SOURCES OF INDUSTRY INFORMATION

In connection with the **[REDACTED]**, we commissioned SMM, an Independent Third Party, to prepare a report on the silver, zinc, lead, copper, and gold market. We have agreed to pay a total of USD 45,700 in fees for the preparation of the SMM Report. SMM is an integrated internet platform of benchmark prices, analysis, consulting and conferences of the metals & mining industry, and its consulting business with over 20 years of experience covering the metal markets. SMM conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as National Bureau of Statistics of China, Silver Institute, World Gold Council, etc. In compiling the SMM Report, SMM has adopted the following of each market: (i) the social, economic and political environment in the forecast period; (ii) the key industry drivers are likely to continue to drive the growth in each market during the forecast period, and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. The Directors, upon acting with reasonable prudence, confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the SMM Report.

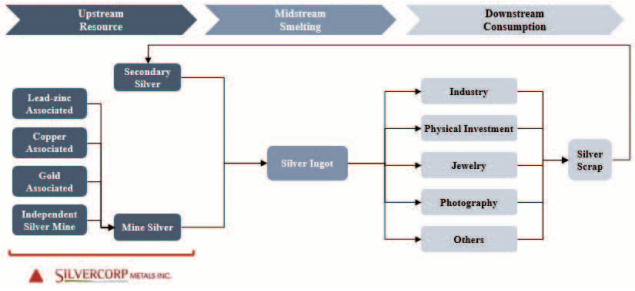
OVERVIEW OF SILVER INDUSTRY

Global Reserves of Silver

Silver is a traditional precious metal material and is found in tiny amounts in the Earth's crust, classified as a trace element. Silver has good ductility and malleability, as well as excellent electrical and thermal conductivity. Global silver reserves in 2025 are approximately 19,612 Moz. The top 5 countries account for about 68.7% of the global silver reserves, indicating a high concentration. Among them, the silver reserves of Peru, Russia, Australia, China and Poland are 3,537 Moz, 2,958 Moz, 2,926 Moz, 2,154 Moz and 1,897 Moz, respectively. Their global shares are 18.0%, 15.1%, 14.9%, 11.0% and 9.7%, respectively.

Silver Industry Value Chain

Within the silver industry value chain, the upstream silver resources include primary silver and secondary silver. The midstream is the smelting industry, while the main downstream industries contain industrial, photography, jewelry and physical investment.

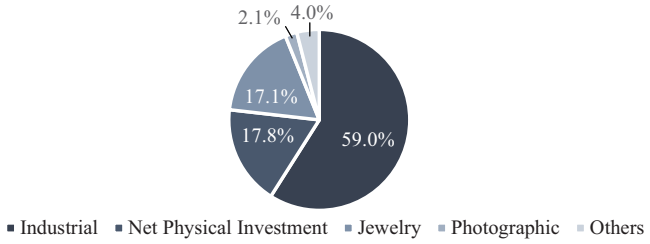


Source: SMM

Global Silver Consumption Structure by Downstream in 2025

In 2025, industrial, physical investment, and jewelry are the top 3 downstream applications of silver. Industrial demand makes up nearly 59% of the total at 677.4 Moz, with electronics & electrical and soldering alloys being the main industrial applications, accounting for 68.7% and 7.8% respectively. Net physical investment demand accounted for 17.8% at 204.4 Moz, while jewelry demand was around 17.1% at 196.2 Moz.

Global Silver Consumption by Downstream, 2025



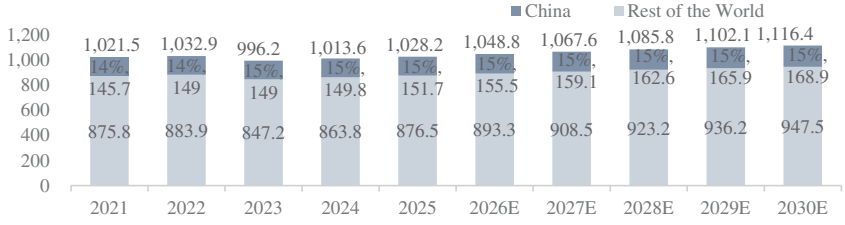
Source: SMM

Global Silver Supply

Globally, Mexico, China, and Peru are the major silver production regions. The silver supply is predominantly derived from primary mining and secondary silver recycling. Primary mine supply has consistently dominated the global silver supply, accounting for 81.2% of the total. In 2025, China is the world's second-largest silver producer, contributing nearly 15% of the global supply. From 2021 to 2025, the global silver supply has a modest increase. Since 2021, as countries have gradually controlled the epidemic and the global economy has recovered, downstream demand has increased, driving the continued growth in silver supply. Looking ahead, against the backdrop of sustained global economic recovery, influenced by the robust development of downstream industries such as AI data center and new energy, the global silver supply is projected to grow at a CAGR of 1.6% from 2026 to 2030. For China, the supply is anticipated to increase at a CAGR of approximately 2.1% during the same period.

Global Silver Supply, 2021-2030E (Unit: Moz)

	Global	China
CAGR (2021-2025)	0.2%	1.0%
CAGR (2026E-2030E)	1.6%	2.1%



Source: SMM, Silver Institute

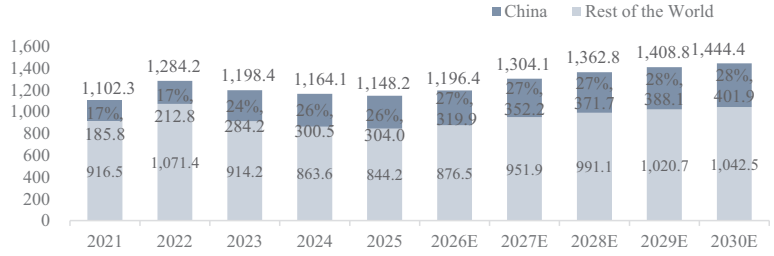
Global Silver Demand

Over the period of 2021-2025, global silver demand exhibited a pattern of initial growth followed by a moderate decline, representing a CAGR of 1.0%. From 2021 to 2022, demand surged significantly, largely driven by strong industrial consumption, particularly in electronics and the rapidly expanding solar PV sector, as well as a recovery in jewelry demand led by key markets such as India. However, from 2023 onward, global silver demand softened, mainly due to weakening industrial expansion outside China, cooling physical silver investment demand resulting from the cancellation of non-EU preferential policies, and the subdued global macroeconomic environment. In stark contrast, China's silver demand maintained a robust upward trajectory from 2021 to 2025, registering a CAGR of 13.1%. This growth was underpinned by the rapid expansion of domestic industrial sectors, particularly in the solar PV sector. In contrast, silver jewelry and photography demand have decreased, due to consumers' preference for gold jewelry and the shift to digital imaging.

Looking ahead to 2026-2030, global silver demand is projected to reach 1,444.4 Moz by 2030, representing a CAGR of 4.8%, with industrial usage remaining the primary growth engine. Silver's superior electrical and thermal conductivity properties are increasingly essential to the technological transformation driving the global economy. As a result, global silver industrial demand is poised to grow further as demand from vital technology sectors, including electric vehicles and their infrastructure, data centers, and artificial intelligence, continues to accelerate over the next five years. China's silver demand is also forecasted to maintain its upward momentum, with a CAGR of 5.9% during the period. Additionally, the increasing investment appeal of silver may also bolster demand from the jewelry and physical investment sectors.

Global Silver Demand, 2021-2030E (Unit: Moz)

	Global	China
CAGR (2021-2025)	1.0%	13.1%
CAGR (2026E-2030E)	4.8%	5.9%

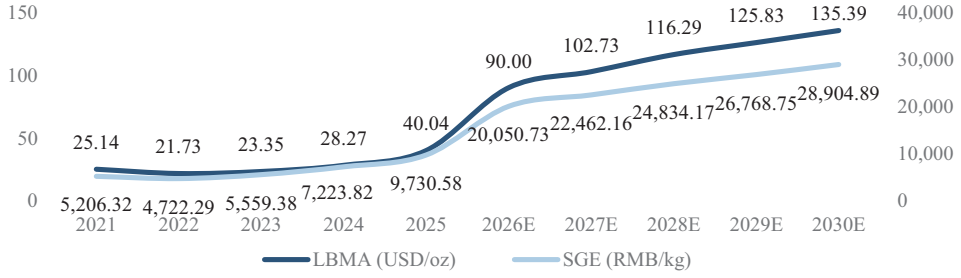


Source: SMM, Silver Institute

Silver Price Analysis

From 2021 to 2025, silver prices rose sharply from $25.14/oz to $40.04/oz, representing a CAGR of 12.3%. Silver prices began to accelerate upward from 2024 onward. 2025 was an exceptionally good year for silver, with its price recording an intra-year surge of 124.8%. The strength of the silver price was primarily fueled by a positive macroeconomic and geopolitical backdrop for the wider precious metals complex, with the LBMA silver price hitting a high of $74.84/oz in December. Looking ahead to 2026-2030, silver prices are forecast to rise from $90.00/oz to $135.39/oz, driven by supply shortages and surging demand. Persistent inflation and geopolitical risks are also expected to provide an upward trend in prices during this period.

Silver Nominal Price, 2021-2030E



Source: LBMA, SGE, SMM

Silver Production Cost

The all-in sustaining costs (AISC) have increased from approximately $11.37/oz in 2021 to approximately $12.21/oz in 2025, at a CAGR of 1.8%. In 2023, the AISC surged to $15.50/oz, with inflation being a key driver behind the cost spike. From 2024 to 2025, however, costs trended downward across most regions, fueled by higher by-product credits, growth in production, and easing

inflation. Specifically, rising prices of co-produced metals such as gold, zinc, and copper contributed significantly to lowering the AISC, though this benefit was partially offset by a corresponding increase in mining royalties. Additionally, local inflation in most major silver producing countries moderated during this period.

In 2025, the average total production cost of global companies was approximately $10.82/oz, and raw material costs are the largest component of silver mining costs, accounting for 25%. Labor cost accounted for 12% and it has also increased in recent years, as a result of inflation. Furthermore, energy cost, accounted for 11%, also experienced an increase in recent years. Moreover, administration cost accounted for 6% of the total production costs. Other costs account for 46% of the total, including depreciation, amortization, transportation costs, etc.

Competitive Landscape

China's silver concentrate production industry is highly concentrated, with the top 5 producers accounting for 31.8% of the national market supply in 2025. Among them, the Company ranked third, with a market share of 6.3%.

Key Market Players in China, 2025

Ranking	Company	Production[5], 2025 (Unit: Moz)	Market Share, 2025 (%)
1	Company A[1]	9.7	8.7
2	Company B[2]	7.6	6.8
3	**The Company**	**7.0**	**6.3**
4	Company C[3]	5.9	5.3
5	Company D[4]	5.3	4.7
	Others	75.7	68.2
	Total	**111.2**	**100.0**

Source: SMM

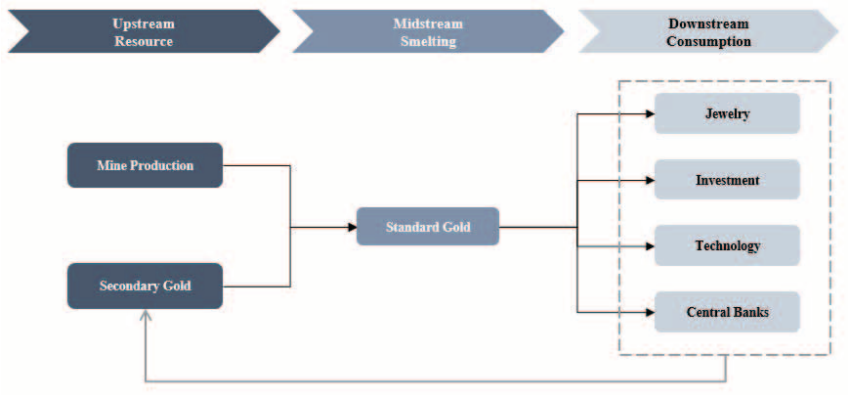
Notes:

1. Company A, established in 1991 and headquartered in Chifeng, Inner Mongolia, is a Chinese company listed on SZSE, mainly engaged in the mining, smelting, and sales of non-ferrous (copper, lead, zinc, tin, etc.) and precious metals, with a total operating revenue of approximately RMB5.6 billion in 2025.
2. Company B, established in 1986 and headquartered in Longyan, Fujian, is a Chinese company dually listed on SSE and HKEX, mainly engaged in the exploration, mining, production, smelting, and sales of metal mineral resources, with a total operating revenue of approximately RMB349.1 billion in 2025.
3. Company C, established in 2000 and headquartered in Qujing, Yunnan, is a Chinese company listed on SSE, mainly engaged in the mining, smelting, processing, import, export, and trading of zinc and germanium, with a total operating revenue of approximately RMB24.1 billion in 2025.
4. Company D, established in 1999 and headquartered in Beijing, is a Chinese company listed on SZSE, mainly engaged in the exploration and mining of precious metals and non-ferrous metal ores, as well as metal trading, with a total operating revenue of approximately RMB17.1 billion in 2025.
5. Domestic production within China only.

OVERVIEW OF GOLD INDUSTRY

Gold Industry Value Chain

Gold is a lustrous and yellow metal, possessing remarkable corrosion resistance, high intrinsic value, ease of circulation, and strong chemical stability. Due to its scarcity, gold is regarded as a rare and precious resource, exhibiting both commodity and financial properties. The gold industry value chain comprises upstream resources, midstream smelting and downstream consumption. The upstream involves mine production and secondary gold. The midstream covers smelting to produce standardized, tradable gold products. The downstream includes jewelry, investment, central bank reserves, and industrial/technological applications.



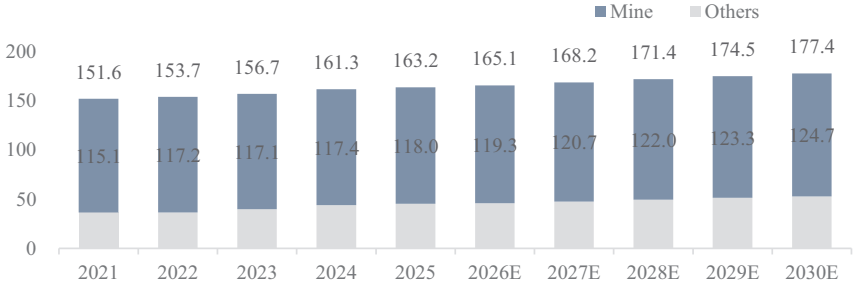
Source: SMM

Global Supply and Demand of Gold

The global gold supply includes gold mine production and secondary gold production. Among these, gold mine production is the most significant component. In 2025, global gold production reached 163.2 million ounces, with mine production accounting for 72.3% of total supply. The continuous rise in gold prices is driving an increase in gold supply. From 2026 to 2030, the global gold supply is expected to show an upward trend, increasing from 165.1 million ounces to 177.4 million ounces.

Global Gold Supply, 2021-2030E (Unit: Moz)

	Mine production	Global
CAGR (2021-2025)	0.6%	1.9%
CAGR (2026E-2030E)	1.1%	1.8%

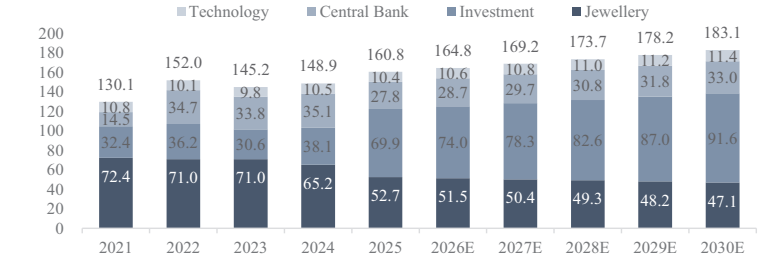


Source: SMM, World Gold Council

The global gold demand includes jewelry, investment, technology, and central bank reserves, with investment and central bank reserves serving as the main growth engines. From 2021 to 2025, global gold demand grew at a CAGR of 5.4%, reaching 160.8 million ounces in 2025, driven primarily by increased central bank reserve accumulation and rising investment demand amid risk diversification. Looking forward, from 2026 to 2030, global gold demand is projected to grow at a CAGR of 2.7%, underpinned by continued central bank purchases for reserve diversification and sustained investment demand against a backdrop of ongoing geopolitical uncertainty.

Global Gold Demand, 2021-2030E (Unit: Moz)

	Jewellery	Investment	Central Bank	Technology	Total
CAGR (2021-2025)	-7.7%	21.2%	17.7%	-1.1%	5.4%
CAGR (2026E-2030E)	-2.2%	5.5%	3.5%	1.9%	2.7%



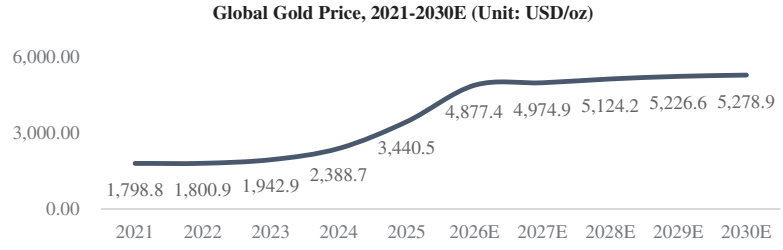
Source: SMM, World Gold Council

Global Gold Price

Global gold price is primarily influenced by factors such as real interest rates, U.S. dollar trends, geopolitical uncertainty, and inflation expectations. During periods of political or economic turmoil or stock market volatility, gold typically serves as a safe-haven asset, with its price tending to rise. Over the long term, gold prices have shown a volatile upward trend, with the price floor gradually rising during cyclical adjustments, reflecting its stability and growth potential as a store of value. Against the backdrop of de-dollarization, central banks in emerging markets are expected to further increase their gold reserves, coupled with investor optimism regarding gold's safe-haven role amid global uncertainty, the average annual gold price is projected to continue rising, reaching $5,278.9/oz by 2030.

From 2021 to 2025, the global spot gold price grew at a CAGR of 17.6%. Gold's financial attributes mainly drove the growth trend in global and Chinese spot gold prices. The growing trend of consumers investing in gold to hedge against risks stemming from global economic concerns, coupled with structural doubts about the credibility of the dollar-dominated international monetary system, is emerging as the primary driver behind rising gold prices. In 2025, the LBMA average gold price reached $3,440.51/oz. Increased geopolitical tensions, coupled with ample market liquidity, have generated expectations of loose fiscal and monetary policies in major economies, leading to a steady rise in gold prices. Looking ahead, the forward outlook continues to indicate potential for further appreciation in the price of gold.

Global Gold Price, 2021-2030E (Unit: USD/oz)



Source: LBMA, SMM

OVERVIEW OF COPPER INDUSTRY

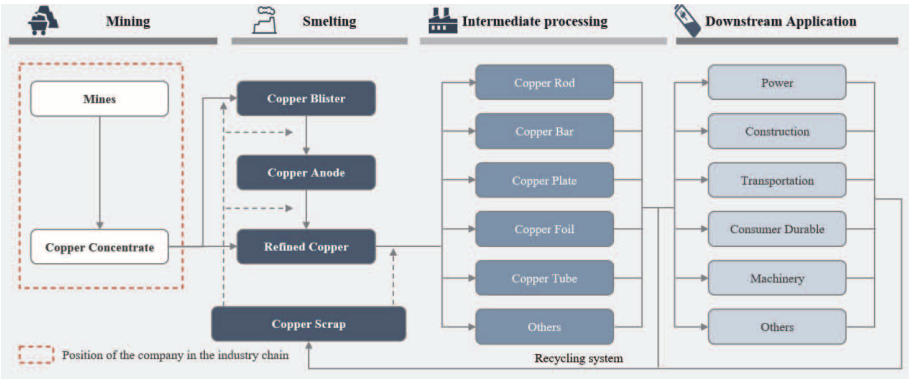
Global Reserves of Copper

Copper is a highly conductive metal, with global copper reserves reached 2,160,508 million pounds in 2025. The top 3 countries accounted for 37.2% of the global copper reserves. Among them, the copper reserves of Chile, Australia and Peru were 396,828 million pounds, 220,460 million pounds

and 187,391 million pounds, respectively. Their global shares were approximately 18.4%, 10.2% and 8.6%, respectively. Copper reserves in China were approximately 90,389 million pounds, accounting for 4.2% of the total.

Copper Industry Value Chain

Copper has excellent ductility, electrical conductivity and thermal conductivity and is easy to process. As to the copper's value chain, the upstream is the mining and beneficiation of copper concentrate; the midstream is the smelting and refining of copper concentrate or copper scrap and the downstream is the processing and application of copper. Copper processing products include rods, bars, tubes, plates, foils, etc. Main end-applications include construction, power, transportation, household appliances, electronics and machinery.



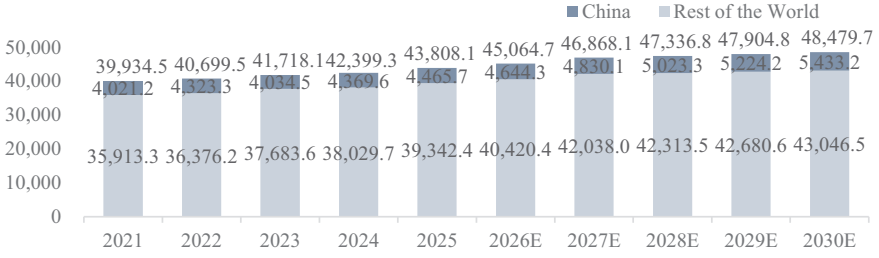
Source: SMM

Global Supply and Demand of Copper

Global copper concentrate production has shown a continuous upward trend, with a CAGR of 2.3% from 2021 to 2025. Driven by the commissioning of global copper mine capital expenditure projects, global copper concentrate production increased from 39,934.5 million pounds in 2021 to 43,808.1 million pounds in 2025. Looking ahead, global copper concentrate production is expected to continue growing from 2026 to 2030, reaching 48,479.7 million pounds in 2030, with a CAGR of 1.8%. The CAGR for China's copper concentrate supply from 2021 to 2025 is 2.7%. During this period, driven by downstream demand, China's copper concentrate supply increased from 4,021.2 million pounds to 4,465.7 million pounds. From 2026 to 2030, benefiting from the active development of downstream industries such as wind power, AIDC and NEVs, China's copper concentrate supply is projected to continue rising, with a CAGR of around 4.0%.

Global Copper Concentrate Supply, 2021-2030E (Unit: million pounds)

	Global	China
CAGR (2021-2025)	2.3%	2.7%
CAGR (2026E-2030E)	1.8%	4.0%

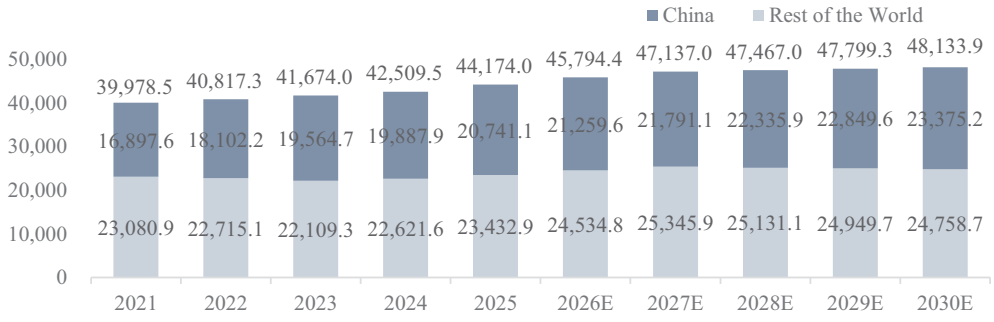


Source: SMM

From 2021 to 2025, global copper concentrate consumption has shown an increasing trend, at a CAGR of 2.5%. During this period, global copper concentrate demand rose from 39,978.5 million pounds in 2021 to 44,174.0 million pounds in 2025. Asia, especially China, remained the major consumption region. Looking ahead, global copper concentrate demand is expected to maintain an upward trend from 2026 to 2030, reaching 48,133.9 million pounds in 2030, with a CAGR of 1.3%. The CAGR for China's copper concentrate demand from 2021 to 2025 is 5.3%. Looking forward, China's copper concentrate demand is expected to continue increasing, supported by robust downstream consumption, reaching 23,375.2 million pounds by 2030, with a CAGR of 2.4%.

Global Copper Concentrate Demand, 2021-2030E (Unit: million pounds)

	Global	China
CAGR (2021-2025)	2.5%	5.3%
CAGR (2026E-2030E)	1.3%	2.4%

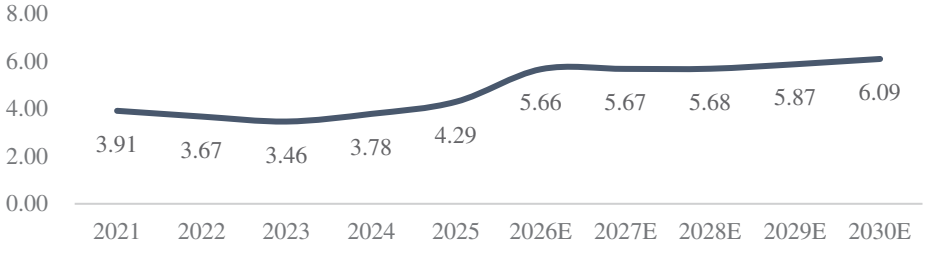


Source: SMM

Global Copper Price

Global copper concentrate prices are primarily influenced by fluctuations in refined copper prices and treatment charges (TC). From 2021 to 2024, global copper concentrate prices showed a fluctuating trend. Since 2024, supported by stronger downstream demand and persistently tight mine supply, global copper concentrate prices have entered an upward trend, rising to $4.29/lb in 2025. Looking ahead to 2026-2030, driven by continued tightness in copper concentrate supply and resilient downstream demand, global copper concentrate prices are expected to remain at a relatively high level and continue rising, projected to reach around $6.09/lb by 2030.

Global Copper Concentrate Price, 2021-2030E (Unit: $/lb)



Source: SMM, LME

OVERVIEW OF LEAD INDUSTRY

Industry Value Chain of Lead

The lead industry chain contains mining, smelting, deep processing and end-user applications. Lead ore is mined and processed into lead concentrate, which is then smelted into refined lead by smelters. Downstream processing enterprises further process it into lead oxide, lead alloys, etc., to produce lead-acid batteries, lead salts and other products, which are ultimately used in industries such as chemicals, automotive and energy storage.

Global Supply and Demand of Lead

From 2021 to 2025, global lead concentrate production experienced a marginal increase from 10,002.4 million pounds to 10,020.0 million pounds with a CAGR of 0.04%, despite temporary disruptions in 2022 due to supply constraints and rising energy costs, while demand grew from 10,055.3 million pounds to 10,122.4 million pounds with a CAGR of 0.2%, supported by emerging markets in Southeast Asia and India. Looking forward, from 2026 to 2030E, global supply is expected to grow to 10,656.6 million pounds, with a CAGR of 1.1%, driven by capacity expansion and sustained demand from the electric vehicle and energy storage sectors, with demand projected to grow to 10,774.9 million pounds, at a matching CAGR of 1.1%. In China, supply growth is expected to outpace global trends, with a CAGR of 2.0% over the same period, increasing from 3,674.4 million pounds to 3,977.3 million pounds, underpinned by improved smelting profits from by-product prices such as silver, while domestic demand is projected to grow at a more moderate CAGR of 0.5%, increasing from 5,740.4 million pounds to 5,867.7 million pounds, supported by steady lead-acid battery consumption and replacement needs.

Competitive Landscape in Lead Industry

In 2025, China's lead concentrate production was 3,602.4 million pounds, with more than 100 enterprises. Due to the large number of players, the majority of enterprises maintain a relatively low market share. In 2025, the company's lead concentrate production was approximately 62.6 million pounds, making it one of the top 10 lead concentrate producers in China.

Global Lead Price

Global lead concentrate prices are primarily derived by subtracting treatment charges from refined lead prices. Based on benchmark grades, a 1% decrease in actual grade results in a corresponding price deduction. Lead concentrate production is stabilizing, but supply remains tight, making significant future growth unlikely. Overall, global lead concentrate prices are influenced by fluctuations in refined lead prices and treatment charge. Driven by tight market supply, global lead concentrate prices are expected to remain at a relatively high level and remain stable, projected to stay around $0.95/lb.

Global Lead Concentrate Price, 2021-2030E (Unit: USD/lb)

Source: LME, SMM

OVERVIEW OF ZINC INDUSTRY

Industry Value Chain of Zinc

The zinc industry value chain is similar to that of lead. Zinc ore is extracted and processed into concentrate, which is then smelted into ingots. Downstream enterprises further refine the ingots into products like galvanized sheets, alloys, and zinc oxide. These processed zinc derivatives are ultimately utilized across industries such as real estate, automotive, and infrastructure.

Global Supply and Demand of Zinc

From 2021 to 2025, global zinc concentrate supply experienced a downward trend, from 28,614.7 million pounds to 26,969.2 million pounds, with a CAGR of -1.5%, primarily due to logistics disruptions caused by extreme weather and geopolitical conflicts since 2022, before rebounding in 2025 supported by sustained mine output growth. Over the same period, global zinc concentrate demand followed a declining and then recovering trajectory with a CAGR of -1.5%, decreasing from 28,906.1 million pounds in 2021 to 27,161.0 million pounds in 2025, as the 2022 energy crisis led to smelter production cuts, while demand gradually recovered by 2025 with China accounting for 50.1% of global consumption. Looking forward, from 2026 to 2030, global supply is expected to grow to 29,755.2 million pounds at a CAGR of 1.9%, driven by economic recovery and demand expansion, while global demand is projected to grow to 29665.7 million pounds, at a CAGR of 1.8%, supported by emerging applications such as AI data centers and zinc-based batteries. In China, supply growth is expected to significantly outpace global trends with a CAGR of 3.0% over the same period, increasing from 8,650.8 million pounds to 9,736.5 million pounds, while domestic demand is projected to grow at a CAGR of 2.9%, increasing from 12,812.2 million pounds to 14,337.4 million pounds, reflecting China's continued dominance as a major zinc concentrate consumer.

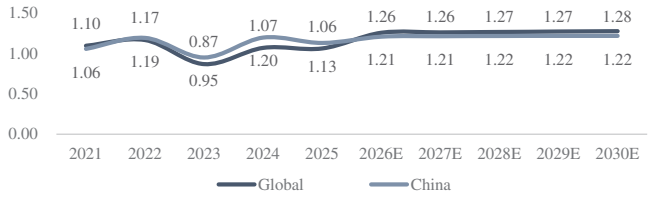
Competitive Landscape in Zinc Industry

In 2025, China's zinc concentrate production was 8,318 million pounds, with nearly 140 enterprises. Only 20% of these enterprises produced over 50 million pounds annually. Due to the large number of players, the majority of enterprises maintain a relatively low market share. In 2025, the company's zinc concentrate production was approximately 22.3 million pounds, making it one of the top 50 zinc concentrate producers in China.

Global Zinc Price

Zinc concentrate prices are influenced by the fluctuation of refined zinc prices and zinc concentrate TC both in China and globally. For zinc concentrate with a grade of 50%, zinc concentrate prices showed a fluctuating trend from 2021 to 2025. In 2023, due to the significant decline in refined zinc prices, global zinc concentrate price fell back to $0.87/lb. In 2024, with the rise in refined zinc prices and the decline in TC, global zinc concentrate price rebounded to $1.07/lb. Looking ahead to 2026-2030, driven by tight market supply, global zinc concentrate prices are expected to remain at a relatively high level and remain stable, projected to stay around $1.28/lb. For Chinese market, although future supply increases, downstream demand can keep pace with supply, China's zinc concentrate prices are expected to remain stable.

Global Zinc Concentrate Price, 2021-2030E (Unit: $/lb)



Source: LME, SMM

GROWTH DRIVERS OF THE INDUSTRY

We believe the following factors will drive the growth of the industry:

- *Rapid growth of the AI data center industries.* Driven by the insatiable demand for computing power, the AI data center industry is poised for explosive expansion. This growth necessitates massive power infrastructure and advanced cooling systems, leading to a sustained increase in demand for essential metals like copper and silver.

- *Fast-growing humanoid robot industry.* Propelled by technological breakthroughs and commercial scaling, the humanoid robot industry is rapidly transitioning from research to real-world application. As these robots move towards broader deployment, their complex array of motors, sensors, and electrical systems will generate new demand for both copper and silver.

- *Global Power Grid Modernization.* In response to the global energy transition, grid modernization has become an urgent infrastructure priority worldwide. The large-scale effort to build more resilient and digitalized power networks, essential for integrating renewable energy, establishes a strong and long-term foundation for growing demand for metals.

- *Infrastructure and Electric Vehicle Upgrades.* Traditional infrastructure, UHV projects, and 5G base station development will fuel demand for zinc. Concurrently, e-bicycle replacements, energy storage lead-carbon batteries, and telecom base station needs will propel demand for lead.

- *Net physical investment demand will increase.* The macroeconomic environment and the continued escalation of geopolitical tensions have increased investor preference for allocating funds to physical assets, such as silver and gold, as a means of risk mitigation.

ENTRY BARRIERS OF THE INDUSTRY

Both the global and PRC nonferrous industry have high entry barriers, including:

- *Large capital investment.* Substantial initial investment is required to acquire land use rights, construct required plants, purchase and install production facilities, as well as to recruit skilled personnel.

- *Mandatory qualifications.* A company engaged in nonferrous mining needs to obtain various permits and licences pursuant to relevant laws and regulations, such as exploration permits, mining licences.

- *Environmental protection requirements.* Countries pay increasing attention to environmental protection issues. Before commencing commercial production, a manufacturer of concentrate generally needs to pass environmental assessment procedures, obtain approvals from relevant environmental protection authorities, and continuously comply with environmental requirements during its operation and production.

- *Stable access to ore resources.* Ore is the key raw materials for the manufacturing. Access to a stable supply of ores is critical to the timely delivery of products to customers.