You should carefully consider all the information in this Document and, in particular, the risks and uncertainties described below before making an **[REDACTED]** *in our* **[REDACTED]**.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as at the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this Document.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Volatility in metal market prices could materially and adversely affect the profitability of our operations and financial condition.

During the Track Record Period, we primarily generated revenues from selling silver, gold, and non-ferrous metals such as lead and zinc in concentrates. In line with the market practice, we price our metal concentrates based on the quoted market prices and the grades of our metal concentrates. For our pricing policy details, please refer to "Business — Sales and Customers — Pricing Policy".

The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond our control, including: (i) international and regional economic and political conditions; (ii) expectations of inflation; (iii) currency exchange fluctuations; (iv) interest rates; (v) global or regional supply and demand for jewelry and industrial products containing silver and other metals; (vi) sale of silver and other metals by central banks and other holders, forward selling activities, speculators and producers of silver and other metals; (vii) availability and costs of metal substitutes; and (viii) production fluctuation due to mine developments and closures as well as improvements of mining and production methods. The effects of these factors on the price of base and precious metals, and therefore the viability of our exploration projects and mining operations, cannot be accurately predicted. During the Track Record Period, the global annual average prices of silver, gold, copper, and non-ferrous metals such as lead and zinc all demonstrated upward trends with fluctuations. See "Industry Overview" in this Document for further details of the historical market price fluctuations for silver, gold, copper, lead and zinc concentrates.

If silver and other metal prices were to decline significantly for an extended period of time, our business, financial condition and results of operations may be significantly affected and we may be unable to continue operations, develop projects, or fulfil obligations under agreements with our joint venture partners or under our permits or licences.

Mineral Reserve and Mineral Resource estimates are based on a number of assumptions and thus may not reflect the amount of minerals that may ultimately be extracted.

The Mineral Resources and Mineral Reserves estimates are prepared by the relevant Competent Persons in accordance with applicable standards, such as NI 43-101. Under the PRC mining laws and regulations, the reports of Mineral Resources and Mineral Reserves estimates completed by certified Chinese institutes and annual "Dynamic Reconnaissance Reports" (年度動態檢測報告) on Mineral Resources (which we prepared before the annulment of the Dynamic Reconnaissance Report requirement by the new PRC mining law taking effect on July 1, 2025) for our PRC mining assets may differ from NI 43-101 estimates due to differences in standards used. For more information about the procedures and parameters used for the Mineral Resources and Mineral Reserves estimates, please refer to the relevant Competent Person's Report as set out in Appendix III to this Document.

Mineral Resources, Mineral Reserves, mineralization and corresponding grades estimates are inherently subjective, reflecting assumptions current as at the Competent Person's Report date based on many factors beyond our control, such as assumed future prices, cut-off grades, operating costs, regulations, and environmental and geological factors. The interpretation of drill results, the geology, grade and continuity of our mineral deposits render uncertainties to the estimation of the Mineral Resources and Mineral Reserves. Fluctuations in the market prices of silver, gold, copper, lead, zinc, and other metals may also compromise the economic viability of developing our Mineral Reserves for a specific project and thus lead to a reduction in reserves. Furthermore, mineral exploration activities have a high risk of failure and may even result in finding ore bodies insufficient to develop a producing mine. Our long-term operations and profitability depend partly on the cost and viability of exploration and development programmes, which involve factors such as deposit attributes (size, grade, infrastructure proximity), metal prices, and relevant government regulations, most beyond our control. No assurance exists that programmes will discover commercial mineralization, or that discoveries will lead to production after satisfactory results. For all the foregoing reasons, until Mineral Resources, Mineral Reserves or mineralization are actually mined and processed, the figures for Mineral Resources and Mineral Reserves contained herein are estimates only. Any adverse changes to the abovementioned assumptions could require us to lower our Mineral Resources and Mineral Reserves estimates and no assurance can be made that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves could be mined or processed profitably.

The permits and licences required for our mining and exploration operations may not be granted or renewed.

Our mineral exploration and mining activities may only be conducted after obtaining or renewing the relevant exploration or mining permits and licences, and other certificates under applicable PRC, Ecuadorian and Kyrgyzstan mining laws and regulations. However, the formation or enforcement of governmental rules and policies, as well as the exercise of legislative discretion by relevant authorities in these jurisdictions may be unpredictable. There can be no assurance that the current mining laws, regulations, and industry policies will remain unchanged at the time we apply for renewal, nor can there be any assurance that the competent authorities will not deny or delay the renewal or the extension of relevant mining licences for reasons beyond our control. Accordingly, we cannot assure that we will successfully obtain or renew our mining licences on favorable terms, or at all.

Any failures in obtaining or any delays in obtaining or retaining any required governmental approvals, permits or licences could prevent us from fully exploiting the mineral resources of our mines. For example, as at the Latest Practicable Date, we were in the process of applying for a new gold-focused mining licence for the BYP Mine, and production there had therefore been suspended. For details, refer to "Business — BYP Project". If we are unable to effectively utilize the resources of any of our mining assets due to such failures or delays, our business, financial conditions, and results of operations could be materially and adversely affected.

In addition, any such failures or delays could subject us to a variety of administrative penalties or other government actions that may adversely impact our business operations. For example, in the PRC, an extension of mining or exploration licence must be filed within 30 days before the expiration date with the licensing authorities, and the relevant state and provincial authorities do not issue formal documentation to guarantee permit renewal while processing applications. Consequently, any administrative penalties or government actions imposed on or taken against us due to our failures in obtaining, or delays in obtaining or retaining, any required governmental approvals, permits or licences could materially and adversely affect our business, financial condition, and results of operations.

Actual capital costs, operating costs, production and economic returns may differ significantly from those anticipated, and future development activities may not result in profitable mining operations.

There is no assurance if or when a particular mineral property can enter production. The capital and operating costs to bring our projects into production or maintain or increase production levels are based on estimates and may be significantly higher than currently anticipated. In addition, the construction and development of mines and infrastructure are complex, involving factors beyond our control, such as unforeseen geological issues. Therefore, resources invested in mine construction and development may not be profitable.

Our operations and financial results could be adversely affected by physical climate risks.

Physical climate risks could also adversely impact our operations. These risks include, among other things, extreme weather events, resource shortages, changes in rainfall and in storm patterns and intensities, water shortages, changing sea levels and extreme temperatures. Climate-related events such as mudslides, floods, droughts and fires can have significant impacts, directly and indirectly, on our operations and could result in damage to our facilities, disruptions in accessing our sites with labor and essential materials or in shipping products from our mines, risks to the safety and security of our personnel and to communities, shortages of required supplies such as fuel and chemicals, inability to source enough water to supply our operations, and the temporary or permanent cessation of one or more of our operations. There is no assurance that we will be able to anticipate, respond to, or manage the risks associated with physical climate change events and impacts, and this may result in material adverse consequences to our business and to our financial results.

Our reputation in the communities in which we operate could deteriorate.

The continued success of our existing and future operations depends in part on maintaining broad community support, positive relationships with local stakeholders, as well as environmentally responsible practices. If we are perceived as failing to respect or contribute to the economic and social development, safety and environmental wellbeing of the communities in which we operate, our reputation and shareholder value could be damaged, which could impair our "social licence to operate", being the level of community acceptance of our exploration, development and mining activities.

Adverse community reactions could materially adversely affect the cost, profitability, financing capability, or even the viability of an operation. Such reactions could also result in disputes with governments, local communities or other stakeholders, leading to material reputational damage, operational disruptions, delays or suspension of our activities. Any such events, as well as broader political or community instability, could constrain our earnings and adversely affect the long-term value of our business. Even where no adverse action is ultimately taken, the uncertainty arising from such circumstances may reduce the perceived value of our assets and mining investments and, consequently, have a material adverse effect on our financial condition. In addition, failure to comply with social and labor plans may impair our "social licence to operate" and may result in the suspension or revocation of our mining rights.

To the extent we seek to expand through acquisitions, joint ventures and strategic collaborations, we may experience problems in executing, managing and integrating the acquisitions, joint ventures and strategic collaborations.

To expand our business, we have pursued and may continue to pursue acquisitions, joint ventures, and strategic collaborations in various jurisdictions. The successful completion of such transactions are subject to risks and uncertainties including but not limited to: (i) exposure to international, regional and local economic, political, and market conditions and regulatory policies; (ii) exposure to different legal standards and ability to enforce contracts in relevant jurisdictions; (iii) changes in legal development and enforcement; (iv) restrictions or requirements relating to foreign investments, in particular, on mineral resources; and (v) compliance with the requirements of applicable sanctions, antibribery and related laws and regulations.

The realization of benefits from such transactions depend on factors including but not limited to: (i) timely and efficient integration of the acquired business or property; (ii) maintaining our financial and strategic focus while integrating the acquired business or property; (iii) implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate; (iv) and to the extent that we pursue such opportunities outside of the markets in which we have previously operated, conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties may strain our cash reserves (if paid by cash) or dilute existing shareholders (if paid via share issuance). Integrating any acquired business may demand significant time, attention, and funds and achieving the expected benefits from consolidation may incur significant costs in connection with, among other things, implementing financial and planning systems. We may not be able to integrate the operations of a newly acquired business, joint venture or new collaborative project, or to restructure our existing business operations without encountering difficulties and delays. In addition, such integration may divert our management attention from the day-to-day operations.

Any short-term disruptions or longer-term integration challenges could have a material adverse effect on our business, operating results and financial condition. In addition, the acquisition of mineral properties may subject us to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on us.

The title to some of our mineral projects may be uncertain or defective, which put our investment in such properties at risk.

The validity of mining or exploration titles or claims or rights, which constitute most of our property holdings, can be uncertain and may be contested. Our properties may be subject to prior unregistered liens, agreements or transfers, indigenous land claims, or undetected title defects. In certain circumstances, we do not directly own or hold rights to the mineral concessions we mine. We have not conducted surveys of all the claims in which we hold direct or indirect interests, and accordingly the precise area and location of such claims may be uncertain. No assurance can be given that applicable governments will not revoke or materially alter the conditions of the applicable exploration and mining titles or claims, or that such titles or claims will not be challenged or impugned by third parties. As a result, we may be unable to operate our properties as expected, or to enforce our rights to our properties. Any defects in title to our properties, or the revocation of our rights to mine, could have a material adverse effect on our operations and financial condition.

We operate in countries with developing mining laws, and changes in such laws could materially affect our rights or interests to our properties. We are also exposed to the risk of expropriation or extinguishment of property rights, including where authorities determine that there has been insufficient development or progress. Any such similar governmental actions would likely have a material adverse effect on our operations and profitability.

In many jurisdictions in which we operate, legal rights applicable to mining concessions are distinct from legal rights applicable to surface lands. Accordingly, title holders of mining concessions in such jurisdictions are typically required to compensate surface landowners for mining activities conducted on such land. We do not hold title to all of the surface lands at many of our operations and rely on contracts or other similar rights to conduct surface activities. Any failure to secure or maintain such arrangements may adversely affect our operations.

Title insurance is generally not available for mineral properties in the PRC and our ability to ensure that we have secure claims to individual mineral properties or mining concessions may be severely constrained. Accordingly, our properties may be subject to title defects, competing claims or other encumbrances, which could have a material adverse effect on our ability to develop or exploit such properties and on our business and financial conditions.

We derive a substantial portion of our sales from a small number of customers.

Due to the nature of our business and industry practices, during the Track Record Period we generated a significant portion of our revenue from a small number of smelting companies located in proximity to our mining operations. For the fiscal years ended March 31, 2024 and 2025 and the nine-month period ended December 31, 2025, sales to our five largest customers amounted to approximately RMB1,420.5 million, RMB1,857.80 million and RMB1,704.4 million, respectively, representing 92.1%, 86.1% and 81.9% of our revenue for the same years/periods, respectively. For further details, see "Business — Sales and Customers — Our Customers".

Our customers may switch suppliers without incurring significant costs. There is no assurance that we will be able to retain these customers on financially acceptable terms or at all, or that they will maintain their current level of purchases with us. If any of these customers reduce or cease their purchases with us, and we are unable to secure comparable replacement orders in a timely manner, our business, financial condition and results of operations may be materially and adversely affected.

We had a concentration of suppliers during the Track Record Period.

We had a concentration of suppliers, including contractors, during the Track Record Period, mainly because we selected suppliers based on their proximity to our mining operations, namely, the Ying Project and the GC Mine. For the fiscal years ended March 31, 2024 and 2025 and the nine-month period ended December 31, 2025, purchases from our five largest suppliers amounted to approximately RMB533.1 million, RMB702.5 million and RMB600.9 million, respectively, representing 59.9%, 58.0% and 44.7% of our total purchase amounts for the same years/periods, respectively. For details, see "Business — Supply of Utilities, Materials and Machinery — Our Five Largest Suppliers".

We cannot guarantee that our existing suppliers will continue to provide suitable materials and services on acceptable terms in the future. If any of our key suppliers or contractors cannot deliver materials or services to meet our standards, or if we are unable to find comparable alternatives in a timely manner, our business operations may be significantly disrupted, and our financial conditions may therefore be negatively impacted.

We are subject to costs and risks related to mine closures.

Our existing mining operations have a finite life. Eventual closure of our operating mines will entail costs and risks regarding on-going, rehabilitation and compliance with environmental standards. As at the Latest Practicable Date, our operating mines included the Ying Project and the GC Mine. According to the Competent Persons' Reports, the LoM for the Ying Project is through the fiscal year ended March 31, 2042 and for the GC Mine is through the fiscal year ended March 31, 2039. The key costs and risks for mine closures are (i) long-term management of permanent engineered structures; (ii) achievement of environmental remediation rehabilitation and closure standards (including the assessment, funding and implementation of post-closure polluted and extraneous water pumping treatment); (iii) orderly retrenchment of employees; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programmes to new owners. The successful completion of these tasks is dependent on our ability to successfully implement negotiated agreements with the relevant government authorities, communities, and employees. The consequences of a difficult closure range from increased closure costs and handover delays to on-going environmental rehabilitation costs and damage to our reputation if a desired outcome cannot be achieved, all of which could materially and adversely affect our business and results of operations.

Failure or improper management of our tailings storage facilities (TSFs) could negatively impact our business, reputation and results of operations.

Mining companies face inherent operational, environmental, health and safety risks in their operation and management of TSFs. TSFs are critical structures designed and managed to contain fine mining waste or tailing, being the waste materials remaining after the extraction of valuable minerals from ore.

Structural failures or improper management of TSFs could result in severe consequences for nearby communities, local economies and the surrounding environment. Such risks may be exacerbated in regions prone to seismic activity or extreme weather events. For example, heavy rainfall or flooding may lead to rising water levels overflow, or structure failure, while earthquakes may cause instability, subsidence or collapse of TSFs. In addition, structural deficiencies, including inadequate slope design, substandard drainage systems, aging seepage controls or ineffective monitoring systems, can further heighten these risks by undermining TSFs' bearing capacity and structural integrity. Tailings may contain hazardous substances, including heavy metals and other contaminants, which, if leaked, could cause significant damage to surrounding ecosystems. Unauthorized activities such as excavation and blasting, as well as improper handling or deposition of tailings, could further destabilize the TSFs.

In the event of any TSF failure, we may be subject to increased regulatory scrutiny and more stringent environmental, health and safety requirements. Regulatory developments and evolving industry standards, including the Global Industry Standard on Tailing Management (GISTM) established by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP) and the Principles for Responsible Investment (PRI), may result in increased operational costs and require modifications to our existing tailing management operations to ensure compliance with these heightened standards. There can be no assurance that additional and more stringent regulations or standards will not be introduced in the jurisdictions in which we operate.

The occurrence of any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

We are subject to environmental and health and safety laws, regulations and permits that may subject us to material costs, liabilities and obligations.

Our activities are subject to extensive laws and regulations governing environmental protection and employee health and safety, both in the PRC (where all our mines under production during the Track Record Period were located) and in other jurisdictions. These laws address greenhouse gas emission, water usage, waste management, hazardous substance management, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Our subsidiaries are required to have been issued environmental permits and safety production permits. In the PRC, such permits are also subject to annual inspection by government authorities. Failure to pass the annual inspections may result in penalties, suspensions or revocations. There is no assurance that these requisite permits will be granted to us, or if granted, renewed on a timely basis or under operationally or financially viable terms, or that we will satisfy all applicable conditions. Non-compliance with relevant PRC and other relevant jurisdiction's environmental laws and regulations could materially and adversely affect our business and results of operations.

Environmental legislation in the PRC and other jurisdictions continues to evolve toward stricter standards and enforcement, higher fines, more stringent environmental assessments, and greater responsibility for companies and their officers, directors and employees. Nearly all mining projects require government approvals relating to environmental and social impacts, land and water usage, community matters, and reclamation activities, which may necessitate significant capital outlays, material operational changes or project delays. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a material adverse impact on us by increasing capital expenditure and production costs or reducing output at producing properties, which may cause us to re-evaluate our mining activities.

We may not successfully acquire additional commercially mineable mineral rights.

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of Mineral Reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited.

Our future growth and productivity will depend, in part, on our ability to identify and acquire additional mineral rights, and on the costs and results of continued exploration and development programmes. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to: (i) establish Mineral Reserves through drilling and metallurgical and other testing techniques; (ii) determine metal content and metallurgical recovery processes to extract metal from the ore; and (iii) construct, renovate or expand mining and processing facilities. In addition, if we discover a mineral deposit, it will likely take at least several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change.

Our success at completing any acquisitions will depend on a number of factors, including, but not limited to (i) identifying acquisitions that fit our business strategy; (ii) negotiating acceptable terms with the seller of the business or property to be acquired; and (iii) obtaining approval from regulatory authorities in the jurisdictions of the business or property to be acquired. As a result of these uncertainties, there can be no assurance that we will successfully acquire additional mineral rights.

We operate in a highly competitive industry.

The mining industry in general is intensely competitive and there is no assurance that a ready market will exist for the sale of metal concentrates. For further details concerning our competitors in silver, lead and zinc industries, see "Industry Overview — Overview of Silver Industry — Competitive Landscape", "Industry Overview — Overview of Lead Industry — Competitive Landscape in Lead Industry" and "Industry Overview — Overview of Zinc Industry — Competitive Landscape in Zinc Industry", respectively. Marketability of natural resources that we may discover will be affected by numerous factors beyond our control, such as market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations including regulations relating to prices, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of such factors cannot be predicted but they may prevent us from receiving an adequate return on our invested capital.

We may be at a competitive disadvantage in acquiring additional mining properties because we must compete with other individuals and companies, many of which have greater financial resources, operational experience, and technical capabilities than we do. We may also encounter increasing competition from other mining companies when seeking to hire experienced mining professionals.

Competition for exploration resources at all levels is currently intense, particularly affecting the availability of manpower. Increased competition could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration.

We rely on third-party contractors to conduct specific drilling, mining and tunneling and ore transportation work.

During the Track Record Period, we primarily outsourced our (i) drilling; (ii) mining and tunneling; and (iii) transportation within our mines and ore processing plants to third-party contractors according to our operational plans and applicable production safety requirements. For further details of the major third-party contractors we engaged during the Track Record Period, see "Business — Third-Party Contractors" in this Document.

As a result, our operations will be affected by the performance of these third-party contractors. We may not be able to control the quality, safety and environmental standards of the work performed by such contractors to the same extent as work carried out by our own employees. Any failure by these contractors to meet our required standards may result in disputes, additional costs, operational disruptions and potential loss of production time. In addition, in the event of any safety-related accident involving a third-party contractor, we may be held liable, including for compensation, to the extent of our faults notwithstanding any contractual provisions to the contrary. Any non-compliance by contractors with applicable laws and regulations relating to exploration, mining or workplace safety may also adversely affect our own regulatory compliance. The occurrence of any of the above events could have a material and adverse effect on our business, financial condition and results of operations.

The production, processing and product delivery capabilities of our mining assets rely on the infrastructure being adequate and remaining available.

Our exploring, mining, and processing operations depend on adequate infrastructure of our mining assets. Road access, power supply, transportation networks and water resources are essential for our operations. The availability, reliability and cost of such infrastructure and utilities affect our capital and operating costs and, consequently, our ability to maintain expected production levels and operating performance. Such infrastructure may be adversely affected by factors beyond our control, including adverse weather conditions, natural disasters, sabotage or other disruptions to maintenance or supply. Any such event could delay project development, reduce production volumes, increase extraction or exploration costs, or disrupt the transportation of raw materials to our mines and projects and of products to our customers. Any material disruption or deficiency in the infrastructure supporting our operations could have a material adverse effect on our business, financial conditions and results of operations.

We may not be able to maintain the provision of adequate and uninterrupted supplies of utilities at commercially acceptable prices, or at all.

Electricity and water are essential utilities for our mining and ore processing activities. Our operations require an adequate and stable supply of electricity in particular. No assurance can be given that we will not experience any power shortage, power shutdown and water shortfall in the future. In addition, changes in energy or water supply policies implemented by the PRC government or other overseas governments in jurisdictions where our mineral assets are located may affect the availability and cost of such utilities. Any interruption or insufficiency in the supply of electricity or water, or any adverse changes in applicable policies, could disrupt our production. Furthermore, there can be no assurance that the supply of such utilities will not be interrupted or that their costs will not increase. If our existing utility providers cease to supply electricity or water on commercially acceptable terms, or at all, our operations may be disrupted. Any of the foregoing could have a material adverse effect on our financial condition and results of operations.

Our activities and business could be adversely affected by public health crisis in the regions in which we operate.

The mining industry is sensitive to disruptions arising from epidemics, pandemics and other health crises. Such events, together with governmental and private sector responses, may lead to economic and financial market volatility, disruptions to global supply chains, reduced trade and market confidence, restrictions on the movement of personnel, and fluctuations in commodity prices, interest rates, credit ratings and inflation.

There is no assurance that our operations will not be disrupted by future public health crises. Any such events could adversely affect employee health, workforce availability and productivity, and may result in travel restrictions, supply chain disruptions, increased costs (including higher premiums) and reduced operational efficiency. Such disruptions may also limit the availability of industry experts and skilled personnel, delay or restrict our exploration, drilling and metallurgical testing activities, resulting in the slowdown or temporary suspension of operations at some or all of our mining projects. As many of our functions, including mining operations, cannot be conducted remotely, we are particularly exposed to operational disruptions arising from such events. Any of the foregoing could have an adverse effect on our production, revenue, net income and business.

We are dependent on our core management and key personnel.

Our success depends significantly on the experience, expertise and continued service of our management team and key personnel. Key members of our management team and non-executive directors possess extensive experience in the mineral resources industry. Our ability to retain, attract and train qualified, management personnel in Canada, the PRC, Ecuador and other jurisdiction where we operate is critical to our business and operations.

We rely on the services of several key individuals, including our chief executive officer, president, chief financial officer and members of our operational management team. The loss of any of these individuals could have an adverse effect on our operations. Our ability to manage growth effectively will also depend on the continued enhancement of our management systems and our success in recruiting and training new employees. There is no assurance that we will be able to attract and retain skilled and experienced personnel necessary to support our growth and strategy.

Our insurance may not provide adequate coverage in the event of a loss.

Our mining activities are subject to risks inherent in the mining industry, including environmental hazards, flooding, fires, seasonal hazardous weather conditions, unexpected geological formations, industrial accidents, and metallurgical or other processing problems. These risks could result in damage to or destruction of our mineral properties, production facilities or other properties, personal injury, environmental damage, delays in mining activities, increased production costs, financial losses or potential legal liabilities. We may incur liabilities that are not insurable or that we elect not to insure due to high premium costs or other considerations. Although we maintain insurance coverage for certain risks associated with our business to the extent we consider appropriate, such insurance is subject to exclusions, limitations and deductibles. We cannot assure that insurance coverage will continue to be available on commercially acceptable terms, or at all, or that our existing coverage will be adequate to fully protect us against potential losses. In certain cases, insurance coverage may be unavailable or considered too expensive relative to the perceived risks. Any uninsured or underinsured losses could have a material adverse effect on our business, financial condition and results of operations.

Our operations involve significant risks and hazards inherent to the mining industry.

Mining is inherently hazardous and our operations are subject to various risks, including environmental hazards, discharge of pollutants or hazardous chemicals, industrial accidents, failure of processing and mining equipment, labor disputes, supply disruptions and delays, unusual or unexpected geological formations, grade variations, unanticipated ground or water conditions, cave-ins, pit wall failures, floods, rock bursts and fires, extreme weather conditions, equipment breakdown and other unanticipated difficulties or interruptions in development, construction or production.

The occurrence of any of these risks could result in damage to or destruction of our mineral properties or processing facilities, personal injury or loss of life, loss of key employees, environmental damage, operational delays, financial losses and potential legal liabilities. Any such events could result in substantial costs and could have a material adverse effect on our future cash flow, results of operations and financial condition.

We may be subject to regulatory investigations, claims and legal proceedings that could materially and adversely affect our business, financial condition, or results of operations.

Due to the nature of our business, we may from time to time be subject to various regulatory investigations, claims, lawsuits, and other proceedings arising in the ordinary course of our business or inherited from acquired entities. The outcome of such matters is inherently uncertain due to factors such as the discovery of evidence process, the exercise of judicial or administrative discretion and the possibility of appeals. There can be no assurance that these matters will not result in material adverse outcomes.

Any adverse outcome in such proceedings could result in substantial damages, penalties or other liabilities, and may also adversely affect our reputation and our ability to conduct our operations in the normal course. In addition, the defense and resolution of such matters require significant management time and financial resources, which could divert attention from our core business and result in substantial legal and related costs. We may also be required to indemnify our Directors, officers, employees, and external advisers for costs incurred in connection with such proceedings. While we maintain liability insurance coverage and make provisions for liabilities, there can be no guarantee that the amount of such coverage is sufficient to cover all potential liabilities. In addition, we may in the future become subject to regulatory investigations or other proceedings and may be involved in disputes with other parties which may result in a significant adverse impact on our financial condition, cash flow and results of operations.

During the Track Record Period, we were involved in certain legal proceedings commenced by groups of anti-mining protesters in Ecuador. For details of our material litigation, see "Business — Legal Proceedings and Compliance". We cannot assure that no additional or subsequent legal actions will arise that may adversely affect the El Domo Project.

Our investment in NUAG is subject to a number of risks and may prove unprofitable.

As at the Latest Practicable Date, we held 27.8% ownership interest in NUAG, a Canadian public company listed on the TSX under the symbol "NUAG" and NYSE American under the symbol "NEWP". NUAG is a junior mining company engaged in exploring and developing mineral properties in Bolivia. Investments in junior mining companies are subject to significant risks, including share price volatility, limited liquidity, and potential loss of partial or all of the invested capital. During the Track Record Period, NUAG had no operating revenue and had no ongoing mining production.

Mineral exploration and development involve various risks. Exploration efforts may not result in the discovery of mineral deposits, and any deposits discovered may not be of sufficient size or grade to be economically viable under prevailing market conditions. The commercial viability of any mineral project depends on various factors beyond NUAG's control, including commodity prices, availability of infrastructure, and regulatory requirements relating to pricing, taxation, royalties, land use, import and export restrictions and environmental protection.

NUAG's projects are also subject to operational and development risks, including substantial capital requirements for drilling, metallurgical testing and the construction or expansion of mining and processing facilities. There can be no assurance that any identified mineral resources will be converted into economically recoverable reserves or that any project will be successfully developed into commercial production. In addition, the exploration and development of NUAG's mineral projects are subject to government approvals, licences and permits. There can be no assurance that any required approvals, licences or permits will be obtained in a timely manner or at all, or on reasonable terms. Any delay in obtaining, failure to obtain, expiry of, or non-compliance with such approvals could delay or prevent NUAG's project development and adversely affect the value of our investment.

Furthermore, our investment in NUAG entails additional risks due to the location of its projects in Bolivia.

If NUAG is unable to advance its projects, secure financing, or achieve successful exploration and development outcomes, or if its share price declines significantly, we may be required to recognise impairment losses on our investment, which could have a material adverse effect on our financial condition and results of operations.

Our investment in Tincorp is subject to a number of risks and may prove unprofitable.

As at the Latest Practicable Date, we held 27.4% ownership interest in Tincorp, a Canadian public company listed on the TSX-V under the symbol "TIN". Tincorp is a junior mining company engaged in the acquisition and exploration of mineral properties. Investments in junior mining companies are subject to significant risks, including share price volatility, limited liquidity, and potential loss of partial or all of the invested capital. During the Track Record Period, Tincorp had no ongoing mining production.

The value and performance of our investment in Tincorp depend in part on the success of its exploration and future development activities, which involve a high degree of uncertainty. There is no assurance that Tincorp's mineral exploration or development programmes will result in discovery of commercially viable mineral resources or reserves, or that any such mineral resources or reserves, if identified, will be successfully brought into commercial operations. The commercial viability of a mineral deposit depends upon various factors, including its size, grade and proximity to infrastructure, metal prices, and applicable government regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, many of which are beyond Tincorp's control.

Tincorp's mineral projects are also subject to a number of risks that may make it less successful than anticipated, including delays or higher-than-expected exploration costs, adverse or inconclusive technical results, delays in obtaining environmental permits or social acceptance from indigenous groups, delays or higher-than-expected costs in obtaining the necessary equipment or services and adverse mining conditions that may delay or hamper the ability of Tincorp to produce the expected quantities of minerals. In addition, Tincorp's operations are subject to government approvals, licences and permits, which are subject to the discretion of the applicable governments or governmental officials. To the extent such approvals, licences or permits are required and not obtained, Tincorp may be curtailed or prohibited from continuing or proceeding with exploration or development of mineral properties.

Some of Tincorp's projects are located in Bolivia and are therefore exposed to various levels of political, economic, labor-related and other risks and uncertainties common to mining projects in Bolivia.

If Tincorp is unable to raise sufficient funding to continue its operations, fails to achieve successful exploration or development outcomes, or experiences a sustained decline in its share price, we may be required to recognise impairment losses on our investment. Any such developments could have a material adverse effect on our financial condition and results of operations.

Our information technology systems may be vulnerable to disruption, which could place our systems at risk for data loss, operational failure, or compromise of confidential information.

We face cybersecurity risks including unauthorized access to privileged information, data destruction, or attempts to disable, degrade or sabotage our systems, including through computer viruses. There can be no assurance that our cybersecurity measures will provide adequate protection, especially because cyberattack techniques evolve frequently or may not be recognized until launched and take effects. While we have not experienced any material cybersecurity incident in the past, there can be no assurance that we will not face such cybersecurity incidents in the future. If our systems are compromised, fail to operate properly or become disabled, we could suffer financial loss, disruption of business, loss of geological data for mine planning and mineral resources estimation, as well as loss of financial data for accurate and timely financial reporting. Any such event could have a material adverse effect on our business, financial condition and results of operations.

A continued or worsened slowdown in the financial markets or other economic conditions could have a material adverse effect on our business, financial condition and results of operations.

General economic conditions may adversely affect our growth, profitability, and ability to obtain financing. Recent global financial market events have significantly affected the global economy, including the silver and gold mining industry. Key impacts include credit market contraction, widening credit spreads, currency fluctuations, heightened volatility in equity, commodity, foreign exchange and precious metal markets, and reduced market confidence and liquidity. Any continued or worsened slowdown in the financial markets or other economic conditions, including changes in consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, availability of credit, financial market conditions, interest rates and tax rates, may adversely affect our growth, profitability and ability to obtain financing.

Specific risks include:

- contraction in credit markets could impact the cost and availability of financing and our overall liquidity;

- volatility of silver, gold, lead, zinc and other metal prices would impact our revenues, profits, losses and cash flows;

- economic downturns may reduce demand for our production;

- fluctuations in energy, commodity and consumables prices, as well as currency exchange rates, may increase our production costs;

- devaluation and volatility of global stock markets could impact the valuation of our equity and other securities; and

- significant disruption to the global economic conditions caused by public health crises may adversely affect our operations and financial conditions.

Our business requires significant and continuous capital investment. If additional financing cannot be obtained on a timely basis, our business may be at risk, or our execution of our development plan may be delayed.

Our operations and future growth require substantial capital expenditures for example, for purchasing plant and equipment and drilling or tunneling work. For the fiscal years ended March 31, 2024, 2025 and the nine months ended December 31, 2024 and 2025, our total capital expenditures amounted to USD64.0 million, USD86.6 million, USD73.0 million and USD95.2 million, respectively. We have made and expect to continue to make significant capital expenditures in maintaining and expanding our mining operations. Our capital expenditure levels depend on various factors, including our mine plan over the life of mine, infrastructure refurbishment, equipment replacement due to wear and tear and the availability of funding for exploration activities.

If our exploration programmes successfully identify commercially viable ore bodies, additional funds will be required to develop such resources and bring them into production. Therefore, our ability to continue exploration and development activities depends, in part, on our ability to obtain suitable financing.

Our ability to obtain external financing in the future at a reasonable cost is subject to various factors, including our future financial condition, results of operations and cash flows, prevailing financial markets conditions and changes in monetary policies affecting interest rates and lending practices. There is no assurance that external financing will be available as required or on suitable terms, or at all. If we require additional funds and cannot obtain them when required on acceptable terms or at a reasonable financing cost or at all, we may be unable to fulfill our working capital needs, upgrade our existing facilities or expand our business. This could prevent us from entering into transactions that would otherwise benefit our business or implementing our future strategies, any of which may have a material adverse effect on our business, financial condition and results of operations.

Currency fluctuations may affect our results of operation and financial condition.

Our consolidated financial statements are presented in U.S. dollars. U.S. dollar is also the functional currency of our head office, Canadian subsidiaries, intermediate holding companies and subsidiaries in Ecuador. The functional currency of all of our Chinese subsidiaries is Renminbi. During the Track Record Period, we also issued financial instruments denominated in Renminbi, Canadian dollars and Australian dollars, and we did not adopt any foreign exchange hedging measures.

We are exposed to foreign exchange risk arising from transactions, assets and liabilities denominated in currencies other than our functional currencies. In particular, given all our mines under production during the Track Record Period were located in the PRC, fluctuations in Renminbi exchange rates could result in foreign currency exchange losses. Fluctuations in Renminbi exchange rate are due to various factors, including the policies of the PRC government and changes in PRC and international political and economic conditions, as well as market supply and demand. There can be no assurance that we will be able to manage our foreign exchange exposure effectively or that we will have sufficient foreign currency to meet our foreign exchange requirements.

For the fiscal year ended March 31, 2024 and 2025, we recorded foreign exchange loss of USD0.3 million and USD0.6 million, respectively. For the nine months ended December 31, 2025, we recorded foreign exchange gain of USD1 million, while we had no material foreign exchange gains or losses for the nine months ended December 31, 2024. As we currently do not maintain a foreign currency hedging policy, exchange rate fluctuations may continue to adversely affect our financial position, cash flows and results of operations.

We may incur depletion amounts related to our mineral rights and properties and may recognize impairment losses related to our mineral rights and properties, either of which may adversely affect our results of operations.

As at March 31, 2024 and 2025, and December 31, 2025, we had mineral rights and properties with net book value of USD318.8 million, USD587.0 million and USD666.6 million, respectively. Mineral rights and properties are depleted over the estimated life of mine using the units-of-production method, based on proven and probable reserves. Estimates of proven and probable reserves are subject to periodic review as new information becomes available, and any such revisions are prospectively applied in determining depletion amounts for future periods. The estimation of reserves is inherently uncertain and complex, requiring significant judgments based on available geological, engineering and economic data. Mineral rights are written off to profit or loss if a mining property is abandoned, which could have a material adverse effect on our results of operations.

The carrying value of mineral rights and properties is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy. For the fiscal years ended March 31, 2024 and 2025, and the nine months ended December 31, 2024 and 2025, we did not record any impairment of mineral rights and properties. However, any material decreases in the amount of our Mineral Reserves for our mines or changes, or any material changes to our production plans, may result in impairment of the carrying value of our mineral rights and properties, which may have a material adverse effect on our business, financial condition and results of operations.

The fair value measurement of our financial assets at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI") is subject to significant uncertainties and risks, and changes in such fair value may affect our financial performance and position.

Our investments in financial assets are classified as equity investments at FVTPL and investments at FVTOCI, respectively. Equity investments as FVTPL are measured at fair value with changes recognized in profit or loss. Investments designated as FVTOCI are measured at fair value with changes recognised in other comprehensive income. Dividends are recorded in profit or loss when our right to receive dividend payment is established, unless they represent a recovery of part of the investment cost. The fair value measurements of our financial assets at FVTPL and/or FVTOCI involve estimates and assumptions that are subject to significant uncertainties and risks.

Fair values of our equity investments at FVTPL and investments at FVTOCI are established by using valuation techniques, which involve the market comparison method adopted by independent professional valuers. Some significant unobservable inputs, such as price-to-sales ratios, require management estimates. Changes in these estimates or assumptions may lead to changes in material adjustments in fair value valuation. In addition, the valuation methodologies also involve significant management judgment and inherent uncertainty, which may result in material adjustments to the carrying amounts of certain liabilities and in turn may materially and adversely affect our results of operations.

As at March 31, 2024 and 2025 and December 31, 2025, the fair value of our equity investment at FVTPL was USD45.6 million, USD15.9 million and USD45.2 million, respectively, and the fair value of our equity investment at FVTOCI was USD0.6 million, USD1.3 million and USD3.7 million, respectively.

Failure to maintain appropriate inventory levels could cause us to lose sales or face excessive inventory risks and holding costs which could have a material adverse effect on our business, financial condition, and results of operations.

Demand for our products is influenced by various factors, including metal prices. For details, see "— Volatility in metal market prices could materially and adversely affect the profitability of our operations and financial condition". To meet market demand, we are required to maintain an appropriate level of inventories, which primarily comprise concentrates, direct smelting ore, stockpile ore and operating material and supplies.

We adjust our production schedule regularly based on anticipated changes in demand and customer orders to maintain our inventory levels appropriately. However, we cannot guarantee that we will always maintain an adequate inventory level of our products to meet market demand, which could result in loss of sales and market share to competitors. Conversely, if we hold excessive inventory, we may incur increased storage and holding costs and be exposed to risks of inventory obsolescence or write-offs. Any of the foregoing risks could have a material adverse effect on our business, financial condition, and results of operations.

The reduced corporate income tax rate currently enjoyed by our PRC subsidiaries may be changed or discontinued, which may increase our income tax expenses and materially reduce our net income.

During the Track Record Period, our PRC subsidiaries Henan Found and Guangdong Found were accredited as High and New Technology Enterprises ("**HNTEs**") and thus enjoyed the reduced EIT rate of 15%, lower than the standard EIT rate of 25% pursuant to EIT Law and related regulations. This preferential HNTE tax scheme is designed to foster innovation and technological advancement in HNTEs which are selected based on a series of criteria on a renewable three-year term. Both in their second third-year terms as HNTEs, Henan Found and Guangdong Found are required to renew their HNTE accreditations upon the expiration of the current terms. No assurance can be given that Henan Found and Guangdong Found can successfully renew their respective HNTE status every three years to maintain the reduced EIT rate. Failure to renew may result in the PRC subsidiaries returning to the standard 25% EIT rate.

In addition, the HNTE tax incentives are subject to changes in government policies and regulations. No assurance can be given that the reduced corporate tax rate treatment for HNTEs under PRC laws will not change or be discontinued. The reduction or elimination of the tax incentive may increase our income tax expenses and materially reduce our net income.

If we are unable to implement and maintain effective internal controls over financial reporting, [REDACTED] may lose confidence in the accuracy and completeness of our financial reports.

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. We use the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") to evaluate, with the participation of our chief executive officer, chief financial officer, the effectiveness of our internal controls.

However, internal control systems have inherent limitations and can only provide reasonable assurance regarding the reliability of financial statement preparation and presentation. Changes in business conditions, deterioration in compliance, or human error may result in control deficiencies. As our business evolves, we may need to enhance or implement additional internal control policies and procedures, and there can be no assurance that such measures will be implemented effectively or in a timely manner. Failure to achieve or maintain adequate internal control over financial reporting on a timely basis could result in a loss of **[REDACTED]** confidence in the reliability of our financial statements, which in turn could harm the business and negatively affect the trading price of **[REDACTED]**. Moreover, we may face challenges in retaining sufficient skilled finance and accounting personnel given the increased demand for such personnel among publicly traded companies. Future acquisitions may also present challenges in integrating and implementing appropriate internal controls in the acquired operations, which may not have control systems comparable to those required of a listed company, thereby exposing us to additional risks of control deficiencies. Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN VARIOUS JURISDICTIONS

We are subject to laws and regulations in various jurisdictions, breach of which could have a material and adverse impact on our business, results of operations, financial conditions and business prospects.

As at the Latest Practicable Date, we had operations, investments or listings across several jurisdictions, including, among others, Canada, the PRC, Ecuador, the Kyrgyz Republic, the United States, and Mexico. We are therefore subject to laws and regulations in these jurisdictions, particularly in relation to mining, environmental protection, import and export controls sanctions, anti-corruption, national security, data protection and privacy, tax production safety, and public disclosure. Compliance with such laws and regulations may require us to obtain and maintain various licences, permits and approvals from governmental authorities and, in certain cases, consents from local communities or indigenous groups. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions. Regulatory or judicial authorities may also impose operational restrictions, require corrective or remedial measures, mandate additional capital expenditure or, in certain cases, suspend or terminate our operations. We may also be required to compensate third parties for losses arising from any non-compliance. Any of the foregoing could result in significant costs or loss of revenue.

Our operations and investments may also be adversely affected by changes in applicable laws and regulations, more stringent enforcement, or shifts in governmental policies in the jurisdictions in which we operate, including those relating to mining, foreign investment and capital repatriation. Such changes, as well as political and economic developments, exchange controls and currency fluctuations, are inherently uncertain and difficult to predict. There can be no assurance that we will be able to obtain or maintain all necessary licences, permits and approvals required for our operations.

Compliance with multi-jurisdictional regulatory requirements may be complex, costly and time-consuming, particularly as such laws and regulations continue to evolve and may differ significantly across jurisdictions. Although we have implemented internal policies and procedures to support compliance, there can be no assurance that such measures will be sufficient, effective or updated in a timely manner. In addition, any future expansion into new jurisdictions may expose us to further legal and regulatory risks and increase our compliance costs. If we are subject to the laws of two jurisdictions that stand in conflict with one another, we may not be able to comply with all of the laws applicable to us which may adversely affect us in one or more jurisdictions. Any failure to comply with applicable laws and regulations could have a material adverse effect on our business, financial condition, results of operations and prospects.

Part of the Chaarat Gold Project is included in the protected area of the Western Tien-Shan UNESCO Natural Heritage Site, and if we continue our exploration and mining activities while the area remains part of a protected UNESCO World Natural Heritage Site, our reputation could be harmed.

Part of the Chaarat Gold Project is located within the Besharal State Reserve, which is currently designated as part of the "Western Tien-Shan" UNESCO World Natural Heritage Site. The "Western Tien-Shan" is a transnational UNESCO World Heritage property spanning the Kyrgyz Republic, Kazakhstan and Uzbekistan, and UNESCO recognizes the site for its significant biodiversity and conservation value. According to letter No. 07-01-9/9270 dated October 7, 2025 issued by the Ministry of Natural Resources, Ecology and Technical Supervision of the Kyrgyz Republic (the "**Licensor**"), the Kyrgyz Republic provided mistaken coordinates of the Besharal State Reserve at the time it nominated the "Western Tien-Shan" site for UNESCO recognition. As any modification to the boundaries of the cross-border UNESCO site requires the approval of the Kyrgyz Republic, Kazakhstan and Uzbekistan, there can be no assurance that agreement will be reached among these countries or that the affected area will ultimately be excluded from the protected area.

The UNESCO World Natural Heritage designation is internationally recognized and associated with heightened expectations regarding environmental protection and conservation. If we continue or expand our exploration and mining activities in the affected area while it remains within the protected site, we may be subject to increased scrutiny from, international organizations, environmental groups, investors and the public. Any perception that our activities are incompatible with the preservation objectives of the UNESCO designation, irrespective of our compliance with applicable laws, licence conditions or environmental requirements, could result in adverse publicity, stakeholder opposition and reputational damage. Such reputational harm could adversely affect our relationships with investors, business partners and local communities, and may materially and adversely affect our business, results of operations and prospects.

We face risks associated with our acquisition of Chaarat ZAAV, and failure to successfully integrate its operations could adversely affect our post-acquisition performance and business aspects.

Our acquisition of Chaarat ZAAV was completed on January 23, 2026. Currently, we are in the process of integrating Chaarat ZAAV into our existing enterprise structure. There can be no assurance that the acquisition will bring benefits to us to the extent anticipated or that we will successfully integrate Chaarat ZAAV into our existing business to achieve the expected synergies with our existing operations and fulfill the acquisition's purposes. These synergies are inherently uncertain and subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. If implemented ineffectively or if impacted by unforeseen negative economic or market conditions or other factors, we may not realize all the anticipated benefits of the acquisition of Chaarat ZAAV. Our failure to meet the challenges involved in realizing the anticipated benefits of the acquisition of Chaarat ZAAV could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations. The acquisition and integration of Chaarat ZAAV may result in material unanticipated problems, expenses, liabilities, competitive responses and diversion of management's attention, and we may record impairment charges or write-offs in connection therewith if the anticipated benefits of the acquisition fail to materialize.

Through the acquisition of Chaarat ZAAV and under the related agreements, at the Last Practicable Date, we held a 70% interest of the Chaarat Gold Project, underground gold mines located in the Tian Shan area of the Kyrgyz Republic. Operations at the Chaarat Gold Project require government approvals, licences and permits. As at the Latest Practicable Date, the Chaarat Gold Project was covered by one mining licence and one exploration licence. However, there is no assurance that the existing licences will not be revoked or cancelled in the future. Loss of the licences or failure to extend the licences will materially and adversely affect our operations at the Chaarat Gold Project and our overall business and financial condition.

Even if the synergies are achieved, they may not materialize within the anticipated time frame and could be offset by acquisition costs, losses of key customers and/or suppliers, employee disputes, changes in local government policies, expense increases, operating losses, or other business issues. As a result, there can be no assurance that the acquisition will prove commercially viable.

We are subject to anti-corruption and anti-bribery laws, and any violations could have a material adverse effect on our business.

Our operations are governed by, and involve interactions with, various levels of government in multiple jurisdictions, including Canada, the United States, the PRC, Ecuador, and the Kyrgyz Republic. We are required to comply with anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act (the "**FCPA**") and similar anti-corruption regulations. These laws generally prohibit bribery or improper payments to government officials to obtain or retain business and mandate accurate books, records, and internal controls. The FCPA also requires companies to maintain accurate books and records and internal controls Violations can arise not only from our employees but also from contractors, subsidiaries, or third-party agents acting on our behalf.

Enforcement of these laws has intensified in recent years, with heightened scrutiny, severe penalties, and potential reputational harm for violators. While we maintain internal compliance policies and procedures, they may not always be effective in ensuring that we, our employees, contractors or third-party agents will comply strictly with all such applicable laws. Any enforcement action, investigation, or finding of noncompliance could result in substantial fines, sanctions, business restrictions, or other adverse consequences, materially impacting our reputation, business, financial condition, results of operations, or prospects.

We may be subject to heightened scrutiny by the SEC or other regulators in the United States that could adversely affect our business and operations.

In recent years, there have been heightened scrutiny of U.S.-listed companies with PRC operations, evolving disclosure requirements, and the Public Company Accounting Oversight Board ("**PCAOB**") audit access issues. In particular, the Holding Foreign Companies Accountable Act ("**HFCAA**"), as amended by the Accelerating Holding Foreign Companies Accountable Act, empowered the SEC to impose U.S. trading prohibitions on issuers whose auditors cannot be fully inspected or investigated by the PCAOB for a specified period because of positions taken by foreign authorities. Although the PCAOB announced in recent years that it had secured complete access to inspect and investigate registered public accounting firms in China and Hong Kong, there can be no assurance that such access will continue or that future regulatory or political developments will not adversely affect companies with operations in China.

Due to our China operations, we may be subject to heightened scrutiny by the SEC or other regulators and political institutions in the United States that may adversely affect our ability to do business or maintain our stock exchange listing in the United States. Such scrutiny may also result in additional compliance obligations, increased costs associated with legal, accounting and regulatory matters, enhanced disclosure requirements, or requests for additional information regarding our business and operations.

We face risks associated with our acquisition of Adventus, and any failure to successfully integrate Adventus may adversely affect our business and results of operations.

We completed the acquisition of Adventus on July 31, 2024 and are currently integrating Adventus into our existing group structure. There can be no assurance that we will successfully integrate Adventus or realize the expected benefits or synergies from the acquisition. The integration process may involve unforeseen difficulties, expenses, liabilities, management distraction, operational disruption or impairment charges, any of which could materially and adversely affect our business, financial condition and results of operations.

Adventus' projects require various governmental approvals, licences and permits. There can be no assurance that such approvals, licences and permits will be obtained, maintained or renewed in a timely manner, or at all, or that all applicable conditions will be complied with. For example, certain plaintiffs previously commenced legal proceedings challenging the environmental consultation process of the El Domo Project and seeking to void its environmental licence. Although the proceedings were resolved in our favour, we cannot assure you that no additional or subsequent legal actions will arise in relation to the El Domo Project or other mining interests acquired through Adventus. Any such developments may adversely affect the relevant projects and our results of operations.

We face various social, safety and security risks that may affect safety at our Ecuadorian operations.

Ecuador's recent economic challenge and drug cartel activities have increased national security risks that could disrupt our operations, particularly in the Province of Bolivar where our El Domo Project is located. The El Domo Project also had historic conflict with local anti-mining groups amid poverty and socio-economic challenges. Such risks could result in injury or death, theft, sabotage or damage to property, work stoppages, or blockades of our mining operations, which may have a material adverse effect on our operations and profitability.

In addition, the operations of artisanal and illegal miners could interfere with our activities and could result in conflicts at our Ecuadorian mining assets, causing pollution, environmental damage or personal injury or death, for which we could potentially be held accountable. Under Ecuadorian law, the mining concessionaire is obliged to file a report regarding any illegal mining activities occurring within its mining concession area and can pursue enforcement against such illegal activities through mining authorities or criminal courts. The presence of artisanal and illegal miners can also lead to project delays, disputes, mine stoppages, environmental issues and thus have a material adverse effect on our results of operations.

The permit, filing or other requirements of relevant government authorities in relation to our proposed [REDACTED] or further capital raising activities may be required under PRC laws.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of the PRC and the General Office of the State Council jointly issued the Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), which emphasized the need to strengthen the administration over illegal listing, and the supervision over overseas listing by domestic companies. Stringent measures aimed at establishing a robust regulatory system are expected to be taken to deal with the risks associated with overseas listed companies based in or having significant operations in the PRC, and to tackle any related cybersecurity and data security, cross-border data transmission, and confidential information management, among other matters.

Further, on February 17, 2023, the CSRC released the "**Overseas Listing Trial Measures**"), which apply to overseas offerings and listing by domestic companies of equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities, and came into effect on March 31, 2023. For details, please refer to "Regulatory Overview — Regulations in China.

Pursuant to these regulations, the **[REDACTED]** is subject to the **[REDACTED]** requirement with the **[REDACTED]** as advised by our PRC Legal Adviser. We received the **[REDACTED]** issued by **[REDACTED]** dated [•] indicating that we have completed the **[REDACTED]**. After the **[REDACTED]** issued and before the **[REDACTED]** completed, we are under the obligation to report such events to update the **[REDACTED]** with the **[REDACTED]** within three business days under any of the following circumstances: (i) material changes to the qualification of the main business or business licence; (ii) material changes to the equity structure or change of control; and (iii) material adjustments to the overseas **[REDACTED]**. Nonetheless, in the event that we fail to complete overseas **[REDACTED]** within 12 months from the date of the **[REDACTED]**, we shall update the **[REDACTED]** documents if the overseas **[REDACTED]** would still be promoted.

In addition, our future capital raising activities such as follow-on equity or debt offerings, listing on other stock exchanges, and going private transactions, may also be subject to the **[REDACTED]** requirement with the CSRC. Failure to complete such filing procedures as required under the Overseas Listing Trial Measures, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in the PRC, and other forms of sanctions that may materially and adversely affect our business, financial conditions, and results of operations.

PRC government policies on foreign currency conversion may adversely affect our business, the results of operations, and our ability to remit dividends.

Conversion and remittance of foreign currencies are subject to the PRC foreign exchange regulations administered by the State Administration of Foreign Exchange (the "**SAFE**"). Under the PRC's current foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require prior SAFE approval must be supported by relevant documentary evidence of such transactions and be conducted through designated foreign exchange banks within the PRC that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, generally require approval or registration with SAFE or its local branch or its designated banks, unless otherwise permitted by law. Any restriction on or insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to convert RMB into any foreign exchange for any of the above purposes, any offshore capital expenditure we may have in the future and even our business may be materially and adversely affected.

Developments in the labor market, increases in labor costs or any possible labor unrest in jurisdiction where we operate may adversely affect our business and results of operations.

Competition for skilled labor is intense in the industry and the jurisdictions where we operate, and labor market conditions are continually evolving. These developments may result in difficulty in attaining suitable manpower and increased labor costs, which could adversely affect our business, financial condition and results of operations.

There can be no assurance that labor unrest among employees, local communities or labor unions will not occur. Such unrest could result in material work slowdowns, stoppages or strikes or negative publicity, any of which may adversely affect our business, financial condition and results of operations.

The enforcement of the PRC Labor Contract Law, the PRC Social Insurance Law, and other labor-related regulations, as well as any failure to make full contribution to social insurance and housing provident funds, may materially affect our business, financial condition, and results of operations.

During the Track Record Period, our PRC subsidiaries did not make full contributions to social insurance and housing provident funds for certain employees based on their average monthly salaries, as required under applicable PRC laws and regulations. For details, see "Business — Employees — Social Insurance and Housing Provident Funds" in this Document. In the event of any non-compliance with social insurance and housing provident fund contribution, the relevant competent authorities may order us to pay the outstanding amount within a prescribed time limit. Failure to do so may result in the competent authorities applying to the people's court for enforcement. In the event of any non-compliance with social insurance and housing provident fund contribution, the relevant competent authorities may impose an overdue fee amounting to 0.05% of the outstanding amount per day. Failure to make full payment in time as well as pay the overdue fee may result in the relevant competent authorities further imposing a fine ranging from one to three times the outstanding amount.

Given the interpretation and implementation of the PRC Labor Contract Law, the PRC Social Insurance Law, the Regulation on the Administration of Housing Provident Funds and other labor-related regulations (the "**labor-related laws and regulations**") continue to evolve, there is no assurance that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

It may be difficult for the Hong Kong regulators to obtain information from, or seek regulatory assistance in, the Kyrgyz Republic where circumstances so require in the course of overseeing us as a [REDACTED] company under the laws and regulations of Hong Kong.

Our Directors and we, which will be regulated by the SFO and other applicable laws and regulations in Hong Kong upon the **[REDACTED]**, will be required to provide the SFC with all information relating to our business in the Kyrgyz Republic that is necessary for its investigation of our affairs as may be required under Hong Kong laws or regulations. However, as the Kyrgyz Republic is neither a member of the International Organization of Securities Commissions (the "**IOSCO**") nor a signatory to the IOSCO Multilateral Memorandum of Understanding (the "**IOSCO MMOU**"), the Hong Kong regulators may face practical difficulties in obtaining information from, or seeking assistance from, the relevant authorities in the Kyrgyz Republic when circumstances so require.

We may be adversely affected by ongoing or future regional conflicts.

Heightened geopolitical instability in the Middle East has contributed to uncertainty in global economic and financial conditions, and increased volatility in energy, fuel, and transportation markets, as well as contributing to volatility in labor, financial, and commodity markets. Disruptions to fuel and energy supply, including as a result of government-imposed restrictions, sanctions, export controls, or other regulatory actions, could materially increase our operating costs or require the temporary suspension or shutdown of certain mineral exploration activities where reliable access to fuel or power is essential to safe and continuous operations. Heightened geopolitical tensions may also increase costs associated with insurance, air travel and shipping, thereby increasing our costs and adversely affecting our financial condition and results of operations.

RISKS RELATING TO OUR [REDACTED]

The trading price of our [REDACTED] may be volatile, which could result in substantial losses to [REDACTED].

Our **[REDACTED]** have exhibited high volatility since listing on the TSX and NYSE American, and fluctuations of the trading price of our **[REDACTED]** may arise from factors beyond our control, including broad market and industry factors (such as the fluctuations of the trading prices of the shares of **[REDACTED]** PRC-focused companies listed in Hong Kong, the United States or Canada) as well as factors in relation to our operations, including (i) variations in our revenue, earnings or cash flow; (ii) fluctuations in silver, gold, copper, lead, zinc and other metal prices; (iii) changes in operating metrics, announcements of new investments, acquisitions, strategic partnerships or joint ventures, mining projects or expansions by us or our competitors; (iv) changes in securities analysts' financial estimates, negative publicity concerning us, our competitors or our industry; (v) additions or departures of key personnel; (vi) release of lock-up or transfer restrictions, or sales of additional equity securities; and (vii) regulatory developments or potential litigation or regulatory investigation affecting us or our industry.

Any of these factors may trigger sudden changes in the **[REDACTED]** volume and price of our **[REDACTED]**. Volatility or a lack of positive performance in our **[REDACTED]** price may also adversely affect our ability to retain key employees, most of whom have been granted equity incentives.

If [REDACTED] analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our securities, the [REDACTED] price for our [REDACTED] and [REDACTED] volume could decline.

The **[REDACTED]** for **[REDACTED]** depends in part on analyst research and reports. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade our **[REDACTED]** or publish inaccurate or unfavorable research about our business, the **[REDACTED]** price and of our **[REDACTED]** would likely be adversely affected. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly and timely, we could lose visibility and attractiveness in the financial markets, which, in turn, could cause the **[REDACTED]** price and volume of our **[REDACTED]** to decline materially.

Substantial sales of our [REDACTED] following the [REDACTED], or the perception that such sales could occur, could materially and adversely affect the [REDACTED] price of our [REDACTED].

Sales of our **[REDACTED]** in the public market, or the perception that such sales could occur, could cause the **[REDACTED]** price of our **[REDACTED]** to decline. **[REDACTED]** held by our existing **[REDACTED]** may be available for sale, subject to the volume and other restrictions as applicable such as those provided by relevant laws, regulations and lock-up agreements, including those entered into in connection with the **[REDACTED]**. We cannot predict what effect, if any, market sales of securities held by our significant shareholders, management team or any other shareholder or the availability of these securities for future sale will have on the market price of our **[REDACTED]**.

Techniques employed by short sellers may drive down the [REDACTED] price of our [REDACTED].

Public companies that have substantial operations in the PRC have, from time to time, been the subject of short selling activities and related negative publicity regarding their corporate governance, internal controls, or accounting practices. For example, we were subject to short selling activities in 2011. On September 1, 2011, we received a copy of an anonymous letter dated August 29, 2011 that maliciously a alleged a potential accounting fraud on our part. Subsequently, on September 13 and 14, 2011, a series of anonymous allegations against us were published on the websites "alfredlittle.com" and "Chinastockwatch.com", respectively. Around the same period, beginning on June 3, 2011, short interest in our Shares increased by approximately two or three times. Notwithstanding our proactive responses to these allegations, they caused loss and concern among our investors and employees and adversely affected confidence in our Shares in the financial market.

If we were to become the target of any such unfavorable allegations (whether true or false) by short sellers again in the future, we may need to expend a significant amount of resources to investigate such allegations and defend ourselves. While we would vigorously defend against any such short seller attacks, we may be constrained in the way we can proceed against the relevant short seller by principles of freedom of speech, applicable state laws or issues of commercial confidentiality. As such, even groundless allegations by short sellers against us could severely and adversely impact our business operations, financial condition, and results of operations.

Future issuance of Share or equity-related securities may depress the trading price of our Shares.

Any future issuance of Shares or equity-linked securities (other than on a pro rata basis to existing Shareholders), including the issuance of Shares upon conversion of our outstanding convertible notes and other derivative securities, could dilute investors' ownership interest and could substantially decrease the trading price of our Shares. We may issue equity securities in the future to finance our business operations and growth plans, and we cannot predict the effect that such future sales of the Shares or other equity-related securities would have on the **[REDACTED]** price of our **[REDACTED]**. In addition, such issuance may also reduce earnings per **[REDACTED]** and net tangible assets per **[REDACTED]**, further adversely affecting the prices of our **[REDACTED]**.

We incur increased costs as a result of being a public company.

As a public company, we incur significant legal, accounting, and other expenses that we may not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC, NYSE American and the TSX, impose various requirements on the corporate governance practices of public companies. The SEC is currently reevaluating, and may increase, the disclosure requirements applicable to foreign private issuers. We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. Our management will be required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a public company may place a strain on our management, operational and financial resources and systems for the foreseeable future.

As we are a Canadian company, it could be difficult for [REDACTED] to effect service of process on and recover against us or our Directors and officers. Our [REDACTED] may face difficulties in protecting their interest.

We are a Canadian company and most of our officers and Directors are residents of various jurisdictions outside Hong Kong. A substantial portion of our assets and the assets of our officers and Directors, at any one time, are and may be located in jurisdictions outside Hong Kong. It could be difficult for **[REDACTED]** to effect service of process within Hong Kong on our Directors and officers who reside outside Hong Kong or to recover against us or our Directors and officers on judgments of Hong Kong courts predicated upon the laws of Hong Kong.

Our corporate affairs are governed by our Articles and the BCBCA. The rights of our Shareholders and the fiduciary responsibilities of our Directors are governed by the laws of the Province of British Columbia, Canada. The laws of the Province of British Columbia, Canada relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. For details, please refer to "Appendix IV — Summary of Articles, Canadian Corporate and Securities Laws, and Certain United States Federal Securities Laws, TSX and NYSE American Listing Policies and Shareholder Protection Matters" to this Document.

We are a foreign private issuer within the meaning of the rules under the U.S. Securities Exchange Act of 1934, as amended ("U.S. Exchange Act") that files reports and other documents with the SEC pursuant to the Canada-U.S. multijurisdictional disclosure system ("MJDS"), and as such we are exempt from certain provisions applicable to United States domestic public companies and non-MJDS foreign private issuers.

Because we are a foreign private issuer under the U.S. Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the U.S. that are applicable to U.S. domestic issuers, including:

- the rules under the U.S. Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the U.S. Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the U.S. Exchange Act;
- the sections of the U.S. Exchange Act requiring certain insiders to file public reports of their stock ownership and trading activities, imposing liability for insiders who profit from trades made in a short period of time and prohibiting short sales; and
- the selective disclosure rules by issuers of material non-public information under Regulation FD under the U.S. Exchange Act.

Because we are a Canadian company that is eligible to file reports and other documents with the SEC pursuant to the MJDS system, we are also:

- permitted to file our annual report with the SEC on Form 40-F in reliance upon Canadian securities law requirements, which exempts us from many of the disclosure requirements otherwise applicable to foreign private issuer on Form 20-F; and
- permitted to disclose technical and scientific information, including estimates of mineral resources and mineral reserves, for our mineral properties pursuant to the NI 43-101 Code, in lieu of complying with the SEC's standards for such disclosures under subpart 1300 of Regulation S-K ("**Subpart 1300**"), and are exempt from the requirement to file Subpart 1300 compliant technical report summaries with the SEC.

We are required to file an annual report with the SEC following the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the NYSE American. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC may be less extensive and less timely than that required to be filed with the SEC by U.S. domestic issuers and non-MJDS foreign private issuers. The information we disclose may also differ significantly from the information that would be disclosed by U.S. domestic issuers and non-MJDS foreign private issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you **[REDACTED]** in a U.S. domestic issuer.

We may be unable to maintain compliance with NYSE American and TSX continued listing standards, which would likely cause the liquidity and market price of the Shares to decline.

The Shares are currently listed on the NYSE American and the TSX. We are subject to the continued listing criteria of the NYSE American and the TSX, and such exchanges will consider suspending dealings in, or delisting, securities of an issuer that does not meet its continued listing standards. In order to maintain the listings, we must maintain certain corporate governance standards. We must also satisfy certain objective standards, such as share prices, shareholders' equity, market capitalization and share distribution targets. In addition, the NYSE American may delist the securities of any issuer, among other reasons, if the issuer sells or disposes of principal operating assets, ceases to be an operating company or has discontinued a substantial portion of its operations or business for any reason or the NYSE American otherwise determines that the securities are unsuitable for continued trading. We may not be able to satisfy these standards and remain listed on the NYSE American and the TSX.

Delisting of the Shares may result in a breach or default under certain of our agreements. A delisting of the Shares could also adversely affect our reputation, our ability to raise funds through the sale of equity or securities convertible into equity and the terms of any such fundraising, the liquidity and market price of the Shares and the ability of broker-dealers to purchase the Shares.

RISKS RELATING TO THE TRIPLE [REDACTED]

The liquidity of our [REDACTED] on the [REDACTED] could be limited.

Our **[REDACTED]** have not traded on the **[REDACTED]** before the **[REDACTED]** and there could be limited liquidity in our **[REDACTED]** on **[REDACTED]**. No assurance can be given that an active trading market for our **[REDACTED]** on the **[REDACTED]** will develop or be sustained. In addition, there is no assurance that the price at which **[REDACTED]** are traded on the **[REDACTED]** will be substantially **[REDACTED]** to the per-**[REDACTED]** equivalent price at which our Shares are traded on TSX and NYSE American or that any particular volume of **[REDACTED]** will trade on the **[REDACTED]**. If an active trading market of our **[REDACTED]** in **[REDACTED]** is not developed or is not sustained after the **[REDACTED]**, the market price and liquidity of our **[REDACTED]** on the **[REDACTED]** could be materially and adversely affected.

The characteristics of the Canadian share market, the United States share market and [REDACTED] share market are different.

Our Shares are listed on the TSX and the NYSE American and will be **[REDACTED]** on the **[REDACTED]**. Because of the different characteristics of those share markets, including, among others, the different trading hours, trading volume and liquidity, as well as investor bases, the historical prices of our Shares may not be indicative of the post-**[REDACTED]** performance of the Shares. In addition, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of all three jurisdictions, unless an exemption is available, or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules across three jurisdictions.

Any failure or alleged failure by us to maintain effective disclosure controls could have an adverse effect on our business, financial position, and results of operations

We are subject to the periodic reporting requirements of the U.S. Exchange Act and under Canadian securities laws and we are required to maintain disclosure controls and procedures that are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the U.S. Exchange Act and under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the SEC and

Canadian securities regulators and that such information is accumulated and communicated to management to allow timely decisions regarding required disclosure. Following the completion of the **[REDACTED]**, we will also be subject to the disclosure requirements of **[REDACTED]**.

Compliance with the regulations and disclosure requirements of each jurisdiction, and coordinating the approach among Canada, the United States and **[REDACTED]** will take significant time and expense. We may not be able to fully comply with all disclosure laws and regulations Any failure or alleged failure by us to maintain effective disclosure controls could have an adverse effect on investor confidence or on our business, financial position and results of operations. Further, our efforts to maintain effective disclosure controls may result in increased general and administrative expenses and may divert management's time and attention from our business.

The time required to reposition our Shares among the Canadian Share Register and the [REDACTED] may be longer than expected, and investors may not be able to settle or effect any repositioning of their securities during such period.

There is no direct trading or settlement link between the TSX and **[REDACTED]** on which our Shares are traded. In addition, the time differences among **[REDACTED]** and Toronto, as well as unforeseen market conditions or other factors, may delay dealings in our Shares. Investors may be prevented from settling or effecting sales or repositioning of their securities during any such delay, and there can be no assurance that any transactions will be completed within the timeframe **[REDACTED]** may anticipate.