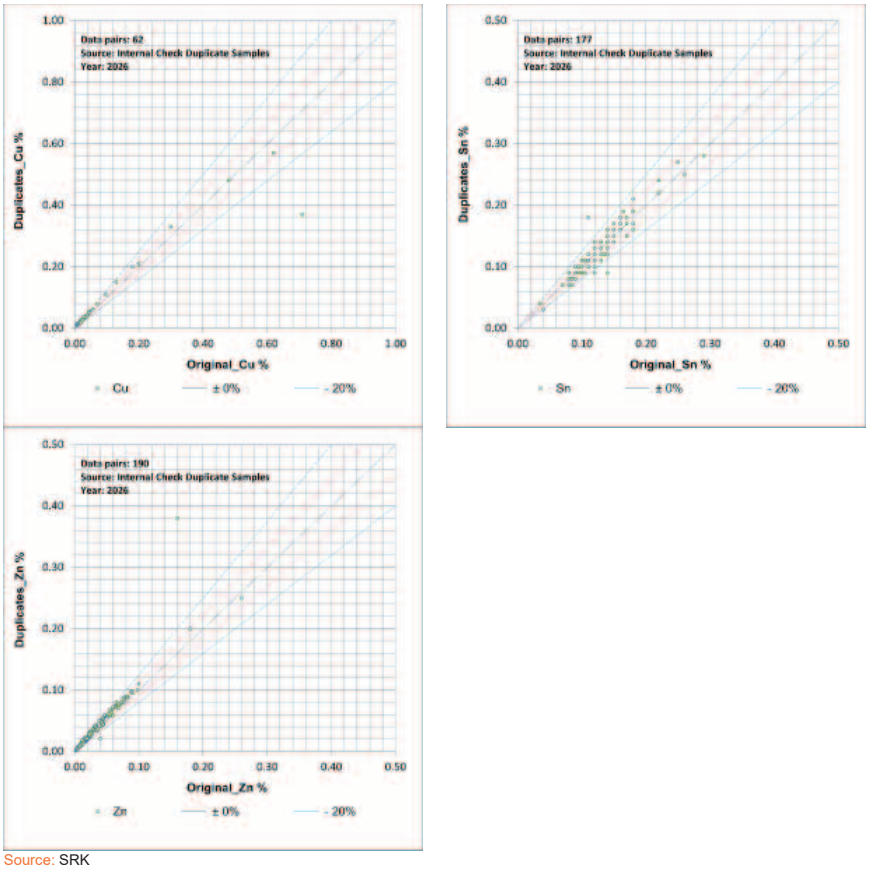
6.4 Quality Assurance and Quality Control Programs

The quality assurance and quality control (QA/QC) protocol adopted for XCC project included the insertion of laboratory duplicates (internal check control) and cross-laboratory checks (external check control). The internal tests were carried out by the Central Laboratory of the Yunnan Bureau of Geology and Mineral Exploration and Development (Kunming Testing Center), whose accreditation certificate number is 220020042862, valid from 7 April 2023 to 20 July 2028. The external tests were carried out by Ministry of Natural Resources Zhenzhou Mineral Resources Supervice Examine（Zhengzhou Lab）.

SRK considers the proportion of duplicate assays to be reasonable. Only one batch was analyzed internally (200 samples) and one batch externally (33 samples). The results of internal and external check controls are summarized in Table 6-4 and Source: SRK

Table 6-5. In these two tables, data pairs refer to the number of valid data pairs. The performances of the internal and external checks are presented in Figure 6-2 and Figure 6-3.

Figure 6-2: Performance of Internal Checks



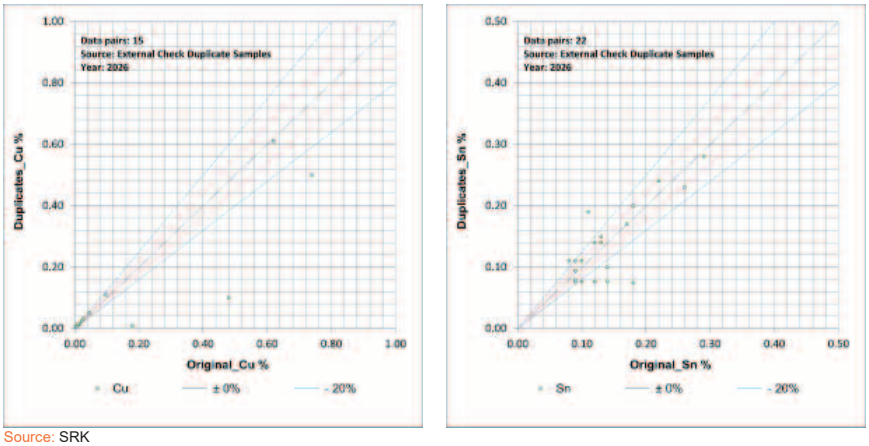
Source: SRK

Table 6-4: Summary of the Internal Checks

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Cu	62	18	29%	26	42%	18	29%
Zn	190	86	45%	49	26%	55	29%
Sn	177	111	63%	62	35%	4	2%

Source: SRK

Figure 6-3: Performance of External Checks



Source: SRK

Table 6-5: Summary of the External Checks

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Cu	15	5	33%	5	33%	5	33%
Sn	22	8	36%	6	27%	8	36%

Source: SRK

No field duplicates, coarse duplicates, Certified reference materials (CRMs), or blanks were inserted in the XCC project.

CRMs and blanks are only used in the laboratory as part of internal quality control procedures with an approximately insert ratio of 20%.

6.5 SRK Data Verification

6.5.1 Site visit

SRK visited the XCC Project site on 11 March 2026 and conducted the following verification procedures:

- Discussed with the company's geologists and engineers who were involved in the geological exploration campaign (Figure 6-4),
- Checked the exploration drill site and trenches locations (Figure 6-5),

- Visited the drill core shed and inspected mineralized cores (Figure 6-6). At present, drill core from new and historical drillholes is stored at two separate locations on site. SRK understands from the Client that a new core storage facility is under construction, and that all cores will be relocated there upon completion.
- Reviewed the exploration dataset, selected SRK verification samples and checked the quarter drill core sampling processes.

Figure 6-4: Inspected the XCC Project



Source: SRK 2026 site visit

Figure 6-5: Drill Hole and Trenches Location





Source: SRK 2026 site visit

Figure 6-6: Drill Core Shed and Inspected Mineralized Cores



Source: SRK 2026 site visit

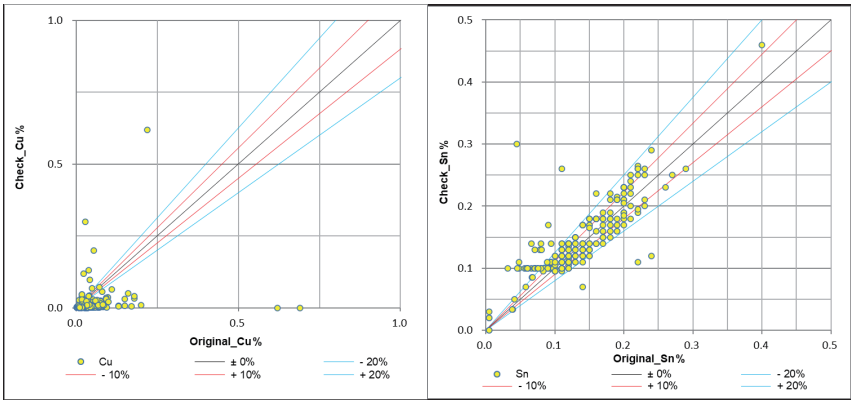
6.5.2 Assay Validation

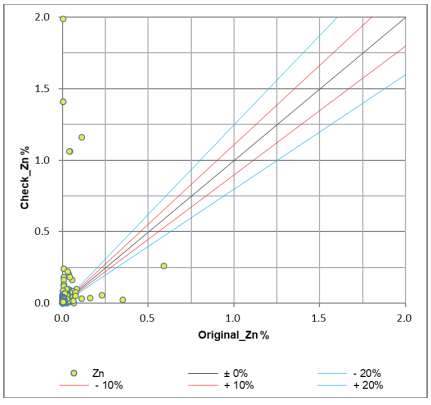
Radam sampling was conducted using historical pulp duplicates. A total of 226 samples were submitted to the SGS laboratory in Tianjin, China, for analysis of Cu, Sn, and Zn. A comparison of the results is presented in the figure below.

The performance for Cu and Zn was unsatisfactory, owing to the extremely low grades of the samples (average Cu: 0.15%, average Zn: 0.02%). SRK considers these data not meaningful for verification purposes.

By contrast, results for Sn were relatively reliable: most paired data fall within a ±20% deviation range, demonstrating good repeatability of the original analytical results.

Figure 6-7: Duplicates Analysis





Source: SGS Data Plot

7 Processing Assessment

The XCC Project is at a relatively early exploration stage, and no processing test work has yet been conducted. To date, only mineralogical information and processing data from nearby deposits of the same type have been obtained.

In the surrounding exploration areas, ores of the same type contain more than 30 identified minerals. Zinc and copper occur predominantly as sulphides: zinc sulphide accounts for more than 97.0% of total zinc, and copper sulphide for more than 94.0% of total copper. This indicates that both zinc and copper are amenable to flotation. In exploration reports for the Yuantongjie, Manjiazai and Manjiazai West ore sections, tin is reported to be dominated by cassiterite-hosted tin, which represents 92.48% of the total, with acid-soluble tin accounting for about 7.52%. Cassiterite occurs as fine grains, mainly 0.01–0.04 mm, and is closely associated with metallic sulphides and silicate minerals.

Processing data from nearby operations show that a combined flowsheet of flotation, magnetic separation and gravity separation is employed, producing separate zinc, copper and tin concentrates. The average zinc recovery is about 90% at a concentrate grade of 45% Zn; the average copper recovery is about 55% at a concentrate grade of 16% Cu; and the tin recovery is about 44% at a concentrate grade of 39% Sn. Associated silver is mainly recovered into the copper concentrate, while cadmium is largely concentrated in the zinc concentrate; both are recovered in subsequent smelting. Arsenic-bearing arsenopyrite is largely rejected to tailings.

It is recommended to strengthen beneficiation optimization testwork at a later stage to improve the processing recovery.

8 Mineral Resource Estimates

8.1 9Introduction

This section introduces the resource modelling and estimation for the XCC Project. The Mineral Resource estimate has incorporated the boreholes database derived from XCC Project to 2025. SRK is of the opinion that the current drillhole information can be used to interpret the boundaries of the XCC polymetallic mineralisation and that the assay data can support Mineral Resource estimation.

The wireframe model was provided by Xingye Silver&Tin to SRK in January 2026. Veins models with Leapfrog were used to create mineralization boundaries constraining the estimation volume by the geologist of Xingye Silver&Tin. The wireframe models were checked and updated by SRK for Mineral Resource estimation.

Leapfrog Edge 2025.3 was used by SRK to update the veins, prepare assay data for statistical, established the block model, estimate grades, and tabulate mineral resources.

In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the global mineral resources defined for the Project at the current level of exploration. The mineral resources have been estimated in conformity with generally accepted "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the JORC Code (2012 Edition).

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into ore reserve without a (preliminary) feasibility study ("FS") of the Project. SRK considers the Mineral Resource estimate is the basic information required by an FS, which is being undertaken by the relevant institute.

8.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Geological interpretation for estimation domain review;
- Data preparation (compositing and capping);
- Block model and grade interpolation;
- Mineral Resource classification;
- Model validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("RPEEE") and selection of appropriate cut-off grades (COG); and
- Preparation of the Mineral Resource statement.

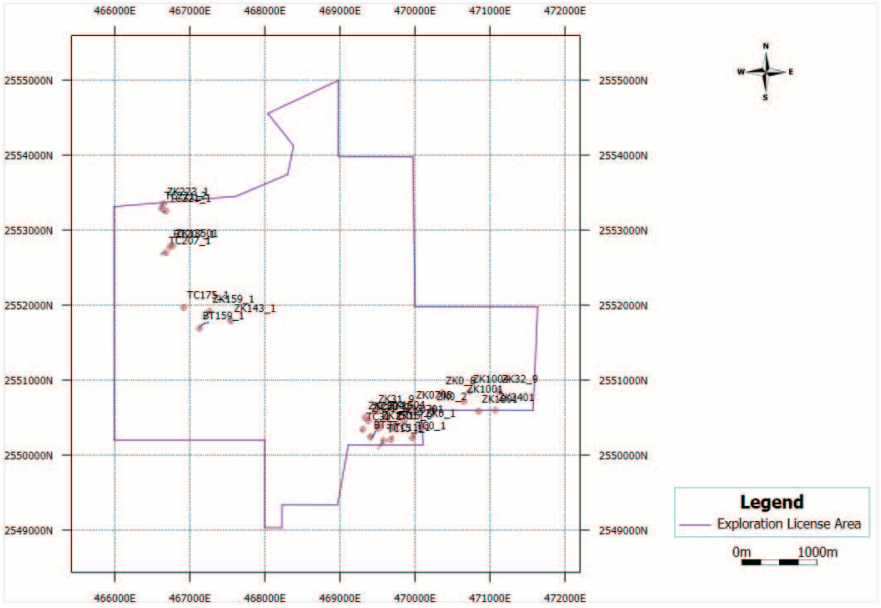
8.3 Resource Database

The data SRK received from Xingye Silver&Tin is a set of Leapfrog Model named ***XCC_20260116*** which includes drilling data, topography, geological model and etc.

As of December 2025, there were 22 drillholes (2,219 samples/ 5,613 m) and 12 trenches (984 m) in the database, of which trenches and the drillholes located outside of the resource area or not assayed were not considered for the Mineral Resource model.

Detailed information is shown in Table 8-1, and the trenches and drillhole locations are shown in Figure 8-1.

Figure 8-1: Trenches and Drillholes Location



Source: SRK

Table 8-1: Resource Database Summary

Type	Holes Number	Depth(m)	Samples
DD holes	22	5,613	2,219
Trenches	12	984	363

Source: Summaried by SRK from the Drillholes database of Leapfrog Models

Note: trenches and the drillholes located outside of the resource area or not assayed were not considered for the Mineral Resource model

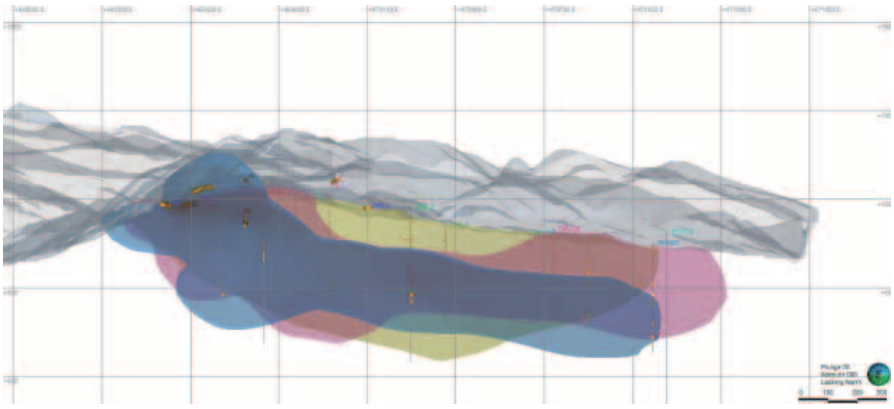
8.4 Domain Modelling

Three wireframe models for the XCC deposit were established using Leapfrog software. A nominal cut-off grade of 0.1%EqSn was applied to define the mineralised intervals for Domain.

Intervals were selected on each drill hole. Within each drill hole, the average grades of EqSn weighted by interval length were employed for mineralised intervals determination. The contact points between mineralisation and host rock were generated using the 'vein selection' function, and the mineralised envelopes were built by the 'vein modelling' and 'domain' functions.

Figure 8-2 shows a 3D view of the XCC mineralization domains.

Figure 8-2: 3D View of the Mineralization Domains



Source: SRK

8.5 Bulk Density

No additional density measurements have been added to the database since the 2019 report. For the current Mineral Resource estimate, 22 density measurements were available, including 18 measurements taken from tin-mineralization and 4 measurements for zinc-mineralization. The average SG value of 3.06 was used for the XCC project Mineral Resource estimation

8.6 Compositing

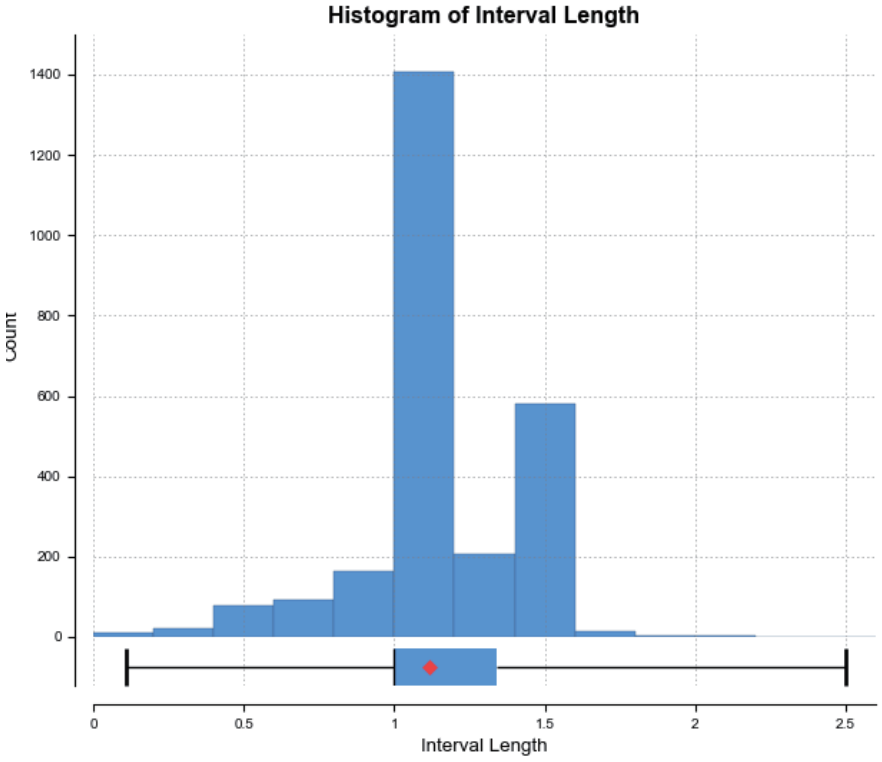
Assay lengths range from 1 metre to 1.5 metres, with an average length of 1.1 m and a median length of 1 metre within the mineralization wireframe domains.

In order to prevent excessive subdivision of samples, a composite length of 1.5 m was applied for the resource estimation.

Composites were created within the mineralization wireframe domains beginning at the upper contact of the resource domains. If the remaining composite length was less than 0.50 m, the composite was added to the previous interval.

A histogram of the resource assays is shown in Figure 8-3.

Figure 8-3: Resource Assay Length Histogram



Source: SRK

8.7 Evaluation of Outliers

The grade distribution analysis indicates that, except for one anomalous Zn sample in Domain 3-1 which was subjected to capping, the overall grades are relatively low and exhibit a uniform distribution; therefore, no further outlier's treatment is required.

Table 8-2 summarizes assay capping grade value used in the current Mineral Resource estimate. The Histograms plot example for the tin composites is shown in Figure 8-4.

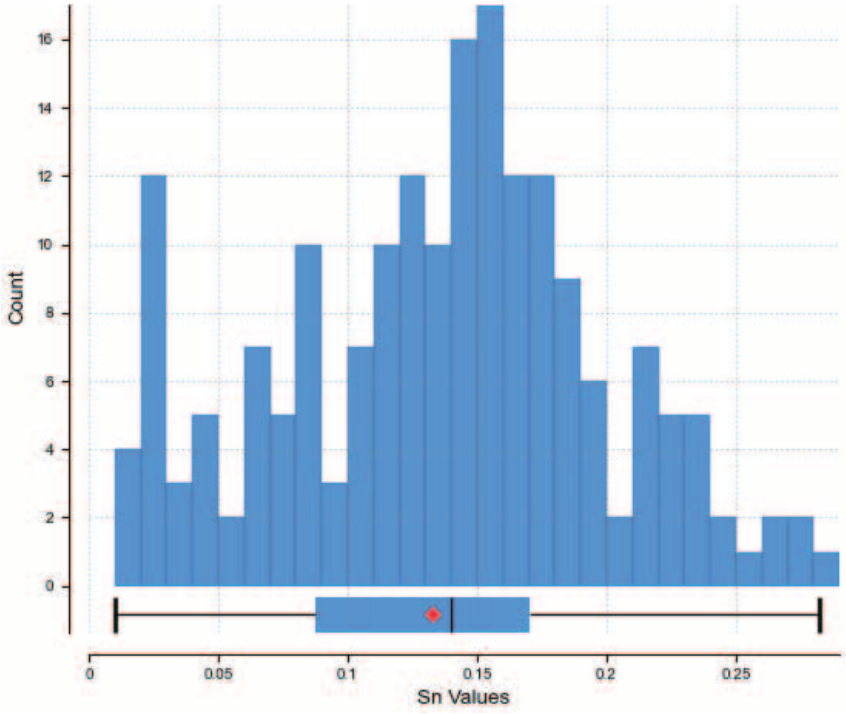
Table 8-2: Capping Summary

Domain	Item	Capped Value (%)	No. of Samples Capped	% Capped	Average Grade (%)	Average Capped Grade (%)
2-1	Sn	N/A	N/A	N/A	0.01	0.01
	Cu	N/A	N/A	N/A	0.003	0.003
	Zn	N/A	N/A	N/A	0.01	0.01
2-2	Sn	N/A	N/A	N/A	0.13	0.13
	Cu	N/A	N/A	N/A	0.09	0.09
	Zn	N/A	N/A	N/A	0.13	0.13

Domain	Item	Capped Value (%)	No. of Samples Capped	% Capped	Average Grade (%)	Average Capped Grade (%)
3-1	Sn	N/A	N/A	N/A	0.03	0.03
	Cu	N/A	N/A	N/A	0.03	0.03
	Zn	0.2	1	1	0.07	0.04

Source: SRK

Figure 8-4: Tin Histograms Plot of Domain2-1



Source: SRK

8.8 Statistical Analysis

The 1m composites statistics for individual blocks and domains of XCC Project are presented in Table 8-3.

Table 8-3: Composites Statistics

Domain	Item	Count	Mean (%)	Standard deviation	Coefficient of variation	Min (%)	Median (%)	Max (%)
2-1	Sn	189	0.13	0.06	0.47	0.01	0.14	0.28
	Cu	83	0.09	0.05	0.60	0.00	0.09	0.24
	Zn	80	0.13	0.08	0.61	0.00	0.12	0.43
	Sn	25	0.01	0.01	1.89	0.00	0.00	0.06

Domain	Item	Count	Mean (%)	Standard deviation	Coefficient of variation	Min (%)	Median (%)	Max (%)
2-2	Cu	83	0.00	0.02	5.28	0.00	0.00	0.15
	Zn	80	0.01	0.03	2.60	0.00	0.00	0.21
3-1	Sn	189	0.03	0.03	1.14	0.00	0.02	0.18
	Cu	83	0.03	0.07	2.36	0.00	0.02	0.58
	Zn	80	0.07	0.26	3.72	0.00	0.03	2.36

Source: SRK

8.9 Block Model and Grade Estimation

The non-rotational model was constructed in Leapfrog Edge for grade and tonnage estimation by SRK in 2026. A suitable sub- block interval and unit size was adopted to build a block model which was able to contain the mineralized zones. The bock size was set to be 50 m × 50 m × 5 m (East × North × Elevation). The sub-block size was set to be 1 m × 1 m × 1 m (East × North × Elevation). The block model used the same coordinate system as data collection. A summary of the block model specifications is presented in Table 8-4.

Table 8-4: Block Model Summary

Description	Easting (X)	Northing (Y)	Elevation (Z)
Origin (m)	469,180	2,550,020	640
Block Size (m)	50	50	5
Sub-block Size (m)	1	1	1
Number of Parent Blocks	43	35	162
Boundary Size (m)	2150	1750	810
Rotation	0°	0	0

Source: SRK

The block model attributes include mineralization domain codes, density, final block grades, and classification. The density applied was coded directly into the block model.

Tin, zinc and copper grades were interpolated using Inverse Distance Square("ID2"). The hanging wall and footwall of each domain was applied to guide the variable orientation search. Two estimation passes were used to populate the block model. The Interpolation and search parameters are summarized in Table 8-5.

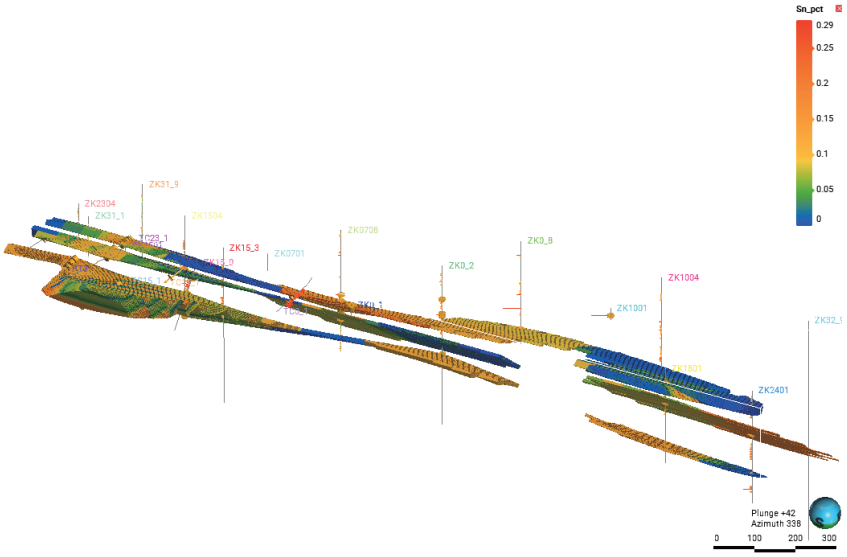
Table 8-5: Search Parameters

Parameter	Pass 1	Pass 2
No. Composites (Min/Max)	6/24	1/16
Major (m)	120	210
Semi-Major (m)	120	210
Minor (m)	10	20

Source: SRK

The Tin distribution of the XCC project is presented in Figure 8-5.

Figure 8-5: Tin grade 3D Display



Source: SRK

8.10 Model Validation and Sensitivity

Model validation is a common approach for determining whether grade estimation has performed as expected. An acceptable or preferred validation result does not necessarily imply that the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the resource data used and of the estimation method applied. Other issues such as the relationship between the model-selectivity assumptions and mining practices are equally important when determining the appropriateness of the resource estimate.

The swath plots show reasonably good correlation among the estimated ID2 block grades and the NN block grades. The swath plots are shown in Figure 8-6.

Figure 8-6: Swath Plots

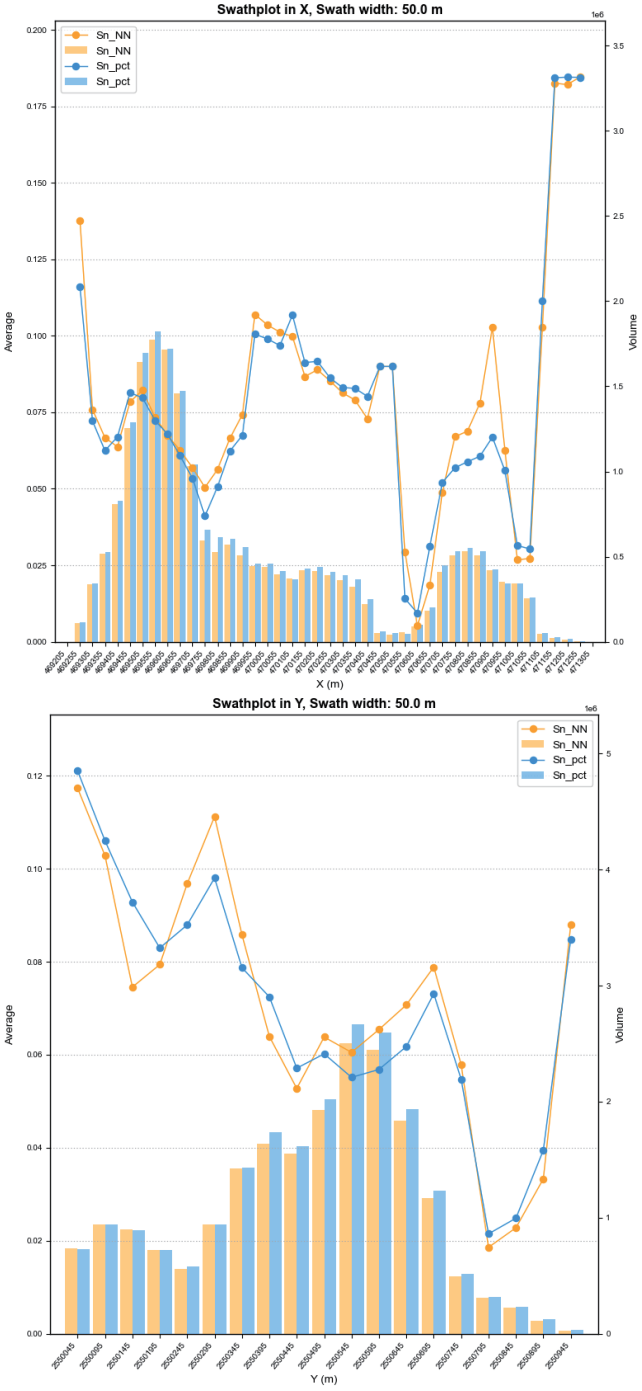
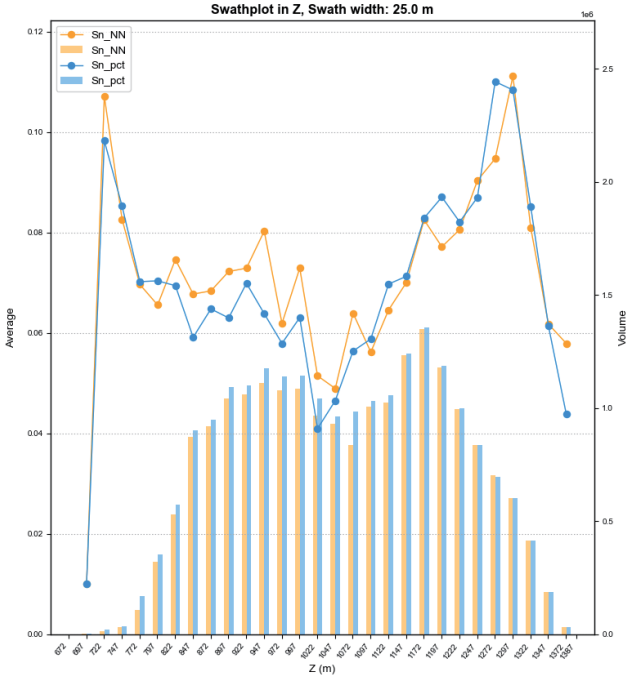


Figure 8-6: Swath Plots



Source: SRK

8.11 Mineral Resource Classification

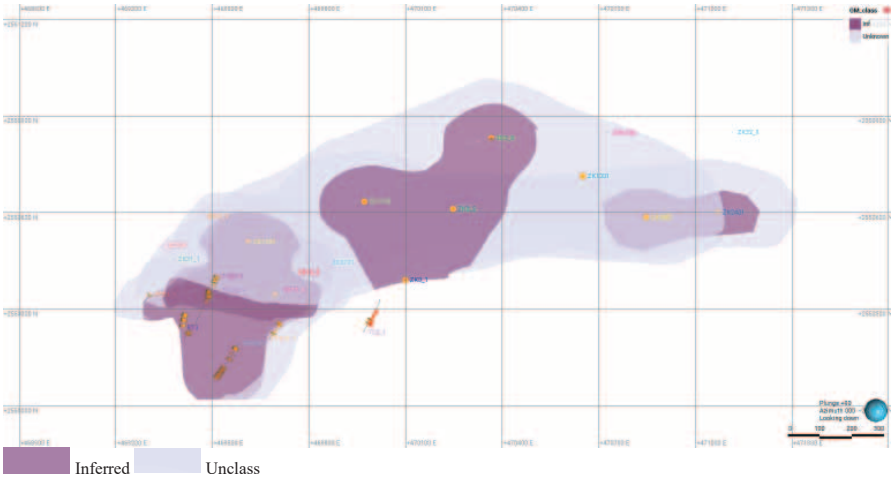
Mineral Resource classification is typically a subjective concept, industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geological confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating both concepts to delineate regular areas at similar resource classification.

The main factors typically used in Mineral Resource classification include drill hole spacing, data quality, and geological and grade continuity. Overall, grades are notably higher in the blocks classified as Indicated. Blocks classified as Indicated also show average distances to the informing samples and minimum block distances to the closest sample that are typically half of those observed in the blocks classified as Inferred.

SRK considers the search passes parameters, sample distance and hole number as the primary discriminator for the Mineral Resource classification under the CP's advice, with the estimates at least 2 holes and within a 200m samples distance having confidence Inferred Mineral Resources. No Measured or Indicated Resource for XCC project.

The 3D Resource Classification display of XCC Deposit is illustrated in Figure 8-7

Figure 8-7: 3D display Classification of XCC Deposit



Source: SRK

8.12 Mineral Resource Statement

The JORC Code 2012 defines a Mineral Resource as:

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

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that the XCC Project is amenable for underground mining.

As the project is at an early exploration stage and no detailed technical or economic information is available, a cutoff grade of 0.1% SnEq has been adopted for the Mineral Resource reporting of this project with reference to nearby similar projects. Table 8-6 gives assumptions for the cut-off.

Table 8-6: Assumptions for the Cut-off Grade of the XCC Project

Parameter	Value	Unit
Tin Price	36,800	USD per tonne
Copper Price	12,600	USD per tonne
Price coefficient	100	percent
Operating Cost (OC)	33	USD per tonne of ore

Parameter	Value	Unit
Processing Recovery Rate for Sn	44	percent
Processing Recovery Rate for Cu	55	percent
Mining Dilution (MD)	10	percent
In Situ SnEq Cut-off Grade (%)	0.1	percent

As of 31 December 2025, the XCC project, at a cut-off grade of 0.1 % SnEq for underground mining, the Mineral Resources was summarized in Table 8-7.

Table 8-7: Mineral Resource Statement for XCC Project, as of 31 December 2025

Domain	Category	Tonnes (Mt)	Grade (%)			Contained Metal (kt)		
			Sn	Cu	Zn	Sn	Cu	Zn
2-1	Inferred	4.99	0.14	0.002	0.02	6.8	0.1	0.8
2-2		0.61	0.12	-	0.02	0.8	-	0.1
3-1		2.10	0.16	0.014	0.03	3.3	0.3	0.6
Total		**7.70**	**0.14**	**0.01**	**0.02**	**10.8**	**0.4**	**1.6**

Note:
1. The Mineral Resources results are used solely for the purpose of testing the "reasonable prospects for eventual economic extraction" by underground mining and do not represent an attempt to estimate Ore Reserves.
2. Mt – million tonnes.
3. All figures are rounded to reflect the relative accuracy of the estimate. The significant differences are due to rounding.
4. The information in this Report which relates to Mineral Resource is based on information compiled by Ms Yanfang Zhao; who is full time geological consultants of SRK Consulting. Ms Yanfang Zhao is a Member of the Australasian Institute of Mining and Metallurgy (the "AusIMM"). Ms Zhao has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration. To the qualification, experience and activity Ms Yanfang Zhaois undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Ms Yanfang Zhao consent to the reporting of this information in the form and context in which it appears.
5. Equivalent factor was based on the metal price and Metallurgical recovery, SnEq: Sn+0.445*Cu, Copper price of 12,600 US$/t, tin price of 36,800 US$/t

8.13 Grade Sensitivity Analysis

The mineral resources of the XCC Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, ore quantities and grade estimates at different cut-off grades are presented from Table 8-8. The reader is cautioned that the figures presented in this table should not be mistaken for a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. Figure 8-8 represent this sensitivity as grade-tonnage curves.

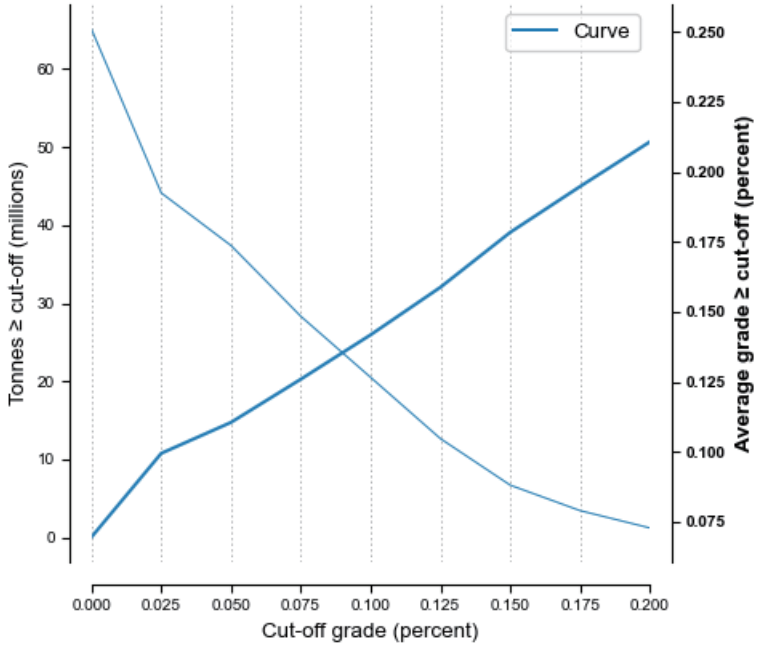
Table 8-8: Global Block Model Quantities and Grade Estimates at Various cut-off Grades.

Cut-off grade	Tonnes ≥ cut-off	Average grade ≥ cut-off		
(SnEq%)	(Mt)	Sn(%)	Zn (%)	Cu (%)
0.05	14.47	0.11	0.02	0.01
0.075	11.20	0.12	0.02	0.01
0.10	7.70	0.14	0.03	0.01
0.125	5.19	0.15	0.02	0.01
0.15	2.43	0.18	0.04	0.01
0.175	1.05	0.19	0.07	0.01
0.20	0.42	0.21	0.08	0.02

Note:

1. The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

Figure 8-8: Grade-Tonnage Curve

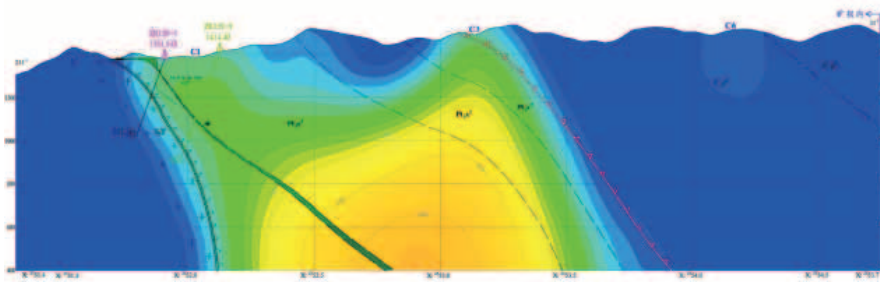


8.14 Exploration Potential

Regional 1:50,000-scale data acquired in 2011 indicated that the boundary fault of the Wenma Fault extends north-westward from the Luoshuodong tin deposit and passes through the C5 local aeromagnetic anomaly within the current exploration area. The strike of the local aeromagnetic anomaly and Sn and Zn geochemical anomalies at the Luoshuodong tin deposit is consistent with the strike of the C5 aeromagnetic anomaly and the HT6 geochemical anomaly within the exploration area, and all are located along the margin of the F10 fault, where magnetite has been identified. These anomalies are considered likely to be closely related to concealed intrusive bodies and the area is assessed to have significant potential for a breakthrough in exploration. In the northwestern part of this area, Pb mineralization has been observed at surface at the intersection of the HT3 geochemical anomaly and the C3 aeromagnetic anomaly (Figure 8-9).

Further verification work is planned for these two areas in 2026. Based on detailed 1:5,000-scale structural–lithological mapping, a limited number of exploration works will be sited at favourable locations to test these anomalies, with the aim of achieving a significant exploration breakthrough.

Figure 8-9: Aeromagnetic Anomaly



9 Environmental Studies, Permitting, Social or Community Impact

9.1 Environmental Legal Framework

The basis of environmental policy in China is contained in the 2018 Constitution of the People's Republic of China. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organizes and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the Minerals Resources Law of the People's Republic of China (2024) and the Environmental Protection Law of the People's Republic of China (2014):

- Environmental Impact Assessment (EIA) Law (2018).
- Law on Prevention & Control of Atmospheric Pollution (2018).
- Law on Prevention & Control of Noise Pollution (2021).
- Law on Prevention & Control of Water Pollution (2017).
- Law on Prevention & Control Environmental Pollution by Solid Waste (2020).
- Forestry Law (2019).
- Water Law (2016).
- Land Administration Law (2019).
- Protection of Wildlife Law (2022).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

9.2 Environmental Study and Permitting Status

According to the requirements of relevant environmental protection laws and regulations in China, mining projects are required to obtain various environmental approvals and permits at different stages of construction and operation. These mainly include the following:

- Safety Production Permit - According to the Regulations on Safety Production Permits, the Mine Safety Law, and the relevant implementation measures for coal and non-coal mines, mining projects must obtain a Safety Production Permit in accordance with the law before commencing production. The permit is reviewed and issued by the mine safety regulatory authority at the provincial level or above, with a validity period of three years. Prior to its expiration, renewal procedures must be completed in accordance with the law. Mining production activities are strictly prohibited if the permit has not been obtained, has expired, or has been suspended or revoked.
- Water Extraction Permit - As per the Water Law of the People's Republic of China and the Regulations on Water Extraction Permits, any unit directly drawing water resources from rivers, lakes, or underground must apply to the water administration department or the relevant river basin management agency for a Water Extraction Permit and pay water resource fees to obtain the water extraction rights. For construction projects requiring water

extraction, the applicant should commission a qualified agency to prepare a Water Resource Argumentation Report for the project.

- Pollutant Discharge Permit - According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. However, enterprises, institutions, and other producers and operators whose production and emissions of pollutants are small and have minimal impact on the environment are not required to apply for pollutant discharge permits, but they should fill out pollutant discharge registration forms.

The Project is currently in the early exploration phase. As such, obtaining a Safety Production Permit, Water Abstraction Permit, and Pollutant Discharge Permit is not required at this stage.

In addition, the Environmental Impact Assessment Law of the People's Republic of China and the Regulations on the Administration of Environmental Protection for Construction Projects require that projects with potentially significant environmental impacts prepare an Environmental Impact Report ("EIA"), which must comprehensively evaluate the pollution generated by the project and its impact on the environment. Before construction begins, the construction unit must submit the Environmental Impact Report or Environmental Impact Statement to the relevant environmental protection authority for approval. SRK understands that, as of the time of writing this report, the EIA report (Table) for the exploration stage of the Project is currently under preparation.

According to the 2025 Exploration Work Summary for the Project, the application registration area for the exploration right of the Xinchangchong Tin Polymetallic Deposit in Malipo County, Yunnan Province does not fall within the ecological protection redline and therefore complies with the relevant ecological protection redline control requirements. The area is also not located within important protected areas such as nature reserves, Class I protected forest land, key natural forest protection areas, nationally important wetlands, World Natural and Cultural Heritage sites, desertification control and protection zones, or drinking water source protection areas.

10 Conclusions and Recommendations

- The deposit is classified as a contact metasomatic type. The mineralization occurs in the contact zone between a Silurian granite intrusion and its host strata. The mineralizing structures are controlled by the upper and lower detachment fault systems and ductile deformation zones within the Nanwenhe metamorphic core complex. The mineralizing structural surfaces are characterized by calcsilicate planes, and the mineralization indicators include skarnization, greisenization, fluorite mineralization, muscovite–quartz alteration, and silicification.
- The drilling, sampling, sample preparation, analyses, security, and data verification consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.
- Total Mineral Resource at the XCC Project as of 31 December 2025, are:
  - 7.70 Mt of Inferred Resources at an average grade of 0.14% Sn, 0.01% Cu and 0.02% Zn.
- Ore mineralogy study and beneficiability test work are recommended for the resource estimation and deposit evaluation.
- At the current stage, the delineated mineralized zones are predominantly low-grade tin mineralization. It is recommended that, in conjunction with geophysical and geochemical survey data, additional exploration engineering works be deployed in target areas to further get the potential Mineral Resources.

Closure

This report, Competent Person's Report of Xinchangchong Project in Yunnan Province, China, was prepared by

Yanfang Zhao, MEng, MAusIMM, MAIG
Principal Consultant

and reviewed by

Anson Xu, PhD, FAusIMM(CP)
Corporate Consultant

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.

References

1. 2025 Annual Exploration Work Summary of the Xinchangchong Tin–Polymetallic Deposit, Malipo County, Yunnan Province , MLP Mining, 2026
2. Yunnan Dulong Tin Polymetallic Area Mineral Geological Survey Report, 2019,
3. Exploration Design for the Xinchangchong Tin-Polymetallic Deposit, Malipo County, Yunnan Province, 2025
4. Report on Soil Survey Results for the Xinchangchong Tin-Polymetallic Ore District, Malipo County, Yunnan Province, 2025
5. Mineral Geological Survey in the Yunnan Dulong Tin-Polymetallic Ore Concentration Area(Xinzhai–Xinchangchong Area) – Results Report, 2021

Appendix A Exploration License

根据国家法律、法规规定，经审查合格，特发此证。

证　号：　C5300002024083048001558

探 矿 权 人：　云南省麻栗坡锡贵金属矿业有限公司

统一社会信用代码：　91532624MADWLC3T2P

探矿权人地址：　云南省文山壮族苗族自治州麻栗坡县麻栗镇旧河街A1-30号商铺

勘查项目名称：　云南省麻栗坡县新厂冲锡多金属矿普查

地 理 位 置：　云南省文山壮族苗族自治州麻栗坡县

勘 查 矿 种：　锡矿

面　　积：　17.8144平方公里

有 效 期 限：　2025年12月03日至2029年08月01日

发证机关

2025年12月08日

中华人民共和国自然资源部监制

勘查区域拐点坐标：　2000国家大地坐标系

范围由20个拐点圈定

序号	各区序号	经度	纬度	序号	各区序号	经度	纬度
001	001	104° 40′ 00.000″	23° 04′ 44.000″				
002	002	104° 41′ 02.194″	23° 04′ 46.940″				
003	003	104° 41′ 36.341″	23° 04′ 58.145″				
004	004	104° 41′ 29.033″	23° 05′ 10.369″				
005	005	104° 41′ 16.969″	23° 05′ 24.565″				
006	006	104° 41′ 58.600″	23° 05′ 39.000″				
007	007	104° 41′ 00.000″	23° 05′ 46.000″				
008	008	104° 42′ 25.000″	23° 05′ 46.000″				
009	009	104° 42′ 36.000″	23° 04′ 01.000″				
010	010	104° 43′ 23.503″	23° 04′ 01.000″				
011	011	104° 43′ 21.402″	23° 03′ 16.000″				
012	012	104° 42′ 39.000″	23° 03′ 16.000″				
013	013	104° 42′ 36.000″	23° 03′ 01.000″				
014	014	104° 41′ 55.000″	23° 02′ 01.000″				
015	015	104° 41′ 50.000″	23° 02′ 28.000″				
016	016	104° 41′ 24.000″	23° 02′ 35.000″				
017	017	104° 41′ 24.000″	23° 02′ 28.000″				
018	018	104° 41′ 16.000″	23° 02′ 28.000″				
019	019	104° 41′ 15.927″	23° 02′ 02.980″				
020	020	104° 40′ 05.322″	23° 02′ 02.919″				

Appendix B JORC Code Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples (1.0–1.5 m) taken from core respecting lithological contacts after marking by geologists.
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).*	• Drill Type: Diamond drilling. • Drill Rig：LZ–1000 • Core Diameter: collar diameter of PQ(91 mm) and a final hole diameter of HQ(75 mm). • Borehole deviation：measured using a KPX-2A small-diameter digital compass inclinometer • Core Handling: RTK receiver and a total station.
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.*	• Recording and Assessing Recoveries: Recovery： ranged from 93.17% to 98.76%. while the ore-core (mineralized interval) recovery was 86.7%–100% Core cleaning, careful handling, and secure transport/storage. Sampling intervals aligned with

Criteria	JORC Code explanation	Commentary
		lithological/mineralization boundaries. • Sample Recovery and Bias: High recovery rates suggest minimal loss or bias. No explicit link between recovery and grade noted.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Both lithology and core recovery was logged. • Core digitally photographed. • All drill core logged; percentage of intersections not specified but appears comprehensive.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut using a diamond saw, with half-core typically taken for analysis. • Sampling aligned with lithological and mineralization boundaries. • Internal and external duplicates were used to ensure retrospectivity. • Sample sizes were deemed appropriate for the grain size of the material and mineralization style.
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.*	• Zinc and copper were analysed by inductively coupled plasma optical emission spectrometry ("ICP-OES"). and antimony was analysed by the silver diethyldithiocarbamate colorimetric method. • Internal duplicates, and Check Assays was used, • No field duplicates, coarse duplicates, Certified reference materials (CRMs), or blanks were inserted. • CRMs and blanks are only used in the laboratory as part of internal quality control procedures with an approximately insert ratio of 20%.
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*	• N/A

Criteria	JORC Code explanation	Commentary
	procedures, data verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collars were located RTK receiver and a total station, ensuring precise spatial positioning. • Borehole deviation was measured using a KPX-2A small-diameter digital compass inclinometer • All coordinates recorded in the China Geodetic Coordinate System 2000 (SGCS2000) grid system. • Topographic control was deemed adequate and accurate, providing sufficient detail for Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing and distribution were sufficient to establish geological and grade continuity, supporting Inferred Mineral Resource classifications. • No sample compositing was applied; samples were analyzed individually respecting lithological and mineralization boundaries.
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.*	• Sampling consistently respected geological and mineralization boundaries, minimizing bias. • No material sampling bias related to drilling orientation and key mineralized structures was reported.
Sample security	• *The measures taken to ensure sample security.*	• After geological logging and sampling, all drill core and ore core were transported collectively to the project camp for storage. Following transportation, the core boxes were inspected; any damaged boxes were repaired or replaced in a timely manner. The core was stacked and stored in sequence according to drillhole number.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• .A summary of QA/QC samples is provided in Section6.4

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	• *Type, reference name/number, location*	• Mineral tenement is shown in Chapter 3.

Criteria	JORC Code explanation	Commentary
land tenure status	*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.*	
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Prior to the Xingye Silver & Tin's exploration activities, the government funded and carried out certain regional geological investigations as well as preliminary exploration work.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit is classified as a contact metasomatic type. The geological mineralization is a Silurian granite intrusion, and the mineralizing structures are controlled by the upper and lower detachment fault systems and ductile deformation zones within the Nanwenhe metamorphic core complex. The mineralizing structural surfaces are characterized by calcsilicate planes, and the mineralization indicators include skarnization, greisenization, fluorite mineralization, muscovite–quartz alteration, and silicification.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Easting and Northing: China Geodetic Coordinate System 2000 (SGCS2000) grid system. • coordinates used for precise spatial references. • Elevation (RL): Elevation above sea level recorded for each drill hole collar but specific values not provided. • Dip and Azimuth: Holes were drilled generally perpendicular to mineralized structures; specific dip and azimuth values vary by hole. • Downhole Length and Interception Depth: Not fully tabulated but drill programs indicate variable depths designed to intersect mineralization as close to perpendicular as possible. • Hole Length: Drill hole lengths ranged widely, with some boreholes extending over 700 m for deeper exploration.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of*	• An appropriate cut-off was applied • A grade capping was used

Criteria	JORC Code explanation	Commentary
	high grades) and cut-off grades are usually Material and should be stated. • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Most drillholes are vertical, some drill holes were oriented perpendicular to the mineralized structures to achieve representative sampling.
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.*	• Appropriate maps and sections were reported in this Report.
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.*	• Details of individual drill holes are not considered Material to the overall Mineral Resource estimate presented in this Report and are omitted.
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.*	• Detailed logging of lithology, alteration, mineralization conducted throughout exploration. • Bulk density and Metallurgical test results were detailed in the report ,and can support resource evaluation. •
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Supplementary exploration is planned

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK conducted spot checks of the database against historical exploration program tables and maps, and found no flaws in the data. • Visual checks of the different generations and types of sampling data against each other also ensure database integrity
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.*	• SRK visited the XCC Project site between 11th March2026
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• This dataset provides a good definition of the dimensions for resource estimation. • SRK has adequate confidence in the geological interpretation. The overall interpretation of the continuity, extent, and orientation of the mineralised domains, based on the various phases of exploration, has been confirmed by operation
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The dimensions of the mineralised domains are presented in section 8
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the*	• The wireframe model was provided by Xingye Silver&Tin to SRK in January 2026. Veins models with Leapfrog were used to create mineralization boundaries constraining the estimation volume by the geologist of Xingye Silver&Tin. The wireframe models were checked and updated by SRK for Mineral Resource estimation using Leapfrog EDGE software. • Three-dimensional (3D) block grade estimation approach was applied for the Mineral Resource estimation. • Details are in section 8

Criteria	JORC Code explanation	Commentary
	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.*	
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• a cut-off grade of 0.1% SnEq for XCC deposit to underground (UG) mining • Details are in section 7.14
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.*	• As the project is at an early exploration stage and no detailed technical or economic information is available, a cutoff grade of 0.1% SnEq has been adopted for the Mineral Resource reporting of this project with reference to nearby similar projects.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The XCC Project is at a relatively early stage of exploration, and no processing tests have yet been carried out. At this stage, only mineralogical information and processing data from nearby deposits of the same type have been collected. • Details are in section 7
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*	• According to the 2025 Exploration Work Summary for the Project, the application registration area for the exploration right of the Xinchangchong Tin Polymetallic

Criteria	JORC Code explanation	Commentary
	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.	Deposit in Malipo County, Yunnan Province does not fall within the ecological protection redline and therefore complies with the relevant ecological protection redline control requirements. The area is also not located within important protected areas such as nature reserves, Class I protected forest land, key natural forest protection areas, nationally important wetlands, World Natural and Cultural Heritage sites, desertification control and protection zones, or drinking water source protection areas.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density and specific gravity measurements were performed during historical programs in 2019, • The average value of zinc-mineralization was used for Mineral Resource estimation
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.*	• Resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. • Details in section 7.12
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews of the Mineral Resource estimate have been taken place. • SRK carried out an internal peer review on the Mineral Resource estimate.
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*	• The relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied. • The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade

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	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.*	