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Application Proof of

Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.

(廣東省廣晟大寶山銅業股份有限公司)

(the “Company”)

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

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Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (廣東省廣晟大寶山銅業股份有限公司)

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

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)

Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)

Nominal value : RMB1.00 per Share

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED]



CITIC SECURITIES

[REDACTED]
[REDACTED]

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The [REDACTED], for themselves and on behalf of the [REDACTED], and with the consent of our Company, may, where considered appropriate, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time prior to the morning of the last day for [REDACTED] under the [REDACTED]. In such case, an announcement will be published on the websites of our Company and the Stock Exchange and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] range and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new [REDACTED] (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. Further details are set forth in “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the Sole Sponsor and the [REDACTED] (on behalf of the [REDACTED]) if certain events occur prior to [REDACTED] on the [REDACTED]. See “[REDACTED]” for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered, sold, pledged or transferred in the United States, or to or for the account or benefit of any U.S. person (as defined in Regulation S), except in transactions exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. [REDACTED]

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EXPECTED TIMETABLE

[REDACTED]

CONTENTS

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EXPECTED TIMETABLE	iii
CONTENTS	vi
SUMMARY	1
DEFINITIONS	17
GLOSSARY OF TECHNICAL TERMS	24
SUMMARY OF THE JORC CODE	35
FORWARD-LOOKING STATEMENTS	37
RISK FACTORS	39
INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]	60
WAIVERS AND EXEMPTIONS	64
DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]	70
CORPORATE INFORMATION	74
INDUSTRY OVERVIEW	76
REGULATORY OVERVIEW	89
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE	96

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CONTENTS

BUSINESS	100
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	147
CONNECTED TRANSACTIONS	153
DIRECTORS AND SENIOR MANAGEMENT	165
SUBSTANTIAL SHAREHOLDERS	176
SHARE CAPITAL	177
FINANCIAL INFORMATION	181
FUTURE PLANS AND USE OF [REDACTED]	213
[REDACTED]	216
STRUCTURE OF THE [REDACTED]	228
[REDACTED]	237
APPENDIX I — ACCOUNTANTS’ REPORT	I-1
APPENDIX IIA — UNAUDITED [REDACTED] FINANCIAL INFORMATION ...	IIA-1
APPENDIX IIB — [REDACTED]	IIB-1
APPENDIX III — COMPETENT PERSON’S REPORT	III-1
APPENDIX IV — SUMMARY OF ARTICLES OF ASSOCIATION	IV-1
APPENDIX V — STATUTORY AND GENERAL INFORMATION	V-1
APPENDIX VI — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY	VI-1

SUMMARY

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

OUR MISSION

Our mission is to build a world-class, green, intelligent and international copper-sulphur mining company.

OUR VISION

Our vision is to contribute to a sustainable future through copper and sulphur resources, and to create value as a responsible enterprise.

OVERVIEW

Who We Are

We are a leading polymetallic mining company in South China principally engaged in the exploration, mining, ore processing, comprehensive utilization and sale of copper, sulphur and other multi-metal mineral resources. Our sole mining asset is the Dabaoshan Mine, a large-scale open-pit polymetallic mine located in Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province, the PRC.

Our mine was formally commissioned in 1966. In 2017, we completed a strategic transformation and upgrade from a single-product iron ore mining enterprise into an integrated mining enterprise focused on the development of copper, sulphur and various associated metals, with our core business covering the full value chain of exploration, mining, ore processing, comprehensive utilization and sale of copper, sulphur and other multi-metal mineral resources.

We operate the largest open-pit mine and the largest dedicated copper-sulphur processing facilities in South China. The Dabaoshan Mine has an approved mining scale of 3.30 Mt/a and is supported by a dedicated copper-sulphur concentrator with a processing capacity of 3.6 Mt/a. Our core products comprise copper concentrate, sulphur concentrate and magnetic sulphur concentrate, and we also produce aggregates and other ancillary products.

According to Frost & Sullivan, we ranked first in South China among copper concentrate producers and third nationally among sulphur concentrate producers in 2025.

The Dabaoshan Mine is situated in the core area of the Nanling metallogenic belt, and is a nationally planned mining area and a key exploration zone in Guangdong Province. The total potential economic value of the mineral resources retained in the mining area exceeds RMB100 billion, and our copper-sulphur Measured and Indicated Mineral Resources amount to 91.31 Mt.

During the Track Record Period, our revenue amounted to RMB1,596.1 million, RMB1,847.6 million, RMB2,193.3 million, RMB1,038.8 million and RMB1,852.2 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, representing a CAGR of 17.2% from 2023 to 2025. Our profit for the year/period amounted to RMB348.0 million, RMB500.6 million, RMB848.9 million, RMB374.8 million and RMB975.6 million for the same periods, respectively, representing a net profit CAGR of 56.2% from 2023 to 2025.

SUMMARY

91.31 Mt Cu-S Mineral Resources	13.9 kt 2025 Copper Content in Concentrate Production	1,112.9 kt 2025 Sulphur Concentrate Production ⁽¹⁾
Over RMB100 Billion Total Potential Economic Value of Mineral Resources	56.2% 2023–2025 Net Profit CAGR	47.0% 2025 Return on Equity (ROE) ⁽²⁾

Note:

- (1) including the production volume of flotation sulphur concentrate with a concentrate grade of 46.37% and magnetic sulphur concentrate with a concentrate grade of 27.08%
- (2) Calculated by using total net profit (including non-controlling interests) divided by total equity

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was owned as to 60% by Guangdong Rising Holdings and as to 40% by China Rare Earth Nonferrous Metals. Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Company will be owned as to [REDACTED]% by Guangdong Rising Holdings and [REDACTED]% by China Rare Earth Nonferrous Metals. As such, our Group will have two Controlling Shareholders, being: (i) Guangdong Rising Holdings; and (ii) China Rare Earth Nonferrous Metals.

Our Directors are satisfied that our Group is capable of carrying on our business independently of our Controlling Shareholders and their respective close associates after the [REDACTED].

See “Relationship with our Controlling Shareholders” in this document for further details.

OUR MINERAL RESOURCES AND ORE RESERVES

Mineral Resources

The effective date of the Competent Person’s Report and for the Mineral Resource and Ore Reserve estimates set out below is August 31, 2026. As of August 31, 2026, based on the Competent Person’s Report prepared in accordance with the JORC Code (2012), the Mineral Resources of the Dabaoshan Mine are summarized below:

Cu-S Domain Mineral Resources

Category	Tonnage (Mt)	Cu (%)	S (%)	Contained Cu (kt)	Contained S (kt)
Measured	25.12	0.53	20.91	134	5,254
Indicated	66.19	0.33	9.80	218	6,489
Measured + Indicated	91.31	0.39	12.86	352	11,742
Inferred	30.53	0.42	15.97	127	4,876

Notes: Cut-off grade: 0.20% EqCu (EqCu = Cu + 0.0241 × S). Mineral Resources are reported inclusive of Ore Reserves.

SUMMARY

Pb-Zn Domain Mineral Resources

Category	Tonnage (Mt)	Pb (%)	Zn (%)	Contained Pb (kt)	Contained Zn (kt)
Indicated	0.69	1.75	4.92	12	34
Inferred	3.22	1.21	3.87	39	124

Notes: Cut-off grade: 0.8% EqZn.

Ore Reserves

As of August 31, 2026, the total Proved and Probable Ore Reserves for the Dabaoshan Mine were estimated to be approximately 63,912 kt, containing approximately 276 kt of copper metal and 9,237 kt of sulphur. The following table sets forth the Ore Reserves information as stated in the Competent Person’s Report:

Category	Total Ore (kt)	Cu-S Ore (kt)	Pb-Zn Ore (kt)	Cu (%)	Cu Metal (kt)	S (%)	S Element (kt)	Pb (%)	Pb Metal (kt)	Zn (%)	Zn Metal (kt)
Proved	24,171	24,171	—	0.52	126	20.37	4,923	—	—	—	—
Probable	39,741	39,537	204	0.38	150	10.91	4,314	1.86	3.8	6.41	13.1
Total	63,912	63,708	204	0.43	276	14.50	9,237	1.86	3.8	6.41	13.1

Notes: Mining dilution rate: 2.5%. Mining loss rate: 2.5%. Economic cut-off grade: 0.30% EqCu.

COMPETITIVE STRENGTHS

We believe that the following key strengths provide us with a competitive advantage and position us well to pursue current and future growth opportunities:

- Largest polymetallic open-pit mine in South China, with substantial resource base and potential for reserve and production growth
- Proprietary core mining and processing technology with industry-leading operating metrics, capability to treat highly complex and refractory copper-sulphur ore and scalable production capacity
- Integrated full value chain operations, locational and logistics advantages and a market-oriented sales system
- ESG and green operations, with recognition of ecological remediation achievements and controlled compliance and safety risks
- Experienced professional management team supported by state-owned enterprise shareholder, with resource integration advantages

See “Business — Our Competitive Strengths” in this document for further details.

GROWTH STRATEGIES

We intend to implement the following strategies:

- Accelerate industrial upgrading and enhance economic returns
- Promote internal and external coordination and strengthen resource expansion
- Increase research and development investment and achieve innovation-driven growth
- Fulfil corporate responsibilities and enhance ESG performance

See “Business — Our Strategies” in this document for further details.

SUMMARY

MINING METHOD AND OPERATIONS

The Dabaoshan Mine is operated as a conventional open-pit truck-and-shovel mining operation. Material is drilled and blasted, then loaded into trucks using excavators and hauled by trucks with a capacity of 70 tonnes. The mine operates on a shift system, with each shift of 8 hours.

Our current processing capacity is approximately 3.6 Mt/a. Following the planned expansion, the total production capacity is expected to increase to 6.6 Mt/a.

Life of Mine

Based on the Competent Person’s Report, the estimated remaining Life of Mine is 13 years (commencing from September 2026), with an average LOM stripping ratio of 4.15.

Transportation and Access

The Dabaoshan Mine benefits from excellent transportation infrastructure, including:

- Dedicated 17 km standard-gauge railway connecting directly to Maba marshalling station on the Beijing-Guangzhou mainline
- Beijing-Hong Kong-Macau Expressway exit approximately 3 km from the mine area
- Approximately 210 km from Guangzhou
- Access to Wushi port on Bei River within 30 km (waterway shipping)

The mine’s strategic location in northern Guangdong Province, with direct rail and expressway connections to major ports and consumption centers in the Pearl River Delta, provides us with significant locational and logistics advantages.

Mining Rights Pledge

As of the Latest Practicable Date, our mining rights are not pledged to secure any of the Company’s banking facilities.

MINING AND EXPLORATION LICENSES

The following tables set out the material terms of our mining and exploration licenses:

Mining License	Details
License Holder	the Company
License No.	DC4400002009082220034118
Issued By	Department of Natural Resources of Guangdong Province
Period of Validity	24 February 2017–24 February 2039
Mining Area	2.9072 square kilometers
Mining Type	Open-pit mining
Mining Depth	From 1,015 meters to 270 meters
Production Scale	3,300,000 tonnes per annum

SUMMARY

Exploration License	Details
License Holder	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (the Company)
Permit No.	T1000002023083018001441
Project Name	Exploration of the Chuandu-Baimianshi Mo-polymetallic deposit in Qujiang District, Shaoguan City
Issued By	Ministry of Natural Resources
Period of Validity	July 14, 2023–July 14, 2028
Area	4.1711 square kilometers

See “Business — Mining Rights and Licenses” in this document for further details.

PRODUCTION PERFORMANCE

The following table sets out a summary of the key production metrics of our Cu-S ore beneficiation operations for the Track Record Period, according to SRK Report:

Indicator	Year ended December 31,			Eight months ended
	2023	2024	2025	August 31, 2026
Ore Processed (kt) ⁽¹⁾	3,627	3,614	3,558	2,311
Cu Grade of Ore Processed (%)	0.47	0.46	0.46	0.43
Cu Concentrate Production (t)	84,960	81,793	80,073	52,250
Cu Concentrate Grade (%)	17.50	17.51	17.31	16.74
Cu Content in Concentrate (t)	14,866	14,325	13,858	8,747
Cu Recovery (%)	87.38	86.43	84.71	87.70
S Grade of Ore Processed (%)	16.71	15.13	14.82	15.20
Flotation S Concentrate Production (kt)	947.9	965.6	934.5	624.9
Flotation Sulphur Concentrate Grade (%)	45.96	45.82	46.37	45.97
Flotation S Recovery (%)	71.90	80.93	82.19	81.76
Magnetic S Concentrate Production (kt)	303.3	197.0	178.4	130.9
Magnetic Sulphur Concentrate Grade (%)	28.52	28.08	27.08	28.96
S Content in Concentrate (kt)	522.09	497.73	481.73	325.11
Total S Recovery (%)	86.18	91.05	91.36	92.55

Note: (1) The ore processed in the Track Record Period includes the ore mined during the relevant periods as well as the ore storage.

See “Business — Production” in this document for further details.

SUMMARY

OUR REVENUE, SALES VOLUME AND AVERAGE SELLING PRICE

Revenue by Product

During the Track Record Period, our revenue was generated primarily from the sale of copper concentrates, sulphur concentrates, magnetic sulphur concentrates, low-grade raw ore and other products. The following table sets out a breakdown of our revenue by product type for the periods indicated:

Product	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
						<i>(unaudited)</i>				
Copper concentrates	829,685	52.0	929,948	50.3	943,209	43.0	484,872	46.7	747,766	40.4
Sulphur concentrates	435,845	27.3	588,260	31.8	830,899	37.9	377,866	36.4	791,666	42.7
Magnetic sulphur conc.	40,718	2.6	39,353	2.1	59,371	2.7	31,467	3.1	59,557	3.2
Low-grade raw ore	179,764	11.3	174,001	9.4	130,085	5.9	68,448	6.6	65,042	3.5
Others ⁽¹⁾	110,090	6.8	115,995	6.4	229,686	10.5	76,107	7.3	188,159	10.2
Total	1,596,102	100.0	1,847,557	100.0	2,193,250	100.0	1,038,760	100.0	1,852,190	100.0

(1) Primarily represented revenue from comprehensive recovery and utilization of tailings resources, sales of iron ore by-product and sulphuric acid, and rental income

Revenue generated from the sales of copper concentrates was the largest revenue segment of our Group throughout the Track Record Period, followed by sulphur concentrates. During the Track Record Period, all of our revenue was generated in the PRC.

Revenue, Sales Volume and Average Selling Price by Major Product

The following tables set forth the revenue, sales volume and average selling price for each of our major products during the Track Record Period:

Copper Concentrates	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
Revenue (RMB in thousands)	829,685	929,948	943,209	484,872	747,766
Sales volume (tonnes) ⁽¹⁾	15,027	14,151	12,887	6,880	7,739
Average selling price (RMB/t)	55,215	65,718	73,188	70,475	96,627
Sulphur Concentrates					
Revenue (RMB in thousands)	435,845	588,260	830,899	377,866	791,666
Sales volume (tonnes) ⁽²⁾	1,140,120	1,142,317	1,137,802	577,890	638,206
Average selling price (RMB/t)	382	515	730	654	1,240

(1) Sales volume represents copper content.

(2) Sales volume represents tonnage converted to a standard grade of 35% sulphur content.

Our average selling price of copper concentrates increased from approximately RMB55,215 per tonne in 2023 to approximately RMB96,627 per tonne in the six months ended June 30, 2026, reflecting the upward trend in global copper prices. Our average selling price of sulphur concentrates increased from approximately RMB382 per tonne in 2023 to approximately RMB1,240 per tonne in the six months ended June 30, 2026, driven by strong domestic demand for sulphuric acid used in phosphate fertilizer production.

See “Financial Information — Description of Revenue” in this document for further details.

SUMMARY

CASH OPERATING AND PRODUCTION COSTS

The following table sets out our cost of sales as extracted from our financial statements for the Track Record Period:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
Cost of sales (RMB in millions)	892.2	910.0	920.3	478.6	555.1

Our cost of sales primarily comprised mining costs (including outsourced mining contractor fees), ore processing costs (including reagents, steel balls, lime and utilities), depreciation and amortization, and other ancillary costs.

Total Estimated Capital Expenditure over Life of Mine

As set forth in the Competent Person’s Report, the total estimated capital expenditure over the Life of Mine is summarized as follows:

Cost Category	Amount (RMB in millions)	% of Total
Initial Capital Expenditure	~2,199	~52%
Sustaining Capital Expenditure	~1,988	~47%
Closure Costs	~42	~1%
Total Estimated LOM Capex	4,229	100%

See “Business — Capital Expenditure” and the Competent Person’s Report in this document for further details.

OUR CUSTOMERS, SUPPLIERS AND CONTRACTORS

Our Customers

During the Track Record Period, our customers primarily comprised downstream smelters, chemical producers and trading houses located in Guangdong, Guangxi, Hunan, Yunnan and Guizhou provinces. All of our revenue was generated in the PRC. Our products are sold on a payment-before-delivery basis.

See “Business — Our Customers” in this document for further details.

Our Suppliers and Contractors

During the Track Record Period, our mining operations were outsourced to one third-party mining engineering contractor. Our raw material purchases primarily comprised consumables, including steel balls, flotation reagents and lime used in our ore processing operations.

See “Business — Our Suppliers” in this document for further details.

COMPETITION

The competitive landscape for copper and sulphur concentrates in the PRC is characterized by a combination of domestic production dynamics, global supply chain challenges and fluctuating demand. According to Frost & Sullivan, we ranked first in South China among copper concentrate producers and third nationally among sulphur concentrate producers in 2025.

SUMMARY

See “Business — Competition” in this document for further details.

ESG

We have been designated a national AAAA-rated green mine and have completed a transformation from a traditional mine to a modern green mining operation. As a state-owned enterprise, we discharge our social responsibilities. For example, we have carried out ecological restoration of land abandoned following historical artisanal mining, which has been recognized as a typical case of integrated protection and restoration projects by the Ministry of Finance, the Ministry of Natural Resources and the Ministry of Ecology and Environment. We maintain a robust environmental management system aligned with standards and we have obtained ISO14001: 2015 certification.

RISK FACTORS

You should carefully consider all of the information set out in this document, including the risk factors set out in “Risk Factors” in this document, before you decide to invest in the [REDACTED]. Some of the principal risks we face include:

- Our business and results of operations are susceptible to economic cycles and volatility in commodity prices, particularly copper and sulphur
- A decrease in demand for our products could materially and adversely affect our business
- We depend on a single mining area for substantially all of our revenue and cash flows for the foreseeable future
- Our mineral resources, ore reserves and production estimates are based on assumptions that may prove inaccurate, and the volume, grade and output of ore actually produced may not conform to our expectations
- Our operations are subject to occupational hazards, production safety risks, accidents, geological uncertainties and geotechnical challenges, which may cause personal injury or death, production delays, increased costs and regulatory consequences
- The operating costs, cash flow and other economic and financial estimates of our mining operations and development projects in relevant feasibility studies and internal project evaluations may differ from actual results

See “Risk Factors” in this document for further details.

SUMMARY OF FINANCIAL INFORMATION

The following table sets out our consolidated statements of profit or loss for the years/periods indicated. See “Financial Information” in this document and the Accountants’ Report set out in Appendix I to this document for details.

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SUMMARY

Consolidated Statements of Profit or Loss

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
						(unaudited)				
Revenue	1,596,102	100.0	1,847,557	100.0	2,193,250	100.0	1,038,760	100.0	1,852,190	100.0
Cost of sales	(892,215)	(55.9)	(910,011)	(49.3)	(920,299)	(42.0)	(478,563)	(46.1)	(555,119)	(30.0)
Gross profit	703,887	44.1	937,546	50.7	1,272,951	58.0	560,197	53.9	1,297,071	70.0
Other income and gains	14,777	0.9	12,512	0.7	41,797	1.9	11,204	1.1	12,706	0.7
Selling expenses	(13,982)	(0.9)	(14,072)	(0.8)	(13,448)	(0.6)	(6,229)	(0.6)	(7,601)	(0.4)
Administrative expenses	(168,564)	(10.6)	(217,196)	(11.8)	(173,532)	(7.9)	(71,879)	(6.9)	(99,950)	(5.4)
Impairment losses on financial assets, net	(162)	(0.0)	(11)	(0.0)	(72)	(0.0)	—	—	(755)	(0.0)
Research and development expenses	(56,873)	(3.6)	(65,006)	(3.5)	(79,671)	(3.6)	(26,284)	(2.5)	(33,905)	(1.8)
Other expenses	(22,047)	(1.4)	(24,439)	(1.3)	(18,313)	(0.8)	(8,708)	(0.8)	(7,868)	(0.4)
Finance costs	(45,258)	(2.8)	(38,726)	(2.1)	(30,465)	(1.4)	(16,135)	(1.6)	(13,121)	(0.7)
Profit before tax	411,778	25.8	590,608	32.0	999,247	45.6	442,166	42.6	1,146,577	61.9
Income tax expenses	(63,761)	(4.0)	(90,009)	(4.9)	(150,371)	(6.9)	(67,377)	(6.5)	(171,018)	(9.2)
Profit and total comprehensive income for the year/period	<u>348,017</u>	<u>21.8</u>	<u>500,599</u>	<u>27.1</u>	<u>848,876</u>	<u>38.7</u>	<u>374,789</u>	<u>36.1</u>	<u>975,559</u>	<u>52.7</u>
Attributable to:										
Owners of the parent	347,708	21.8	500,521	27.1	848,667	38.7	374,698	36.1	975,088	52.7
Non-controlling interests	309	0.0	78	0.0	209	0.0	91	0.0	471	0.0
Profit for the year/period	<u>348,017</u>	<u>21.8</u>	<u>500,599</u>	<u>27.1</u>	<u>848,876</u>	<u>38.7</u>	<u>374,789</u>	<u>36.1</u>	<u>975,559</u>	<u>52.7</u>
Earnings per share attributable to ordinary equity holders of the parent	0.41	N/A	0.59	N/A	1.00	N/A	0.44	N/A	1.15	N/A

Our revenue increased from RMB1,596.1 million in 2023 to RMB1,847.6 million in 2024 and further to RMB2,193.3 million in 2025, representing a CAGR of 17.2%. Our revenue increased by 78.3% from RMB1,038.8 million for the six months ended June 30, 2025 to RMB1,852.2 million for the six months ended June 30, 2026. The increases were primarily driven by the increase in average selling prices of copper and sulphur concentrates. Our gross profit margin improved from 44.1% in 2023 to 50.7% and further to 58.0% in 2025, from 53.9% for the six months ended June 30, 2025 to 70.0% for the same period in 2026, reflecting our strong cost control and operational efficiency.

SUMMARY

Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this document:

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
				(unaudited)
Total current assets	238,729	304,173	892,911	1,769,547
Total non-current assets	<u>2,508,269</u>	<u>2,458,873</u>	<u>2,308,696</u>	<u>2,230,238</u>
Total assets	<u>2,746,998</u>	<u>2,763,046</u>	<u>3,201,607</u>	<u>3,999,785</u>
Total current liabilities	1,234,314	894,875	773,439	622,979
Total non-current liabilities	<u>711,980</u>	<u>711,101</u>	<u>620,891</u>	<u>593,970</u>
Total liabilities	<u>1,946,294</u>	<u>1,605,976</u>	<u>1,394,330</u>	<u>1,216,949</u>
Net current (liabilities)/assets	<u>(995,585)</u>	<u>(590,702)</u>	<u>119,472</u>	<u>1,146,568</u>
Net assets	<u>800,704</u>	<u>1,157,070</u>	<u>1,807,277</u>	<u>2,782,836</u>
Paid in capital	149,191	149,191	149,191	149,191
Reserves	645,831	1,002,119	1,652,117	2,627,205
Non-controlling interests	<u>5,682</u>	<u>5,760</u>	<u>5,969</u>	<u>6,440</u>
Total equity	<u>800,704</u>	<u>1,157,070</u>	<u>1,807,277</u>	<u>2,782,836</u>
Total liabilities and equity	<u>2,746,998</u>	<u>2,763,046</u>	<u>3,201,607</u>	<u>3,999,785</u>

Our total assets increased from RMB2,747.0 million as of December 31, 2023 to RMB3,201.6 million as of December 31, 2025 and further to RMB3,999.8 million as of June 30, 2026, primarily driven by the increase in cash and cash equivalents and time deposits, while our total liabilities decreased from RMB1,946.3 million to RMB1,394.3 million and further to RMB1,216.9 million over the same periods. As a result, we turned from net current liabilities of RMB995.6 million as of December 31, 2023 to net current assets of RMB119.5 million as of December 31, 2025 and further to RMB1,146.6 million as of June 30, 2026, and our total equity increased from RMB800.7 million to RMB1,807.3 million and further to RMB2,782.8 million as of the same dates, reflecting the accumulation of profits during the Track Record Period.

SUMMARY

Consolidated Statements of Cash Flows

The following table sets out a summary of our cash flows for the periods indicated:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30,	2026
	(RMB in thousands)			2025	2026
				(unaudited)	(unaudited)
Net cash flows from operating activities	440,285	666,892	871,090	430,950	1,052,621
Net cash flows used in investing activities	(131,522)	(143,239)	(155,680)	(96,251)	(574,299)
Net cash flows used in financing activities	(322,935)	(510,791)	(243,116)	(22,661)	(82,226)
Net (decrease)/increase in cash and cash equivalents	(14,172)	12,862	472,294	312,038	396,096
Cash and cash equivalents at beginning of year/period	46,059	31,887	44,749	44,749	517,043
Cash and cash equivalents at end of year/period	31,887	44,749	517,043	356,787	913,139

Our net cash flows from operating activities were RMB440.3 million, RMB666.9 million and RMB871.1 million in 2023, 2024 and 2025, respectively, and increased from RMB431.0 million in the six months ended June 30, 2025 to RMB1,052.6 million in the six months ended June 30, 2026, primarily reflecting the growth in our profit before tax. Our net cash flows used in investing activities increased from RMB131.5 million to RMB143.2 million and further to RMB155.7 million in 2023, 2024 and 2025, respectively, and increased from RMB96.3 million in the six months ended June 30, 2025 to RMB574.3 million in the six months ended June 30, 2026, primarily due to the placement of time deposits of RMB500.0 million, purchases of intangible assets of RMB36.5 million and purchases of property, plant and equipment of RMB46.1 million. Our net cash flows used in financing activities increased from RMB322.9 million in 2023 to RMB510.8 million in 2024, primarily due to the repayment of bank and other loans of RMB380.3 million and dividends paid of RMB254.5 million, and decreased to RMB243.1 million in 2025, primarily due to lower repayment of bank and other loans of RMB74.2 million. Our net cash flows used in financing activities increased from RMB22.7 million in the six months ended June 30, 2025 to RMB82.2 million in the six months ended June 30, 2026, primarily due to the repayment of our remaining bank and other loans of RMB65.7 million and higher lease payments. As a result, our cash and cash equivalents increased from RMB31.9 million as of December 31, 2023 to RMB517.0 million as of December 31, 2025 and further to RMB913.1 million as of June 30, 2026.

Key Financial Ratios

	As of/For the year ended December 31,			As of/ For the six months ended
	2023	2024	2025	June 30, 2026
Gross profit margin ⁽¹⁾	44.1%	50.7%	58.0%	70.0%
Net profit margin ⁽²⁾	21.8%	27.1%	38.7%	52.7%
Return on equity ⁽³⁾	43.5%	43.3%	47.0%	70.7%
Current ratio ⁽⁴⁾	0.19	0.34	1.15	2.84
Gearing ratio ⁽⁵⁾	42.5%	15.4%	7.7%	2.1%

Notes:

(1) Calculated by dividing gross profit by revenue for the year/period multiplied by 100%.

SUMMARY

- (2) Calculated by dividing profit for the year/period by revenue for the year/period multiplied by 100%.
- (3) Calculated by dividing profit of the year by the ending balance of equity for the year multiplied by 100%. As for the return on equity as of/for the six months ended June 30, 2026, calculated by dividing profit of the period by the ending balance of equity for the period, multiplied by 100%, and then annualized by multiplying by 365 and dividing by 181 (being the number of days in the period).
- (4) Calculated by dividing total current assets by total current liabilities as of the end of the year/period.
- (5) Calculated by dividing total debt by total equity as of the end of the year/period multiplied by 100%.

We maintained consistently high returns on equity during the Track Record Period, reflecting our strong profitability and efficient capital structure with no interest-bearing bank borrowings as of June 30, 2026. Our gearing ratio (defined as the sum of interest-bearing bank and other borrowings and lease liabilities divided by total equity) was 2.1% as at the latest period end.

See “Financial Information — Key Financial Ratios” in this document for further details.

CAPITAL EXPENDITURE

The following table sets out our capital expenditure during the Track Record Period:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
	(RMB in thousands)			(unaudited)	(unaudited)
Purchase of property, plant and equipment	72,031	49,984	78,274	28,962	46,077
Purchase of intangible assets	60,000	61,777	74,852	64,785	36,463
Prepayment of right-of-use assets	—	23,523	2,504	2,504	—
Total	132,031	135,284	155,630	96,251	82,540

Our expected capital expenditure for the year ending December 31, 2026 is RMB291.0 million, primarily comprising the initial investment for the Mining and Processing Retrofitting and Expansion Project (RMB2.2 billion) and commitments under the five-year geological exploration plan (RMB311.3 million).

SENSITIVITY ANALYSIS

The following table sets out the sensitivity of our profit before tax to changes in the market prices of our principal commodities:

Impact on profit before tax by fluctuation of copper concentrates price

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
	(RMB in thousands)				
± 1%	± 8,001	± 8,968	± 9,096	± 4,676	± 7,211
± 5%	± 40,007	± 44,842	± 45,482	± 23,381	± 36,057
± 10%	± 80,014	± 89,684	± 90,964	± 46,762	± 72,114

SUMMARY

Impact on profit before tax by fluctuation of sulphur concentrates price

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30,	2026
	(RMB in thousands)				
± 1%	± 4,203	± 5,673	± 8,013	± 3,644	± 7,635
± 5%	± 21,016	± 28,366	± 40,066	± 18,221	± 38,174
± 10%	± 42,033	± 56,732	± 80,132	± 36,441	± 76,348

See “Financial Information — Sensitivity Analysis” in this document for further details.

CASH OPERATING COSTS

Cash operating costs for our mine primarily consist of mining operation costs and processing costs. A majority of these costs relate to workforce employment, materials, utilities and fuel, and maintenance. The table below sets forth a summary of our historical cash operating costs on a cash basis for the periods indicated, based on the Competent Person’s Report set out in Appendix III to this Document.

	Year ended December 31,			Eight months ended
	2023	2024	2025	August 31, 2026
	(RMB million)			
Production				
Labor costs	103	122	119	111
Raw materials	262	233	274	216
Utilities and fuel	84	80	59	53
Safety	26	27	24	19
Environmental protection	94	86	89	65
Company vehicle services	5	5	4	3
Product transportation	5	6	7	5
Maintenance	41	30	46	15
Rental	15	37	33	26
Outsourced services	15	16	17	14
Other	38	40	44	20
Resource taxes	36	41	44	51
Selling expenses	12	12	12	9
Administrative expenses	158	206	162	130
Research and development expenses	52	60	75	47
Total	944	998	1,010	784

Our cash operating costs increased from RMB944 million in 2023 to RMB998 million in 2024 and further to RMB1,010 million in 2025, primarily due to the increase in materials costs, environmental expenses and royalties, which was in line with the increase in our production volume and revenue. For the eight months ended August 31, 2026, our cash operating costs were RMB784 million.

SUMMARY

DIVIDENDS

The following table sets out dividends declared during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Dividends declared (RMB in millions)	139.9	144.6	198.8

Our Board is responsible for submitting proposals in respect of dividend payments, if any, to the Shareholders’ general meeting for approval. Any declaration and payment, as well as the amount, of dividends will be subject to the requirements of our Articles of Association and the PRC Company Law. The payment of dividends may also be limited by legal restrictions.

See “Financial Information — Dividends” in this document for further details.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]) and that the [REDACTED] is not exercised, and after deducting [REDACTED] commissions and other estimated [REDACTED] payable by us in connection with the [REDACTED], we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED]. We intend to use the net [REDACTED] for the purposes and in the amounts set forth below, subject to adjustment based on our evolving business needs and changing market conditions:

Use of [REDACTED]	% of Net [REDACTED]	Approx. Amount
Acquisition of external mineral rights	Approximately [REDACTED]%	HK\$[REDACTED] million
Projects at our existing mines over the next five years	Approximately [REDACTED]%	HK\$[REDACTED] million
Dabaoshan mining area and peripheral geological exploration five-year plan	Approximately [REDACTED]%	HK\$[REDACTED] million
General operational purposes (primarily to supplement working capital in the ordinary course of our business operations)	Approximately [REDACTED]%	HK\$[REDACTED] million
Total	[REDACTED]%	HK\$[REDACTED] million

See “Future Plans and Use of [REDACTED]” in this document for further details.

SUMMARY

[REDACTED]

[REDACTED]

[REDACTED]

The total [REDACTED] (including [REDACTED] commissions) in connection with the [REDACTED] are estimated to be approximately RMB[REDACTED] million (based on the mid-point of the indicative [REDACTED] range and assuming the [REDACTED] is not exercised), of which (i) approximately RMB[REDACTED] million is expected to be accounted for as a deduction from equity upon the [REDACTED]; and (ii) approximately RMB[REDACTED] million has been or is expected to be charged to our consolidated statements of profit or loss. During the Track Record Period, [REDACTED] of RMB[REDACTED] million were charged to our consolidated statements of profit or loss. We expect to further recognize [REDACTED] of approximately RMB[REDACTED] million in our consolidated statements of profit or loss for the year ending December 31, 2026.

[REDACTED]

[REDACTED]

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SUMMARY

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our business operations, financial or trading positions or prospects since June 30, 2026, being the date on which our latest audited consolidated financial statements were prepared, and there has been no event since June 30, 2026 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

WORKING CAPITAL

Our Directors and the Sole Sponsor are satisfied that, after taking into account the financial resources presently available to us, including our internal funds generated from operations and the estimated net [REDACTED] of the [REDACTED], we have sufficient working capital for at least 125% of the Group’s present requirements for at least the next 12 months from the date of this document.

As of June 30, 2026, we had no interest-bearing bank or other borrowings. Our lease liabilities amounted to RMB57.8 million and our gearing ratio was 2.1%.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in the “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective from the [REDACTED] and a summary of which is set out in Appendix IV to this document
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
[REDACTED]	[REDACTED]
“Business Day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
[REDACTED]	[REDACTED]
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Rare Earth Nonferrous Metals”	China Rare Earth Nonferrous Metals Co., Ltd. (中稀有色金屬股份有限公司), a company incorporated on June 18, 1993 in the PRC and listed on the Shanghai Stock Exchange (stock code: 600259) and one of our Controlling Shareholders
“China Rare Earth Nonferrous Metals Group”	China Rare Earth Nonferrous Metals and its subsidiaries from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “our Company”, or “the Company”	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (廣東省廣晟大寶山銅業股份有限公司) (formerly known as Guangdong Dabaoshan Mining Co., Ltd. (廣東省大寶山礦業有限公司)), a PRC company established on December 28, 1995 and converted into a joint stock limited liability company on August 13, 2026
“Competent Person” or “SRK”	has the same meaning ascribed to it under Rule 18.01 of the Hong Kong Listing Rules and, in the context of this document, means SRK Consulting China Ltd., an independent mining and geological consultant, which is an Independent Third Party
“Competent Person’s Report”	the Competent Person’s report prepared by SRK on September 16, 2026, the effective date of which is August 31, 2026 and details of which are set out in Appendix III to this Document
“Compliance Advisor”	Lego Corporate Finance Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Guangdong Rising Holdings and China Rare Earth Nonferrous Metals. See “Relationship with Our Controlling Shareholders” for more details
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Dabaoshan Mine” or “our mine”	refers to our sole mine asset located at Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province
“Director(s)”	the director(s) of our Company
[REDACTED]	[REDACTED]
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
[REDACTED]	[REDACTED]
“F&S”	Frost & Sullivan, an independent professional market research and consulting company

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Governmental Authority”	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time, their predecessors (as the case may be), and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guangdong Rising Holding Group”	Guangdong Rising Holdings and its subsidiaries from time to time
“Guangdong Rising Holdings”	Guangdong Rising Holding Group Co., Ltd. (廣東省廣晟控股集團有限公司), a company incorporated on December 23, 1999 under the laws of the PRC and one of our Controlling Shareholders
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
[REDACTED]	[REDACTED]
“H Share(s)”	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are to be [REDACTED] and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Main Board of the Stock Exchange
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

“Latest Practicable Date”	September 16, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
“Laws”	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
[REDACTED]	[REDACTED]
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“Nanfang Special Copper Materials”	Guangdong Nanfang Special Copper Materials Co., Ltd. (廣東南方特種銅材有限公司), a company incorporated on April 23, 2001 under the laws of PRC
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government Body”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“PRC Legal Advisor”	Deheng Law Offices, our legal advisor on PRC laws
“PRC” or “China”	the People’s Republic of China, but for the purposes of this document only (unless otherwise indicated) excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
[REDACTED]	[REDACTED]
“Regulation S”	Regulation S under the U.S. Securities Act
“RMB or Renminbi”	Renminbi, the lawful currency of China
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shanghai
“Shanghai Futures Exchange” or “SHFE”	the futures exchange in Shanghai whose copper contract is a principal domestic price reference for copper concentrate sales
“Shanghai Metals Market” or “SMM”	a commodity information provider whose PRC market quotations for metals are used as a market price reference
“Share(s)”	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Unlisted Shares and H Shares
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen
“Sole Sponsor”	CITIC Securities (Hong Kong) Limited, the sole sponsor of the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]”
“South China”	Hong Kong, Macau, Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Track Record Period”	the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder
“U.S.”, “US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdictions
[REDACTED]	[REDACTED]
“VAT”	value-added tax
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“%”	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“aggregates” or “stone materials”	crushed stone and similar construction materials produced from waste rock and other material arising during mining operations
“agitation tank” or “mixing tank”	a tank in which ore slurry is kept in suspension and conditioned with reagents before flotation
“apron feeder”	a heavy-duty conveying device used to withdraw crushed ore from an ore bin at a controlled rate and deliver it to the downstream circuit
“assay”	the chemical or instrumental analysis of a sample of ore, concentrate or other material to determine the content of one or more elements or minerals
“associated minerals” or “associated metals”	valuable minerals or metals occurring together with the principal minerals in the same ore and capable of being recovered as by-products, which in our case include gold, silver, pyrite, molybdenum, lead and zinc
“azimuth”	a horizontal direction expressed as an angle measured clockwise from true north
“ball mill”	a rotating cylindrical mill charged with steel balls which reduces ore to a fine particle size
“beneficiation” or “ore processing” or “processing”	the physical and chemical treatment of ore, including crushing, grinding, flotation and magnetic separation, to separate valuable minerals from gangue and produce a saleable concentrate
“bench”	a horizontal working level or step in an open pit from which ore and waste are drilled, blasted and loaded
“bio-leaching”	the leaching of metals from ore or concentrate in which bacteria assist the oxidation and dissolution of sulphide minerals so that the target metal may be recovered from solution
“bio-oxidation”	a process in which bacteria are used to oxidise sulphide minerals in order to improve the subsequent recovery of the target metal
“blasting”	the fragmentation of rock by the controlled detonation of explosives placed in drilled blast holes
“bulk concentrate”	a concentrate containing two or more valuable metals which have not been separated into individual mineral products, such as the bulk copper-lead-zinc concentrate produced at our comprehensive utilisation pilot plant
“CAGR”	compound annual growth rate
“chalcopyrite”	a copper-iron sulphide mineral which is the principal copper-bearing mineral of the Dabaoshan deposit

GLOSSARY OF TECHNICAL TERMS

“Class I safety level”	the highest safety classification assigned to a waste rock dump, tailings storage facility or similar structure under applicable PRC design codes, which entails correspondingly stringent design, monitoring and management requirements
“cleaner flotation”	one or more successive stages of flotation applied to a rougher concentrate in order to raise its grade
“closed circuit”	a processing configuration in which oversize or unfinished material is returned to an earlier stage of the circuit for further treatment
“coarse crushing”	the first stage of size reduction of run-of-mine ore
“comprehensive utilisation”	the recovery and use of the full range of valuable constituents of an ore deposit, including low-grade ore, associated metals and tailings, in order to maximise resource utilisation and economic returns
“concentrate”	the product of beneficiation in which the content of the target mineral or metal has been materially upgraded relative to the ore treated
“concentrator” or “processing plant”	the plant in which ore is crushed, ground and concentrated into saleable mineral products
“contained metal”	the quantity of metal contained in a stated tonnage of ore, Mineral Resources or Ore Reserves, calculated by multiplying tonnage by grade and before deduction of mining and processing losses
“contained-copper basis”	a basis of measurement under which copper concentrate production volume is expressed by reference to the quantity of copper metal contained rather than the gross weight of concentrate
“copper concentrate”	an enriched product obtained after copper ore undergoes beneficiation processes, including crushing, grinding and flotation, which is the principal raw material for copper smelting and a core intermediate product connecting copper mining and copper smelting
“copper equivalent” or “EqCu” and “zinc equivalent” or “EqZn”	a single combined grade which expresses the value of two or more metals in terms of one of them, calculated using assumed commodity prices, beneficiation recovery rates and payable factors, EqCu being calculated as $\text{Cu} + 0.0241 \times \text{S}$ for our copper-sulphur mineralisation and EqZn as $\text{Zn} + 0.645 \times \text{Pb}$ for our lead-zinc mineralisation
“copper-sulphur ore” or “Cu-S ore”	polymetallic sulphide ore containing both economically recoverable copper and sulphur, which at our mine is processed through the concentrator
“core drilling” or “diamond drilling”	a drilling method which recovers a cylindrical core of rock for geological logging and sampling
“crest elevation”	the elevation of the top of a dam or embankment
“crusher”	a machine which reduces run-of-mine ore or waste rock to a smaller particle size, the primary jaw crusher at our concentrator constituting the first stage of size reduction of the ore fed to grinding
“Cu”, “S”, “Pb”, “Zn”, “Mo”, “Ag” and “Au”	the chemical symbols for copper, sulphur, lead, zinc, molybdenum, silver and gold, respectively

GLOSSARY OF TECHNICAL TERMS

“cut-off grade” or “COG”	the lowest grade of mineralised material which can be mined and processed economically under the assumptions adopted, material at or above the applicable cut-off grade being classified as ore and material below it as waste; an economic cut-off grade of 0.30% EqCu was adopted for the estimation of our Ore Reserves
“dacite porphyry”	a porphyritic intrusive igneous rock of dacitic composition, formerly described as subdacite porphyry, which at the Dabaoshan Mine intruded along a thrust zone and forms part of the porphyry metallogenic system
“detailed exploration”	the advanced stage of geological exploration under the PRC exploration system which delineates an ore body in sufficient detail to support a feasibility study and an application for a mining right
“dewatering”	the removal of surface water and groundwater from a mine working, generally by gravity drainage or mechanical pumping
“dilution” or “mining dilution”	the unintentional inclusion of waste or lower-grade material with ore during mining, which reduces the grade of the material delivered to the processing plant
“diversion ditch” or “diversion channel”	a channel constructed to intercept and divert surface run-off away from working areas or away from a tailings impoundment
“dmt” or “dry metric tonne”	one metric tonne of material measured on a moisture-free basis, being the basis on which treatment charges for copper concentrate are quoted
“drift” or “tunnel”	a horizontal underground opening driven for exploration or mining purposes
“drill-blast-load-haul”	the conventional cycle of open-pit mining operations comprising the drilling of blast holes, blasting, loading of the broken material and haulage to the designated destination
“drillhole” or “drill hole”	a hole drilled from the surface or from an underground working in order to obtain geological information and samples of rock material, the exploration of our mine having been carried out principally by diamond drillholes
“electrolytic copper” or “refined copper”	copper of high purity produced by the electrolytic refining of copper anode plates or blister copper
“electrowinning”	an electrochemical process in which metal ions in a leach or extraction solution are deposited as metal on a cathode by the passage of an electric current
“exploration”	activities carried out to identify, locate and delineate mineral resources and to determine their volume and quality, including geological mapping, trenching, tunnelling, shallow pitting, geophysical and geochemical surveys and drilling
“fault”	a fracture or fracture zone in rock along which the rock on either side has been displaced

GLOSSARY OF TECHNICAL TERMS

“feasibility study” or “FS”	a comprehensive technical and economic study of the selected development option for a mineral project, including appropriately detailed assessment of the applicable Modifying Factors and detailed financial analysis sufficient to demonstrate that extraction is reasonably justified, which is at a higher confidence level than a pre-feasibility study
“flash flotation”	a flotation stage incorporated within the grinding and classification circuit to recover readily floatable valuable mineral particles at an early stage as final concentrate
“flocculant”	a reagent added to wastewater or slurry to promote the aggregation of fine suspended solids so that they settle more readily
“flotation”	a beneficiation process in which finely ground ore is conditioned with reagents in an aqueous slurry so that selected minerals adhere to air bubbles and are recovered as a froth concentrate
“flotation reagents”	the chemicals, including collectors, frothers, depressants and activators, added to a flotation circuit in order to render target minerals selectively hydrophobic
“flotation sulphur concentrate”	sulphur concentrate produced by the flotation of pyrite and pyrrhotite from copper-sulphur ore
“geological brigade”	a state geological exploration team in the PRC, several of which have carried out exploration campaigns at the Dabaoshan Mine since the late 1950s
“grade”	the concentration of a metal or mineral in a given quantity of ore, concentrate or other material, expressed as a percentage or in grams per tonne
“grade control”	the sampling, assaying and grade estimation procedures applied during mining in order to distinguish ore from waste and to deliver feed of the intended grade to the processing plant
“granodiorite porphyry”	a porphyritic intrusive igneous rock of granodioritic composition which, together with the dacite porphyry, forms part of the porphyry metallogenic system at the Dabaoshan Mine
“green mine”	a mine which satisfies the applicable PRC standards for green mine construction covering resource utilisation, environmental protection, land reclamation, energy conservation and community relations
“head grade”	the grade of the ore delivered to and processed by the concentrator
“hornfelsification”	a form of thermal contact metamorphism in which sedimentary rocks adjacent to an intrusion are recrystallised into hornfels
“hydrocyclone”	a classification device which uses centrifugal force to separate coarse from fine particles in a slurry
“hydrometallurgy”	a class of metallurgical processes in which metals are extracted from ores or concentrates by chemical reactions in aqueous solution rather than at high temperature

GLOSSARY OF TECHNICAL TERMS

“Indicated Mineral Resource”	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
“Inferred Mineral Resource”	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
“infill drilling”	drilling carried out between existing drillholes in order to increase geological confidence and to upgrade the classification of a Mineral Resource
“intelligent mine” or “smart mine”	a mine in which 5G connectivity, the industrial internet, big data analytics, automated equipment and intelligent control systems are integrated across production, safety and logistics functions
“intrusion” or “intrusive”	a body of igneous rock emplaced into pre-existing rock while molten, and the rock so formed
“iron ore by-product”	a fine iron-bearing product recovered from our operations and sold as an ancillary product
“ISO 14001:2015 certification”	certification against the internationally recognised standard which provides a framework for an organisation to establish, implement and maintain an effective environmental management system in order to improve its environmental performance, which certification we have obtained in respect of our environmental management system
“JORC Code”	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
“kt”, “Mt” and “t”	kilotonnes (being thousands of tonnes), millions of tonnes and tonnes, respectively; and “Mt/a”, “ktpa” and “tpd” mean millions of tonnes per annum, kilotonnes per annum and tonnes per day, respectively
“land reclamation”	the restoration of land disturbed by mining to a condition suitable for productive use or for ecological function, in accordance with an approved reclamation plan
“leached zone”	near-surface material from which soluble constituents have been removed by natural weathering, which for the purposes of our mine production plan is classified as waste
“lead-zinc ore” or “Pb-Zn ore”	ore in which lead and zinc are the principal economic constituents, which at our mine arises as a by-product of copper-sulphur mining
“lift”	a vertical increment in the construction of a waste rock dump or tailings dam

GLOSSARY OF TECHNICAL TERMS

“limestone” and “sandstone”	sedimentary rocks composed principally of calcium carbonate and of cemented sand-sized grains, respectively, which host Cu-S-Pb-Zn mineralisation at the Dabaoshan Mine
“lithium iron phosphate” or “LFP”	a cathode material used in lithium-ion batteries, the production of which consumes sulphuric acid
“low-grade ore” or “marginal-grade ore”	mineralised material whose grade is below the cut-off grade applied to run-of-mine ore under prevailing conditions, but which may become economic through improved technology or higher commodity prices
“magmatic- hydrothermal”	relating to hot, metal-bearing fluids derived from cooling magma, from which mineralisation may precipitate
“magnetic separation”	a beneficiation process which separates minerals on the basis of differences in magnetic susceptibility, carried out at our concentrator using wet permanent magnet drum separators
“magnetic sulphur concentrate”	sulphur concentrate produced by the magnetic separation of pyrrhotite from copper-sulphur ore, being one of our three principal products
“Measured Mineral Resource”	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit
“metalogenic belt”	a regional geological province characterised by favourable conditions for the formation of mineral deposits of a particular type
“metallurgical pickling”	the treatment of metal surfaces with acid in order to remove oxides and other impurities, a downstream application of sulphuric acid
“mineral deposit”	a concentration of mineralisation of potential economic interest occurring at surface or underground
“Mineral Resources”	a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
“mineral rights”	collectively, exploration rights (探礦權) and mining rights (採礦權) under PRC law
“mineralisation” and “mineralised body”	the introduction of valuable minerals into a rock, and a body of rock containing such minerals which has not been established as an ore body, respectively
“mining scale”	the annual quantity of ore which a mine is approved to extract, expressed in tonnes per annum

GLOSSARY OF TECHNICAL TERMS

“Modifying Factors”	the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental considerations which must be applied in order to convert Mineral Resources into Ore Reserves
“molybdenum” and “molybdenite”	a refractory metal used principally in alloy steels, and the molybdenum sulphide mineral from which it is recovered, which occurs in the porphyry-skarn mineralisation at the Dabaoshan Mine
“monoammonium phosphate” or “MAP” and “diammonium phosphate” or “DAP”	phosphate fertiliser products whose manufacture consumes sulphuric acid
“μm”	micrometre or micron, being one millionth of a metre, a unit used to express grind fineness
“Nanling metallogenic belt”	the regional metallogenic belt of the Nanling Range in southern China, in the central and southern part of which the Dabaoshan Mine is situated
“non-ferrous metals”	metals other than iron and its alloys, including copper, lead, zinc, molybdenum, gold and silver
“open pit” or “open-pit mining”	the mining of a deposit from an excavation open to the surface, generally carried out by stripping overburden and waste rock to expose the ore, being the mining method adopted at our mine and the mining type specified in our mining licence
“operating rate”	the proportion of available time during which a processing plant operates, generally expressed as a percentage or as the number of effective operating days per year
“ore”	mineralized material which can be mined and processed at a profit under prevailing or reasonably foreseeable economic conditions, being at our mine material within the designed open pit whose grade is equal to or above the applicable cut-off grade and which is accordingly directed to the crusher or to the run-of-mine stockpile
“ore body”	a continuous, well-defined mass of mineralised material of sufficient grade and volume to be mined economically
“ore loss” or “mining loss”	the proportion of ore which is not recovered during mining, expressed as a percentage, a mining loss rate of 2.5% having been applied in the estimation of our Ore Reserves
“Ore Reserves”	the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
“oxidized zinc ore” or “zinc oxide ore”	an oxidized zinc-bearing by-product ore which is not processed through our concentrator but is stockpiled for external sale

GLOSSARY OF TECHNICAL TERMS

“Phase II Concentrator”	refers to the new porphyry copper concentrator with a designed processing capacity of 2.80 Mt/a to be constructed under our polymetallic mine mining and processing retrofitting and expansion project
“photoelectric sorting”	a pre-concentration technology which uses optical and other sensors to distinguish and mechanically reject waste particles from crushed and screened ore, thereby upgrading low-grade material before grinding
“pilot plant”	a small-scale processing facility used to test and demonstrate a beneficiation flowsheet before full-scale implementation, being in our case the comprehensive utilisation pilot plant which treats by-product lead-zinc ore
“pollutant discharge permit”	the permit issued by the competent PRC ecology and environment authority specifying the pollutants which the holder may discharge and the applicable conditions
“porphyry” or “porphyry-type deposit”	a large, generally low-grade deposit of copper and associated molybdenum mineralisation genetically related to a porphyritic intrusive body and its contact zones
“pre-concentration” or “waste rejection”	the removal of barren or low-grade particles from crushed ore before grinding, in order to raise the grade of the material fed to the processing plant
“pre-feasibility study” or “PFS”	a comprehensive study of a range of options for the technical and economic viability of a mineral project which has advanced to the stage where the pit configuration and an effective method of mineral processing have been established, and which is at a lower confidence level than a feasibility study
“Probable Ore Reserves”	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
“production exploration”	exploration carried out within an operating mining area in order to delineate ore bodies in greater detail and to support short-term mine planning
“Proved Ore Reserves”	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
“pyrite”	iron sulphide, the principal component of sulphur concentrate and one of the common metallic minerals of the Dabaoshan deposit
“pyrrhotite”	a magnetic iron sulphide mineral which is recovered by magnetic separation and sold as magnetic sulphur concentrate
“ramp”	an inclined haul road within an open pit connecting the working benches to the surface
“RC” or “refining charges”	the charges levied by smelters for refining metal from copper concentrate, quoted in U.S. cents per pound and generally deducted from the settlement price payable to the seller

GLOSSARY OF TECHNICAL TERMS

“reasonable prospects for eventual economic extraction” or “RPEEE”	the requirement under the JORC Code that mineralisation may be reported as a Mineral Resource only where its quantity and grade meet economic thresholds and it is reported at an appropriate cut-off grade having regard to likely extraction scenarios and processing recoveries
“recovery rate” or “recovery”	the proportion of a valuable metal or mineral contained in the ore which is recovered into the concentrate, expressed as a percentage
“recycled water” or “return water”	process water reclaimed from the tailings storage facility and other operations and returned to the processing circuit for reuse
“refractory ore”	ore from which the target metal is difficult to extract, or from which a relatively low recovery is achieved, when treated by conventional processes
“regrinding”	the further grinding of a rougher concentrate in order to liberate additional valuable mineral before cleaner flotation
“rougher flotation”	the initial stage of flotation in which the bulk of the valuable mineral is recovered into a low-grade concentrate for subsequent upgrading
“run-of-mine” or “ROM”	ore in the condition in which it is delivered from the open pit, before crushing or other processing, and “ROM stockpile” means the stockpile in which such ore is held before crusher feed
“safety bench” or “safety platform”	a horizontal berm left between successive lifts of a waste rock dump or between pit benches in order to arrest falling material and improve stability
“safety production permit”	the permit issued by the competent PRC emergency management authority authorising specified hazardous production activities, including non-coal open-pit mining and the operation of a tailings storage facility
“SAG mill” or “semi-autogenous grinding”	a grinding mill in which the ore itself, assisted by a partial charge of steel balls, acts as the grinding medium
“scavenger flotation”	a flotation stage applied to the tailings of a rougher or cleaner stage in order to recover residual valuable mineral
“screening”	the separation of crushed material into size fractions by means of a vibrating screen or similar equipment
“sediment retention pond” or “silt dam”	a structure constructed downstream of a waste rock dump to intercept and store leachate, contaminated surface run-off and eroded sediment before treatment
“skarn”	a calcium-magnesium silicate rock formed by the metasomatic replacement of carbonate rocks at the contact with an intrusive body, which at the Dabaoshan Mine hosts Cu-Mo mineralised bodies
“slope angle”	the angle of inclination of a pit wall, waste rock dump face or dam face measured from the horizontal
“smelting”	the pyrometallurgical process by which metal is separated by fusion from the impurities with which it is chemically combined or physically mixed, being the principal downstream use to which our copper concentrate is put by our smelter customers

GLOSSARY OF TECHNICAL TERMS

“specific gravity” or “SG”	the ratio of the density of a material to that of water, used to convert the volume of a mineralised body into tonnage for the purposes of Mineral Resource estimation
“sphalerite” and “galena”	zinc sulphide and lead sulphide, respectively, being the principal zinc-bearing and lead-bearing minerals of the Dabaoshan deposit
“strata-bound” or “stratabound”	mineralisation confined to a particular stratigraphic horizon or sequence
“strategic minerals”	minerals designated by the PRC authorities as being of strategic importance to national economic and resource security, the national catalogue of which now formally includes copper
“stripping” or “overburden stripping”	the mining and removal of overburden and waste rock in order to expose ore for extraction in an open pit
“stripping ratio” or “strip ratio”	the ratio of the quantity of waste material removed to the quantity of ore mined, expressed in tonnes per tonne
“sub-alkaline”	relative to alkaline rocks, subalkaline rocks are characterized by lower alkali content under the same silica content
“sulphur dioxide”	the gas generated by the roasting of sulphur concentrate, which is purified, converted and absorbed in order to produce sulphuric acid
“sulphuric acid”	the industrial acid produced from sulphur or sulphur concentrate which is used in the production of phosphate and compound fertilisers, metallurgical pickling, chemical production, new energy materials, water treatment and other industrial applications
“sump”	a low point within an open pit in which water collects for removal by pumping
“surrounding rock” or “wall rock”	the rock enclosing an ore body, the condition of which affects excavation stability and dilution
“tailings”	the residual material discharged from a concentrator after the recovery of the valuable minerals
“tailings storage facility” or “TSF”	an engineered impoundment constructed for the storage of the tailings discharged from a concentrator, being in our case the Fandong Village tailings storage facility together with the historical Caoduikeng tailings storage facility
“TC” or “treatment charges”	the charges levied by smelters for treating copper concentrate, quoted in U.S. dollars per dry metric tonne, which are generally borne by mining companies or traders and deducted from the settlement price, and which tend to rise when concentrate supply is ample and to fall, or even turn negative, when concentrate supply is tight relative to smelting capacity
“three simultaneities”	the PRC requirement that environmental protection facilities for a construction project be designed, constructed and put into operation simultaneously with the principal works
“thrust”	a low-angle fault along which older strata have been displaced over younger strata, along which the Dabaoshan porphyry bodies intruded

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

GLOSSARY OF TECHNICAL TERMS

“tonne”	a metric tonne of 1,000 kilograms, being approximately 2,204.62 pounds, and the unit in which all references to tonnes in this document are expressed
“trenching”	the excavation of shallow surface trenches in order to expose and sample bedrock for exploration purposes
“centerline method”	a combined method of raising a tailings dam in which successive raises are constructed both towards the impoundment and away from it, adopted for the planned expansion of our tailings storage facility
“waste rock”	rock which contains no economically recoverable mineralisation, or whose grade is below the applicable cut-off grade, and which is removed and placed in a waste rock dump

SUMMARY OF THE JORC CODE

SUMMARY OF THE JORC CODE

The Mineral Resources and Ore Reserves statements in this Document have been prepared in accordance with the JORC Code. The JORC Code is an internationally accepted Mineral Resources and Ore Reserves classification system established in Australia, which was first published in February 1989 and last revised in December 2012. The JORC Code is commonly used in competent person’s report for reporting resources and reserves for public companies reporting to the Hong Kong Stock Exchange. The JORC Code is used by the Competent Person to report the Mineral Resources and Ore Reserves of our mines in this Document.

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

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

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

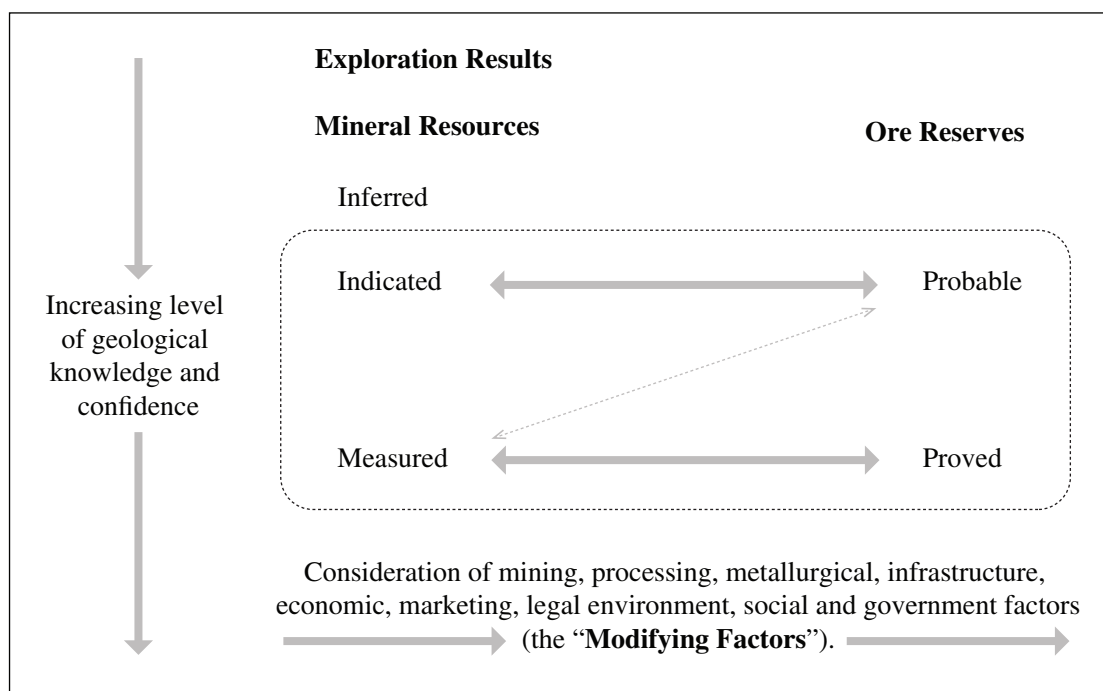
Ore Reserves are sub-divided into the following categories:

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

SUMMARY OF THE JORC CODE

- **Proved Ore Reserve** — is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

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



Source: the JORC Code, 2012

Ore Reserves are generally quoted as comprising a portion of the total Mineral Resource rather than the Mineral Resources being additional to the Ore Reserves quoted. Under the JORC Code either procedure is acceptable, provided the method adopted is clearly identified. The Competent Person’s Reports in this Document report all of the Ore Reserves as part of the Mineral Resources, which are estimated and reported by Competent Person.

FORWARD-LOOKING STATEMENTS

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

This document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FORWARD-LOOKING STATEMENTS

Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in “Risk Factors.”

In this document, statements of or references to our intentions or those of our Directors were made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the section headed “Financial Information” of this Document, before deciding to [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and prospects. In any such event, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

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 of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” of this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and results of operations are susceptible to economic cycles and volatility in commodity prices, particularly copper and sulphur.

We derive a substantial portion of our revenue from sales of copper concentrates, sulphur concentrates and magnetic sulphur concentrates. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of copper concentrates, sulphur concentrates and magnetic sulphur concentrates accounted for 81.8%, 84.3%, 83.6%, 86.1% and 86.3% of our total revenue, respectively. Our product pricing is generally determined with reference to public market quotations and adjusted based on product grade, quality, deduction terms and transaction-specific arrangements, including monthly pricing or other market-based mechanisms depending on the product type and contract terms.

The prices of our mineral products are affected by domestic and international commodity prices, supply and demand conditions, downstream smelting and chemical-industry demand, macroeconomic cycles, energy and chemical-industry cycles, interest rates, exchange rates, inflation expectations, government policies and political and economic developments in major producing and consuming countries. These factors are beyond our control and may result in significant volatility in the selling prices of our products. We may from time to time negotiate pricing terms with our counterparties. Any material decline in commodity prices, decrease in demand from domestic smelting or chemical enterprises or adverse change in pricing terms could materially and adversely affect our revenue, profitability, cash flows and ability to fund our operations and expansion plans.

A decrease in demand for our products could materially and adversely affect our business.

Demand for copper concentrates, sulphur concentrates, magnetic sulphur concentrates and our other mineral products may decrease as a result of reduced industrial production, infrastructure investment or construction activity, lower demand from domestic smelting and chemical enterprises, changes in downstream production technologies, inventory reductions by customers or increased availability or use of alternative raw materials. Demand for our products is also affected by macroeconomic conditions and developments in the power grid, new energy, chemical, high-end manufacturing and other downstream industries. These demand drivers may develop differently from current market expectations, and changes in technology, industrial policy or customer production capacity may reduce the consumption of one or more of our products. A material decrease in demand could reduce our sales volumes and selling prices, weaken our bargaining position and result in less favorable commercial terms. Any such event could materially and adversely affect our revenue, profitability, cash flows, business, financial condition and results of operations.

RISK FACTORS

We depend on a single mining area for substantially all of our revenue and cash flows for the foreseeable future.

For the foreseeable future, we expect to depend on the Dabaoshan mining area in Qujiang District, Shaoguan, Guangdong Province, PRC for a substantial portion of our production, revenue and operating cash flows. Our current mining capacity is approximately 3.3 million tonnes per year, all of which is located at this mining area. We still mainly rely on a single domestic mining area for production and have not yet established a meaningful portfolio of overseas high-quality resource projects, which limits our ability to mitigate structural resource constraints through geographic diversification. This concentration exposes us to risks relating to the geological conditions, production capacity, reserve life, infrastructure, regulatory status, environmental performance and operating continuity of the Dabaoshan mining area. Any accident, safety inspection, suspension, license issue, environmental incident, adverse weather event, geological challenge, depletion of reserves or failure to complete necessary infrastructure at the mining area could have a disproportionate impact on our production and sales. Any material disruption to the Dabaoshan mining area could materially and adversely affect our business, financial condition and results of operations.

Our mineral resources, ore reserves and production estimates are based on assumptions that may prove inaccurate, and the volume, grade and output of ore actually produced may not conform to our expectations.

Our mineral resources and ore reserves estimates, and the production estimates derived from them, are based on a number of assumptions and judgments, including those relating to geological interpretation, drilling and sampling results, ore grades, metallurgical characteristics, recovery rates, mining dilution, mining methods, ground conditions, the availability and utilization of production facilities, power and utility supply, labor and supplies, costs, commodity prices, general market conditions and our ability to extract and process ore economically. Such estimates are inherently uncertain, and the quantity, quality or grade of ore actually mined or processed, and our actual production, may differ materially from our estimates as a result of unusual or unexpected geological conditions, mining dilution or losses, lower recovery rates, higher overburden strip ratios or stripping costs, lower recoverability, equipment failures, industrial accidents, weather events, natural disasters, power shortages, shortages of principal supplies or restrictions imposed by government authorities. Any such variance may require us to revise our mining, processing or production plans, reduce our reserve estimates or record impairment, and may increase our unit costs, reduce our sales volumes and revenue and result in our cash flow being insufficient to fund our operating and capital expenditure requirements. Any of the foregoing could materially and adversely affect our production plans, cash flow, business, financial condition and results of operations.

Our operations are subject to occupational hazards, production safety risks, accidents, geological uncertainties and geotechnical challenges, which may cause personal injury or death, production delays, increased costs and regulatory consequences.

Our mining and processing operations involve inherent occupational health hazards, production safety risks and the potential for accidents. Our employees and employees of contractors and subcontractors are exposed to occupational health risks including high temperatures, dust, noise and toxic or harmful gases, and our principal safety risk areas include our open-pit mining areas, processing plants and tailings facilities. Our operations involve blasting, explosives, heavy machinery, haulage equipment and other hazardous activities and materials, and may be affected by unstable geological conditions, mechanical failures or human error. Handling and detonating explosives can lead to serious safety hazards, including accidental explosions, rockfalls and flying debris, which pose significant threats to workers’ safety and health. There can be no assurance that accidents will not occur in the future.

RISK FACTORS

Our mining projects may be affected by complex geological structures, variable orebody shape, size and grade, wall-rock conditions and geological disasters. Mining activities may disrupt ground stress or affect the orebody and surrounding rock, which could cause collapses, water inrush or flooding, slope or opening instability, equipment damage, production interruptions or safety incidents. As a result, our mining engineering plans and production schedules may not achieve the expected results or satisfy all of our mining requirements. In addition, as our open-pit mining operations advance to deeper areas, we may face increasing geotechnical challenges relating to taller pit slopes, ground conditions and slope stability. We currently manage these risks through mine design, controls over bench height, slope angle and mining sequence, and slope monitoring measures; however, there can be no assurance that these measures will identify or prevent all geotechnical failures, or that additional monitoring, support, drainage, remediation or redesign measures will not be required.

Our infrastructure and facilities may contain design defects. The breakdown or repair of facilities may delay production and incur significant costs. Our employees and contractors and subcontractors may also encounter accidents, technical difficulties, mechanical failure or breakdown during the mining and production processes, as well as manmade and natural disasters beyond our control. In addition, we may experience increased costs of production arising from compliance with production safety laws and regulations.

Any accident, geotechnical failure, geological disruption, design defect or failure to comply with applicable occupational health and production safety requirements could result in, among other things: (i) slope or ground failure, collapses, water inrush or flooding; (ii) personal injury, death or occupational disease; (iii) damage to or destruction of equipment, facilities or infrastructure; (iv) environmental harm; (v) production delays, suspensions or business interruption; (vi) increased operating, capital and remediation costs and monetary losses; (vii) revisions to our reserve estimates; (viii) fines, penalties, civil or criminal liability; (ix) regulatory intervention, suspension or revocation of our mining licenses or other relevant permits, approvals and authorizations; and (x) reputational damage. The occurrence of any such event may also result in breaches of the conditions for our mining licenses or any other approvals, licenses or authorizations, which may result in fines and penalties or even possible revocation of such permits, approvals, licenses and authorizations. We cannot guarantee that safety accidents will not occur at our mines in the future. Should we fail to comply with any relevant laws, regulations or policies or should any accident or other such event occur, our business, reputation, financial condition and results of operations could be materially and adversely affected, and we may be subject to penalties, civil liabilities or criminal liabilities.

The operating costs, cash flow and other economic and financial estimates of our mining operations and development projects in relevant feasibility studies and internal project evaluations may differ from actual results.

The operating costs, cash flow and other economic and financial estimates for our mining operations and development projects contained in relevant feasibility studies, internal project evaluations and approval materials are based on assumptions relating to ore tonnage, grades, metallurgical characteristics, recovery rates, processing costs, operating costs, capital expenditure, financing arrangements, commodity prices, technical conditions and regulatory approval requirements. These assumptions may prove to be inaccurate or may change due to market volatility, technical issues, changes in mining or processing conditions, approval requirements, financing conditions or other factors beyond our control. In particular, the mining and processing retrofitting and expansion project at the Dabaoshan polymetallic mine, the copper polymetallic ore photoelectric high-efficiency sorting and comprehensive utilization project, comprehensive recovery and utilization of copper-lead-zinc resources project remain subject to feasibility, approval, implementation and market risks; the mining and processing retrofitting and expansion project at the Dabaoshan polymetallic mine is expected to require substantial capital expenditure and remains subject to approval requirements relating to environmental impact assessment and licenses. If actual costs exceed estimates, actual recovery rates are lower than expected, commodity prices decline,

RISK FACTORS

approvals are delayed or denied, financing terms are less favorable than expected or other assumptions prove inaccurate, such projects may generate lower cash flows than anticipated or may become less economically viable. This could materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be able to obtain, retain or renew government approvals, licenses and permits necessary for our business operations.

Our ability to carry out our business operations is subject to our ability to obtain and retain necessary approvals, licenses and permits from relevant PRC government authorities and to renew them prior to their expiry. Any failure to obtain, retain or renew, or any delay in obtaining or renewing, such approvals, licenses or permits could subject us to a variety of administrative penalties or other government actions and adversely impact our business operations and may result in the suspension of our exploration activities in the relevant areas. According to the Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》), all mineral resources in the PRC are owned by the state. As a mining company, we are required to obtain certain government licenses and permits, among which mining licenses are crucial for our mining operations. Mining licenses are limited to a specific geographic area and a certain time period. The validity of a mining license is determined according to the scale of the mine. In addition, we are required to apply to the appropriate authorities for a renewal before such licenses expire in accordance with relevant renewal procedures and timelines as stipulated by the relevant competent authorities. However, we may not be able to obtain or renew such approvals, licenses or permits, or obtain, retain or renew other approvals, licenses and permits necessary for our business operations in the future, either in respect of our mines or at any mines we may operate in the future. Moreover, pursuant to relevant PRC laws and regulations, before commencing formal production, we are required to pass the inspection and acceptance of safety facilities and environmental protection facilities by the production safety authority and environmental protection authority and to obtain a production safety permit. Our mining licenses for our mines are also subject to annual inspection by the competent bureau of natural resources at provincial level. In the annual inspection, the relevant authorities will consider whether our mining activities in the past year have been in compliance according to the relevant laws and regulations. In any case of non-compliance, we will be given a deadline to rectify the non-compliance, or our mining licenses may be revoked. Should our mining license be revoked or we have to incur additional significant costs to rectify non-compliances, our business, financial condition and results of operations would be materially and adversely affected. See “Regulatory Overview — Laws and Regulations Relating to Mineral Resources” for further details.

In addition to mining licenses, we are required to maintain valid exploration licenses and safety production permits to conduct our operations. Under the Measures for the Administration of Registration of Mineral Resources Exploration and the Mineral Resources Law of the PRC, exploration rights will be extinguished if the holder fails to apply for renewal upon expiry or if renewal is denied. Under the Regulations on Safety Production Permits, an enterprise that has not obtained a safety production permit may not engage in production activities. Our exploration license for the Chuandu-Baimianshi Mo-polymetallic deposit in Qujiang District, Shaoguan City experienced a lapse from April 2018 to July 2023. The lapse was primarily attributable to the fact that the ecological red lines had not been finalized by the Ministry of Natural Resources at the time, which prevented us from completing the renewal process. In addition, the safety production permit for the Fandong Village tailings storage facility operated by Dabaoshan experienced a lapse from April 27, 2024 to May 21, 2024 due to an adjustment in the administrative licensing authority level. Dabaoshan continued to operate the tailings facility during this period. The relevant matters have exceeded the statute of limitations for administrative penalties. While the Qujiang District Emergency Management Bureau has issued a written confirmation that (i) the safety production permit lapse was not attributable to our Company’s own conduct but rather to an adjustment in the governmental approval hierarchy, (ii) our Company does not face the risk of administrative penalties in connection therewith, there can be no assurance that similar lapses will not recur in the future. Furthermore, our exploration licenses and safety production permits are subject to periodic renewal.

RISK FACTORS

We cannot assure you that we will be able to renew such licenses and permits in a timely manner, or at all. Any failure or delay in renewing our licenses or permits, whether due to regulatory changes, policy adjustments, administrative restructuring, or other factors beyond our control, could result in the suspension of our exploration or production activities, expose us to administrative penalties, and materially and adversely affect our business prospects, financial condition and results of operations.

Mining operations are subject to extensive regulations and affected by government policies in the PRC mining industry.

We are subject to extensive national, provincial and local government regulations, policies and controls in the PRC that govern many aspects of our industry, including, without limitation:

- limits on increases in ore output volume;
- grant and renewal of mining rights;
- grant and renewal of safety production permits;
- production safety and casualty ratings;
- taxes and fees;
- environmental, health and safety standards; and
- annual verification of mining licenses and exploration licenses.

The liabilities, costs, obligations and requirements associated with these laws and regulations may be significant and may delay or interrupt our mining operations. Failure to comply with the relevant laws and regulations in our mining operations may result in penalties or suspension of our mining operations.

Additionally, we cannot assure you that the relevant government agencies will not alter these laws or regulations or impose additional or more stringent laws or regulations. Compliance with new laws or regulations may require us to incur significant costs, capital expenditures or other obligations and secure new sources of financing. More stringent laws or regulations may also restrict our business operations. The cost of compliance with regulations is and will continue to be substantial, and any increase in costs due to changes in laws or regulations or to our failure to comply may subject us to, among others, suspension of mining operations and penalties which could have a material adverse effect on our business, financial condition and results of operations. In addition, the current PRC government policies favor the acquisition and consolidation of mines by large mining companies. However, we cannot assure you that such policies will not change in the future. In the event that those policies change, our costs of carrying out our acquisition and expansion plans may increase substantially and our ability to effect such plans may decrease.

Our operations are exposed to risks in relation to environmental protection and rehabilitation and our business operations may be affected by current or future safety and environmental regulations. Our operations are subject to environmental risks and hazards and we are subject to extensive and increasingly stringent safety and environmental protection laws and regulations in the PRC. These laws and regulations:

- impose environmental protection taxes;
- require provision for environmental rehabilitation and restoration of mines;
- impose fines for serious environmental offences; and
- allow the PRC Government, at its discretion, to close down any facilities failing to comply with orders to correct or stop operations that have caused serious environmental damage.

RISK FACTORS

Environmental hazards may occur in connection with our operations as a result of human negligence, force majeure or otherwise. The occurrence of any environmental hazards may delay production, increase production costs, cause personal injuries or property damage, result in liability to us and/or damage our reputation. Claims may be asserted against us arising out of our operations in the normal course of business, including claims relating to land use, safety, health and environmental matters. Some incidents may also result in a breach of conditions of our mining licenses and exploration licenses, or other consents, approvals or authorizations, which may result in fines or penalties or even possible revocation of our mining licenses and/or exploration license.

The PRC Government is currently moving towards more rigorous enforcement of applicable laws and regulations, as well as the adoption and enforcement of more stringent environmental standards. As a result, our budgeted capital expenditures for safety and environmental regulatory compliance may be insufficient and we may need to allocate additional funds. Moreover, we cannot assure you that we can comply with all applicable safety and environmental laws and regulations that may be adopted or amended in the future. If we fail to comply with current or future safety or environmental laws and regulations, we may be required to stop production, pay penalties or fines and take corrective actions, any of which may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain an adequate and timely supply of electricity, water, and other utilities at reasonable prices or at all, and we depend on infrastructure that is beyond our control.

Our mining and processing operations depend on a reliable and cost-effective supply of electricity, water and other utilities. We also depend on external infrastructure, including public roads, the national railway network and the municipal power grid, the availability, capacity, reliability and maintenance of which are outside our control. Utility prices may increase as a result of changes in PRC pricing policies, market-based pricing reforms or higher generation costs, and utilities, supplies, transportation and other infrastructure services may be interrupted, restricted or curtailed due to grid or capacity constraints, maintenance work, infrastructure damage, accidents, extreme weather, natural disasters, supply shortages, quality issues or failures by our suppliers or contractors to perform. We cannot assure you that utilities, supplies, services, transportation routes and infrastructure will continue to be available in adequate quantities, on a timely basis or on commercially acceptable terms. If prices increase materially, or if supply, transportation or infrastructure is disrupted and we are unable to obtain suitable alternatives in a timely manner and on commercially acceptable terms, our production may be reduced, delayed or suspended, our processing throughput may decline, our production, procurement and sales schedules may be disrupted and our procurement and operating costs may increase, which could materially and adversely affect our business, financial condition and results of operations.

Our shallow ore resources are gradually being drawn down, requiring a transition to deeper mining operations with higher strip ratios and increasing production costs.

As our shallow high-grade ore resources are gradually drawn down, our open-pit operations are expected to transition gradually to deeper mining areas, with deeper pit slopes, rising stripping volumes and higher strip ratios. Higher strip ratios may increase our fuel, labor, equipment, maintenance, transportation and waste-management costs and may require additional capital investment in mining equipment, waste-removal and storage capacity and other supporting infrastructure. We cannot assure you that our shallow ore resources will be sufficient to sustain our current levels of production, or that the transition to deeper mining areas can be completed on schedule, within budget or on commercially acceptable terms. If such transition results in higher costs, higher-than-expected strip ratios, lower ore grades, lower recovery rates or reduced operational efficiency, our margins, cash flow and economic viability could be materially and adversely affected.

RISK FACTORS

Our existing mining operations have a finite life, and failure to discover, maintain or develop additional reserves or to expand our mining operations could materially and adversely affect our business.

Our sole mining asset is the Dabaoshan Mine. According to the SRK Report, the estimated remaining Life of Mine is approximately 13 years commencing from September 2026, with total Proved and Probable Ore Reserves of approximately 63,912 kt containing approximately 276 kt of copper metal and 9,237 kt of sulphur as of August 31, 2026. See “Appendix III — Competent Person’s Report” for further details. Our mining license is valid until February 24, 2039. As we do not currently have any other mining assets, substantially all of our revenue and cash flows for the foreseeable future will be derived from the Dabaoshan Mine, making the remaining mine life and reserve replenishment of critical importance to our long-term viability. Our existing mining operations will eventually close unless we are able to discover, maintain or enhance, and economically develop, additional resources and reserves. We have formulated a five-year geological exploration plan for the period from 2027 to 2031. However, there can be no assurance that our exploration activities will result in the discovery of economically viable mineral resources, that identified resources can be converted into reserves, or that our expansion project can be completed on schedule and within budget. If we fail to discover, maintain or develop sufficient reserves at a rate commensurate with depletion, the life of our mining operations may be shortened and our production volumes, revenue, cash flow, long-term viability, business, financial condition and results of operations could be materially and adversely affected.

As we continue the exploration and mining process, the ore grade of our Dabaoshan Mine is expected to decrease over time.

The ore grade is a key determinant of the economic feasibility of mining operations. Higher-grade ores generally yield higher outputs at lower processing costs, making them more profitable. As high-grade deposits become exhausted, the ore grade may decrease over time. While the decline in copper grade has been partially offset by increases in copper prices and improvements in total sulphur recovery rate, there can be no assurance that such offsetting factors will continue. Lower-grade ores require more intensive processing efforts, leading to higher unit costs and a potential increase in overall operational costs. This shift may reduce our profit margins and make it increasingly difficult to sustain operations at existing levels. If we encounter lower-grade ores as mining progresses, it could necessitate a re-evaluation of our operational strategies, such as expediting the plan of comprehensive utilization of low-grade ore. Any sustained decline in ore grade without a corresponding improvement in recovery rates or commodity prices could materially and adversely affect our financial condition and results of operations.

We face risks and uncertainties associated with our exploration projects.

Exploration projects involve a high degree of risk and substantial cost, and there is no assurance that any exploration activity will result in the discovery of Mineral Resources or Ore Reserves or in any new commercially profitable mining operation. Our expected exploration targets include copper, lead, zinc, molybdenum, silver and sulphur resources, with a total geological exploration investment budget of approximately RMB311 million for the period from 2027 to 2031. A standardized new-area exploration-to-production process may take four to six years from initial exploration through detailed exploration, feasibility study and mining right approval, while supplemental exploration within the boundaries of existing mine designs may involve a shorter process but remains subject to technical and economic uncertainty. If exploration is unsuccessful, delayed or more costly than expected, or if economically viable reserves are not identified before the depletion of existing reserves, our business, production profile and results of operations may be materially and adversely affected.

RISK FACTORS

Our major capital expenditure and expansion projects may not be completed within the expected time frame and budget, or at all, may not commence commercial production as planned, and may not achieve the intended economic results or commercial viability.

Our planned capital expenditure, project development and expansion activities may be delayed, exceed budget, fail to commence operation, complete implementation or generate expected benefits as planned, or otherwise fail to achieve the intended economic, operational or environmental results. We have identified several ongoing or planned projects. See “Business — Our Strategies — Accelerate industrial upgrading and enhance economic returns” for further details. These projects may be adversely affected by failure to obtain necessary internal, environmental, licensing or other regulatory approvals, technical difficulties, feasibility-study revisions, resource constraints, insufficient skilled personnel, market changes, cost overruns, financing constraints or diversion of management attention from existing operations. If any project is delayed, cancelled, over budget or fails to achieve its expected economic, operational or environmental benefits, our business, financial condition and results of operations could be materially and adversely affected.

We may have difficulty managing our future growth and the increased scale of our operations.

Our future growth may place significant strain on our managerial, operational, technical and financial resources. To manage an increased scale of operations, including intelligent mining construction, resource recovery projects, possible provincial and cross-regional resource expansion and the proposed [REDACTED] process, we will need to recruit, train and retain qualified personnel, implement effective internal controls, manage logistics, utilities and supply needs, maintain cost controls and integrate new assets, systems and personnel. Our location in the mountainous area of northern Guangdong may make it difficult to attract high-end talent. If we fail to manage future growth effectively, our business, financial condition and results of operations could be materially and adversely affected.

There are uncertainties associated with our plans to acquire additional exploration and mining rights and projects.

We may seek to obtain additional exploration and mining rights or projects through acquisitions, applications, cooperation arrangements or other means to expand our reserve base and production profile, but there can be no assurance that we will identify suitable targets or opportunities, complete any transaction or obtain approval for any application on commercially acceptable terms or at all. See “Business — Our Strategies — Promote internal and external coordination and strengthen resource expansion” for further details. We have established a resource expansion department and cooperate with geological survey units in order to continue exploration along the Nanling metallogenic belt and to acquire copper, sulphur and other polymetallic mining rights as opportunities arise. We may pursue cross-regional mineral opportunities, but such plans remain subject to due diligence, regulatory approvals, financing, geological uncertainty and market conditions. The PRC has strict ecological controls and tighter approvals for new mining rights, and provincial follow-on mine resources may be difficult to obtain. If we are unable to acquire additional exploration or mining rights or if acquired projects fail to achieve expected results, our growth prospects and results of operations may be materially and adversely affected.

We are subject to various operational risks and hazards, and our insurance coverage may be inadequate or unavailable.

We face various operational risks and hazards in connection with our mining, processing, storage and transportation activities, including production interruptions, operational errors, equipment failure, power outages, raw material or supply shortages, geological disasters, fires, explosions, floods, collapses, environmental incidents and industrial accidents. These events may result in damage to or destruction of mineral properties or production facilities, personal injury or loss of life, environmental damage, delays in mining or processing, monetary losses and legal liability. Although we maintain property insurance, motor vehicle insurance, environmental liability insurance, safety production liability insurance and certain employee-related insurance, our policies

RISK FACTORS

are subject to coverage limits, deductibles, exclusions and other terms and may not cover all operational risks or the full amount of any loss, liability or business interruption. See “Business — Insurance” for further details. If we incur substantial losses or liabilities that are not insured or exceed our insurance coverage, our business, financial condition and results of operations could be materially and adversely affected.

We face risks and uncertainties beyond our control from unforeseen events, natural disasters and public health emergencies.

Our business may be affected by natural disasters and other unforeseen events beyond our control, including severe weather, floods, earthquakes, landslides, fires, explosions, epidemics or other public health emergencies and other emergencies. In 2024, a flood previously damaged a power transmission tower serving our operations. Similar or more severe events could damage our mining and processing facilities or the roads, railway lines, power transmission facilities and other infrastructure on which we depend. They could also interrupt utilities, production inputs and transportation services, disrupt the operations of our customers, suppliers or contractors, and delay our mining, processing, construction, maintenance or sales activities. An outbreak of an epidemic or other public health emergency, or related control measures, may also reduce workforce availability and affect the operations of our customers, suppliers and contractors. Natural disasters or other emergencies occurring outside our operating area may also affect commodity prices, domestic demand, supply chains or financing conditions. Any material or prolonged disruption could reduce our production or sales volumes, increase repair, procurement and operating costs, delay our projects and expose us to liabilities, which could materially and adversely affect our business, financial condition and results of operations.

We depend on information technology and digital systems, and cyberattacks, system failures or other technology-related disruptions could adversely affect our production and operational efficiency.

We rely on information technology and digital systems for our mining, processing, monitoring, procurement, inventory, settlement, financial reporting and administrative functions, and our reliance is expected to increase as we implement our intelligent mine construction project. These systems may be affected by cyberattacks, ransomware, unauthorized access, employee or contractor error or misconduct, hardware, software, network or power failures, defects arising from system implementation, upgrade or integration, or failures by third-party system providers. Any such incident could interrupt or degrade production, dispatch, monitoring or safety functions, result in the loss, corruption, leakage or misuse of operational, commercial or personal data, delay our technology projects or require additional remediation and security expenditure. Any material system disruption, data security incident or non-compliance could result in production interruptions, increased costs, regulatory investigations, fines, penalties, legal claims and reputational harm, which could materially and adversely affect our business, financial condition and results of operations.

We rely on third-party contractors and suppliers for certain mining and transportation services, raw materials and processing reagents, and their failure to perform or any supply disruption could adversely affect our operations.

We have engaged a third party blasting engineering company as our mining contractor, which is responsible for drilling, blasting, loading and hauling all mined material to designated delivery points, using mining equipment owned and operated by it. We also depend on third-party suppliers, primarily domestic, for production inputs and equipment required for our operations, including mineral processing reagents, diesel fuel, auxiliary materials, equipment and spare parts. See “Business — Our Suppliers and Contractors” for further details. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, purchases from our five largest suppliers accounted for 33.6%, 33.1%, 39.1% and 38.2% of our total purchases, respectively, while purchases from our largest supplier accounted for 18.9%, 18.2%, 18.9% and 16.7%, respectively.

RISK FACTORS

We cannot assure you that our mining contractor will continue to perform its obligations in a timely and proper manner or in compliance with applicable operational, quality, safety and environmental requirements, or that our suppliers will continue to provide production inputs and equipment of the required quantity and quality on a timely basis or on commercially acceptable terms. Any failure by our contractor to perform, breach of applicable laws or contractual requirements, accident or other operational disruption, or any material shortage, delivery delay, quality deficiency or price increase, or financial or operational difficulty experienced by our contractor or a key supplier, could result in production delays or suspensions, reduce production efficiency, disrupt our production plans and increase our procurement, operating and other costs, liabilities or regulatory consequences. In addition, notwithstanding that blasting and other mining operations are carried out by our third-party contractor, we may nonetheless be held liable or subject to regulatory sanctions, claims, fines or other adverse consequences if our contractor violates applicable laws, regulations or safety production requirements, or if any safety incident, accident or environmental event occurs in connection with such outsourced operations, whether or not such event is directly attributable to us. If we are unable to engage a suitably qualified replacement contractor or secure suitable alternative supplies in a timely manner and on commercially acceptable terms, our business, financial condition and results of operations may be materially and adversely affected.

Increases in our production costs, including labor, energy, reagents and maintenance costs, could adversely affect our profitability.

Our profitability is affected by our cost of sales, which primarily include raw materials and consumables, employee benefit expenses, depreciation and amortization, utilities and fuel, production safety and environmental protection, and other expenses. Our cost of sales was RMB892.2 million, RMB910.0 million, RMB920.3 million, RMB478.6 million and RMB555.1 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Raw materials and consumables represented the largest component of our cost of sales, accounting for 31.6%, 25.8%, 30.3%, 26.5% and 31.9% of our total cost of sales for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The prices of production consumables and other inputs may fluctuate significantly, while increasingly stringent environmental and production safety requirements may increase our wastewater treatment, environmental compliance, production safety, equipment upgrade and maintenance costs.

In addition, as our mining activities progress to deeper levels, increases in stripping volumes and the stripping ratio and more complex mining conditions may further increase our mining, infrastructure and production safety costs. During the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our overburden stripping volumes were 6.35 million cubic meters, 7.06 million cubic meters, 5.92 million cubic meters and 2.28 million cubic meters, respectively. According to the SRK Report, the average life-of-mine stripping ratio under our mine production schedule is 4.15, with the stripping ratio expected to reach 10.31 for the period from September 1, 2026 to December 31, 2026 and 9.63 in 2027, before declining to 7.76 in 2028 and 6.76 in 2029, and further to 4.88 in 2030. The projected stripping ratios for the period from September 1, 2026 to December 31, 2026 and for 2027 are significantly higher than historical levels and the life-of-mine average. Higher stripping ratios may increase our fuel, labor, equipment, maintenance, transportation and waste-management costs and may require additional capital investment in mining equipment, waste-removal and storage capacity and other supporting infrastructure.

The selling prices of our mineral products are primarily determined by prevailing market conditions and may not increase in line with our production costs. Accordingly, we may be unable to pass increases in labor, energy, consumables, maintenance or compliance costs on to our customers in a timely manner or at all. Any material increase in our cost of sales or production costs could reduce our profit margins and cash flows and materially and adversely affect our financial condition and results of operations.

RISK FACTORS

We rely on a limited number of customers for a significant portion of our revenue, and the loss of any major customer could materially affect our business.

We derived a significant portion of our revenue from a limited number of customers during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our five largest customers accounted for 56.9%, 50.9%, 47.5% and 58.5% of our total revenue, respectively, while our largest customer accounted for 23.7%, 19.7%, 17.1% and 17.8%, respectively. See “Business — Our Customers — Five Largest Customers” for further details. Our mineral products, including copper concentrate and sulphur concentrate, are primarily sold to domestic smelting and chemical enterprises. We cannot assure you that our major customers will continue to purchase our products at comparable volumes or on commercially acceptable terms, or that they will remain financially sound. Changes in customer demand, market competition, regulatory restrictions affecting our customers or a customer’s failure to satisfy our credit assessment or compliance requirements may affect our relationships with existing customers and the composition of our customer base. If any of our major customers reduces or ceases its purchases, switches suppliers, seeks less favorable commercial terms or experiences financial difficulties, we may not be able to secure replacement orders of comparable volume in a timely manner or on commercially acceptable terms. Any such event could materially and adversely affect our business, financial condition and results of operations.

We face intense competition from other mining companies, both domestic and international, and may not be able to compete effectively.

We face competition from domestic and international mining companies and non-ferrous metal producers for mineral resources and mining rights, customers, qualified personnel, financing and acquisition opportunities. Our current mining capacity is approximately 3.3 million tonnes per year, and our operations rely primarily on our mining area in northern Guangdong. Larger competitors may have more extensive Mineral Resources and Ore Reserves, greater production capacity, stronger financial and technical resources, lower financing costs, more diversified operations and greater ability to acquire and integrate additional mining assets. Competition may reduce the prices or volumes at which we sell our products, increase the cost of acquiring mining rights or mineral assets, and limit our ability to recruit qualified personnel or obtain financing on commercially acceptable terms. If we are unable to maintain product quality and cost competitiveness, expand our resource base or respond effectively to competitive pressures, our business, financial condition and results of operations may be materially and adversely affected.

Our operations generate tailings, waste materials and emissions that require proper management, storage and disposal.

Our mining and processing operations generate tailings, wastewater, waste rock, dust and air emissions. Based on an average tailings yield of 64.8% at our current annual ore throughput of 3.3 Mt, we generate approximately 2.14 Mt (approximately 1.645 million cubic meters) of tailings per year, and we operate three mine wastewater treatment plants with a total treatment capacity of up to 96,000 cubic meters per day. Wastewater and tailings generated by our operations may contain acidic substances, residual sulfide minerals, heavy metals or other pollutants that may harm people, property and the environment if released, leaked, overflowed, discharged or disposed of improperly. We store tailings at our tailings storage facilities, which are subject to applicable design, operation, monitoring and closure requirements and, in certain circumstances, to risks of seepage, overflow or structural instability. Failures in the treatment, storage, transportation or disposal of tailings, wastewater, waste rock or other pollutants could result in soil or water contamination, personal injury, property damage, production interruptions, remediation costs, fines, penalties, legal claims or reputational harm. Applicable waste management, tailings storage and emission standards may also become more stringent and require additional treatment, storage, monitoring or disposal expenditure. If we fail to manage our waste and emissions in accordance with applicable requirements, or if the related compliance costs increase materially, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

We require substantial capital to fund our mining operations and, retrofitting and expansion projects, and our future indebtedness could limit our financial flexibility.

Our exploration, development, mining and processing activities and our retrofitting and expansion plans require significant capital expenditure. Our business plans also include equipment upgrades, intelligent mine construction, comprehensive resource recovery projects and potential acquisitions of external mining rights, all of which require substantial investment.

As of June 30, 2026, we had no interest-bearing bank or other borrowings. Although we have repaid all bank loans, we may incur additional indebtedness to finance our exploration, development, and retrofitting and expansion plans. Additional debt financing would increase our interest expenses and repayment obligations and may require us to allocate operating cash flows to debt service rather than capital expenditure, working capital or acquisitions. Our financing agreements may also impose operational and financial covenants that could limit our financial flexibility.

Our ability to obtain sufficient external financing on commercially acceptable terms is subject to our financial condition, results of operations and cash flows, commodity prices, domestic and global financial market conditions, interest rates, bank lending practices and PRC monetary policy. If we are unable to obtain sufficient funding when required, if our financing costs materially exceed our estimates, or if we breach any financing obligation or are unable to repay or refinance our indebtedness on commercially acceptable terms, we may be required to delay, reduce or cancel exploration, development, expansion, equipment upgrade or acquisition plans, and lenders may accelerate repayment, enforce security or terminate available facilities. Any such event could materially and adversely affect our growth prospects, liquidity, financing capacity, business, financial condition and results of operations.

We are subject to risks relating to inventory, including the risk of obsolescence and impairment.

During the Track Record Period, our inventories amounted to RMB31.8 million, RMB55.7 million, RMB176.3 million and RMB87.0 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Our inventories principally comprised raw materials and finished goods. The significant increase in our inventories in 2025 was primarily attributable to the build-up of finished goods inventory, particularly copper concentrates and sulphur concentrates, in anticipation of a growth in demand. Having an appropriate level of inventory is pivotal in minimizing the effect of the volatility of commodity prices on our operations. However, decisions to accumulate finished goods inventory, such as the build-up of copper concentrates in 2025, expose us to the risk that market prices of our products may decline during the period between production and sale, which could result in a write-down of inventories and reduce our profitability. Any sudden decrease in the market demand and the corresponding unanticipated drop in the sales and the prices of the relevant finished goods or any failure of us in successfully maintaining the flexibility in our raw materials supply arrangements could cause our inventory to accumulate or depreciate in value, which may adversely affect our businesses, financial condition and results of operations. While our work-in-progress and finished goods are not exposed to the risk of obsolescence since they do not deteriorate easily, we review our inventory from time to time and make provisions for write-down of inventories when it deems necessary. Assumptions regarding metal prices and recovery rates will have impact on the assessment of the value of our inventories.

We are subject to risks relating to amortization of or impairment losses on our mining rights and related assets may adversely affect our financial condition and results of operations.

We may be required to recognize impairment losses, write-offs or amortization charges in respect of our mining rights, exploration and evaluation assets, property, plant and equipment and expenditures capitalized in connection with projects under development. Our mining rights are amortized using the units-of-production method in accordance with our production plans and the proven and probable mineral reserves of the mines, and our mining rights and related assets are subject to impairment when indicators exist. Reserve estimates involve inherent complexity and

RISK FACTORS

uncertainty. Impairment indicators may arise from declines in commodity prices or Mineral Resource and Ore Reserve estimates, changes in estimated reserves, mining plans or production, increases in operating or capital costs, adverse regulatory developments, project delays, reduced forecast cash flows, the reduced economic viability of our mining properties, or the suspension or abandonment of exploration or development activities. Our planned projects are also subject to approval, technical, market, funding, construction and implementation risks. If a mining property or exploration project is abandoned, if expected benefits cannot be realized, or if any project is delayed, suspended or fails to generate the forecast economic benefits, we may be required to record amortization charges, write-offs or impairment losses. Any such charges would reduce our profit and net asset value and could materially and adversely affect our financial condition and results of operations.

Our dividend policy is subject to change and we may not be able to pay dividends in the future.

We may not declare or pay dividends on our H Shares in the future. Future dividends, if any, will depend on our distributable profits, results of operations, financial condition, cash flows, capital expenditure and working capital requirements, business prospects and applicable legal and contractual restrictions. Under PRC law, dividends may be paid only out of distributable profits determined in accordance with applicable accounting standards after recovery of accumulated losses and appropriations to statutory reserves. Our substantial capital requirements for exploration, mining and processing expansion, equipment upgrades and resource development may reduce the cash available for dividend distributions. We may therefore have insufficient distributable profits or cash to pay dividends in any period, and our historical profit distributions should not be regarded as an indication of the amount or frequency of dividends that we may declare or pay in the future.

International trade tensions, geopolitical conflicts and global financial market volatility could reduce downstream demand, affect the composition of our customer base and adversely affect the pricing of our products.

International trade tensions, geopolitical conflicts and volatility in global financial markets, including wars, global financial crises and economic slowdowns, rising interest rates, inflationary pressures, supply chain disruptions, trade tensions between the United States and other countries, the Russia-Ukraine and Israel-Hamas conflicts, U.S. and Israeli military strikes on Iran and retaliatory attacks in the region, and volatility in the global stock markets, have led to less favorable financial and economic conditions and may, depending on their scope and duration, adversely affect the demand, supply and pricing environment for copper, sulphur and other mineral products.

Regional conflicts, sanctions, export or import restrictions, tariffs, disruptions to shipping or logistics and changes in customer sentiment could, in certain circumstances, reduce downstream demand or cause customers to defer purchases. These developments may also adversely affect the global supply chain and the composition of our customer base to the extent customers become more selective or face their own financing, logistics or regulatory constraints. If demand from downstream customers were to contract significantly or pricing terms were to become materially less favorable, our revenue and operating results could be materially and adversely affected.

Fluctuations in the exchange rate of Renminbi against Hong Kong dollars and other currencies could affect the value of your [REDACTED] and the Renminbi-denominated prices of our products.

Fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar and other currencies could affect the value of an [REDACTED] in our H Shares. Our revenue and operating costs are denominated in Renminbi, while the net [REDACTED] from the [REDACTED] will be received in Hong Kong dollars and our H Shares will be [REDACTED] in Hong Kong dollars. Appreciation of the Renminbi before conversion of the net [REDACTED] may reduce the Renminbi amount available to us, and depreciation of the Renminbi may reduce the value of dividends paid in Renminbi when converted into other currencies. Any material exchange rate fluctuation could therefore adversely affect the value of the net [REDACTED], the dividends received by holders of our H Shares and the value of their [REDACTED].

RISK FACTORS

In addition, exchange rate movements between the Renminbi and the U.S. dollar may indirectly affect the Renminbi-denominated domestic selling prices of our principal products. The pricing of copper concentrates, our largest revenue contributor, is determined with reference to the copper contract price on the Shanghai Futures Exchange, which closely follows international copper prices that are predominantly denominated in U.S. dollars. As all of our revenue during the Track Record Period was generated from domestic sales in the PRC and we do not have any overseas sales, we do not earn any U.S. dollar-denominated revenue that would provide a natural hedge against movements in the RMB/USD exchange rate. As a result, an appreciation of the Renminbi against the U.S. dollar could lead to a decline in the Renminbi-denominated domestic price of copper, which would in turn reduce our revenue and profitability, while our operating costs, which are predominantly Renminbi-denominated, would remain largely unaffected by such exchange rate movements. Renminbi appreciation against the U.S. dollar could adversely affect our product pricing and revenue without a corresponding reduction in our cost base, whereas Renminbi depreciation would generally benefit our Renminbi-denominated product prices. Given the significance of copper concentrate revenue to our overall results, any sustained appreciation of the Renminbi against the U.S. dollar could materially and adversely affect our revenue, profitability, financial condition and results of operations.

We depend on key management and technical personnel, and the loss of key personnel could adversely affect our operations.

Our business depends on the continued services of our management and technically skilled personnel responsible for geology, exploration, mine planning, mining, mineral processing, surveying, production safety, environmental management and project development. The implementation of our exploration, mining and processing expansion and technical upgrade plans may increase our demand for personnel with specialized mining and technical expertise. The market for qualified geological, mineral processing and mining engineering personnel is competitive, and our location in the mountainous area of northern Guangdong may make it more difficult or costly to recruit and retain such personnel. If any key management or technical personnel ceases to provide services to us and we are unable to identify and integrate a suitably qualified replacement in a timely manner, or if we cannot recruit sufficient technically skilled employees for our operations and expansion projects, our production, exploration, project implementation and operational efficiency may be disrupted. Any such event could materially and adversely affect our business, financial condition and results of operations.

We may face labor disputes, labor cost increases or difficulty in recruiting sufficient workers, which could disrupt our operations.

Our labor costs may increase as a result of wage adjustments, employee benefits, social insurance contributions, changes in labor laws and regulations or additional workforce requirements arising from our expansion projects. We may also experience labor disputes, work stoppages or difficulties in recruiting sufficient employees for our mining, processing and project development activities. In particular, our location in the mountainous area of northern Guangdong may make it more difficult or costly to recruit qualified mineral processing and geological personnel. Any prolonged labor dispute, material increase in labor costs or shortage of qualified employees could disrupt our production schedules, delay our development and expansion projects and increase our operating costs, which could materially and adversely affect our business, financial condition and results of operations.

Our Controlling Shareholders have significant influence over our Company and their interests may conflict with those of other Shareholders.

Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised), Guangdong Rising Holdings is expected to hold approximately [51.00]% of our issued share capital and China Rare Earth Nonferrous Metals is expected to hold approximately [34.00]% of our issued share capital, and they will together hold approximately [85.00]% of our total issued share capital.

RISK FACTORS

As our Controlling Shareholders, they will therefore be able to exercise significant influence over matters submitted to our Shareholders for approval. Such matters may include the election and removal of Directors, the appointment of senior management, dividend distributions, business and financing strategies, acquisitions and disposals, the issuance of securities, changes to our share capital and other significant corporate actions. See “Relationship with Our Controlling Shareholders” for further details. The interests of our Controlling Shareholders may not always coincide with those of our public Shareholders, particularly in relation to transactions or arrangements involving our Controlling Shareholders or their respective affiliates. Our Controlling Shareholders may exercise their voting power to cause us to take, approve or refrain from taking actions that benefit them or their affiliates but are not in the interests of our public Shareholders. This concentration of ownership may make it difficult for [REDACTED] Shareholders to influence corporate decisions or prevent transactions with which they disagree and could adversely affect the value of their [REDACTED].

In addition, the ultimate controlling shareholder of our Company is the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangdong Province, a PRC governmental body which is principally engaged in the supervision and management of state-owned assets. As a result, our Board’s decision-making process and our business and operational decisions may be influenced by government policies and political decisions. Any future changes in regulations and policies relevant to the mineral resources industry may adversely affect our business operations and results of operations.

We conduct certain ongoing transactions with entities controlled by or affiliated with our Controlling Shareholders, and changes in these arrangements could affect our business.

Following the [REDACTED], our continuing connected transactions with members of our Controlling Shareholders’ group will principally comprise: (i) a financial services framework agreement with Guangdong Rising Finance Co., Ltd. (廣東省廣晟財務有限公司), a subsidiary of Guangdong Rising Holding Group, under which Guangdong Rising Finance will provide our Group with deposit services, loan and other financing services, and other financial services including settlement, guarantee, entrusted loan and corporate account overdraft services; (ii) a centralized procurement framework agreement with Guangdong Rising Holding Group; (iii) a sales framework agreement with Guangdong Rising Holding Group; and (iv) a properties leasing framework agreement with Guangdong Rising Holding Group. During the Track Record Period, our sales to connected parties comprised sales of copper, other mineral by-products and others to Guangdong Rising Holding Group, which amounted to RMB251.2 million, RMB32.4 million, RMB6.1 million and RMB137.4 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, accounting for 15.7%, 1.8%, 0.3% and 7.4% of our total revenue for the same periods, respectively. Our purchases from Guangdong Rising Holding Group, which principally comprised centralized procurement of equipment and raw materials and properties leasing, amounted to RMB17.5 million, RMB42.6 million, RMB68.8 million and RMB32.2 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, accounting for 2.6%, 5.4%, 7.9% and 9.0% of our total purchases for the same periods, respectively. In addition, the maximum daily deposit balance placed by our Group with Guangdong Rising Finance increased from RMB116.0 million as of December 31, 2023 to RMB1,363.0 million as of June 30, 2026. See “Connected Transactions” for further details.

Subject to the terms of the relevant framework agreements, these arrangements may be varied, suspended or not renewed, and the relevant counterparties may not be required to provide services or purchase products in any minimum amount. In particular, if the financial services arrangements with Guangdong Rising Finance are terminated or become unavailable, we may need to obtain comparable services from other financial institutions, which may involve additional time or cost. Any deterioration in the financial condition of Guangdong Rising Finance could affect our access to

RISK FACTORS

deposits placed with it. If any of these arrangements changes and we are unable to make alternative arrangements on comparable terms in a timely manner, our operations, financial condition and results of operations may be adversely affected.

We may not be able to resolve potential conflicts of interest with our Controlling Shareholders, and our corporate governance may be affected.

Our Controlling Shareholders and their respective affiliates may conduct businesses, hold investments or pursue opportunities in the mineral resources and related industries that overlap with or relate to our business. Guangdong Rising Holding Group is a large-scale multinational state-owned enterprise group primarily engaged in exploration, development, refining, and processing of metals globally, maintains significant operations in China and is also engaged in electronic information businesses. Although a Deed of Non-Competition has been provided by Guangdong Rising Holdings pursuant to which it has undertaken not to engage in copper mining in the PRC (the “Restricted Business”) while it remains our Controlling Shareholder (subject to limited exceptions for minority interests of less than 30%), Guangdong Rising Holding Group retains certain limited domestic copper resources, which are still at the exploration phase and not currently suitable for consolidation into our Group. China Rare Earth Nonferrous Metals is principally engaged in the mining and refinement of rare earth, tungsten and magnetic materials.

We also conduct continuing connected transactions with members of the Guangdong Rising Holding Group, including the sale of copper, other mineral by-products and others, centralized procurement of equipment and raw materials, the provision of financial services by Guangdong Rising Finance, and the leasing of properties, as further described in “Connected Transactions” in this Document. Conflicts may arise in relation to the allocation of business or investment opportunities, acquisitions of mineral resources, access to customers or suppliers, the pricing and terms of connected transactions, financing arrangements or other strategic decisions. Our Controlling Shareholders may exercise their voting power to influence the outcome of such matters in a manner that benefits them or their affiliates but is not in the interests of our public Shareholders. Although we have adopted enhanced corporate governance measures, there can be no assurance that these measures will be effective in all circumstances or prevent all potential conflicts. Any such conflict could result in business opportunities or resources not being made available to us, transactions being conducted on less favorable terms or strategic decisions that do not align with the interests of our public Shareholders, which could materially and adversely affect our business, financial condition, results of operations and the value of an [REDACTED] in our H Shares.

Defects in our land use rights or property titles could affect our operations and expansion plans.

We own and lease parcels of land and buildings that we use for mining, industrial, commercial and office purposes. We have not obtained valid land use rights certificates, building ownership certificates or other required approvals for certain of these properties. Under PRC law, a mining right or mining permit does not, by itself, confer a right to use the relevant land, and a mineral-right holder must separately obtain the necessary land-use rights or approvals. Land development, use and protection are subject to territorial spatial planning, land-use controls, registration and other applicable requirements. Accordingly, our use of land for mining operations depends on obtaining and maintaining the applicable land-use rights and approvals.

We may be unable to transfer, mortgage, lease or continue using properties for which we have not obtained the required certificates or approvals, and the relevant authorities or third parties may challenge our rights to occupy or use them. If we are unable to obtain the required certificates or approvals, we may be required to vacate or relocate the affected operations, facilities or employees, pay penalties or incur rectification and relocation costs. Any material restriction on our use of properties required for production or development projects could disrupt our operations, delay our retrofitting and expansion plans and materially and adversely affect our business, financial condition and results of operations. For details, see “Business — Non-Compliance — Land Use Matters” in this Document.

RISK FACTORS

We may not be able to adequately protect our intellectual property and proprietary technology.

As of June 30, 2026, we held 105 valid patents (comprising 13 invention patents and 92 utility model patents) and 8 software copyrights in the PRC. Certain patents and proprietary technologies used in our operations may be jointly owned or subject to contractual arrangements that do not fully specify the parties’ respective ownership interests and rights relating to use, licensing, transfer, maintenance and enforcement. Disagreements with co-owners, defects or uncertainties in ownership or contractual arrangements, failures to obtain or maintain intellectual property protection, or third-party infringement claims could restrict our ability to use, license, transfer or enforce the relevant intellectual property. We may also incur substantial costs in protecting or defending our intellectual property rights. Any material restriction on our use of technology required for our operations, or any adverse determination in an intellectual property dispute, could materially and adversely affect our business, financial condition and results of operations.

We may be subject to litigation, arbitration or other legal proceedings that could result in significant liabilities or reputational damage.

We may become involved in litigation, arbitration, administrative proceedings or other disputes arising from our operations, including disputes relating to commercial contracts, customers, suppliers, contractors, employees, property and land use, production safety, environmental matters, taxation, intellectual property and regulatory compliance. Such proceedings may be costly and time-consuming, require us to incur substantial legal and professional expenses and divert management attention and other resources from our operations. We may also be required to pay damages, additional taxes, fines, penalties or settlement amounts, undertake rectification measures, suspend affected activities or modify our contractual or operating arrangements. Any material adverse judgment, award, settlement, regulatory order or related reputational damage could disrupt our operations, delay our projects and materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE PRC

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

Our revenue is derived from our businesses in the PRC during the Track Record Period. Accordingly, our future prospects, business, results of operations and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

China’s economy has experienced significant growth over the past decades. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country.

RISK FACTORS

Any uncertainties embedded in the legal systems could affect our business, financial condition and results of operations.

We are subject to certain uncertainties embedded in the legal systems of the market where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Measures (March 31, 2023) and five supporting guidelines (the “Overseas Listing Regulations”). The Overseas Listing Regulations stipulate that issuers that meet the filing requirements shall fulfill the filing procedures within three working days after they make an application for offering and listing in an overseas stock market. According to the Overseas Listing Regulations, we are required to fulfill the filing procedure with the CSRC within three working days after submitting the application documents to the overseas supervisory authorities to report relevant information. See “Regulatory Overview — Laws and Regulations Relating to Overseas Listing” for more details.

The Overseas Listing Regulations may subject us to additional compliance requirements in the future, and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Regulations on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to sell our securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this [REDACTED] or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [REDACTED] from the [REDACTED] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

Payment of dividends or gains from the sale or other disposition of our H Shares is subject to taxation under PRC law.

Foreign individuals are generally subject to PRC individual income tax at a rate of 20% on dividend and bonus income derived from sources within the PRC pursuant to the Individual Income Tax Law of the PRC. In the case of foreign individuals, dividends and bonuses received from enterprises within the PRC are generally subject to PRC individual income tax at a rate of 20%, provided that eligible foreign individuals may enjoy a reduction of or exemption from such tax under an applicable tax treaty or arrangement in accordance with the relevant requirements. We are

RISK FACTORS

required to withhold and pay the relevant tax from dividends and bonuses paid to foreign individuals and, where the conditions under an applicable tax treaty or arrangement are satisfied, apply the relevant reduction or exemption in accordance with the applicable requirements. Foreign individual holders of H Shares should note that they may be subject to PRC individual income tax on dividends and bonuses received in respect of their H Shares. In addition, subject to the relevant PRC laws, foreign individual holders of H Shares are subject to individual income tax at a rate of 20.0% on gains realized upon the sale or other disposition of H Shares. Based on our knowledge, as of the Latest Practicable Date, the PRC tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders’ [REDACTED] in H Shares may be materially and adversely affected.

Subject to the relevant PRC laws, a non-PRC resident enterprise is generally subject to CIT at a rate of 10% with respect to its PRC-sourced income, including dividends received from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under any special arrangement or applicable treaty between the PRC and the jurisdiction in which the non-PRC resident enterprise resides. Pursuant to applicable regulations, we intend to withhold tax at 10% from dividends payable to non-PRC resident enterprise holders of H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate. There are uncertainties as to the interpretation and implementation of the CIT Law and its implementation rules by the PRC tax authorities, including whether and how CIT on gains derived upon the sale or other disposition of H Shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-PRC resident enterprise holders’ [REDACTED] in H Shares may be materially and adversely affected.

Expiration of, or changes to, certain government grants and preferential tax treatments which we are entitled to could adversely affect our financial condition and results of operations.

During the Track Record Period, we enjoyed preferential EIT tax rate of 15% as we were High and New Technology Enterprise. For details, see Note 11 to the Accountants’ Report in Appendix I to this document. We cannot guarantee that the preferential tax treatments and other incentives to which we are currently entitled would be kept valid or successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income.

In addition, we recorded government grants of RMB7.2 million, RMB9.3 million, RMB8.8 million, RMB4.0 million and RMB5.8 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, which were mainly for pollution prevention and control. We cannot assure you that we will continue to receive and benefit from such grants in the future.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws, and our assets are located in the PRC. In addition, our Directors and senior management reside in the PRC. As a result, it may be complex for investors to effect service of process outside the Chinese mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside the Chinese mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in the Chinese mainland only if the jurisdiction has a treaty with the Chinese mainland or if the jurisdiction has been otherwise deemed by the courts of the Chinese mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, the Chinese mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in the Chinese mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January

RISK FACTORS

14, 2019, the Supreme People’s Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “2019 Arrangement”). The 2019 Arrangement regulates, among others, the procedures and methods of the application for recognition or enforcement, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in the Chinese mainland and those in Hong Kong. However, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) will remain applicable to a “choice of court agreement in writing”.

We are subject to the currency exchange control system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, subject to the satisfaction of other requirements.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to our Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] market for our Shares, and the [REDACTED] and [REDACTED] of our Shares may be volatile.

Prior to the [REDACTED], there has been no [REDACTED] market for our Shares. The [REDACTED] will be determined through negotiations between us and the relevant [REDACTED] or [REDACTED] and may differ significantly from the [REDACTED] of our Shares after [REDACTED]. There can be no assurance that an active and liquid [REDACTED] market for our Shares will develop or be sustained following the [REDACTED] or that the [REDACTED] of our Shares will not decline below the [REDACTED]. If an active [REDACTED] market does not develop or is not sustained, the [REDACTED] and [REDACTED] of our Shares could be materially and adversely affected. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the [REDACTED] and transactions in our Shares, the [REDACTED] and [REDACTED] of our Shares, and the ability of our shareholders to hold or dispose of our Shares may be materially and adversely affected.

The [REDACTED] of our Shares could be volatile and could decline below the [REDACTED].

The [REDACTED] of our Shares could be volatile and could decline below the [REDACTED]. The [REDACTED] and [REDACTED] of our Shares may fluctuate in response to factors beyond our control, including global and Hong Kong market conditions, commodity prices, investor sentiment, changes in our revenue, earnings or cash flows, industry developments, announcements by us or competitors, analyst reports, press coverage, interest rates, foreign exchange rates and

RISK FACTORS

general economic, political and social conditions. Market and industry factors may significantly affect our [REDACTED] regardless of our actual operating performance. If the [REDACTED] of our Shares declines, [REDACTED] may lose all or part of their [REDACTED].

Future sales or perceived sales of substantial amounts of our Shares in the [REDACTED] market could adversely affect the [REDACTED] of our Shares.

Future sales or perceived sales of substantial amounts of our Shares in the [REDACTED] market could adversely affect the [REDACTED] of our Shares. Sales of Shares by existing Shareholders, the issuance of new Shares or securities convertible into or exchangeable for Shares, or market perception that such sales or issuances may occur, could increase the supply of Shares in the market and depress the trading price. Such sales or issuances may also impair our ability to raise capital in the future at a time and price that we consider appropriate. If substantial sales occur after any lock-up restrictions expire, the [REDACTED] of our Shares could be materially and adversely affected.

You should not place undue reliance on forward-looking statements contained in this Document.

You should not place undue reliance on forward-looking statements contained in this Document. Forward-looking statements reflect our current beliefs, assumptions and information available to us and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied. Whether we achieve the plans and objectives described in this Document depends on factors including commodity prices, availability and cost of capital, markets for our products, costs and availability of equipment, supplies and personnel, regulatory developments and changes in project costs. We do not undertake to update forward-looking statements except as required by applicable laws, regulations or the Listing Rules.

Certain facts, forecasts and statistics in this Document relating to the PRC economy and our industry are derived from official government or third-party sources and may not be accurate or reliable.

Certain facts, forecasts and statistics in this Document relating to the PRC economy and our industry are derived from official government or third-party sources and may not be accurate or reliable. Such information may not have been independently verified by us, the Sponsors, the [REDACTED] or their respective affiliates or advisers. Collection methods may be flawed or ineffective, published information may differ from market practice, and statistics may not be prepared on the same basis or with the same degree of accuracy as information in other jurisdictions or publications. Accordingly, [REDACTED] should not place undue reliance on such facts, forecasts and statistics in making an [REDACTED] decision.

The Competent Person’s Report is based on estimates and assumptions that may not prove to be accurate.

The Competent Person’s Report is based on estimates and assumptions that may not prove to be accurate. The report may include assumptions concerning ore tonnage, grades, metallurgical characteristics, recovery rates, mining methods, operating costs, capital expenditure, treatment and refining charges, commodity prices, climate and other technical and economic factors. If any of these assumptions changes or proves inaccurate, actual operating costs, cash flows, production results, reserve estimates and economic analysis may differ materially from the report. Investors should not interpret the estimates in the Competent Person’s Report as assurance that resources or reserves can be economically exploited or that future operations will be profitable.

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

WAIVERS AND EXEMPTIONS

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong.

Given that (i) our Group’s management headquarters, senior management, business operations and assets are primarily based outside of Hong Kong; (ii) our executive Directors and members of the senior management team principally reside in China; and (iii) the management and operations of the Company have been mainly under the supervision and guidance of our executive Directors and senior management team, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group’s businesses and it is important for them to remain in close proximity to the Group’s operations located in the Chinese mainland, the Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted us], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain Mr. Zhong Yong (鍾勇), our executive Director, and Ms. Huang Jiawen (黃佳雯), our joint company secretary as our authorized representatives (together, the “Authorized Representatives”) who shall act at all times as the principal channel of communication with the Stock Exchange upon [REDACTED]. Each of our Authorized Representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail (where available) to deal promptly with enquiries from the Stock Exchange and will be able to meet with the Stock Exchange within a reasonable time frame on request. Each of our authorized representatives is authorized to communicate on our behalf with the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives;
- (b) each of our Authorized Representatives has means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including telephone number, mobile phone number and/or email address (where available)) to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;
- (c) we will endeavor to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;

WAIVERS AND EXEMPTIONS

- (d) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Lego Corporate Finance Limited as our Compliance Advisor, who will act as an additional channel of communication with the Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. The Compliance Advisor will maintain constant contact with the Authorized Representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. Our Authorized Representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor’s duties as set forth in Chapter 3A of the Hong Kong Listing Rules; and
- (e) meetings between the Stock Exchange and our Directors will be arranged through the Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in our Authorized Representatives and/or our Compliance Advisor.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants) as a company secretary; and

WAIVERS AND EXEMPTIONS

- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Mr. Liang Jiguan (梁繼官) (“**Mr. Liang**”) as one of our joint company secretaries. Mr. Liang has extensive experience in handling Board secretarial affairs and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Huang Jiawen (黃佳雯) (“**Ms. Huang**”), who is a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Mr. Liang for an initial period of three years from the [REDACTED] to enable Mr. Liang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For details of their biographies, see “Directors and Senior Management — Joint Company Secretaries.”

Given Ms. Huang’s professional qualification and experience, she will be able to explain to both Mr. Liang and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Huang will also assist Mr. Liang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Liang is expected to work closely with Ms. Huang and will maintain regular contact with Ms. Huang. In addition, Mr. Liang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by the Compliance Advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Liang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Liang may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Mr. Liang must be assisted by Ms. Huang who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Ms. Huang ceases to provide assistance to Mr. Liang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Liang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange before the expiration of the three-year period to enable it to assess whether Mr. Liang, having benefited from the assistance of Ms. Huang for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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WAIVERS AND EXEMPTIONS

WAIVER IN RESPECT OF CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers in relation to certain continuing connected transactions between us and certain connected persons under Chapter 14A of the Listing Rules. For further details in this respect, see “Connected Transactions” in this Document.

[REDACTED]

[REDACTED]

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WAIVERS AND EXEMPTIONS

[REDACTED]

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WAIVERS AND EXEMPTIONS

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Mr. Zhong Yong (鍾勇先生)	Unit 26A, Building 4, Zone 6A Laimeng Shuixie Chuntian Garden Longhua District, Shenzhen Guangdong Province PRC	Chinese
Mr. Xiang Jun (向軍先生)	Room 201, Building 8 Evergrande City, Wujiang District Shaoguan City Guangdong Province PRC	Chinese
Mr. Huang Zhengzhang (黃正章先生)	Room 501, No. 69 Puxing Road Tianhe District, Guangzhou City Guangdong Province PRC	Chinese
Mr. Tan Guojun (譚國軍先生)	Room 2201, Building C8 Oupu Yulongwan No. 63 Xinmin Road Wujiang District, Shaoguan City Guangdong Province PRC	Chinese
<i>Non-executive Directors</i>		
Mr. Chen Zhizhe (陳之哲先生)	Unit 21B, Block B, Building 10, Jinhong Kaixuancheng Phase II Xin'an 1st Road Bao'an District Shenzhen City Guangdong Province PRC	Chinese
Mr. He Xiao (何瀟先生)	Room 1703 No. 6 Xiangtan Avenue Congcheng Avenue Jiangpu Subdistrict Conghua District Guangzhou City Guangdong Province PRC	Chinese
<i>Independent non-executive Directors</i>		
Ms. Wang Xiaomei (王曉梅女士)	Room 2008, No. 6 Liyang Street Tianhe District Guangzhou City Guangdong Province PRC	Chinese

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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. Niu Dazhi (牛大志先生)	Unit 1, 5th Floor Building 2, Shunda Jiayuan No. 67-6 Youxie Avenue Pingfang District, Harbin City PRC	Chinese
Dr. Sun Tiemin (孫鉄民博士)	Flat 48F, Tower 5 Belcher's 89 Pok Fu Lam Road Hong Kong	Chinese (Hong Kong)

For further details with respect to our Directors, see “Directors and Senior Management.”

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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place, 88 Queensway, Hong Kong
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[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]
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Legal Advisors to our Company	<i>As to Hong Kong law and U.S. laws</i> Latham & Watkins LLP 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
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	<i>As to PRC law</i> Deheng Law Offices 12/F, Tower B, Fukai Building No. 19 Finance Street Xicheng District Beijing PRC
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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to the Sole Sponsor and the [REDACTED]

As to Hong Kong law and U.S. laws
Slaughter and May
47th Floor, Jardine House
1 Connaught Place, Central
Hong Kong

As to PRC law
JunHe LLP
20/F, China Resources Building
No. 8 Jianguomenbei Avenue
Beijing
PRC

Auditor and Reporting Accountants

Ernst & Young
Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Room 2504, Wheelock Square
No. 1717, Nanjing West Road,
Jingan District
Shanghai,
PRC

Competent Person

SRK Consulting China Ltd.
B1301-02 Cofco Plaza
No.8, Jianguomennei Street
Dongcheng District, Beijing
PRC

[REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered office, Headquarters and principal place of business in Chinese Mainland	Shaxi Town, Qujiang District Shaoguan City Guangdong Province PRC
Principal place of business in Hong Kong	46th Floor, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Company’s Website	<u>www.gddbs.com.cn:8689/</u> <i>(The information contained in this website does not form part of this document)</i>
Joint company secretaries	Mr. Liang Jiguan (梁繼官先生) Room 307, Building 31 Central Area, Shaxi Town Qujiang District, Shaoguan City Guangdong Province Ms. Huang Jiawen (黃佳雯女士) <i>(Associate member of HKCGI and CGI UK)</i> 46th Floor, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Authorized representatives	Mr. Zhong Yong (鍾勇先生) Ms. Huang Jiawen (黃佳雯女士)
Audit Committee	Ms. Wang Xiaomei (王曉梅女士) <i>(Chairperson)</i> Mr. Chen Zhizhe (陳之哲先生) Mr. Niu Dazhi (牛大志先生)
Remuneration and Performance Assessment Committee	Mr. Niu Dazhi (牛大志先生) <i>(Chairperson)</i> Mr. Huang Zhengzhang (黃正章先生) Dr. Sun Tiemin (孫鐵民博士)
Nomination Committee	Ms. Wang Xiaomei (王曉梅女士) <i>(Chairperson)</i> Mr. Xiang Jun (向軍先生) Mr. Niu Dazhi (牛大志先生)
Strategy and Investment Decisions Committee	Mr. Zhong Yong (鍾勇先生) <i>(Chairperson)</i> Mr. He Xiao (何瀟先生) Mr. Tan Guojun (譚國軍先生)
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INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from the independent industry report prepared by Frost & Sullivan (the “Frost & Sullivan Report”), which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report in connection with the [REDACTED]. We believe that the sources of the information in this section and other sections of this Document are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, or any of their respective directors and advisers or any other persons or parties involved in the [REDACTED], and no representation is given as to the accuracy of such information.

OVERVIEW OF CHINA COPPER CONCENTRATE MARKET

Definition of Copper Concentrate

Copper concentrate is an enriched product obtained after copper ore undergoes beneficiation processes, including crushing, grinding and flotation. It is the principal raw material for copper smelting and a core intermediate product connecting copper mining and copper smelting.

Analysis of Global and China Copper Reserves

Global copper reserves are relatively concentrated. Global copper reserves amount to approximately 980 million tonnes. The ten countries with the largest copper reserves collectively account for 73.5% of the global total, with such reserves primarily concentrated in resource-rich countries including Chile, Australia, Peru, the Democratic Republic of the Congo and Russia. China accounts for 4.2% of global copper reserves.

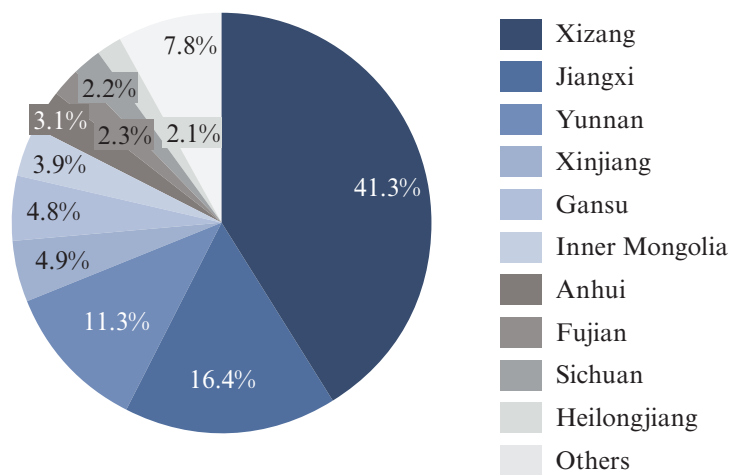
NO.	COUNTRY	RESERVES (MILLION TONNES)	GLOBAL SHARE
1	Chile	180	18.4%
2	Australia	100	10.2%
3	Peru	85	8.7%
4	Democratic Republic of the Congo	80	8.2%
5	Russia	80	8.2%
6	Mexico	53	5.4%
7	United States	47	4.8%
8	China	41	4.2%
9	Poland	33	3.4%
10	Indonesia	21	2.1%
Others		260	26.5%
Global total		980	100.0%

Source: USGS, Frost & Sullivan Report

INDUSTRY OVERVIEW

China has relatively limited copper reserves and a diverse range of deposit types. Certain copper mines are characterised by relatively low ore grades, smaller deposit sizes and comparatively complex development conditions, while large-scale, high-grade copper resources with favourable development conditions remain relatively scarce. Geographically, China’s copper reserves are locally concentrated but dispersed overall. Copper reserves are primarily located in the Xizang Autonomous Region, Jiangxi Province and Yunnan Province, which collectively account for 69.0% of China’s total copper reserves. The remaining copper reserves are distributed across various provinces and regions, with each individual region generally accounting for a relatively small proportion, reflecting a relatively uneven regional distribution.

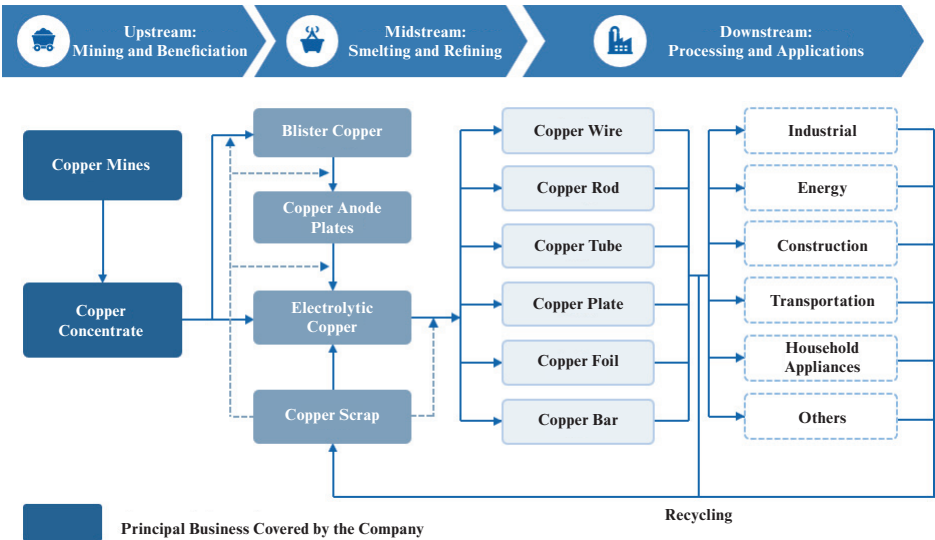
China Copper Reserves Distribution, by Province/Region



Source: Ministry of Natural Resources, Frost & Sullivan Report

Copper Concentrate Industry Value Chain

The copper concentrate industry value chain comprises upstream copper mining and beneficiation to produce copper concentrate, midstream smelting and refining of copper concentrate into electrolytic copper, and downstream processing of electrolytic copper into various copper products for end-use applications.



Source: China Nonferrous Metals Fabrication Industry Association, Frost & Sullivan Report

INDUSTRY OVERVIEW

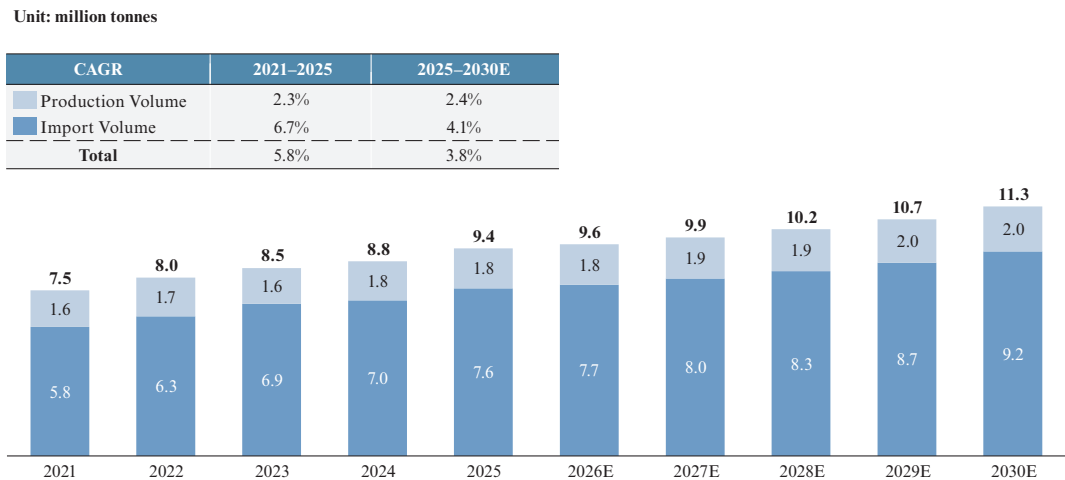
The upstream segment primarily comprises copper mining and beneficiation and represents the source of copper concentrate supply. Technical capabilities in mining and beneficiation affect the efficiency of copper ore extraction and processing, and in turn the supply capacity and production costs of copper concentrate. The midstream segment primarily comprises blister copper smelting and electrolytic copper refining. Copper concentrate is first smelted into blister copper and subsequently refined through electrolysis into electrolytic copper. In addition, copper scrap may be recycled and reintroduced into the smelting and refining processes. Smelting and refining are highly dependent on a stable supply of copper concentrate, while the scale and utilisation rate of smelting capacity affect the availability of electrolytic copper to downstream processors. The downstream segment comprises the processing of electrolytic copper into copper wire, copper rod, copper tube, copper plate, copper foil and copper bar, which are widely used in industrial, energy, construction, transportation, household appliance and other sectors.

China Copper Concentrate Market Size

The market size of copper concentrate in China increased from 7.5 million tonnes in 2021 to 9.4 million tonnes in 2025, with a CAGR of 5.8%. As one of the world’s major copper-consuming markets, China maintained a high level of demand for copper smelting and processing. Due to China’s relatively limited domestic copper resources and insufficient copper concentrate output, its self-sufficiency rate for copper concentrate remained low and market supply was highly dependent on copper concentrate imports. China’s copper concentrate production volume increased from 1.6 million tonnes in 2021 to 1.8 million tonnes in 2025, with a CAGR of 2.3%, while import volume increased from 5.8 million tonnes to 7.6 million tonnes, with a CAGR of 6.7%.

Driven by the continued development of AI infrastructure, new energy vehicles, renewable power generation, energy storage systems, and power grid construction and upgrades, demand for copper products and refined copper is expected to continue to grow, providing a stable demand base for the upstream copper concentrate market. Domestic copper concentrate production capacity is expected to increase modestly as exploration and development activities continue, capacity from certain mine expansion projects is gradually released, and beneficiation technologies and resource utilisation efficiency improve. The market size of copper concentrate in China is expected to increase from 9.4 million tonnes in 2025 to 11.3 million tonnes in 2030, with a CAGR of 3.8%. Domestic production volume is expected to increase to 2.0 million tonnes, with a CAGR of 2.4%, while import volume is expected to increase to 9.2 million tonnes, with a CAGR of 4.1%.

China Copper Concentrate Market Size, by Copper Content, 2021–2030E



Source: China Nonferrous Metals Industry Association, National Bureau of Statistics of China, General Administration of Customs, Expert Interviews, Frost & Sullivan Report

INDUSTRY OVERVIEW

As the relevant markets continue to develop, copper demand in China has increased steadily and the copper concentrate market has continued to expand. China’s capacity to increase domestic copper concentrate production is limited, resulting in a mismatch between demand growth and supply growth amid rising copper demand. China’s domestic copper supply is constrained by its relatively limited resource base and generally low ore grades. The average grade of domestic copper ore declined from 0.79% in 2016 to 0.57% in 2025. The continued decline in ore grade has substantially increased the difficulty of mining and beneficiation, constrained the release of domestic copper concentrate capacity and resulted in a long-standing domestic supply shortfall. China relies heavily on overseas markets to bridge the copper concentrate supply-demand gap. Overseas copper mine supply is currently under pressure. Mine safety incidents, declining ore grades, rising operating costs and slower-than-expected commissioning of new projects have led to continued downward revisions to incremental global copper mine output and limited supply elasticity. Overseas supply growth has therefore been unable to keep pace with China’s growing copper demand, further intensifying pressure on domestic raw material supply.

Copper concentrate treatment and refining charges have continued to decline, further indicating tight raw material supply from mines. Since 2025, spot treatment charges (TCs) and refining charges (RCs)¹ for copper concentrate in China have gradually entered negative territory. The decline accelerated in 2026, with spot TCs and RCs falling to record lows of negative US\$174.0 per dry metric tonne and negative 17.4 U.S. cents per pound, respectively, in August 2026. The shift from positive to negative charges and their continued decline demonstrate a temporary shortage of copper concentrate raw materials relative to smelting capacity. As constraints on incremental mine supply become increasingly evident, competition among smelters for raw materials is intensifying, and profit allocation and bargaining power along the industry value chain are expected to shift further upstream towards mines. Given China’s weakening copper resource conditions, limited scope for domestic production growth and continued expansion of rigid downstream demand, the domestic copper concentrate supply shortfall is expected to remain substantial over the long term and may widen further.

Market Drivers of China Copper Concentrate Industry

- *Expansion of AI Infrastructure and the New Energy Industry Continues to Support Growth in Copper Demand*

Continued development of AI infrastructure, new energy vehicles, photovoltaic and wind power generation and power grid infrastructure has driven demand for the construction and upgrading of power transmission systems, charging infrastructure, renewable energy equipment, data centre power supply systems and related electrical components. Copper is widely used in these areas due to its excellent electrical and thermal conductivity. China’s data centre market is expected to grow from RMB326.0 billion in 2025 to RMB1,202.2 billion in 2030, with a CAGR of 29.8%. Sales of new energy vehicles in China amounted to 13.88 million units in 2025 and are expected to increase further to 23.29 million units by 2030. Newly installed energy storage capacity in China amounted to 189.5 GWh in 2025 and is expected to reach 1,169.8 GWh by 2030. As electrification continues and investment in power and digital infrastructure increases, downstream demand for refined copper is expected to rise further, thereby providing stable support for copper concentrate consumption.

¹ Spot treatment charges (“TCs”) and refining charges (“RCs”) are fees charged by smelters for processing copper concentrates purchased on the spot market, quoted in US dollars per dry metric tonne and US cents per pound, respectively. Generally paid by mining companies or traders and deducted from the settlement price, TCs and RCs tend to rise when concentrate supply is ample and decline, or even turn negative, when supply is tight relative to smelting capacity.

INDUSTRY OVERVIEW

- ***Limited Incremental Copper Mine Supply and High Import Dependence Support Sustained Market Activity***

The development of large copper mine projects generally requires substantial capital investment and lengthy construction periods, while certain mature mines face declining ore grades. As a result, incremental copper mine supply globally and in China remains relatively limited. Against a backdrop of sustained demand growth driven by electrification, renewable energy development and infrastructure investment, coupled with limited incremental supply, China’s copper concentrate market has remained relatively tight and highly dependent on imported copper concentrate. This high import dependence has further supported ongoing market activities such as long-term agreements, spot procurement and cross-border trade, thereby sustaining market activity.

- ***Improving Mining Policies in Major Copper-Resource Countries Promote Coordinated Development of the Industry Value Chain***

Major copper-resource countries have continued to strengthen resource security, local value addition and supply chain security through industrial policies. In the past two years, China promulgated the Regulations for the Implementation of the Mineral Resources Law of the PRC (《礦產資源法實施條例》) and the Implementation Plan for the High-quality Development of the Copper Industry (2025–2027) (《銅產業高質量發展實施方案 (2025–2027年)》), which propose advancing copper exploration and increasing copper reserves. Copper has also been formally included in the national catalogue of strategic minerals, which is conducive to strengthening domestic copper resource development and supply security. Chile’s Política Nacional Minera 2050 (《國家礦業政策 2050》) and Canada’s Canadian Critical Minerals Strategy (《加拿大關鍵礦產戰略》) promote copper exploration and development, infrastructure construction and coordination of project approvals, which are conducive to enhancing global copper mine supply capacity and stability. Continued improvement of copper mining policies in major resource countries is conducive to promoting coordination in global copper resource development and supply systems and supporting the stable development of China’s copper concentrate industry.

Market Trends of China Copper Concentrate Industry

- ***Increasing Utilisation of Low-Grade Ores and Associated Mineral Resources***

As high-grade copper resources become less available, the efficient utilisation of low-grade ores and the recovery of associated mineral resources such as gold, silver, pyrite, molybdenum, lead and zinc are becoming increasingly important to the development of China’s copper concentrate industry. Mining companies continue to optimise beneficiation processes, improve recovery rates and enhance the utilisation of mineral resources. Supported by technological advances and policies promoting comprehensive resource utilisation, these initiatives are expected to improve production efficiency and enhance the economic value of existing mineral resources.

- ***Accelerated Application of Digital and Intelligent Technologies in Smart Mine Development***

The application of 5G connectivity, big data analytics, automated equipment and intelligent control systems in copper mining and beneficiation activities continues to expand. Through real-time monitoring and more precise process control, these technologies enable mining companies to enhance operational visibility, improve production efficiency and strengthen safety management. As digital infrastructure and intelligent equipment become increasingly integrated into mine operations, smart mine development is expected to remain a principal direction for technological and operational upgrades in China’s copper mining industry.

INDUSTRY OVERVIEW

● Accelerated Green and Low-Carbon Development in Mining and Beneficiation

Increasingly stringent environmental requirements are prompting copper mining companies to upgrade wastewater, waste gas and solid waste treatment systems and adopt cleaner production processes. Mining and beneficiation operations are gradually transitioning towards more energy-efficient, low-emission and resource-efficient operating models. Green mine development is expected to become the foundation for regulatory compliance, continuous operations and sustainable growth, and to promote the further transition of China’s copper concentrate industry towards a more environmentally friendly development model.

Competitive Landscape of China Copper Concentrate Industry

China’s copper concentrate industry is characterised by a competitive landscape in which large mining groups occupy leading positions while small and medium-sized mines remain relatively fragmented. Major market participants typically possess substantial resource reserves, established exploration and development capabilities, large-scale mining and beneficiation facilities and comprehensive safety and environmental management systems, which provide certain advantages in production scale, cost control and supply stability. In terms of copper concentrate production volume on a contained-copper basis in 2025, the Company ranked 13th among copper concentrate producers in China, and ranked first in South China. The following table presents the ranking of copper concentrate producers in China.

RANK	COMPANY	PRODUCTION VOLUME (kt) ²	HEADQUARTERS	MARKET SHARE
1	Company A ³	466.6	Fujian Province	25.9%
2	Company B ⁴	196.8	Jiangxi Province	10.9%
3	Company C ⁵	167.5	Qinghai Province	9.3%
4	Company D ⁶	83.0	Gansu Province	4.6%
5	Company E ⁷	71.3	Gansu Province	4.0%
6	Company F ⁸	69.4	Yunnan Province	3.9%
7	Company G ⁹	67.7	Anhui Province	3.8%

² Production volume is calculated on a contained-copper basis.

³ Company A was founded in 2000 and is a mining company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. It is primarily engaged in the exploration, development, mining, beneficiation, smelting and sale of mineral resources including copper, gold, lithium, zinc, silver and molybdenum.

⁴ Company B was founded in 1997 and is a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. It is primarily engaged in the development of mineral resources including copper, gold, silver, lead and zinc, and the production and sale of copper concentrate, sulphur concentrate and related products.

⁵ Company C was founded in 2000 and is a company listed on the Shanghai Stock Exchange. It is primarily engaged in the exploration, beneficiation, smelting and deep processing of mineral resources including copper, lead, zinc and iron, and the sale of related products.

⁶ Company D was founded in 2001 and is a state-owned company. It is primarily engaged in the mining, beneficiation, smelting and processing of nickel, copper, cobalt and precious metals, and the production and sale of related metal products.

⁷ Company E was founded in 2007 and is a company listed on the Shanghai Stock Exchange. It is primarily engaged in the mining, beneficiation, smelting and processing of mineral resources including copper, lead, zinc, gold and silver, and the production and sale of related products.

⁸ Company F was founded in 1998 and is a company listed on the Shenzhen Stock Exchange. It is primarily engaged in the exploration, development, mining, beneficiation and smelting of copper resources, and the production and sale of related products including gold, silver and sulphuric acid.

⁹ Company G was founded in 1992 and is a company listed on the Shenzhen Stock Exchange. It is primarily engaged in copper mining and beneficiation, copper smelting and deep processing, and the production and sale of related products including gold, silver, sulphuric acid and sulphur concentrate.

INDUSTRY OVERVIEW

RANK	COMPANY	PRODUCTION VOLUME (kt) ²	HEADQUARTERS	MARKET SHARE
8	Company H ¹⁰	66.2	Beijing	3.7%
9	Company I ¹¹	43.3	Shanxi Province	2.4%
10	Company J ¹²	24.3	Yunnan Province	1.4%
11	Company K ¹³	23.5	Henan Province	1.3%
12	Company L ¹⁴	18.8	Hubei Province	1.0%
13	Our Company	13.9	Guangdong Province	0.8%
14	Company M ¹⁵	10.3	Yunnan Province	0.6%
15	Company N ¹⁶	10.1	Inner Mongolia Autonomous Region	0.6%

Source: Expert Interviews, Company Annual Reports, Public Media Reports, Frost & Sullivan Report

Notes:

1. The above rankings and copper concentrate production volume are based on copper concentrate produced at each company's mines in China and exclude output from its overseas mines and externally procured copper concentrate.
2. Market share is calculated by dividing each company's copper concentrate production volume from mines in China by total copper concentrate production in China.

¹⁰ Company H was founded in 2000 and is a company listed on the Shanghai Stock Exchange. It is primarily engaged in the exploration, mining, beneficiation and smelting of gold and associated non-ferrous metal resources, and the processing and sale of related by-products including gold and copper concentrate.

¹¹ Company I was founded in 1996 and is a company listed on the Shenzhen Stock Exchange. It is primarily engaged in copper mining, beneficiation and smelting, and the production and sale of related products including gold, silver and sulphuric acid.

¹² Company J was founded in 1998 and is a company listed on the Shenzhen Stock Exchange. It is primarily engaged in the exploration, mining, beneficiation, smelting, production and sale of mineral resources including tin, indium, zinc and copper.

¹³ Company K was founded in 1999 and is a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. It is primarily engaged in the mining, beneficiation, smelting, processing and sale of mineral resources including copper, cobalt, molybdenum, tungsten, niobium and phosphorus.

¹⁴ Company L was founded in 1989 and is a company listed on the Hong Kong Stock Exchange. It is primarily engaged in the exploration, development, mining and beneficiation of copper resources and the production and sale of copper concentrate.

¹⁵ Company M was founded in 2000 and is a company listed on the Shanghai Stock Exchange. It is primarily engaged in the exploration, mining, beneficiation, smelting and deep processing of mineral resources including lead, zinc and germanium, and the production and sale of related products.

¹⁶ Company N was founded in 1996 and is a company listed on the Shenzhen Stock Exchange. It is primarily engaged in the exploration, mining and beneficiation of metal resources including silver, tin, lead, zinc and copper, and the sale of related mineral products.

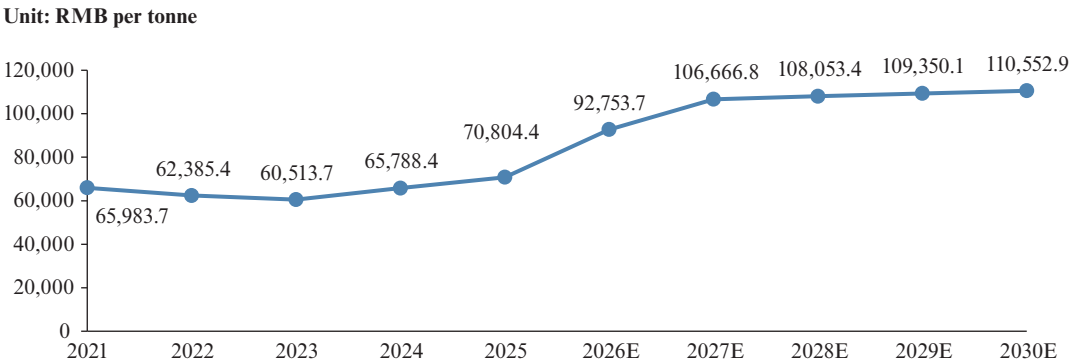
INDUSTRY OVERVIEW

Copper Concentrate Price Analysis

From 2021 to 2025, copper prices generally trended upwards and the central price level increased significantly. Since 2021, copper consumption has grown rapidly amid the global economic recovery and rising demand from AI infrastructure, new energy and power grid applications. Incremental global copper mine supply remained limited, while certain existing mines were affected by declining ore grades, production disruptions and rising costs, resulting in relatively slower supply growth. Against a gradually tightening supply-demand backdrop, the LME copper price increased from RMB65,983.7 per tonne in 2021 to RMB70,804.4 per tonne in 2025, representing a notable increase in the central price level.

From 2026 to 2030, the copper market is expected to continue to face structural supply-demand tightness, and the central price level is expected to remain relatively high. Continued global electrification is expected to generate incremental copper demand, particularly from AI data centres, new energy vehicles, energy storage systems and power grid construction. AI infrastructure is expected to increase copper demand directly through data centre development and indirectly through the associated expansion of power systems and investment in energy infrastructure, thereby further increasing overall copper consumption intensity. Meanwhile, the development of global copper resources remains subject to long-term constraints. Discoveries of large, high-quality copper deposits have declined, new projects generally require lengthy periods from exploration and approval to commencement of production, and existing mines commonly face declining grades and rising mining costs. According to the International Energy Agency (IEA), based on existing mines and announced projects, future growth in global copper mine supply may not fully match rising copper demand arising from the energy transition. The central copper price level is expected to remain relatively high over the next five years and reach approximately RMB110,552.9 per tonne by 2030.

Copper Price Trend (Excluding VAT), 2021–2030E



Source: London Metal Exchange, Frost & Sullivan Report

INDUSTRY OVERVIEW

Copper Concentrate Cost Analysis

Copper concentrate production costs in China are primarily affected by ore grade, mining conditions, beneficiation efficiency, energy prices and environmental requirements. In 2025, copper concentrate production costs in China mainly comprised mining and stripping; beneficiation and energy consumption; depreciation and mine amortisation; environmental remediation, resource taxes and fees; and labour, transportation and administrative expenses. Mining and stripping represented the largest component at approximately 36%, primarily relating to copper ore extraction, stripping and underground mining. Beneficiation and energy consumption accounted for approximately 22%, primarily comprising inputs for crushing, grinding and flotation as well as electricity and fuel. Environmental remediation, resource taxes and fees accounted for approximately 19%, primarily relating to ecological management, tailings treatment and resource taxes. Depreciation and mine amortisation, and labour, transportation and administrative expenses accounted for approximately 12% and 11%, respectively.

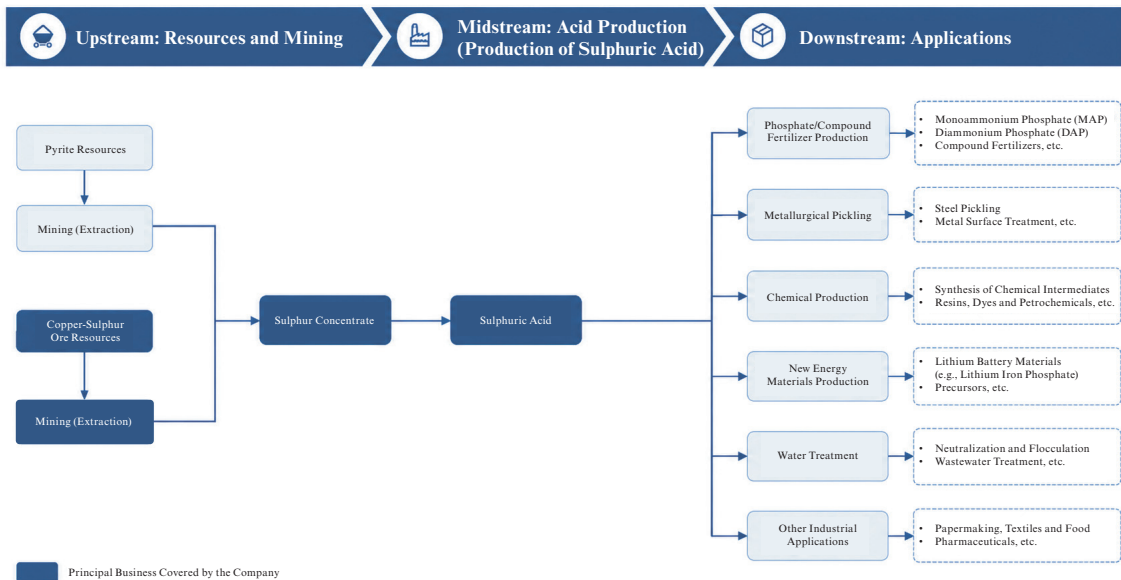
OVERVIEW OF CHINA SULPHUR CONCENTRATE MARKET

Definition of Sulphur Concentrate

Sulphur concentrate is a product obtained through the beneficiation and concentration of sulphur-bearing ore, the principal component of which is pyrite (iron sulphide). Sulphur concentrate is a principal raw material for sulphuric acid production and is used in downstream applications including phosphate fertilisers, metallurgy and chemicals. It is an indispensable resource-based product for the basic chemical industry.

Sulphur Concentrate Industry Value Chain

Sulphur concentrate is a core component of the sulphur chemicals industry value chain, connecting upstream mineral resources with sulphuric acid production and extending further to downstream applications such as fertilisers, metallurgy and chemicals.



Source: China Non-Ferrous Metals Industry Association, Frost & Sullivan Report

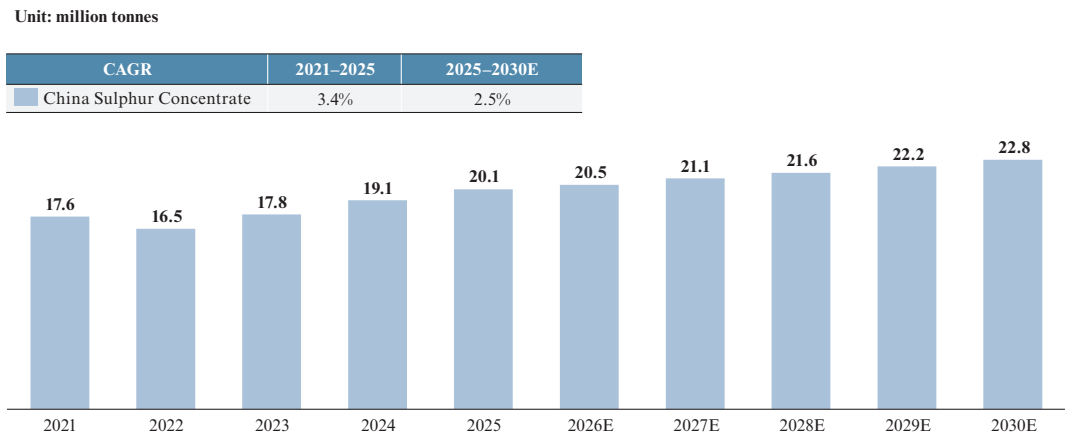
INDUSTRY OVERVIEW

The upstream segment primarily comprises the supply of pyrite and copper-sulphur ore resources. Sulphur concentrate is mainly derived from the mining and beneficiation of pyrite and copper-sulphur ores. Pyrite is mined and beneficiated to produce sulphur concentrate, while copper-sulphur ore is mined and beneficiated to recover valuable metals such as copper, with the sulphur resource further recovered to produce sulphur concentrate. The midstream segment primarily comprises sulphuric acid production. Sulphur concentrate is roasted to generate sulphur dioxide-containing off-gas, which is then purified, converted and absorbed to produce sulphuric acid. The downstream segment primarily comprises sulphuric acid applications. Sulphuric acid is widely used in the production of phosphate and compound fertilisers, metallurgical pickling, chemical production, new energy materials production, water treatment and other industrial applications.

China Sulphur Concentrate Market Size

From 2021 to 2025, the sulphur concentrate market in China expanded overall, despite a slight decline in 2022, with market size increasing from 17.6 million tonnes in 2021 to 20.1 million tonnes in 2025, with a CAGR of 3.4%. China’s sulphur concentrate supply is primarily derived from domestic production. Due to the distribution of pyrite resources and transportation economics, imported sulphur concentrate mainly serves as a regional supplement and overall import dependence is low. Market growth is primarily supported by stable demand from sulphuric acid production, which in turn is driven by downstream applications including phosphate fertilisers, non-ferrous metal smelting and new energy materials. Demand from phosphate fertilisers, a major traditional application of sulphuric acid, is expected to remain relatively stable. The development of hydrometallurgy for non-ferrous metals and new energy materials such as lithium iron phosphate is expected to further increase industrial sulphuric acid consumption and provide incremental support for sulphur concentrate demand. During this period, China’s sulphur concentrate supply is expected to remain primarily domestic. In addition to pyrite mining and beneficiation, the comprehensive recovery of associated sulphur resources from non-ferrous metal ores such as copper-sulphur ore will represent an important source of supply. The market size of sulphur concentrate in China is expected to reach 22.8 million tonnes in 2030, with a CAGR of 2.5% from 2025 to 2030.

China Sulphur Concentrate Market Size, 2021–2030E



Source: China Sulphuric Acid Industry Association, Expert interviews, Frost & Sullivan Report

INDUSTRY OVERVIEW

Market Drivers of China Sulphur Concentrate Industry

- ***Stable Fertiliser Demand Supports Sulphur Concentrate Consumption***

Stable agricultural demand continues to support sulphur concentrate consumption. In 2025, China’s phosphate fertilizer production reached approximately 18.5 million tonnes, up 3.5% year on year. As sulphuric acid is a key raw material for phosphate fertilizer production, stable fertilizer demand, together with continued policy support for food security, is expected to underpin sulphur concentrate demand.

- ***Non-ferrous Metal Processing Supports Stable Sulphur Resource Demand***

Non-ferrous metallurgy remains an important downstream application of sulphur resources, with sulphuric acid widely used in the processing of copper, lead, zinc and other metals. Supported by increasing demand for industrial metals arising from electrification and infrastructure development, continued metallurgical activity supports stable sulphuric acid consumption and provides sustained support for sulphur concentrate demand.

- ***New Energy Demand Broadens Applications of Sulphur Concentrate***

Rapid growth in new energy materials is creating incremental demand for sulphuric acid and sulphur concentrate. In 2025, China’s lithium iron phosphate production reached approximately 3.88 million tonnes, up 56.2% year on year. As sulphuric acid is widely used in lithium battery materials and related chemical intermediates, continued expansion of the new energy sector is expected to support sulphur concentrate demand.

Market Trends of China Sulphur Concentrate Industry

- ***Domestic Resources Remain the Primary Supply Source, with Increasing Industry Consolidation***

China’s sulphur concentrate market mainly relies on domestic pyrite resources, while imported sulphur concentrate primarily serves as a regional supplement. As high-quality pyrite resources are progressively developed and large-scale mine operations become more prevalent, enterprises with resource reserves, mining and beneficiation capabilities and stable supply capacity are expected to further strengthen their competitive advantages.

- ***Continued Optimisation of Mining and Beneficiation Technologies Improves Resource Utilisation Efficiency***

As mining technologies, beneficiation processes and production management continue to improve, sulphur concentrate producers are continuously optimising ore processing capacity and comprehensive resource utilisation efficiency. Increasing industry requirements for product quality consistency and supply reliability are prompting enterprises to strengthen technological investment and production capacity development.

- ***Enhanced Industry Value Chain Coordination Gradually Improves the Industry Supply System***

As downstream sulphuric acid producers place greater emphasis on the stability of raw material supply, cooperation between upstream and downstream participants in the sulphur concentrate industry continues to deepen. By strengthening supply assurance, optimising customer structures and enhancing long-term cooperation, producers are promoting the development of a more stable and efficient industry supply system.

Competitive Landscape of China Sulphur Concentrate Industry

China’s sulphur concentrate market comprises a number of mining companies, with production primarily concentrated among companies with established mining and beneficiation capabilities. Market competition is primarily determined by resource endowment, ore quality, production capacity and stable relationships with downstream customers.

INDUSTRY OVERVIEW

In terms of sulphur concentrate production volume in 2025, the Company ranked third in China’s sulphur concentrate market. The following table presents the ranking of the leading sulphur concentrate producers in China in 2025 in terms of sulphur concentrate production volume.

RANK	COMPANY	PRODUCTION VOLUME (kt) ¹⁷	HEADQUARTERS	MARKET SHARE
1	Company B	2,878.2	Jiangxi Province	14.3%
2	Company O ¹⁸	1,903.5	Guangxi Zhuang Autonomous Region	9.5%
3	Our Company	1,238.2	Guangdong Province	6.2%
4	Company P ¹⁹	680.5	Anhui Province	3.4%
5	Company G	382.1	Anhui Province	1.9%

Source: Expert Interviews, Company Annual Reports, Public Media Reports, Frost & Sullivan Report

Sulphur Concentrate Price Analysis

From 2021 to 2025, sulphur concentrate prices generally fluctuated upwards and increased significantly in 2025. Sulphur concentrate is primarily used to produce sulphuric acid, and its price is mainly affected by conditions in the sulphuric acid market, sulphur prices and the supply-demand balance for sulphur resources. In 2025, the average daily domestic market price of 98% sulphuric acid increased from approximately RMB391 per tonne at the beginning of the year to approximately RMB963 per tonne at year-end. During the same period, the sulphur price increased to approximately RMB4,000 per tonne at year-end, representing a cumulative increase of 185% for the year. Sulphur and sulphur concentrate are both core raw materials for sulphuric acid production. When sulphur prices are high, the relative economics and attractiveness of sulphur concentrate as an alternative sulphur source increase, thereby supporting its demand and price.

From 2021 to 2022, the sulphur resource market improved amid the recovery of industrial and agricultural demand, rising energy prices and stronger demand for phosphate fertilisers, and the average price of sulphur concentrate increased from RMB466.4 per tonne to RMB602.2 per tonne. In 2023, the price declined to RMB481.3 per tonne as the supply-demand balance temporarily improved and downstream procurement became more cautious. From 2024 to 2025, growth in downstream demand from phosphate fertilisers, non-ferrous metal smelting and new energy materials, particularly lithium iron phosphate, increased sulphuric acid consumption. Production and transportation disruptions in major overseas sulphur-producing regions constrained international supply and placed upward pressure on prices, contributing to an increase in the average price of sulphur concentrate from RMB589.9 per tonne to RMB797.3 per tonne.

In 2026, tight sulphur import supply, low port inventories, international logistics disruptions and geopolitical factors are expected to support sulphur concentrate prices at a cyclical high of RMB1,171.6 per tonne. From 2027 onwards, sulphur concentrate prices are expected to decline moderately as international sulphur supply recovers and supply-demand conditions improve, before stabilizing during 2029 to 2030. Demand from phosphate fertilizers, titanium dioxide, hydrometallurgy and new energy materials is expected to provide continued support, while supply

¹⁷ Based on sulphur content equivalent to 35%.

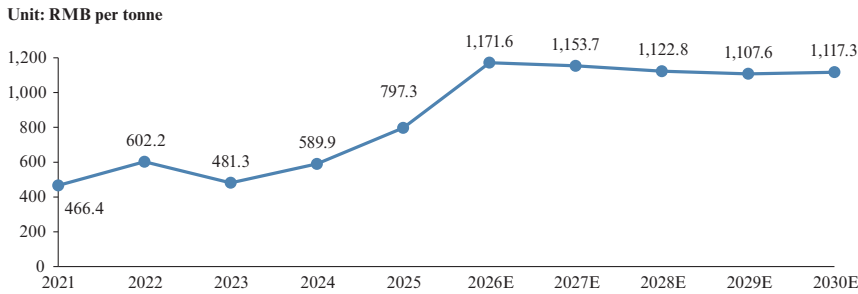
¹⁸ Company O was founded in 1994 and is a company listed on the Shenzhen Stock Exchange. It is primarily engaged in pyrite mining and beneficiation and the production of sulphur chemical products including sulphur concentrate and sulphuric acid.

¹⁹ Company P was founded in 1991 and is an integrated chemical company. It is primarily engaged in the development of mineral resources including pyrite and the production and sale of sulphur-phosphorus chemicals and related chemical products.

INDUSTRY OVERVIEW

growth remains constrained by the long development cycle of high-quality pyrite resources and imported sulphur price fluctuations. Sulphur concentrate prices are expected to remain at relatively high levels following the decline from the 2026 peak.

Sulphur Concentrate Price Trend (Excluding VAT)*, 2021–2030E



Source: USGS, Expert Interviews, Frost & Sullivan Report

Notes:

1. Based on sulphur content equivalent to 35%.

Sulphur Concentrate Cost Analysis

In 2025, the cost structure of China’s sulphur concentrate industry primarily comprised mining and stripping, transportation and logistics, beneficiation and energy consumption, environmental protection, safety and ecological restoration, and labor, depreciation and other costs. Mining and stripping represented the largest component at approximately 29%, followed by transportation and logistics at 25% and beneficiation and energy consumption at 23%. Environmental protection, safety and ecological restoration accounted for approximately 15%, while labor, depreciation and other costs accounted for approximately 8%.

SOURCES OF INFORMATION AND RESEARCH METHODOLOGY

We engaged Frost & Sullivan for preparing an independent industry report in respect of the [REDACTED]. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of RMB650,000, and is disclosed with the consent of Frost & Sullivan. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York. Its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing government statistics, industry association publication, company reports, independent research reports and data based on its own research database.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

This section summarises the principal PRC laws and regulations that are material to our business and operations. Unless otherwise indicated, it reflects the laws and regulations in force as at the Latest Practicable Date and should be read together with the sections headed “Business”, “Risk Factors” and “Financial Information” and the Competent Person’s Report.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT AND COMPANY ESTABLISHMENT

The Company Law of the PRC (《中華人民共和國公司法》, the “Company Law”), most recently amended on 29 December 2023 and effective from 1 July 2024, governs the establishment, organisation and operation of PRC companies, including joint stock companies such as our Company. It prescribes, among other matters, requirements relating to corporate capacity, shareholders’ rights and liabilities, corporate governance and capital maintenance.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》, the “FIL”) and its implementing regulation, both effective from 1 January 2020, establish a foreign investment regime based on pre-establishment national treatment and a negative list. The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (the “2024 Negative List”), effective from 1 November 2024, specifies prohibited and restricted sectors and the corresponding access requirements. Foreign investment in sectors not included in the 2024 Negative List is generally administered on the same basis as domestic investment.

The Industrial Structure Adjustment Guidance Catalogue (2024 Version) (the “2024 Guidance Catalogue”) (《產業結構調整指導目錄(2024年本)》), effective from 1 February 2024, classifies specified mining activities and technologies as encouraged, restricted or eliminated. Our principal business falls within the encouraged category under the 2024 Guidance Catalogue. It is not subject to the special administrative measures set out in the 2024 Negative List.

LAWS AND REGULATIONS RELATING TO MINERAL RESOURCES

The Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》), comprehensively revised on 8 November 2024 and effective from 1 July 2025, and the Regulations for the Implementation of the Mineral Resources Law of the PRC (《中華人民共和國礦產資源法實施條例》), effective from 15 June 2026, establish the principal legal framework for the exploration, development and protection of mineral resources in the PRC.

Mineral resources within the territory of the PRC and other maritime areas under its jurisdiction are owned by the State. Ownership or use rights in the land to which mineral resources are attached do not confer rights to the underlying mineral resources. The State protects lawfully established mineral rights, and exploration and mining may only be conducted in accordance with the relevant mineral rights and permits.

Mineral rights (礦業權) comprise exploration rights (探礦權) and mining rights (採礦權). Under the revised regime, registration evidences the mineral right, while a separate exploration or mining permit authorises the relevant operations. Before commencing operations, a mineral-right holder must prepare and obtain approval of the applicable exploration or mining plan, obtain the requisite permit and complete applicable project approval or filing, land or sea use, ecological and environmental protection and work safety procedures. Exploration and mining permits lawfully issued before 1 July 2025 remain valid during their stated terms; subsequent renewal, alteration or transfer is subject to the revised regime and applicable transitional procedures. These requirements govern our ability to commence and continue exploration and mining operations and to maintain, renew or transfer our mineral rights.

REGULATORY OVERVIEW

Mineral rights are generally granted through competitive procedures, including tender, auction and listing, subject to statutory exceptions. They may be transferred, contributed as capital or mortgaged subject to prescribed conditions. Among other restrictions, a mineral right granted by agreement generally may not be transferred within five years after its grant; the transfer of a directly granted mining right is subject to the consent of the original grantor; and the transferee must possess the requisite technical capability. A change in the actual controller of a mineral-right holder must be reported where required. The transfer term may not exceed the remaining term of the mineral right, and the transfer contract must allocate the parties’ ecological restoration responsibilities. The transfer is subject to registration and the applicable permitting procedures.

An exploration right is generally valid for five years and may be renewed no more than three times for five years each, subject to applicable conditions, including requirements relating to substantive exploration and reduction of the exploration area. Additional renewals may be approved for petroleum, natural gas and certain other strategic minerals. The term of a mining right is determined with reference to mineral reserves and the scale of mine construction and may not exceed 30 years. A renewal application is generally required to be submitted to the original grantor between six and three months before expiry.

Mineral-right holders must conduct exploration and mining in accordance with approved plans, applicable technical standards and green mining requirements. They must ensure that mining recovery, mineral processing recovery and comprehensive utilisation rates comply with applicable standards, and report changes in mineral reserves and information on development and utilisation as required.

Under the Regulations on the Administration of Geological Materials (《地質資料管理條例》), holders of exploration rights and mining rights are required to submit geological materials generated from exploration and mining activities within the prescribed scope and time limits. A holder that fails to make such submission may be ordered to rectify. If it fails to make the submission within the period specified in such order, it may be fined between RMB10,000 and RMB50,000 and publicly notified. From the date of such public notification until all overdue materials have been submitted, the holder may not apply for new exploration rights or mining rights or undertake State-funded geological work projects.

Mineral-right holders are required to pay mineral-right grant proceeds, mineral-right occupation fees and other applicable amounts under the relevant mineral-right grant contracts and regulations.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

The Work Safety Law of the PRC (《中華人民共和國安全生產法》), the Mine Safety Law of the PRC (《中華人民共和國礦山安全法》), the Regulations on Work Safety Licences (《安全生產許可證條例》) and their implementing rules establish the principal work safety requirements applicable to mining operations.

Mining enterprises must establish and implement work safety responsibility and management systems, maintain the required safety personnel and resources, provide employee education and training, identify and control risks and hazards, conduct inspections, maintain emergency response arrangements and comply with applicable national and industry standards. Compliance with these requirements is a condition to the commencement and continuation of our mining production and directly affects the organisation and management of our mining operations.

Non-coal mining enterprises must obtain work safety licences before production. Such a licence is generally valid for three years, and an application for renewal must generally be made within three months before expiry. Independent production systems of metal and non-metal mines, and tailings ponds where applicable, are generally licensed separately. A licence may be suspended or revoked if its holder ceases to satisfy the prescribed work safety conditions.

REGULATORY OVERVIEW

Mine construction projects are subject to work safety facility design, review, completion acceptance and supervision requirements. Mining enterprises carrying out blasting must comply with applicable blasting safety rules and obtain the requisite permits. If a work safety incident occurs, the enterprise must take rescue and mitigation measures and report the incident to the relevant authorities in accordance with law.

Under the Provisions on the Safety Supervision and Administration of Tailings Ponds (《尾礦庫安全監督管理規定》), the construction, operation and closure of tailings ponds, as well as the recovery of tailings from such ponds, are subject to specific safety requirements. Tailings pond operators must establish safety management systems, provide the necessary personnel and funding, and comply with applicable technical standards. Tailings pond construction projects are subject to safety facility design review and completion acceptance requirements. Following satisfactory completion acceptance of the safety facilities, operators must obtain the requisite work safety licences before commencing production operations. Operators must conduct safety inspections and monitoring, maintain flood discharge facilities, identify and rectify safety hazards, and implement emergency response arrangements. Closure is subject to the prescribed safety assessment, design review and completion acceptance procedures, and safety management must continue after closure.

LAWS AND REGULATIONS RELATING TO LAND

Under the Land Administration Law of the PRC (《中華人民共和國土地管理法》) and its implementing regulations, land in the PRC is either state-owned or collectively owned. Land development, use and protection are subject to territorial spatial planning, land-use controls, registration and other applicable requirements.

A mineral right or mining permit does not, by itself, confer a right to use the relevant land. A mineral-right holder must separately obtain the necessary land-use rights or approvals. State-owned land may be used by allocation, grant, lease or contribution as capital, and collectively operated construction land may be used through grant or lease in accordance with law. The term of mining land use may not exceed the term of the relevant mineral right. Temporary land use for mineral exploration is subject to applicable land administration requirements. Accordingly, our use of land for mining operations depends on obtaining and maintaining the applicable land-use rights and approvals.

Use of forest land, grassland, cultivated land, nature reserves or other protected areas for mining is subject to the relevant land, forestry, grassland and ecological protection requirements. Mineral-right holders must use land economically and intensively and comply with land reclamation and mine-area ecological restoration obligations.

LAWS AND REGULATIONS RELATING TO REAL PROPERTY LEASES

Property leases are principally governed by the Civil Code of the PRC (《中華人民共和國民法典》), under which a lessee may sublease with the lessor’s consent and a transfer of the leased property generally does not affect the lease. Under the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》), the parties to an applicable commodity housing lease are required to complete the filing procedures within 30 days after entering into the lease. Where an entity fails to complete the filing within the period specified in an order for rectification issued by the competent authority, it may be subject to a fine of RMB1,000 to RMB10,000.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The Ecological and Environmental Code of the PRC (《中華人民共和國生態環境法典》), which was adopted on 12 March 2026 and came into force on 15 August 2026, consolidates and replaces a number of environmental statutes and establishes the principal framework for ecological and environmental protection in the PRC. It regulates, among other matters, ecological and environmental impact assessment, pollutant discharge permitting, pollution prevention and

REGULATORY OVERVIEW

control, solid waste management, ecological conservation and ecological restoration. These requirements govern the development and operation of our mining projects, pollutant discharge and mine-area ecological restoration.

Construction projects are subject to classified ecological and environmental impact assessment requirements. Depending on their potential impact, a construction entity must prepare an ecological and environmental impact report or report form for approval, or complete an ecological and environmental impact registration form for filing, before carrying out the project as required.

Pollution prevention and control facilities for a construction project must be designed, constructed and put into operation concurrently with the principal works. Before the project is put into production or use, the construction entity must complete the prescribed acceptance inspection of the supporting pollution prevention and control facilities.

An enterprise subject to pollutant discharge permit administration may not discharge pollutants without the requisite permit and must comply with its permit conditions. Pollutant discharge permits are generally valid for five years and are subject to renewal. Prescribed changes to a project, discharge outlet or the type, quantity or concentration of pollutants may require a new permit application or permit modification. Entities with only a relatively small amount of pollutants and environmental impact may instead be subject to pollutant discharge registration.

Mining-right holders must prepare mine-area ecological restoration plans before mining, carry out concurrent or staged restoration and undergo completion acceptance in accordance with law. A restoration plan involving a tailings pond must include dedicated measures. Restoration expenses must be accrued annually and used exclusively for restoration. Where ecological restoration cannot be carried out concurrently with mining or by area or in stages, it must be completed before mine closure or within two years after mine closure, except that the period for ecological restoration of mining areas involving radioactive mineral resources may be determined according to actual needs. The contract for the transfer of a mining right must specify the respective ecological restoration responsibilities of the transferor and the transferee.

LAWS AND REGULATIONS RELATING TO FIRE SAFETY

Under the Fire Control Law of the PRC (《中華人民共和國消防法》) and the Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), construction projects must comply with applicable fire protection technical standards and are subject to design review, acceptance, filing or random inspection as applicable. Lessors and lessees of factory buildings and warehouses must also allocate and perform their respective fire safety responsibilities and may not change the prescribed use of the premises in violation of applicable requirements.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patents, Trademarks, Copyright and Domain Names

Patents, trademarks, copyrights, computer software and domain names are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》), the Trademark Law of the PRC (《中華人民共和國商標法》), the Copyright Law of the PRC (《中華人民共和國著作權法》), the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) and the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》). These laws and regulations govern the ownership, registration, use, licensing and protection of the relevant rights and provide remedies for infringement.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO LABOUR AND SOCIAL INSURANCE

Employment and Labour Contracts

The Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) and its implementing regulation govern recruitment, written labour contracts, remuneration, working hours, rest and leave, labour protection and the amendment, termination and expiry of labour relationships. Employers must enter into written labour contracts and comply with the applicable requirements on wages, working time, employee protection and termination.

Social Insurance and Housing Provident Fund

Under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》), employers must register for, declare and make social insurance and housing provident fund contributions in full and on time for their employees, subject to the applicable local bases and rates. On 10 August 2026, the State Council promulgated the Decision of the State Council on Amending the Regulation on the Administration of Housing Provident Fund (《國務院關於修改〈住房公積金管理條例〉的決定》), which will come into effect on 20 September 2026.

The Interpretation of the Supreme People’s Court on the Application of Law in the Trial of Labour Dispute Cases (II) (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), effective from 1 September 2025, provides that an agreement or employee undertaking to waive social insurance contributions is void. An employee may claim statutory economic compensation upon terminating employment because the employer failed to make the required social insurance contributions.

LAWS AND REGULATIONS RELATING TO THE PREVENTION AND CONTROL OF OCCUPATIONAL DISEASES

Under the Law on the Prevention and Control of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》), employers must identify and evaluate occupational disease hazards, provide required notices, protective equipment and training, monitor the workplace and arrange occupational health examinations for exposed employees. Occupational disease protection facilities for construction projects must be designed, constructed and put into use concurrently with the principal works, and an assessment of the effectiveness of hazard control measures must be completed before acceptance.

LAWS AND REGULATIONS RELATING TO TAX

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing regulation, PRC resident enterprises are generally subject to enterprise income tax at 25% on income derived from sources within and outside the PRC. Qualifying high and new technology enterprises are eligible for a reduced enterprise income tax rate of 15%. Certain members of our Group recognised as high and new technology enterprises are entitled to the preferential rate during the validity of their qualifications.

Value-Added Tax

Under the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), effective from 1 January 2026, value-added tax is generally imposed at rates of 13%, 9%, 6% or 0%, depending on the taxable transaction. A collection rate of 3% applies under the simplified tax computation method. Taxpayers conducting transactions subject to different rates must generally account for the relevant sales separately.

REGULATORY OVERVIEW

Resource Tax

Under the Resource Tax Law of the PRC (《中華人民共和國資源稅法》), entities and individuals that exploit taxable resources within the territory of the PRC and other sea areas under its jurisdiction are subject to resource tax. Resource tax is calculated on an ad valorem or quantity basis according to the applicable taxable item and rate. The specific rate and calculation method depend on the type of resource and relevant local rules.

Environmental Protection Tax

Pursuant to the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法》), enterprises and other production operators that directly discharge taxable air pollutants, water pollutants, solid waste or noise into the environment are subject to environmental protection tax, subject to the statutory exclusions and exemptions.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on the Administration of Funds for Overseas Listing of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) (Yin Fa [2025] No. 252), effective from 1 April 2026, a PRC domestic company directly listing overseas must apply through a bank in its place of registration for overseas listing registration within 30 working days after the first trading date or completion of the over-allotment. Listing proceeds are generally required to be remitted into the PRC in a timely manner. Foreign-currency proceeds remitted to the PRC must be credited to a capital project-settlement account, while Renminbi proceeds may be credited to such an account or a domestic Renminbi bank settlement account, and the proceeds must be used consistently with the public disclosure documents. Where proceeds are retained offshore for overseas direct investment, overseas securities investment or overseas lending, the applicable approval or filing document must be obtained from the competent authority before the date on which the overseas offering or any over-allotment is completed, and the applicable cross-border funds rules must be observed. Domestic shareholders’ post-listing increases or reductions of holdings are also subject to applicable registration and funds-transfer requirements. These requirements govern the remittance, offshore retention and use of proceeds from our [REDACTED].

LAWS AND REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), the Data Security Law of the PRC (《中華人民共和國數據安全法》), the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), as amended on 28 October 2025 and effective from 1 January 2026, and the Regulations on Network Data Security Management (《網絡數據安全管理條例》), effective from 1 January 2025, form the principal information security and data protection framework in the PRC. Personal information and network data processors must have an appropriate legal basis, provide required notices, follow the principles of lawfulness, legitimacy, necessity and data minimisation, safeguard individuals’ rights, classify and manage data, adopt technical and organisational security measures and maintain incident response arrangements. These requirements apply to our processing of employee and supplier personal information and operational data in the ordinary course of business.

Geological exploration, mineral reserve, production, safety, surveying, mapping and coordinate data generated or processed in mining operations may be subject to data classification, State-secrets protection, surveying and mapping and other sector-specific requirements. Enterprises must adopt appropriate controls over the collection, access, storage, use and disclosure of such data and comply with any applicable confidentiality, approval and filing requirements.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), effective from 31 March 2023, establish a filing regime for direct and indirect overseas securities offerings and listings by PRC domestic companies. A PRC issuer conducting a direct overseas offering and listing must file with the China Securities Regulatory Commission (the “CSRC”) within three business days after submitting its initial overseas listing application. Where a security review is required, the relevant security review procedures must be completed before submitting the overseas listing application. Any other applicable industry approval, filing or regulatory procedure must be completed in accordance with the relevant rules. An overseas offering and listing is prohibited in prescribed circumstances, including an express statutory prohibition, a determination that it may endanger national security, the issuer or its controlling shareholder or actual controller having committed any prescribed criminal offence during the preceding three years, an unresolved investigation into suspected criminal offences or major legal violations, or a material ownership dispute over relevant equity interests. Subsequent overseas offerings and prescribed material post-listing events are also subject to filing or reporting requirements.

Under the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), effective from 31 March 2023, a domestic company must complete the prescribed approval and filing before providing or publicly disclosing documents containing state secrets or working secrets of state organs in connection with an overseas listing. Working papers produced in the PRC by securities companies and securities service institutions for an overseas listing must be kept in the PRC, and their cross-border transfer is subject to the prescribed procedures.

LAWS AND REGULATIONS RELATING TO FULL CIRCULATION OF H SHARES

Under the Guidelines for the Application of “Full Circulation” of Unlisted Domestic Shares of H Share Companies (《H股公司境內未上市股份申請「全流通」業務指引》), issued on 14 November 2019 and amended on 10 August 2023, “Full Circulation” means the conversion of eligible unlisted domestic shares of an H Share company into H Shares for listing and circulation on the Stock Exchange.

Subject to applicable laws and policies on state-owned assets, foreign investment and industry regulation, holders of unlisted domestic shares may determine by agreement the number and proportion of shares for which Full Circulation is sought and authorise the H Share company to make the CSRC filing. A domestic joint stock company may make the Full Circulation filing with the CSRC concurrently with its initial overseas offering and listing. Following conversion and overseas listing, the converted H Shares are subject to the applicable overseas trading, custody and foreign exchange arrangements. [REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR HISTORY

We are a leading polymetallic mining company in South China principally engaged in the exploration, mining, ore processing, comprehensive utilization and sale of copper, sulphur and other multi-metal mineral resources. Our sole mining asset is the Dabaoshan Mine, a large-scale open-pit polymetallic mine located in Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province, PRC.

MILESTONES

Key corporate historical events and milestones of the Group are set forth below:

1995	our Company was established
1999	Phase II of the Dabaoshan Mine Medium Copper Project was completed
2009	Dabaoshan Mine was transferred in its entirety to Guangdong Rising Holdings (formerly known as Guangdong Rising Asset Management Co., Ltd. (廣東省廣晟資產經營有限公司))
2011	our Iron-Copper-Sulphur Comprehensive Resource Utilization Demonstration Base was inaugurated
2016	the Li’wu Sediment Retention Reservoir External Drainage Treatment Expansion Project — our core project in relation to comprehensive environmental remediation — was officially completed and began operations
2016	Dabaoshan mining area was included in the National Mineral Resources Plan (2016–2020), becoming one of only nine nationally designated mining areas for nickel, copper, and cobalt
2017	Dabaoshan Mine completed the construction of the largest modern copper-sulphur processing plant in South China and achieved full production and performance standards ahead of schedule
2019	the “7,000 t/d Copper-Sulphur Concentrator Project of Guangdong Dabaoshan Mining Co., Ltd.” was awarded the Second Prize for Excellent Engineering Design Achievements in the Non-ferrous Metals Construction Industry (Ministry Level) by the China Non-ferrous Metals Construction Association
2020	our “Direct Vegetation Technology and Application for Ecological Restoration of Heavy Metal Mining Wasteland” project was awarded the First Prize for Guangdong Province Science and Technology Progress the safety facilities for Dabaoshan Mine’s 3.3 Mt/a copper-sulphur mining project successfully passed expert review and acceptance, and the mine obtained its work safety permit. Dabaoshan Mine was recognized as a High-Tech Enterprise in Guangdong Province.
2021	Dabaoshan Mine was awarded the “2020 Outstanding Contribution Unit for Green Mines”
2022	our “Key Technology and Equipment for High-Quality Recovery of Difficult-to-Process Copper-Sulphur Ore” project was included in the “Catalog of Advanced and Applicable Technologies for Mineral Resources Conservation and Comprehensive Utilization (2022 Edition)” by the Ministry of Natural Resources
2023	we successfully obtained the AAAA-level Green Mine Construction Certification

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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| 2024 | the “Dabaoshan Xinshan Area Mine Ecological Restoration Project” was successfully selected as one of the second batch (18 projects) of typical cases for the National Integrated Protection and Restoration of Mountains, Rivers, Forests, Farmlands, Lakes, Grasslands, and Deserts |
| 2025 | ranked first in South China among copper concentrate producers and third nationally among sulphur concentrate producers |

MAJOR SHAREHOLDING CHANGES AND INCREASES IN THE SHARE CAPITAL OF OUR COMPANY

Our Company was established as a limited liability company under the PRC laws on December 28, 1995. Upon our establishment, our Company was wholly-owned by the Guangdong Provincial State-owned Assets Administration Bureau and entrusted to Guangdong Metallurgical Industry Corporation (廣東省冶金工業總公司) for management. On December 31, 2002, Guangdong Metallurgical Industry Corporation transferred full ownership of our Company to its subsidiary, Guangdong Metallurgical Industry Co., Ltd. (廣東廣業冶金有限公司). On June 24, 2004, ownership of our Company was transferred to Guangdong Shaoguan Iron & Steel Group Co., Ltd. (廣東省韶關鋼鐵集團有限公司) as part of a restructuring exercise for nil consideration. On July 30, 2007, we increased our registered share capital from RMB146,420,000 to RMB149,191,000. On June 9, 2009, ownership of our Company was transferred to Guangdong Rising Holdings as part of a further restructuring exercise for nil consideration. On December 31, 2015, Guangdong Rising Holdings entered into an equity transfer agreement with Guangzhou Yuebao Investment Management Partnership (Limited Partnership) (廣州粵寶投資管理合夥企業(有限合夥)) (“**Yuebao Investment**”) to transfer 51% of the equity interest in our Company to Yuebao Investment for consideration of RMB556,300,000. On April 29, 2016, the transfer was completed. On March 5, 2020, as part of an internal restructuring exercise, Yuebao Investment transferred their 51% equity interest in our Company back to Guangdong Rising Holdings. On November 10, 2020, Guangdong Rising Holdings entered into an asset purchase agreement with China Rare Earth Nonferrous Metals to sell 40% equity interest in our Company for consideration of RMB437,004,760. The sale was completed on December 28, 2020 and China Rare Earth Nonferrous Metals became our second Controlling Shareholder.

On August 13, 2026, our Company was converted into a joint stock company, renamed as Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. and our registered share capital increased to RMB850,000,000.

OUR SUBSIDIARY

As of the Latest Practicable Date, we had 1 subsidiary in China.

(1) Nanfang Special Copper Materials

Nanfang Special Copper Materials is a wholly-owned subsidiary of our Company. It was established as a limited liability company on April 23, 2001 in the PRC with a registered capital of RMB41,680,000. Its scope of business include non-ferrous metal smelting, rolling, processing, casting, manufacturing; metal material manufacturing, sales as well as import and export of metal products.

OUR ACQUISITIONS, DISPOSALS AND MERGERS

On August 14, 2026, in order to focus on our core businesses, we entered into an equity transfer agreement to transfer 55% of our equity interest in Shaoguan Guangbao Chemical Industry Co., Ltd. (韶關市廣寶化工有限公司) (“**Guangbao Chemical Industry**”) to Guangdong Rising Metallurgy Co., Ltd. (廣東廣晟冶金集團有限公司), a subsidiary of Guangdong Rising Holdings, for consideration of RMB28,712,530. Guangbao Chemical Industry is primarily engaged in the processing of sulphur to manufacture sulphuric acid and the manufacture of iron powder and is

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

not engaged in any of our core businesses. Guangbao Chemical Industry primarily sells their products to Independent Third Parties and sales to our Group only constitute approximately 19.7%, 22.5%, 13.1% and 26.1% of their overall sales for the three financial years ended December 31, 2025 and six months ended June 30, 2026. The transaction was determined following arm’s length negotiations with reference to the asset valuation report prepared by an independent asset valuer on June 24, 2026. As of the Latest Practicable Date, the consideration of the aforementioned transfer was fully settled. Following the transfer, we will continue to hold approximately 32.67% equity interest (equivalent to approximately 35.70% voting rights) in Guangbao Chemical Industry while Guangdong Rising Holdings will indirectly hold approximately 55% equity interest (equivalent to approximately 60.11% voting rights) in Guangbao Chemical Industry, Guangbao Chemical Industry will thus become our connected person upon [REDACTED]. As advised by our PRC Legal Advisor, the aforesaid equity transfer has been properly and legally settled and completed, and all applicable approvals have been obtained.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had not conducted any major acquisitions, disposals or mergers that we consider to be material to us.

SHAREHOLDERS’ AGREEMENT

On August 13, 2026, our Controlling Shareholders, Guangdong Rising Holdings and China Rare Earth Nonferrous Metals entered into an agreement (the “**Shareholders’ Agreement**”) in relation to certain corporate governance matters including the nomination and voting of certain candidates whereby they have agreed to vote for each other’s proposed director candidates, nominate certain management personnel to join our Group and to support the appointment of each other’s nominations of such management personnel.

The Shareholders’ Agreement will not terminate until the earliest of: (i) both parties thereto agree in writing to terminate such agreement; or (ii) either Guangdong Rising Holdings or China Rare Earth Nonferrous Metals ceases to be a controlling shareholder or ultimate beneficial owner of our Group; or (iii) if China Rare Earth Nonferrous Metals’ shareholding in our Company falls below 10%; or (iv) if required to do so by any of the relevant regulatory authorities.

PUBLIC FLOAT AND FREE FLOAT

Upon completion of the [REDACTED], a total of [REDACTED] Shares held by Guangdong Rising Holdings and China Rare Earth Nonferrous Metals will not be counted towards the public float, representing approximately [REDACTED]% of our share capital in aggregate upon [REDACTED] all other H Shares will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules upon completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised. Based on the above, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), a total of [REDACTED] H Shares (being the H Shares [REDACTED] in the [REDACTED]), representing [REDACTED]% of our total share capital upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) will be counted as part of the public float. Based on the low end of the [REDACTED] range of HK\$[REDACTED] and [REDACTED] H Shares expected to be in issue immediately upon completion of the [REDACTED], our expected market capitalization is expected to be approximately HK\$[REDACTED] billion.

As such, the minimum prescribed public float percentage under the Listing Rules is [REDACTED]%, being the higher of the percentage that would result in the expected market value of publicly held securities being HK\$1.5 billion at the time of listing (i.e. approximately [REDACTED]%) and [REDACTED]%.

Based on a public float of [REDACTED]%, the Company expects to comply with the public float requirement under Rule 8.08(1) and Rule 19A.13A of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

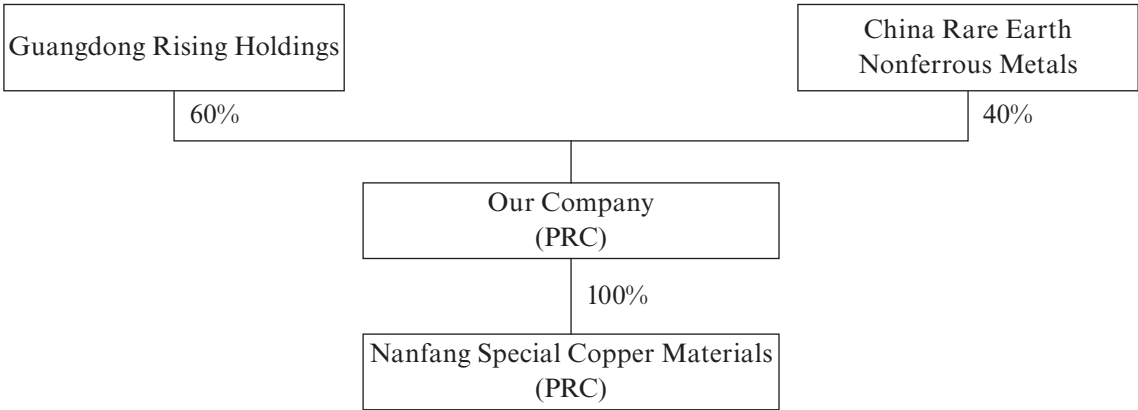
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought, that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

On the basis that the [REDACTED] of our H Shares in issue upon [REDACTED] that are held by the public and not subject to any disposal restrictions is expected to be not less than HK\$600,000,000, we believe that there will be a free and open market for our H Shares immediately upon the completion of the [REDACTED] in compliance with the requirements under Rule 19A.13C of the Listing Rules.

OUR GROUP STRUCTURE

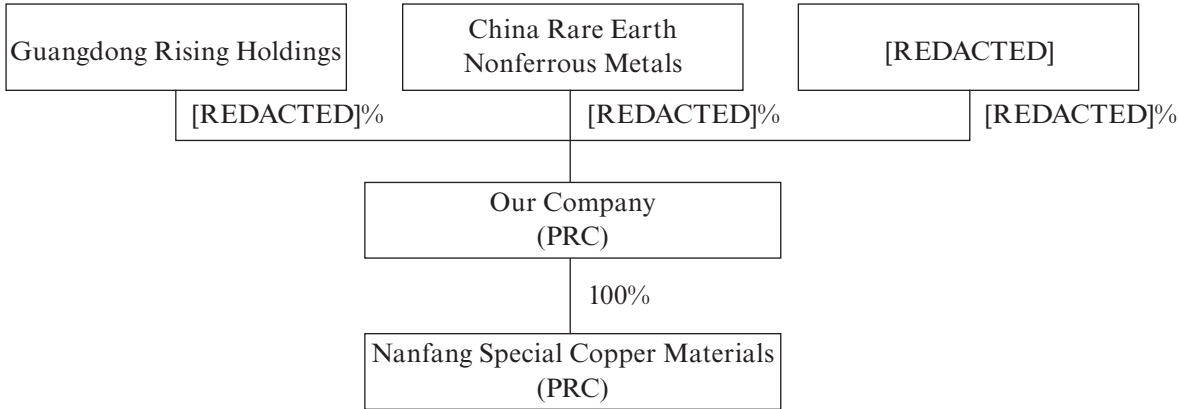
Shareholding Structure Prior to the [REDACTED]

The following chart sets out our group structure as of the Latest Practicable Date and prior to the [REDACTED]:



Shareholding Structure Immediately Following the Completion of the [REDACTED]

The following chart sets out our group structure immediately after the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):



BUSINESS

OUR MISSION

Our mission is to build a world-class, green, intelligent and international copper-sulphur mining company.

OUR VISION

Our vision is to contribute to a sustainable future through copper and sulphur resources, and to create value as a responsible enterprise.

OVERVIEW

We are a leading polymetallic mining company in South China principally engaged in the exploration, mining, ore processing, comprehensive utilization and sale of copper, sulphur and other multi-metal mineral resources. Our sole mining asset is the Dabaoshan Mine, a large-scale open-pit polymetallic mine located in Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province, PRC.

Our mine was formally commissioned in 1966. In 2017, we completed a strategic transformation and upgrade from a single-product iron ore mining enterprise into an integrated mining enterprise focused on the development of copper, sulphur and various associated metals, with our core business covering the full value chain of exploration, mining, ore processing, comprehensive utilization and sale of copper, sulphur and other multi-metal mineral resources. Based on our comprehensive resource utilization technologies and green mine construction achievements, in 2011, we were designated as one of the first national demonstration bases for the comprehensive utilization of mineral resources in the PRC and the only such base in Guangdong Province, and we hold the two core qualifications of National High and New Technology Enterprise and national AAAA-rated green mine.

We operate the largest open-pit mine and the largest dedicated copper-sulphur processing facilities in South China. The Dabaoshan Mine has an approved mining scale of 3.30 Mt/a and is supported by a dedicated copper-sulphur concentrator with a processing capacity of 3.6 Mt/a. Our core products comprise copper concentrate, sulphur concentrate and magnetic sulphur concentrate, and we also produce aggregates and other ancillary products on a commercial scale, giving us a diversified product portfolio of high quality with market adaptability. According to Frost & Sullivan, we ranked first in South China among copper concentrate producers and third nationally among sulphur concentrate producers in 2025, underscoring our regional position and market competitiveness of our core products.

The Dabaoshan Mine is situated in the core area of the Nanling metallogenic belt, and is a nationally planned mining area and a key exploration zone in Guangdong Province, with favorable geological conditions for mineralization and potential for further exploration and development. The total potential economic value of the mineral resources retained in the mining area exceeds RMB100 billion, and our copper-sulphur Measured and Indicated Mineral Resources amounts to 91.31 Mt as of August 31, 2026. Known as the “Pearl of Southern Mining”, we are a core enterprise in the South China polymetallic mining sector.

BUSINESS

91.31 Mt Cu-S Mineral Resources	13.9 kt 2025 Copper Content in Concentrate Production	1,112.9 kt 2025 Sulphur Concentrate Production ⁽¹⁾
Over RMB100 Billion Total Potential Economic Value of Mineral Resources	56.2% 2023–2025 Net Profit CAGR	47.0% 2025 Return on Equity (ROE) ⁽²⁾

Note:

- (1) including the production volume of flotation sulphur concentrate with a concentrate grade of 46.37% and magnetic sulphur concentrate with a concentrate grade of 27.08%
- (2) Calculated by using total net profit (including non-controlling interests) divided by total equity

According to the SRK Report, as of August 31, 2026, our mine had copper-sulphur Measured and Indicated Mineral Resources of approximately 91.31 Mt and Ore Reserves of approximately 63.9 Mt, with average grades for copper of 0.43% and average grades for sulphur of 14.50%, respectively, and containing 276 kt of copper metal and 9,237 kt of sulphur. In 2023, 2024, 2025 and eight months ended August 31, 2026, we produced 85.0 kt, 81.8 kt, 80.1 kt and 52.3 kt of copper concentrate, 947.9 kt, 965.6 kt, 934.5 kt and 624.9 kt of sulphur concentrate and 303.3 kt, 197.0 kt, 178.4 kt and 130.9 kt of magnetic sulphur concentrate, respectively.

Our Market Opportunities

Copper and sulphur are key strategic resources for China’s economy. As a copper-sulphur producer with an integrated production platform and a defined pathway for resource and reserve growth, we believe we are positioned to capture growth in downstream demand and to continue strengthening our market position.

According to Frost & Sullivan, China’s copper concentrate market, by metal content, grew from approximately 7.5 Mt in 2021 to approximately 9.4 Mt in 2025, and is forecast to reach approximately 11.3 Mt by 2030. Demand growth is principally driven by AI infrastructure, new energy vehicles, renewable energy infrastructure such as solar and wind, electrical grid expansion and data center construction, all of which are highly copper-intensive applications. On the supply side, China accounts for only approximately 4.2% of global proved copper Reserves, and domestic deposits are generally small in scale, of lower grade and complex to develop, with large, high-grade deposits with favorable development conditions remaining scarce. China’s import dependence for copper concentrate reached approximately 81% in 2025 and is expected to continue rising, according to Frost & Sullivan. Globally, growth in new copper mine supply remains limited by long development lead times, high capital expenditure and declining ore grades at operating mines. As a result, copper prices are expected to remain at elevated levels over the next five years and expected to reach approximately RMB110,552.9 per tonne by 2030, according to Frost & Sullivan.

Sulphur concentrate is a critical raw material for the production of sulphuric acid, serving phosphate fertilizer production, the hydrometallurgical smelting of non-ferrous metals and emerging applications such as lithium-ion battery chemical intermediates. Unlike copper, China’s sulphur concentrate supply is dominated by established domestic large-scale producers, and we believe our reserve base and production scale give us a first-mover advantage as the industry consolidates. Driven by rigid demand from agricultural fertilizers, expanding applications in new energy materials and the expansion of non-ferrous metal smelting, China’s sulphur concentrate market is forecast to

BUSINESS

grow from approximately 20.1 Mt in 2025 to approximately 22.8 Mt by 2030, while continued increases in industry concentration are expected to benefit producers with resource endowments and operating efficiency, according to Frost & Sullivan. In addition, sulphur produced as a by-product of petroleum refining is materially affected by movements in international oil prices and is expected to remain at elevated levels, according to Frost & Sullivan.

Environmental, Social and Governance

We have been designated a national AAAA-rated green mine and have completed a transformation from a traditional mine to a modern green mining operation. As a state-owned enterprise, we actively discharge our social responsibilities. For example, we have carried out ecological restoration of land abandoned following historical artisanal mining, which has been recognized by the Ministry of Finance, the Ministry of Natural Resources and the Ministry of Ecology and Environment as a typical case of integrated protection and restoration projects for mountains, rivers, forests, farmlands, lakes, grasslands and deserts.

Through sustained and systematic ecological restoration and remediation, soil pH in the restored area has been improved from acidic to almost neutral levels, the cumulative restored area is approximately 180 hectares and vegetation coverage in the restored area has reached over 95%.

In terms of environmental infrastructure, we have in place comprehensive mine wastewater collection and treatment systems and solid waste storage facilities. According to the SRK Report, our tailings storage facility (the Fandong Village TSF) is currently in good operating condition with sufficient remaining capacity. Our gross profit increased from RMB703.9 million in 2023 to RMB937.5 million in 2024 and RMB1,273.0 million in 2025, with our gross margin expanding from 44.1% in 2023 to 50.7% in 2024 and 58.0% in 2025. Our gross profit was RMB560.2 million and RMB1,297.1 million for the six months ended June 30, 2025 and 2026, respectively, with our gross margin being 53.9% and 70.0% for the same periods.

Our Financial Performance

Our revenue grew from RMB1,596.1 million for the year ended December 31, 2023 to RMB1,847.6 million for the year ended December 31, 2024 and further to RMB2,193.3 million for the year ended December 31, 2025, representing a compound annual growth rate of 17.2% from 2023 to 2025. Our revenue was RMB1,038.8 million and RMB1,852.2 million for the six months ended June 30, 2025 and 2026, respectively. Our gross profit increased from RMB703.9 million in 2023 to RMB937.5 million in 2024 and RMB1,273.0 million in 2025, with our gross margin expanding from 44.1% in 2023 to 50.7% in 2024 and 58.0% in 2025. Our gross profit was RMB560.2 million and RMB1,297.1 million for the six months ended June 30, 2025 and 2026, respectively, with our gross margin being 53.9% and 70.0% for the same periods.

Profit for the year attributable to owners of the parent increased from RMB347.7 million in 2023 to RMB500.5 million in 2024 and RMB848.7 million in 2025, representing a compound annual growth rate of 56.2%. Profit for the period attributable to owners of the parent was RMB374.7 million and RMB975.1 million for the six months ended June 30, 2025 and 2026, respectively. Our net profit margin expanded from 21.8% in 2023 to 27.1% in 2024 and 38.7% in 2025, and was 36.1% and 52.7% for the six months ended June 30, 2025 and 2026, respectively. Basic earnings per share increased from RMB0.41 in 2023 to RMB0.59 in 2024 and RMB1.00 in 2025. Our return on equity increased from 43.5% in 2023 to 47.0% in 2025.

BUSINESS

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to, and will continue to contribute to, our success:

We are the largest polymetallic open-pit mine in South China, with a resource base and potential for reserve and production growth

We operate the largest open-pit copper-sulphur mine and the largest copper-sulphur processing plant in South China, and possess a diversified, high-value mineral resource base comprising copper, sulphur, molybdenum, lead and zinc, together with associated precious metals including gold and silver. This multi-metal endowment provides diversification against single-commodity price fluctuations. According to Frost & Sullivan, we ranked first in South China among copper concentrate producers and third nationally among sulphur concentrate producers in 2025. According to the SRK Report, as of August 31, 2026, our total Measured and Indicated Cu-S Mineral Resources amounted to 91.31 Mt with a further 30.53 Mt of Inferred Mineral Resources, containing approximately 352 kt of copper metal and 11,742 kt of sulphur on a Measured and Indicated basis, and our total Proved and Probable Ore Reserves amounted to 63,912 kt containing approximately 276 kt of copper metal and 9,237 kt of sulphur. Our molybdenum endowment is significant, with cumulative identified molybdenum metal across our core exploration and mining areas exceeding 185.1 kt, which meets the exploration scale of a large deposit and represents a core source of incremental resources for us. The total potential economic value of the polymetallic mineral resources within the area covered by our mining licence exceeds RMB100 billion, calculated based on the public quotations of Shanghai Metals Market as of July 30, 2026.

Our mine has potential for reserve expansion and mine life extension. According to the SRK Report, porphyry-skarn type Cu-Mo mineralization has been identified in the deep and peripheral parts of the mining area and to the northwest of the open pit, representing the target area for mine expansion and reserve growth. The main ore bodies of the mine remain open at depth and along their edges, with resources hosted at depth and in the periphery, and the porphyry-type copper and molybdenum ore bodies in the south-central part of the mining area have not yet been developed due to the limits of the existing pit design, leaving a volume of undeveloped resources.

The mining area is located in the south-central part of the Nanling metallogenic belt, where structural and magmatic activity is well developed and geological conditions for mineralization are favorable. Following years of systematic geological exploration, we have cumulatively completed over 200,000 meters of drilling and various detailed exploration works, identified six deposit types and delineated 144 ore bodies, with the principal ore bodies exhibiting long strike length, depth extension and continuity, providing the basis for large-scale development. We have also established a systematic exploration framework based on the “porphyry-skarn-stratabound sulphide” composite metallogenic model, which has been effectively applied to guide deep and peripheral exploration around the mining area and support resource expansion.

To continue unlocking incremental resources, we have formulated a dedicated five-year geological exploration plan for the period from 2027 to 2031, focusing on our existing mining licence area and quality mining rights blocks in the periphery, and systematically implementing production exploration within mining zones, deep and ultra-deep exploration of porphyry copper mineralization, detailed exploration of copper-sulphur and molybdenum mineralization and detailed exploration of iron mineralization. The plan contemplates an investment budget of approximately RMB311 million and 165,000 meters of drilling, targeting the addition of 150 kt of copper metal, 100 kt of molybdenum metal, 20 kt of lead metal, 20 kt of zinc metal, 180 tonnes of silver and 2.70 Mt of sulphur. The development of molybdenum resources is the

BUSINESS

strategic focus of the plan, with phased detailed exploration and concurrent processing technology research in the near term and large-scale development in the longer term, which we intend to cultivate into an important source of profit growth.

Proprietary core mining and processing technology with industry-leading operating metrics, the capability to treat complex and refractory copper-sulphur ore and scalable production capacity

As one of the first national demonstration bases for the comprehensive utilization of mineral resources in the PRC and the only such base in Guangdong Province, and as a National High and New Technology Enterprise, we have devoted ourselves to the research and development of processing technologies for complex and refractory polymetallic ores. We hold over 100 granted patents, and our core technologies have won multiple first- and second-class awards in the PRC non-ferrous metals industry.

We have independently developed and continuously optimized our mining and processing technologies, and our production operations have remained stable. According to the SRK Report, for the eight months ended August 31, 2026, our sulphur concentrate grade has averaged 46.0%, copper concentrate grade has averaged 16.7%. Our copper recovery has reached 87.7% and total sulphur recovery has reached 92.6%, which is at a leading level in the industry. Our copper concentrate grade decreased from 17.31% in 2025 to 16.74% in the eight months ended August 31, 2026, while our copper recovery increased from 84.71% to 87.70%, reflecting the continuously enhanced processing capabilities. We have received multiple national-level awards for our core mining and processing technologies, including first prizes in the “Non-Ferrous Metals Industry Science and Technology Award” from the China Nonferrous Metals Industry Association and the Nonferrous Metals Society of China for our “High-Acid Copper-Sulphur Ore Non-Alkaline Gradient Efficient Recovery Integrated Precision Application Technology” and our “High-Performance Mining Ceramic Ball Development and Low-Carbon Grinding Key Technology Development and Application” projects.

Compared with traditional underground mining, our open-pit mining method lowers unit production costs and, combined with our technological capabilities and cost control, has driven improvement in profitability with economies of scale. Our gross profit margin increased from 44.1% in 2023 to 58.0% in 2025 and further to 70.0% in the six months ended June 30, 2026. We also possess technology for the utilization of low-grade ore, which enables us to convert the marginal-grade ore into economically mineable resources.

We are advancing the digital transformation of our mine with a total investment of RMB43.8 million in our smart mine construction project. We are integrating 5G, the industrial internet and other technologies to digitally connect the production process, upgrade safety management systems and improve our information technology foundation. Our integrated intelligent operations platform has commenced trial operation, covering production control, intelligent logistics, equipment maintenance, safety and environmental protection and quality inspection, enabling process data connectivity and unified dispatch. Upon full deployment, we expect to achieve real-time perception, analysis, decision-making and execution of production data.

Integrated full value chain operations, locational and logistics advantages and a market-oriented sales system

We have established a closed-loop value chain from geological exploration and open-pit mining to product sales and environmental remediation, which is self-controlled and delivers operating synergies. By coordinating blast design, ore blending and mill feed across our mining and processing chain, we improve metal recovery rates, maintain consistent product quality and lower unit production costs, thereby strengthening the efficiency and competitiveness of our integrated value chain.

BUSINESS

We enjoy a logistics advantage with proximity to South China’s downstream market. Our mine has a dedicated 17 km standard-gauge railway connecting directly to the Maba marshalling station on the Beijing-Guangzhou mainline, enabling direct dispatch to smelters nationwide without intermediate transshipment. The Beijing-Hong Kong-Macau Expressway Shaxi exit is located approximately 3 km from the mine area, and we are approximately 210 km from Guangzhou. We also have access to the Wushi port on the Bei River within 30 km, which provides waterway shipping capacity. Our integrated rail, road and waterway intermodal transport system reduces freight costs compared with full road transport, connecting us to downstream consumers in South China.

We have established a market-oriented sales system, moving away from the traditional model of fixed pricing and fixed quotas and instead adjusting our sales strategy by reference to market supply and demand, price cycles and downstream utilization rates, with the objectives of stable sales volumes, optimized pricing, lower risk and customer retention. We adopt differentiated pricing mechanisms for our core products: copper concentrate is sold through monthly open competitive bidding to the highest bidder, with a three-month pricing period that allows us to capture the benefit of price peaks and focus on generating sales proceeds; and sulphur concentrate is priced on a market basis by reference to industry conditions, customer demand and peer pricing, which supports our sales volumes and sales channels.

Our customer base is diversified. Our customers include large state-owned smelters and listed chemical companies, with stable consumption; medium-sized end-user enterprises and trading partners; and market-based customers that allow us to accommodate seasonal fluctuations. Our customer structure comprising “large customers stabilizing the base, medium customers driving growth and new customers activating the market”, enables us to respond to commodity price cycles.

ESG and green operations, with recognition of our ecological remediation achievements and controlled compliance and safety risks

We adhere to the principle of green and sustainable development. We are a national AAAA-rated green mine and was among the first to have completed a transformation from a traditional mine into a modern, green and intelligent mining operation, and our ESG achievements have received multiple national- and provincial-level accreditations. Our jointly developed “in-situ substrate improvement plus direct vegetation” ecological restoration technology was awarded the Guangdong Province Science and Technology Progress First Prize, and our mine ecological restoration project has been selected as a national typical case for the integrated protection and restoration of mountains, rivers, forests, farmland, lakes, grassland and desert, as one of the “Top 10 Cases of Territorial Space Ecological Restoration in Guangdong Province” and as a “National Ecological Environmental Protection Demonstration Project”.

Following ecological restoration, soil in the restored areas of the mine has been improved from acidic to neutral levels, vegetation coverage in the restored areas exceeds 95% and the cumulative restored area is approximately 180 hectares. Our environmental facilities have capacity: we have constructed three dedicated mine wastewater treatment plants with an aggregate daily treatment capacity of 96,000 m³, enabling all production wastewater to be collected and treated and prioritized for recycling, with the remainder discharged in compliance with applicable standards; and our tailings storage facilities are constructed with sufficient capacity and our solid waste is disposed of in compliance with applicable requirements. We continue to implement energy-saving and carbon-reduction upgrades and optimize our production system.

BUSINESS

We have obtained domestic and international certifications for our compliance management system, which reduces our regulatory risk and operational uncertainty. Against the background of Guangdong Province’s enforcement standards, we have established environmental and safety management systems, and we did not experience any material safety or environmental incidents during the Track Record Period.

We promote employee personal development, improving our talent development system, broadening career development pathways, cultivating professional technical talent in mining, processing and environmental protection through school-enterprise cooperation, and maintaining an employee welfare and support system.

We support regional economic development through local tax contributions and support for local supply chains. We have invested heavily in improving infrastructure in and around the mining area, upgrading community activity spaces, supporting local road and bridge maintenance, participating in community tree planting and environmental improvement, creating ecological landscapes in partner villages, and promoting industrial development and consumption-based assistance to help surrounding villages increase collective income, achieving environmental co-improvement and mutual development between the mine and surrounding communities.

Experienced professional management team supported by our state-owned enterprise shareholder, with resource integration advantages

We have a management and technical team with decades of experience in the mining industry, and our key members of senior management have an average of over 25 years of industry experience across geological exploration, mining and processing, environmental management and corporate operations. As of June 30, 2026, our talent comprises 71 employees holding a master’s degree or above, 420 employees holding a bachelor’s degree, 193 technical personnel with intermediate or senior professional titles and 331 personnel with various professional skills, of whom 11 have received national, provincial or municipal honors as model workers or industry craftsmen, providing talent and technical support for our long-term operations, technological iteration and strategic implementation.

One of our Controlling Shareholders, Guangdong Rising Holding Group, is the only provincial state-owned enterprise in Guangdong Province with mining as its core business, and we are its core mining platform and a principal driver of its mining business. Going forward, we will act as a vehicle for the consolidation of mineral resources in Guangdong Province, continuing to consolidate mineral resources within the province and to expand our resource base and production scale on the strength of our state-owned enterprise platform.

OUR STRATEGIES

In line with our “15th Five-Year Plan” development targets, we will implement our “doubling plan” and pursue the following measures with a view to achieving improvements in resource security, technology-enabled innovation, green and intelligent transformation and capital and industrial development, strengthening our core functions and competitiveness and driving long-term shareholder value:

Accelerate industrial upgrading and enhance economic returns

We are focused on industrial upgrading, planning and advancing three key projects — the Dabaoshan polymetallic mine mining and processing retrofitting and expansion project, the photoelectric efficient sorting and comprehensive utilization of copper polymetallic ore, and the copper-lead-zinc comprehensive recovery and utilization — to optimize our mining and processing technologies and resource recovery systems, address the issue of low-grade ore utilization and enhance our overall production capacity and operational efficiency.

BUSINESS

We will implement the mining and processing expansion and upgrading project at the Dabaoshan polymetallic mine. The feasibility study report for the project was completed and passed expert review, and the project has been included in Guangdong Province’s list of key preliminary construction reserve projects. The project primarily involves the optimisation and upgrading of mining, ore processing, waste rock dumps, tailings storage facilities, intelligent construction and ancillary systems, with the aim of enhancing production capacity and extending the service life of the mine. The project is expected to commence production in 2031, and upon commencement of production, the annual production capacity of the mine is expected to increase from 3.30 Mt to 6.60 Mt.

We will implement the photoelectric efficient sorting and comprehensive utilization of copper polymetallic ore project. The feasibility study report for the project has been completed and the project is expected to be completed and commence production by 2031. The project involves the construction of a 5.00 Mt/a crushing and screening workshop in a single phase; the phased construction of a photoelectric sorting workshop, with Phase I at 3.00 Mt/a and Phase II expanding to 5.00 Mt/a; and the concurrent construction of product stockyards and waste rock stockyards. The products of the project will be refined ore following the rejection of waste from low-grade copper-sulphur ore through photoelectric sorting. The project will not increase the production capacity of the mine, but will enhance the comprehensive utilization of low-grade ore from the pit through photoelectric sorting technology and thereby effectively extend the service life of the mine.

We will implement the copper-lead-zinc comprehensive recovery and utilization project. The feasibility study report for the project has been completed and filing with the development and reform authorities has been obtained, and the environmental impact assessment is progressing. The project is expected to be completed and commence production in 2031, at which point it will enhance our comprehensive resource utilization and expand our sources of economic benefit, strengthening our foundation for sustainable development.

Upon commissioning of all of the above projects, our annual production capacity is expected to increase to 6.60 Mt, improving our mining and processing capacities and overall resource utilization level.

Promote internal and external coordination and strengthen resource expansion

We are seizing the opportunities of the PRC’s new round of strategic actions for exploration breakthroughs and implementing a resource-first strategy by conducting systematic geological exploration of the Dabaoshan mining area and its surrounding areas, focusing on target areas with exploration potential at depth and in the periphery of the mining area. At the same time, we will re-evaluate our existing mine resources based on prevailing mineral product prices and implement technological and process improvements in order to utilize low-grade resources, extend the service life of the mine and unlock value across the mine life cycle. To this end, we have formulated a five-year exploration plan for the period from 2027 to 2031, under which we will increase our investment in geological exploration.

We will also pursue external resource acquisitions. We have established a resource expansion department and cooperate with geological survey units in order to continue exploration along the Nanling metallogenic belt and to acquire copper, sulphur and other polymetallic mining rights as opportunities arise, thereby expanding our mineral resources. In evaluating potential acquisitions, we conduct comprehensive feasibility studies and due diligence encompassing policy, technical, market, financial, legal, environmental and safety considerations, and engage third-party institutions to perform independent risk assessments where appropriate.

BUSINESS

Increase research and development investment and achieve innovation-driven growth

We will continue to increase our research and development investment in order to address industry challenges in the mining and processing of complex polymetallic ores, focusing on improving processing recovery rates and reducing mining dilution and ore loss rates, with a view to establishing a model for the intelligent and sustainable development and utilization of green mines. We will focus on the following areas: (i) focusing on the need for safe and intelligent mining at large open-pit mines, addressing technical challenges to improve open-pit mining from experience-based to precise and intelligent operations, from multi-operator to fewer-operator working and from behavior-based safety to intrinsic safety; (ii) for low-grade copper-sulphur ore, enhancing separation efficiency through the development of flotation reagents and the optimization of process flows in order to enable economically viable industrial production from marginal-grade ore; (iii) for complex, high-acid and refractory ore types, focusing on environmental treatment technologies in the processing stage and conducting research into bio-oxidation processes; and (iv) diagnosis and modification of our existing production processes in order to optimize our processing flowsheet, improve metal recoveries and reduce unit reagent consumption.

In terms of digital transformation, we will continue to implement our smart mine construction (Phase II) project. Building on the data center, mine network, cybersecurity system and integrated operations platform established in Phase I, this project takes data-driven connectivity and process optimization as its objective, and focuses on the deployment of digital twins and 5G+ applications, driving the transformation of our smart mine from “basic management and control” to “deep intelligence”, achieving quality and efficiency improvements across production, management and operations, and building a technologically advanced, collaborative, safe and green intelligent mining enterprise.

Fulfil our corporate responsibilities and enhance our ESG performance

We are committed to maintaining our AAAA-rated green mine status and to improving our ESG performance, and we place the environment and the safety and well-being of our employees and communities as priorities in our corporate development. Our sustainable development strategy will focus on the following:

Energy saving and emissions reduction. We will drive the transition of our production processes towards cleaner and more efficient energy systems, and will accelerate the development of new energy infrastructure and build a diversified clean energy system in order to support the PRC’s “dual carbon” goals and reduce emissions of waste gas, wastewater and solid waste.

Ecological protection and environmental risk control. We will continue to strengthen our ecological and environmental management capabilities, strengthen pollution prevention and control, conduct research into the resource recovery of valuable metals from acidic mine wastewater, and promote the utilization of tailings to enhance our waste disposal capability. At the same time, we will advance the environmental risk control project at the Liwu silt-retention dam, improving the regional environment through engineering measures and improving environmental infrastructure in order to reduce environmental risk.

Mine-community co-development and rural revitalization. We remain committed to co-existence and shared prosperity with the communities surrounding our mining area. We participate in Guangdong Province’s “High-Quality Development Project for One Hundred Counties, One Thousand Towns and Ten Thousand Villages” and in rural development through industrial support, infrastructure improvement and employment promotion. We also operate in compliance with applicable laws and regulations and contribute tax revenue to local government, supporting regional economic development.

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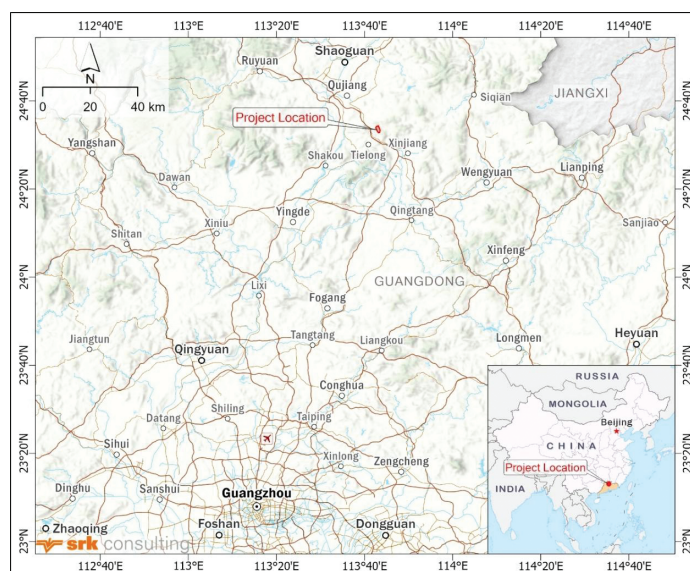
Governance aligned with international standards. We will establish and improve governance structures, management processes and internal control mechanisms commensurate with our operational characteristics, scale and environmental conditions, and will continue to benchmark against the latest international governance requirements in order to improve our internal management and operational efficiency and to enhance the transparency and rigor of our corporate governance, providing an institutional foundation for high-quality and sustainable development.

OUR MINERAL RESOURCES AND ORE RESERVES

SRK Consulting China Ltd. (the “**Independent Technical Consultant**” or “**SRK**”) has prepared the Competent Person’s Report (the “**SRK Report**”) in accordance with the JORC Code (2012 Edition) and the requirements of Chapter 18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The effective date of the SRK Report and for the Mineral Resource and Ore Reserve estimates set out below is August 31, 2026. According to the Independent Technical Consultant, there has been no material change to the Mineral Resources and Ore Reserves since the effective date of the SRK Report, other than ordinary production, up to the Latest Practicable Date.

Geographic Location and Site Description

The Dabaoshan Mine is located southeast of downtown Shaoguan (azimuth approximately 165°), approximately 25 km from the city center, and falls under the administrative jurisdiction of Shaxi Town in Qujiang District, Shaoguan City, Guangdong Province, the PRC. The geographic center coordinates are longitude 113°43’04”E, latitude 24°33’51”N (CGCS2000 Coordinate System). The following map sets forth the general location of our Dabaoshan Mine in Guangdong Province, the PRC:



Dabaoshan Mine enjoys accessibility and transportation infrastructure. The G4 Beijing-Hong Kong-Macau Highway and National Road G106 pass to the west of the mine area. A paved road from the mining area connects to the Nanhuasi exit of the G4 Highway and to National Road G106, with a distance of approximately 18 km. To the west of the mining area lie the Beijing-Guangzhou Railway and the Beijiang River shipping channel. A dedicated standard-gauge industrial railway connects with the Beijing-Guangzhou line at Maba Station; Shaxi Station and Donghua Station are located along this railway spur line, which has a total length of about 17 km, providing convenient transport conditions.

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The project area is situated in the middle-low mountainous terrain of the Nanling Range, with elevations ranging from +521.10 m to +1,020.40 m and a relative relief of approximately 500 m. The region has a subtropical climate, with an annual average temperature of 20.2°C. Average annual precipitation is approximately 1,815.7 mm, with an average of 152.5 rainy days per year.

The mine area has an established power supply system connected to the China Southern Power Grid. A 110 kV Baofan Substation within the area is equipped with two 40,000 kVA main transformers supplying Dabaoshan Mine, with a current load factor of approximately 50% and several 10 kV reserve switchgear panels, indicating sufficient power supply capacity. Production water is sourced from the Fandong Village tailings storage facility and domestic water is supplied from the Fandong River and nearby springs, which are fully capable of meeting Dabaoshan Mine’s production and domestic water demands.

Geology and Deposit Types

The Dabaoshan polymetallic deposit has a complex metallogenic system situated in the central and southern part of the Nanling metallogenic belt. Regional geological studies indicate that magmatic activity was concentrated in the Middle Jurassic, with multiple phases of magmatic intrusion. Devonian strata were thrust over Jurassic strata, and the Dabaoshan dacite porphyry and granodiorite porphyry intruded along this thrust zone, forming an assemblage of intrusive phases that constitutes a porphyry metallogenic system.

In the hanging wall of the porphyry, Devonian strata exhibit well-developed hornfelsification as a result of thermal contact metamorphism. Cu-S-Pb-Zn mineralizing fluids precipitated within limestone and sandstone, forming Cu-S-Pb-Zn mineralized bodies related to magmatic-hydrothermal activity. At the contact between the porphyry bodies and the surrounding limestone strata, skarn was formed, with Cu-Mo mineralizing fluids precipitating within the porphyry bodies and/or their contact zones, ultimately forming porphyry and skarn-type Cu-Mo mineralized bodies.

Overall, the Dabaoshan deposit is regarded as an integrated, broad-sense porphyry-type Mo-Cu-Pb-Zn-Fe polymetallic system. The deposit is primarily exploited for Cu-S-Pb-Zn ore. Common metallic minerals include chalcopyrite, pyrite, pyrrhotite, sphalerite and other minerals. The porphyry-skarn type Cu-Mo mineralized bodies are not yet mined and will be the principal mining targets following future mine expansion.

Mineral Resource Statement

The following tables present a summary of the JORC-compliant Mineral Resource estimates of the Dabaoshan Mine as of August 31, 2026, as contained in the SRK Report:

Cu-S Domain Mineral Resources

Classification	Tonnage (Mt)	Cu (%)	S (%)	Contained Cu (kt)	Contained S (kt)
Measured	25.12	0.53	20.91	134	5,254
Indicated	66.19	0.33	9.80	218	6,489
Measured + Indicated	91.31	0.39	12.86	352	11,742
Inferred	30.53	0.42	15.97	127	4,876

Source: SRK Report. Cut-off grade: 0.20% EqCu ($EqCu = Cu + 0.0241 \times S$). Mineral Resources are reported inclusive of Ore Reserves.

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Pb-Zn Domain Mineral Resources

Classification	Tonnage (Mt)	Pb (%)	Zn (%)	Contained Pb (kt)	Contained Zn (kt)
Indicated	0.69	1.75	4.92	12	34
Inferred	3.22	1.21	3.87	39	124

Source: SRK Report. Cut-off grade: 0.8% EqZn ($EqZn = Zn + 0.645 * Pb$). Mineral Resources are reported inclusive of Ore Reserves.

Ore Reserve Statement

Ore Reserves

Category	Total Ore (kt)	Cu-S Ore (kt)	Pb-Zn Ore (kt)	Cu (%)	Cu Metal (kt)	S (%)	S Element (kt)	Pb (%)	Pb Metal (kt)	Zn (%)	Zn Metal (kt)
Proved	24,171	24,171	—	0.52	126	20.37	4,923	—	—	—	—
Probable	39,741	39,537	204	0.38	150	10.91	4,314	1.86	3.8	6.41	13.1
Total	63,912	63,708	204	0.43	276	14.50	9,237	1.86	3.8	6.41	13.1

Source: SRK Report. Mining dilution rate: 2.5%. Mining loss rate: 2.5%. Economic cut-off grade: 0.30% EqCu.

Mine Production Plan

According to the SRK Report, the Life-of-Mine (“**LOM**”) is 13 years (commencing from September 2026). The Dabaoshan Mine has two types of ore: Cu-S ore and Pb-Zn ore. Cu-S ore is processed through the concentrator, while Pb-Zn ore is sold as run-of-mine ore.

Only blocks classified as Measured and Indicated Mineral Resources with an EqCu grade above 0.3% are treated as run-of-mine (“**ROM**”). Inferred Resources and blocks with EqCu below 0.3%, as well as material in the leached zone, are classified as waste. A conceptual pushback was developed to maintain ROM supply and balance the stripping ratio. The maximum annual total material movement is capped at 35,671 ktpa. The average LOM stripping ratio is 4.15.

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The current annual ore throughput is approximately 3.3 Mt/a. Following the planned expansion and upgrade of the processing plant based on the feasibility study, the total production capacity is expected to increase to 6.10 Mt/a. The following chart illustrates our planned mine production schedule over the 13-year Life-of-Mine:

Item	Cu-S Ore Tonnes (kt)	Cu Grade (%)	Cu Contained Metal (kt)	S Grade (%)	S Contained Element (kt)	Pb-Zn Ore Tonnes (kt)	Pb Grade (%)	Pb Contained Metal (kt)	Zn Grade (%)	Zn Contained Metal (kt)	Ore Tonnes (kt)	Waste Tonnes (kt)	Total Tonnes (kt)	Stripping Ratio (t/t)
LOM	63,708	0.43	276.48	14.50	9,236.92	204	1.86	3.78	6.41	13.08	63,912	265,471	329,383	4.15
2026/9/1	1,250	0.45	5.67	18.58	232.21	2	0.89	0.01	2.96	0.05	1,251	12,900	14,151	10.31
2027	3,010	0.48	14.46	16.59	499.31	2	0.99	0.02	3.77	0.08	3,012	28,997	32,009	9.63
2028	3,218	0.46	14.87	15.99	514.56	1	0.60	0.01	2.84	0.03	3,219	24,996	28,215	7.76
2029	3,694	0.40	14.92	15.07	556.46	6	1.57	0.09	3.66	0.22	3,700	24,996	28,696	6.76
2030	4,993	0.45	22.65	14.83	740.43	79	2.12	1.68	6.51	5.16	5,072	24,755	29,827	4.88
2031	5,592	0.41	22.97	12.78	714.45	86	2.03	1.74	7.55	6.47	5,678	29,993	35,671	5.28
2032	6,497	0.44	28.55	13.46	874.51	13	0.89	0.11	4.70	0.59	6,509	27,208	33,718	4.18
2033	6,500	0.41	26.48	13.23	859.68	16	0.76	0.12	3.11	0.49	6,516	23,075	29,590	3.54
2034	6,396	0.42	27.06	13.47	861.44	—	—	—	—	—	6,396	20,596	26,992	3.22
2035	6,129	0.42	25.91	14.47	887.11	—	—	—	—	—	6,129	15,581	21,710	2.54
2036	6,297	0.44	27.79	15.10	950.75	—	—	—	—	—	6,297	11,593	17,890	1.84
2037	6,335	0.45	28.59	16.22	1,027.50	—	—	—	—	—	6,335	10,406	16,741	1.64
2038	3,798	0.44	16.54	13.65	518.52	—	—	—	—	—	3,798	10,375	14,173	2.73

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MINING RIGHTS AND LICENCES

Mining License

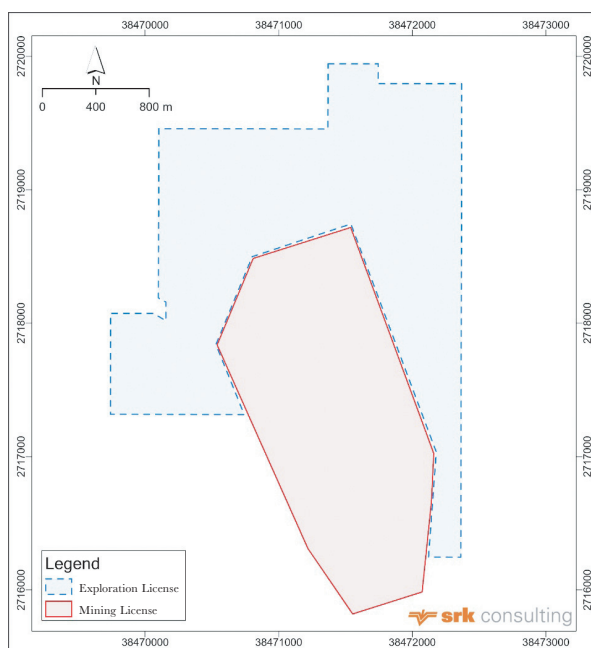
Item	Details
License Holder	The Company
License No.	DC4400002009082220034118
Issued By	Department of Natural Resources of Guangdong Province
Period of Validity	24 February 2017–24 February 2039
Mining Area	2.9072 square kilometers
Mining Type	Open-pit mining
Mining Depth	From 1,015 meters to 270 meters
Production Scale	3,300,000 tonnes per annum

Exploration License

Item	Details
License Holder	The Company
Permit No.	T1000002023083018001441
Project Name	Exploration of the Chuandu-Baimianshi Mo-polymetallic deposit in Qujiang District, Shaoguan City
Issued By	Ministry of Natural Resources
Period of Validity	July 14, 2023–July 14, 2028
Area	4.1711 square kilometers

BUSINESS

The following map illustrates the boundaries of our Mining License and Exploration License:



Safety Production Permits

Permit No.	Issued To	Issued By	Issue Date	Expiry Date	Licensed Activity
(Yue) FM [2026] Oa023III1	The Company	Department of Emergency Management of Guangdong Province	September 4, 2026	October 29, 2026	Copper, Iron, Pyrite, Lead and Zinc Open Pit Mining
(Yue) FM [2026] 0c027III1	The Company	Department of Emergency Management of Guangdong Province	September 15, 2026	May 20, 2027	Operation of Fandongcun Tailing Storage Facility

Pollutant Discharge Permit

Item	Details
Permit No.	9144020019152157XE001V
Issued To	The Company
Issued By	Shaoguan City Ecology and Environment Bureau
Issue Date	September 8, 2023
Expiry Date	September 7, 2028
Main Pollutants	Waste gas, Wastewater

The Directors confirm that there are no obstacles to the renewal of the Group’s exploration and mining rights licenses; the PRC Legal Adviser also supports the view that there are no foreseeable legal obstacles to the renewal of such licenses and permits.

BUSINESS

OUR BUSINESS OPERATION CHAIN

Overview of Exploration-Mining-Processing-Sale Chain

Our business encompasses an integrated exploration-mining-processing-sale value chain. Our production process involves two main stages: mining and processing. We currently adopt open-pit mining for our Cu-S operations at the Dabaoshan Mine. We have engaged a dedicated third party as the mining contractor, which is responsible for drilling, blasting, loading and hauling all material to designated delivery points. We are responsible for the processing operations at our on-site concentrator.

The following is an overview of our integrated business flow:

- **Geological Exploration:** Continuous geological exploration, including diamond drilling, has been carried out in the project area since the 1960s. We continue to conduct production exploration and deep drilling to delineate and expand our resource base.
- **Open-Pit Mining:** Cu-S ore and Pb-Zn ore are extracted through conventional drill-blast-load-haul open-pit methods. Pb-Zn ore is sold as ROM ore.
- **Ore Processing/Beneficiation:** Cu-S ore is processed through our concentrator using crushing, SAG and ball mill grinding, copper flotation, sulphur flotation and magnetic separation to produce copper concentrate, sulphur concentrate, magnetic sulphur concentrate and tailings which will be reused.
- **Product Sales:** Our principal products are sold to downstream smelters, chemical producers and trading partners primarily in Guangdong, Guangxi, Hunan, Yunnan and Guizhou provinces.
- **Environmental Protection:** We operate mine wastewater collection and treatment systems and solid waste storage facilities, and conduct ongoing ecological restoration of historical mining areas.

In-house vs Outsourced Activities

We conduct the majority of our value-chain activities through our own personnel and equipment, including geological exploration, ore processing/beneficiation, product sales, quality control and environmental management. Mining operations (drilling, blasting, loading and haulage) are outsourced to a third-party mining engineering company, an Independent Third Party, under a contractor mining arrangement (the “**Mining Contractor**”). Under the terms of the contract, all mined material is hauled by the contractor to designated delivery points for handover. Certain exploration projects are also outsourced on a modular basis, but we retain full technical responsibility for the exploration projects and their results. According to Frost & Sullivan, it is common for mining companies to outsource part of its mining activities to a third party.

EXPLORATION

Over more than six decades, a series of geological brigades and systematic exploration programs have been carried out in Dabaoshan Mine. The exploration activities we conduct include surveying, drilling, trenching and underground exploration across the project area. As of December 31, 2025, we completed exploration works comprise 17,714 cubic meters of trenching, 2,992 meters of tunnels, 2,162 meters of shallow pits, 123,681 meters of geological drill holes and 101,119 meters of production drill holes.

Exploration History and Exploration Potential

- 1958–1961: No. 705 Geological Brigade of the Guangdong Geological Bureau drilled approximately 51,560 m of diamond core and drove about 2,852 m of exploration drifts on the main strata-bound Cu-Pb-Zn-S mineralized bodies;

BUSINESS

- 1970–1981: No. 937 Geological Brigade completed about 25,172 m of core drilling and 10,445 m³ of trenching on the eastern porphyry Mo deposit;
- 1984–1987: Infill and extension drilling on the southern Pb-Zn deposit, comprising 95 drillholes for 15,192 m;
- 1995–2014: A total of 786 surface production drillholes for 49,530 m were completed;
- 2015–May 2024: 71 core holes for 22,688 m to delineate a newly identified south-central porphyry Cu deposit, together with 421 production and infill drillholes for 26,895 m;
- June 2024–December 2025: 91 production drillholes for 18,990.01 m.

Sampling and Quality Control

According to the SRK report, during drilling, core was cut lengthwise using a diamond saw, with one half submitted for laboratory analysis and the other half preserved as a permanent reference. Sample intervals were based on geological boundaries, typically 1.0 to 1.5 meters within mineralized zones. Channel samples were also collected from trenches and underground workings to supplement the drill data.

Sample preparation and laboratory analysis were performed by several accredited laboratories, with most holding CMA accreditation under the Chinese national inspection and testing system. Internal and external check assays were carried out at various stages of the project’s history.

Exploration Potential

According to the SRK Report, the Cu-S-Pb-Zn polymetallic deposits and the porphyry copper deposits show a favorable spatial relationship, indicating outstanding overall exploration potential. The porphyry-type Cu-Mo mineralization extends to depth and towards the northwest direction, indicating favorable exploration potential for Dabaoshan Mine. The northwestern belt of sub-alkaline trachyandesite porphyry has a lithologic assemblage similar to that of the known mineralized zones, and local Cu(Mo) anomalies and weakly mineralized outcrops have already been identified, indicating the potential to form a new porphyry Cu(Mo) mineralization center.

MINING

Mining Method

The Dabaoshan Mine is operated as a conventional open-pit truck-and-shovel mining operation. Material is drilled and blasted, then loaded into trucks using excavators and hauled by trucks with a capacity of 70 tonnes. Two conceptual pushbacks are planned to secure ROM supply and manage the stripping ratio. The mining sequence is designed to occur from top to bottom. The pit design incorporates ramps at 8% gradient, with widths of 6 m for single lane and 12 m for double lane.

Currently, only Cu-S ore among our primarily mined ores undergoes processing. The mining process for Cu-S ore involves two steps: ore blending and ore supply. Ore blending refers to identifying ore types and grades based on drillhole sampling results, formulating a blending plan, and mechanically loading Cu-S ore from multiple areas using excavators, with dump trucks transporting it to the Cu-S ore stockpile outside the mining boundary for storage. Ore supply refers to loading ore from the Cu-S stockpile using excavators and transporting it by dump trucks to the ROM ore bin for subsequent processing. Iron ore and oxidized zinc are by-product ores that are not processed but stockpiled for external sale once sufficient quantities accumulate.

BUSINESS

Geotechnical and Hydrological Considerations

Geotechnical conditions at the Dabaoshan Mine are complex and variably constrained. Pit slopes have been designed conservatively in compliance with Chinese non-coal open pit and non-ferrous mining design codes, and calibrated against existing pit exposures. The final overall pit slope angles range from 32° to 45° across six geotechnical zones.

The open pit is developed in mountainous terrain between approximately +896 m and +368 m. Above the +632 m mine boundary elevation, rainfall is largely intercepted and drained by bench-top diversion ditches. Below +632 m, the pit forms a depression and water must be removed by mechanical pumping. Pump stations are installed at the +517 m and +457 m pit sumps in the north, and at the +313 m pit sump in the south, providing sufficient dewatering capacity under both normal and storm conditions.

Waste Rock and Overburden Management

Waste rock is placed in a single Waste Rock Dump (“WRD”) located west of the pit, with a planned footprint of approximately 270 hectares. The WRD has a maximum height of 304 m (elevation range +453 m to +757 m), is configured in 38 m lifts with 40 m safety benches between lifts, and has an overall slope angle of approximately 10.1°. The WRD has a Class I safety level. In addition, a new stockpile is planned in the Liwu waste rock dump area for temporary storage of low-grade ore from the open pit, for later comprehensive recovery.

During 2023, 2024, 2025 and the six months ended June 30, 2026, the overburden stripping volumes were 6.35 million cubic meters, 7.06 million cubic meters, 5.92 million cubic meters and 2.28 million cubic meters, respectively.

Outsourcing Arrangement

During the Track Record Period, we engaged Mining Contractor for our mining and stripping works at our mine sites. The following table sets out the key terms of the mining construction arrangement currently in effect:

Key Terms	Summary
Contract price and payment	Unit-price contract. Charges vary for each type of works, which are pre-agreed in the construction agreement. The charges are paid on multiple occasions, including but not limited to the following occasions: (i) monthly progress payments; (ii) annual settlement; and (iii) at the end or termination of the construction agreement.
Term	Fixed term, three years (2025–2027).
Scope of service	The Mining Contractor shall provide, among other things, open-pit mining and stripping works, including drilling, blasting, excavation, loading and transportation.
Mining Contractor’s obligations	The mining works must meet our quality standards and the Mining Contractor must comply with the standards and requirements as set out in the construction agreement. The Mining Contractor shall be responsible for all risks and losses associated with any accidents and quality issues arising from the works which are carried out by the Mining Contractor.
Warranty and indemnity	The Mining Contractor shall compensate us for any losses suffered by us due to any quality issues of the construction works.

BUSINESS

Key Terms	Summary
Termination	We may terminate the construction agreement by serving a prior written notice to the Mining Contractor on the occurrence of certain events, including but not limited to: (i) failure to follow our safety instructions; (ii) serious accidents relating to safety; (iii) failure to meet our production plans or progress requirements; (iv) failure to maintain the required qualifications or licenses; and (v) subletting or subcontracting the entire project to third parties without our consent.
Renewal	The contracting agreement does not set out any automatic renewal clause. Upon expiry, a new contractor is selected through a competitive tender process.
Management of Mining Contractor	The performance and conduct of the Mining Contractor is subject to our supervision. We may supervise the Mining Contractor and inspect its carrying out of works stipulated under the construction agreement in relation to, among other things, issues of production safety, quality of work and progress. The Mining Contractor shall, upon receiving notification of any issues noticed by us, properly rectify such issues on time.

ORE PROCESSING OPERATIONS

Processing Plant Overview

The existing processing plant is located approximately 0.5 km east of the open pit. The main buildings and structures include an ore unloading platform, coarse crushing building, coarse crushing ore bin, grinding-flotation plant, various concentration pools, product warehouse, substation, water tank and pump house. The plants produce marketable copper concentrate, sulphur concentrate and magnetic sulphur concentrate. Silver is enriched in the copper concentrate at approximately 100 g/t, which increases the sale price of the copper concentrate.

Beneficiation Flowsheet and Technology

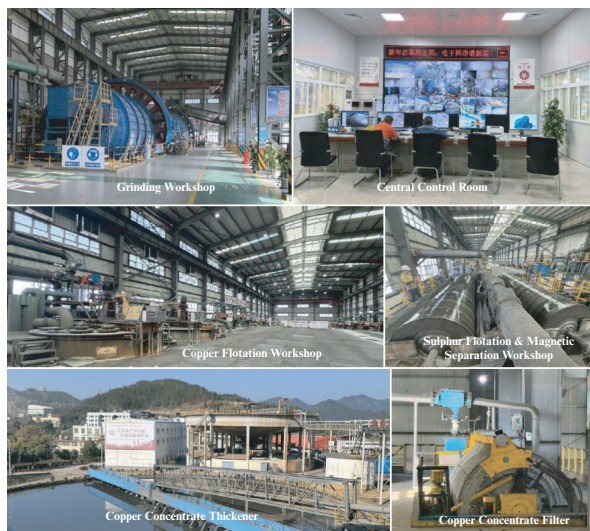
The current concentrator flowsheet comprises the following stages:

- Single-stage open-circuit crushing;
- Semi-autogenous grinding (SAG) plus ball mill closed-circuit grinding;
- Copper rougher flotation, followed by regrinding of the copper rougher concentrate and copper cleaner flotation;
- Sulphur flotation; and
- Sulphur magnetic separation.

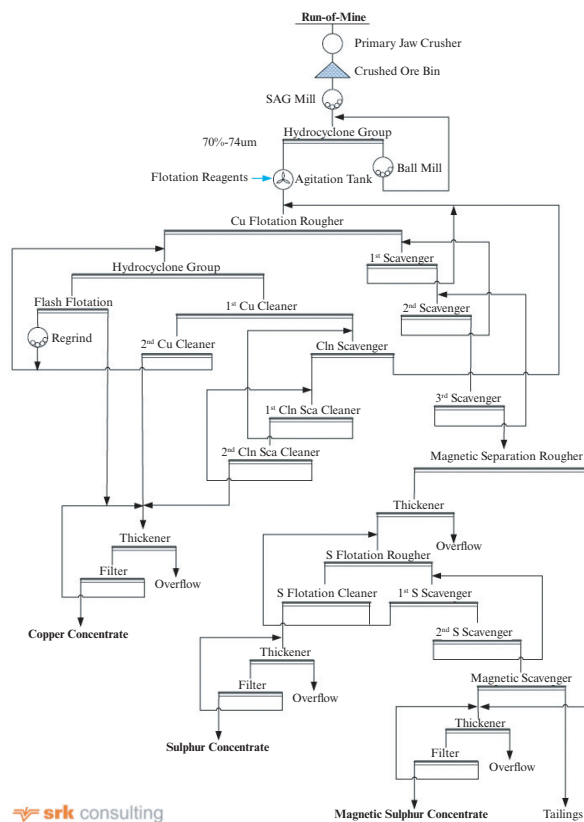
Our Cu-S concentrator has an annual processing capacity of 3.6 million tonnes. Run-of-mine ore is crushed by jaw crushers and stored in a buffer ore bin. Ore from the buffer bin is fed by a heavy-duty apron feeder into the SAG mill. SAG mill discharge is screened, with oversize material returned to the SAG mill and undersize material classified by hydrocyclones. Hydrocyclone overflow proceeds to the flotation circuit, while hydrocyclone underflow is reground in ball mills. Copper flotation uses a one-rougher, three-scavenger, two-cleaner circuit to produce copper concentrate. Magnetic separation recovers magnetic sulphur concentrate from the copper flotation tailings.

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Sulphur flotation uses a one-rougher, two-scavenger, one-cleaner circuit on the magnetic separation tailings to produce sulphur concentrate, and the sulphur flotation tailings then undergo a further stage of magnetic separation to recover additional magnetic sulphur concentrate.



The following diagram sets forth the beneficiation flowsheet of our copper-sulphur concentrator, illustrating the process flow from run-of-mine ore through to the production of copper concentrate, sulphur concentrate and magnetic sulphur concentrate:



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Historical Production Performance

Cu-S Ore Beneficiation Performance

Indicator	Year ended December 31,		2025	Eight months ended
	2023	2024		August 31, 2026
Ore Processed (kt) ⁽¹⁾	3,627	3,614	3,558	2,311
Cu Grade of Ore Processed (%)	0.47	0.46	0.46	0.43
Cu Concentrate Production (t)	84,960	81,793	80,073	52,250
Cu Concentrate Grade (%)	17.50	17.51	17.31	16.74
Cu Content in Concentrate (t)	14,866	14,325	13,858	8,747
Cu Recovery (%)	87.38	86.43	84.71	87.70
S Grade of Ore Processed (%)	16.71	15.13	14.82	15.20
Flotation S Concentrate Production (kt)	947.9	965.6	934.5	624.9
Flotation Sulphur Concentrate Grade (%)	45.96	45.82	46.37	45.97
Flotation S Recovery (%)	71.90	80.93	82.19	81.76
Magnetic S Concentrate Production (kt)	303.3	197.0	178.4	130.9
Magnetic Sulphur Concentrate Grade (%)	28.52	28.08	27.08	28.96
S Content in Concentrate (kt)	522.09	497.73	481.73	325.11
Total S Recovery (%)	86.18	91.05	91.36	92.55

Source: SRK Report.

Note:

- (1) The ore processed in the Track Record Period includes the ore mined during the relevant corresponding periods as well as the ore storage.

During 2023, 2024, 2025 and eight months ended August 31, 2026, our copper-sulphur ore processing performance has been substantially stable, with the average annual grades of copper concentrate ranging from approximately 16.7% to 17.5% Cu and the average annual recover rates of copper ranging from approximately 84.7% to 87.7%. Total sulphur recovery has improved from approximately 86.2% in 2023 to approximately 92.6% in the eight months ended August 31, 2026, primarily due to enhanced flotation sulphur recovery. These metrics indicate stable and improving operational performance throughout the Track Record Period.

Comprehensive Utilization Pilot Plant

We are progressing a copper-lead-zinc resource comprehensive recovery and utilization project for low-grade ore stockpiles, which would mainly be used for the by-products processing including lead and zinc. This project is principally centred on the comprehensive recovery and utilisation of associated resources including lead and zinc, involving the construction of corresponding beneficiation production lines, with the objective of realising the optimal utilisation of mineral resources and the maximisation of economic returns. The project is expected to achieve an annual processing capacity of 200,000 tonnes of copper-lead-zinc ores.

Planned Expansion

In June 2026, the feasibility study report for the mining and processing retrofitting and expansion project at the Dabaoshan polymetallic mine was completed and passed expert review. Based on the conclusions of the study, in addition to the processing capacity of the existing 3.60

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Mt/a copper-sulphur concentrator, we will construct a new concentrator with a designed processing capacity of 2.80 Mt/a, and will concurrently implement the Copper-Lead-Zinc Resources Comprehensive Recovery and Utilisation Project to treat approximately 0.20 Mt/a of by-product lead-zinc ROM ore. Upon completion of both projects, the mining and processing capacity of the mine is expected to reach approximately 6.60 Mt/a.

Tailings Storage Facilities

Our mine is served by the Fandong Village tailings storage facility (“**Fandong Village TSF**”), located approximately 0.6 km east of the open pit. The Fandong Village TSF is a water-retaining, reservoir-type tailings storage facility. It is designed to receive and store tailings generated from the copper-sulphur concentrator. In addition to tailings storage, the facility integrates water storage and treatment functions, with a downstream tailings water treatment plant, and constitutes an environmental protection project contributing to the improvement of the ecological environment in the Dabaoshan mining area. The Fandong Village TSF has starter dams with a crest elevation of 540 m and a dam height of 55 m. The total storage capacity is 46.38 million m³, with an effective storage capacity of 32.90 million m³.

As of August 31, 2026, the remaining effective storage capacity is 13.464 million m³. Based on the average tailings yield of 64.8% at the current annual ore throughput of 3.3 Mt, the annual tailings production is approximately 2.14 Mt (1.645 million m³), corresponding to a remaining service life of approximately 9.72 years for the Fandong Village TSF.

PRODUCTS

Principal Products

Our principal products are as follows:

Copper Concentrate: Our copper concentrate has averaged approximately 17.5% Cu grade since 2023, with silver enrichment at approximately 100 g/t Ag, which enhances the sale price. Copper concentrate is sold primarily to downstream smelters.



Sulphur Concentrate: Our flotation sulphur concentrate has averaged approximately 46.0% S grade.



BUSINESS

Magnetic Sulphur Concentrate: Our magnetic sulphur concentrate has averaged approximately 28.1% S content.



By-products: including low-grade Pb-Zn ore, crushed stone and other aggregate materials produced during mining operations.

Product Quality Control and Testing

We have established a quality control system to ensure the quality of our concentrate products. Our testing center operates in accordance with CNAS laboratory accreditation standards, with quality manuals and procedural documentation defining the responsibilities of quality supervisors and inspection requirements. We publish annual Quality Assessment Measures incorporated within our economic responsibility system.

Products are subject to strict quality inspection and must pass all tests before being released for shipment. During the Track Record Period, we have not been subject to any penalties by quality supervision authorities.

INVENTORY MANAGEMENT

Our inventories primarily consist of mineral ore products (including copper concentrates, sulphur concentrates, magnetic sulphur concentrates and by-products), raw materials and consumables used in mining and processing operations.

We have implemented an ERP system to manage and track the procurement and usage of production materials, consumables and spare parts. Staff operating the ERP system have received multiple rounds of training to ensure effective usage. For our mineral products, we utilize an integrated ore blending and allocation system that supports settlement processing and assay result verification. Additionally, we have deployed an intelligent ore blending and dispatching system with full-process online grade monitoring, which enables real-time quality tracking and helps stabilize product quality and optimize operational efficiency.

Our management performs regular reviews of the aging and condition of our inventories. We review our inventory from time to time and make provisions for write-down of inventories when deemed necessary. Assumptions regarding metal prices and recovery rates have an impact on the assessment of the value of our inventories.

SALES AND MARKETING

Our mineral product sales are market-oriented, driven by market conditions, supply-demand dynamics and downstream requirements. We have moved away from the traditional fixed-price, fixed-quota sales model and adopted a flexible approach to achieve stable volume, optimal pricing, stable customers and low risk. Given the nature of the mining concentrate market, we do not actively conduct marketing activities. We develop and maintain customer relationships through a combination of direct engagement, industry conferences and market intelligence activities.

BUSINESS

Pricing Policy

Copper concentrates are priced on the basis of the daytime session average price of the current-month copper contract on the Shanghai Futures Exchange on the pricing date, subject to adjustment based on product quality specifications. Sulphur concentrates are priced by the Company on its own initiative, taking into account its production conditions, the market conditions of the upstream and downstream sulphuric acid industry, customer demand and the pricing practices of industry peers. Magnetic sulphur concentrates is sold through competitive bidding. We adjust our pricing strategy to maximise sales prices during periods of high commodity prices through public competitive bidding (price-to-highest-bidder), capturing market potential and broadening sales channels.

The principal market references include the Shanghai Futures Exchange (for copper), Shanghai Nonferrous Metals Network, China Silver Network and Baichuan Yingfu information platforms.

Delivery

Products are delivered on an ex-works basis. All customers self-arrange and bear the cost of transport and insurance. Transport modes include rail, road and waterway, with rail and road being the primary methods. Our dedicated 17 km standard-gauge industrial railway connects the concentrator directly to the Beijing-Guangzhou mainline at Maba Station, enabling full-trainload dispatch to smelters across China without intermediate transshipment. The railway also links to the Ganshao Railway network, providing access northward to Hunan and Jiangxi, southward to the Pearl River Delta and westward to Guangxi. By road, the G4 Beijing-Hong Kong-Macau Expressway Shaxi exit is located approximately 3 km from the mine, and National Road G106 provides direct access to the plant. Proximity to the Beijiang River provides access to the Wushi port with five 1,000-tonne berths and annual throughput capacity of 5.4 Mt, located within 30 km of the mine.

Our Trading Partners

We adopt a combined direct sales and trader sales model. Our customers include direct sales customers (i.e., downstream smelters, chemical producers and other end-users) and trading partners. We apply consistent policies and standards across both trading partners and direct sales customers. The following table sets forth our revenue from direct sales customers and trading partners during the periods indicated:

	2023		Year ended December 31,				Six months ended June 30,			
	Amount	%	2024 Amount	%	2025 Amount	%	2025 Amount	%	2026 Amount	%
<i>(RMB in thousands, except for percentage)</i>										
Direct Sales Customers	782,195	49.4	969,879	52.9	909,620	41.7	348,376	33.7	1,110,842	60.2
Trading Partners	799,935	50.6	862,755	47.1	1,269,654	58.3	684,800	66.3	734,881	39.8
Total	1,582,130	100.0	1,832,634	100.0	2,179,274	100.0	1,033,176	100.0	1,845,723	100.0

BUSINESS

The following table sets forth our total number of trading partners and their movements (including additions and terminations) for the periods indicated:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30, 2026
Number of trading partners at the beginning of the period	32	39	40	42
Number of new trading partners	21	21	22	8
Number of terminated trading partners	14	20	20	20
Net increase/(decrease) in number of trading partners	7	1	2	(12)
Number of trading partners at the end of the period	39	40	42	30

Trading Partner Sales

We sell mineral products to trading partners to serve certain downstream end-customers that may face capital constraints. Certain smelters, fertilizer producers and sulphuric acid manufacturers face capital pressures and procure through trading partners, who advance approximately one to three months of payment on their behalf; the trading partners in turn purchase from us. According to Frost & Sullivan, the trading partner sales model is consistent with our overall sales strategy and industry practice. During the Track Record Period, products sold to trading partners primarily comprised copper concentrate, sulphur concentrate and magnetic sulphur concentrate.

Relationship with Trading Partners

Our relationship with trading partners is a buyer-seller relationship, with no entrustment or agency arrangement. We do not enter into fixed-term framework distribution agreements with trading partners, but transact on an order-by-order basis. Revenue is recognized when control of the product is transferred (i.e., upon receipt of payment and arrangement of delivery). During the Track Record Period and up to the Latest Practicable Date, all of our trading partners were Independent Third Parties except for two trading partners who are subsidiaries of our controlling shareholders. To the best of our knowledge, apart from ordinary sales arrangements with us, our trading partners have no other relationship with us, our controlling shareholders, Directors, senior management or any of their respective associates except for two trading partners who are subsidiaries of one of our controlling shareholders.

Trading Partner Management

When selecting trading partners, we primarily focus on whether their qualifications are complete, including business licenses, whether their legal representatives have adverse records, as well as their operating conditions, reputation and payment capability. All mineral product sales operate on a payment-before-delivery basis. In competitive bidding sales, a bidding deposit must be paid before contract signing, which is converted into a contract performance deposit upon successful bid. After products are sold to trading partners, we have no management authority over the traders' inventory. We essentially do not have any secondary trading partners arrangements.

Due to the nature of our relationship with trading partners, we are unable to control their operations or sales activities. We do not set sales targets for trading partners, enter into long-term distribution agreements or grant exclusive territories. We do not restrict trading partners from reselling purchased mineral products or impose qualification or other conditions on their subsequent buyers. We have no management authority over traders' inventory or sales.

BUSINESS

We believe the risks associated with channel stuffing or trade loading are limited: (i) we do not impose sales targets or minimum purchase obligations on trading partners, and orders are placed on demand reflecting specific end-customer requirements; (ii) there are no product returns in mineral product sales, and we do not engage in consignment or speculative sales arrangements; and (iii) we operate a payment-before-delivery system, which generally does not generate trade receivables.

Transaction Arrangements with Trading Partners

The key terms of our transaction arrangements with trading partners are as follows: (i) Duration and termination: Our transactions with trading partners are conducted through individual purchase orders, with no fixed contract term; (ii) Pricing policy: For the same mineral product, we apply uniform standards to both trading partners and direct customers, with no difference in the principal terms between trader contracts and direct sales customer contracts; (iii) Payment arrangements: Payment before delivery, no third-party payments accepted, with consistency among contract flow, fund flow, invoice flow and logistics flow; (iv) Product returns: There are no product returns in mineral product sales; where quality disputes arise, the parties first negotiate, and if negotiation fails, a qualified third-party testing institution may be engaged for testing, with settlement based on the third-party test results.

OUR CUSTOMERS

Overview

Our customers primarily comprise downstream smelters, chemical producers and trading partners. Our products are sold across Guangdong, Guangxi, Hunan, Yunnan, Guizhou and other provinces in China.

During the Track Record Period, our customers comprised: (i) nonferrous metal trading partners who generally conducted onward sales of concentrates to end-users; and (ii) smelters and refineries which further processed our concentrates based on their customers’ needs. During the Track Record Period, all of our revenue was generated from China. We do not have any overseas sales.

Our customer selection process involves annual performance assessment of existing customers to identify preferred partners, supplemented by strict qualification screening of new customers including verification of business licenses, regulatory compliance, credit standing and payment capability.

Sales contracts are entered into with customers for each transaction. For products sold through long-term supply agreements, annual framework contracts are signed; for products sold through competitive bidding, single-batch contracts are signed for each transaction. Standard sales contract terms include product quality specifications, quantity, delivery period, risk transfer point, pricing mechanism, assay and quality dispute resolution, settlement and payment method, default liability and dispute resolution. Payment is required before delivery. Products have not been subject to any returns during the Track Record Period.

BUSINESS

Five Largest Customers

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our five largest customers accounted for 56.9%, 50.9%, 47.5% and 58.5% of our total revenue, respectively, while our largest customer accounted for 23.7%, 19.7%, 17.1% and 17.8%, respectively. The table below sets forth certain particulars of our five largest customers for each period during the Track Record Period:

For the Six Months Ended June 30, 2026

Ranking	Customer	Revenue (RMB in thousands)	Percentage of total revenue	Products purchased from us	Year of commencing business relationship with us	Credit terms	Customer type
1	Customer A	329,888.1	17.8%	Copper concentrates	2024	Advance payment	Direct sales customer
2	Customer B	218,157.2	11.8%	Copper concentrates	2016	Advance payment	Direct sales customer
3	Customer C	205,811.5	11.1%	Sulphur concentrates and magnetic sulphur concentrates	2016	Advance payment	Trading partner
4	Customer D	191,757.3	10.4%	Sulphur concentrates	2023	Advance payment	Direct sales customer
5	Guangdong Rising Holdings	137,375.9	7.4%	Sulphur concentrates, magnetic sulphur concentrates and by-products	2019	Advance payment	Trading partner
Total		<u>1,082,990.0</u>	<u>58.5%</u>				

For the Year Ended December 31, 2025

Ranking	Customer	Revenue (RMB in thousands)	Percentage of total revenue	Products purchased from us	Year of commencing business relationship with us	Credit terms	Customer type
1	Customer A	375,974.5	17.1%	Copper concentrates	2024	Advance payment	Direct sales customer
2	Customer E	225,082.0	10.3%	Copper concentrates	2025	Advance payment	Trading partner
3	Customer C	172,683.7	7.9%	Sulphur concentrates and magnetic sulphur concentrates	2016	Advance payment	Trading partner
4	Customer F	138,834.7	6.3%	Copper concentrates	2018	Advance payment	Trading partner
5	Customer D	128,692.7	5.9%	Sulphur concentrates	2023	Advance payment	Direct sales customer
Total		<u>1,041,267.6</u>	<u>47.5%</u>				

BUSINESS

For the Year Ended December 31, 2024

Ranking	Customer	Revenue (RMB in thousands)	Percentage of total revenue	Products purchased from us	Year of commencing business relationship with us	Credit terms	Customer type
1	Customer B	364,392.8	19.7%	Copper concentrates	2016	Advance payment	Direct sales customer
2	Customer D	171,127.6	9.3%	Sulphur concentrates	2023	Advance payment	Direct sales customer
3	Customer C	136,247.5	7.4%	Sulphur concentrates and magnetic sulphur concentrates	2016	Advance payment	Trading partner
4	Customer G	135,457.4	7.3%	Copper concentrates	2016	Advance payment	Trading partner
5	Customer H	132,747.6	7.2%	Copper concentrates	2024	Advance payment	Trading partner
Total		939,972.9	50.9%				

For the Year Ended December 31, 2023

Ranking	Customer	Revenue (RMB in thousands)	Percentage of total revenue	Products purchased from us	Year of commencing business relationship with us	Credit terms	Customer type
1	Customer B	376,985.5	23.7%	Copper concentrates	2016	Advance payment	Direct sales customer
2	Guangsheng Nonferrous Metals Import & Export Co., Ltd.	251,155.3	15.7%	Sulphur concentrates, magnetic sulphur concentrates and by-products	2019	Advance payment	Trading partner
3	Customer C	108,800.7	6.8%	Sulphur concentrates and magnetic sulphur concentrates	2016	Advance payment	Trading partner
4	Customer I	87,261.0	5.5%	Sulphur concentrates	2017	Advance payment	Direct sales customer
5	Customer F	83,329.4	5.2%	Copper concentrates	2022	Advance payment	Trading partner
Total		907,531.9	56.9%				

Notes:

- (1) Customer A is a private company engaged in the smelting of copper, lead, zinc and other nonferrous metals and comprehensive resource recovery and utilization, with a registered capital of approximately RMB2.1 billion.
- (2) Customer B is a large-scale copper smelting enterprise, with a registered capital of RMB1.28 billion. Founded in 2011 and located in the Hangzhou, Zhejiang Province. Customer B is primarily engaged in the production, processing and sale of cathode copper and sulphuric acid, along with related technical services.
- (3) Customer C is an individual who effectively controls three trading companies located in Shaoguan, Guangdong Province which is engaged in the sale of mineral products.
- (4) Customer D is a company engaged in the manufacturing and processing of fine chemical products, with a registered capital of RMB10 million. Customer D is registered in Shaoguan, Guangdong Province.
- (5) Customer E is a mining company located in Hubei Province, engaged in mining-related operations.

BUSINESS

- (6) Customer F is a company located in Chenzhou, Hunan Province, which is a private enterprise engaged in the sale of metal ore, metal materials and nonferrous metal alloys, with a registered capital of RMB50 million.
- (7) Customer G is a mining and trading company located in Shaoguan, Guangdong Province, which is mainly engaged in the sale of mineral products, freight warehousing and loading services, with a registered capital of RMB1 million.
- (8) Customer H is a mining company engaged in the sale of mineral products, freight warehousing and loading services, with a registered capital of RMB1 million. Company H is located in Chenzhou, Hunan Province.
- (9) Guangsheng Nonferrous Metals Import & Export Co., Ltd. is a state-owned company engaged in the import and export of nonferrous metals, rare earths and related products, with a registered capital of RMB100.0 million. Guangsheng Nonferrous Metals Import & Export Co., Ltd. is the subsidiary of China Rare Earth Nonferrous Metals.
- (10) Customer I is a public company listed on Shenzhen Stock Exchange, which is engaged in the research, development, production and sale of compound fertilizers and phosphorus chemical products, with a registered capital of approximately RMB1.2 billion.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, except for Guangdong Rising Holdings and Guangsheng Nonferrous Metals Import & Export Co., Ltd., all of our major customers were Independent Third Parties. As of the Latest Practicable Date, except for Guangsheng Nonferrous Metals Import & Export Co., Ltd., none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each relevant period of the Track Record Period.

Credit Policy and Payment Terms

Our mineral product sales are conducted primarily on a payment-before-delivery, advance payment basis. Delivery conditions require cash payment, bank wire transfer or bank acceptance bills, and the seller arranges delivery only after confirming receipt of the buyer’s payment. Product quality is performed in accordance with contractual specifications; where quality disputes arise after the buyer has collected the products, a qualified third-party testing institution is engaged for assay in accordance with the contract, with the third-party assay results serving as the basis for settlement. During the Track Record Period, the aging of our trade receivables was short and our collection cycle was sound.

OUR SUPPLIERS AND CONTRACTORS

Contractors

In line with industry practice, from time to time, we may engage contractors to support our mining activities, such as geological exploration and mining operations. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our contractors that would have material adverse impact on our operation.

The table below sets forth the breakdown of the category, number of contractors and fees incurred during the Track Record Period:

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2026	
	Number of contractors	Fee incurred	Number of contractors	Fee incurred	Number of contractors	Fee incurred	Number of contractors	Fee incurred
				<i>(RMB in thousands, except for percentage)</i>				
Exploration	2	4,518.0	5	12,330.3	3	14,695.2	2	200.0
Mining Activities	1	153,770.0	1	174,510.0	1	165,640.0	1	34,650.0
Total	3	158,288.0	6	186,840.3	4	180,335.2	1	34,650.0

Due to the intensive competition in the relevant contracting service market, we do not believe that it would be difficult for us to find alternative contractors to provide similar services on terms comparable to those with our existing contractors. For relevant risks, see “Risk Factors — Risks

BUSINESS

Relating to Our Business and Industry — We rely on third-party contractors and suppliers for certain mining and transportation services, raw materials and processing reagents, and their failure to perform or any supply disruption could adversely affect our operations.”

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our contractors were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our contractors.

We typically select contractors through public bidding process. Before engaging a contractor, we will assess their qualification, competence and experience. In particular, we require candidates to provide copies of their qualifications, licenses, certificates and permits for review and verification. The bidding agents will then follow the prescribed selection procedure to shortlist candidates for business negotiations, after which we will make the final decision.

We require our contractors to comply with all applicable laws and regulations in respect of safety and environmental protection. We also require our contractors to abide by our safety management system and our internal control requirements. The relevant departments in our Company undertake regular checks of our contractors to confirm that they are operating in accordance with the technical specifications of our project and industry standards. In the event we discover significant non-compliance or other issues in the implementation of our project, we are entitled to suspend such contractor’s work and require them to take correctional actions.

Suppliers of Consumables and Public Utilities

Our raw materials and consumables primarily comprise steel balls, reagents, lime, and processing machinery parts and accessories. These materials are principally sourced from domestic suppliers. We adopt a centralized procurement model through our ERP cloud platform and maintain a dedicated procurement team.

Our raw material procurement costs are subject to market price fluctuations. In particular, the cost of key mining reagents has exhibited notable price volatility in the Track Record Period. To manage the impact of raw material price fluctuations on our business, we have adopted the following key measures:

- Long-term supply agreements: We enter into long-term supply contracts with major consumable suppliers to stabilize procurement costs and mitigate short-term price spikes.
- Counter-cyclical inventory management: We adjust procurement timing and inventory levels based on market price trends to optimize cost efficiency.
- Production optimization: We dynamically adjust ore blending formulas and optimize processing technology to improve recovery rates and reduce per-unit consumption of reagents and materials.
- Price monitoring and hedging: We have established a price alert mechanism and, where appropriate, engage in moderate hedging to manage commodity price exposure.

The pricing of our products is primarily driven by market-based commodity price benchmarks rather than cost-plus mechanisms.

Electricity is supplied through a dedicated dual-circuit connection comprising two high-voltage lines from the Shaoguan municipal grid, and is charged on a time-of-use basis at peak and off-peak rates under a tiered pricing structure. We have entered into electricity supply contracts with Shaoguan municipal electricity supplier for the supply of electricity at preferential market rates due to the bulk purchase of the electricity power. Water for industrial use is sourced through pumping from the Fandong Village TSF, while water for domestic use in the production area is drawn from

BUSINESS

natural mountain stream surface water, with water resource tax settled and paid monthly based on the actual volume withdrawn. We have not experienced any material supply shortage, delay or disruption in our business operations during the Track Record Period and up to the Latest Practicable Date.

Five Largest Suppliers

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, purchases from our five largest suppliers accounted for 33.6%, 33.1%, 39.1% and 38.2% of our total purchases, respectively, while purchases from our largest supplier accounted for 19.0%, 18.1%, 18.7% and 16.7%, respectively. The tables below set out certain information in respect of our five largest suppliers by purchase amount during the Track Record Period.

For the Six Months Ended June 30, 2026

Ranking	Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase	Products/ services purchased	Year of commencing business relationship with us	Credit terms
1	Supplier A	59,960.1	16.7%	Engineering construction	2009	10 days
2	Guangdong Rising Holdings	32,154.2	9.0%	Leasing and other services	2019	Engineering: paid monthly per project progress; Others: monthly settlement, payment within 10 days to 3 months
3	Supplier B	21,280.8	6.0%	Sewage treatment	2015	Monthly payment
4	Supplier C	12,794.6	3.6%	Raw materials — steel balls	2017	3 months
5	Supplier D	10,409.7	2.9%	Engineering construction	2025	Payment per project progress
Total		136,599.4	38.2%			

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BUSINESS

For the Year Ended December 31, 2025

Ranking	Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase	Products/ services purchased	Year of commencing business relationship with us	Credit terms
1	Supplier A	163,200.1	18.7%	Engineering construction	2009	10 days
2	Guangdong Rising Holdings	68,825.3	8.0%	Leasing and other services	2019	Engineering: paid monthly per project progress; Others: monthly settlement, payment within 10 days to 3 months
3	Supplier B	42,856.8	5.0%	Sewage treatment	2015	Monthly payment
4	Supplier E	38,914.5	4.5%	Tailings processing	2025	30 days
5	Supplier C	25,101.1	2.9%	Raw materials — steel balls	2017	3 months
Total		338,897.8	39.1%			

For the Year Ended December 31, 2024

Ranking	Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase	Products/ services purchased	Year of commencing business relationship with us	Credit terms
1	Supplier A	144,370.4	18.1%	Engineering construction	2009	10 days
2	Guangdong Rising Holdings	42,572.8	5.4%	Leasing and other services	2019	Engineering: paid monthly per project progress; Others: monthly settlement, payment within 10 days to one month
3	Supplier C	27,176.1	3.4%	Raw materials — steel balls	2017	3 months
4	Supplier B	26,930.9	3.4%	Sewage treatment	2015	Monthly payment
5	Supplier F	22,058.7	2.8%	Lime, industrial materials/ auxiliary materials	2017	3 months
Total		263,108.9	33.1%			

BUSINESS

For the Year Ended December 31, 2023

Ranking	Supplier	Purchase amount (RMB in thousands)	Percentage of total purchase	Products/ services purchased	Year of commencing business relationship with us	Credit terms
1	Supplier A	125,310.4	19.0%	Engineering construction	2009	10 days
2	Supplier B	29,370.1	4.4%	Sewage treatment	2015	Monthly payment
3	Supplier C	29,077.3	4.4%	Raw materials — steel balls	2017	3 months
4	Supplier G	21,388.9	3.2%	Engineering construction	2022	Payment per project progress
5	Guangdong Rising Holdings	17,466.0	2.6%	Leasing and other services	2019	Engineering: paid monthly per project progress; Others: monthly settlement, payment within 10 days to one month
Total		222,612.7	33.6%			

Notes:

- (1) Supplier A is a private company located in Guangzhou, Guangdong Province, with a registered capital of RMB500 million. It is engaged in blasting scheme design, explosive material supply, infrastructure construction, mining and processing operations, and environmental remediation.
- (2) Supplier B is a private company, with a registered capital of approximately RMB100 million. It is engaged in the production and sale of environmental protection equipment, environmental engineering construction and operations, and the treatment of pollutants including wastewater and waste gas.
- (3) Supplier C is a private casting and processing company, with a registered capital of RMB50 million. It is engaged in alloy casting and processing as well as the sale of mining machinery accessories.
- (4) Supplier D is a large state-owned engineering and construction enterprise located in Hubei Province, with a registered capital of approximately RMB1.0 billion. It is engaged in construction and mining.
- (5) Supplier E is a private company, with a registered capital of RMB10 million. It is engaged in resource regeneration technology R&D, mineral processing, and the production and sale of mining machinery.
- (6) Supplier F is a private company, with a registered capital of RMB5 million. It is engaged in lime production and processing as well as the sale of industrial materials.
- (7) Supplier G is a private civil engineering construction company located in Shaoguan, Guangdong Province, with a registered capital of RMB20 million. It is engaged in civil engineering construction.

During the Track Record Period and as of the Latest Practicable Date, except for the Guangdong Rising Holdings, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers. Except for Guangdong Rising Holdings, in each period of the Track Record Period, the top five suppliers are all Independent Third Parties.

BUSINESS

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, to the best knowledge of our Directors, certain of our five largest customers in each period were also our suppliers, specifically:

- (i) Customer C, one of our five largest customers in each year/period during the Track Record Period, was also one of our suppliers in 2024 and the six months ended June 30, 2026. We sold sulphur concentrates and magnetic sulphur concentrates to Customer C, and one of our subsidiaries also purchased mineral products from Customer C. For the year ended December 31, 2024 and the six months ended June 30, 2026, our purchases from Customer C amounted to RMB1.2 million and RMB1.6 million, respectively, accounting for 0.2% and 0.4% of our total purchases for the same periods.

During the Track Record Period, to the best knowledge of our Directors, certain of our five largest suppliers in each period were also our customers. Specifically:

- (i) Supplier A, one of our five largest suppliers in each year/period during the Track Record Period, was also one of our customers in 2023, 2024 and 2025. We purchased mining and stripping services from Supplier A, and also leased premises to Supplier A during their on-site construction period. For the years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026, our revenue from Supplier A amounted to RMB1.4 million, RMB0.9 million, RMB1.1 million and RMB1.0 million, respectively, each accounting for less than 0.1% of our total revenue for the same periods.
- (ii) Guangdong Rising Holdings, one of our five largest suppliers in each year/period during the Track Record Period, was also one of our five largest customers for the six months ended June 30, 2026. We sold mineral products including copper concentrates, sulphur concentrates, polymetallic mixed concentrates, by-products and related transportation services to the Guangdong Rising Holdings. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our revenue from the Guangdong Rising Holdings amounted to RMB251.2 million, RMB32.4 million, RMB6.1 million and RMB137.4 million, respectively, accounting for 15.7%, 1.8%, 0.3% and 7.4% of our total revenue for the same periods, respectively.
- (iii) Supplier B, one of our five largest suppliers in 2023, 2024 and 2025 and the six months ended June 30, 2026, was also one of our customers in the same periods. We purchased sewage treatment services from Supplier B, and also supplied water and electricity to Supplier B during their on-site service period. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our revenue from Supplier B amounted to RMB1.2 million, RMB148.9 thousand, RMB289.1 thousand and RMB676.2 thousand, respectively, each accounting for less than 0.1% of our total revenue for the same periods.
- (iv) Supplier D, one of our five largest suppliers in the six months ended June 30, 2026, was also one of our customers in 2025 and the six months ended June 30, 2026. We purchased engineering construction services from Supplier D, and also leased premises to Supplier D during their on-site construction period. For the year ended December 31, 2025 and the six months ended June 30, 2026, our revenue from Supplier D amounted to approximately RMB8.5 thousand and RMB3.3 thousand, respectively, accounting for less than 0.01% of our total revenue for each of the same periods.
- (v) Supplier E, one of our five largest suppliers in 2025 and the six months ended June 30, 2026, was also one of our customers in 2025. We purchased tailings processing services from Supplier E, and also leased premises to Supplier E during their on-site service period. For the year ended December 31, 2025, our revenue from Supplier E amounted to RMB619.0 thousand, accounting for less than 0.1% of our total revenue for the same period.

BUSINESS

Except for the foregoing, for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, none of our five largest customers in each period was also our supplier in the same period, and none of our five largest suppliers in each period was also our customer in the same period. Our Directors confirmed that all our sales and purchases were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis.

SEASONALITY

Our business is generally not subject to seasonal fluctuations. However, based on our past practice, our mining operations may be impacted by the rainy season, which generally occurs in the second quarter of the year, when continuous rainfall may impede heavy machinery and equipment from accessing our orebodies. However, taking into account such factors, we stockpile ore in advance of the rainy season to maintain a stable feed to our processing plant, and our production volume has therefore not been materially affected. Moreover, our regular maintenance sessions are usually scheduled around holidays, which may lead to slight fluctuations in our production volume.

COMPETITION

Industry Competitive Landscape

According to Frost & Sullivan, the Chinese copper concentrate market, measured by metal content, grew from approximately 7.50 Mt in 2021 to approximately 9.40 Mt in 2025, and is expected to reach approximately 11.30 Mt by 2030.

China accounts for only approximately 4.2% of global proven copper reserves, and domestic resources are relatively limited, scattered and typically of lower grade than those in major producing countries. Well-conditioned large-scale, high-grade deposits remain scarce. Consequently, China is heavily dependent on imported copper concentrate, with imports accounting for approximately 81% of the total domestic market in 2025.

The Chinese sulphur concentrate market is participated in by multiple mining enterprises, with production primarily concentrated among enterprises possessing abundant pyrite resources and mature mining and beneficiation capabilities. The domestic sulphur concentrate (pyrite) market is expected to grow from approximately 20.1 Mt in 2025 to approximately 22.8 Mt by 2030, driven by stable fertilizer demand and expanding applications in new energy materials and non-ferrous metal smelting. The market is undergoing consolidation, with larger, established producers positioned favorably.

AWARDS, RECOGNITIONS AND ACCREDITATIONS

We have received the following material awards and recognitions:

Year	Awards	Issuing organization
2011	National-level demonstration bases for comprehensive utilization of mineral resources (first batch) (全國首批國家級礦產資源綜合利用示範基地)	Ministry of Land and Resources, Ministry of Finance
2020	Direct Vegetation Technology for Ecological Restoration of Heavy Metal Mining Wasteland — First Prize for Guangdong Province Science and Technology Progress (「重金屬礦業廢棄地生態修復的直接植被技術及應用」項目榮獲廣東省科技進步一等獎)	People’s Government of Guangdong Province

BUSINESS

Year	Awards	Issuing organization
2023	National High and New Technology Enterprise (國家高新技術企業)	Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, State Taxation Administration, Guangdong Provincial Office
2023	National AAAA-rated Green Mine (國家AAAA級綠色礦山)	Filing Approval by CNCA
2024	National Ecological and Environmental Protection Demonstration Project (2023) (國家生態環境保護示範工程(2023年))	China Association of Environmental Protection Industry
2024	National Exemplary Case for Mountain-Water-Forest-Farmland-Lake-Grass-Sand Integrated Protection and Restoration (second batch) (全國山水林田湖草沙一體化保護和修復工程第二批典型案例)	Ministry of Finance, Ministry of Natural Resources and Ministry of Ecology and Environment
2024	Non-ferrous Metals Industry Science and Technology Award First Prize — “Development and Application of High-Performance Mining Ceramic Balls and Key Low-Carbon Grinding Technology” (有色金屬工業科學技術獎一等獎(「高性能礦用瓷球研製及其低碳磨礦關鍵技術開發與應用」))	China Nonferrous Metals Industry Association and Chinese Society for Non-ferrous Metals
2025	“Flow Field Enhanced Flotation Technology and Application for High-impurity Copper Sulfide Ore” — Second Prize of Nonferrous Metals Industry Science and Technology Award (「高含雜硫化銅礦流場強化浮選技術與應用」項目獲「有色金屬工業科學技術獎」二等獎)	China Nonferrous Metals Industry Association and Chinese Society for Non-ferrous Metals

RESEARCH AND DEVELOPMENT

We are recognized as a National High and New Technology Enterprise and a national-level demonstration base for comprehensive utilization of mineral resources in Guangdong Province. Our core innovation technologies have earned multiple first and second-class national awards in the non-ferrous metals industry.

As of June 30, 2026, we held 105 valid patents (comprising 13 invention patents and 92 utility model patents) and 8 software copyrights in the PRC. Our research and development expenses amounted to RMB56.9 million, RMB65.0 million, RMB79.7 million, RMB26.3 million and RMB33.9 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 3.6%, 3.5%, 3.6%, 2.5% and 1.8% of our revenue in the corresponding periods. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement of our intellectual properties or any material disputes or claims against us in relation to the infringement of intellectual properties of third parties arising from our business.

BUSINESS

Our R&D activities focus on: (i) flotation optimization, including development of new flotation reagents and process optimization for low-grade copper-sulphur ore to improve recovery rates and enable economic industrial production from marginal-grade ore; (ii) bio-oxidation process research for complex, high-acid and refractory ore types; (iii) systematic analysis and modification of existing production processes to further optimize the beneficiation flowsheet, improve metal recovery rates and reduce reagent consumption per unit; (iv) low-grade ore beneficiation and comprehensive utilization of tailings; and (v) intelligent mining technologies, including rock fragmentation energy control, high-precision geological detection, precise blast energy control and multi-vehicle autonomous driving collaboration.

PROPERTIES

Our head office is located in Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province, the PRC. We own properties in the PRC for mining, industrial, commercial and office purposes. As of the Latest Practicable Date, (i) we own 7 parcels of land, with a total area of approximately 514,823.5 square meters; (ii) we lease 74 parcels of land, with a total area of approximately 6,572,942.3 square meters; (iii) we own 44 places, with a total gross floor area of 83,654.3 square meters; (iv) we lease 42 places, with a total gross floor area of 5,411.7 square meters.

As of June 30, 2026, neither our owned nor leased properties had a carrying value of 15% or above of our consolidated total assets. Accordingly, pursuant to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance regarding the preparation of a valuation report in respect of all our interests in land or buildings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental Policies and Management System

We are recognized as a National AAAA-rated Green Mine and have completed a comprehensive transformation from traditional mining to modern green mining operations. We are committed to responsible mining and processing practices and achieving green and sustainable development through high ESG standards. We have developed a robust environmental management system aligned with standards and we have obtained ISO14001:2015 certification.

The Dabaoshan Mine has undergone multiple Environmental Impact Assessment (“EIA”) studies covering the mining area, processing plant, tailings storage facility, wastewater treatment systems and other ancillary infrastructure.

ESG POLICY AND GOVERNANCE STRUCTURE

The Board of Directors assumes ultimate oversight responsibility for the Group’s environmental, social and governance (“ESG”) strategy, objectives, risks and material matters, and is responsible for reviewing ESG-related risks and opportunities, approving ESG strategies and targets, and monitoring the progress of implementation of relevant policies and measures. Management is responsible for implementing the Board’s decisions into day-to-day operations and reporting to the Board on material ESG matters in a timely manner.

The Group has established a ESG working mechanism, with participation from departments including environmental protection, operations management, safety, party affairs and human resources, logistics support, finance, compliance, legal and audit, which is responsible for daily collection and analysis of ESG data, identification and assessment of ESG risks, driving policy implementation, organizing training and preparing relevant reports. The environmental protection department has arranged 2 employees to participate in ESG training and obtain training completion certificates. The ESG working group reports regularly to management and the Board on work progress.

BUSINESS

The Group’s ESG policies and guidelines primarily include environmental protection policy, the Mine Geological Environment Protection and Land Reclamation Plan, human resources policy, occupational health and safety policy, operations management policy, and business ethics policies and regulations, aimed at standardizing management requirements in areas such as environmental protection, resource utilization, employee management, production operations, community relations and business integrity, and monitoring the implementation of relevant measures.

The Group identifies stakeholder concerns through communication, interviews, questionnaire surveys, public consultations and routine supervision and inspections with regulators, employees, surrounding communities, customers, suppliers, trade unions and other stakeholders, and combines them with the Group’s business characteristics and industry analysis to conduct ESG materiality assessments. Based on assessment results, the Group’s key ESG topics include climate adaptation, environmental compliance, ecological protection, labor management, occupational health and safety, business ethics and anti-corruption.

The Group adopts a three lines of defense internal control model: the first line of defense is business department self-control, responsible for daily process control of procurement, production, sales, environmental protection and safety; the second line of defense is compliance management department review, responsible for compliance review, contract review and risk assessment; the third line of defense is discipline inspection and audit supervision, responsible for supervision, investigation and accountability.

Risk Management (Technical Risk Summary)

Set out below is a summary of the key technical risks identified by SRK in the SRK Report, together with the Company’s mitigation measures:

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Unlikely	Moderate	Low
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Grade control on feed grade	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Moderate	Low
Pumping System Adequacy	Unlikely	Moderate	Low
Poor Slope Stability	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Moderate	Low
Processing and Metallurgy			
Changes in the properties of copper-sulphur ore have led to a decrease in the recovery of copper and sulphur concentrates	Unlikely	Moderate	Low
Recycled water affects the recovery of the target minerals	Possible	Moderate	Medium
The high equipment failure rate and low operating rate prevent the concentrator from reaching its designed processing capacity	Possible	Moderate	Medium
The sample used for lead-zinc ore beneficiation tests was not representative, resulting in uncertainty in the metal recovery index	Possible	Moderate	Medium

BUSINESS

Risk Source/Issue	Likelihood	Consequence	Risk
The sample used for the molybdenum ore beneficiation tests was not sufficiently representative, so the test results cannot reflect the beneficiation performance of the ore from the molybdenum deposit	Possible	Minor	Low
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Negative Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs — Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

Source: SRK Report.

Ecological Restoration Program

Our ecological restoration project for historical mining areas has been recognized as a national exemplary case for mine ecological restoration by the Ministry of Finance and the Ministry of Natural Resources and the Ministry of Ecology and Environment. Through continuous remediation efforts, soil conditions in the restored areas have improved from acidic to neutral pH levels, and vegetation coverage in restored areas has exceeded 95%. The total restored area covers approximately 180 hectares.

Our jointly innovative “**in-situ substrate improvement plus direct vegetation**” ecological restoration technology was awarded the Guangdong Province Science and Technology Advancement First Prize.

In April 2026, the Group completed the phased acceptance of the mine geological environment protection and land reclamation project; a new edition of the Dabaoshan Polymetallic Mine Ecological Restoration Plan is being prepared in an orderly manner.

The Group has achieved a technological breakthrough in the recovery of valuable metals from acid mine drainage, with pilot copper recovery rates and zinc recovery rates exceeding 84%.

Waste and Water Management

We operate three specialized mine wastewater treatment plants with a total treatment capacity of up to 96,000 cubic metres per day. All production wastewater is collected and treated, with priority given to recycling and reuse, and any remaining wastewater is treated to meet discharge standards before being discharged in compliance. We have adopted energy-saving and environmentally-friendly mechanical equipment for the processing plant area and are progressively upgrading high-energy-consumption equipment at existing operational sites.

According to the SRK Report, our tailings storage facilities are properly constructed and have sufficient current capacity. A geological environmental protection and land reclamation plan has been prepared, with total costs estimated at RMB429.2 million.

BUSINESS

The table below sets forth the disposal volume of waste water and hazardous waste during the Track Record Period:

Indicator	Unit	Year ended December 31,			Six months ended
		2023	2024	2025	June 30, 2026
Wastewater discharge	tonnes	10,685,468	9,963,084	10,235,055	5,593,686
Hazardous waste disposal	tonnes	25.6	36.62	53.707	8.02

To address mixed stormwater and wastewater flows in the mining area and insufficient water resource utilization, we have completed the Fandong Production Area Wastewater Treatment, Reuse and Stormwater-Wastewater Separation Overall Improvement Plan and will implement the relevant upgrades and reuse measures in stages.

We continue to improve our environmental compliance management system and have been rated as an enterprise with a green environmental credit rating for nine consecutive years, while continuing to implement full-process management of pollutant discharge permit ledgers, self-monitoring, implementation reports and water quality and quantity monitoring at discharge outlets.

Environmental Impact Assessments and Approvals

We have conducted environmental impact assessments in accordance with law for the mining area, processing plant, tailings storage facility, wastewater treatment system and other ancillary infrastructure, and have completed the relevant approval and environmental protection facility acceptance procedures in accordance with applicable laws and regulations. All construction projects strictly implement the “three simultaneities” system, under which environmental protection facilities are designed, constructed and put into operation simultaneously with the main project, and we continue to conduct compliance work relating to pollutant discharge permits, self-monitoring, record-keeping and implementation reports.

The Dabaoshan Mine has obtained EIA approvals for mining, processing and the tailings storage facility and has completed environmental protection acceptance as required, satisfying the national “three simultaneities” requirements.

Climate-Related Risks and Opportunities

Physical risks: Extreme weather events such as heavy rain, floods and storms may damage mining pits, roads, tailings storage facilities, drainage and power supply facilities, resulting in temporary disruption to mining, processing, transportation or supply chains and increasing repair and emergency response costs. Slope instability, landslides and mudslides may also affect personnel safety, mine facilities and production schedules. We mitigate these risks through hidden-danger inspections during the flood season, monitoring and early warning, emergency plans, material reserves and production scheduling arrangements.

Transition risks: Environmental protection, energy consumption and carbon-emissions regulation may continue to become more stringent, and future carbon pricing or carbon-market mechanisms may increase energy and compliance costs. Requirements from financing institutions, customers and, where applicable, export markets regarding ESG compliance, carbon footprints and supply-chain sustainability may also increase, affecting financing terms, customer selection and market opportunities. We will address these risks through energy-saving upgrades, clean-energy applications, emissions monitoring and continuous enhancement of ESG management.

BUSINESS

Opportunities: Continued improvement in energy efficiency and optimization of equipment and processes may reduce energy consumption and operating costs. Maintaining our green-mine status and environmental credit advantages may enhance financing capacity, customer recognition and order opportunities. Smart-mine development and digital management may also improve resource allocation, production scheduling, energy monitoring and safety-management efficiency, supporting the low-carbon transition.

Climate Change and Carbon Management

We are committed to energy conservation and emissions reduction, driving our mining and processing operations towards cleaner and more efficient energy sources. We are evaluating the potential of renewable energy installations, including solar and wind power, at our mine and processing plants. Our objective is to accelerate new energy infrastructure development, actively participate in the low-carbon transition, and systematically phase out fossil fuels through a diversified clean energy mix.

The table below sets forth the greenhouse gas emissions during the Track Record Period:

GHG Emissions	Unit	Year ended December 31,			Six months ended
		2023	2024	2025	June 30, 2026
Scope 1	tonnes	1,321.67	1,192.16	1,183.41	525.24
Scope 2	tonnes	85,713.17	83,197.92	83,101.84	45,960.70
Total	tonnes	87,034.84	84,390.18	84,289.90	46,485.94

Community Relations and Social Contribution

We maintain a strong focus on community relations in Shaoguan and surrounding areas, providing economic benefits and support to local communities through community development fund contributions, tax payments, recruitment and local supplier support. During the Track Record Period, we did not experience any material safety or environmental incident.

A dedicated department (the Logistics Support Center) is responsible for community relations management. Our community engagement activities include: (i) providing targeted donations to surrounding village committees and townships to support community development and infrastructure (including road repairs, water supply maintenance and public lighting); (ii) conducting joint environmental inspections and clean-up campaigns with local governments; (iii) organizing free medical consultations and health education programs in partnership with medical institutions; and (iv) maintaining emergency response coordination mechanisms with local governments and emergency services for flood prevention, fire-fighting and geological disaster response. We also operate a small-scale hospital in Shaxi Town, which is capable of simple medical issues only, to better serve our employees and their families, which also serves wider local community. During the Track Record Period, we did not receive any material objections from the public regarding our mining operations during any round of public consultation conducted as part of the EIA process.

Occupational Health and Safety

Safety Management System and Certifications

We hold valid safety production permits issued by the Department of Emergency Management of Guangdong Province for both open-pit mining operations and the operation of the Fandong Village Tailing Storage Facility.

BUSINESS

We have established a safety management system covering all business activities, including mining, processing and the tailings storage facility, and implement three-tier safety controls: daily safety self-control by the on-site management departments, supervision and implementation by the safety department, and overall coordination by the Company’s chief supervisor.

We regularly organize safety hazard inspections and conduct flood prevention, fire-fighting and geological disaster emergency drills, and have formulated comprehensive emergency plans. We ensure that all employees receive required safety training and regularly organize safety education and occupational health training; operators of special equipment must hold valid operation certificates.

Safety Incident History

During the Track Record Period and up to the Latest Practicable Date, we did not experience any fatality, serious injury or occupational disease among our employees. We have not been subject to any sanctions, penalties or fines by the relevant PRC authorities for non-compliance with health and safety laws or regulations. All employees operating special equipment hold valid operation certificates. All employees have received safety and occupational health training as required under applicable PRC laws and regulations.

Anti-Corruption and Business Ethics

We strictly prohibit employees from soliciting or accepting bribes in any form from stakeholders. We have a dedicated Secretary of the Discipline Inspection Commission responsible for discipline inspection work, and conducts integrity education and compliance training for employees and suppliers. We have established a whistleblowing mechanism through which employees can report violations through internal channels, with whistleblower confidentiality protection. During the Track Record Period, there were no corruption incidents within the Group.

EMPLOYEES

Headcount and Departmental Breakdown

As of June 30, 2026, the Dabaoshan Mine had a total of 1,002 on-duty employees, among which 157 were female employees and 845 were male employees. Under the leadership of the Board of Directors, the Company operates under a General Manager-led management system. All of our employees are located in the PRC.

Department	Staff Number
Production	506
Technical	318
Sales	14
Administrative	164
Total	1,002

Among our on-duty employees, 71 persons hold master’s degrees or above, 419 persons hold bachelor’s degrees, 193 persons hold mid-level and senior professional titles, 331 persons are various types of skilled personnel. 11 persons have received national, provincial and municipal labor model, industry craftsman and other honors.

Our employee turnover rate is low; in 2025, only 5 employees departed through transfer or resignation. We do not employ any non-PRC nationals or engage any labor dispatch workers. We believe we maintain good relationships with our employees.

BUSINESS

In addition to statutory social insurance contributions, we maintain supplementary commercial insurance for employees including group accident insurance, safety liability insurance, medical liability insurance, driver accident insurance, supplementary medical insurance and enterprise annuity.

Working Schedules

Dabaoshan Mine operates in a shift system for production, with each shift of 8 working hours. Management and technical personnel work on a rotational basis as required. Our PRC Legal Advisor considers that the working hours arrangement complies with the relevant labor laws and regulations of the PRC.

Recruitment, Training and Remuneration Policy

Our recruitment comprises campus recruitment and social recruitment. Campus recruitment refers to the direct recruitment of fresh graduates from secondary vocational schools, technical schools, higher vocational institutions, associate degree programs, bachelor’s, master’s and doctoral programs. Social recruitment refers to the recruitment of non-fresh social personnel with relevant work experience from outside the Company, as well as outstanding talent with significant influence or high reputation in specific professional fields who can help form or enhance the Company’s core competitiveness. We regularly conduct on-the-job training, skills competitions, mentorship programs and benchmarking study visits to comprehensively enhance the overall quality of all employees. Employee remuneration and benefits comprise position-based salary, performance salary and various allowances and subsidies. The overall remuneration structure follows a “base plus performance” model.

Labor Relations and Social Insurance Compliance

As of the Latest Practicable Date, we have entered into formal employment contracts with employees in accordance with relevant PRC labor laws and regulations, and the Company has made social insurance (pension, medical, work-related injury, unemployment and maternity) and housing provident fund contributions for all our current employees as required. In addition to statutory social insurance contributions, we maintain supplementary commercial insurance for employees including group accident insurance, safety liability insurance, medical liability insurance, driver accident insurance, supplementary medical insurance and enterprise annuity.

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as policies based on industry practice and our assessment of operational needs. Our principal insurance coverage includes: (i) property insurance covering plant facilities, machinery, equipment, instruments, transport equipment and special equipment; (ii) vehicle insurance including vehicle damage insurance, compulsory third-party liability insurance, and driver/passenger liability insurance; and (iii) environmental liability insurance.

In addition, we maintain safety liability insurance and various commercial insurance policies for our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material business interruptions or material insurance claims that were rejected.

LEGAL PROCEEDINGS AND COMPLIANCE

Litigation and Regulatory Matters

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to, and were not aware of any threat of, any material legal, arbitral or administrative proceeding which, in our opinion, would likely have a material and adverse effect on our business, financial condition or results of operations. We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business.

BUSINESS

Regulatory Compliance

We are subject to laws, regulations and supervision by different levels of regulatory authorities and are required to maintain various licenses, permits and certificates in order to conduct our business of exploration, mining, production and sale of concentrates. See “Regulatory Overview” in this document for the key PRC laws and regulations applicable to our business operations.

As of the Latest Practicable Date, we had obtained all requisite licenses, permits and certificates material to our business operations in the PRC, and such licenses, permits and certificates are valid and remain in effect. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for non-compliance incidents relating to material licenses, permits or certificates. Our PRC Legal Advisers have confirmed that during the Track Record Period and up to the Latest Practicable Date, we have complied in all material aspects with applicable PRC laws and regulations relating to our mining operations other than as disclosed in the section below.

NON-COMPLIANCE — LAND USE MATTERS

As of the Latest Practicable Date, the Group’s land-use non-compliance principally comprised two categories of issues: (a) the use of eight parcels of land with an aggregate area of approximately 3,159,373.4 sq.m. and 23 buildings with an aggregate GFA of approximately 9,619.6 sq.m., for which title certificates had not been obtained; and (b) the lease and use of allocated land by the Group without the lessor having obtained the requisite government approvals for leasing allocated land.

Our Directors confirm that our Group did not intentionally or wilfully contravene applicable PRC laws and regulations in respect of the above non-compliance matters, which are principally attributable to historical legacy factors, conflicting government-mandated timelines, as further explained below. Our Directors also confirm that the land-use non-compliance would not affect the suitability for [REDACTED] of our Company under Rule 8.04 of the Listing Rules.

The Group has adopted the following enhanced internal control measures to prevent the recurrence of similar incidents: conducting regular reviews of the progress of all pending land title and conversion procedures in coordination with PRC Legal Advisor and the competent authorities. The Group will also implement a prior-approval mechanism under which any new land-use or construction activity must obtain all requisite permits and approvals before commencement.

Lack of land and building certificates

Beginning in 2013, our Group commenced the required land acquisition, construction reporting and forest land replanning procedures to implement the environmental remediation. However, as such land constituted agriculture land, it was necessary to first convert such land into state-owned construction land before our Group could acquire the land use rights to such land from the relevant government authority, and complete the registration of title to such land use rights in the Group’s name. Due to the government procedural reasons, the requisite land planning adjustments and conversion of agricultural land to construction land (農用地轉建設用地) was unable to be completed within the timeframe imposed by the provincial government. Although our Group has paid all land acquisition compensation, as of the Latest Practicable Date, the conversion of agricultural land to construction land remains incomplete, a matter entirely beyond the Group’s control. Accordingly our Group is unable to obtain title certificates in respect of such land use rights.

As of the Latest Practicable Date, our Group was using but had not obtained title certificates for parcels of land with an aggregate area of approximately 3,159,373.4 sq.m., comprising: (i) land used for drainage treatment facilities, with an aggregate area of approximately 113,393.41 sq.m., for which the government has commenced land acquisition but the requisite agricultural-to-construction land conversion approval and land acquisition approval remain outstanding pending the government process; (ii) land used for the tailings dam (including the supplemental acquisition area), with an aggregate area of approximately 2,810,913.3 sq.m., of which part constitutes mining land and part

BUSINESS

constitutes forest land, and for which the land supply method is being explored with the competent authorities pursuant to the Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》) and its implementing regulations; and (iii) land used for the open-pit expansion, with an aggregate area of approximately 235,066.66 sq.m., which constitutes mining land in compliance with planning, and for which the land supply method is similarly being explored with the competent authorities pursuant to the Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》) and its implementing regulations.

As of the Latest Practicable Date, our Group was using but had not obtained building ownership certificates for buildings with an aggregate GFA of approximately 9,619.6 sq.m., comprising: (i) a monitoring station erected on untitled land, with a GFA of approximately 160 sq.m., for which building ownership certificates cannot be obtained because the underlying land title procedures remain incomplete; (ii) drainage treatment plant buildings erected on untitled land, with an aggregate GFA of approximately 5,040 sq.m., which have obtained engineering planning permits (建設工程規劃許可證) and construction permits (建設工程施工許可證) and have passed completion acceptance (竣工驗收), but for which building ownership certificates cannot be issued until the underlying land title procedures have been completed; (iii) buildings self-built on leased allocated land (劃撥土地), with an aggregate GFA of approximately 3,819.6 sq.m., for which building ownership certificates cannot currently be obtained as such buildings were self-built on the relevant allocated land leased by our company, and (iv) buildings self-built on granted land (出讓土地), with an aggregate GFA of approximately 600 sq.m, for which building ownership certificates cannot currently be obtained due to the historical failure to complete the requisite application procedures. None of the untitled land or buildings housed the Group’s core mining or ore-processing facilities; the drainage treatment facilities, tailings dam and waste dumps are ancillary to, but do not form part of, the core mining and ore-processing operations.

Under the Land Administration Law of the PRC (《中華人民共和國土地管理法》), unauthorized occupation of land may result in an order to return the land, demolition of structures on the land or confiscation of such structures, and a fine. Under the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), commencing construction without obtaining an engineering planning permit may result in an order to make corrections and a fine of 5% to 10% of the construction cost, or, where corrective measures cannot eliminate the adverse impact on planning, an order of demolition or confiscation of the structures or illegal income, and a fine of up to 10% of the construction cost. Under the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》), commencing construction without a construction permit may result in an order to cease construction and make corrections, and a fine of 1% to 2% of the contract price.

As at the Latest Practicable Date, our Group has not received any notice of administrative penalty, enforcement action, or investigation from any governmental authority in respect of the above untitled land and buildings. The Natural Resources Bureau of Qujiang District, Shaoguan City (韶關市曲江區自然資源局) issued a written confirmation to our Group dated 2 June 2026 and the Natural Resources Bureau of Wengyuan County (翁源縣自然資源局) issued a written confirmation to our Group dated 22 June 2026, each confirming that the above matters are of a historical reason, that they will not impose administrative penalties on our Group and will not order the return of land, demolition of buildings or confiscation of structures, but have required our Group to expedite the completion of the requisite procedures. The Housing and Urban-Rural Development Bureau of Qujiang District (韶關市曲江區住房和城鄉建設管理局) issued a written confirmation to our Group dated 3 June 2026 confirming that our Group may continue to use the relevant buildings for normal production and operations, and that unauthorized construction due to historical reasons does not constitute material violations and will not be subject to administrative penalties. As advised by our PRC Legal Advisor, each of the Natural Resources Bureau of Qujiang District, the Natural Resources Bureau of Wengyuan County and the Housing and Urban-Rural Development Bureau of Qujiang District is the competent authority to issue the above confirmations in respect of land and building matters within its respective administrative jurisdiction. Our PRC Legal Advisor is of the view that the risk of the competent authorities imposing material

BUSINESS

administrative penalties on our Group in respect of the untitled land and buildings is remote, and that the lack of title certificates neither has a material adverse impact on the Group’s business operations nor constitutes a material impediment to the [REDACTED].

With respect to the untitled land, our Group will, in accordance with the Land Administration Law of the PRC (《中華人民共和國土地管理法》) and the Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》), effective in 2025, and its Implementing Regulations, effective in 2026, pursue temporary legitimate land use or leasing arrangements for restorable land used for the tailings dam and open-pit mining, and will continue to proceed with relevant procedures for all untitled land once the government completes the conversion of agricultural land to construction land and allocates sufficient quota.

Unapproved lease of allocated land

In 2024, our Company entered into a lease agreement with Shaoguan Resources for properties with an aggregate land area of approximately 3,653,806.13 sq.m., for a term from 1 January 2024 to 31 December 2026, at a monthly rent of RMB2.49 million. The land on which the leased properties are situated is allocated land (劃撥地). Under the Interim Regulations on the Grant and Transfer of the Right to Use State-owned Urban Land (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), the leasing of allocated land-use rights requires the approval of the competent authorities; any entity or individual who leases allocated land-use rights without such approval shall be subject to penalties include confiscation of the illegal income, and a fine. As at the Latest Practicable Date, Shaoguan Resources had not obtained the approval of the competent authorities for the leasing of the allocated land.

Pursuant to the written confirmations issued by Shaoguan Resources and Guangdong Rising Holdings, respectively, Shaoguan Resources will regularise the land-use procedures and has undertaken to ensure that our Company can use the leased premises on a long-term and stable basis and that our Company’s normal production and operation will not be affected. Guangdong Rising Holdings, being the management and operating entity of Shaoguan Resources, has also confirmed that it will urge Shaoguan Resources to regularise the land-use procedures so as to ensure the long-term stability of our Company’s land use status. In addition, Guangdong Rising Holdings has submitted an application to the Department of Natural Resources of Guangdong Province (廣東省自然資源廳) for the land disposition plan for the said allocated land. Based on the interview conducted by our PRC Legal Advisor to the Department of Natural Resources of Guangdong Province (廣東省自然資源廳), the land disposal plan submitted by Guangdong Rising Holdings is feasible, our Company may continue to use the relevant allocated land in its current manner and will not be subject to the risk of administrative penalties.

The Natural Resources Bureau of Qujiang District, Shaoguan City (韶關市曲江區自然資源局) and the Natural Resources Bureau of Wengyuan County (翁源縣自然資源局), being the relevant competent authorities for this matter as advised our PRC Legal Advisor, have respectively issued reply letters in respect of the following: (i) confirming that the matter of the said allocated land is a historical issue, (ii) agreeing that our Company may continue to use the land in its current status, and (iii) confirming that no administrative penalties will be imposed and no administrative measures such as ordering the return of the land, ordering the demolition, or confiscation of buildings and structures will be taken.

Having regard to the fact that: (i) under the Interim Regulations on the Grant and Transfer of the Right to Use State-owned Urban Land (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), the party subject to administrative penalties for the non-compliant leasing of allocated land is the lessor, and our Company, being the lessee, will not be subject to administrative penalties; and (ii) based on the reply letters issued by the Natural Resources Bureau of Qujiang District, Shaoguan City (韶關市曲江區自然資源局) and the Natural Resources Bureau of Wengyuan County (翁源縣自然資源局), being the relevant competent government authorities for this matter as advised our PRC Legal Advisor, as well as the interview conducted by Our PRC Legal Advisor with the Department

BUSINESS

of Natural Resources of Guangdong Province (廣東省自然資源廳), our Directors are of the view that our Company may continue to use the relevant allocated land in its current manner and will not be subject to administrative penalties or administrative measures such as ordering the return of the land, ordering the demolition or confiscation of buildings and structures. Based on similar reasons, our PRC Legal Advisor is of the view that there is a low risk that our Company will be subject to administrative penalties by the competent government authorities as a result of such circumstance, and such circumstance will not have a material adverse effect on our Company’s business operation and the [REDACTED].

With respect to rectification, Guangdong Rising Holdings, as the holding company of Shaoguan Resources, submitted an application to the Guangdong Provincial Department of Natural Resources on 26 August 2026 for approval of the overall land disposition plan, including conversion by way of capital contribution and authorized operation. Our Directors confirm that our Group did not intentionally or wilfully contravene applicable PRC laws and regulations in respect of the allocated land, and that as far as the Directors are aware, the requisite government approvals and land disposition are being pursued through lawful channels in coordination with the competent authorities.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was owned as to 60% by Guangdong Rising Holdings and as to 40% by China Rare Earth Nonferrous Metals.

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Company will be owned as to [REDACTED]% by Guangdong Rising Holdings and [REDACTED]% by China Rare Earth Nonferrous Metals. As such, our Group will have two Controlling Shareholders, being: (i) Guangdong Rising Holdings; and (ii) China Rare Earth Nonferrous Metals.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Our Directors are of the view that our Group is able to carry on its business independently from our Controlling Shareholders (including their close associates) following the completion of the [REDACTED] for the following reasons.

Delineation of business and non-competition with Guangdong Rising Holdings Group

Overview

Guangdong Rising Holdings and its subsidiaries (hereinafter referred to as “**Guangdong Rising Holding Group**”) is a large-scale multinational state-owned enterprise group primarily engaged in exploration, development, refining, and processing of metals globally, maintains significant operations in China and is also engaged in electronic information businesses.

Upon [REDACTED], the businesses of our Group and Guangdong Rising Holding Group will be clearly delineated. Guangdong Rising Holding Group principally assumes the roles of owner, investor and/or operator in respect of its business in the exploration and mining of copper overseas; whereas our Group will exclusively own and operate the copper assets including the Dabaoshan Mine in the PRC.

In addition to the clear geographical delineation, the major customers and operation model of the copper assets of our Group and Guangdong Rising Holding Group are also substantially different as our copper assets in the PRC are not sold to overseas customers.

Save for the holding of certain limited domestic copper resources, which are still at the exploration phase and not currently suitable for consolidation into our Group, Guangdong Rising Holding Group will not, following completion of the [REDACTED], engage in the mining of copper in the PRC.

Deed of Non-Competition

Notwithstanding there is a clear delineation between the businesses of Guangdong Rising Holding Group and our Group as detailed above, Guangdong Rising Holdings has provided the Deed of Non-Competition to our Company in connection with the [REDACTED] to ensure there remains a clear delineation of our respective businesses in the future. Pursuant to the Deed of Non-Competition:

- (i) After the completion of the [REDACTED], provided that Guangdong Rising Holdings is our Controlling Shareholder, Guangdong Rising Holdings undertakes not to use its position as a Controlling Shareholder to adversely impact our interests and the interests of our other shareholders. Guangdong Rising Holdings will continue to maintain our independence in terms of personnel, assets, business, finance and institutions, and ensure that our Company has the required business systems and the ability to operate independently;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) Guangdong Rising Holdings undertakes to strictly comply with the information disclosure requirements for related parties and connected persons of listed companies and to disclose the relevant information about Guangdong Rising Holdings and all directly or indirectly controlled enterprises in a truthful, accurate and complete manner;
- (iii) After the completion of the [REDACTED], during the period when Guangdong Rising Holdings is our Controlling Shareholder, Guangdong Rising Holdings will not directly or indirectly engage in the mining of copper in the PRC (“**Restricted Business**”) (save for its interests via our Company) or any business activities which compete with the Restricted Business, including: (1) directly or indirectly engaging in the Restricted Business, save for holdings of any minority interest in companies amounting to less than 30%; (2) investing in, acquiring, or merging with companies or economic organizations whose principal business is engaged in the Restricted Business; (3) operating companies or economic organizations whose principal business is engaged in the Restricted Business through contracted operations, leasing operations, etc.; (4) providing funding, business, and technical support or assistance to companies or economic organizations whose principal business is in competition with us in any manner;
- (iv) Guangdong Rising Holdings shall take legal and effective measures to ensure that existing or future subsidiaries and other enterprises or entities controlled by it do not engage in the Restricted Business; and
- (v) If Guangdong Rising Holdings obtains any business opportunities that compete or may compete with the Restricted Business, Guangdong Rising Holdings shall immediately notify us and give priority to us in participating in such business opportunities.

Enhanced Corporate Governance Measures

With respect to the deed of non-competition disclosed in this section, we will adopt enhanced corporate governance measures to ensure the effectiveness of such deed. Please see the section headed “— Corporate Governance Measures” below for details.

Delineation of business and non-competition with China Rare Earth Nonferrous Metals

The businesses of China Rare Earth Nonferrous Metals include the mining and refinement of rare earth, tungsten and magnetic materials, which we are not involved in and do not compete with our businesses.

Administrative Independence

All of the essential administrative functions of our Group will be handled by our own team independently of and without support from our Controlling Shareholders upon completion of the [REDACTED].

Our Group has been using certain software services provided by Guangdong Rising Holding Group on a cost basis. Upon completion of the [REDACTED], our Group will continue to utilize such services on a cost basis in accordance with the exemption available under chapter 14A of the Listing Rules. Our Group has established independent finance, internal audit and legal departments, and does not rely on the services provided by the existing departments of Guangdong Rising Holding Group.

Notwithstanding any utilization of Guangdong Rising Holding Group’s resources to optimize the administration costs structure of our Group, all essential functions involving any management decision or discretion will be retained and performed by our Group independently of Guangdong Rising Holding Group. Given the immateriality of the relevant transaction amounts for the utilization of services provided by Guangdong Rising Holding Group, our administrative independence would not be affected.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management Independence

Following the [REDACTED], our Board will consist of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. For more information, please refer to “Directors and Senior Management.” Among the nine Directors, only two non-executive Directors are currently expected to hold positions in our Controlling Shareholders upon [REDACTED], details of which are set out below:

Name of Director	Position(s) in our Company upon [REDACTED]	Position(s) in our Controlling Shareholders upon [REDACTED]
Mr. Chen Zhizhe	Non-executive Director	External director of Guangdong Rising Holdings
Mr. He Xiao	Non-executive Director	Director of the strategic development department of China Rare Earth Nonferrous Metals

Our Directors consider that the Board and senior management of our Company are capable of functioning independently from our Controlling Shareholders for the following reasons:

- (i) each Director is aware of his fiduciary duties as a director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;
- (ii) as at the Latest Practicable Date, other than Mr. Chen Zhizhe and Mr. He Xiao, there is no other overlapping management upon [REDACTED];
- (iii) none of the executive Directors and core management team of our Group with executive functions will hold any position in any of our Controlling Shareholders upon [REDACTED];
- (iv) there will be three independent non-executive Directors on the nine-member Board who are able to independently monitor the formulation and implementation of major decisions of our Company based on their education background and related working experience, which meets the requirements of the Listing Rules to protect the interests of our Company and the Shareholders as a whole; and
- (v) according to relevant PRC laws and regulations and the Articles of Association, in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective associates, the interested Director is required to abstain from voting on related transactions.

Nevertheless, to address potential conflict of interests that may arise in the future, we have adopted a series of corporate governance measures, which would support our independent management. Please see “— Corporate Governance Measures” below for further information.

Based on the reasons above, our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and its close associates.

Operational Independence

Our Directors believe that we can continue operating independently from our Controlling Shareholders after the [REDACTED] for the following reasons:

- (1) we have the necessary qualifications for carrying out our business;
- (2) we own the intellectual property rights of the key technologies used in the production of our products. We have independent R&D and production capabilities, and do not rely on the R&D or production capacities of our Controlling Shareholders;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (3) we have independent channels to contact customers and suppliers, and have our own management team to carry out business; and
- (4) we will not rely on the sales and supplies channels of our Controlling Shareholders or their close associates (other than our Group).

During the Track Record Period, we conducted certain transactions with our Controlling Shareholders, and such transactions are expected to continue upon the [REDACTED] and will constitute connected transactions of our Company. Please see the section headed “Connected Transactions” in this document for further details. However, these transactions do not involve significant amounts and are not related to our Group’s principal business. Based on the reasons above, our Directors believe that the abovementioned connected transactions do not affect our operational independence.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders and their respective close associates during the Track Record Period and will continue to be able to operate independently.

Financial Independence

Our Group has established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and the internal control function of our Group, independent from Guangdong Rising Holding Group. Our Group is also able to make financial decisions independently and Guangdong Rising Holding Group does not intervene with our use of funds. Our Group has also established an independent audit system, a standardized financial and accounting system and a complete financial management system. During the Track Record Period, the Group engaged in financial transactions within our ordinary course of business with Guangdong Rising Finance Co., Ltd. (廣東省廣晟財務有限公司) (“**Guangdong Rising Finance**”), a finance company under the Guangdong Rising Holding Group; these transactions are expected to continue following the [REDACTED] and will constitute connected transactions of the Company. We have entered into a financial services agreement with Guangdong Rising Finance for them to continue to provide financial services on fair commercial terms; therefore, we believe that these transactions will not affect our financial independence. For further details, please refer to “Connected Transactions”.

On December 28, 2020, as part of our internal restructuring process, we transferred 100% of our equity interest in Shaoguan Dabaoshan Comprehensive Resource Utilization Co., Ltd. (韶關市大寶山資源綜合利用有限公司) (“**Shaoguan Resources**”), to Guangdong Rare Earth Industry Group Co., Ltd. (廣東省稀土產業集團有限公司) (“**Guangdong Rare Earth**”), which signed an entrustment agreement with Guangdong Rising Holdings, resulting in Shaoguan Resources becoming a subsidiary of Guangdong Rising Holdings and thus our connected person. To facilitate the equity closing, we transferred certain non-operating assets to Shaoguan Resources, which included certain non-operating liabilities primarily related to employee retirement and resettlement expenses. As Shaoguan Resources lacked the funds in the short term to fully cover those mandatory expenses, we initially advanced those payments via a loan. As at the Latest Practicable Date, Shaoguan Resources had certain amounts due to our Group in the amount of approximately RMB113.8 million. On August 13, 2026, Shaoguan Resources entered into a loan repayment agreement (the “**Loan Repayment Agreement**”) with us, whereby they agreed to repay no less than approximately 10% of the outstanding loan amount by December 31, 2026, with the remaining balance to be fully repaid by December 31, 2031. On August 25, 2026, Shaoguan Resources further notified us of their intention to repay the loan by annual instalments. Furthermore, the Loan Repayment Agreement also specifies the interest rate chargeable on the outstanding loan amount (to commence on August 1, 2026), which the Directors consider to be fair and reasonable and not prejudicial to the interests of our Company and the Shareholders as a whole. For further details, please refer to “Connected Transactions”.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As part of the transfer of Shaoguan Resources, we incurred a tax liability of approximately RMB44.7 million as of the Latest Practicable Date, to be payable to Shaoguan Resources, which is currently outstanding and will be fully settled by December 31, 2026.

Our Group’s finance department and all finance related decision making systems and processes are fully independent from China Rare Earth Nonferrous Metals.

Based on the above, as there are no amounts due from our Company to any of our Controlling Shareholders, and we are able to finance our operations through our internally generated working capital and through borrowings, loans and credit facilities from Independent Third Parties without guarantees or other security provided by the Guangdong Rising Holdings, our Directors believe that from a financial perspective, we are capable of carrying on our business independently from the Controlling Shareholders and their respective close associates and are able to maintain our financial independence.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to avoid potential conflicts of interest, we have adopted the following measures:

- (a) as part of our preparation for the [REDACTED], we will adopt, upon [REDACTED], Articles of Association that complies with the Listing Rules. In particular, unless otherwise specified, where a matter resolved at a Board meeting involves a contract or arrangement or any other proposal in which a certain Director or his/her close associate has a material interest, such Director shall abstain from voting. In deciding whether a quorum of Directors has attended the meeting, such Director shall not be counted;
- (b) a Director with material interests shall make full disclosure in respect of matters that may have actual or potential conflict with any of our interests and abstain from voting in board meetings on matters which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;
- (c) we are committed that our Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, please refer to “Directors and Senior Management”;
- (d) we have appointed Lego Corporate Finance Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance;
- (e) we have adopted the internal control and corporate governance measures to ensure that the terms of our continuing connected transactions are fair and reasonable and not prejudicial to the interests of our Company and the minority Shareholders, as further described in “Connected Transactions — Internal Control Measures”;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (f) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole;
- (g) Guangdong Rising Holdings has undertaken to us in the Deed of Non-Competition that it will not, and will procure its close associates not to, engage in any Restricted Business, which will protect our Group from potential competition from the Guangdong Rising Holdings in respect of its business operations;
- (h) on an annual basis, our independent non-executive Directors will review the non-compete undertakings provided by Guangdong Rising Holdings and its compliance with such undertakings; and
- (i) our Company will disclose in its annual report each year the compliance status of the Deed of Non-Competition.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Save as disclosed above, as of the Latest Practicable Date, each of our Controlling Shareholders and Directors confirms that he, she or it does not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS

OVERVIEW

Pursuant to Chapter 14A of the Listing Rules, our Directors, substantial shareholders and chief executive or those of our subsidiaries (other than the directors, substantial shareholders and chief executive of our insignificant subsidiaries), any person who was a director of our Company or our subsidiaries within 12 months preceding the [REDACTED] and any of their respective associates will become a connected person of our Company upon [REDACTED]. Upon [REDACTED], our transactions with such connected persons will constitute connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

Upon the [REDACTED], the following connected persons of our Company will conduct connected transactions with our Group:

Name	Information of our Connected Persons and Relationship with our Group
Guangdong Rising Holdings	Upon [REDACTED], Guangdong Rising Holdings will be our Controlling Shareholder. Therefore, Guangdong Rising Holdings and its subsidiaries (the “ Guangdong Rising Holding Group ”) will become connected persons of our Company upon [REDACTED] for the purpose of the Listing Rules.

EXISTING ONE-OFF CONNECTED TRANSACTION

The following transaction was entered into between our Company and Guangdong Rising Holding Group prior to [REDACTED] which will be completed after [REDACTED].

Loan Repayment Agreement

Principal terms, reasons for and benefits of the transaction

On December 28, 2020, as part of our internal restructuring process, we transferred 100% of our equity interest in Shaoguan Dabaoshan Comprehensive Resource Utilization Co., Ltd. (韶關市大寶山資源綜合利用有限公司) (“**Shaoguan Resources**”), to Guangdong Rare Earth Industry Group Co., Ltd. (廣東省稀土產業集團有限公司) (“**Guangdong Rare Earth**”). Subsequently, Guangdong Rare Earth entrusted the management of Shaoguan Resources to Guangdong Rising Holding Group under an entrustment agreement, resulting in Shaoguan Resources becoming a subsidiary of Guangdong Rising Holding Group and thus our connected person. To facilitate the equity closing, we transferred certain non-operating assets to Shaoguan Resources, which included certain non-operating liabilities primarily related to employee retirement and resettlement expenses. As Shaoguan Resources lacked the funds in the short term to fully cover those mandatory expenses, we initially advanced those payments via a loan. As at the Latest Practicable Date, Shaoguan Resources had certain amounts due to our Group in the amount of approximately RMB113.8 million. On August 13, 2026, Shaoguan Resources entered into a loan repayment agreement (the “**Loan Repayment Agreement**”) with us, whereby they have agreed to repay no less than approximately 10% of the outstanding loan amount by December 31, 2026, with the remaining balance to be fully repaid by December 31, 2031. On August 25, 2026, Shaoguan Resources further notified us of their intention to repay the loan by annual instalments.

The Loan Repayment Agreement specifies the interest rate chargeable on the outstanding loan amount (to commence on August 1, 2026) of 3% per annum, which the Directors consider to be fair and reasonable and not prejudicial to the interests of our Company and the Shareholders as a whole.

As the Loan Repayment Agreement was entered into (i) in the ordinary and usual course of business of our Group; and (ii) on arm’s length basis. Our Directors are of the view that the transactions under the Loan Repayment Agreement are fair and reasonable and in the best interest of our Group and the Shareholders as a whole.

CONNECTED TRANSACTIONS

Hong Kong Listing Rules Implication

Since the Loan Repayment Agreement is subject to an agreement with fixed terms, it is regarded as a modification of an existing financial asset according to IFRS and regarded as a one-off connected transaction of our Company for the purposes of the Hong Kong Listing Rules. Accordingly, the reporting, announcement, annual review and independent Shareholders’ approval requirements in Chapter 14A of the Hong Kong Listing Rules will not be applicable.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

The following table sets forth a summary of our non-exempt or partially-exempt continuing connected transactions upon [REDACTED]:

No.	Transaction	Applicable Listing Rules	Waiver sought	Annual caps for the year ending December 31,		
				2027	2028	2029
				(RMB'000)		
A.	Partially-exempt Continuing Connected Transactions					
1)	Properties Rental Framework Agreement	14A.35 and 14A.105	Announcement requirement under Chapter 14A of the Listing Rules	4,000	4,000	4,000
2)	Financial Services Framework Agreement	14A.35 and 14A.105	Announcement requirement under Chapter 14A of the Listing Rules	36,000	36,000	36,000
3)	Properties Leasing Framework Agreement	14A.35 and 14A.105	Announcement requirement under Chapter 14A of the Listing Rules	54,300	54,000	54,000
4)	Centralized Procurement Framework Agreement	14A.35 and 14A.105	Announcement requirement under Chapter 14A of the Listing Rules	66,250	64,950	69,700
B.	Non-exempt Continuing Connected Transactions					
1)	Sales Framework Agreement with Guangdong Rising Holding Group	14A.35, 14A.36, 14A.46 and 14A.105	Announcement and independent Shareholders' approval under Chapter 14A of the Listing Rules	285,900	287,900	285,900

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Properties Rental Framework Agreement

Principal Terms

On [•], we entered into a properties rental framework agreement (the “**Properties Rental Framework Agreement**”) with Guangdong Rising Holding Group, pursuant to which Guangdong Rising Holding Group has agreed to rent certain buildings and properties (the “**Rented Properties**”) from us for general business and ancillary purposes.

The Properties Rental Framework Agreement will be for a term of 3 years commencing on the [REDACTED]. Subject to compliance with the Listing Rules and applicable laws and regulations, the Properties Rental Framework Agreement may be renewed upon mutual consent by the parties.

Reasons for the transaction

During the Track Record Period, in the usual and ordinary course of business, our Group had rented certain buildings and properties to Guangdong Rising Holdings Group under an arrangement (the “**Property Rental Arrangement**”) with Guangdong Rising Holding Group, as part of the property rental arrangement implemented by Guangdong Rising Holding Group so that members of the Guangdong Rising Holding Group could enjoy greater stability in operations.

CONNECTED TRANSACTIONS

Pricing policies

The rental payable by Guangdong Rising Holding Group to our Group under the Properties Rental Arrangement will be determined on arm’s length basis with reference to the prevailing market rates for rental properties in comparable areas.

Historical transaction amounts

The rental income paid by Guangdong Rising Holding Group to our Group for the Properties Rental Arrangement for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 are set forth below:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30, 2026
	<i>(RMB in thousands)</i>			
Rental Income for the Properties Rental Arrangement	<u>Nil</u>	<u>7</u>	<u>8</u>	<u>Nil</u>

Annual caps

The following table sets forth the proposed annual caps for the maximum annual amounts of fees payable by Guangdong Rising Holding Group to our Group pursuant to the Properties Rental Framework Agreement:

	Year ending December 31,		
	2027	2028	2029
	<i>RMB in thousands</i>		
Maximum aggregate annual amount of rental payable by Guangdong Rising Holdings Group pursuant to the Properties Rental Arrangement	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

The following factors were considered in arriving at the above annual caps: (i) the Company renting additional factory space of approximately 7,575 square meters to the Guangdong Rising Holding Group with the rental period to commence in 2026; (ii) the historical rental value of aforementioned factory space; (iii) the prevailing market rentals of the rented properties; and (iv) we are not expecting substantial rental increments for the rented properties.

Listing Rules implications

Since the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the above transaction is expected to be more than 0.1% but less than 5% on an annual basis, the transaction would constitute a continuing connected transaction that is exempt under Rule 14A.76(2) of the Listing Rules from the independent shareholders’ approval requirements but subject to the reporting, annual review and announcement requirements.

Financial Services Framework Agreement

Principal Terms

On [•], we entered into a financial services framework agreement (the “**Financial Services Framework Agreement**”) with Guangdong Rising Finance Co., Ltd. (廣東省廣晟財務有限公司) (“**Guangdong Rising Finance**”), a subsidiary of Guangdong Rising Holding Group, pursuant to

CONNECTED TRANSACTIONS

which Guangdong Rising Finance will provide our Group with financial services, including among others, (i) deposits and related services (the “**Deposit Services**”), (ii) loan and related financing services (the “**Loan and Other Financing Services**”), and (iii) other financial services.

Pursuant to the Financial Services Framework Agreement, Guangdong Rising Finance will provide Deposit Services and Loan and Other Financing Services to our Group on the following principal terms:

- (i) Guangdong Rising Finance may take deposits from members of our Group, and the total sum of daily balance deposited by members of our Group shall be no more than RMB3 billion; and
- (ii) Guangdong Rising Finance may grant members of our Group general credit within an aggregate amount of RMB1 billion.

The initial term of the Financial Services Framework Agreement will be for a term of 3 years commencing on the [REDACTED]. Subject to compliance with the Listing Rules and applicable laws and regulations, the Financial Services Framework Agreement may be renewed upon mutual consent by the parties.

Reasons for the transaction

During the Track Record Period, in the usual and ordinary course of business, our Group had utilized financial services under an arrangement (the “**Financial Services Arrangement**”) from Guangdong Rising Finance, including deposit and loan services.

The benefits to our Group from relevant financial services provided by Guangdong Rising Finance include the following: (i) the rates on loans and deposits offered by Guangdong Rising Finance to our Group will be equal to or more favorable than those offered by other PRC commercial banks; (ii) Guangdong Rising Finance is regulated by the PBOC and the National Financial Regulatory Administration and provides its services in accordance with and in satisfaction of the rules and operational requirements of these regulatory authorities; and (iii) the Group is expected to benefit from Guangdong Rising Finance’s better understanding of operations of our Group which should allow expedient and efficient service provision. For instance, it is expected that loans from Guangdong Rising Finance may be approved quicker than a commercial bank.

Pricing policies

The Financial Services Framework Agreement provides that the interest rates applicable to the Deposit Services provided by Guangdong Rising Finance to us shall be (i) on normal commercial terms; and (ii) no less than benchmark interest rates for the same period published by the PBOC or interest rates for comparable deposit for the same period provided by other major domestic commercial banks.

The interest rates for the Loan and Other Financing Services provided by Guangdong Rising Finance to us under the Financial Services Framework Agreement shall be (i) on normal commercial terms and in compliance with applicable laws, rules and regulations; (ii) no higher than interest rates for comparable loans for the same period published by the PBOC; and (iii) no higher than rates for comparable loans for the same period obtained by members of the Group from other domestic financial institutions.

Taking into account the no less favorable interest rates and other commercial benefits to our Group, we consider that the preservation of such financial arrangement with Guangdong Rising Finance is beneficial to our Shareholders as a whole.

CONNECTED TRANSACTIONS

Historical transaction amounts

The relevant historical amount of the relevant financial services for the Financial Services Arrangement with Guangdong Rising Finance for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 are set forth below:

	Year ended December 31, 2023 2024 2025 (RMB in thousands)			Six months ended June 30, 2026
Maximum Daily Balance of Deposit Services	<u>116,009</u>	<u>153,708</u>	<u>566,242</u>	<u>1,363,015</u>
Interest Income from Deposit Services	<u>119</u>	<u>258</u>	<u>957</u>	<u>4,140</u>
Maximum Daily Balance for Loan and Other Financing Services	<u>130,000</u>	<u>130,000</u>	<u>30,000</u>	<u>30,000</u>
Interest Expenses for Loan and Other Financing Services	<u>5,488</u>	<u>1,120</u>	<u>698</u>	<u>60</u>

Annual caps

The following table sets forth the proposed annual caps for the maximum annual amounts of fees payable by our Group to Guangdong Rising Finance pursuant to the Financial Services Framework Agreement:

	Year ending December 31, 2027 2028 2029 (RMB in thousands)		
Maximum Daily Balance of Deposit Services	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Interest Income from Deposit Services	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>
Maximum Daily Balance for Loan and Other Financing Services	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Interest Expenses for Loan and Other Financing Services	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

The above proposed annual caps for the maximum daily balance of deposit services and interest income from deposit services are determined with reference to the following factors: (i) the historical amounts under the existing deposit services arrangements; (ii) the current and expected future cash flow position of the Company in light of our estimated scale and growth of business operation and funds to be raised after the [REDACTED]; and (iii) assuming that the market interest rates on the expected outstanding deposit amount remain stable as the current prevailing market interest rates. The maximum daily closing balance for each year is subject to fluctuations in our cash flow position and the proposed annual caps reflect the aggregate of our anticipated maximum daily balance of deposits placed and interests income, given that the balance of deposits and interests are interchangeable throughout the year.

CONNECTED TRANSACTIONS

The above proposed annual caps for the maximum daily balance for loan and other financing services is determined with reference to the Company’s current existing credit line with Guangdong Rising Finance and the maximum daily balance interest expenses for loan and other financing services are determined with reference to the following factors: (i) the historical amounts under the existing loan services; (ii) the current expectation that the Company has no plans to take up any loan services in the upcoming years; (iii) assuming that the market rates of handling fees remain stable as the current prevailing market rates; and (iv) the expectation that the Company would be able to obtain external financing from Independent Third Party commercial banks.

Listing Rules implications

As the highest applicable percentage ratio for the Financial Services Framework Agreement calculated for the purposes of chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5% on an annual basis, the transaction would constitute a continuing connected transaction that is exempt under Rule 14A.76(2) of the Listing Rules from the independent shareholders’ approval requirements but subject to the reporting, annual review and announcement requirements.

Properties Leasing Framework Agreement

Principal Terms

On [•], we entered into a properties leasing framework agreement (the “**Properties Leasing Framework Agreement**”) with Guangdong Rising Holding Group, pursuant to which Guangdong Rising Holding Group has agreed to lease certain buildings and properties (the “**Leased Properties**”) to us for general business and ancillary purposes.

The Properties Leasing Framework Agreement will be for a term of 3 years commencing on the [REDACTED]. Subject to compliance with the Listing Rules and applicable laws and regulations, the Properties Leasing Framework Agreement may be renewed upon mutual consent by the parties.

Reasons for the transaction

During the Track Record Period, in the usual and ordinary course of business, our Group had leased certain buildings and properties under an arrangement (the “**Property Leasing Arrangement**”) with Guangdong Rising Holding Group, as part of the property leasing arrangement implemented by Guangdong Rising Holding Group so that members of the Guangdong Rising Holding Group could enjoy greater stability in operations.

Pricing policies

The rental payable to Guangdong Rising Holding Group by our Group under the Properties Leasing Arrangement will be determined on arm’s length basis with reference to the prevailing market rates for rental properties in comparable areas.

CONNECTED TRANSACTIONS

Historical transaction amounts

The total consideration paid by our Group to Guangdong Rising Holding Group for the Properties Leasing Arrangement for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 are set forth below:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30, 2026
	<i>(RMB in thousands)</i>			
Consideration payment for the Properties Leasing Arrangement	9,774	31,714	31,646	15,823

Annual caps

The following table sets forth the proposed annual caps for the maximum annual amounts of rental payable by our Group to Guangdong Rising Holding Group pursuant to the Properties Leasing Framework Agreement:

	Year ending December 31,		
	2027	2028	2029
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Maximum aggregate annual amount of rental payable by our Group pursuant to the Properties Leasing Arrangement	54,300	54,000	54,000

The following factors were considered in arriving at the above annual caps: (i) the additional properties of approximately 1,740,000 square meters primarily for the Group’s business purposes including the expansion of the Group’s mining areas and the Liwu silt dam environmental risk management project with the rental period to commence in 2027; (ii) the historical rental value of aforementioned properties; and (iii) the prevailing market rentals of the leased properties.

Listing Rules implications

As the highest applicable percentage ratio for the Properties Leasing Framework Agreement calculated for the purposes of chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5% on an annual basis, the transaction would constitute a continuing connected transaction that is exempt under Rule 14A.76(2) of the Listing Rules from the independent shareholders’ approval requirements but subject to the reporting, annual review and announcement requirements.

Centralized Procurement Framework Agreement

Principal Terms

On [•], we entered into a centralized procurement framework agreement (the “**Centralized Procurement Framework Agreement**”) with Guangdong Rising Holding Group, pursuant to which we will procure equipment, raw materials and services from Guangdong Rising Holding Group, and we shall pay fees for the equipment, materials and services procured, consistent with the Centralized Procurement Arrangement (as defined below) during the Track Record Period.

CONNECTED TRANSACTIONS

The initial term of the Centralized Procurement Framework Agreement will be for a term of 3 years commencing on the [REDACTED]. Subject to compliance with the Listing Rules and applicable laws and regulations, the Centralized Procurement Framework Agreement may be renewed upon mutual consent by the parties.

Reasons for the transaction

During the Track Record Period, in the usual and ordinary course of business, our Group had purchased raw materials and services under an arrangement (the “**Centralized Procurement Arrangement**”) from Guangdong Rising Holding Group, as part of the centralized procurement arrangement implemented by Guangdong Rising Holding Group so that members of the Guangdong Rising Holding Group could procure equipment, raw materials and services to enjoy the benefits of economies of scale.

The relevant raw materials include mainly raw materials essential to our operations such as sulphuric acid and limestone. The Centralized Procurement Arrangement has enabled our Group to procure raw materials for its business operations together with the other business units of Guangdong Rising Holding Group such that the bargaining power vis-à-vis third parties are enhanced, thereby ensuring competitive pricing and stable supply.

The shared services between the Group and Guangdong Rising Holding Group can reduce the administrative costs of our Group in procuring similar services from a wide range of other service providers. This Centralized Procurement Framework Agreement will allow our Group to better leverage the mature infrastructure of Guangdong Rising Holding Group and promote better cooperation between the Group and Guangdong Rising Holding Group. Furthermore, the continuation of shared services will help minimize the risk of disruption to our operations and internal processes.

Pricing policies

The fees payable to Guangdong Rising Holding Group by our Group under the Centralized Procurement Arrangement will be determined on arm’s length basis with reference to the costs of the relevant items as required by our Group with a fixed percentage of costs of such items as service fees to cover overhead and human resources cost. The terms offered to us shall not be less favorable to our Group than the terms offered to us by our independent suppliers for the same or similar type and scope of procurement services.

Historical transaction amounts

The total purchases from Guangdong Rising Holding Group under the Centralized Procurement Arrangement for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 are set forth below:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30,
	(RMB’000)	(RMB’000)	(RMB’000)	2026
				(RMB’000)
Total purchases under the Centralized Procurement Arrangement	7,692	10,859	37,180	16,331

CONNECTED TRANSACTIONS

Annual caps

The following table sets forth the proposed annual caps for the maximum annual amounts of fees payable by our Group to Guangdong Rising Holding Group pursuant to the Centralized Procurement Framework Agreement:

	Year ending December 31,		
	2027	2028	2029
	(RMB in thousands)		
Maximum aggregate annual amount of consideration payable by our Group pursuant to the Centralized Procurement Arrangement	66,250	64,950	69,700

The following factors were considered in arriving at the above annual caps: (i) following the equity transfer of Guangbao Chemical Industry to Guangdong Rising Holding Group (See “History, Development and Corporate Structure — Our Acquisitions, Disposals and Mergers.”), Guangbao Chemical Industry became a connected person of our Company. Historically, we purchased sulphuric acid from Guangbao Chemical Industry for our production of copper but those were classified as intragroup transactions. As Guangbao Chemical Industry is now a connected person of our Company, future procurements of sulphuric acid from Guangbao Chemical Industry will constitute connected transactions; (ii) the expected growth in our operational scale for each of the three years ending December 31, 2028, and our need for expanded production capacity to meet customer delivery demands. We expect increased production and the corresponding increase in the need for sulphuric acid for production purposes; (iii) the historical transaction amounts for and growth trend of the existing arrangements for the centralized procurement arrangement between us and Guangdong Rising Holding Group during the Track Record Period; and (iv) in line with our continuous business expansion, we expect services and other costs measured by the number of employees and business volume will continue to increase.

Listing Rules implications

As the highest applicable percentage ratio for the Centralized Procurement Framework Agreement calculated for the purposes of chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5% on an annual basis, the transaction would constitute a continuing connected transaction that is exempt under Rule 14A.76(2) of the Listing Rules from the independent shareholders’ approval requirements but subject to the reporting, annual review and announcement requirements.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Sales Framework Agreement with Guangdong Rising Holding Group

Principal Terms

On [•], we entered into a sales framework agreement with Guangdong Rising Holding Group (the “**Sales Framework Agreement with Guangdong Rising Holding Group**”), pursuant to which we will sell copper and other by-products (such as sulphur) to Guangdong Rising Holding Group, and Guangdong Rising Holding Group shall pay the purchase price for the products sold in return, consistent with the Sale Arrangement (as defined below) during the Track Record Period.

The initial term of the Sales Framework Agreement will be for a term of 3 years commencing on the [REDACTED]. Subject to compliance with the Listing Rules and applicable laws and regulations, the Sales Framework Agreement with Guangdong Rising Holding Group may be renewed upon mutual consent by the parties.

CONNECTED TRANSACTIONS

Reasons for the transaction

During the Track Record Period, in the usual and ordinary course of business, our Group had sold mining products to Guangdong Rising Holding Group under an arrangement (the “**Sale Arrangement with Guangdong Rising Holding Group**”), which involved the sale of copper and other by-products (such as sulphur) from our Group to the Guangdong Rising Holding Group. Certain subsidiaries within the Guangdong Rising Holding Group, acting as traders of various mineral resources, are responsible for, among other things, arranging for the external sale of mineral resources produced by our Group to external refineries, end-customers or traders. By leveraging the centralized and experienced sales capabilities of Guangdong Rising Holding Group, the Sale Arrangement has enhanced sales coordination within the Guangdong Rising Holding Group, thereby optimizing operational efficiencies and economies of scale, and securing favorable commercial terms.

Pricing policies

The prices payable by Guangdong Rising Holding Group to our Group under the Sales Framework Agreement will be determined on arm’s length basis with reference to (i) the prevailing market price of the mineral resources in international markets such as the Shanghai Future Exchange; and (ii) trading margins on the price of copper based on arm’s length discussion with reference to similar arrangements in the open market.

Historical transaction amounts and historical transaction volume

The sales to Guangdong Rising Holding Group under the sale arrangement for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 are set forth below:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30, 2026
	<i>(RMB in thousands)</i>			
Sales to Guangdong Rising Holding Group under the Sale Arrangement with Guangdong Rising Holding Group	251,155	32,410	6,116	137,376

Annual caps

The following table sets forth the proposed annual caps for the maximum annual amounts payable by Guangdong Rising Holding Group to our Group pursuant to the Sale Framework Agreement with Guangdong Rising Holding Group:

	Year ending December 31,		
	2027	2028	2029
	<i>(RMB in thousands)</i>		
Maximum consideration payable by Guangdong Rising Holding Group under the Sale Framework Agreement with Guangdong Rising Holding Group	285,900	287,900	285,900

The following factors were considered in arriving at the above annual caps: (i) following the equity transfer of Guangbao Chemical Industry to Guangdong Rising Holding Group, Guangbao Chemical Industry became a connected person of our Company. Historically, we sold sulphur

CONNECTED TRANSACTIONS

concentrate to Guangbao Chemical Industry for their production of sulphuric acid but those were classified as intragroup transactions. As Guangbao Chemical Industry is now a connected person of our Company, future sales of sulphur concentrate to Guangbao Chemical Industry will constitute connected transactions; (ii) the expected increase in the demand for sulphur concentrate from Guangbao Chemical Industry due to business needs; (iii) the expected business growth of our Group taking into account the current volume of sales to Guangdong Rising Holding Group as well as the current market prices of our products; (iv) the expected output of our mine; and (v) the estimated demand for by-products by Guangdong Rising Holding Group from us.

Listing Rules Implications

As the highest applicable percentage ratio for the Sales Framework Agreement with Guangdong Rising Holding Group calculated for the purposes of chapter 14A of the Listing Rules is expected to exceed 5%, the Sales Framework Agreement with Guangdong Rising Holding Group will, upon [REDACTED], constitute continuing connected transactions under the Listing Rules subject to reporting, annual review, announcement and independent shareholders’ approval requirements.

INTERNAL CONTROL MEASURES

We have adopted the following internal control and corporate governance measures to ensure that the terms of our transactions with the connected persons are fair and reasonable and not prejudicial to the interests of our Company and the minority Shareholders:

- our Board (including our independent non-executive Directors) will be responsible for reviewing and evaluating the terms of the framework agreements for the continuing connected transactions (including any renewal thereof), in particular the pricing principles and annual caps, to ensure that such terms are fair and reasonable to our Group and compliant with relevant laws and regulations, our Group’s internal policies and the Listing Rules;
- various internal departments of our Company (including but not limited to our finance department and legal department) will regularly monitor the implementation of the continuing connected transactions and keep track of the aggregate transaction amounts under the relevant framework agreements to ensure that the pricing principles and annual caps contained therein are complied with;
- when determining the fees payable by the connected persons to our Group (and vice versa) under the framework agreements, our Group will regularly research into prevailing market conditions and practices and make reference to the pricing and terms offered by our Group to Independent Third Parties for similar transactions, to ensure that the terms and conditions offered to/by the connected persons are fair and reasonable and are no less favorable to our Group than those offered to other comparable Independent Third Parties; and
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

APPLICATION FOR WAIVERS

Our Directors (including our independent non-executive Directors) consider that disclosure of all the non-exempt continuing connected transactions in full compliance with the Listing Rules would be impracticable and would add unnecessary administrative costs to our Group. In addition, our Directors (including the independent non-executive Directors) believe that it is in our Group’s interests to continue these continuing connected transactions after the [REDACTED].

CONNECTED TRANSACTIONS

Pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the partially-exempt and non-exempt continuing connected transactions. In addition, we confirm that we will comply with the Listing Rules in relation to the partially-exempt and non-exempt continuing connected transactions.

As required by the Listing Rules, our independent non-executive Directors shall review the continuing connected transactions annually and confirm in the annual report and accounts of our Company that such transactions have been entered into in our Company’s ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to our Group than those available to, or from, independent third parties, and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, our Company will take immediate steps to ensure compliance with such new requirements within a reasonable time.

Apart from the requirements for announcement, and independent Shareholders’ approval (where applicable), of which waivers are sought above, we will comply at all times with the other applicable provisions under chapter 14A of the Listing Rules in respect of the non-exempt continuing connected transactions.

DIRECTORS’ VIEW

Our Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of business of our Company and on normal commercial terms, and are fair and reasonable and in the interest of our Company and our Shareholders as a whole; and (ii) the proposed monetary caps for the Sales Framework Agreement, the Centralized Procurement Framework Agreement, the Properties Leasing Framework Agreement, the Properties Rental Framework Agreement, and the Financial Services Framework Agreement as described above are fair and reasonable and in the interests of our Shareholders as a whole.

SOLE SPONSOR’S CONFIRMATION

Based on the documentation provided by the Company, the Sole Sponsor’s due diligence and discussions with the Company, the Sole Sponsor is of the view that (i) the continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the proposed monetary caps for the Sales Framework Agreements, the Centralized Procurement Framework Agreement, the Properties Leasing Framework Agreement, the Properties Rental Framework Agreement, and the Financial Services Framework Agreement as described above are fair and reasonable and in the interests of the Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon the [REDACTED], the Board will consist of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of the Company.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility
Mr. Zhong Yong (鍾勇)	56	Executive Director, Chairman of the Board	January 2024	January 2024	Responsible for strategic planning and operational decisions of our Group
Mr. Xiang Jun (向軍)	43	Executive Director and General Manager	December 2024	December 2024	Responsible for overseeing our Group’s business operations
Mr. Huang Zhengzhang (黃正章)	42	Executive Director, Chief Financial Officer and Chairman of the Workers’ Union	December 2024	July 2026	Responsible for overseeing the human resources and financial affairs of our Group
Mr. Tan Guojun (譚國軍)	49	Executive Director and deputy general manager	March 2022	March 2022	Responsible for overall strategic planning and legal compliance of our Group
Mr. Chen Zhizhe (陳之哲)	51	Non-Executive Director	July 2026	July 2026	Responsible for providing guidance on strategic planning, corporate governance and business direction of our Group
Mr. He Xiao (何瀟)	52	Non-Executive Director	July 2026	July 2026	Responsible for providing guidance on strategic planning, corporate governance and business direction of our Group
Ms. Wang Xiaomei (王曉梅)	48	Independent non-executive Director	July 2026	July 2026	Responsible for providing independent opinion and judgment to the Board
Mr. Niu Dazhi (牛大志)	64	Independent non-executive Director	July 2026	July 2026	Responsible for providing independent opinion and judgment to the Board
Dr. Sun Tiemin (孫鐵民)	64	Independent non-executive Director	July 2026	July 2026	Responsible for providing independent opinion and judgment to the Board

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Zhong Yong (鍾勇), aged 56, is our executive Director and chairman of the Board, mainly responsible for overseeing our Company’s overall strategic planning and operational decisions.

Prior to joining our Group, Mr. Zhong served at Shaoguan Smelting Plant of Shenzhen Zhongjin Lingnan Nonferrous Metals Co., Ltd. (深圳市中金嶺南有色金屬股份有限公司) from June 2019 to January 2024, where his last roles were as party secretary and factory director. From January 2018 to June 2019, he served as the general manager and deputy secretary of the party general branch of Shenzhen Zhongjin Lingnan Technology Co., Ltd. (深圳市中金嶺南科技有限公司). From April 2011 to January 2018, he served at Shenzhen Zhongjin Lingnan Nonferrous Metals Co., Ltd., where his last role was as the general manager of the operations management department. From July 1992 to April 2011, he worked at the Shaoguan Smelting Plant of Shenzhen Zhongjin Lingnan Nonferrous Metals Co., Ltd. as assistant engineer, deputy section chief, section chief, branch factory manager and deputy factory director.

Mr. Zhong obtained his bachelor’s degree in nonferrous metal metallurgy from the metallurgy department of Southern Institute of Metallurgy (南方冶金學院) in the PRC in July 1992, and his master’s degree in metallurgical engineering from Central South University (中南大學) in the PRC in October 2004.

Mr. Xiang Jun (向軍), aged 43, is our executive Director and general manager, mainly responsible for overseeing our Group’s business operations.

Prior to joining our Group, Mr. Xiang served as the deputy general manager of the environmental protection and safety department of Guangdong Rising Holdings Group Co., Ltd. (廣東省廣晟控股集團有限公司) from August 2023 to December 2024. From August 2020 to August 2023, he served as a senior supervisor of the environmental protection and safety department of Guangdong Rising Holdings Group Co., Ltd. From June 2019 to August 2020, he served as the head of the mining engineering design department of Guangdong Zhongjin Lingnan Nonferrous Metallurgy Design and Research Co., Ltd. (廣東中金嶺南有色冶金設計研究責任有限公司). From March 2016 to June 2019, he served as the deputy director of the safety department of Fankou Lead-Zinc Mine (凡口鉛鋅礦) of Shenzhen Zhongjin Lingnan Nonferrous Metals Co., Ltd. (深圳市中金嶺南有色金屬股份有限公司). From August 2008 to March 2016, he served as deputy director and director of the dispatch office of the mining workshop at Fankou Lead-Zinc Mine of Shenzhen Zhongjin Lingnan Nonferrous Metals Co., Ltd. (深圳市中金嶺南有色金屬股份有限公司). From July 2006 to August 2008, he worked as a technician and assistant engineer at the mining workshop of Fankou Lead-Zinc Mine of Shenzhen Zhongjin Lingnan Nonferrous Metals Co., Ltd. (深圳市中金嶺南有色金屬股份有限公司).

Mr. Xiang obtained his bachelor’s degree in mining and geotechnical engineering from Central South University (中南大學) in the PRC in July 2006, and his master’s degree in mining engineering from Central South University in the PRC in July 2012.

Mr. Huang Zhengzhang (黃正章), aged 42, is our executive Director, chief financial officer and chairman of the workers’ union, mainly responsible for overseeing the human resources and financial affairs of our Group.

Prior to joining our Group, Mr. Huang served as the deputy director of the office (party committee, board of directors office) of Guangdong Rising Holdings Group Co., Ltd. (廣東省廣晟控股集團有限公司) from August 2023 to December 2024. From August 2020 to August 2023, he served as a senior supervisor of the finance department of Guangdong Rising Holdings Group Co., Ltd. From May 2019 to August 2020, he served as the finance manager of Camel (China) Outdoor Products Co., Ltd. (駱駝(中國)戶外用品有限公司). From March 2018 to January 2019, he served as the finance manager of the finance department of Guangdong Feigou Technology Co., Ltd. (廣東飛購科技有限公司). From January 2017 to June 2017, he served as the deputy director of the financial management department of Guangzhou Radio and Television City Services Group Co., Ltd. (廣州廣

DIRECTORS AND SENIOR MANAGEMENT

電城市服務集團股份有限公司). From July 2004 to December 2016, he worked at the finance department of Guangzhou Shuma Lehua Technology Co., Ltd. (廣州數碼樂華科技有限公司), serving as deputy head of the finance department from January 2013 to December 2016.

Mr. Huang obtained his diploma in computerized accounting from Northwestern Polytechnical University (西北工業大學) in the PRC in July 2004, and his bachelor’s degree in accounting from Chongqing University of Posts and Telecommunications (重慶郵電大學) in the PRC in July 2011.

Mr. Tan Guojun (譚國軍), aged 49, is our executive Director and deputy general manager, mainly responsible for overall strategic planning and legal compliance of our Group.

Mr. Tan served as our director since March 2022. Mr. Tan served as the general manager of the human resources department (party committee organization department) of China Rare Earth Nonferrous Metals Co., Ltd. from June 2025 to July 2026. From April 2021 to June 2025, he served as the general manager of the party-mass work department (trade union office) and human resources department of Guangsheng Nonferrous Metals Co., Ltd. (廣晟有色金屬股份有限公司). From December 2020 to April 2021, he served as the deputy general manager (in charge of departmental work) of the party-mass work department (trade union office) and human resources department of Guangsheng Nonferrous Metals Co., Ltd. From March 2019 to December 2020, he served as the deputy general manager (in charge of departmental work) of the party-mass and personnel department of Guangsheng Nonferrous Metals Co., Ltd. From January 2012 to March 2019, he served as the deputy head of the human resources department and chairman of the trade union of the Organ of Shaoguan Smelting Plant (韶關冶煉廠). From March 2008 to January 2012, he served as the secretary of the Youth League committee of Shaoguan Smelting Plant. From November 2003 to March 2008, he served as a senior supervisor of the party committee work department of Shaoguan Smelting Plant. From April 2000 to November 2003, he served as an organization officer of the party committee work department of Shaoguan Smelting Plant. From July 1997 to April 2000, he worked as a sintering workshop technician and secretary of the youth league branch of Shaoguan Smelting Plant.

Mr. Tan obtained his diploma in nonferrous metal smelting from Zhuzhou Metallurgical Industry School (株洲冶金工業學校) in the PRC in July 1997. He obtained his correspondence diploma in nonferrous metal smelting from Central South University (中南大學) in June 2003, and his bachelor’s degree in administrative management from South China Normal University Online Education College (華南師範大學網絡教育學院) in the PRC in August 2005. He further obtained his Master of Business Administration from Hong Kong Asia Business College (香港亞洲商學院) in Hong Kong in July 2025.

Non-executive Directors

Mr. Chen Zhizhe (陳之哲), aged 51, is our non-executive Director mainly responsible for the Company’s guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Chen has served as the external director (convenor) of Guangdong Rising Nonferrous Metals Group Co., Ltd. (廣東廣晟有色金屬集團有限公司) since May 2024. From December 2023 to May 2024, he held a mid-level deputy rank at Guangdong Rising Holding Group Co., Ltd. From December 2018 to December 2023, he served as a member of the party committee and deputy general manager of Guangdong Rising Property Group Co., Ltd. (廣東省廣晟置業集團有限公司). From May 2017 to December 2018, he served as a member of the party committee and deputy general manager of Guangdong Hongling Group Co., Ltd. (廣東省紅嶺集團有限公司). From June 2015 to May 2017, he held various roles in Guangdong Hongling Group Co., Ltd., including office director, head of environmental protection and safety department, and deputy party branch secretary. From July 2014 to June 2015, he served as the office director of Guangdong Hongling Group Co., Ltd. From July 2013 to July 2014, he served as assistant general manager and head of human resources department of Shenzhen Changcheng Huihua Group Co., Ltd. (深圳市長城惠華集團有限公司). From July 2009 to July 2013, he served as head of human resources department of Shenzhen

DIRECTORS AND SENIOR MANAGEMENT

Changcheng Huihua Group Co., Ltd. From May 2008 to July 2009, he served as head of human resources department and board secretary of Shenzhen Changcheng Huihua Group Co., Ltd. From March 2008 to May 2008, he served as head of party-mass and personnel department and board secretary of Shenzhen Changcheng Huihua Group Co., Ltd. From January 2006 to March 2008, he served as deputy head of party-mass and personnel department and board secretary of Shenzhen Changcheng Huihua Group Co., Ltd. From March 2005 to January 2006, he served as senior supervisor of party-mass and personnel department and board secretary of Shenzhen Changcheng Huihua Group Co., Ltd. From April 2004 to March 2005, he served as senior supervisor of the general office of Shenzhen Changcheng Huihua Group Co., Ltd. From December 2003 to April 2004, he worked at the general office of Shenzhen Changcheng Huihua Group Co., Ltd. (probation period). From July 1999 to December 2003, he served as a clerk at the Dashan Town government and the Fenghuang Town government in Chao'an County, Chaozhou City, Guangdong Province (廣東省潮州市潮安縣大山鎮政府、鳳凰鎮政府). From October 1997 to July 1999, he worked at the agricultural technology station of Dashan Town.

Mr. Chen obtained his junior college diploma in veterinary medicine from Foshan University of Science and Technology (佛山科學技術學院) in the PRC in June 1997, and his bachelor's diploma in accounting from Central Radio and Television University (中央廣播電視大學) in the PRC in July 2006.

Mr. He Xiao (何瀟), aged 52, is our non-executive Director mainly responsible for the Company's guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. He has been serving as the director of the strategic development department of China Rare Earth Nonferrous Metals (formerly known as Guangsheng Nonferrous Metals Co., Ltd. (廣晟有色金屬股份有限公司)) since July 2025. From January 2022 to July 2025, he served as the general manager of the science and technology department of Guangsheng Nonferrous Metals Co., Ltd. From March 2021 to January 2022, he served as the chief engineer (departmental principal position) of the minerals and science and technology department of Guangsheng Nonferrous Metals Co., Ltd. From March 2020 to March 2021, he served as the general manager of the science and technology department of Guangsheng Nonferrous Metals Co., Ltd. From May 2019 to March 2020, he served as chairman, legal representative and general manager of Guangdong Guangsheng Zhiwei Rare Earth Materials Co., Ltd. (廣東廣晟智威稀土材料有限公司). From March 2017 to May 2019, he served as the general manager of the investment development department of Guangsheng Nonferrous Metals Co., Ltd. From December 2014 to March 2017, he served as the deputy chief engineer and deputy general manager (with departmental general manager treatment) of the investment development department of Guangsheng Nonferrous Metals Co., Ltd. From October 2009 to December 2014, he served as the deputy director of the science and technology and investment planning department of Guangsheng Nonferrous Metals Co., Ltd. From June 2008 to October 2009, he served as a supervisor of the investment planning department of Guangdong Rising Nonferrous Metals Group Co., Ltd. (廣東廣晟有色金屬集團有限公司). Prior to joining Guangdong Rising Nonferrous Metals Group Co., Ltd., he worked at Factory 723 of China Nonferrous Metals Industry Guangzhou Company (Conghua Tantalum-Niobium Smelting Plant) (中國有色金屬工業廣州公司723廠(從化鉬鈮冶煉廠)), serving as assistant engineer, deputy director of the second workshop, engineer, and deputy head of the technical quality department.

Mr. He obtained his bachelor's degree in nonferrous metal metallurgy from Central South University of Technology (中南工業大學) in the PRC in July 1996.

Independent Non-executive Directors

Ms. Wang Xiaomei (王曉梅), aged 48, is our independent non-executive Director mainly responsible for providing independent opinion and judgment to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wang has been the senior partner of Guangzhou Ruifeng Consulting Co., Ltd. (廣州睿鋒諮詢有限公司) since February 2019. From April 2016 to September 2018, she served as the chief financial officer of Guangzhou Kulv Travel Agency Co., Ltd. (廣州酷旅旅行社有限公司). From July 2000 to March 2016, she worked at KPMG Huazhen LLP Guangzhou Branch (畢馬威華振會計師事務所(特殊普通合伙)廣州分所), where she served as an audit partner.

Ms. Wang has been an independent non-executive director of Jumaojiu International Holdings Limited (九毛九國際控股有限公司), a company listed on the Stock Exchange (stock code: 9922) since June 2024. Ms. Wang has also served as an independent director of Liberty Insurance Limited (利寶保險有限公司) since August 2025.

Ms. Wang obtained her bachelor’s degree in economics (major in international finance) from Guangdong University of Foreign Studies (廣東外語外貿大學) in the PRC in June 2000. Ms. Wang is a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) and a member of the Association of Chartered Certified Accountants. Ms. Wang has also obtained the independent director qualification from the Shanghai Stock Exchange.

Mr. Niu Dazhi (牛大志), aged 64, is our independent non-executive Director mainly responsible for providing independent opinion and judgment to the Board.

Mr. Niu has over 35 years of experience in corporate legal affairs. From July 2017 to January 2022, he served as the general legal counsel and general manager of the legal department of China Copper Co., Ltd. (中國銅業有限公司), and concurrently as the general legal counsel and head of the legal department of Yunnan Copper Industry Co., Ltd. (雲南銅業股份有限公司). From April 2015 to July 2017, he served as the general legal counsel and head of the legal department of Yunnan Copper Industry (Group) Co., Ltd. (雲南銅業(集團)有限公司), and concurrently as the general legal counsel of Northeast Light Alloy Co., Ltd. (東北輕合金有限責任公司). From February 2013 to April 2015, he served as director, member of the party committee, inspector and general legal counsel of Northeast Light Alloy Co., Ltd., and concurrently as the legal counsel to Harbin Municipal State-owned Assets Supervision and Administration Commission (哈爾濱市國資委) from May 2013 to May 2015. From November 2007 to February 2013, he served as director, member of the party committee, chairman of the trade union and general legal counsel of Northeast Light Alloy Co., Ltd. From December 2002 to November 2007, he served as assistant to the general manager of Northeast Light Alloy Co., Ltd., and concurrently held various positions including head of the general manager’s office, party branch secretary of the administrative organs and head of the audit department.

From November 1999 to December 2002, he served as the head of the general manager’s office, secretary of the party committee of Northeast Light Alloy Co., Ltd. From April 1998 to October 1999, he served as deputy head of the general manager office and concurrently head of the legal counsel’s office of Northeast Light Alloy Co., Ltd. From January 1990 to April 1998, he served as legal counsel, deputy head and head of the legal counsel office of Northeast Light Alloy Processing Plant (東北輕合金加工廠). From December 1983 to January 1990, he worked at the public security department of Northeast Light Alloy Processing Plant as a party branch officer and police officer.

Mr. Niu obtained his diploma in law from Heilongjiang Radio and Television University (黑龍江廣播電視大學) in the PRC in July 1988, and his degree in law from Heilongjiang Provincial Party School (黑龍江省委黨校) in the PRC in January 2001.

Dr. Sun Tiemin (孫铁民), aged 64, is our independent non-executive Director mainly responsible for providing independent opinion and judgment to the Board.

Dr. Sun also has extensive international mining investment management and capital market experience. Since February 2023, he has served as a director of Arcland Resources Inc. (加拿大ADR公司), a company listed on TSX Venture Exchange (stock code: TSXV: ADR). Since July 2011, he has been serving as a director of Minco Silver Corporation (明科銀礦公司), a company listed on the Toronto Stock Exchange (stock code: TSX: MSV). From April 2014 to January 2021, he served as an

DIRECTORS AND SENIOR MANAGEMENT

independent non-executive director of Hengxing Gold Holding Company Limited (恆興黃金控股有限公司), a company previously listed on the Stock Exchange. From December 2011 to July 2014, he served as chairman and non-executive director of FeOre Limited (蒙古鐵礦有限公司), a company listed on the Australian Securities Exchange (stock code: ASX: FEO). From March 2010 to May 2011, he served as a director of Norton Gold Fields Limited, a company previously listed on the Australian Securities Exchange (stock code: ASX: NGF).

Dr. Sun obtained his bachelor’s degree in mineral processing engineering from Northeastern University (東北大學) in the PRC in June 1982, his master’s degree in mineral processing engineering from Beijing General Research Institute of Mining and Metallurgy (北京礦冶研究總院) in the PRC in October 1985, and his Ph.D. from Queen’s University (皇后大學), Kingston, Canada in October 1993.

SENIOR MANAGEMENT

The following table sets forth certain information regarding our senior management.

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a senior manager	Roles and responsibilities
Mr. Xiang Jun (向軍)	43	Executive Director and general manager	December 2024	July 2026	Responsible for overseeing the Group’s business operations
Mr. Huang Zhengzhang (黃正章)	42	Executive Director, chief financial officer and chairman of the workers’ union	December 2024	July 2026	Responsible for overseeing the human resources and financial affairs of our Group
Mr. Tan Guojun (譚國軍)	49	Executive Director and deputy general manager	March 2022	July 2026	Responsible for overall strategic planning and legal compliance of the Group
Mr. Chen Jianbing (陳建兵)	55	Deputy general manager	October 1995	July 2026	Responsible for resource conservation and environmental protection matters
Mr. Liang Jiguan (梁繼官)	48	Deputy general manager and Board secretary	July 2000	July 2026	Responsible for sales, procurement and asset management matters as well as coordinating Board affairs
Mr. Chen Guangmu (陳光木)	44	Deputy general manager	July 2004	July 2026	Responsible for safety, production, technology and resource expansion management matters

Mr. Xiang Jun (向軍) is our general manager. For details of his biography, see “— Board of Directors” in this section.

Mr. Huang Zhengzhang (黃正章) is our chief financial officer and Chairman of the Workers’ Union. For details of his biography, see “— Board of Directors” in this section.

Mr. Tan Guojun (譚國軍), is our deputy general manager. For details of his biography, see “— Board of Directors” in this section.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen Jianbing (陳建兵), aged 55, is our deputy general manager, mainly responsible for resource conservation and environmental protection matters.

Since January 2024, Mr. Chen has been serving as our deputy general manager. From November 2020 to January 2024, he served as assistant to the general manager and head of the mineral and real estate resource management department of Guangdong Dabaoshan Mining Co. Ltd. From April 2020 to November 2020, he served as the head of the party-masses and the human resources department of Guangdong Dabaoshan Mining Co. Ltd. From April 2018 to April 2020, he served as the deputy chairman of the trade union and head of the party committee work department of Guangdong Dabaoshan Mining Co. Ltd. From March 2015 to April 2018, he served as the deputy head of the mineral processing department, and deputy secretary and secretary of the party committee of Guangdong Dabaoshan Mining Co. Ltd. From May 2009 to March 2015, he served as principal staff member and deputy head of the planning and development office of Guangdong Dabaoshan Mining Co. Ltd. From May 1999 to May 2009, he worked as a technician and deputy director at the copper division of Guangdong Dabaoshan Mining Co. Ltd. From October 1995 to April 1999, he worked as a technician at the iron ore division of Guangdong Dabaoshan Mining Co. Ltd.

Mr. Chen obtained his diploma in mechatronics from Zhuzhou Institute of Technology (株洲工學院) in the PRC in June 1996, and his bachelor's degree in business administration via distance learning from School of Online Education, South China University of Technology (華南理工大學網絡教育學院) in the PRC in July 2006.

Mr. Liang Jiguan (梁繼官), aged 48, is our deputy general manager and Board secretary, mainly responsible for sales, procurement and asset management matters as well as coordinating Board affairs.

Since January 2024, Mr. Liang has been serving as our deputy general manager and Board secretary. From December 2022 to January 2024, he served as Board secretary and head of the company office of Guangdong Dabaoshan Mining Co. Ltd. From September 2021 to December 2022, he served as Board secretary and head of the general management department of Guangdong Dabaoshan Mining Co. Ltd. From April 2020 to September 2021, he served as head of the general management department of Guangdong Dabaoshan Mining Co. Ltd. From August 2005 to April 2020, he worked in the human resources department of Guangdong Dabaoshan Mining Co. Ltd, serving various roles including deputy staff member, staff member, deputy head and head of the department. From September 2004 to August 2005, he worked as a level one staff member in the youth league committee of the party and mass work department of Guangdong Dabaoshan Mining Co. Ltd. From July 2000 to September 2004, he worked as a geological technician and assistant geological engineer at the geological survey division of Guangdong Dabaoshan Mining Co. Ltd.

Mr. Liang obtained his diploma in mining geology from Changchun Engineering College (長春工程學院) in the PRC in June 2000, and his bachelor's degree in business administration via distance learning from School of Online Education, South China University of Technology (華南理工大學網絡教育學院) in the PRC in July 2008.

Mr. Chen Guangmu (陳光木), aged 44, is our deputy general manager, mainly responsible for safety, production, technology and resource expansion management matters.

Since January 2024, Mr. Chen has been serving as our deputy general manager. From April 2022 to January 2024, he served as deputy chief engineer of mining and head of the mining department of Guangdong Dabaoshan Mining Co. Ltd. From February 2022 to April 2022, he served as head of the mining department of Guangdong Dabaoshan Mining Co. Ltd. From August 2017 to February 2022, he served as deputy head and subsequently head of the production technology department of Guangdong Dabaoshan Mining Co. Ltd. From March 2015 to August 2017, he served as assistant to the deputy head of the mining department of Guangdong Dabaoshan Mining Co. Ltd. From November 2006 to March 2015, he worked at Fandong Copper Mine of

DIRECTORS AND SENIOR MANAGEMENT

Guangdong Dabaoshan Mining Co. Ltd, serving in various roles including technician, deputy director and assistant to manager. From July 2004 to November 2004, he worked as a technician at the copper division of Guangdong Dabaoshan Mining Co. Ltd.

Mr. Chen obtained his bachelor’s degree in mineral resources engineering from Guangxi University (廣西大學) in the PRC in June 2004.

Save as disclosed above, each of our Directors and senior management members confirms with respect to himself or herself that (1) he or she had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and (3) there are no other matters concerning our Directors’ appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. Liang Jiguan (梁繼官) was appointed as a joint company secretary of our Company in July 2026. For details of his biography, please refer to “— Senior Management” in this section.

Ms. Huang Jiawen (黃佳雯) was appointed as one of our joint company secretaries in July 2026, with effect from [REDACTED].

Ms. Huang has approximately 4 years of experience in the fields of company secretarial practice and corporate governance. She has extensive experience in listed company compliance, board and committee support, as well as a wide range of regulatory and corporate governance matters. She is currently employed by Computershare Hong Kong Investor Services Limited (“**Computershare**”).

Ms. Huang obtained the Master of Science in Corporate Governance and Compliance from Hong Kong Baptist University in November 2023. She is an Associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

The Company has established four committees under the Board of Directors, namely the Audit Committee, the Remuneration and Performance Assessment Committee, the Nomination Committee and the Strategy and Investment Decision Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Ms. Wang Xiaomei, Mr. Chen Zhizhe and Mr. Niu Dazhi, with Ms. Wang Xiaomei currently serving as the chairperson. Ms. Wang Xiaomei has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Performance Assessment Committee

The Remuneration and Performance Assessment Committee consists of three Directors, namely Mr. Niu Dazhi, Mr. Huang Zhengzhang and Dr. Sun Tiemin, with Mr. Niu Dazhi currently serving as the chairperson. The Remuneration and Performance Assessment Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our

DIRECTORS AND SENIOR MANAGEMENT

Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Ms. Wang Xiaomei, Mr. Xiang Jun and Mr. Niu Dazhi, with Ms. Wang Xiaomei currently serving as the chairperson. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Strategy and Investment Decision Committee

The Strategy and Investment Decision Committee consists of three Directors, namely Mr. Zhong Yong, Mr. He Xiao and Mr. Tan Guojun, with Mr. Zhong Yong currently serving as the chairperson. The Strategy and Investment Decision Committee is mainly responsible for making recommendations to our Board on the long-term strategy and major investments of our Company and has the terms of reference in compliance with the relevant laws and regulations of the PRC.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

Our Board has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will select potential Board candidates based on merit and their potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of knowledge, skills and experience. They completed studies in various majors including but without limitation to non-ferrous metallurgy, accounting, mineral processing, applied chemistry and construction engineering. We have three independent non-executive Directors who have different industry backgrounds. Furthermore, our Directors are of a wide range of age, from 42 to 64 years old. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of nine Board members, we consider that the composition of our Board satisfies our board diversity policy.

The Nomination Committee is responsible for reviewing the diversity of the Board of Directors. After [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group so as to achieve effective accountability.

DIRECTORS AND SENIOR MANAGEMENT

Our Company has adopted the code provisions stated in the Corporate Governance Code. Our Company is committed to the view that the Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of the Company are determined by the Shareholders’ meetings and the Board of Directors as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the Company, the Shareholders’ meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

The Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to the Directors for the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, were RMB3.45 million, RMB4.36 million, RMB4.30 million and RMB1.09 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) payable to the five highest paid individuals, excluding Directors and chief executive, for the three years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, were RMB2.72 million, RMB2.61 million, RMB2.75 million and RMB0.89 million, respectively.

It is estimated that remuneration equivalent to approximately RMB4.20 million in aggregate will be paid to the Directors by the Company for the year ending December 31, 2026, based on the arrangements in force as of the date of this document. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

The Company appointed Lego Corporate Finance Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise the Company in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;

DIRECTORS AND SENIOR MANAGEMENT

- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where the Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the [REDACTED] or [REDACTED] of the H Shares, the possible development of a false market in the H Shares or any other matters.

The terms of the appointment of the compliance advisor will commence on the [REDACTED] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on August 18, 2026; and (2) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his/her appointment.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the following persons will have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of any class of shares of our Company or any other member of our Group:

Name of Substantial Shareholders	Type of Shares	Nature of Interest	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
			Number of Shares	Approximate percentage in the total registered share capital of the Company	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Approximate percentage in the total registered share capital of the Company
Guangdong Rising Holdings	H Shares	Beneficial Interest	—	—	[REDACTED]	[REDACTED]	[REDACTED]
Guangdong Rising Holdings	Unlisted Shares	Beneficial Interest	510,000,000	60%	[REDACTED]	[REDACTED]	[REDACTED]
China Rare Earth Nonferrous Metals	H Shares	Beneficial Interest	—	—	[REDACTED]	[REDACTED]	[REDACTED]
China Rare Earth Nonferrous Metals	Unlisted Shares	Beneficial Interest	340,000,000	40%	[REDACTED]	[REDACTED]	[REDACTED]

Except as disclosed above, our Directors are not aware of any other person who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of any class of shares of our Company or any other member of our Group.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

Share capital immediately before the [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB850,000,000, consisting of 850,000,000 Shares, with a nominal value of RMB1.00 each.

Share capital immediately following the completion of the [REDACTED]

Immediately after the [REDACTED] and Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate % of the enlarged issued share capital after the [REDACTED]
Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100%

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately following the [REDACTED] and Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of shares	Approximate % of the enlarged issued share capital after the [REDACTED]
Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100%

Our Shares

Upon completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares.

Our H Shares may only be [REDACTED] and [REDACTED] in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be [REDACTED] and [REDACTED] in RMB. Apart from certain qualified domestic institutional [REDACTED] in the PRC, through Shanghai-Hong Kong Stock Connect, or through Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, our H Shares generally cannot be [REDACTED] by or [REDACTED] between legal or natural persons of the PRC. Our Unlisted Shares, on the other hand, can be purchased or transferred between legal or natural persons of the PRC, qualified foreign institutional [REDACTED] and qualified foreign strategic [REDACTED].

SHARE CAPITAL

We shall pay all dividends in respect of H Shares in Hong Kong dollars and all dividends in respect of Unlisted Shares in RMB. See “Appendix IV — Summary of the Articles of Association” for details of the circumstances under which general meetings of our Company are required. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Unlisted Shares, dividends in the form of Shares will be distributed in the form of additional Unlisted Shares.

The [REDACTED] will rank *pari passu* in all respects with all Shares currently in issue or to be issued as mentioned in this Document and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this Document.

CONVERSION OF UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Hong Kong Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Filing with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share [REDACTED] companies which apply for the conversion of unlisted shares into [REDACTED] shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange shall file with the CSRC by filing materials on key compliance issues. An unlisted domestic joint stock company may apply for “full circulation” when applying for an overseas initial public offering.

We applied for a “[REDACTED]” filing when filing with the CSRC for an overseas [REDACTED] on [•], and submitted the filing reports, authorization documents of the shareholders of Unlisted Shares which applied for the [REDACTED]-share “[REDACTED]”, undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

We have received the filing notice from the CSRC dated [•] in relation to the overseas listing and “full circulation”, pursuant to which certain Shareholders (“[REDACTED] Shareholders”) could convert [REDACTED] Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [REDACTED].

[REDACTED] by the Hong Kong Stock Exchange

We have applied to the [REDACTED] of the Hong Kong Stock Exchange for the granting of [REDACTED], and [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED], and the [REDACTED] Shares to be converted from [REDACTED] Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into [REDACTED] Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our [REDACTED] regarding relevant [REDACTED]; and (2) enabling the converted [REDACTED] Shares to be accepted as [REDACTED] by HKSCC for [REDACTED], [REDACTED] and [REDACTED] in the CCASS.

This mandate only relates to repurchases on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, and in accordance with all applicable laws and the requirements under the Listing Rules or equivalent rules or regulations of any other stock exchange as amended from time to time.

SHARE CAPITAL

Domestic Procedures

The [REDACTED] Shareholders may only [REDACTED] the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and [REDACTED]:

- i. We will appoint CSDCC as the nominal holder to deposit the relevant securities at CSDCC (Hong Kong), which will then deposit the securities at [REDACTED] in its own name. CSDCC, as the nominal holder of the [REDACTED] Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted [REDACTED] Shares for the [REDACTED] Shareholders;
- ii. We will engage a domestic securities company (“**Domestic Securities Company**”) to provide services such as sending orders for trading of the converted [REDACTED] Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company (“**Hong Kong Securities Company**”) for settlement of share transactions. We will make an application to CSDCC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted [REDACTED] Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDCC, Shenzhen Branch as authorized by Shenzhen Stock Exchange (“**SZSE**”);
- iii. The SZSE shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and transaction returns in respect of the converted [REDACTED] Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the [REDACTED] Shares;
- iv. According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), where [REDACTED]-share “[REDACTED]” is involved, the Domestic Securities Company shall, on a transaction-by-transaction basis, submit information on cross-border receipts and payments, business reference numbers and other registration information to CSDCC or the account-opening bank of CSDCC’s dedicated foreign exchange account for H-share “Full Circulation”. CSDCC shall, with the assistance of the account-opening bank, complete the centralized reporting of cross-border receipts and payments data and data restoration information for the [REDACTED]-share “[REDACTED]” business; and
- v. The [REDACTED] Shareholders shall submit [REDACTED] orders of the converted [REDACTED] Shares through the Domestic Securities Company. [REDACTED] orders of the [REDACTED] Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDCC (Hong Kong), CSDCC (Hong Kong) and CSDCC, CSDCC and the Domestic Securities Company, and the Domestic Securities Company and the [REDACTED] Shareholders, will all be conducted separately.

LOCK-UP PERIODS

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares [REDACTED] by the Company prior to the [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

SHARE CAPITAL

The Company will work with the Domestic Securities Company to be engaged by the Company to restrict the [REDACTED] of the [REDACTED] Shares converted from unlisted Shares technically within one year after the [REDACTED]. In the unlikely event that any [REDACTED] Shareholders [REDACTED] their [REDACTED] Shares during such restriction period, as advised by the PRC Legal Advisor there will be no administrative penalty on the Company under the PRC laws and regulations but there is risk that the underlying agreement for the transfer of such [REDACTED] Shares may be declared void pursuant to the Civil Code of the People’s Republic of China.

Our Directors and members of senior management shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant business rules of CSDCC and H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDCC.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders increase its capital or decrease its capital. See “Appendix IV — Summary of the Articles of Association” in this Document for further details.

FINANCIAL INFORMATION

You should read the following discussion and analysis with our audited consolidated financial information as of and for the Track Record Period, including the notes thereto, included in the Accountants’ Report in Appendix I to this Document (“Historical Financial Information”). The consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

Potential [REDACTED] should read the whole Historical Financial Information and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Past performance is no guarantee of future results. In evaluating our business, you should carefully consider the information provided in this Document, including, but not limited to, the sections headed “Risk Factors” and “Business.”

For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to the years ended December 31 of each of 2023, 2024 and 2025. In addition, the following discussion and analysis contains certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them, and all monetary amounts and percentages shown are approximate amounts only.

OVERVIEW

We are a leading polymetallic mining company in South China principally engaged in the exploration, mining, ore processing, comprehensive utilization and sale of copper, sulphur and other multi-metal mineral resources. Our sole mining asset is the Dabaoshan Mine, a large-scale open-pit polymetallic mine located in Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province, the PRC, which was formally commissioned in 1966. We operate the largest open-pit mine and the largest dedicated copper-sulphur processing facilities in South China, with an approved mining scale of 3.30 Mt/a supported by a dedicated copper-sulphur concentrator with a processing capacity of 3.6 Mt/a. According to Frost & Sullivan, we ranked first in South China among copper concentrate producers and third nationally among sulphur concentrate producers in 2025.

We have an integrated business operation chain encompassing geological exploration, open-pit mining, ore processing and beneficiation, the sale of mineral products and environmental protection. Our principal products comprise copper concentrates, sulphur concentrates and magnetic sulphur concentrates, and we also sell low-grade ore and other ancillary products. During the Track Record Period, our customers consisted of downstream smelters, chemical producers and trading partners located primarily in Guangdong, Guangxi, Hunan, Yunnan and Guizhou provinces, and all of our revenue was generated in the PRC.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our total revenue was RMB1,596.1 million, RMB1,847.6 million, RMB2,193.3 million, RMB1,038.8 million and RMB1,852.2 million, respectively. Gross profit was RMB703.9 million, RMB937.5 million, RMB1,273.0 million, RMB560.2 million and RMB1,297.1 million for the same periods, with a gross profit margin of 44.1%, 50.7%, 58.0%, 53.9% and 70.0%, respectively. Our profit for the year/period was RMB348.0 million, RMB500.6 million, RMB848.9 million, RMB374.8 million and RMB975.6 million for the same periods, and net profit margin was 21.8%, 27.1%, 38.7%, 36.1% and 52.7%, respectively. Such growth was primarily driven by higher selling prices of our copper and sulphur concentrates against a relatively stable cost base.

FINANCIAL INFORMATION

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). For the purpose of preparing and presenting the historical financial information for the Track Record Period, we have consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting periods beginning on or after January 1, 2026, throughout the Track Record Period. The historical financial information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

All intra-group transactions and balances have been eliminated on consolidation.

Going Concern

Our Directors have, at the time of approving the financial statements, a reasonable expectation that our Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Possible Impact of Amendments, New Standards and Interpretations Issued but Not Yet Effective for the Track Record Period

Our Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. Our Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements¹</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency¹</i>
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities²</i>
Amendments to IAS 28	<i>Fair Value Option for Investments in Associates and Joint Ventures¹</i>

Notes:

¹ Effective for annual periods beginning on or after January 1, 2027

² Effective for annual periods beginning on or after January 1, 2029

³ No mandatory effective date yet determined but available for adoption

Our Group is in the process of making a detailed assessment of the impact of these new and amended IFRS Accounting Standards upon [REDACTED]. So far, our Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are unlikely to have a significant impact on our Group’s financial performance and financial position in the period of [REDACTED]. The application of IFRS 18 is not expected to have material impact on the consolidated statements of financial position but is expected to affect the presentation of the consolidated statements of profit or loss, consolidated statements of comprehensive income and the consolidated statements of cash flows and disclosures in the future financial information. Our Group will continue to assess the impact of IFRS 18 on our Group’s financial information.

FINANCIAL INFORMATION

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Set forth below are certain key factors which have historically affected our results of operations and may continue to impact our results in the future.

Copper and Sulphur Prices and Demand in End Markets

During the Track Record Period, a substantial portion of our revenue was derived from the sale of copper concentrates, sulphur concentrates and magnetic sulphur concentrates. Our revenue derived from sales of copper concentrates was 52.0%, 50.3%, 43.0%, 46.7% and 40.4% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our revenue derived from sales of sulphur concentrates and magnetic sulphur concentrates was 29.9%, 34.0%, 40.6%, 39.5% and 45.9% for the same periods. As such, fluctuations in copper price and sulphur concentrates price directly affect our results of operations.

The market price of copper is largely subject to market forces, in particular, the supply and demand for such products. We generally sell our copper concentrates to non-ferrous metal traders and smelters in China. For daily sales of copper concentrates, we reference copper prices quoted on the Shanghai Futures Exchange, which closely follows international copper prices, and apply a three-month pricing mechanism, with adjustments made based on product quality specifications. The international price of copper is affected by numerous factors over which we have no control, such as, for example, general supply of and demand for copper, macroeconomic factors such as inflation and interest rates, geopolitical conflicts, new energy vehicle development, and speculative trading activity.

The market price of sulphur concentrates is primarily driven by domestic demand from the chemical and fertilizer industries in China, as sulphur is a key raw material for the production of sulphuric acid. Sulphuric acid is also increasingly used in new energy materials, including lithium-ion battery intermediates. In 2024, the increase in sulphur prices was driven in part by a sharp reduction in Russian supply, with Russian exports declining from 3.9 million tonnes to 1.04 million tonnes, and the rapid growth of China’s new energy industry, including lithium iron phosphate production growth of over 100%. In 2025, sulphur prices continued to rise significantly. In addition to sustained growth in demand from the new energy sector, geopolitical tensions in the Middle East led to a rise in crude oil prices. As sulphur is primarily recovered as a byproduct of petroleum refining and natural gas processing, higher oil prices and associated supply disruptions contributed to tightening sulphur supply conditions and upward pressure on sulphur prices. In addition, the escalation of the U.S.-Iran conflict in early 2026 disrupted crude oil refining and natural gas processing activities in key Middle Eastern producing regions and led to the effective closure of the Strait of Hormuz, further tightening global sulphur supply and exerting additional upward pressure on sulphur prices. Fluctuations in demand from downstream industries, changes in environmental regulations affecting sulphur-related production, and the availability of imported sulphur all contribute to price volatility.

Production Volume

Our results of operations are dependent on our production volume of copper and sulphur concentrates. Our current designed mining capacity is 3.30 Mt/a. We plan to expand our total mining and processing capacity to 6.60 Mt/a. Our production volume is influenced by several factors, including the capacity and efficiency of our processing operations, the ore grade, mining conditions, and labor and third-party contractors. The copper grade of processed ore declined from 0.47% in 2023 to 0.46% in 2024 and remained at 0.46% in 2025, before declining to 0.43% in the six months ended June 30, 2026. Accordingly, the decrease in copper production volume despite relatively stable processed ore volumes was primarily due to a decline in the average feed grade, as the Company increased the proportion of low-grade copper ore in its ore blending to enhance resource utilization efficiency.

FINANCIAL INFORMATION

Actual production volume may vary from our production plan, which may cause our actual results of operations to vary from our projected results. This is due to a variety of reasons, including actual ores mined varying from estimates in grade, tonnage, metallurgical and other characteristics, decreases in metal prices which may cause reserves that are currently economical to become uneconomical, and natural phenomena such as weather conditions, floods, and rock falls, many of which are beyond our control.

Cost of Sales and Recovery Rate

Our cost of sales primarily comprises raw materials and consumables expenses, employee benefit expenses, depreciation and amortization costs, utilities and fuel expenses, and safety and environmental protection expenses. Raw materials and consumables expenses primarily consist of outsourcing fees paid to the third-party contractor engaged for mining activities, such as drilling, blasting, loading and hauling mined material to the designated delivery points, and consumables used in mineral processing, including steel balls, reagents, lime, and processing machinery parts and accessories. Depreciation and amortization costs are related to the depreciation of property, plant and equipment, right-of-use assets and the amortization of intangible assets (principally mining rights). Employee benefit expenses refer to the salaries and benefits paid to personnel involved in our production activities. Raw materials and consumables represented the largest component of our cost of sales, which represented 31.6%, 25.8%, 30.3%, 26.5% and 31.9% of our total cost of sales for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our processing efficiency is also measured by recovery rate, and a lower recovery rate would result in increased cost of sales per unit.

Expansion and Capital Expenditure

The mining industry is capital-intensive, requiring substantial investment in equipment, land, and compliance with stringent safety and environmental regulations. To maintain and expand production of our mine, we continue to invest in construction and processing equipment to renovate and improve our processing facilities. We invest in advanced technology to enhance operational efficiency, safety, and environmental sustainability. Our capital expenditure during the Track Record Period primarily included (i) purchase of property, plant and equipment, (ii) purchase of intangible assets, and (iii) prepayment of right-of-use assets. The total capital expenditure amounted to RMB132.0 million, RMB135.3 million, RMB155.6 million, RMB96.3 million and RMB82.5 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The costs associated with our capital expenditure plans could have a significant impact on our financial condition and results of operations. See “— Capital Expenditure” for a breakdown of our total capital expenditure during the Track Record Period.

Government Policies and Regulations

The central, provincial and local authorities of the PRC exercise a substantial degree of control over the mining industry within their territories. Our operations are subject to a range of national laws, regulations, policies, standards and requirements, particularly concerning exploration, mining, production, taxation, labor standards, occupational health and safety, waste treatment, environmental protection and operational management. While we believe we can renew our licenses and permits in due course, any inability to do so for any reason could materially and adversely affect our business and results of operations. In addition, changes in government policies and regulations, including tax incentives and environmental protection requirements, may have an impact on our Group. In particular, the Company was qualified as a High and New Technology Enterprise, which entitles it to a preferential enterprise income tax rate of 15% (as compared to the standard rate of 25%). Any changes to such qualification or the preferential tax policy could increase our effective tax rate and adversely affect our profitability.

FINANCIAL INFORMATION

SEASONALITY

Our business is generally not subject to seasonal fluctuations. Based on our past practice, our mining operations may be impacted by the rainy season, which generally occurs in the second quarter of the year, when continuous rainfall may impede heavy machinery and equipment from accessing our orebodies. However, taking into account such factors, we stockpile ore in advance of the rainy season to maintain a stable feed to our processing plant, and our production volume has therefore not been materially affected.

SENSITIVITY ANALYSIS

The following sensitivity analysis illustrates the impact of hypothetical fluctuations on our profit before tax by fluctuation of price of copper concentrate and sulphur concentrate, respectively.

Impact on profit before tax by fluctuation of copper concentrates price

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
	<i>(RMB in thousands)</i>				
± 1%	± 8,001	± 8,968	± 9,096	± 4,676	± 7,211
± 5%	± 40,007	± 44,842	± 45,482	± 23,381	± 36,057
± 10%	± 80,014	± 89,684	± 90,964	± 46,762	± 72,114

Impact on profit before tax by fluctuation of sulphur concentrates price

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
	<i>(RMB in thousands)</i>				
± 1%	± 4,203	± 5,673	± 8,013	± 3,644	± 7,635
± 5%	± 21,016	± 28,366	± 40,066	± 18,221	± 38,174
± 10%	± 42,033	± 56,732	± 80,132	± 36,441	± 76,348

MATERIAL ACCOUNTING POLICY INFORMATION, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See Note 3 to the Accountants’ Report in Appendix I to this Document for details.

For a discussion of the material accounting policies, which are important for understanding our financial condition and results of operations, see the Accountants’ Report in Appendix I to this Document, particularly note 2.3 thereto.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>						<i>(unaudited)</i>		<i>(unaudited)</i>	
Revenue	1,596,102	100.0	1,847,557	100.0	2,193,250	100.0	1,038,760	100.0	1,852,190	100.0
Cost of sales	(892,215)	(55.9)	(910,011)	(49.3)	(920,299)	(42.0)	(478,563)	(46.1)	(555,119)	(30.0)
Gross profit	703,887	44.1	937,546	50.7	1,272,951	58.0	560,197	53.9	1,297,071	70.0
Other income and gains	14,777	0.9	12,512	0.7	41,797	1.9	11,204	1.1	12,706	0.7
Selling expenses	(13,982)	(0.9)	(14,072)	(0.8)	(13,448)	(0.6)	(6,229)	(0.6)	(7,601)	(0.4)
Administrative expenses	(168,564)	(10.6)	(217,196)	(11.8)	(173,532)	(7.9)	(71,879)	(6.9)	(99,950)	(5.4)
Impairment losses on financial assets, net	(162)	(0.0)	(11)	(0.0)	(72)	(0.0)	—	—	(755)	(0.0)
Research and development expenses	(56,873)	(3.6)	(65,006)	(3.5)	(79,671)	(3.6)	(26,284)	(2.5)	(33,905)	(1.8)
Other expenses	(22,047)	(1.4)	(24,439)	(1.3)	(18,313)	(0.8)	(8,708)	(0.8)	(7,868)	(0.4)
Finance costs	(45,258)	(2.8)	(38,726)	(2.1)	(30,465)	(1.4)	(16,135)	(1.6)	(13,121)	(0.7)
Profit before tax	411,778	25.8	590,608	32.0	999,247	45.6	442,166	42.6	1,146,577	61.9
Income tax expenses	(63,761)	(4.0)	(90,009)	(4.9)	(150,371)	(6.9)	(67,377)	(6.5)	(171,018)	(9.2)
Profit and total comprehensive income for the year/period	<u>348,017</u>	<u>21.8</u>	<u>500,599</u>	<u>27.1</u>	<u>848,876</u>	<u>38.7</u>	<u>374,789</u>	<u>36.1</u>	<u>975,559</u>	<u>52.7</u>
Attributable to:										
Owners of the parent	347,708	21.8	500,521	27.1	848,667	38.7	374,698	36.1	975,088	52.6
Non-controlling interests	309	0.0	78	0.0	209	0.0	91	0.0	471	0.0
Profit for the year/period	<u>348,017</u>	<u>21.8</u>	<u>500,599</u>	<u>27.1</u>	<u>848,876</u>	<u>38.7</u>	<u>374,789</u>	<u>36.1</u>	<u>975,559</u>	<u>52.7</u>
Earnings per share attributable to ordinary equity holders of the parent (RMB)	0.41	N/A	0.59	N/A	1.00	N/A	0.44	N/A	1.15	N/A

DESCRIPTION OF KEY STATEMENT OF PROFIT OR LOSS ITEMS

Revenue

During the Track Record Period, our revenue was generated from the sales of our mineral products and rental income. Sales of our mineral products principally comprise (i) copper concentrates, (ii) sulphur concentrates, (iii) magnetic sulphur concentrates (iv) low-grade ore, and (v) others. Revenue from the sales of our concentrates is recognized at point in time when control of our concentrates have transferred to the customers. During the Track Record Period, all of our revenue was generated in the PRC.

The following table sets out the breakdown of our revenue by product type in absolute amounts and as a percentage of our total revenue for the years/periods indicated:

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>						<i>(unaudited)</i>		<i>(unaudited)</i>	
Copper concentrates	829,685	52.0	929,948	50.3	943,209	43.0	484,872	46.7	747,766	40.4
Sulphur concentrates	435,845	27.3	588,260	31.8	830,899	37.9	377,866	36.4	791,666	42.7
Magnetic sulphur concentrates	40,718	2.6	39,353	2.1	59,371	2.7	31,467	3.0	59,557	3.2
Low-grade ore	179,764	11.3	174,001	9.4	130,085	5.9	68,448	6.6	65,042	3.5
Others ⁽¹⁾	110,090	6.8	115,995	6.4	229,686	10.5	76,107	7.3	188,159	10.2
Total	<u>1,596,102</u>	<u>100.0</u>	<u>1,847,557</u>	<u>100.0</u>	<u>2,193,250</u>	<u>100.0</u>	<u>1,038,760</u>	<u>100.0</u>	<u>1,852,190</u>	<u>100.0</u>

FINANCIAL INFORMATION

Note:

- (1) Primarily represented revenue from comprehensive recovery and utilization of tailings resources, sales of iron ore by-product and sulphuric acid, and rental income.

Copper concentrates. Revenue from the sales of copper concentrates was RMB829.7 million, RMB929.9 million and RMB943.2 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for 52.0%, 50.3% and 43.0% of our total revenue for the respective periods. The increase was primarily attributable to the increase in copper prices, partially offset by lower sales volumes resulting from a decline in the head grade of copper ore. Revenue from the sales of copper concentrates was RMB484.9 million and RMB747.8 million for the six months ended June 30, 2025 and 2026, respectively, accounting for 46.7% and 40.4% of our total revenue for the respective periods. The increase was attributable to the increases in copper prices and sales volumes.

The following table sets forth the key statistics of our copper concentrates sales for the periods indicated:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
Revenue (RMB in thousands)	829,685	929,948	943,209	484,872	747,766
Sales volume (t) ⁽¹⁾	15,027	14,151	12,887	6,880	7,739
Average selling price (RMB/t) ⁽²⁾	55,215	65,718	73,188	70,475	96,627
Market price (RMB/t) ⁽³⁾	68,142	74,939	80,937	77,580	101,808
Comparative market price (RMB/t) ⁽⁴⁾	53,396	62,615	70,171	67,275	89,537

Notes:

- (1) Sales volume represents copper content.
- (2) Calculated as revenue from sales of copper concentrates divided by sales volume.
- (3) The average copper price in the China market for the periods indicated, according to the Shanghai Futures Exchange.
- (4) Calculated as the market price multiplied by the respective average pricing coefficient for the periods indicated, and then divided by 1.13 (being 1 plus the applicable VAT rate of 13%).

Sulphur concentrates. Revenue from the sales of sulphur concentrates was RMB435.8 million, RMB588.3 million, RMB830.9 million, RMB377.9 million and RMB791.7 million for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 27.3%, 31.8%, 37.9%, 36.4% and 42.7% of our total revenue for the respective periods. The significant increase in revenue from sulphur concentrates in the Track Record Period was primarily due to the increase in sulphur prices driven by strong demand from downstream chemical industries. Sulphur concentrates are priced monthly based on a comprehensive assessment of upstream and downstream market conditions, customer demand and comparable industry pricing.

The following table sets forth the key statistics of our sulphur concentrates sales for the periods indicated:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
Revenue (RMB in thousands)	435,845	588,260	830,899	377,866	791,666
Sales volume (t) ⁽¹⁾	1,140,120	1,142,317	1,137,802	577,890	638,206
Average selling price (RMB/t) ⁽²⁾	382	515	730	654	1,240

FINANCIAL INFORMATION

Notes:

- (1) Sales volume represents tonnage converted to a standard grade of 35% sulphur content.
- (2) Calculated as revenue from sales of sulphur concentrates divided by sales volume.

Magnetic sulphur concentrates. Revenue from the sales of magnetic sulphur concentrates was RMB40.7 million, RMB39.4 million, RMB59.4 million, RMB31.5 million and RMB59.6 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 2.6%, 2.1%, 2.7%, 3.0% and 3.2% of our total revenue for the respective periods. Sulphur concentrates and magnetic sulphur concentrates are both sulphur products, and the movements in revenue from magnetic sulphur concentrates were generally consistent with the trend of sulphur concentrates.

Low-grade ore. Revenue from the sales of low-grade ore was RMB179.8 million, RMB174.0 million, RMB130.1 million, RMB68.4 million and RMB65.0 million for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 11.3%, 9.4%, 5.9%, 6.6% and 3.5% of our total revenue for the respective periods. Low-grade ore comprises low-grade sulphur ore, iron ore, copper-zinc ore, zinc oxide ore and stone materials. The decrease in revenue from sales of low-grade ore during the Track Record Period was primarily attributable to the conversion of a greater volume of marginal-grade ore stockpiles into economically mineable raw materials for use in concentrates production.

Others. This category principally comprises comprehensive recovery and utilization of tailings resources, sales of iron ore by-product and sulphuric acid and rental income. The tailings still contain valuable metal components that can be extracted. We generate revenue by selling the metals extracted from the tailings or by selling the tailings directly. We also generate rental income by leasing our investment properties in Chinese mainland under operating lease arrangements. The increase during the Track Record Period was primarily attributable to the growth in revenue from the comprehensive recovery and utilization of tailings resources, driven by higher prices of recoverable metals contained in the tailings, advances in extraction technology that led to greater volumes recovered, and an increase in the selling price of sulphuric acid.

Our sales comprise both direct sales to end customers and sales through trading partners. We apply consistent policies and standards across both direct customers and trading partners. Please see “Business — Sales and Marketing” for details. The following table sets out the breakdown of our revenue by sales model in absolute amounts and as a percentage of our revenue from contracts with customers for the years/periods indicated:

	2023		Year ended December 31,				Six months ended June 30,			
	Amount	%	2024 Amount	%	2025 Amount	%	2025 Amount	%	2026 Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
					<i>(unaudited)</i>				<i>(unaudited)</i>	
Direct sales customers	782,195	49.4	969,879	52.9	909,620	41.7	353,960	34.1	1,117,310	60.3
Trading partners	799,935	50.6	862,755	47.1	1,269,654	58.3	684,800	65.9	734,881	39.7
Total	1,582,130	100.0	1,832,634	100.0	2,179,274	100.0	1,033,176	100.0	1,845,723	100.0

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FINANCIAL INFORMATION

Cost of Sales

The following table sets forth a breakdown of our cost of sales by product in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
						<i>(unaudited)</i>				
Copper concentrates	457,656	51.3	473,214	52.0	439,522	47.8	243,933	51.0	259,276	46.7
Sulphur concentrates	306,407	34.3	319,968	35.2	337,922	36.7	178,519	37.3	200,941	36.2
Magnetic sulphur concentrates	26,100	2.9	22,255	2.4	19,158	2.1	10,817	2.3	15,349	2.8
Low-grade ore	22,099	2.5	12,751	1.4	16,089	1.7	2,532	0.5	10,316	1.8
Others	79,953	9.0	81,823	9.0	107,608	11.7	42,762	8.9	69,237	12.5
Total	892,215	100.0	910,011	100.0	920,299	100.0	478,563	100.0	555,119	100.0

The following table sets forth our cost of sales breakdown by nature in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
						<i>(unaudited)</i>				
Raw materials and consumables ⁽¹⁾	281,561	31.6	234,427	25.8	278,747	30.3	126,750	26.5	176,930	31.9
Employee benefit expenses	105,000	11.8	122,756	13.5	120,850	13.1	74,331	15.5	91,721	16.5
Depreciation and amortization	142,966	16.0	183,782	20.2	148,447	16.1	93,915	19.6	97,750	17.6
Utilities and fuel	85,074	9.5	81,091	8.9	59,922	6.5	36,213	7.6	44,996	8.1
Safety and environmental protection	121,584	13.6	113,402	12.5	114,802	12.5	51,768	10.8	58,657	10.6
Maintenance and repairs	41,596	4.7	29,973	3.3	46,446	5.0	10,867	2.3	9,044	1.6
Resource tax	35,846	4.0	40,496	4.5	44,119	4.8	45,070	9.4	34,960	6.3
Others ⁽²⁾	78,588	8.8	104,084	11.3	106,966	11.6	39,649	8.3	41,061	7.4
Total	892,215	100	910,011	100.0	920,299	100.0	478,563	100.0	555,119	100.0

Notes:

- (1) Raw materials included the costs of purchasing raw and auxiliary materials, and outsourcing fees paid to the third-party contractor engaged for mining activities, such as drilling, blasting, loading and hauling mined material to the designated delivery points, which would constitute production costs relating to raw materials.
- (2) Others mainly include production related supporting costs, such as transportation costs and costs of employee commuting.

Our cost of sales primarily comprised (i) raw materials and consumables, (ii) employee benefit expenses, (iii) depreciation and amortization, (iv) utilities and fuel expenses, (v) safety and environmental protection expenses, (vi) maintenance and repairs and (vii) resource tax. Raw materials and consumables represented the largest component of our cost of sales throughout the Track Record Period. They primarily comprised fees paid to the third-party contractor engaged for mining activities, such as drilling, blasting, loading and hauling mined material to the designated delivery points, and consumables used in mineral processing, including steel balls, reagents, lime, and processing machinery parts and accessories. Our cost of sales increased from RMB892.2 million in 2023 to RMB910.0 million in 2024 and remained stable at RMB920.3 million in 2025, primarily due to the increase in mining contractor costs and consumables used in mineral processing. For the six months ended June 30, 2026, our cost of sales was RMB555.1 million, compared with RMB478.6 million for the six months ended June 30, 2025, primarily due to an increase in fees paid to the third-party contractor engaged for mining activities resulting from the increased volume of stripping, as well as increases in the employee benefit expenses.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB703.9 million in 2023 to RMB937.5 million in 2024 and RMB1,273.0 million in 2025. Our overall gross profit margin increased from 44.1% in 2023 to 50.7% in 2024 and further to 58.0% in 2025. For the six months ended June 30, 2026, our gross profit was RMB560.2 million and RMB1,297.1 million for the six months ended June 30, 2025 and 2026, respectively, with gross margin of 53.9% and 70.0%, respectively. The increases in gross profit and gross profit margin during the Track Record Period were primarily attributable to increases in revenue resulting from higher revenue of our copper and sulphur concentrates, while our cost of sales remained relatively stable. This stability reflected further improvements in our total recovery rate and enhanced cost control measures, notwithstanding a decline in the ore grade of processed ore resulting from the increased use of stockpiled low-grade ore in ore blending.

The following table sets forth our gross profit and gross profit margin breakdown by product type for the years/periods indicated:

	2023		Year ended December 31, 2024		2025		Six months ended June 30, 2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>(RMB in thousands, except for percentage)</i>						<i>(unaudited)</i>		<i>(unaudited)</i>	
Copper Concentrates	372,029	44.8	456,734	49.1	503,687	53.4	240,939	49.7	488,490	65.3
Sulphur Concentrate	129,438	29.7	268,292	45.6	492,977	59.3	199,347	52.8	590,725	74.6
Magnetic sulphur Concentrates	14,618	35.9	17,098	43.4	40,213	67.7	20,650	65.6	44,208	74.2
Low-grade ore	157,665	87.7	161,250	92.7	113,996	87.6	65,916	96.3	54,726	84.1
Others ⁽¹⁾	30,137	27.4	34,172	29.5	122,078	53.1	33,345	43.8	118,922	63.2
Total	703,887	44.1	937,546	50.7	1,272,951	58.0	560,197	53.9	1,297,071	70.0

Note:

- (1) Primarily represented comprehensive recovery and utilization of tailings resources, sales of iron ore by-product and sulphuric acid, and rental income.

Other Income and Gains

Our other income and gains primarily comprised (i) government grants; (ii) interest income; and (iii) fair value change on provisional pricing arrangements, net. We have received various government grants primarily for pollution prevention and control. There are no unfulfilled conditions or contingencies relating to these grants. During the Track Record Period, we recorded fair value changes on provisional pricing arrangements on a net basis. Sales of our copper concentrates are subject to price adjustments based on the prevailing market price at the end of the relevant quotation periods stipulated in the applicable contracts. Under these provisional pricing arrangements, the selling price for copper concentrates is determined by reference to prevailing spot prices on a specified future date following delivery to the customer. The sales price is subsequently adjusted to reflect movements in quoted market prices through the end of the quotation period. The quotation period is three months from the date of delivery (inclusive). Our other income and gains amounted to RMB14.8 million, RMB12.5 million, RMB41.8 million, RMB11.2 million and RMB12.7 million for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

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FINANCIAL INFORMATION

The following table sets forth a breakdown of our other income and gains in absolute amounts and as a percentage of our total other income and gains for the periods indicated:

	2023		Year ended December 31,				Six months ended June 30,			
	Amount	%	2024	%	2025	%	2025	%	2026	%
	<i>(RMB in thousands, except for percentage)</i>									
							(unaudited)		(unaudited)	
Other income										
Government grants	7,236	49.0	9,254	74.0	8,768	21.0	4,027	35.9	5,820	45.8
Interest income	429	2.9	680	5.4	1,407	3.4	559	5.0	4,144	32.6
Dividend income from equity investments at fair value through other comprehensive income	30	0.2	31	0.2	30	0.1	—	—	—	—
Total other income	7,695	52.1	9,965	79.6	10,205	24.5	4,586	40.9	9,964	78.4
Gains										
Gain on disposal of items of property, plant and equipment	123	0.8	—	—	—	—	—	—	—	—
Fair value change on provisional pricing arrangements, net	4,582	31.0	1,145	9.2	21,675	51.9	5,938	53.0	1,987	15.6
Fair value gains on changes in fair value of derivative instruments	—	—	49	0.4	—	—	—	—	—	—
Compensation	—	—	263	2.1	9,406	22.5	356	3.2	308	2.4
Others ⁽¹⁾	2,377	16.1	1,090	8.7	511	1.2	324	2.9	447	3.5
Total Gains	7,082	47.9	2,547	20.4	31,592	75.6	6,618	59.1	2,742	21.6
Total	14,777	100.0	12,512	100.0	41,797	100.0	11,204	100.0	12,706	100.0

Note:

(1) Primarily represented income from asset disposal and miscellaneous non-operating income.

Selling Expenses

Our selling expenses primarily comprised staff compensation for sales personnel, depreciation and amortization and sales service fees. Our selling expenses amounted to RMB14.0 million, RMB14.1 million, RMB13.4 million, RMB6.2 million and RMB7.6 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 0.9%, 0.8%, 0.6%, 0.6% and 0.4% of our revenue in the corresponding periods.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily comprised employee benefit expenses for administrative staff, other taxes, professional services fees and depreciation and amortization. Our administrative expenses amounted to RMB168.6 million, RMB217.2 million, RMB173.5 million, RMB71.9 million and RMB100.0 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 10.6%, 11.8%, 7.9%, 6.9% and 5.4% of our revenue in the corresponding periods.

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FINANCIAL INFORMATION

The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the periods indicated:

	2023		Year ended December 31,				Six months ended June 30,			
	Amount	%	2024	%	2025	%	2025	%	2026	%
	(RMB in thousands, except for percentage)									
						(unaudited)				
Employee benefit expenses	110,862	65.8	155,339	71.5	111,417	64.2	45,227	62.9	54,013	54.0
Other taxes ⁽¹⁾	23,886	14.2	27,810	12.8	32,174	18.5	13,103	18.2	25,118	25.1
Professional service fees	5,122	3.0	6,619	3.0	8,523	4.9	3,185	4.4	5,785	5.8
Depreciation and amortization	3,620	2.1	4,981	2.3	7,383	4.3	3,324	4.6	3,707	3.7
Others ⁽²⁾	25,074	14.9	22,447	10.4	14,035	8.1	7,040	9.9	11,327	11.4
Total	168,564	100.0	217,196	100.0	173,532	100.0	71,879	100.0	99,950	100.0

Notes:

- (1) Primarily represented urban maintenance and construction tax, education surtax and property taxes.
- (2) Primarily represented repair and maintenance expenses, office expenses, travel expenses, vehicle usage expenses, communication expenses, and water and electricity expenses.

Research and Development Expenses

Our research and development expenses primarily comprised employee benefit expenses, materials, depreciation and amortization, utilities and fuel costs, and outsourced development fees. Our research and development expenses amounted to RMB56.9 million, RMB65.0 million, RMB79.7 million, RMB26.3 million and RMB33.9 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 3.6%, 3.5%, 3.6%, 2.5% and 1.8% of our revenue in the corresponding periods.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	2023		Year ended December 31,				Six months ended June 30,			
	Amount	%	2024	%	2025	%	2025	%	2026	%
	(RMB in thousands, except for percentage)									
						(unaudited)				
Employee benefit expenses	40,570	71.3	40,636	62.5	51,524	64.7	20,980	79.8	22,472	66.3
Materials	8,512	15.0	10,196	15.7	14,521	18.2	2,335	8.9	3,638	10.7
Depreciation and amortization	2,330	4.1	3,710	5.7	2,211	2.8	331	1.3	2,008	5.9
Utilities and fuel	2,909	5.1	5,099	7.8	5,916	7.4	1,919	7.3	4,134	12.2
Outsourced development fees ⁽¹⁾	2,486	4.4	5,121	7.9	5,479	6.9	719	2.7	1,644	4.8
Others ⁽²⁾	66	0.1	244	0.4	20	0.0	—	—	9	0.1
Total	56,873	100.0	65,006	100.0	79,671	100.0	26,284	100.0	33,905	100.0

Notes:

- (1) Primarily represents fees paid to research institutes and universities for commissioning research.
- (2) Primarily represented travel expenses of research and development personnel, lease expenses, transportation and miscellaneous expenses and other expenses directly related to research and development activities.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets were primarily related to the provision for expected credit losses on trade and other receivables. We recorded net impairment losses on financial assets of RMB0.16 million, RMB0.01 million, RMB0.07 million, nil and RMB0.76 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

FINANCIAL INFORMATION

Finance Costs

Our finance costs primarily comprised (i) interest on bank borrowings; (ii) interest on related parties borrowings; (iii) interest on lease liabilities; (iv) increase in long-term employee benefits; (v) increase in discounted amounts of provisions; and (vi) amortization of unrecognized finance expenses of mining rights. Our finance costs decreased from RMB45.3 million in 2023 to RMB38.7 million in 2024 and further to RMB30.5 million in 2025, primarily due to the repayment of bank borrowings and the reduction in related parties borrowings during the Track Record Period. For the six months ended June 30, 2025 and 2026, our finance costs were RMB16.1 million and RMB13.1 million, respectively, reflecting the further reduction in our interest-bearing borrowings.

The following table sets forth a breakdown of our finance costs in absolute amounts and as a percentage of our total finance costs for the periods indicated:

	2023		Year ended December 31,				Six months ended June 30,			
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(unaudited)</i>									
Interest on bank borrowings	8,621	19.0	7,238	18.7	1,154	3.8	706	4.4	124	0.9
Interest on related parties borrowings	5,488	12.1	1,120	2.9	698	2.3	332	2.1	60	0.5
Interest on lease liabilities	2,504	5.6	4,750	12.3	3,524	11.6	1,762	10.9	1,123	8.6
Increase in discounted amounts of mining rights granting fees payable arising from the passage of time	12,987	28.7	10,852	28.0	8,697	28.5	4,839	30.0	3,941	30.0
Total interest expense on financial liabilities not at fair value through profit or loss	29,600	65.4	23,960	61.9	14,073	46.2	7,639	47.4	5,248	40.0
Increase in long-term employee benefits payable arising from the passage of time	3,520	7.8	2,319	6.0	3,377	11.1	1,988	12.3	1,510	11.5
Increase in discounted amounts of provisions arising from the passage of time	12,138	26.8	12,447	32.1	13,015	42.7	6,508	40.3	6,363	48.5
Total	45,258	100.0	38,726	100.0	30,465	100.0	16,135	100.0	13,121	100.0

Other Expenses

Our other expenses primarily comprised late payment fee resulting from delayed payment of income tax and resource tax, supplementary tax payment resulting from changes in preferential tax policies and compensation paid to third parties in connection with the expansion of the waste dump facility. Our other expenses amounted to RMB22.0 million, RMB24.4 million, RMB18.3 million, RMB8.7 million and RMB7.9 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Income Tax

We are subject to EIT in the PRC. The Company was qualified as a High and New Technology Enterprise and is entitled to the preferential EIT rate of 15%, compared to the standard rate of 25%. Our income tax expense amounted to RMB63.8 million, RMB90.0 million, RMB150.4 million, RMB67.4 million and RMB171.0 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our effective tax rate was 15.5%, 15.2%, 15.0%, 15.2% and 14.9% for the same periods, which was close to the preferential rate of 15%. The increase in income tax expense in each period was primarily due to the increase in profit before tax.

FINANCIAL INFORMATION

Profit Before Tax

As a result of the foregoing, our profit before tax amounted to RMB411.8 million, RMB590.6 million, RMB999.2 million, RMB442.2 million and RMB1,146.6 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Profit for the Year/Period

Our profit for the year/period amounted to RMB348.0 million, RMB500.6 million, RMB848.9 million, RMB374.8 million and RMB975.6 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

Our revenue increased by 78.3% from RMB1,038.8 million in the six months ended June 30, 2025 to RMB1,852.2 million in the six months ended June 30, 2026, primarily due to (i) the increase in revenue from sulphur concentrates from RMB377.9 million in the six months ended June 30, 2025 to RMB791.7 million in the six months ended June 30, 2026 resulting from the increased sulphur concentrates selling prices, (ii) the increase in revenue from copper concentrates from RMB484.9 million in the six months ended June 30, 2025 to RMB747.8 million in the six months ended June 30, 2026 resulting from the increased copper concentrates selling prices, and (iii) the increase in revenue from comprehensive recovery and utilization of tailings resources partly offset by the decrease in the revenue from low-grade ore from RMB68.4 million in the six months ended June 30, 2025 to RMB65.0 million in the six months ended June 30, 2026 resulting from the conversion of a greater volume of marginal-grade ore stockpiles into economically mineable raw materials for use in concentrates production.

Cost of sales

Our cost of sales increased by 16.0% from RMB478.6 million in the six months ended June 30, 2025 to RMB555.1 million in the six months ended June 30, 2026, primarily due to the increase in the sales volume of our product, which was in line with our overall business growth.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 131.5% from RMB560.2 million in the six months ended June 30, 2025 to RMB1,297.1 million in the six months ended June 30, 2026. Our gross profit margin increased from 53.9% in the six months ended June 30, 2025 to 70.0% in the six months ended June 30, 2026, primarily due to higher selling prices while cost of sales increased at a much lower rate. This reflected the enhancement of our cost control measures and the continued improvement in our recovery rate, notwithstanding a decline in the grade of processed copper ore resulting from increased use of stockpiled low-grade ore in ore blending.

Other income and gains

Our other income and gains increased by 13.4% from RMB11.2 million in the six months ended June 30, 2025 to RMB12.7 million in the six months ended June 30, 2026, primarily due to higher government grants and interest income, partially offset by lower fair value changes on provisional pricing arrangements.

Selling expenses

Our selling expenses increased by 22.0% from RMB6.2 million in the six months ended June 30, 2025 to RMB7.6 million in the six months ended June 30, 2026, primarily due to increases in the remuneration levels of our sales personnel and the number of our sales personnel.

FINANCIAL INFORMATION

Administrative expenses

Our administrative expenses increased by 39.1% from RMB71.9 million in the six months ended June 30, 2025 to RMB100.0 million in the six months ended June 30, 2026, primarily due to (i) higher employee benefit expenses driven by the expansion of our administrative team; (ii) increased other taxes in line with revenue growth, and (iii) higher professional service fees incurred in connection with the [REDACTED].

Impairment losses on financial assets, net

We recorded net impairment losses on financial assets of nil in the six months ended June 30, 2025 and RMB0.76 million in the six months ended June 30, 2026.

Research and development expenses

Our research and development expenses increased by 29.0% from RMB26.3 million in the six months ended June 30, 2025 to RMB33.9 million in the six months ended June 30, 2026. The increase was primarily attributable to the increased depreciation charges allocated to research and development expenses resulting from increases in the number and utilization hours of research and development equipment deployed as we commenced additional research and development projects in 2026.

Other expenses

Our other expenses remained stable at RMB8.7 million and RMB7.9 million in the six months ended June 30, 2025 and 2026, respectively.

Finance costs

Our finance costs decreased by 18.7% from RMB16.1 million in the six months ended June 30, 2025 to RMB13.1 million in the six months ended June 30, 2026, primarily due to the repayment of bank borrowings and the reduction in interest-bearing liabilities.

Income tax

Our income tax expense increased by 153.8% from RMB67.4 million in the six months ended June 30, 2025 to RMB171.0 million in the six months ended June 30, 2026, primarily in line with the increase in profit before tax.

Profit for the period

As a result of the foregoing, our profit for the period increased by 160.3% from RMB374.8 million in the six months ended June 30, 2025 to RMB975.6 million in the six months ended June 30, 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 18.7% from RMB1,847.6 million in 2024 to RMB2,193.3 million in 2025, primarily due to (i) the increase in the revenue from sulphur concentrates from RMB588.3 million in 2024 to RMB830.9 million in 2025 resulting from the increased sulphur concentrates selling prices, (ii) the increase in the revenue from copper concentrates from RMB929.9 million in 2024 to RMB943.2 million in 2025 resulting from the increased copper concentrates selling prices, and (iii) the increase in revenue from comprehensive recovery and utilization of tailings resources, partly offset by the decrease in the revenue from low-grade ore from RMB174.0 million in 2024 to RMB130.1 million resulting from the conversion of a greater volume of marginal-grade ore stockpiles into economically mineable raw materials for use in concentrates production.

FINANCIAL INFORMATION

Cost of sales

Our cost of sales remained stable at RMB910.0 million in 2024 and RMB920.3 million in 2025.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 35.8% from RMB937.5 million in 2024 to RMB1,273.0 million in 2025. Our gross profit margin increased from 50.7% in 2024 to 58.0% in 2025, which reflected further improvements in our total recovery rate and enhanced cost control measures.

Other income and gains

Our other income and gains increased by 234.1% from RMB12.5 million in 2024 to RMB41.8 million in 2025, primarily due to the increase in fair value change on provisional pricing arrangements, net from RMB1.1 million in 2024 to RMB21.7 million in 2025 driven by the increase in the copper price and the increase in compensation from RMB0.3 million in 2024 to RMB9.4 million in 2025 resulting from an arbitration award in our favor.

Selling expenses

Our selling expenses remained relatively stable at RMB14.1 million in 2024 and RMB13.4 million in 2025.

Administrative expenses

Our administrative expenses decreased by 20.1% from RMB217.2 million in 2024 to RMB173.5 million in 2025, primarily due to the one-off provision of compensation costs in 2024 in connection with the optimization of our workforce structure.

Impairment losses on financial assets, net

We recorded minimal net impairment losses on financial assets of nil in 2024 and RMB0.07 million in 2025.

Research and development expenses

Our research and development expenses increased by 22.6% from RMB65.0 million in 2024 to RMB79.7 million in 2025, primarily due to the increase in the number of research projects and personnel costs.

Other expenses

Our other expenses decreased by 25.1% from RMB24.4 million in 2024 to RMB18.3 million in 2025, primarily because we paid supplementary tax arising from changes to preferential tax policies in 2024.

Finance costs

Our finance costs decreased by 21.3% from RMB38.7 million in 2024 to RMB30.5 million in 2025, primarily due to the decrease in interest on bank borrowings from RMB7.2 million to RMB1.2 million as we continued to repay bank borrowings.

Income tax

Our income tax expense increased by 67.1% from RMB90.0 million in 2024 to RMB150.4 million in 2025, primarily in line with the increase in profit before tax.

FINANCIAL INFORMATION

Profit for the year

As a result of the foregoing, our profit for the year increased by 69.6% from RMB500.6 million in 2024 to RMB848.9 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 15.8% from RMB1,596.1 million in 2023 to RMB1,847.6 million in 2024, primarily due to (i) the increase in the revenue from sulphur concentrates from RMB435.8 million in 2023 to RMB588.3 million in 2024 resulting from the increased sulphur concentrates selling prices, and (ii) the increase in the revenue from copper concentrates from RMB829.7 million in 2023 to RMB929.9 million in 2024 resulting from the increased copper concentrates selling prices, partly offset by the decrease in the revenue from low-grade ore from RMB179.8 million in 2023 to RMB174.0 million in 2024 resulting from the conversion of a greater volume of marginal-grade ore stockpiles into economically mineable raw materials for use in concentrates production.

Cost of sales

Our cost of sales increased slightly by 2.0% from RMB892.2 million in 2023 to RMB910.0 million in 2024.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 33.2% from RMB703.9 million in 2023 to RMB937.5 million in 2024. Our gross profit margin increased from 44.1% in 2023 to 50.7% in 2024, which reflected further improvements in our total recovery rate and enhanced cost control measures.

Other income and gains

Our other income and gains decreased by 15.3% from RMB14.8 million in 2023 to RMB12.5 million in 2024, primarily due to the decrease in fair value change on provisional pricing arrangements, net from RMB4.6 million in 2023 to RMB1.1 million in 2024 as a result of the narrowing spread between provisional prices and prevailing market prices of copper concentrates sold under such arrangements.

Selling expenses

Our selling expenses remained relatively stable at RMB14.0 million in 2023 and RMB14.1 million in 2024.

Administrative expenses

Our administrative expenses increased by 28.9% from RMB168.6 million in 2023 to RMB217.2 million in 2024, primarily due to the one-off provision of compensation costs in 2024 in connection with the optimization of our workforce structure.

Impairment losses on financial assets, net

We recorded minimal net impairment losses on financial assets of RMB0.16 million in 2023 and RMB0.01 million in 2024.

Research and development expenses

Our research and development expenses increased by 14.3% from RMB56.9 million in 2023 to RMB65.0 million in 2024, primarily due to the increase in raw materials consumed in the testing phase of our research projects and higher depreciation charges arising from the greater use of high-value equipment.

FINANCIAL INFORMATION

Other expenses

Our other expenses increased by 10.8% from RMB22.0 million in 2023 to RMB24.4 million in 2024, primarily attributable to higher compensation paid to third parties in connection with the expansion of the waste dump facility.

Finance costs

Our finance costs decreased by 14.4% from RMB45.3 million in 2023 to RMB38.7 million in 2024, primarily due to (i) the significant decrease in interest on related parties borrowings from RMB5.5 million to RMB1.1 million following the repayment of such borrowings; and (ii) the decrease in interest on bank borrowings from RMB8.6 million to RMB7.2 million.

Income tax

Our income tax expense increased by 41.2% from RMB63.8 million in 2023 to RMB90.0 million in 2024, primarily in line with the increase in profit before tax, which reflected higher selling prices of our products.

Profit for the year

As a result of the foregoing, our profit for the year increased by 43.8% from RMB348.0 million in 2023 to RMB500.6 million in 2024.

DISCUSSION ON KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this document:

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
				(unaudited)
Total current assets	238,729	304,173	892,911	1,769,547
Total non-current assets	2,508,269	2,458,873	2,308,696	2,230,238
Total assets	2,746,998	2,763,046	3,201,607	3,999,785
Total current liabilities	1,234,314	894,875	773,439	622,979
Total non-current liabilities	711,980	711,101	620,891	593,970
Total liabilities	1,946,294	1,605,976	1,394,330	1,216,949
Net current (liabilities)/assets	(995,585)	(590,702)	119,472	1,146,568
Net assets	800,704	1,157,070	1,807,277	2,782,836
Paid in capital	149,191	149,191	149,191	149,191
Reserves	645,831	1,002,119	1,652,117	2,627,205
Non-controlling interests	5,682	5,760	5,969	6,440
Total equity	800,704	1,157,070	1,807,277	2,782,836
Total liabilities and equity	2,746,998	2,763,046	3,201,607	3,999,785

FINANCIAL INFORMATION

Property, Plant and Equipment

Our property, plant and equipment primarily comprised buildings, mining structures, machinery and equipment, and construction in progress. As of December 31, 2023, 2024, 2025 and June 30, 2026, our property, plant and equipment amounted to RMB1,906.8 million, RMB1,793.4 million, RMB1,692.8 million and RMB1,645.6 million, respectively. The decrease in the carrying amount of property, plant and equipment during the Track Record Period was primarily due to depreciation exceeding additions and transfers from construction in progress, as our mining properties, buildings and plant and machinery continued to depreciate while capital expenditure on new equipment and construction was lower than annual depreciation charges. The following table sets out a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
				(unaudited)
Mining properties	790,270	734,193	678,505	651,794
Buildings	799,783	770,978	771,885	757,961
Plant, machinery and equipment	284,426	238,947	206,896	188,169
Motor vehicles	8,123	7,025	4,882	6,579
Electronic equipment	6,833	5,765	5,614	4,838
Office equipment and others	4,080	6,400	5,547	4,867
Construction in progress	13,316	30,112	19,425	31,437
Total	<u>1,906,831</u>	<u>1,793,420</u>	<u>1,692,754</u>	<u>1,645,645</u>

Right-of-use Assets

Our right-of-use assets primarily comprised land use rights and leased properties. As of December 31, 2023, 2024, 2025 and June 30, 2026, our right-of-use assets amounted to RMB99.3 million, RMB171.5 million, RMB141.7 million and RMB125.6 million, respectively. The increase in 2024 was primarily due to the recognition of new leasehold land of RMB80.4 million, while the decrease in 2025 and the six months ended June 30, 2026 was primarily due to depreciation charges exceeding new lease additions.

Intangible Assets

Our intangible assets primarily comprised mining rights, exploration and evaluation assets, software and patent rights. As of December 31, 2023, 2024, 2025 and June 30, 2026, our intangible assets amounted to RMB395.0 million, RMB367.5 million, RMB353.4 million and RMB340.9 million, respectively. The decrease during the Track Record Period was primarily due to the amortization of mining rights, partially offset by increases in exploration and evaluation assets and software additions.

FINANCIAL INFORMATION

Inventories

Our inventories primarily comprised raw materials and finished goods. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
				(unaudited)
Raw materials	24,144	31,050	43,900	37,554
Finished goods	<u>7,686</u>	<u>24,699</u>	<u>132,443</u>	<u>49,438</u>
Total	<u>31,830</u>	<u>55,749</u>	<u>176,343</u>	<u>86,992</u>

As of December 31, 2023, 2024, 2025 and June 30, 2026, our inventories amounted to RMB31.8 million, RMB55.7 million, RMB176.3 million and RMB87.0 million, respectively. The increase from 2023 to 2025 was primarily due to the build-up of finished goods inventory, particularly copper concentrates and sulphur concentrates, in anticipation of a growth of demand. The decrease in the six months ended June 30, 2026 was primarily due to the sale of a significant portion of the finished goods inventory accumulated in 2025.

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30, 2026
Inventory turnover days ⁽¹⁾	14.8	17.6	46.0	42.9

Note:

- (1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories (net of inventory write-down) for a year/period divided by cost of sales for the relevant year/period and multiplied by 365 days for the full year and 181 days for the six months ended June 30, 2026.

Our inventory turnover days increased slightly from 14.8 days in 2023 to 17.6 days in 2024, primarily due to an increase in total inventories driven by increases in finished goods and raw materials. Our cost of sales increased only modestly by 2.0% during the same period, and as a result, the proportionally larger increase in average inventory drove the higher turnover days. Our inventory turnover days increased significantly from 17.6 days in 2024 to 46.0 days in 2025, primarily due to a substantial build-up of finished goods inventory, particularly copper concentrates and sulphur concentrates, in anticipation of a growth of demand. Our inventory turnover days decreased from 46.0 days in 2025 to 42.9 days in the six months ended June 30, 2026, primarily due to the sale of a significant portion of the finished goods inventory accumulated in 2025.

As of August 31, 2026, RMB57.7 million, or 65.9%, of our inventory as of June 30, 2026 had been utilized or sold.

FINANCIAL INFORMATION

Trade and Notes Receivables

Our trade and notes receivables primarily comprised trade receivables from our customers for the sales of concentrates and raw ore. The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
				(unaudited)
Trade receivables	6,163	6,553	9,580	25,522
Bank acceptance notes	<u>28,265</u>	<u>15,373</u>	<u>31,120</u>	<u>48,705</u>
Gross carrying amount	34,428	21,926	40,700	74,227
Impairment	<u>(2,946)</u>	<u>(575)</u>	<u>(645)</u>	<u>(1,365)</u>
Net carrying amount	<u>31,482</u>	<u>21,351</u>	<u>40,055</u>	<u>72,862</u>

As of December 31, 2023, 2024, 2025 and June 30, 2026, our trade and notes receivables amounted to RMB31.5 million, RMB21.4 million, RMB40.1 million and RMB72.9 million, respectively. The decrease in 2024 was primarily due to a decrease in bank acceptance notes. The increases in 2025 and in the six months ended June 30, 2026 were primarily driven by higher bank acceptance notes and trade receivables, reflecting a widening spread between provisional prices and prevailing market prices of copper concentrates sold under such pricing arrangements.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated, based on the invoice date and net of loss allowance:

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
				(unaudited)
Less than 1 year	31,477	21,176	39,758	57,050
Over 1 year	<u>5</u>	<u>175</u>	<u>297</u>	<u>6,075</u>
Total	<u>31,482</u>	<u>21,351</u>	<u>40,055</u>	<u>63,125</u>

The following table sets forth our trade and notes receivables turnover days for the periods indicated:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30,
				2026
Trade and bills receivables turnover days ⁽¹⁾	13.9	5.2	5.1	5.5

Note:

- (1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables (net of loss allowance) for a year/period divided by revenue for the relevant year/period and multiplied by 365 days for the full year and 181 days for the six months ended June 30, 2026.

FINANCIAL INFORMATION

Our trade and bills receivables turnover days decreased from 13.9 days in 2023 to 5.2 days in 2024. The decrease was primarily due to (i) a reduction in bank acceptance notes, resulting in a lower average receivables balance, while (ii) revenue increased by 15.8%. The combination of lower average receivables and higher revenue resulted in the decline in turnover days. Our trade and bills receivables turnover days remained stable at 5.2 days in 2024, 5.1 days in 2025 and 5.5 days in the six months ended June 30, 2026. The majority of our sales are made on an advance payment basis with no credit terms, and a minority of transactions are on credit, subject to a credit period not exceeding 30 days. During the Track Record Period, the aging of our trade receivables was short and our collection cycle was sound.

As of August 31, 2026, RMB26.9 million, or 36.9%, of our trade and bills receivables as of June 30, 2026 had been settled.

Trade and Notes Payables

Our trade and notes payables primarily comprised amounts due to our suppliers for raw materials, consumables and services. As of December 31, 2023, 2024, 2025 and June 30, 2026, our trade and notes payables amounted to RMB357.6 million, RMB342.7 million, RMB143.5 million and RMB160.8 million, respectively. The decrease during the Track Record Period was primarily due to (i) the settlement of bills payable, which decreased from RMB107.8 million as of December 31, 2023 to nil as of December 31, 2025, and (ii) the decrease in trade payables as we improved our payment practices.

Our trade and bills payables are normally settled within 90 days from the date of billing. The following table sets forth the aging analysis of our trade and bills payables, based on the invoice date and as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30, 2026
	(RMB in thousands)			(unaudited)
Within 1 year	355,548	342,232	142,154	159,050
Over 1 year	<u>2,090</u>	<u>479</u>	<u>1,303</u>	<u>1,700</u>
Total	<u>357,638</u>	<u>342,711</u>	<u>143,457</u>	<u>160,750</u>

The following table sets forth our trade and bills payables turnover days for the Track Record Period:

	Year ended December 31,			Six months ended
	2023	2024	2025	June 30, 2026
Trade and bills payables turnover days ⁽¹⁾	151.0	140.5	96.4	49.6

Note:

- (1) Trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 365 days for the full year and 181 days for the six months ended June 30, 2026.

FINANCIAL INFORMATION

Our trade and bills payables turnover days decreased from 151.0 days in 2023 to 140.5 days in 2024, primarily due to a decrease in trade payables, partially offset by an increase in bills payables. Our trade and bills payables turnover days decreased significantly from 140.5 days in 2024 to 96.4 days in 2025 and further to 49.6 days in the six months ended June 30, 2026, primarily because total trade and bills payables decreased significantly. With abundant cash flow, our payment cycle has been accelerated.

As of August 31, 2026, RMB73.9 million, or 46.0%, of our trade and bills payables as of June 30, 2026 had been settled.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we funded our operations and capital expenditures principally through cash generated from operating activities and, to a lesser extent, bank borrowings. Going forward, we expect to fund our operations and capital expenditures through cash generated from operating activities and the net [REDACTED] from the [REDACTED].

Cash Flows

The following table sets out a summary of our cash flows for the periods indicated:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
	(RMB in thousands)			(unaudited)	(unaudited)
Net cash flows from operating activities	440,285	666,892	871,090	430,950	1,052,621
Net cash flows used in investing activities	(131,522)	(143,239)	(155,680)	(96,251)	(574,299)
Net cash flows used in financing activities	(322,935)	(510,791)	(243,116)	(22,661)	(82,226)
Net (decrease)/increase in cash and cash equivalents	(14,172)	12,862	472,294	312,038	396,096
Cash and cash equivalents at beginning of year/period	46,059	31,887	44,749	44,749	517,043
Cash and cash equivalents at end of year/period	31,887	44,749	517,043	356,787	913,139

Net cash flows generated from operating activities

Our net cash flows generated from operating activities were RMB440.3 million, RMB666.9 million, RMB871.1 million, RMB431.0 million and RMB1,052.6 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

For the six months ended June 30, 2026, we had net cash flows from operating activities of RMB1,052.6 million, which was primarily attributable to our profit before tax of RMB1,146.6 million, adjusted by (i) depreciation of property, plant and equipment and investment properties of RMB78.6 million, (ii) amortization of intangible assets of RMB13.9 million, (iii) depreciation of right-of-use assets of RMB16.1 million, and (iv) finance costs of RMB13.1 million.

In 2025, we had net cash flows from operating activities of RMB871.1 million, which was primarily attributable to our profit before tax of RMB999.2 million, adjusted by (i) depreciation of property, plant and equipment of RMB156.7 million, (ii) amortization of intangible assets of RMB29.0 million, (iii) depreciation of right-of-use assets of RMB32.2 million, and (iv) finance costs of RMB30.5 million.

FINANCIAL INFORMATION

In 2024, we had net cash flows from operating activities of RMB666.9 million, which was primarily attributable to our profit before tax of RMB590.6 million, adjusted by (i) depreciation of property, plant and equipment of RMB160.5 million, (ii) amortization of intangible assets of RMB29.2 million, (iii) depreciation of right-of-use assets of RMB31.8 million, and (iv) finance costs of RMB38.7 million.

In 2023, we had net cash flows from operating activities of RMB440.3 million, which was primarily attributable to our profit before tax of RMB411.8 million, adjusted by (i) depreciation of property, plant and equipment and investment properties of RMB156.7 million, (ii) amortization of intangible assets of RMB29.0 million, (iii) depreciation of right-of-use assets of RMB13.4 million, and (iv) finance costs of RMB45.3 million.

Net cash flows used in investing activities

Our net cash flows used in investing activities were RMB131.5 million, RMB143.2 million, RMB155.7 million, RMB96.3 million and RMB574.3 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

For the six months ended June 30, 2026, we had net cash flows used in investing activities of RMB574.3 million, which was primarily attributable to (i) placement of time deposits of RMB500.0 million, (ii) purchases of property, plant and equipment of RMB46.1 million and (iii) purchases of intangible assets of RMB36.5 million, partially offset by proceeds from time deposits of RMB8.2 million.

In 2025, we had net cash flows used in investing activities of RMB155.7 million, which was primarily attributable to (i) purchases of intangible assets of RMB74.9 million, (ii) purchases of property, plant and equipment of RMB78.3 million, and (iii) prepayment of right-of-use assets of RMB2.5 million.

In 2024, we had net cash flows used in investing activities of RMB143.2 million, which was primarily attributable to (i) purchases of intangible assets of RMB61.8 million, (ii) purchases of property, plant and equipment of RMB50.0 million, (iii) prepayment of right-of-use assets of RMB23.5 million and placement of time deposits of RMB8.0 million.

In 2023, we had net cash flows used in investing activities of RMB131.5 million, which was primarily attributable to (i) purchases of intangible assets of RMB60.0 million and (ii) purchases of property, plant and equipment of RMB72.0 million.

Net cash flows used in financing activities

Our net cash flows used in financing activities were RMB322.9 million, RMB510.8 million, RMB243.1 million, RMB22.7 million and RMB82.2 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

For the six months ended June 30, 2026, we had net cash flows used in financing activities of RMB82.2 million, which was primarily attributable to (i) repayment of bank and other loans of RMB65.7 million, (ii) principal portion of lease payments of RMB16.3 million, and (iii) interest paid of RMB0.2 million.

In 2025, we had net cash flows used in financing activities of RMB243.1 million, which was primarily attributable to (i) dividends paid of RMB198.9 million, (ii) repayment of bank and other loans of RMB74.2 million, (iii) principal portion of lease payments of RMB33.9 million, and (iv) interest paid of RMB1.9 million, partially offset by new interest-bearing bank and other borrowings of RMB65.7 million.

FINANCIAL INFORMATION

In 2024, we had net cash flows used in financing activities of RMB510.8 million, which was primarily attributable to (i) repayment of bank and other loans of RMB380.3 million, (ii) dividends paid of RMB254.5 million, (iii) principal portion of lease payments of RMB27.6 million, and (iv) interest paid of RMB8.4 million, partially offset by new interest-bearing bank and other borrowings of RMB160.0 million.

In 2023, we had net cash flows used in financing activities of RMB322.9 million, which was primarily attributable to (i) repayment of bank and other loans of RMB664.6 million, (ii) dividends paid of RMB30.0 million, (iii) principal portion of lease payments of RMB14.2 million, and (iv) interest paid of RMB14.1 million, partially offset by new interest-bearing bank and other borrowings of RMB400.0 million.

NET CURRENT ASSETS/(LIABILITIES)

The following table sets out our current assets, current liabilities and net current assets/(liabilities) as of the dates indicated:

	As of December 31, 2023	2024	2025	June 30, 2026	August 31, 2026
	(RMB in thousands)				
			(unaudited)		(unaudited)
Current assets					
Inventories	31,830	55,749	176,343	86,992	81,692
Trade and notes receivables	31,482	21,351	40,055	72,862	86,344
Prepayments, other receivables and other assets	115,580	135,419	142,343	143,394	139,594
Debt investments at FVOCI	7,625	274	7,001	45,653	56,579
Derivative financial assets	—	49	—	—	—
Time deposits	—	—	8,241	502,022	512,411
Restricted cash	20,325	46,582	1,885	5,485	8,043
Cash and cash equivalents	31,887	44,749	517,043	913,139	1,437,545
Total current assets	238,729	304,173	892,911	1,769,547	2,322,208
Current liabilities					
Trade and notes payables	357,638	342,711	143,457	160,750	148,063
Other payables and accruals	564,996	412,715	467,324	378,788	337,002
Income tax payables	14,496	30,880	61,322	61,706	100,563
Interest-bearing bank and other borrowings	294,495	74,210	65,698	—	—
Lease liabilities	2,689	34,359	35,638	21,735	17,577
Total current liabilities	1,234,314	894,875	773,439	622,979	603,205
Net current (liabilities)/assets	(995,585)	(590,702)	119,472	1,146,568	1,719,003

We had net current liabilities of RMB995.6 million and RMB590.7 million as of December 31, 2023 and 2024, respectively, and net current assets of RMB119.5 million and RMB1,146.6 million as of December 31, 2025 and June 30, 2026, respectively.

We recorded net current liabilities of RMB995.6 million as of December 31, 2023 and net current liabilities of RMB590.7 million as of December 31, 2024, primarily attributable to a decrease in other payables and accruals from RMB565.0 million to RMB412.7 million, a decrease in

FINANCIAL INFORMATION

interest-bearing bank and other borrowings from RMB294.5 million to RMB74.2 million, and an increase in inventories from RMB31.8 million to RMB55.7 million and an increase in cash and cash equivalents from RMB31.9 million to RMB44.7 million.

Our net current liabilities of RMB590.7 million as of December 31, 2024 turned to net current assets of RMB119.5 million as of December 31, 2025, primarily attributable to a significant increase in cash and cash equivalents from RMB44.7 million to RMB517.0 million, an increase in inventories from RMB55.7 million to RMB176.3 million, and a decrease in trade and notes payables from RMB342.7 million to RMB143.5 million, partially offset by an increase in income tax payables from RMB30.9 million to RMB61.3 million.

Our net current assets increased from RMB119.5 million as of December 31, 2025 to RMB1,146.6 million as of June 30, 2026, primarily attributable to a significant increase in cash and cash equivalents and time deposits from RMB525.3 million to RMB1,415.2 million, partially offset by a decrease in inventories from RMB176.3 million to RMB87.0 million.

WORKING CAPITAL SUFFICIENCY

Taking into account our Group’s available financial resources, including (i) our cash and cash equivalents; (ii) our expected operating cash flows; and (iii) the estimated net [REDACTED] from the [REDACTED], our Directors are of the opinion, and the Sole Sponsor concurs, that our Group has sufficient working capital to satisfy at least 125% of our Group’s costs and working capital requirements for at least the next 12 months from the date of this Document.

INDEBTEDNESS

The following table sets out our indebtedness as of the dates indicated:

	As of December 31,			As of	As of
	2023	2024	2025	June 30, 2026	August 31, 2026
	(RMB in thousands)			(unaudited)	(unaudited)
Interest-bearing bank and other borrowings					
Current	294,495	74,210	65,698	—	—
Non-current	—	—	—	—	—
Subtotal	294,495	74,210	65,698	—	—
Interest-bearing borrowings from related parties	130,000	—	30,698	—	—
Bank loans — unsecured	164,495	74,210	35,000	—	—
Subtotal	294,495	74,210	65,698	—	—
Lease liabilities					
Current	2,689	34,359	35,638	21,735	17,577
Non-current	43,157	69,048	37,396	36,078	34,629
Subtotal	45,846	103,407	73,034	57,813	52,206
Total	340,341	177,617	138,732	57,813	52,206

FINANCIAL INFORMATION

Interest-bearing Bank Borrowings

As of December 31, 2023, 2024 and 2025, and June 30, 2026, our interest-bearing bank and other borrowings consisted solely of unsecured bank loans and interest-bearing borrowings from related parties. Our interest-bearing bank and other borrowings decreased from RMB294.5 million as of December 31, 2023 to RMB74.2 million as of December 31, 2024 and RMB65.7 million as of December 31, 2025, and were fully repaid as of June 30, 2026. The amount as of June 30, 2026 remained nil. See Note 29 to the Accountants’ Report included in Appendix I to this document for details of the interest-bearing bank and other borrowings.

Lease Liabilities

Our lease liabilities were primarily related to our leased land from a related party. Our total lease liabilities, including current and non-current portions, amounted to RMB45.8 million, RMB103.4 million, RMB73.0 million and RMB57.8 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. The increase in 2024 was primarily due to the recognition of new leases of RMB80.4 million for leased land from a related party, while the decrease in 2025 and the six months ended June 30, 2026 was primarily due to lease payments exceeding new lease additions and interest accretion.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant or undertaking on any of our outstanding debt and that we did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans or breach of covenants during the Track Record Period and up to the date of this Document.

CAPITAL EXPENDITURES

Our capital expenditures primarily comprised (i) purchases of property, plant and equipment; and (ii) purchases of intangible assets. The following table sets out our capital expenditures for the periods indicated:

	Year ended December 31,			Six months ended	
	2023	2024	2025	June 30, 2025	2026
	(RMB in thousands)			(unaudited)	(unaudited)
Purchase of property, plant and equipment	72,031	49,984	78,274	28,962	46,077
Purchase of intangible assets	60,000	61,777	74,852	64,785	36,463
Prepayment of right-of-use assets	—	23,523	2,504	2,504	—
Total	132,031	135,284	155,630	96,251	82,540

Our capital expenditures for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026 amounted to RMB132.0 million, RMB135.3 million, RMB155.6 million, RMB96.3 million and RMB82.5 million, respectively. We expect our capital expenditures for the year ending December 31, 2026 to be RMB291.0 million, which will be primarily funded by our operating cash flows and the net [REDACTED] from the [REDACTED]. Please see “Future Plans and Use of [REDACTED]” for details.

CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

Our contractual obligations primarily include operating lease commitments and capital commitments. As of June 30, 2026, we had capital commitments of RMB34.9 million, primarily relating to the acquisition of processing equipment and construction of processing facilities.

FINANCIAL INFORMATION

As of the Latest Practicable Date, we did not have any material contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties. We did not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

FINANCIAL RISK MANAGEMENT

We are exposed to a variety of financial risks in our normal course of business, including interest rate risk, credit risk, liquidity risk and commodity price risk. Our overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Credit Risk

Our credit risk is primarily attributable to trade and notes receivables, other receivables and cash and cash equivalents. We have adopted credit policies for assessing the credit quality of each counterparty, taking into account their financial position, past experience, and other factors. We closely monitor the collection of receivables to minimize the credit risk.

The credit risk on our bank deposits is limited because our bank deposits are deposited with state-owned banks and reputable commercial banks in the PRC.

Liquidity Risk

In the management of liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance our operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilization of borrowings and ensures compliance with loan covenants.

Commodity Price Risk

We are exposed to commodity price risk in respect of copper and sulphur, as the selling prices of our concentrates are directly affected by fluctuations in the market prices of these commodities. We manage such risk through closely monitoring market price trends and adjusting our sales strategies and inventory levels accordingly. For copper concentrates, we adopt provisional pricing arrangements which allow for price adjustments between the provisional pricing date and the final settlement date.

FINANCIAL INFORMATION

CASH OPERATING COSTS

The operating costs include labor, raw materials, utilities and fuel, safety, environmental protection, product transportation, maintenance, rental, outsourced services, resource taxes, selling expenses, administrative expenses, research and development expenses, and other operating costs of our Dabaoshan Mine. The table below sets forth a summary of our historical cash operating costs on a cash basis for the periods indicated, based on the Competent Person’s Report set out in Appendix III to this Document.

	Year ended December 31,			Eight months ended
	2023	2024	2025	August 31, 2026
	<i>(RMB million)</i>			
Production				
Labor costs	103	122	119	111
Raw materials	262	233	274	216
Utilities and fuel	84	80	59	53
Safety	26	27	24	19
Environmental protection	94	86	89	65
Company vehicle services	5	5	4	3
Product transportation	5	6	7	5
Maintenance	41	30	46	15
Rental	15	37	33	26
Outsourced services	15	16	17	14
Other	38	40	44	20
Resource taxes	36	41	44	51
Selling expenses	12	12	12	9
Administrative expenses	158	206	162	130
Research and development expenses	<u>52</u>	<u>60</u>	<u>75</u>	<u>47</u>
Total	<u>944</u>	<u>998</u>	<u>1,010</u>	<u>784</u>

Our cash operating costs increased from RMB944 million in 2023 to RMB998 million in 2024 and further to RMB1,010 million in 2025, primarily due to the increase in materials costs, environmental expenses and resource taxes, which was in line with the increase in our production volume and revenue. For the eight months ended August 31, 2026, our cash operating costs were RMB784 million.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FINANCIAL INFORMATION

The table below sets forth a summary of historical unit operating costs on a cash basis for the periods indicated, based on the Competent Person’s Report set out in Appendix III to this Document.

	Year ended December 31,			Eight months ended
	2023	2024	2025	August 31, 2026
	(RMB/t Milled ROM)			
Production				
Labor costs	28.44	33.70	33.45	46.48
Raw materials	72.11	64.36	77.15	90.66
Utilities and fuel	23.04	22.26	16.59	22.35
Safety	7.10	7.45	6.79	8.09
Environmental protection	25.82	23.68	24.98	27.31
Company vehicle services	1.27	1.34	1.09	1.37
Product transportation	1.38	1.67	1.94	2.25
Maintenance	11.27	8.23	12.86	6.13
Rental	4.02	10.21	9.32	10.70
Outsourced services	4.17	4.35	4.81	5.72
Other	10.45	11.01	12.46	8.28
Resource taxes	9.88	11.21	12.40	21.21
Selling expenses	3.41	3.40	3.34	3.85
Administrative expenses	43.51	56.95	45.51	54.67
Research and development expenses	14.34	16.48	21.08	19.76
Total	260.22	276.30	283.76	328.84

The table below sets forth a summary of the forecast of our cash operating costs for the life of mine, based on the Competent Person’s Report set out in Appendix III to this Document. The forecast is based on the unit operating costs applied to the life of mine production plan. Operating costs are presented on a cash basis and exclude depreciation and amortization. The life of mine is approximately 13 years commencing from September 2026.

	LOM	Aug 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
	(RMB million)													
Production														
Labor costs	1,953	55	136	127	130	132	203	198	187	181	168	158	156	122
Raw materials	4,146	124	303	281	287	292	434	420	395	379	346	322	315	249
Utilities and fuel	1,335	23	66	67	69	69	134	134	134	134	134	134	134	101
Safety	465	8	23	23	24	24	47	47	47	47	47	47	47	35
Environmental protection	1,611	28	80	81	83	83	162	162	162	162	162	162	162	122
Company vehicle services	80	1	4	4	4	4	8	8	8	8	8	8	8	6
Product transportation	113	2	6	6	6	6	11	11	11	11	11	11	11	9
Maintenance	633	11	31	32	33	33	64	64	64	64	64	64	64	48
Rental	532	9	26	27	28	28	53	53	53	53	53	53	53	40
Outsourced services	298	5	15	15	15	15	30	30	30	30	30	30	30	23
Other	685	12	34	35	35	35	69	69	69	69	69	69	69	52
Resource taxes	1,333	29	79	75	75	69	131	126	130	128	129	127	137	97
Selling expenses	221	4	11	11	11	11	22	22	22	22	22	22	22	17
Administrative expenses	3,091	56	158	159	162	160	309	308	309	309	309	308	311	233
Research and development expenses	1,129	20	56	57	59	59	113	113	113	113	113	113	113	86
Total	17,624	386	1,029	1,002	1,022	1,020	1,790	1,766	1,735	1,710	1,665	1,629	1,632	1,239

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated:

	As of/For the year ended December 31,			As of/ For the six months ended
	2023	2024	2025	June 30, 2026
Gross profit margin ⁽¹⁾	44.1%	50.7%	58.0%	70.0%
Net profit margin ⁽²⁾	21.8%	27.1%	38.7%	52.7%
Return on equity ⁽³⁾	43.5%	43.3%	47.0%	70.7%
Current ratio ⁽⁴⁾	0.19	0.34	1.15	2.84
Gearing ratio ⁽⁵⁾	42.5%	15.4%	7.7%	2.1%

Notes:

- (1) Calculated by dividing gross profit by revenue for the year/period multiplied by 100%.
- (2) Calculated by dividing profit for the year/period by revenue for the year/period multiplied by 100%.
- (3) Calculated by dividing profit of the year by the ending balance of equity for the year multiplied by 100%. As for the return on equity as of/for the six months ended June 30, 2026, calculated by dividing profit of the period by the ending balance of equity for the period, multiplied by 100%, and then annualized by multiplying by 365 and dividing by 181 (being the number of days in the period).
- (4) Calculated by dividing total current assets by total current liabilities as of the end of the year/period.
- (5) Calculated by dividing the sum of (i) interest-bearing bank and other borrowing and (ii) lease liabilities by total equity as of the end of the year/period multiplied by 100%.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain related party transactions in our ordinary course of business. For details of these related party transactions, please refer to note 36 of the Accountants’ Report in Appendix I to this document and the section headed “Connected Transactions” in this document.

Our Directors confirm that the related party transactions during the Track Record Period were conducted on normal commercial terms or on terms no less favorable than those available to Independent Third Parties, and were fair and reasonable and in the interests of our Company and our Shareholders as a whole.

DIVIDENDS

During the Track Record Period, dividends declared by the Company to its then shareholders amounted to RMB139.9 million, RMB144.6 million and RMB198.8 million for the years ended December 31, 2023, 2024 and 2025, respectively.

The declaration, payment and amount of any dividends after the [REDACTED] will be subject to the discretion of our Board and will depend upon, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits, the Articles of Association, the Companies Ordinance, any applicable laws, regulations and practice in Hong Kong, and other factors that our Directors may consider relevant. There is no assurance that dividends of any amount will be declared or distributed in any year. Please see “Financial Information — Distributable Reserves” below.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As of June 30, 2026, the retained profits of our Company amounted to RMB1,939.5 million. The distributable reserves of our Company amounted to RMB1,939.5 million, being the retained profits available for distribution after taking into account the non-distributable statutory reserve and safety fund reserves, calculated in accordance with applicable PRC laws and regulations and the Articles of Association. Under PRC law, the Company is required to allocate at least 10% of its annual after-tax profits to a statutory reserve fund until the aggregate amount of such fund reaches 50% of its registered capital. The statutory reserve fund is not distributable as cash dividends.

[REDACTED]

The total [REDACTED] (including [REDACTED] commissions) in connection with the [REDACTED] are estimated to be approximately RMB[REDACTED] million (based on the mid-point of the indicative [REDACTED] range and assuming the [REDACTED] is not exercised), of which (i) approximately RMB[REDACTED] million is expected to be accounted for as a deduction from equity upon the [REDACTED]; and (ii) approximately RMB[REDACTED] million has been or is expected to be charged to our consolidated statements of profit or loss. During the Track Record Period, [REDACTED] of RMB[REDACTED] million were charged to our consolidated statements of profit or loss. We expect to further recognize [REDACTED] of approximately RMB[REDACTED] million in our consolidated statements of profit or loss for the year ending December 31, 2026.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Sole Sponsor considers appropriate and after due and careful consideration, our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of the periods reported on in the Accountants’ Report in Appendix I to this Document, and there is no event since June 30, 2026 which would materially affect the information shown in the Accountants’ Report in Appendix I to this Document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For details of our unaudited [REDACTED] adjusted consolidated net tangible assets, see Appendix IIA to this Document.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Growth Strategies” in this Document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming the [REDACTED] is not exercised, and after deducting [REDACTED] commissions and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED].

We intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below, subject to adjustment based on our evolving business needs and changing market conditions:

- (i) Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be used for the acquisition of external mineral rights. We will implement a resource-first strategy, focusing on the strategic layout in areas such as western and northern Guangdong and key domestic metallogenic belts, actively expanding outbound to acquire resources, and obtaining large-scale copper and other polymetallic mines with metal content of over 500,000 tonnes and other quality mineral rights through bidding, mergers and acquisitions and other means, to drive the implementation of our resource strategy. See “Business — Growth Strategies — Promote internal and external coordination and strengthen resource expansion” for further details.
- (ii) Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be used over the next five years for smart mine construction (Phase II), the Liwu silt dam environmental risk management project, preliminary works for the mining and processing retrofitting and expansion project at the Dabaoshan polymetallic mine, comprehensive recovery and utilization of copper-lead-zinc resources project, and equipment addition and renewal and upgrade during the “15th Five-Year Plan” period and other projects at our existing mines, with the aim of fully enhancing the overall production capacity, comprehensive resource utilization efficiency and green and intelligent operational capabilities of our mines. See “Business — Growth Strategies — Accelerate industrial upgrading and enhance economic returns” and “Business — Growth Strategies — Increase research and development investment and achieve innovation-driven growth” for further details. The allocation among sub-projects is as follows:
 - Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be allocated to the copper polymetallic ore photoelectric high-efficiency sorting and comprehensive utilization project. This project primarily focuses on the comprehensive recovery and utilization of low-grade copper-sulphur ore and lead-zinc by-product ore and other resources, and involves the construction of corresponding pre-sorting and waste-rejection production lines, with the aim of maximizing mineral resource utilization and economic returns.
 - Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be allocated to the smart mine construction (Phase II) project. As the Phase II project of smart mine construction, the main construction contents include intelligent mining systems, unmanned mining truck driving systems, intelligent logistics and warehousing systems, intelligent inspection systems, mining and processing digital twin applications and other directions, to drive the transformation of smart mine construction from “basic management and control” to “deep intelligence”, achieving quality and efficiency improvements across the full

FUTURE PLANS AND USE OF [REDACTED]

chain of production, management and operations, and ultimately building a benchmark intelligent mine that is technologically advanced, collaboratively efficient, and safe and green.

- Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be allocated to equipment addition and renewal and upgrade during the “15th Five-Year Plan” period. This project focuses on the addition and renewal and upgrade of equipment across main production processes and ancillary inspection and testing procedures at mining and processing plants, to safeguard and enhance the comprehensive utilization of mineral resources and processing recovery rates, thereby achieving improved economic returns and maximized resource utilization.
 - Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be allocated to the Liwu silt dam environmental risk management project. This project primarily involves the dredging and capacity expansion of the existing silt dam and the construction of key facilities including vertical seepage barriers, sand settling ponds and flood discharge systems, to prevent acidic water overflow and effectively manage groundwater contamination.
 - Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be allocated to the copper-lead-zinc comprehensive recovery and utilization project. This project primarily focuses on the comprehensive recovery and utilization of associated resources such as lead and zinc, and involves the construction of corresponding mineral processing production lines, with the aim of maximizing mineral resource utilization and economic returns. The annual processing capacity for copper-lead-zinc ore is expected to reach 200,000 tonnes.
 - Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be allocated to the preliminary works for the mining and processing retrofitting and expansion project at the Dabaoshan polymetallic mine. This project primarily includes the retrofitting and expansion of the copper-sulphur mining pit, waste dump and other supporting facilities, the construction of a new copper concentrator, the heightening and capacity expansion of the Fandong Village tailings storage facility, and other supporting works. The preliminary works for the project primarily comprise hydrogeological and engineering geological investigations, various studies and expert reviews, and design works.
- (iii) Dabaoshan mining area and peripheral geological exploration five-year plan. Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be used over the next five years for Dabaoshan mining area and peripheral geological exploration. The focus will be on advancing copper polymetallic ore exploration within our mining permits, copper polymetallic ore exploration within our exploration permits, the verification of molybdenum deposits at the Jimatou mining area, and other exploration projects, to achieve reserve growth and production enhancement. See “Business — Growth Strategies — Promote internal and external coordination and strengthen resource expansion” for further details.
- (iv) Approximately [REDACTED]% (approximately HK\$[REDACTED] million) is expected to be used for general operational purposes, primarily to supplement the working capital requirements in the ordinary course of our business operations.

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected, we will adjust our allocation of the net [REDACTED] for the above projects on a *pro rata* basis.

FUTURE PLANS AND USE OF [REDACTED]

The additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be approximately HK\$[REDACTED] million. Assuming the [REDACTED] is exercised in full, and after deducting [REDACTED] commissions and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED].

To the extent that the net [REDACTED] of the [REDACTED] are not immediately applied to the aforementioned purposes, we will deposit such funds only into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance, or applicable laws and regulations in other jurisdictions). In such event, we will comply with the applicable disclosure requirements under the Listing Rules.

As of the Latest Practicable Date, we believe that our future plans and use of [REDACTED] remain within the estimated range of our operational and financial requirements and would not have any material adverse impact on our future business operations or financial performance.

If any part of the above development plans does not proceed as expected due to changes in government policies, force majeure or other reasons, the Board of Directors will prudently assess the actual circumstances and may reallocate the net [REDACTED] from the [REDACTED] accordingly. We will issue an appropriate announcement in accordance with the Listing Rules if there is any material change to the proposed use of [REDACTED].

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[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG RISING MINERAL-RICH MOUNTAIN COPPER CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [•] to [•], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages [•] to [•] forms an integral part of this report, which has been prepared for inclusion in the [REDACTED] of the Company dated [•] (the “**Document**”) in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX I

ACCOUNTANTS’ REPORT

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the six months ended 30 June 2025 and 2026, and the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2026 and other explanatory information (the “**Interim Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [•] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[•]

Certified Public Accountants

Hong Kong

[Date]

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APPENDIX I

ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Six months ended	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
REVENUE	5	1,596,102	1,847,557	2,193,250	1,038,760	1,852,190
Cost of sales		(892,215)	(910,011)	(920,299)	(478,563)	(555,119)
Gross profit		703,887	937,546	1,272,951	560,197	1,297,071
Other income and gains	6	14,777	12,512	41,797	11,204	12,706
Selling expenses		(13,982)	(14,072)	(13,448)	(6,229)	(7,601)
Administrative expenses		(168,564)	(217,196)	(173,532)	(71,879)	(99,950)
Impairment losses on financial assets, net		(162)	(11)	(72)	—	(755)
Research and development expenses		(56,873)	(65,006)	(79,671)	(26,284)	(33,905)
Other expenses		(22,047)	(24,439)	(18,313)	(8,708)	(7,868)
Finance costs	8	(45,258)	(38,726)	(30,465)	(16,135)	(13,121)
PROFIT BEFORE TAX	7	411,778	590,608	999,247	442,166	1,146,577
Income tax expenses	11	(63,761)	(90,009)	(150,371)	(67,377)	(171,018)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		<u>348,017</u>	<u>500,599</u>	<u>848,876</u>	<u>374,789</u>	<u>975,559</u>
Attributable to:						
Owners of the parent		347,708	500,521	848,667	374,698	975,088
Non-controlling interests		<u>309</u>	<u>78</u>	<u>209</u>	<u>91</u>	<u>471</u>
PROFIT FOR THE YEAR/PERIOD		<u>348,017</u>	<u>500,599</u>	<u>848,876</u>	<u>374,789</u>	<u>975,559</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RMB)	12	0.41	0.59	1.00	0.44	1.15

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APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
PROFIT FOR THE YEAR/PERIOD	<u>348,017</u>	<u>500,599</u>	<u>848,876</u>	<u>374,789</u>	<u>975,559</u>
OTHER COMPREHENSIVE (LOSS)/INCOME					
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:					
Equity investments designated at fair value through other comprehensive income:					
Changes in fair value	(66)	483	206	—	—
Income tax effect	<u>10</u>	<u>(72)</u>	<u>(31)</u>	<u>—</u>	<u>—</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	<u>(56)</u>	<u>411</u>	<u>175</u>	<u>—</u>	<u>—</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>347,961</u>	<u>501,010</u>	<u>849,051</u>	<u>374,789</u>	<u>975,559</u>
Attributable to:					
Owners of the parent	347,652	500,932	848,842	374,698	975,088
Non-controlling interests	<u>309</u>	<u>78</u>	<u>209</u>	<u>91</u>	<u>471</u>
	<u>347,961</u>	<u>501,010</u>	<u>849,051</u>	<u>374,789</u>	<u>975,559</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December			30 June
		2023	2024	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
NON-CURRENT ASSETS					
Property, plant and equipment	14	1,906,831	1,793,420	1,692,754	1,645,645
Investment properties	15	29,007	27,427	26,041	25,296
Right-of-use assets	17(a)	99,287	171,470	141,729	125,604
Intangible assets	18	394,954	367,539	353,387	340,934
Equity investments designated at fair value through other comprehensive income	21	1,331	1,815	2,021	2,021
Deferred tax assets	19	52,613	60,567	59,690	55,384
Time deposits	26	—	8,076	—	—
Restricted cash	26	16,837	18,782	21,649	23,582
Other non-current assets	20	7,409	9,777	11,425	11,772
TOTAL NON-CURRENT ASSETS		2,508,269	2,458,873	2,308,696	2,230,238
CURRENT ASSETS					
Inventories	22	31,830	55,749	176,343	86,992
Trade and notes receivables	23	31,482	21,351	40,055	72,862
Prepayments, other receivables and other assets	24	115,580	135,419	142,343	143,394
Debt investments at fair value through other comprehensive income	25	7,625	274	7,001	45,653
Derivative financial assets		—	49	—	—
Time deposits	26	—	—	8,241	502,022
Restricted cash	26	20,325	46,582	1,885	5,485
Cash and cash equivalents	26	31,887	44,749	517,043	913,139
TOTAL CURRENT ASSETS		238,729	304,173	892,911	1,769,547
CURRENT LIABILITIES					
Trade and notes payables	27	357,638	342,711	143,457	160,750
Other payables and accruals	28	564,996	412,715	467,324	378,788
Income tax payables		14,496	30,880	61,322	61,706
Interest-bearing bank and other borrowings	29	294,495	74,210	65,698	—
Lease liabilities	17(b)	2,689	34,359	35,638	21,735
TOTAL CURRENT LIABILITIES		1,234,314	894,875	773,439	622,979
NET CURRENT (LIABILITIES)/ASSETS		(995,585)	(590,702)	119,472	1,146,568
TOTAL ASSETS LESS CURRENT LIABILITIES		1,512,684	1,868,171	2,428,168	3,376,806

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APPENDIX I

ACCOUNTANTS’ REPORT

		31 December			30 June
		2023	2024	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
NON-CURRENT LIABILITIES					
Lease liabilities	17(b)	43,157	69,048	37,396	36,078
Provisions	30	267,665	279,891	273,685	268,626
Deferred income	31	98,204	94,621	91,468	87,348
Other non-current liabilities	28	<u>302,954</u>	<u>267,541</u>	<u>218,342</u>	<u>201,918</u>
TOTAL NON-CURRENT LIABILITIES		<u>711,980</u>	<u>711,101</u>	<u>620,891</u>	<u>593,970</u>
NET ASSETS		<u>800,704</u>	<u>1,157,070</u>	<u>1,807,277</u>	<u>2,782,836</u>
EQUITY					
Equity attributable to owners of the parent					
Paid-in capital	32	149,191	149,191	149,191	149,191
Reserves	33	<u>645,831</u>	<u>1,002,119</u>	<u>1,652,117</u>	<u>2,627,205</u>
		795,022	1,151,310	1,801,308	2,776,396
Non-controlling interests		<u>5,682</u>	<u>5,760</u>	<u>5,969</u>	<u>6,440</u>
TOTAL EQUITY		<u>800,704</u>	<u>1,157,070</u>	<u>1,807,277</u>	<u>2,782,836</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent					(Accumulated losses)/ retained profits	Total	Non-controlling interests	Total equity
	Paid-in capital	Capital reserve	Statutory surplus reserve	Fair value reserve	Safety fund surplus reserve				
	RMB'000 (note 32)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	149,191	420,054	66,102	259	11,627	(59,985)	587,248	5,373	592,621
Profit for the year	—	—	—	—	—	347,708	347,708	309	348,017
Other comprehensive loss for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	(56)	—	—	(56)	—	(56)
Total comprehensive income for the year	—	—	—	(56)	—	347,708	347,652	309	347,961
Transfer from retained profits	—	—	33,032	—	—	(33,032)	—	—	—
Dividends declared	—	—	—	—	—	(139,878)	(139,878)	—	(139,878)
Transfer to safety fund surplus reserve	—	—	—	—	14,878	(14,878)	—	—	—
At 31 December 2023	149,191	420,054*	99,134*	203*	26,505*	99,935*	795,022	5,682	800,704

Year ended 31 December 2024

	Attributable to owners of the parent					Retained profits	Total	Non-controlling interests	Total equity
	Paid-in capital	Capital reserve	Statutory surplus reserve	Fair value reserve	Safety fund surplus reserve				
	RMB'000 (note 32)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	149,191	420,054	99,134	203	26,505	99,935	795,022	5,682	800,704
Profit for the year	—	—	—	—	—	500,521	500,521	78	500,599
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	411	—	—	411	—	411
Total comprehensive income for the year	—	—	—	411	—	500,521	500,932	78	501,010
Transfer from retained profits	—	—	50,306	—	—	(50,306)	—	—	—
Dividends declared	—	—	—	—	—	(144,644)	(144,644)	—	(144,644)
Transfer from safety fund surplus reserve	—	—	—	—	(2,466)	2,466	—	—	—
At 31 December 2024	149,191	420,054*	149,440*	614*	24,039*	407,972*	1,151,310	5,760	1,157,070

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APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2025

	Attributable to owners of the parent								
	Paid-in capital	Capital reserve	Statutory surplus reserve	Fair value reserve	Safety fund surplus reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 32)	(note 33)	(note 33)	(note 33)	(note 33)				
At 1 January 2025	149,191	420,054	149,440	614	24,039	407,972	1,151,310	5,760	1,157,070
Profit for the year	—	—	—	—	—	848,667	848,667	209	848,876
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	175	—	—	175	—	175
Total comprehensive income for the year	—	—	—	175	—	848,667	848,842	209	849,051
Transfer from retained profits	—	—	84,401	—	—	(84,401)	—	—	—
Dividends declared	—	—	—	—	—	(198,844)	(198,844)	—	(198,844)
Transfer to safety fund surplus reserve	—	—	—	—	5,032	(5,032)	—	—	—
At 31 December 2025	149,191	420,054*	233,841*	789*	29,071*	968,362*	1,801,308	5,969	1,807,277

Six months ended 30 June 2026(unaudited)

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000
	Paid-in capital RMB'000 (note 32)	Capital reserve RMB'000 (note 33)	Statutory surplus reserve RMB'000 (note 33)	Fair value reserve RMB'000 (note 33)	Safety fund surplus reserve RMB'000 (note 33)	Retained profits RMB'000	Total RMB'000		
At 1 January 2026	149,191	420,054	233,841	789	29,071	968,362	1,801,308	5,969	1,807,277
Profit for the period	—	—	—	—	—	975,088	975,088	471	975,559
Total comprehensive income for the period	—	—	—	—	—	975,088	975,088	471	975,559
Transfer to safety fund surplus reserve	—	—	—	—	3,914	(3,914)	—	—	—
At 30 June 2026 (unaudited)	149,191	420,054*	233,841*	789*	32,985*	1,939,536*	2,776,396	6,440	2,782,836

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APPENDIX I

ACCOUNTANTS’ REPORT

Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000
	Paid-in capital	Capital reserve	Statutory surplus reserve	Fair value reserve	Safety fund surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
	(note 32)	(note 33)	(note 33)	(note 33)	(note 33)				
At 1 January 2025	149,191	420,054	149,440	614	24,039	407,972	1,151,310	5,760	1,157,070
Profit for the period	—	—	—	—	—	374,698	374,698	91	374,789
Total comprehensive income for the period	—	—	—	—	—	374,698	374,698	91	374,789
Transfer from safety fund surplus reserve	—	—	—	—	839	(839)	—	—	—
At 30 June 2025 (unaudited)	149,191	420,054	149,440	614	24,878	781,831	1,526,008	5,851	1,531,859

* *These reserve accounts comprise the reserves of RMB645,831,000, RMB1,002,119,000, RMB1,652,117,000 and RMB2,627,205,000 (unaudited) in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.*

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		411,778	590,608	999,247	442,166	1,146,577
Adjustments for:						
Bank interest income	6	(429)	(680)	(1,407)	(559)	(4,144)
Finance costs	8	45,258	38,726	30,465	16,135	13,121
Depreciation of property, plant and equipment and investment properties	7	156,680	160,468	156,702	78,615	78,607
Depreciation of right-of-use assets	7	13,444	31,777	32,245	16,119	16,125
Amortisation of intangible assets	7	28,986	29,192	29,000	14,072	13,916
(Gain)/loss on disposal items of property, plant and equipment, net	7	(123)	395	701	142	236
Loss on disposal of intangible assets, net	7	—	—	4	—	—
(Reversal of impairment loss)/impairment loss on trade receivables	7	(480)	6	70	61	720
Impairment loss on other receivables	7	642	5	2	(61)	35
Write -down/(reversal of write-down) of inventories to net realisable value	7	622	(3,180)	(21)	21	—
Fair value (gain)/loss on derivative instruments	7	—	(49)	978	539	—
Dividend income from equity investments at fair value through other comprehensive income	7	30	31	30	—	—
		656,408	847,299	1,248,016	567,250	1,265,193

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
Notes	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
(Increase)/decrease in debt investments at fair value through other comprehensive income	(2,811)	7,351	(6,727)	(643)	(38,652)
Decrease/(increase) in inventories	8,150	(20,739)	(120,573)	(6,749)	89,351
Decrease/(increase) in trade receivables	58,973	10,125	(18,774)	(8,372)	(33,527)
Increase in prepayments, deposits and other receivables	(20,930)	(19,844)	(6,926)	(5,384)	(1,086)
(Increase)/decrease in restricted cash	(10,834)	(28,202)	41,830	28,122	(5,533)
Decrease/(increase) in other non-current assets	7,406	1,365	1,430	1,619	715
Decrease in trade and notes payables	(23,140)	(14,927)	(199,254)	(191,558)	17,293
(Decrease)/increase in other payables and accruals	(90,686)	4,507	102,261	148,289	(56,384)
Decrease in other deferred income	(6,619)	(3,583)	(3,153)	(3,668)	(4,120)
Decrease in other long-term payables	(57,825)	(35,413)	(49,199)	(46,191)	(16,424)
Cash generated from operations	518,092	747,939	988,931	482,715	1,216,826
Tax paid	(78,236)	(81,651)	(119,083)	(52,241)	(166,327)
Interest received	429	604	1,242	476	2,122
Net cash flows from operating activities	440,285	666,892	871,090	430,950	1,052,621
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of items of property, plant and equipment	(72,031)	(49,984)	(78,274)	(28,962)	(46,077)
Placement of time deposits	—	(8,000)	—	—	(500,000)
Purchases of intangible assets	(60,000)	(61,777)	(74,852)	(64,785)	(36,463)
Prepayment for right-of-use assets	—	(23,523)	(2,504)	(2,504)	—
Proceeds from disposal of items of property, plant and equipment	479	14	32	—	—
Proceeds from time deposits	—	—	—	—	8,241
Dividend income from equity investments at fair value through other comprehensive income	30	31	30	—	—
Additions of investment properties	—	—	(112)	—	—
Net cash flows used in investing activities	(131,522)	(143,239)	(155,680)	(96,251)	(574,299)

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(Unaudited)</i>	<i>(Unaudited)</i>
CASH FLOWS FROM FINANCING ACTIVITIES						
New interest-bearing bank and other borrowings		399,995	160,020	65,698	65,698	—
Repayment of interest-bearing bank and other borrowings		(664,600)	(380,305)	(74,210)	(73,899)	(65,698)
Interest paid		(14,109)	(8,358)	(1,852)	(1,038)	(184)
Payments of lease liabilities		(14,221)	(27,626)	(33,908)	(13,422)	(16,344)
Dividends paid		(30,000)	(254,522)	(198,844)	—	—
Net cash flows used in financing activities		(322,935)	(510,791)	(243,116)	(22,661)	(82,226)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS						
Cash and cash equivalents at beginning of year/period		(14,172)	12,862	472,294	312,038	396,096
		46,059	31,887	44,749	44,749	517,043
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD						
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	26	31,887	44,749	517,043	356,787	913,139
Cash and bank balances	26	69,049	110,113	540,577	394,029	441,105
Non-pledged time deposits with original maturity of less than three months when acquired	26	—	—	—	—	501,101
Restricted cash	26	(37,162)	(65,364)	(23,534)	(37,242)	(29,067)
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows	26	31,887	44,749	517,043	356,787	913,139

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December			30 June
		2023	2024	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)
NON-CURRENT ASSETS					
Property, plant and equipment	14	1,860,417	1,749,588	1,651,220	1,604,965
Investment property	15	6,049	5,652	5,254	5,056
Right-of-use assets	17(a)	99,287	171,470	141,729	125,604
Intangible assets	18	394,877	367,431	353,292	340,843
Investments in subsidiaries	16	100,600	100,600	100,600	100,600
Equity investments designated at fair value through other comprehensive income	21	1,331	1,815	2,021	2,021
Deferred tax assets	19	52,555	59,944	58,909	54,064
Restricted cash	26	16,837	18,782	21,649	23,582
Other non-current assets	20	6,805	8,623	9,350	7,311
TOTAL NON-CURRENT ASSETS		2,538,758	2,483,905	2,344,024	2,264,046
CURRENT ASSETS					
Inventories	22	29,683	48,602	170,628	76,346
Trade and notes receivables	23	27,091	22,981	52,902	86,537
Prepayments, other receivables and other assets	24	114,782	134,055	140,582	141,322
Debt investments at fair value through other comprehensive income	25	7,545	168	5,185	44,968
Derivative financial asset		—	49	—	—
Time deposits	26	—	—	—	502,022
Restricted cash	26	20,325	46,582	1,885	5,485
Cash and cash equivalents	26	23,423	38,693	505,716	881,407
TOTAL CURRENT ASSETS		222,849	291,130	876,898	1,738,087
CURRENT LIABILITIES					
Trade and notes payables	27	355,733	342,868	146,218	164,267
Other payables and accruals	28	558,740	400,130	460,479	354,888
Income tax payables		14,465	30,850	61,291	61,826
Interest-bearing bank and other borrowings	29	294,495	74,210	65,698	—
Lease liabilities	17(b)	2,689	34,359	35,638	21,735
TOTAL CURRENT LIABILITIES		1,226,122	882,417	769,324	602,716
NET CURRENT (LIABILITIES)/ASSETS		(1,003,273)	(591,287)	107,574	1,135,371
TOTAL ASSETS LESS CURRENT LIABILITIES		1,535,485	1,892,618	2,451,598	3,399,417

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APPENDIX I

ACCOUNTANTS’ REPORT

		31 December		30 June
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
				(unaudited)
NON-CURRENT LIABILITIES				
Lease liabilities	17(b)	43,157	69,048	37,396
Provisions	30	267,665	279,891	273,685
Deferred income	31	98,204	94,621	91,468
Other non-current liabilities	28	<u>302,954</u>	<u>267,541</u>	<u>218,342</u>
TOTAL NON-CURRENT LIABILITIES		<u>711,980</u>	<u>711,101</u>	<u>620,891</u>
NET ASSETS		<u>823,505</u>	<u>1,181,517</u>	<u>1,830,707</u>
EQUITY				
Paid-in capital	32	149,191	149,191	149,191
Reserves	33	<u>674,314</u>	<u>1,032,326</u>	<u>1,681,516</u>
TOTAL EQUITY		<u>823,505</u>	<u>1,181,517</u>	<u>1,830,707</u>

APPENDIX I

ACCOUNTANTS’ REPORT

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the People’s Republic of China (“PRC”) on 28 December 1995. The registered office of the Company is located at Shaxi Town, Shaoguan, Guangdong Province, China.

The Company’s holding company is Guangdong Rising Holding Group Co., Ltd. (the “**Holding Company**”), which is established in the PRC. The Company’s ultimate controlling shareholder is the State-owned Assets Supervision and Administration Commission, the People’s Government of Guangdong Province.

During the Relevant Periods and the six months ended 30 June 2025 and 2026, the Company and its subsidiaries (collectively, the “Group”) were mainly engaged in the exploration, mining, production and sale of non-ferrous metal concentrates, including copper and sulphur. The Group’s principal operations and geographical markets are inside the Chinese mainland.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shaoguan Guangbao Chemical Co., Ltd.* (韶關市廣寶化工有限公司) (note (a))	PRC/Chinese mainland 14 November 2001	RMB60,000,000	87.67%	—	Sale of chemical raw materials and chemical products
Guangdong Nanfang Special Copper Materials Co., Ltd.* (廣東南方特銅材有限公司) (note (a))	PRC/Chinese mainland 23 April 2001	RMB41,680,000	100.00%	—	Sale of metal products

* The English names of the above companies registered in the PRC represent the best efforts made by the directors of the Company in directly translating the Chinese names of these companies as no English names have been registered.

Note (a): The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared under China Accounting Standards for Business Enterprises (“CASBEs”) were audited by ShineWing Certified Public Accountants (信永中和會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC. The financial statements for the year ended 31 December 2025 prepared under CASBEs were audited by Guangdong Zhongtianyue Certified Public Accountants (廣東中天粵會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”).

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information and the Interim Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

APPENDIX I

ACCOUNTANTS’ REPORT

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements¹</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency¹</i>
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities²</i>
Amendments to IAS 28	<i>Fair Value Option for Investments in Associates and Joint Ventures¹</i>

¹ Effective for annual periods beginning on or after 1 January 2027

² Effective for annual periods beginning on or after 1 January 2029

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making a detailed assessment of the impact of these new and amended IFRS Accounting Standards upon [REDACTED]. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are unlikely to have a significant impact on the Group’s financial performance and financial position in the period of [REDACTED]. The application of IFRS 18 is not expected to have material impact on the consolidated statements of financial position but is expected to affect the presentation of the consolidated statements of profit or loss, consolidated statements of comprehensive income and the consolidated statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures certain of its financial assets and financial liabilities at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

APPENDIX I

ACCOUNTANTS’ REPORT

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

APPENDIX I

ACCOUNTANTS’ REPORT

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depending on the nature of the item of property, plant and equipment, depreciation is calculated on the straight-line basis to write off the cost of the asset over its estimated useful life, or it is calculated on the units-of-production (“UOP”) basis to write off the cost of the asset proportionately to the extraction of the proven and probable mineral reserves. The estimated useful lives and annual depreciation rates are as follows:

	Estimated useful lives	Annual depreciation rates
Mining properties	5 to 35 years	2.85% to 20%
Buildings	10 to 40 years	2.43% to 9.70%
Plant, machinery and equipment	5 to 20 years	4.85% to 19.40%
Motor vehicles	4 to 10 years	9.70% to 24.25%
Electronic equipment	3 to 10 years	9.70% to 32.33%
Office equipment	3 to 10 years	9.70% to 32.33%
Others	5 years	19.40%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each of the Relevant Periods.

Exploration and evaluation assets

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably determined to be commercially available and recognised as mining rights after obtaining mining rights or permits, which will be amortised under the UOP method. If any construction was terminated in the development phase or belongs to the productive exploration, all costs shall be written off and recognised in the statement of profit or loss for the period in which it arises.

APPENDIX I

ACCOUNTANTS’ REPORT

Impairment reviews of exploration and evaluation assets are undertaken if events or changes in circumstances indicate a potential impairment. The carrying value of exploration and evaluation assets is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units. Exploration and evaluation assets that were impaired are reviewed for a possible reversal of impairment at the end of each of the Relevant Periods.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration rights and exploration and evaluation assets, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the UOP method. Mining rights are written off to the statement of profit or loss if the mining property is disposed of.

Other intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software	10 years
Patent rights	20 years

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use rights and leasehold land	3 to 30 years
Buildings	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise

APPENDIX I

ACCOUNTANTS’ REPORT

price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment and garage (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

APPENDIX I

ACCOUNTANTS’ REPORT

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

APPENDIX I

ACCOUNTANTS’ REPORT

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of each of the Relevant Periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | — | Financial assets that are credit-impaired at the end of each of the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the Relevant Periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include interest-bearing bank and other borrowings, trade payables, financial liabilities included in other payables and other non-current liabilities.

APPENDIX I

ACCOUNTANTS’ REPORT

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade payables, interest-bearing bank and other borrowings, financial liabilities included in other payables and accruals and other non-current liabilities)

After initial recognition, trade payables, interest-bearing bank and other borrowings, financial liabilities included in other payables and accruals and other non-current liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provisions for the Group’s obligations for environmental rehabilitation and restoration of mines are based on estimates of the required expenditures at the mines in accordance with the local rules and regulations where the mines are located. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditures for the required work. The Group then discounts these amounts using a rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in the timing of the performance of reclamation activities), the revisions to the obligation and the asset are recognised at the appropriate discount rate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of mineral products

Revenue from the sale of mineral products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. A portion of the Group’s sales of mineral products allows for price adjustments based on the market price at the end of the relevant quotation period (“QP”) stipulated in the contract. These are referred to as provisional pricing arrangements and such that the selling price for mineral products is based on prevailing spot prices on a specified future date after delivery to the

APPENDIX I

ACCOUNTANTS’ REPORT

customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The QP is three months from the date of delivery (inclusive). The Group requests for payments in advance from all customers with no credit terms on sales.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The employees of the Group which operates in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances — Chinese mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group’s liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of each of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Dividends are disclosed in note 13 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the end of each of the Relevant Periods. Uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Corporate income tax

As a result of the fact that certain matters relating to the corporate income taxes have not been confirmed by the local tax bureau as at the end of the Relevant Periods, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income tax expenses to be made for each of the Relevant Periods. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will be accounted for in the income tax expenses in the period in which the differences are realised.

Deferred tax assets

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management’s judgements regarding the timing, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets. Further details are included in note 19 to the Historical Financial Information.

Exploration and evaluation expenditures

After determining the capitalisation amount of exploration and evaluation expenditures, the Group will regularly evaluate the exploration results. If the reviewed geological exploration report shows that there are no prospecting results or no economically recoverable reserves, or that the economic benefits of mining cannot be achieved and further exploration is unnecessary due to low grade and difficulties in mining and processing, the exploration and evaluation expenditures previously collected will be expensed and included in the statement of profit and loss for the current period in a lump sum.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of each of the Relevant Periods. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates and judgements may be affected by changes in future market or economic conditions.

Proved mineral reserves

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on the amounts of mining assets’ depreciation and mining rights’ amortisation using the UOP method.

4. OPERATING SEGMENT INFORMATION

The Group manages its business as a whole for the purpose of making decisions on resource allocation and performance assessment, and therefore, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

All of the Group’s sales are made to the customers in the Chinese mainland.

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Non-current assets

All the Group’s non-current assets (excluding deferred tax assets) are located in the Chinese mainland.

Information about major customers

Revenue from each of the major customers, which accounted for 10% or more of the Group’s revenue during the Relevant Periods and the six months ended 30 June 2025 and 2026 are set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Customer B	376,985	364,393	N/A*	N/A*	218,157
Guangsheng Nonferrous Metals Import & Export Co., Ltd.	251,155	N/A*	N/A*	N/A*	N/A*
Customer A	N/A*	N/A*	375,975	129,064	329,888
Customer E	N/A*	N/A*	225,082	109,202	N/A*
Customer C	N/A*	N/A*	N/A*	N/A*	205,812
Customer D	N/A*	N/A*	N/A*	N/A*	191,757
	<u>628,140</u>	<u>364,393</u>	<u>601,057</u>	<u>238,266</u>	<u>945,614</u>

* The corresponding revenue of the customers is not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the Relevant Periods and the six months ended 30 June 2025 and 2026.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Revenue from contracts with customers	1,582,130	1,832,634	2,179,274	1,033,176	1,845,723
Revenue from other sources					
Rental income	<u>13,972</u>	<u>14,923</u>	<u>13,976</u>	<u>5,584</u>	<u>6,467</u>
	<u>1,596,102</u>	<u>1,847,557</u>	<u>2,193,250</u>	<u>1,038,760</u>	<u>1,852,190</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Types of goods or services					
— Copper concentrates	829,685	929,948	943,209	484,872	747,766
— Sulphur concentrates	435,845	588,260	830,899	377,866	791,666
— Magnetic sulphur concentrates	40,718	39,353	59,371	31,467	59,557
— Low-grade ore	179,764	174,001	130,085	68,448	65,042
— Others	<u>96,118</u>	<u>101,072</u>	<u>215,710</u>	<u>70,523</u>	<u>181,692</u>
	<u>1,582,130</u>	<u>1,832,634</u>	<u>2,179,274</u>	<u>1,033,176</u>	<u>1,845,723</u>

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Timing of revenue recognition					
Goods and services transferred at a point in time	<u>1,582,130</u>	<u>1,832,634</u>	<u>2,179,274</u>	<u>1,033,176</u>	<u>1,845,723</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The following table shows the amounts of revenue recognised in the Relevant Periods and the six months ended 30 June 2025 and 2026 that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December			Six months ended 30 June	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Revenue recognised was included in contract liabilities at the beginning of each of the Relevant Periods:	109,483	56,989	16,257	16,257	32,346

(b) Information about the Group's performance obligations

Sale of goods:

The Group recognises revenue when customers gain the control of goods, generally on delivery of the products. Prepayments received from customers before delivery of goods are recognised as contract liabilities in the consolidated financial statements.

The amounts of transaction prices allocated to the remaining performance obligation are part of the contracts that has an original expected duration of one year or less. Thus, management applied the practical expedient under IFRS 15 and did not disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied as at the end of each of the Relevant Periods.

6. OTHER INCOME AND GAINS

	Year ended 31 December			Six months ended 30 June	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Other income					
Government grants*	7,236	9,254	8,768	4,027	5,820
Interest income	429	680	1,407	559	4,144
Dividend income from equity investments at fair value through other comprehensive income	30	31	30	—	—
Total other income	7,695	9,965	10,205	4,586	9,964
Gains					
Gain on disposal of items of property, plant and equipment	123	—	—	—	—
Fair value change on provisional pricing arrangements, net	4,582	1,145	21,675	5,938	1,987
Fair value change on derivative instruments	—	49	—	—	—
Compensation	—	263	9,406	356	308
Others	2,377	1,090	511	324	447
Total gains	7,082	2,547	31,592	6,618	2,742
Total other income and gains	14,777	12,512	41,797	11,204	12,706

* The Group has received various government grants primarily for pollution prevention and control. Government grants received for which the related expenditure has not been undertaken are included in deferred income in the statements of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

APPENDIX I

ACCOUNTANTS’ REPORT

7. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Cost of raw materials and consumables		891,593	913,191	920,320	478,542	555,119
Depreciation of property, plant and equipment*	14	154,936	158,888	155,214	77,863	77,862
Depreciation of right-of-use assets*	17	13,444	31,777	32,245	16,119	16,125
Depreciation of investment properties*	15	1,744	1,580	1,488	752	745
Amortisation of intangible assets*	18	28,986	29,192	29,000	14,072	13,916
[REDACTED]		—	—	231	—	2,189
Employee benefit expense (excluding directors’ and supervisors’ remuneration (note 9)):						
— Wages, salaries and benefits in kind		196,943	189,971	208,042	115,796	136,929
— Pension and other social insurances		66,319	53,828	61,339	25,013	29,129
— Early retirement benefits		24,191	59,350	5,642	842	—
Total		<u>287,453</u>	<u>303,149</u>	<u>275,023</u>	<u>141,651</u>	<u>166,058</u>
Write-down/(reversal of write-down) of inventories to net realisable value		622	(3,180)	(21)	21	—
Impairment losses on financial assets, net		162	11	72	—	755
Fair value change on provisional pricing arrangements, net		(4,582)	(1,145)	(21,675)	(5,938)	(1,987)
Fair value change on derivative instruments		—	(49)	978	539	—
Interest income	6	(429)	(680)	(1,407)	(559)	(4,144)
Dividend income from equity investments at fair value through other comprehensive income	6	(30)	(31)	(30)	—	—
(Gains)/losses on disposal of items of property, plant and equipment, net		(123)	395	701	142	236
Losses on disposal of items of intangible assets, net		<u>—</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>—</u>

* The depreciation of property, plant and equipment, the depreciation of investment properties, the amortisation of intangible assets, and the depreciation of right-of-use assets are included in “Cost of sales”, “Selling expenses”, “Administrative expenses” and “Research and development expenses” in profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	30 June 2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Interest on bank borrowings	8,621	7,238	1,154	706	124
Interest on borrowings from related parties (note 36)	5,488	1,120	698	332	60
Interest on lease liabilities (note 17(c))	2,504	4,750	3,524	1,762	1,123
Increase in discounted amounts of mining rights granting fees payable arising from the passage of time	12,987	10,852	8,697	4,839	3,941
Total interest expense on financial liabilities not at fair value through profit or loss	29,600	23,960	14,073	7,639	5,248
Increase in long-term employee benefits payable arising from the passage of time	3,520	2,319	3,377	1,988	1,510
Increase in discounted amounts of provisions arising from the passage of time	12,138	12,447	13,015	6,508	6,363
Total	45,258	38,726	30,465	16,135	13,121

9. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

Directors’ and supervisors’ remuneration for Relevant Periods and the six months ended 30 June 2025 and 2026, is as follows:

	Year ended 31 December			Six months ended	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	30 June 2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	792	1,492	926	463	481
Performance related bonuses	2,558	4,772	2,925	410	421
Social insurance and housing fund	754	819	444	171	188
	4,104	7,083	4,295	1,044	1,090

31 December 2023

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Social insurance and housing fund RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. Wu Jianping (a)	—	284	994	294	1,572
Mr. Li Zhongping (c)	—	343	1,259	275	1,877
Mr. Zhang Xigang (b)(d)	—	—	—	—	—
Mr. Ke Changbo (d)	—	—	—	—	—
Mr. Tan Guojun (d)	—	—	—	—	—
Mr. Huang Weiguang (d)	—	—	—	—	—
<i>Supervisors:</i>					
Mr. Li Kaixuan (e)	—	139	159	143	441
Mr. Lv Junbao (f)	—	26	146	42	214
Mr. Yang Ke (d)	—	—	—	—	—
Mr. Xu Dongyang (d)	—	—	—	—	—
Total	—	792	2,558	754	4,104

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Social insurance and housing fund RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. Li Zhongping (c)	—	451	1,526	224	2,201
Mr. Zhang Xigang (b)(d)	—	—	—	—	—
Mr. Ke Changbo (d)	—	—	—	—	—
Mr. Tan Guojun (d)	—	—	—	—	—
Mr. Huang Weiguang (d)	—	—	—	—	—
Mr. Zhong Yong (g)	—	435	1,492	235	2,162
Mr. Xiang Jun (h)	—	—	—	—	—
<i>Supervisors: (j)</i>					
Mr. Lv Junbao (f)	—	179	351	164	694
Mr. Yang Ke (d)	—	—	—	—	—
Mr. Xu Dongyang (d)	—	—	—	—	—
Mr. Ou Guoliang (i)	—	427	1,403	196	2,026
Total	—	1,492	4,772	819	7,083

31 December 2025

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Social insurance and housing fund RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. Ke Changbo (d)	—	—	—	—	—
Mr. Tan Guojun (d)	—	—	—	—	—
Mr. Huang Weiguang (d)	—	—	—	—	—
Mr. Zhong Yong (g)	—	475	1,533	271	2,279
Mr. Xiang Jun (h)	—	451	1,392	173	2,016
Total	—	926	2,925	444	4,295

30 June 2026 (Unaudited)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Social insurance and housing fund RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. Ke Changbo (d)	—	—	—	—	—
Mr. Tan Guojun (d)	—	—	—	—	—
Mr. Huang Weiguang (d)	—	—	—	—	—
Mr. Zhong Yong (g)	—	247	216	103	566
Mr. Xiang Jun (h)	—	234	205	85	524
Total	—	481	421	188	1,090

APPENDIX I

ACCOUNTANTS’ REPORT

30 June 2025 (Unaudited)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Social insurance and housing fund RMB'000	Total RMB'000
<i>Executive directors:</i>					
Mr. Ke Changbo (d)	—	—	—	—	—
Mr. Tan Guojun (d)	—	—	—	—	—
Mr. Huang Weiguang (d)	—	—	—	—	—
Mr. Zhong Yong (g)	—	237	210	97	544
Mr. Xiang Jun (h)	—	226	200	74	500
Total	—	463	410	171	1,044

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025 and 2026.

- Mr. Wu Jianping resigned as a director of the Company on 31 August 2023.
- Mr. Zhang Xigang was appointed as a director of the Company with effect from 31 August 2023 and resigned on 11 January 2024.
- Mr. Li Zhongping resigned as a director and general manager of the Company on 6 December 2024.
- The emoluments of Mr. Zhang Xigang, Mr. Ke Changbo, Mr. Tan Guojun, Mr. Huang Weiguang, Mr. Yang Ke, and Mr. Xu Dongyang in relation to their services rendered to the Company during the Relevant Periods were borne by Guangdong Rising and Zhongxi Nonferrous Metals Co., Ltd. These emoluments were not allocated to the Company as the management of the Company considers there is no reasonable basis for such allocation.
- Mr. Li Kaixuan was appointed as a supervisor of the Company with effect from 2 August 2021 and resigned on 8 November 2023.
- Mr. Lv Junbao was appointed as a supervisor of the Company with effect from 8 November 2023 and resigned on 10 December 2024.
- Mr. Zhong Yong was appointed as a director and chief executive of the Company with effect from 11 January 2024.
- Mr. Xiang Jun was appointed as a director and general manager of the Company with effect from 6 December 2024.
- Mr. Ou Guoliang was appointed as a supervisor of the Company with effect from 31 January 2024.
- The Company abolished the supervisory committee with effect from 10 December 2024. Mr. Yang Ke, Mr. Xu Dongyang, Mr. Lv Junbao and Mr. Ou Guoliang resigned from their positions as supervisors accordingly.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2025 and 2026 included two, two, two, two and two directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the three, three, three, three, and three highest paid employees who are not directors of the Group during the Relevant Periods and the six months ended 30 June 2025 and 2026, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	883	857	929	416	464
Performance related bonuses	1,380	1,331	1,332	253	227
Pension scheme contributions	461	420	492	180	195
Total	2,724	2,608	2,753	849	886

APPENDIX I

ACCOUNTANTS’ REPORT

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	(Unaudited)
Nil to HKD1,000,000	1	3	1	3	3
HKD1,000,001 to HKD1,500,000	2	—	2	—	—
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

The Company and its subsidiaries were established in the PRC. The corporate income tax for the Relevant Periods and the six months ended 30 June 2026 was 25%, except for the Company and a subsidiary in the Chinese mainland which have been granted tax concessions and were taxed at preferential tax rates.

The Company and Shaoguan Guangbao Chemical Co., Ltd were qualified as High and New Technology Enterprises and entitled to a preferential income tax rate of 15% from 2023 to 2025. These qualifications are subject to review by the relevant tax authority in the Chinese mainland every three years. The renewal of the above qualifications of the Company for 2026 to 2029 is in progress and expected to be completed in December 2026.

An analysis of the Group’s provision for tax is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Current income tax	38,202	98,035	149,525	60,555	166,712
Deferred (note 19)	<u>25,559</u>	<u>(8,026)</u>	<u>846</u>	<u>6,822</u>	<u>4,306</u>
	<u>63,761</u>	<u>90,009</u>	<u>150,371</u>	<u>67,377</u>	<u>171,018</u>

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Profit before tax	<u>411,778</u>	<u>590,608</u>	<u>999,247</u>	<u>442,166</u>	<u>1,146,577</u>
Tax at the preferential tax rate of 15%	61,767	88,591	149,887	66,325	171,987
Effect of different tax rates enacted by local authorities	83	92	259	19	5
Non-deductible expenses	4,993	4,056	3,473	1,895	796
Tax losses utilised from previous periods	(212)	(231)	(58)	(48)	(462)
Additional deductible allowance for qualified research and development expenses	(3,117)	(3,181)	(3,480)	(1,073)	(1,308)
Tax losses not recognised	<u>247</u>	<u>682</u>	<u>290</u>	<u>259</u>	<u>—</u>
Tax charge at the effective rate	<u>63,761</u>	<u>90,009</u>	<u>150,371</u>	<u>67,377</u>	<u>171,018</u>

ACCOUNTANTS' REPORT

– I-35 –

APPENDIX I

ACCOUNTANTS’ REPORT

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023								
At 1 January 2023:								
Cost	1,065,717	938,331	628,170	35,275	32,998	21,724	103,904	2,826,119
Accumulated depreciation and impairment	(219,052)	(192,012)	(345,972)	(27,222)	(25,789)	(19,348)	—	(829,395)
Net carrying amount	<u>846,665</u>	<u>746,319</u>	<u>282,198</u>	<u>8,053</u>	<u>7,209</u>	<u>2,376</u>	<u>103,904</u>	<u>1,996,724</u>
At 1 January 2023, net of accumulated depreciation and impairment	846,665	746,319	282,198	8,053	7,209	2,376	103,904	1,996,724
Additions	—	3,789	12,288	3,654	2,200	3,638	40,546	66,115
Transfers	—	79,798	48,804	158	2,171	203	(131,134)	—
Depreciation provided during the year	(56,395)	(29,788)	(58,613)	(3,583)	(4,431)	(2,126)	—	(154,936)
Disposals	—	(335)	(251)	(159)	(316)	(11)	—	(1,072)
At 31 December 2023, net of accumulated depreciation and impairment	<u>790,270</u>	<u>799,783</u>	<u>284,426</u>	<u>8,123</u>	<u>6,833</u>	<u>4,080</u>	<u>13,316</u>	<u>1,906,831</u>
At 31 December 2023:								
Cost	1,065,717	1,021,918	683,339	32,299	36,509	24,622	13,316	2,877,720
Accumulated depreciation and impairment	(275,447)	(222,135)	(398,913)	(24,176)	(29,676)	(20,542)	—	(970,889)
Net carrying amount	<u>790,270</u>	<u>799,783</u>	<u>284,426</u>	<u>8,123</u>	<u>6,833</u>	<u>4,080</u>	<u>13,316</u>	<u>1,906,831</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group (continued)

	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024:								
Cost	1,065,717	1,021,918	683,339	32,299	36,509	24,622	13,316	2,877,720
Accumulated depreciation and impairment	(275,447)	(222,135)	(398,913)	(24,176)	(29,676)	(20,542)	—	(970,889)
Net carrying amount	<u>790,270</u>	<u>799,783</u>	<u>284,426</u>	<u>8,123</u>	<u>6,833</u>	<u>4,080</u>	<u>13,316</u>	<u>1,906,831</u>
At 1 January 2024, net of accumulated depreciation and impairment	790,270	799,783	284,426	8,123	6,833	4,080	13,316	1,906,831
Additions	—	780	6,114	2,360	1,021	1,384	35,119	46,778
Transfers	—	5,076	9,274	—	1,705	2,268	(18,323)	—
Depreciation provided during the year	(56,077)	(34,661)	(59,709)	(3,437)	(3,673)	(1,331)	—	(158,888)
Disposals	—	—	(1,158)	(21)	(121)	(1)	—	(1,301)
At 31 December 2024, net of accumulated depreciation and impairment	<u>734,193</u>	<u>770,978</u>	<u>238,947</u>	<u>7,025</u>	<u>5,765</u>	<u>6,400</u>	<u>30,112</u>	<u>1,793,420</u>
At 31 December 2024:								
Cost	1,065,717	1,027,757	680,932	34,119	35,182	28,156	30,112	2,901,975
Accumulated depreciation and impairment	(331,524)	(256,779)	(441,985)	(27,094)	(29,417)	(21,756)	—	(1,108,555)
Net carrying amount	<u>734,193</u>	<u>770,978</u>	<u>238,947</u>	<u>7,025</u>	<u>5,765</u>	<u>6,400</u>	<u>30,112</u>	<u>1,793,420</u>
	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025								
At 1 January 2025:								
Cost	1,065,717	1,027,757	680,932	34,119	35,182	28,156	30,112	2,901,975
Accumulated depreciation and impairment	(331,524)	(256,779)	(441,985)	(27,094)	(29,417)	(21,756)	—	(1,108,555)
Net carrying amount	<u>734,193</u>	<u>770,978</u>	<u>238,947</u>	<u>7,025</u>	<u>5,765</u>	<u>6,400</u>	<u>30,112</u>	<u>1,793,420</u>
At 1 January 2025, net of accumulated depreciation and impairment	734,193	770,978	238,947	7,025	5,765	6,400	30,112	1,793,420
Additions	—	496	12,217	803	2,950	1,177	37,574	55,217
Transfers	—	31,005	16,829	6	421	—	(48,261)	—
Depreciation provided during the year	(55,688)	(30,368)	(60,924)	(2,930)	(3,457)	(1,847)	—	(155,214)
Disposals	—	(226)	(173)	(22)	(65)	(183)	—	(669)
At 31 December 2025, net of accumulated depreciation and impairment	<u>678,505</u>	<u>771,885</u>	<u>206,896</u>	<u>4,882</u>	<u>5,614</u>	<u>5,547</u>	<u>19,425</u>	<u>1,692,754</u>
At 31 December 2025:								
Cost	1,065,717	1,058,510	697,357	34,285	35,656	20,104	19,425	2,931,054
Accumulated depreciation and impairment	(387,212)	(286,625)	(490,461)	(29,403)	(30,042)	(14,557)	—	(1,238,300)
Net carrying amount	<u>678,505</u>	<u>771,885</u>	<u>206,896</u>	<u>4,882</u>	<u>5,614</u>	<u>5,547</u>	<u>19,425</u>	<u>1,692,754</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group (continued)

	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
30 June 2026 (Unaudited)								
At 1 January 2026:								
Cost	1,065,717	1,058,510	697,357	34,285	35,656	20,104	19,425	2,931,054
Accumulated depreciation and impairment	(387,212)	(286,625)	(490,461)	(29,403)	(30,042)	(14,557)	—	(1,238,300)
Net carrying amount	<u>678,505</u>	<u>771,885</u>	<u>206,896</u>	<u>4,882</u>	<u>5,614</u>	<u>5,547</u>	<u>19,425</u>	<u>1,692,754</u>
At 1 January 2026, net of accumulated depreciation and impairment	678,505	771,885	206,896	4,882	5,614	5,547	19,425	1,692,754
Additions	—	—	14,624	2,931	541	232	12,660	30,988
Transfers	—	—	648	—	—	—	(648)	—
Depreciation provided during the period	(26,711)	(13,897)	(33,821)	(1,221)	(1,308)	(904)	—	(77,862)
Disposals	—	(27)	(178)	(13)	(9)	(8)	—	(235)
At 30 June 2026, net of accumulated depreciation and impairment	<u>651,794</u>	<u>757,961</u>	<u>188,169</u>	<u>6,579</u>	<u>4,838</u>	<u>4,867</u>	<u>31,437</u>	<u>1,645,645</u>
At 30 June 2026:								
Cost	1,065,717	1,051,870	707,550	36,335	35,946	20,014	31,437	2,948,869
Accumulated depreciation and impairment	(413,923)	(293,909)	(519,381)	(29,756)	(31,108)	(15,147)	—	(1,303,224)
Net carrying amount	<u>651,794</u>	<u>757,961</u>	<u>188,169</u>	<u>6,579</u>	<u>4,838</u>	<u>4,867</u>	<u>31,437</u>	<u>1,645,645</u>

The Company

	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023								
At 1 January 2023:								
Cost	1,065,717	899,592	530,975	34,258	32,648	20,737	103,715	2,687,642
Accumulated depreciation and impairment	(219,052)	(172,224)	(268,693)	(26,281)	(25,667)	(18,509)	—	(730,426)
Net carrying amount	<u>846,665</u>	<u>727,368</u>	<u>262,282</u>	<u>7,977</u>	<u>6,981</u>	<u>2,228</u>	<u>103,715</u>	<u>1,957,216</u>
At 1 January 2023, net of accumulated depreciation and impairment	846,665	727,368	262,282	7,977	6,981	2,228	103,715	1,957,216
Additions	—	760	4,717	3,654	1,911	2,811	39,756	53,609
Transfers	—	79,798	47,855	158	2,171	203	(130,185)	—
Depreciation provided during the year	(56,395)	(29,188)	(55,016)	(3,559)	(4,429)	(1,387)	—	(149,974)
Disposals	—	—	(246)	(151)	(26)	(11)	—	(434)
At 31 December 2023, net of accumulated depreciation and impairment	<u>790,270</u>	<u>778,738</u>	<u>259,592</u>	<u>8,079</u>	<u>6,608</u>	<u>3,844</u>	<u>13,286</u>	<u>1,860,417</u>
At 31 December 2023:								
Cost	1,065,717	980,150	577,757	31,654	35,870	23,366	13,286	2,727,800
Accumulated depreciation and impairment	(275,447)	(201,412)	(318,165)	(23,575)	(29,262)	(19,522)	—	(867,383)
Net carrying amount	<u>790,270</u>	<u>778,738</u>	<u>259,592</u>	<u>8,079</u>	<u>6,608</u>	<u>3,844</u>	<u>13,286</u>	<u>1,860,417</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company (continued)

	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024:								
Cost	1,065,717	980,150	577,757	31,654	35,870	23,366	13,286	2,727,800
Accumulated depreciation and impairment	(275,447)	(201,412)	(318,165)	(23,575)	(29,262)	(19,522)	—	(867,383)
Net carrying amount	<u>790,270</u>	<u>778,738</u>	<u>259,592</u>	<u>8,079</u>	<u>6,608</u>	<u>3,844</u>	<u>13,286</u>	<u>1,860,417</u>
At 1 January 2024, net of accumulated depreciation and impairment	790,270	778,738	259,592	8,079	6,608	3,844	13,286	1,860,417
Additions	—	—	6,106	2,360	1,020	1,248	33,208	43,942
Transfers	—	3,888	8,521	—	1,705	2,268	(16,382)	—
Depreciation provided during the year	(56,077)	(33,789)	(55,883)	(3,412)	(3,671)	(1,257)	—	(154,089)
Disposals	—	—	(539)	(21)	(121)	(1)	—	(682)
At 31 December 2024, net of accumulated depreciation and impairment	<u>734,193</u>	<u>748,837</u>	<u>217,797</u>	<u>7,006</u>	<u>5,541</u>	<u>6,102</u>	<u>30,112</u>	<u>1,749,588</u>
At 31 December 2024:								
Cost	1,065,717	984,021	575,208	33,474	34,543	26,760	30,112	2,749,835
Accumulated depreciation and impairment	(331,524)	(235,184)	(357,411)	(26,468)	(29,002)	(20,658)	—	(1,000,247)
Net carrying amount	<u>734,193</u>	<u>748,837</u>	<u>217,797</u>	<u>7,006</u>	<u>5,541</u>	<u>6,102</u>	<u>30,112</u>	<u>1,749,588</u>
	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025								
At 1 January 2025:								
Cost	1,065,717	984,021	575,208	33,474	34,543	26,760	30,112	2,749,835
Accumulated depreciation and impairment	(331,524)	(235,184)	(357,411)	(26,468)	(29,002)	(20,658)	—	(1,000,247)
Net carrying amount	<u>734,193</u>	<u>748,837</u>	<u>217,797</u>	<u>7,006</u>	<u>5,541</u>	<u>6,102</u>	<u>30,112</u>	<u>1,749,588</u>
At 1 January 2025, net of accumulated depreciation and impairment	734,193	748,837	217,797	7,006	5,541	6,102	30,112	1,749,588
Additions	—	190	11,309	802	2,927	1,158	36,433	52,819
Transfers	—	30,893	15,998	—	421	—	(47,312)	—
Depreciation provided during the year	(55,688)	(29,488)	(57,200)	(2,929)	(3,452)	(1,769)	—	(150,526)
Disposals	—	(226)	(165)	(22)	(65)	(183)	—	(661)
At 31 December 2025, net of accumulated depreciation and impairment	<u>678,505</u>	<u>750,206</u>	<u>187,739</u>	<u>4,857</u>	<u>5,372</u>	<u>5,308</u>	<u>19,233</u>	<u>1,651,220</u>
At 31 December 2025:								
Cost	1,065,717	1,014,354	590,174	33,634	35,370	18,699	19,233	2,777,181
Accumulated depreciation and impairment	(387,212)	(264,148)	(402,435)	(28,777)	(29,998)	(13,391)	—	(1,125,961)
Net carrying amount	<u>678,505</u>	<u>750,206</u>	<u>187,739</u>	<u>4,857</u>	<u>5,372</u>	<u>5,308</u>	<u>19,233</u>	<u>1,651,220</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company (continued)

	Mining properties RMB'000	Buildings RMB'000	Plant, machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Office equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
30 June 2026 (Unaudited)								
At 1 January 2026:								
Cost	1,065,717	1,014,354	590,174	33,634	35,370	18,699	19,233	2,777,181
Accumulated depreciation and impairment	(387,212)	(264,148)	(402,435)	(28,777)	(29,998)	(13,391)	—	(1,125,961)
Net carrying amount	<u>678,505</u>	<u>750,206</u>	<u>187,739</u>	<u>4,857</u>	<u>5,372</u>	<u>5,308</u>	<u>19,233</u>	<u>1,651,220</u>
At 1 January 2026, net of accumulated depreciation and impairment	678,505	750,206	187,739	4,857	5,372	5,308	19,233	1,651,220
Additions	—	—	14,623	2,931	541	217	11,485	29,797
Transfers	—	—	242	—	—	—	(242)	—
Depreciation provided during the period	(26,711)	(13,455)	(32,255)	(1,221)	(1,303)	(872)	—	(75,817)
Disposals	—	(27)	(178)	(13)	(9)	(8)	—	(235)
At 30 June 2026, net of accumulated depreciation and impairment	<u>651,794</u>	<u>736,724</u>	<u>170,171</u>	<u>6,554</u>	<u>4,601</u>	<u>4,645</u>	<u>30,476</u>	<u>1,604,965</u>
At 30 June 2026:								
Cost	1,065,717	1,007,716	599,960	35,684	35,661	18,601	30,476	2,793,815
Accumulated depreciation and impairment	(413,923)	(270,992)	(429,789)	(29,130)	(31,060)	(13,956)	—	(1,188,850)
Net carrying amount	<u>651,794</u>	<u>736,724</u>	<u>170,171</u>	<u>6,554</u>	<u>4,601</u>	<u>4,645</u>	<u>30,476</u>	<u>1,604,965</u>

15. INVESTMENT PROPERTIES

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Cost at 1 January, net of accumulated depreciation	30,751	29,007	27,427	26,041
Additions	—	—	112	—
Disposal	—	—	(10)	—
Depreciation provided during the year/period	<u>(1,744)</u>	<u>(1,580)</u>	<u>(1,488)</u>	<u>(745)</u>
At 31 December/30 June	<u>29,007</u>	<u>27,427</u>	<u>26,041</u>	<u>25,296</u>
At 31 December/30 June:				
Cost	64,445	64,445	64,497	64,497
Accumulated depreciation	<u>(35,438)</u>	<u>(37,018)</u>	<u>(38,456)</u>	<u>(39,201)</u>
Carrying amount at the end of the year/period	<u>29,007</u>	<u>27,427</u>	<u>26,041</u>	<u>25,296</u>

The Group’s investment properties are situated in the Chinese mainland and are leased to third parties under operating leases, further details of which are included in note 17 below.

The Group’s investment properties were valued by an independent professionally qualified valuer using the market approach and income approach at RMB187,490,000, RMB171,653,000, RMB158,673,000 and RMB151,022,000 (unaudited) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Cost at 1 January, net of accumulated depreciation	6,524	6,049	5,652	5,254
Depreciation provided during the year/period	(475)	(397)	(398)	(198)
At 31 December/30 June	<u>6,049</u>	<u>5,652</u>	<u>5,254</u>	<u>5,056</u>
At 31 December/30 June:				
Cost	17,336	17,336	17,336	17,336
Accumulated depreciation	<u>(11,287)</u>	<u>(11,684)</u>	<u>(12,082)</u>	<u>(12,280)</u>
Carrying amount at the end of the year/period	<u>6,049</u>	<u>5,652</u>	<u>5,254</u>	<u>5,056</u>

16. INVESTMENTS IN SUBSIDIARIES

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Investment costs	100,600	100,600	100,600	100,600
Less: Provision for impairment	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount at the end of the year/period	<u>100,600</u>	<u>100,600</u>	<u>100,600</u>	<u>100,600</u>

17. LEASES

The Group and the Company as a lessee

The Group has lease contracts for various items of leasehold land and buildings. The Group lease liabilities are recognized as of the inception date of the leases based on the present value of the lease payments due over the lease terms. Leases of leased land generally have lease terms between 3 to 30 years and the lease term for buildings is 3 years. The Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements are as follows:

	Land use rights and leasehold land RMB'000	Buildings RMB'000	Total RMB'000
As at 1 January 2023	110,959	1,772	112,731
Depreciation charge	<u>(11,672)</u>	<u>(1,772)</u>	<u>(13,444)</u>
As at 31 December 2023 and 1 January 2024	99,287	—	99,287
Additions	103,960	—	103,960
Depreciation charge	<u>(31,777)</u>	<u>—</u>	<u>(31,777)</u>
As at 31 December 2024 and 1 January 2025	171,470	—	171,470
Additions	2,504	—	2,504
Depreciation charge	<u>(32,245)</u>	<u>—</u>	<u>(32,245)</u>
As at 31 December 2025 and 1 January 2026	141,729	—	141,729
Depreciation charge (unaudited)	<u>(16,125)</u>	<u>—</u>	<u>(16,125)</u>
As at 30 June 2026 (unaudited)	<u>125,604</u>	<u>—</u>	<u>125,604</u>

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements are as follows:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Carrying amount at beginning of year/period	57,563	45,846	103,407	73,034
New leases	—	80,437	11	—
Accretion of interest recognised during the year/period	2,504	4,750	3,524	1,123
Payments	(14,221)	(27,626)	(33,908)	(16,344)
Carrying amount at end of year/period	<u>45,846</u>	<u>103,407</u>	<u>73,034</u>	<u>57,813</u>
Analysed into:				
Current portion	2,689	34,359	35,638	21,735
Non-current portion	<u>43,157</u>	<u>69,048</u>	<u>37,396</u>	<u>36,078</u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December 2023 RMB'000	2024 RMB'000	2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Interest on lease liabilities	2,504	4,750	3,524	1,762	1,123
Depreciation charge of right-of-use assets	13,444	31,777	32,245	16,119	16,125
Expenses relating to short-term leases and leases with low-value assets	<u>163</u>	<u>397</u>	<u>981</u>	<u>525</u>	<u>989</u>
Total amount recognised in profit or loss	<u>16,111</u>	<u>36,924</u>	<u>36,750</u>	<u>18,406</u>	<u>18,237</u>

The maturity analysis of lease liabilities is disclosed in note 40 to the Historical Financial Information.

The Group as a lessor

The Group leases its investment properties in the Chinese mainland under operating lease arrangements (note 15). Lease terms typically require tenants to pay a deposit and rents are adjusted periodically based on market conditions. The Group recognizes rental income of RMB13,972,000, RMB14,923,000, RMB13,976,000, RMB5,584,000 and RMB6,467,000 during 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively, as detailed in note 5 to the Historical Financial Information.

As of the end of each of 2023, 2024, 2025 and 30 June 2025 and 2026, the undiscounted lease payments receivable by the Group under operating leases for future periods are as follows:

	Year ended 31 December 2023 RMB'000	2024 RMB'000	2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Within one year	5,893	10,321	11,395	10,695	7,804
After one year but within two years	2,991	9,323	7,789	8,197	3,559
After two years but within three years	2,333	9,267	5,591	6,136	2,087
After three years but within four years	2,279	6,040	2,312	3,855	2,008
After four years but within five years	1,255	1,535	1,100	1,864	173
After five years	<u>1,682</u>	<u>1,509</u>	<u>1,337</u>	<u>1,423</u>	<u>1,250</u>
Total	<u>16,433</u>	<u>37,995</u>	<u>29,524</u>	<u>32,170</u>	<u>16,881</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company as a lessor

The Company leases its investment properties in the Chinese mainland under operating lease arrangements (note 15). Lease terms typically require tenants to pay a deposit and rents are adjusted periodically based on market conditions. The Company recognizes rental income of RMB10,056,000, RMB9,180,000, RMB8,391,000, RMB1,733,000 and RMB1,477,000 during 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively.

As of the end of each of 2023, 2024, 2025 and 30 June 2025 and 2026, the undiscounted lease payments receivable by the Company under operating leases for future periods are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Within one year	4,071	3,869	6,595	4,998	5,687
After one year but within two years	1,112	2,690	2,797	3,435	1,676
After two years but within three years	424	2,346	480	1,228	202
After three years but within four years	280	256	173	202	173
After four years but within five years	256	173	173	173	173
After five years	1,682	1,509	1,337	1,423	1,250
Total	7,825	10,843	11,555	11,459	9,161

18. INTANGIBLE ASSETS

The Group

	Mining rights	Software	Patent rights	Exploration and evaluation assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023					
Cost at 1 January 2023, net of accumulated amortisation	385,906	47	37	37,950	423,940
Amortisation provided during the year	(28,979)	(5)	(2)	—	(28,986)
At 31 December 2023	356,927	42	35	37,950	394,954
At 31 December 2023:					
Cost	463,529	48	98	37,950	501,625
Accumulated amortisation	(106,602)	(6)	(63)	—	(106,671)
Net carrying amount	356,927	42	35	37,950	394,954

APPENDIX I

ACCOUNTANTS’ REPORT

The Group (continued)

	Exploration and mining rights RMB'000	Software RMB'000	Patent rights RMB'000	Exploration and evaluation assets RMB'000	Total RMB'000
31 December 2024					
Cost at 1 January 2024, net of accumulated amortisation	356,927	42	35	37,950	394,954
Additions	—	21	41	1,715	1,777
Amortisation provided during the year	(29,182)	(6)	(4)	—	(29,192)
At 31 December 2024	<u>327,745</u>	<u>57</u>	<u>72</u>	<u>39,665</u>	<u>367,539</u>
At 31 December 2024:					
Cost	463,529	69	139	39,665	503,402
Accumulated amortisation	(135,784)	(12)	(67)	—	(135,863)
Net carrying amount	<u>327,745</u>	<u>57</u>	<u>72</u>	<u>39,665</u>	<u>367,539</u>
	Exploration and mining rights RMB'000	Software RMB'000	Patent rights RMB'000	Exploration and evaluation assets RMB'000	Total RMB'000
31 December 2025					
Cost at 1 January 2025, net of accumulated amortisation	327,745	57	72	39,665	367,539
Additions	—	2,913	—	11,939	14,852
Amortisation provided during the year	(28,794)	(201)	(5)	—	(29,000)
Disposals	—	—	(4)	—	(4)
At 31 December 2025	<u>298,951</u>	<u>2,769</u>	<u>63</u>	<u>51,604</u>	<u>353,387</u>
At 31 December 2025:					
Cost	463,529	2,982	83	51,604	518,198
Accumulated amortisation	(164,578)	(213)	(20)	—	(164,811)
Net carrying amount	<u>298,951</u>	<u>2,769</u>	<u>63</u>	<u>51,604</u>	<u>353,387</u>
	Exploration and mining rights RMB'000	Software RMB'000	Patent rights RMB'000	Exploration and evaluation assets RMB'000	Total RMB'000
30 June 2026 (unaudited)					
Cost at 1 January 2026, net of accumulated amortisation	298,951	2,769	63	51,604	353,387
Additions	—	155	—	1,308	1,463
Amortisation provided during the period	(13,756)	(158)	(2)	—	(13,916)
At 30 June 2026	<u>285,195</u>	<u>2,766</u>	<u>61</u>	<u>52,912</u>	<u>340,934</u>
At 30 June 2026:					
Cost	463,529	3,138	83	52,912	519,662
Accumulated amortisation	(178,334)	(372)	(22)	—	(178,728)
Net carrying amount	<u>285,195</u>	<u>2,766</u>	<u>61</u>	<u>52,912</u>	<u>340,934</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Exploration and mining rights <i>RMB'000</i>	Software <i>RMB'000</i>	Exploration and evaluation assets <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2023				
Cost at 1 January 2023, net of accumulated amortisation	385,906	—	37,950	423,856
Additions	—	—	—	—
Amortisation provided during the year	(28,979)	—	—	(28,979)
At 31 December 2023	<u>356,927</u>	<u>—</u>	<u>37,950</u>	<u>394,877</u>
At 31 December 2023:				
Cost	463,529	—	37,950	501,479
Accumulated amortisation	(106,602)	—	—	(106,602)
Net carrying amount	<u>356,927</u>	<u>—</u>	<u>37,950</u>	<u>394,877</u>
	Exploration and mining rights <i>RMB'000</i>	Software <i>RMB'000</i>	Exploration and evaluation assets <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	356,927	—	37,950	394,877
Additions	—	22	1,715	1,737
Amortisation provided during the year	(29,182)	(1)	—	(29,183)
At 31 December 2024	<u>327,745</u>	<u>21</u>	<u>39,665</u>	<u>367,431</u>
At 31 December 2024:				
Cost	463,529	22	39,665	503,216
Accumulated amortisation	(135,784)	(1)	—	(135,785)
Net carrying amount	<u>327,745</u>	<u>21</u>	<u>39,665</u>	<u>367,431</u>
	Exploration and mining rights <i>RMB'000</i>	Software <i>RMB'000</i>	Exploration and evaluation assets <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation	327,745	21	39,665	367,431
Additions	—	2,912	11,939	14,851
Amortisation provided during the year	(28,794)	(196)	—	(28,990)
At 31 December 2025	<u>298,951</u>	<u>2,737</u>	<u>51,604</u>	<u>353,292</u>
At 31 December 2025:				
Cost	463,529	2,934	51,604	518,067
Accumulated amortisation	(164,578)	(197)	—	(164,775)
Net carrying amount	<u>298,951</u>	<u>2,737</u>	<u>51,604</u>	<u>353,292</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Exploration and mining rights RMB'000	Software RMB'000	Exploration and evaluation assets RMB'000	Total RMB'000
30 June 2026 (unaudited)				
Cost at 1 January 2026, net of accumulated amortisation	298,951	2,737	51,604	353,292
Additions	—	155	1,308	1,463
Amortisation provided during the period	(13,756)	(156)	—	(13,912)
At 30 June 2026	<u>285,195</u>	<u>2,736</u>	<u>52,912</u>	<u>340,843</u>
At 30 June 2026:				
Cost	463,529	3,089	52,912	519,530
Accumulated amortisation	(178,334)	(353)	—	(178,687)
Net carrying amount	<u>285,195</u>	<u>2,736</u>	<u>52,912</u>	<u>340,843</u>

19. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods, without taking into consideration the offsetting of the balance within the same tax jurisdiction, are as follows:

Deferred tax assets	Accruals RMB'000	Lease liabilities RMB'000	Salaries and wages payable RMB'000	Government grants RMB'000	Rehabilitation provision RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	35,803	8,634	14,893	18,239	39,159	1,205	117,933
(Charged)/credited to the consolidated statement of profit or loss (note 11)	(24,189)	(1,757)	(1,247)	(3,508)	991	(12)	(29,722)
Gross deferred tax assets at 31 December 2023	11,614	6,877	13,646	14,731	40,150	1,193	88,211
(Charged)/credited to the consolidated statement of profit or loss (note 11)	(187)	8,634	3,283	(538)	1,834	203	13,229
Gross deferred tax assets at 31 December 2024	11,427	15,511	16,929	14,193	41,984	1,396	101,440
Credited/(charged) to the consolidated statement of profit or loss (note 11)	2,080	(4,556)	(3,983)	(473)	(931)	170	(7,693)
Gross deferred tax assets at 31 December 2025	13,507	10,955	12,946	13,720	41,053	1,566	93,747
(Charged)/credited to the consolidated statement of profit or loss(unaudited) (note 11)	(2,274)	(2,283)	(2,395)	(617)	(759)	651	(7,677)
Gross deferred tax assets at 30 June 2026 (unaudited)	<u>11,233</u>	<u>8,672</u>	<u>10,551</u>	<u>13,103</u>	<u>40,294</u>	<u>2,217</u>	<u>86,070</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group (continued)

Deferred tax liabilities	Right-of-use assets RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Environment rehabilitation RMB'000	Total RMB'000
At 1 January 2023	8,336	46	31,389	39,771
Credited to the consolidated statement of profit or loss (note 11)	(1,807)	—	(2,356)	(4,163)
Deferred tax credited to other comprehensive income during the year	—	(10)	—	(10)
Gross deferred tax liabilities at 31 December 2023	6,529	36	29,033	35,598
Charged/(credited) to the consolidated statement of profit or loss (note 11)	7,551	—	(2,348)	5,203
Deferred tax charged to other comprehensive income during the year	—	72	—	72
Gross deferred tax liabilities at 31 December 2024	14,080	108	26,685	40,873
Credited to the consolidated statement of profit or loss (note 11)	(4,516)	—	(2,331)	(6,847)
Deferred tax charged to other comprehensive income during the year	—	31	—	31
Gross deferred tax liabilities at 31 December 2025	9,564	139	24,354	34,057
Credited to the consolidated statement of profit or loss (Unaudited) (note 11)	(2,258)	—	(1,113)	(3,371)
Gross deferred tax liabilities at 30 June 2026 (Unaudited)	7,306	139	23,241	30,686

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Net deferred tax assets recognised in the consolidated statement of financial position	52,613	60,567	59,690	55,384

Deferred tax assets have not been recognised in respect of the following items:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Tax losses	6,454	13,254	15,113	12,074
Deductible temporary differences	4,248	1,067	1,063	1,077

The above accumulated tax losses will expire in one to ten years for offsetting against future taxable profits of the companies located in the Chinese mainland in which the tax losses arose.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

Deferred tax assets	Accruals RMB'000	Lease liabilities RMB'000	Salaries and wages payable RMB'000	Government grants RMB'000	Rehabilitation provision RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	35,803	8,634	14,893	18,239	39,159	1,205	117,933
(Charged)/credited to the consolidated statement of profit or loss (note 11)	(24,189)	(1,757)	(1,247)	(3,508)	991	(70)	(29,780)
Gross deferred tax assets at 31 December 2023	11,614	6,877	13,646	14,731	40,150	1,135	88,153
(Charged)/credited to the consolidated statement of profit or loss (note 11)	(187)	8,634	3,283	(538)	1,834	(362)	12,664
Gross deferred tax assets at 31 December 2024	11,427	15,511	16,929	14,193	41,984	773	100,817
Credited/(charged) to the consolidated statement of profit or loss (note 11)	2,080	(4,556)	(3,983)	(473)	(931)	12	(7,851)
Gross deferred tax assets at 31 December 2025	13,507	10,955	12,946	13,720	41,053	785	92,966
(Charged)/credited to the consolidated statement of profit or loss (note 11)	(2,274)	(2,283)	(2,395)	(617)	(759)	112	(8,216)
Gross deferred tax assets at 30 June 2026 (unaudited)	11,233	8,672	10,551	13,103	40,294	897	84,750

Deferred tax liabilities	Equity investments designated at fair value through other comprehensive income			Total RMB'000
	Right-of-use assets RMB'000	comprehensive income RMB'000	Environment rehabilitation RMB'000	
At 1 January 2023	8,336	46	31,389	39,771
Credited to the consolidated statement of profit or loss (note 11)	(1,807)	—	(2,356)	(4,163)
Deferred tax credited to other comprehensive income during the year	—	(10)	—	(10)
Gross deferred tax liabilities at 31 December 2023	6,529	36	29,033	35,598
Charged/(credited) to the consolidated statement of profit or loss (note 11)	7,551	—	(2,348)	5,203
Deferred tax charged to other comprehensive income during the year	—	72	—	72
Gross deferred tax liabilities at 31 December 2024	14,080	108	26,685	40,873
Credited to the consolidated statement of profit or loss (note 11)	(4,516)	—	(2,331)	(6,847)
Deferred tax charged to other comprehensive income during the year	—	31	—	31
Gross deferred tax liabilities at 31 December 2025	9,564	139	24,354	34,057
Credited to the consolidated statement of profit or loss (note 11) (unaudited)	(2,258)	—	(1,113)	(3,371)
Gross deferred tax liabilities at 30 June 2026 (unaudited)	7,306	139	23,241	30,686

APPENDIX I

ACCOUNTANTS’ REPORT

The Company (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Net deferred tax assets recognised in the consolidated statement of financial position	52,555	59,944	58,909	54,064

20. OTHER NON-CURRENT ASSETS

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Advance payment for property, plant and equipment	3,280	7,013	10,091	11,152
Long-term prepaid expenses	4,129	2,764	1,334	620
	7,409	9,777	11,425	11,772

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Advance payment for property, plant and equipment	2,676	5,859	8,016	6,691
Long-term prepaid expenses	4,129	2,764	1,334	620
	6,805	8,623	9,350	7,311

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Equity investments designated at fair value through other comprehensive income				
Unlisted equity investments, at fair value:				
China Guangfa Bank Co., Ltd	1,331	1,815	2,021	2,021

These equity instrument investments are held for non-trading purposes and have been irrevocably designated at initial recognition as financial assets at fair value through other comprehensive income.

22. INVENTORIES

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Raw materials	24,144	31,050	43,900	37,554
Finished goods	7,686	24,699	132,443	49,438
	31,830	55,749	176,343	86,992

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Raw materials	23,297	27,876	39,264	36,466
Finished goods	6,386	20,726	131,364	39,880
	<u>29,683</u>	<u>48,602</u>	<u>170,628</u>	<u>76,346</u>

23. TRADE AND NOTES RECEIVABLES

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Trade receivables (subject to provisional pricing) — fair value*	—	—	—	9,737
Trade receivables (not subject to provisional pricing) — amortised cost	6,163	6,553	9,580	15,785
Bank acceptance**	<u>28,265</u>	<u>15,373</u>	<u>31,120</u>	<u>48,705</u>
Impairment	<u>(2,946)</u>	<u>(575)</u>	<u>(645)</u>	<u>(1,365)</u>
	<u>31,482</u>	<u>21,351</u>	<u>40,055</u>	<u>72,862</u>

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Trade receivables (subject to provisional pricing) — fair value*	—	—	—	9,737
Trade receivables (not subject to provisional pricing) — amortised cost	2,451	9,781	23,078	35,659
Bank acceptance notes**	<u>24,861</u>	<u>13,342</u>	<u>30,025</u>	<u>42,047</u>
Impairment	<u>(221)</u>	<u>(142)</u>	<u>(201)</u>	<u>(906)</u>
	<u>27,091</u>	<u>22,981</u>	<u>52,902</u>	<u>86,537</u>

* Trade receivables (subject to provisional pricing) are non-interest bearing, but as discussed in note 2 above, are exposed to future commodity price movements over the QP and, hence, fail the SPPI test and are measured at fair value up until the date of settlement. The QPs can range between one and three months post from the date of delivery (inclusive).

** Bank acceptance notes are subject to impairment under the general approach and the impairment is considered to be minimal.

The majority of the Group’s sales are made on an advance payment basis with no credit terms. A minority of transactions are conducted on credit, subject to a credit period not exceeding 30 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly. In view of the fact that the Group’s trade and notes receivables related to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and notes receivable balances.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANTS’ REPORT

An ageing analysis of the trade and notes receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Less than 1 year	31,477	21,176	39,758	57,050
Over 1 year	5	175	297	6,075
	<u>31,482</u>	<u>21,351</u>	<u>40,055</u>	<u>63,125</u>

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Less than 1 year	27,091	22,806	52,754	70,864
Over 1 year	—	175	148	5,936
	<u>27,091</u>	<u>22,981</u>	<u>52,902</u>	<u>76,800</u>

Set out below is the information about the credit risk exposure on the Group’s trade receivables:

The Group

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
On a collective basis:				
Within 1 year	0.06%	3,214	2	3,212
1 to 2 years	1.21%	—	—	—
2 to 3 years	8.15%	—	—	—
3 to 4 years	16.67%	6	1	5
4 to 5 years	47.45%	—	—	—
over 5 years	100.00%	139	139	—
	<u>100.00%</u>	<u>2,804</u>	<u>2,804</u>	<u>—</u>
On an individual basis:				
	<u>100.00%</u>	<u>2,804</u>	<u>2,804</u>	<u>—</u>
Total	<u>47.80%</u>	<u>6,163</u>	<u>2,946</u>	<u>3,217</u>

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
On a collective basis:				
Within 1 year	0.03%	5,805	2	5,803
1 to 2 years	1.13%	177	2	175
2 to 3 years	3.10%	—	—	—
3 to 4 years	4.87%	—	—	—
4 to 5 years	14.26%	—	—	—
over 5 years	100.00%	139	139	—
	<u>100.00%</u>	<u>432</u>	<u>432</u>	<u>—</u>
On an individual basis:				
	<u>100.00%</u>	<u>432</u>	<u>432</u>	<u>—</u>
Total	<u>8.77%</u>	<u>6,553</u>	<u>575</u>	<u>5,978</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group (continued)

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
On a collective basis:				
Within 1 year	0.48%	8,680	42	8,638
1 to 2 years	10.78%	167	18	149
2 to 3 years	16.38%	177	29	148
3 to 4 years	16.74%	—	—	—
4 to 5 years	33.33%	—	—	—
over 5 years	100.00%	139	139	—
On an individual basis:	100.00%	417	417	—
Total	6.73%	9,580	645	8,935

As at 30 June 2026 (unaudited)

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
On a collective basis:				
Within 1 year	0.48%	8,385	40	8,345
1 to 2 years	10.95%	6,500	712	5,788
2 to 3 years	16.57%	344	57	287
3 to 4 years	16.74%	—	—	—
4 to 5 years	33.33%	—	—	—
over 5 years	100.00%	139	139	—
On an individual basis:	100.00%	417	417	—
Total	8.65%	15,785	1,365	14,420

The Company

Set out below is the information about the credit risk exposure on the Company’s trade receivables:

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
On a collective basis:				
Within 1 year	0.09%	2,232	2	2,230
1 to 2 years	1.21%	—	—	—
2 to 3 years	8.15%	—	—	—
3 to 4 years	10.76%	—	—	—
4 to 5 years	47.45%	—	—	—
over 5 years	100.00%	139	139	—
On an individual basis:	100.00%	80	80	—
Total	9.02%	2,451	221	2,230

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>	Net carrying amount <i>RMB'000</i>
On a collective basis:				
Within 1 year	0.03%	3,810	1	3,809
1 to 2 years	1.13%	177	2	175
2 to 3 years	3.10%	—	—	—
3 to 4 years	4.87%	—	—	—
4 to 5 years	14.26%	—	—	—
over 5 years	100.00%	139	139	—
Due from a subsidiary:***	—	5,655	—	5,655
Total	1.45%	9,781	142	9,639

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>	Net carrying amount <i>RMB'000</i>
On a collective basis:				
Within 1 year	0.48%	6,922	33	6,889
1 to 2 years	10.96%	—	—	—
2 to 3 years	16.38%	177	29	148
3 to 4 years	16.74%	—	—	—
4 to 5 years	33.33%	—	—	—
over 5 years	100.00%	139	139	—
Due from a subsidiary:***	—	15,840	—	15,840
Total	0.87%	23,078	201	22,877

As at 30 June 2026 (unaudited)

	Expected credit loss rate	Gross carrying amount <i>RMB'000</i>	Expected credit losses <i>RMB'000</i>	Net carrying amount <i>RMB'000</i>
On a collective basis:				
Within 1 year	0.48%	5,409	26	5,383
1 to 2 years	10.95%	6,500	712	5,788
2 to 3 years	16.38%	177	29	148
3 to 4 years	16.74%	—	—	—
4 to 5 years	33.33%	—	—	—
over 5 years	100.00%	139	139	—
Due from a subsidiary:***	—	23,434	—	23,434
Total	2.54%	35,659	906	34,753

*** The impairment of due from a subsidiary is considered to be minimal.

APPENDIX I

ACCOUNTANTS’ REPORT

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

		2023	31 December 2024	2025	30 June 2026
	Note	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Prepayments and deposits		3,585	17,447	24,832	23,611
Deferred [REDACTED]		—	—	120	1,178
Amounts due from related parties	36	112,651	121,175	118,105	118,132
Value-added tax recoverable		106	118	538	1,347
Income tax recoverable		—	109	8	—
Other receivables*		4,229	1,566	3,738	4,158
		120,571	140,415	147,341	148,426
Less: Impairment allowance		(4,991)	(4,996)	(4,998)	(5,032)
		115,580	135,419	142,343	143,394

The Company

		2023	31 December 2024	2025	30 June 2026
	Note	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Prepayments and deposits		3,417	16,504	23,956	22,392
Deferred [REDACTED]		—	—	120	1,178
Amounts due from related parties	36	112,641	121,175	118,105	118,132
Value-added tax recoverable		—	118	379	1,289
Other receivables*		3,710	1,251	3,006	3,356
		119,768	139,048	145,566	146,347
Less: Impairment allowance**		(4,986)	(4,993)	(4,984)	(5,025)
		114,782	134,055	140,582	141,322

* The other receivables were interest-free and are not secured with collateral.

** As at the end of each of the Relevant Periods, the impairment of the financial assets included in prepayments, other receivables and other assets was measured based on 12-month expected credit losses if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit losses.

25. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	2023	31 December 2024	2025	30 June 2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Bank acceptance notes	7,625	274	7,001	45,653
Total	7,625	274	7,001	45,653

The Company

	2023	31 December 2024	2025	30 June 2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Bank acceptance notes	7,545	168	5,185	44,968
Total	7,545	168	5,185	44,968

APPENDIX I

ACCOUNTANTS’ REPORT

26. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED CASH

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Cash and bank balances	69,049	110,113	540,577	441,105
Time deposits	—	8,076	8,241	1,003,123
Less:				
Restricted cash				
— Current	20,325	46,582	1,885	5,485
— Non-current	16,837	18,782	21,649	23,582
Time deposits with maturity over three months	—	8,076	8,241	502,022
Cash and cash equivalents	<u>31,887</u>	<u>44,749</u>	<u>517,043</u>	<u>913,139</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances, time deposits and restricted cash are deposited with creditworthy banks with no recent history of default.

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Cash and bank balances	60,585	104,057	529,250	409,373
Time deposits	—	—	—	1,003,123
Less:				
Restricted cash				
— Current	20,325	46,582	1,885	5,485
— Non-current	16,837	18,782	21,649	23,582
Time deposits with maturity over three months	—	—	—	502,022
Cash and cash equivalents	<u>23,423</u>	<u>38,693</u>	<u>505,716</u>	<u>881,407</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

27. TRADE AND NOTES PAYABLES

The Group

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Trade payables	249,795	192,788	143,457	148,750
Bills payable	<u>107,843</u>	<u>149,923</u>	<u>—</u>	<u>12,000</u>
	<u>357,638</u>	<u>342,711</u>	<u>143,457</u>	<u>160,750</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

An ageing analysis of trade and notes payables as at the end of each of the Relevant Periods is as follows:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Within 1 year	355,548	342,232	142,154	159,050
Over 1 year	<u>2,090</u>	<u>479</u>	<u>1,303</u>	<u>1,700</u>
	<u>357,638</u>	<u>342,711</u>	<u>143,457</u>	<u>160,750</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Trade payables	247,890	192,945	146,218	152,267
Bills payable	107,843	149,923	—	12,000
	<u>355,733</u>	<u>342,868</u>	<u>146,218</u>	<u>164,267</u>
	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Within 1 year	353,972	342,727	145,167	162,567
Over 1 year	1,761	141	1,051	1,700
	<u>355,733</u>	<u>342,868</u>	<u>146,218</u>	<u>164,267</u>

28. OTHER PAYABLES AND ACCRUALS AND OTHER NON-CURRENT LIABILITIES

The Group

	Note	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Deposits received		31,526	29,749	90,089	43,056
Salaries and wages payables		110,393	145,830	114,797	136,150
Mining rights granting fees payable		282,123	232,975	181,672	150,612
Contract liabilities		56,989	16,257	32,346	28,478
Amounts due to related parties	36	142,184	35,117	41,407	43,671
Payable for endorsed notes receivable that are not derecognised		26,760	14,774	26,205	7,502
Other tax payables		59,160	40,422	36,883	66,498
Other payables and accruals		<u>158,815</u>	<u>165,132</u>	<u>162,267</u>	<u>104,739</u>
		<u>867,950</u>	<u>680,256</u>	<u>685,666</u>	<u>580,706</u>
Less:					
Mining rights granting fees payable classified as non-current liabilities		(232,975)	(181,672)	(154,008)	(150,612)
Salaries and wages payables classified as non-current liabilities		(64,979)	(80,869)	(59,334)	(46,306)
Deposits from suppliers classified as non-current liabilities		<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
		(302,954)	(267,541)	(218,342)	(201,918)
Portion classified as current liabilities		<u>564,996</u>	<u>412,715</u>	<u>467,324</u>	<u>378,788</u>
Deposits from suppliers		30,153	28,678	89,710	42,544
Salaries and wages payables		108,448	143,903	113,058	127,236
Mining rights granting fees payable		282,123	232,975	181,672	150,612
Contract liabilities		51,732	10,194	29,876	18,062
Amounts due to related parties		142,140	35,074	41,407	43,671
Payable for endorsed notes receivable that are not derecognised		24,861	13,299	26,025	7,452
Other tax payables		58,002	39,282	35,598	63,959
Other payables and accruals		<u>164,235</u>	<u>164,266</u>	<u>161,475</u>	<u>103,270</u>
		<u>861,694</u>	<u>667,671</u>	<u>678,821</u>	<u>556,806</u>

APPENDIX I

ACCOUNTANTS’ REPORT

30. PROVISIONS

The Group and the Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Rehabilitation (note i)	267,665	279,891	273,685	268,626
Total	267,665	279,891	273,685	268,626

- (i) Pursuant to the regulations of the governmental authorities of the places where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation. The management will update the estimation basis annually. The movements in the present value of the provision for rehabilitation are as follows:

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
At the beginning of the year/ period	261,057	267,665	279,891	273,685
Payment during the year/period	(5,530)	(221)	(19,221)	(11,422)
Increase in discounted amounts arising from the passage of time (note 8)	12,138	12,447	13,015	6,363
At the end of the year/period	267,665	279,891	273,685	268,626

31. DEFERRED INCOME

The Group and the Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
At the beginning of the year/period	104,823	98,204	94,621	91,468
Additions	—	3,762	4,185	—
Credited to profit or loss	(6,619)	(7,345)	(7,338)	(4,120)
At the end of the year/period	98,204	94,621	91,468	87,348

Deferred government grants of the Group mainly include various government grants relating to the purchase of property, plant and equipment. Such deferred government grants will be recognised as income on a straight-line basis over the expected useful life of the relevant assets.

32. PAID-IN CAPITAL

The Group and the Company

	2023 RMB'000	31 December 2024 RMB'000	2025 RMB'000	30 June 2026 RMB'000 (Unaudited)
Paid-in capital	149,191	149,191	149,191	149,191

Pursuant to the approval in the shareholders’ meeting held in July, among other matters, the Company was converted from a limited liability company into a joint stock limited company. Pursuant to the promoters’ agreement dated 13 July 2026, all the then shareholders approved the conversion of the net assets value of the Company as of 31 October 2025, amounting to RMB1,764,811,000, into 850,000,000 ordinary shares of the Company with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders in proportion to their respective interests in the Company before the conversion. The remaining net asset value amounting to RMB914,811,000 was recorded as capital reserve of the Company. The conversion was completed on 13 August 2026, and upon completion of the conversion, the registered capital of the Company was RMB850,000,000 divided into 850,000,000 ordinary shares with a nominal value of RMB1.00 each.

APPENDIX I

ACCOUNTANTS’ REPORT

33. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2025 and 2026 are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve

The capital reserve of the Group represents the difference between the value of the paid-up capital and the consideration received and includes adjustments arising from transactions with non-controlling interests.

Fair value reserve

The fair value reserve represents fair value changes of equity investments designated at fair value through other comprehensive income.

Statutory surplus reserve

In accordance with the Company Law of the Chinese mainland, companies registered in the Chinese mainland are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of their registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant Chinese mainland authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

Safety fund surplus reserve

Pursuant to the relevant PRC regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases, such as production volume, to the safety fund surplus reserve. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the safety fund surplus reserve to retained profits.

The Company

A summary of the Company’s reserves is as follows:

Year ended 31 December 2023

	Capital reserve RMB’000	Statutory surplus reserve RMB’000	Fair value reserve RMB’000	Safety fund surplus reserve RMB’000	Retained profits RMB’000	Total RMB’000
At 1 January 2023	445,506	66,102	259	9,431	(52,055)	469,243
Profit for the year	—	—	—	—	345,005	345,005
Other comprehensive loss for the year:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	(56)	—	—	(56)
Total comprehensive income for the year	—	—	(56)	—	345,005	344,949
Transfer to retained profits	—	33,032	—	—	(33,032)	—
Dividends declared	—	—	—	—	(139,878)	(139,878)
Transfer to safety fund surplus reserve	—	—	—	14,681	(14,681)	—
At 31 December 2023	445,506	99,134	203	24,112	105,359	674,314

APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2024

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve RMB'000	Safety fund surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	445,506	99,134	203	24,112	105,359	674,314
Profit for the year	—	—	—	—	502,245	502,245
Other comprehensive income for the year:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	411	—	—	411
Total comprehensive income for the year	—	—	411	—	502,245	502,656
Transfer to retained profits	—	50,306	—	—	(50,306)	—
Dividends declared	—	—	—	—	(144,644)	(144,644)
Transfer from safety fund surplus reserve	—	—	—	(809)	809	—
At 31 December 2024	445,506	149,440	614	23,303	413,463	1,032,326

Year ended 31 December 2025

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve RMB'000	Safety fund surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2025	445,506	149,440	614	23,303	413,463	1,032,326
Profit for the year	—	—	—	—	847,859	847,859
Other comprehensive income for the year:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	175	—	—	175
Total comprehensive income for the year	—	—	175	—	847,859	848,034
Transfer to retained profits	—	84,401	—	—	(84,401)	—
Dividends declared	—	—	—	—	(198,844)	(198,844)
Transfer to safety fund surplus reserve	—	—	—	3,852	(3,852)	—
At 31 December 2025	445,506	233,841	789	27,155	974,225	1,681,516

APPENDIX I

ACCOUNTANTS’ REPORT

Six months ended 30 June 2026 (unaudited)

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve RMB'000	Safety fund surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2026	445,506	233,841	789	27,155	974,225	1,681,516
Profit for the period	—	—	—	—	974,740	974,740
Total comprehensive income for the period	—	—	—	—	974,740	974,740
Transfer to safety fund surplus reserve	—	—	—	3,782	(3,782)	—
At 30 June 2026 (unaudited)	<u>445,506</u>	<u>233,841</u>	<u>789</u>	<u>30,937</u>	<u>1,945,183</u>	<u>2,656,256</u>

Six months ended 30 June 2025 (unaudited)

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve RMB'000	Safety fund surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2025	445,506	149,440	614	23,303	413,463	1,032,326
Profit for the period	—	—	—	—	380,692	380,692
Total comprehensive income for the period	—	—	—	—	380,692	380,692
Transfer to safety fund surplus reserve	—	—	—	(292)	292	—
At 30 June 2025 (unaudited)	<u>445,506</u>	<u>149,440</u>	<u>614</u>	<u>23,011</u>	<u>794,447</u>	<u>1,413,018</u>

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2024 and 2025, the Group had non-cash additions to the right-of-use assets and lease liabilities of RMB80,437,000 and RMB11,000, respectively, in respect of lease arrangements.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2023	559,100	57,563	616,663
Changes from financing cash flows	(278,714)	(14,221)	(292,935)
Interest expense	14,109	2,504	16,613
As at 31 December 2023	<u>294,495</u>	<u>45,846</u>	<u>340,341</u>
	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	294,495	45,846	340,341
Changes from financing cash flows	(228,643)	(27,626)	(256,269)
New leases	—	80,437	80,437
Interest expense	8,358	4,750	13,108
As at 31 December 2024	<u>74,210</u>	<u>103,407</u>	<u>177,617</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2025	74,210	103,407	177,617
Changes from financing cash flows	(10,364)	(33,908)	(44,272)
New leases	—	11	11
Interest expense	1,852	3,524	5,376
As at 31 December 2025	65,698	73,034	138,732

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2026	65,698	73,034	138,732
Changes from financing cash flows	(65,882)	(16,344)	(82,226)
Interest expense	184	1,123	1,307
As at 30 June 2026 (unaudited)	—	57,813	57,813

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2025	74,210	103,407	177,617
Changes from financing cash flows	338	(13,422)	(13,084)
Interest expense	1,038	1,762	2,800
As at 30 June 2025 (unaudited)	75,586	91,747	167,333

(c) **Total cash outflows for leases**

The total cash outflows for leases included in the consolidated statement of cash flows are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Within operating activities	163	397	981	525	989
Within financing activities	14,221	27,626	33,908	13,422	16,344
	14,384	28,023	34,889	13,947	17,333

35. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	2023	31 December 2024	2025	30 June 2026
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Contracted, but not provided for:				
Property, plant and equipment	16,994	29,561	31,980	34,933
Intangible assets	—	2,072	—	—

36. RELATED PARTY TRANSACTIONS

(a) The Group had the following related parties during the Relevant Periods:

Note 1 provides information about the Group’s structure. The following table provides the total amount of transactions with the ultimate holding company and its subsidiaries for the Relevant Periods and the six months ended 30 June 2025 and 30 June 2026.

APPENDIX I

ACCOUNTANTS’ REPORT

- (b) Transactions with the ultimate holding company and its subsidiaries during the Relevant Periods and the six months ended 30 June 2025 and 30 June 2026:

	Year ended 31 December			Six months ended	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Sales to related parties under the sales arrangement*					
Fellow subsidiaries	251,155	32,410	6,116	51	137,376
Rental income from related parties					
Fellow subsidiaries	—	7	8	—	—
Purchases from related parties under centralised procurement arrangement*					
Ultimate holding company	—	—	435	6	291
Fellow subsidiaries	7,692	10,859	36,745	23,645	16,040
	7,692	10,859	37,180	23,651	16,331
Interest expense on interest-bearing borrowings from a related party					
A fellow subsidiary	5,488	1,120	698	332	60
Interest income from a related party					
A fellow subsidiary	119	258	957	291	4,140

* The above purchases and sales of products and services were made according to the published prices and terms agreed between the parties.

- (c) Time deposits placed with a related party

	Year ended 31 December			Six months ended	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Time deposits placed with a related party					
A fellow subsidiary	—	8,000	—	—	1,000,000

- (d) New borrowings from a related party

	Year ended 31 December			Six months ended	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
New borrowings					
A fellow subsidiary	130,000	—	30,698	30,332	—

- (e) Lease from a related party

Category of leased assets	Year ended 31 December 2023			Increase in right of-use assets
	Rental payments	Interest expenses on lease liabilities		
	RMB'000	RMB'000		RMB'000
Lease from a related party				
A fellow subsidiary	Leasehold land	9,774	421	—

APPENDIX I

ACCOUNTANTS’ REPORT

		Year ended 31 December 2024		
		Rental	Interest	Increase in
		payments	expenses	right of-use
		RMB'000	onlease	assets
			liabilities	RMB'000
			RMB'000	
Lease from a related party				
A fellow subsidiary	Leasehold land	31,714	2,788	80,437
		Year ended 31 December 2025		
		Rental	Interest	Increase in
		payments	expenses	right of-use
		RMB'000	of lease	assets
			liabilities	RMB'000
			RMB'000	
Lease from a related party				
A fellow subsidiary	Leasehold land	31,646	1,687	—
		Six months ended 30 June 2026		
		Rental	Interest	Increase in
		payments	expenses	right of-use
		RMB'000	of lease	assets
		(Unaudited)	liabilities	RMB'000
			(Unaudited)	(Unaudited)
Lease from a related party				
A fellow subsidiary	Leasehold land	15,823	416	—
(f)	Outstanding balances with related parties:			
		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
				Six months ended 30 June 2026
				RMB'000
				(Unaudited)
Cash and cash equivalents***				
A fellow subsidiary**		20,292	40,210	512,816
				902,649
Time deposits***				
A fellow subsidiary**		—	8,076	8,241
				1,003,123
Trade and notes receivables				
Fellow subsidiaries*		—	5	7
				8,541
Prepayments, other receivables and other assets				
A fellow subsidiary**		107,758	112,320	113,201
Fellow subsidiaries*		4,893	8,855	4,904
				113,316
		112,651	121,175	118,105
				118,132
Trade and notes payables				
Fellow subsidiaries*		8,602	3,320	4,557
				10,113
Other payables and accruals				
Fellow subsidiaries**		143,354	36,884	41,849
				44,075
Interest-bearing borrowings				
A fellow subsidiary**		130,000	—	30,698
				—
*	Trade nature			
**	Non-trade nature. Prepayments, other receivables and other assets of this nature represent an amount due from a fellow subsidiary, Shaoguan Dabaoshan Comprehensive Resource Utilization Co., Ltd. The Group entered into a loan repayment agreement dated 13 August 2026, pursuant to which not less than 10% of the outstanding loan amount will be repaid by 31 December 2026, with the remaining balance to be fully repaid by 31 December 2031.			
***	Cash and cash equivalents and time deposits were held within Guangdong Rising Finance Co., Ltd., a subsidiary of Guangdong Rising Holding Group.			

APPENDIX I

ACCOUNTANTS’ REPORT

- (g) Compensation of key management personnel of the Group:

Details of directors’ emoluments are included in note 9 to the Historical Financial Information. The emoluments of key management personnel (other than directors) are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023 RMB'000	2024 RMB'000	2025 RMB'000	2025 RMB'000 (Unaudited)	2026 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,625	1,959	2,137	1,069	1,110
Performance related bonuses	5,620	5,318	5,518	841	862
Social insurance and housing fund	1,265	1,105	993	414	433
	<u>8,510</u>	<u>8,382</u>	<u>8,648</u>	<u>2,324</u>	<u>2,405</u>

37. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

- (a) The Group discounted certain notes receivable accepted by banks in the Chinese mainland (the “**Discounted Notes**”) with a carrying amount of RMB3,180,000, nil, nil, nil and nil, respectively during the 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Notes, and accordingly, it continued to recognise the full carrying amounts of the Discounted Notes and the associated borrowings. Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Notes, including the sale, transfer or pledge of the Discounted Notes to any other third parties.
- (b) At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain notes receivable accepted by banks in the Chinese mainland (the “**Endorsed Notes**”) with carrying amounts of RMB26,760,000, RMB14,774,000, RMB26,205,000 and RMB7,502,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Notes during the 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026 to which the suppliers have recourse were RMB56,568,000, RMB27,187,000, RMB58,881,000, RMB5,336,000 and RMB7,502,000, respectively.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group discounted and endorsed certain notes receivable accepted by banks in the Chinese mainland (the “**Derecognised Notes**”) to a bank with carrying amounts in aggregate of RMB30,764,000, RMB6,382,000, RMB25,890,000 and RMB25,113,000, respectively. The Derecognised Notes had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Notes, including the Group, in disregard of the order of precedence. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Notes is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated borrowings.

During the 2023, 2024, 2025 and the six months ended 30 June 2025 and 2026, the Group recognised losses of RMB915,000, RMB1,228,000, nil, nil and nil on the dates of transfer of the Derecognised Notes, respectively. The endorsement has been made evenly throughout the year.

APPENDIX I

ACCOUNTANTS’ REPORT

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

31 December 2023

Financial assets	Financial assets at amortised cost RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Total RMB'000
Trade receivables	31,482	—	31,482
Financial assets included in prepayments, other receivables and other assets	111,909	—	111,909
Restricted cash	37,162	—	37,162
Debt investments at fair value through other comprehensive income	—	7,625	7,625
Equity investments designated at fair value through other comprehensive income	—	1,331	1,331
Cash and cash equivalents	31,887	—	31,887
	<u>212,440</u>	<u>8,956</u>	<u>221,396</u>
Financial liabilities		Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables		357,638	357,638
Financial liabilities included in other payables and accruals		403,433	403,433
Interest-bearing bank and other borrowings		294,495	294,495
Other non-current liabilities		237,975	237,975
		<u>1,293,541</u>	<u>1,293,541</u>

31 December 2024

Financial assets	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Total RMB'000
Trade receivables	21,351	—	—	21,351
Financial assets included in prepayments, other receivables and other assets	122,818	—	—	122,818
Time deposits	8,076	—	—	8,076
Restricted cash	65,364	—	—	65,364
Debt investments at fair value through other comprehensive income	—	—	274	274
Derivative financial assets	—	49	—	49
Equity investments designated at fair value through other comprehensive income	—	—	1,815	1,815
Cash and cash equivalents	44,749	—	—	44,749
	<u>262,358</u>	<u>49</u>	<u>2,089</u>	<u>264,496</u>
Financial liabilities			Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables			342,711	342,711
Financial liabilities included in other payables and accruals			291,075	291,075
Interest-bearing bank and other borrowings			74,210	74,210
Other non-current liabilities			186,672	186,672
			<u>894,668</u>	<u>894,668</u>

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025

Financial assets	Financial assets at amortised cost RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Total RMB'000
Trade receivables	40,055	—	40,055
Financial assets included in prepayments, other receivables and other assets	118,870	—	118,870
Time deposits	8,241	—	8,241
Restricted cash	23,534	—	23,534
Debt investments at fair value through other comprehensive income	—	7,001	7,001
Equity investments designated at fair value through other comprehensive income	—	2,021	2,021
Cash and cash equivalents	517,043	—	517,043
	<u>707,743</u>	<u>9,022</u>	<u>716,765</u>
Financial liabilities		Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables		143,457	143,457
Financial liabilities included in other payables and accruals		342,632	342,632
Interest-bearing bank and other borrowings		65,698	65,698
Other non-current liabilities		159,008	159,008
		<u>710,795</u>	<u>710,795</u>

30 June 2026

Financial assets	Financial assets at amortised cost RMB'000 (Unaudited)	Financial assets at fair value through profit or loss RMB'000 (Unaudited)	Financial assets at fair value through other comprehensive income RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Trade receivables	63,125	9,737	—	72,862
Financial assets included in prepayments, other receivables and other assets	119,298	—	—	119,298
Time deposits	502,022	—	—	502,022
Restricted cash	29,067	—	—	29,067
Debt investments at fair value through other comprehensive income	—	—	45,653	45,653
Equity investments designated at fair value through other comprehensive income	—	—	2,021	2,021
Cash and cash equivalents	913,139	—	—	913,139
	<u>1,626,651</u>	<u>9,737</u>	<u>47,674</u>	<u>1,684,062</u>
Financial liabilities			Financial liabilities at amortised cost RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Trade payables			160,750	160,750
Financial liabilities included in other payables and accruals			193,968	193,968
Other non-current liabilities			155,612	155,612
			<u>510,330</u>	<u>510,330</u>

APPENDIX I

ACCOUNTANTS’ REPORT

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables not subject to provisional pricing, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of interest-bearing bank and other borrowings, lease liabilities and financial liabilities included in other payables and accruals were determined by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities or incremental borrowing rate. The Group’s own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates.

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Fair value hierarchy

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

31 December 2023

Financial assets	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	0.2 to 0.6	10% increase/decrease in multiples would result in increase/decrease in fair value by RMB266,000

31 December 2024

Financial assets	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	0.2 to 0.6	10% increase/decrease in multiples would result in increase/decrease in fair value by RMB362,000

31 December 2025

Financial assets	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	0.2 to 0.9	10% increase/decrease in multiples would result in increase/decrease in fair value by RMB404,000

30 June 2026 (Unaudited)

Financial assets	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	0.2 to 0.9	10% increase/decrease in multiples would result in increase/decrease in fair value by RMB404,000

APPENDIX I

ACCOUNTANTS’ REPORT

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	1,331	1,331
Debt investments at fair value through other comprehensive income	—	7,625	—	7,625
	<u>—</u>	<u>7,625</u>	<u>1,331</u>	<u>8,956</u>

As at 31 December 2024

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	1,815	1,815
Debt investments at fair value through other comprehensive income	—	274	—	274
Derivative financial assets	—	49	—	49
	<u>—</u>	<u>323</u>	<u>1,815</u>	<u>2,138</u>

As at 31 December 2025

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	2,021	2,021
Debt investments at fair value through other comprehensive income	—	7,001	—	7,001
	<u>—</u>	<u>7,001</u>	<u>2,021</u>	<u>9,022</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 June 2026

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Trade receivables subject to provisional pricing	—	9,737	—	9,737
Equity investments designated at fair value through other comprehensive income (Unaudited)	—	—	2,021	2,021
Debt investments at fair value through other comprehensive income (Unaudited)	—	45,653	—	45,653
	—	55,390	2,021	57,411

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to various risks in relation to financial instruments in its daily operations, mainly credit risk and liquidity risk. The Group’s major financial instruments include cash and cash equivalents, financial assets at fair value through profit or loss, trade receivables, financial assets included in prepayments, other receivables and other assets, interest-bearing bank and other borrowings, trade payables and other payables and accruals. Risks in connection with such financial instruments, and the risk management strategies adopted by the Group to mitigate such risks are summarised as follows.

Credit risk

The Group only deals with approved and reputable third parties. According to the Group’s policy, all customers who require credit transactions are subject to credit review. In addition, the Group continuously monitors the balance of trade receivables to ensure that the Group is not exposed to significant bad debt risks.

Since counterparties of cash and bank balances are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

Other financial assets of the Group are included in prepayments, other receivables and other assets. The credit risk on these financial assets arises from the default of counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Determination of significant increase in credit risk

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition. When determining whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including qualitative and quantitative analysis based on historical data of the Group, external credit risk ratings and forward-looking information.

Definition of credit-impaired financial assets

In order to determine whether credit impairment occurs, the defined criteria adopted by the Group are consistent with the internal credit risk management objectives for relevant financial instruments, both of which incorporate quantitative and qualitative indicators. When assessing whether a debtor has suffered a credit impairment, the Group usually considers the following factors:

- (1) significant financial difficulty of the issuer or the debtor;
- (2) breach of contract by the debtor, such as default or overdue payment in interest or principal repayment;
- (3) a concession granted by the creditor to the debtor due to economic or contractual considerations related to the debtor’s financial difficulty, which will not be granted under any other circumstances;
- (4) possible bankruptcy or other financial reorganisation of the debtor;
- (5) disappearance of an active market for the financial asset due to financial difficulty of the issuer or the debtor;
- (6) financial assets purchased or sourced at large discounts indicating credit losses have occurred.

Financial assets may be credit-impaired due to the joint effects of multiple events rather than separately identifiable events.

APPENDIX I

ACCOUNTANTS’ REPORT

Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of loans and bank borrowings.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023				Total RMB’000
	Within 1 year RMB’000	1 to 2 years RMB’000	2 to 5 years RMB’000	Over 5 years RMB’000	
Interest-bearing bank and other borrowings	301,866	—	—	—	301,866
Lease liabilities	4,652	4,652	12,955	40,406	62,665
Trade payables	357,638	—	—	—	357,638
Other payables and accruals	403,433	—	—	—	403,433
Other non-current liabilities	—	60,000	105,000	101,400	266,400
	<u>1,067,589</u>	<u>64,652</u>	<u>117,955</u>	<u>141,806</u>	<u>1,392,002</u>
	As at 31 December 2024				Total RMB’000
	Within 1 year RMB’000	1 to 2 years RMB’000	2 to 5 years RMB’000	Over 5 years RMB’000	
Interest-bearing bank and other borrowings	74,568	—	—	—	74,568
Lease liabilities	33,136	33,136	11,956	36,754	114,982
Trade payables	342,711	—	—	—	342,711
Other payables and accruals	291,075	—	—	—	291,075
Other non-current liabilities	—	35,000	105,000	66,400	206,400
	<u>741,490</u>	<u>68,136</u>	<u>116,956</u>	<u>103,154</u>	<u>1,029,736</u>
	As at 31 December 2025				Total RMB’000
	Within 1 year RMB’000	1 to 2 years RMB’000	2 to 5 years RMB’000	Over 5 years RMB’000	
Interest-bearing bank and other borrowings	65,974	—	—	—	65,974
Lease liabilities	37,883	4,652	10,956	33,102	86,593
Trade payables	143,457	—	—	—	143,457
Other payables and accruals	342,632	—	—	—	342,632
Other non-current liabilities	—	35,000	105,000	31,400	171,400
	<u>589,946</u>	<u>39,652</u>	<u>115,956</u>	<u>64,502</u>	<u>810,056</u>
	As at 30 June 2026				Total RMB’000
	Within 1 year RMB’000 (Unaudited)	1 to 2 years RMB’000 (Unaudited)	2 to 5 years RMB’000 (Unaudited)	Over 5 years RMB’000 (Unaudited)	
Lease liabilities	18,893	4,652	10,956	35,748	70,249
Trade payables	160,750	—	—	—	160,750
Other payables and accruals	193,968	—	—	—	193,968
Other non-current liabilities	—	35,000	105,000	31,400	171,400
	<u>373,611</u>	<u>39,652</u>	<u>115,956</u>	<u>67,148</u>	<u>596,367</u>

During the Relevant Periods, the Group’s strategy was to maintain the gearing ratio at a healthy level in order to monitor capital. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. Gearing ratio is calculated by dividing total interest-bearing debt (which includes interest-bearing bank and other borrowings and lease liabilities) by total equity.

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APPENDIX I

ACCOUNTANTS’ REPORT

The gearing ratios at the end of each of the Relevant Periods were as follows:

	2023 RMB'000	As at 31 December 2024 RMB'000	2025 RMB'000	As at 30 June 2026 RMB'000 (Unaudited)
Interest-bearing bank and other borrowings	294,495	74,210	65,698	—
Lease liabilities	45,846	103,407	73,034	57,813
	340,341	177,617	138,732	57,813
Total equity	800,704	1,157,070	1,807,277	2,782,836
Gearing ratio	42.5%	15.4%	7.7%	2.1%

Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group regards total equity as its capital and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the Relevant Periods.

41. EVENTS AFTER THE RELEVANT PERIODS

- (1) In July 2026, the Group entered into an agreement with a fellow subsidiary, Guangdong Metallurgical Industry Corporation, in relation to the disposal of its 55% equity interest in Shaoguan Guangbao Chemical Co., Ltd. for a cash consideration of RMB0.29 million.
- (2) Pursuant to the approval in the shareholders’ meeting held in July 2026, the Company was converted from a limited liability company into a joint stock limited company with a registered capital of RMB850,000,000 divided into 850,000,000 ordinary shares of RMB1.00 each, which were subscribed by the then shareholders in proportion to their pre-conversion interests, and the excess of the net assets as at 31 October 2025 over the share capital was credited to capital reserve. The conversion was completed on 13 August 2026.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2025.

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APPENDIX IIB

[REDACTED]

[REDACTED]

Final

Competent Person's Report on Dabaoshan Polymetallic Mine Project in Guangdong Province, the People's Republic of China

Dabaoshan Polymetallic Project, Guangdong Province, China
Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.



SRK Consulting China Ltd. ■ SCN958 ■ 16 September 2026



APPENDIX III

COMPETENT PERSON'S REPORT

Final**Competent Person's Report on Dabaoshan Polymetallic Mine Project in Guangdong Province, the People's Republic of China**

Dabaoshan Polymetallic Project, Guangdong Province, China

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Project Site

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SRK Consulting China Ltd. has prepared this document for Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. our client. Any use or decisions by which a third party makes of this document are the responsibility of such third parties. In no circumstance does SRK accept any consequential liability arising from commercial decisions or actions resulting from the use of this report by a third party.

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APPENDIX III

COMPETENT PERSON’S REPORT

Contents

Useful Definitions	viii
Executive Summary	xi
1 Introduction and Scope of Report	29
2 Program Objectives and Work Program	30
2.1 Purpose of the Report	30
2.2 Reporting Standard	30
2.3 Limitations Statement	30
2.4 Effective Date	30
2.5 Work Program	31
2.6 SRK Experience	31
2.7 Project Team	33
2.8 Warranties	35
2.9 Indemnities	35
2.10 Compliance Statement	35
2.11 Independence Statement	36
2.12 Consent	36
2.13 Forward Looking Statement	36
3 Operating Licenses and Permits	38
3.1 Business Licence	38
3.2 Mineral Tenure	38
3.2.1 Mining License	38
3.2.2 Exploration License	39
3.3 Safety Production Permits	39
3.4 Pollutant Discharge Permit	40
4 Regional Description	41
4.1 Property Location	41
4.2 Accessibility	41
4.3 Local Resources and Infrastructure	42
4.4 Climate	42
4.5 Physiography	42
5 Geological Setting and Mineralisation	44
5.1 Regional Geology	44
5.2 Property Geology	45
5.3 Mineralization	47
5.3.1 Limonite-siderite mineralization in Devonian strata	47
5.3.2 Cu-S-Pb-Zn mineralization in Devonian strata	48
5.3.3 Porphyry-skarn type Cu-Mo mineralization	49
5.4 Deposit Types	51
6 Exploration	53
6.1 Exploration History	53
6.2 Trenching and Tunnelling Exploration	54
6.3 Drilling Exploration	54
6.4 Sampling, Sample Preparation and Analyses	57

APPENDIX III

COMPETENT PERSON’S REPORT

6.4.1	Sampling	57
6.4.2	Sample Preparation and Analysis	57
6.4.3	Specific Gravity Data.....	59
6.5	Quality Assurance and Quality Control Programs.....	60
6.6	SRK Data Verification.....	65
7	Mineral Resource Estimates.....	71
7.1	Introduction	71
7.2	Resource Estimation Procedures.....	71
7.3	Resource Database.....	71
7.4	Solid Body Modelling.....	72
7.5	Specific Gravity.....	73
7.6	Compositing.....	74
7.7	Evaluation of Outliers	75
7.8	Statistical Analysis and Variography	80
7.9	Block Model and Grade Estimation	86
7.10	Model Validation and Sensitivity.....	86
7.11	Mineral Resource Classification	89
7.12	Mineral Resource Statement.....	90
7.13	Grade Sensitivity Analysis	93
7.14	Exploration Potential and Recommendations	94
8	Ore Reserve Estimation	95
8.1	Technical Studies	95
8.2	Cut-off Grade.....	96
8.3	Modifying Factors	98
8.4	Ore Reserve Estimation	98
8.5	Ore Reserve Statement.....	100
9	Mining Assessment	102
9.1	Mine Operating Status.....	102
9.2	Geotechnical and Hydrologic Considerations	103
9.2.1	Geotechnical Considerations	103
9.2.2	Hydrologic Considerations	105
9.3	Pit Optimisation	105
9.3.1	Mining Block Model.....	105
9.3.2	Pit Optimisation Parameters	106
9.3.3	Pit Optimisation Results	107
9.4	Pit Design	109
9.5	Mining Operations	111
9.6	Equipment	112
9.7	Waste Rock Dump Design	113
9.8	Mine Production Plan	114
10	Processing Assessment	119
10.1	Introduction	119
10.2	Process Mineralogy of the Copper–Sulfuric Ore.....	120
10.2.1	Chemical and Mineralogical Composition of the Ore.....	120
10.2.2	Occurrence of the Principal Target Minerals	121
10.3	Beneficiation Test Work on the Copper–Sulfuric Ore	123
10.4	Process Mineralogy of Molybdenum Ore	125
10.4.1	Chemical Composition and Mineralogical Characteristics of the Ore.....	125
10.4.2	Mode of Occurrence of Molybdenite	126

APPENDIX III

COMPETENT PERSON'S REPORT

10.5	Molybdenum Ore Beneficiation Testwork	127
10.6	Process Mineralogy of Lead-Zinc Ore.....	128
10.6.1	Chemical Composition and Mineralogical Characteristics of the Ore.....	129
10.6.2	Occurrence of Copper, Lead, Zinc and Sulfur	130
10.7	Lead-Zinc Ore Beneficiation Testwork	132
10.8	Copper–Sulfur Concentrator	134
10.8.1	Copper–Sulfur Ore Beneficiation Flowsheet.....	134
10.8.2	Copper–Sulfur Concentrator Facilities and Equipment.....	136
10.8.3	Copper–Sulfur Concentrator Performance	138
10.9	Comprehensive Utilization Pilot Plant and Lead-Zinc Ore Beneficiation	139
10.10	Consumptions and Services.....	140
10.10.1	Reagent and Material Consumptions.....	141
10.11	Tailings Storage Facility	141
10.11.1	Basic Information of the Tailings Storage Facility.....	141
10.11.2	Tailings Dam and Construction Method.....	142
10.11.3	Tailings Storage Capacity and Service Life	143
10.11.4	Flood Control Standards and Flood Management Facilities.....	144
10.11.5	Tailings Disposal, Return Water, Seepage Control and Tailings Water Treatment Facilities	144
10.11.6	Monitoring System	145
11	Workforce Assessment.....	146
11.1	Workforce Numbers.....	146
11.2	Working Schedules.....	146
11.3	Assessment of Workforce	146
12	Project Infrastructure	148
12.1	New Infrastructure for the Expansion	148
12.2	Industrial sites.....	148
12.3	Development and transport	149
12.4	Mine drainage.....	149
12.5	Tailings Storage Facility	149
12.6	Electricity Supply	150
12.7	Water Supply	150
12.8	Office and Living Facilities.....	150
13	Environmental Studies, Permitting, Social or Community Impact.....	151
13.1	Environmental and Social Review Objective.....	151
13.2	Environmental and Social Review Process, Scope and Standards.....	151
13.3	Environmental Legal Framework.....	151
13.4	Status of Environmental Approvals	151
13.5	Flora and Fauna	153
13.6	Water Management.....	154
13.7	Waste Rock and Tailings Management	155
13.8	Dust and Noise Emissions	155
13.9	Hazardous Substances Management.....	156
13.10	Site Closure Planning and Rehabilitation	156
13.11	Social Aspects	157
14	Capital Expenditures and Operating Expenses	158
14.1	Capital Expenditures	158
14.1.1	Sunk Capex.....	158
14.1.2	Future Capex	158

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX III

COMPETENT PERSON’S REPORT

14.2	Operating Costs.....	163
14.2.1	Historical Operating Costs	163
14.2.2	Unit Operating Costs.....	165
14.2.3	Future Opex Estimation	166
15	Economic Analysis	168
15.1	Principal Assumptions	168
15.1.1	LoM Physical.....	168
15.1.2	Pricing Assumptions.....	169
15.1.3	Tax and Royalties	169
15.1.4	Depreciation.....	170
15.1.5	Working Capital.....	170
15.2	DCF Projection	170
15.3	Sensitivity Analysis	172
16	Risk Assessment.....	174
17	Conclusions and Recommendations	176
17.1	Geology 176	
17.2	Mineral Resource Estimation	176
17.3	Mining and Ore Reserves.....	177
17.4	Processing.....	177
17.5	Environmental Studies, Permitting, Social or Community Impact.....	178
17.6	Capital Expenditures and Operating Expenses	179
17.7	Economic Analysis	179
	References.....	181

APPENDIX III

COMPETENT PERSON’S REPORT

Tables

Table 2-1:	SRK’s Reports for Listing on the HKEx	32
Table 2-2:	SRK Project Team.....	33
Table 3-1:	Information of Mining License, Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.	39
Table 3-2:	Information of Exploration License, Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.	39
Table 3-3:	Summary of the Safety Production Permits	39
Table 3-4:	Summary of the Pollutant Discharge Permit	40
Table 6-1:	Work Completed at Exploration Stages in the Dabaoshan Project	54
Table 6-2:	1961 Specific Gravity Table for Cu-S and Pb-Zn Ores for Dabaoshan Project	59
Table 6-3:	Statistics of Internal Check Assay Data for Dabaoshan	64
Table 6-4:	Statistics of External Check Assay Data for Dabaoshan	64
Table 6-5:	Summary of 2026 Umpire Sample Results	68
Table 6-6:	Summary of 2026 SG Sample Results (Cu-S ore)	70
Table 7-1:	Summary of Resource Database Records	72
Table 7-2:	The SG Values Adopted for each Mineralised Domains	73
Table 7-3:	Capping Values Statistics of the Dabaoshan Project.....	75
Table 7-4:	Semi-Variogram Model Parameters.....	80
Table 7-5:	Block Model Specifications of Dabaoshan Project.....	86
Table 7-6:	Attributes and Descriptions of Dabaoshan Project	86
Table 7-7:	Search Parameters	86
Table 7-8:	Assumptions Considered for the Dabaoshan Project	91
Table 7-9:	Mineral Resource Statement ¹ , Cu-S Domain of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026 ^{2, 3}	92
Table 7-10:	Mineral Resource Statement ¹ , Pb-Zn Domain of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026 ^{2, 4}	92
Table 7-11:	Global Block Model Quantities and Grade Estimates ¹ , Cu-S Domain of Dabaoshan Project at Various cut-off Grades.	93
Table 7-12:	Global Block Model Quantities and Grade Estimates ¹ , Pb-Zn Domain of Dabaoshan Project at Various cut-off Grades.	93
Table 8-1:	Cut-off Grade Estimate	97
Table 8-2:	Equivalent Cut-off Grade Estimate.....	97
Table 8-3:	Summary of the Ore Reserve Conversion Process	98
Table 8-4:	Ore Reserves Statement as of 31 August 2026	100
Table 9-1:	Dabaoshan Mine Historical Production	102
Table 9-2:	Pit Slope Angles by Zone for the Dabaoshan Polymetallic Mine	104
Table 9-3:	Resource Block Model Parameters.....	106
Table 9-4:	Pit Optimisation Parameters	106
Table 9-5:	Whittle Pit Optimisation Results (Discount rate @ 10%)	107
Table 9-6:	Summary of Pit Design Parameter.....	111
Table 9-7:	Primary and Ancillary Equipment List	112
Table 9-8:	Mine Production Schedule	115
Table 9-9:	Ore Blending Schedule	116
Table 10-1:	Chemical Composition of the Copper–Sulfide Ore	120
Table 10-2:	Mineralogical Composition of the Copper–Sulfide Ore	120
Table 10-3:	Degree of Liberation of Target Minerals at a Grind Size of 70% Passing 74 µm	122
Table 10-4:	Results of Locked-Cycle Laboratory Beneficiation Tests on Dabaoshan Copper–Sulfide Ore	124
Table 10-5:	Multi-Element Chemical Assay Results for Dabaoshan Molybdenum Ore.....	125
Table 10-6:	Mineralogical Composition of Dabaoshan Molybdenum Ore (MLA Analysis Results)	125
Table 10-7:	Closed-Circuit Beneficiation Test Results for Dabaoshan Molybdenum Ore	127
Table 10-8:	Major Chemical Composition of the Lead-Zinc Ore	129

APPENDIX III

COMPETENT PERSON'S REPORT

Table 10-9: Chemical Phase Analysis Results for the Lead-Zinc Ore	129
Table 10-10: Mineral Composition of the Lead-Zinc Ore	129
Table 10-11: Closed-Circuit Test Results of the Lead-Zinc Ore	133
Table 10-12: Major Beneficiation Equipment of the Dabaoshan Copper–Sulfur Concentrator	137
Table 10-13: Production Performance of Copper–Sulfur Ore Beneficiation	139
Table 10-14: Major Equipment of the Dabaoshan Comprehensive Utilization Pilot Plant	139
Table 10-15: Production Performance of Lead-Zinc Ore Processing at the Dabaoshan Comprehensive Utilization Pilot Plant.....	140
Table 10-16: Reagent and Materials Consumption for Copper–Sulfur Beneficiation at Dabaoshan	141
Table 11-1: Summary of Existing Employees of the Company.....	146
Table 13-1: EIA Reports and Approvals.....	152
Table 14-1: Historical Sunk Capex (2023 to Sep 2026).....	158
Table 14-2: Summary of LOM Capex.....	159
Table 14-3: Historical Opex (2023 to Sep 2026).....	164
Table 14-4: Historical Unit Operating Costs on an Expense Basis (2023 to Sep 2026).....	165
Table 14-5: Unit Operating Costs Used for Future Opex Estimation	166
Table 14-6: Estimated Annual Opex and Unit Opex over the LOM	167
Table 15-1: LoM Physical Inputs for Economic-Analysis	169
Table 15-2: Copper Price Assumptions for Economic Analysis	169
Table 15-3: LoM Key Economic Results	170
Table 15-4: LOM Cost and Cash Flow Forecast.....	172
Table 15-5: Sensitivity Analysis Result (@10% Discount Rate)	172
Table 16-1: Risk assessment Matrix	174
Table 16-2: Risk Assessment for Dabaoshan Project.....	174

Figures

Figure 3-1: Mineral Tenure Map.....	38
Figure 4-1: General Location Map of the Project.....	41
Figure 5-1: Regional geological map of the Project.....	45
Figure 5-2: Geological map of the Project area.....	46
Figure 5-3: No.27 exploration line section in the project area	48
Figure 5-4: Cu-S mineralization at 34.58-37.58 m in borehole 39G2637, No.39 exploration line.....	49
Figure 5-5: No. B32 exploration line section in the project area.....	50
Figure 5-6: Porphyry Cu-Mo mineralization at 331.96-333.5 m in borehole ZKB3201, No. B32 exploration line section	51
Figure 5-7: Schematic diagram showing the evolution of the magmatic-hydrothermal system at Dabaoshan	52
Figure 6-1: Dabaoshan Drillhole Location Map	56
Figure 6-2: Specific Gravity Performance of Dabaoshan Porphyry Copper Samples.....	59
Figure 6-3: Performance of Internal Check Duplicates in Dabaoshan	60
Figure 6-4: Performance of External Check Duplicates in Dabaoshan	62
Figure 6-5: Photos of on-site laboratories at Dabaoshan.....	65
Figure 6-6: Performance of SRK Umpire Samples from Dabaoshan	67
Figure 6-7: Relationship Between Specific Gravity (SG) and Metal Grade of 2026 Check Samples	69
Figure 7-1: Drillholes 3D Display of Dabaoshan Project	72
Figure 7-2: The Mineralisation Domain of Dabaoshan Project.....	73
Figure 7-3: Histogram of the Sample Length of the Dabaoshan Project.....	74
Figure 7-4: Histogram and Log Probability Curve of Capping Cu	76
Figure 7-5: Histogram and Log Probability Curve of Capping S	77
Figure 7-6: Histogram and Log Probability Curve of Capping Pb	78
Figure 7-7: Histogram and Log Probability Curve of Capping Zn.....	79

APPENDIX III

COMPETENT PERSON’S REPORT

Figure 7-8: Gaussian Space Semi-Variogram Models of Cu (From Upper to Lower: CUB, CUN, CUS, PBS)	81
Figure 7-9: Gaussian Space Semi-Variogram Models of S (From Upper to Lower: CUB, CUN, CUS, PBS)	83
Figure 7-10: Gaussian Space Semi-Variogram Models of Pb	85
Figure 7-11: Gaussian Space Semi-Variogram Models of Zn	85
Figure 7-12: Swath Plot of Cu	87
Figure 7-13: Swath Plot of S	88
Figure 7-14: Swath Plot of Pb	88
Figure 7-15: Swath Plot of Zn	89
Figure 7-16: The Resource Category Classification of the Dabaoshan Project	90
Figure 7-17: Conceptual open-pit shell for the Dabaoshan deposit	91
Figure 7-18: Grade-tonnage Curve for Cu-S Domain of Dabaoshan Project	93
Figure 7-19: Grade-tonnage Curve for Pb-Zn Domain of Dabaoshan Project	94
Figure 8-1: General relationship between Mineral Resources and Ore Reserves	95
Figure 8-2: Waterfall Chart of Mining Inventory	99
Figure 8-3: Waterfall Chart of Contained Cu Metal	100
Figure 9-1: Slope Zoning Plan	104
Figure 9-2: Pit by Pit Graph with Preliminary Cash Flow @ 75,950 RMB/t Copper Price	109
Figure 9-3: Final Pit Design	110
Figure 9-4: Bench by Bench Tonnage	111
Figure 9-5: Waste Rock Dump Location	113
Figure 9-6: Mine Production Schedule	117
Figure 9-7: Ore Blending Schedule	118
Figure 10-1: Grain Size Distribution of the Principal Target Minerals	121
Figure 10-2: Recommended Laboratory Beneficiation Flowsheet and Operating Conditions for Dabaoshan Copper-Sulfide Ore	124
Figure 10-3: Grain-Size Distribution of Molybdenite in Dabaoshan Molybdenum Ore	126
Figure 10-4: Closed-Circuit Beneficiation Flowsheet for Dabaoshan Molybdenum Ore	128
Figure 10-5: Grain-Size Distribution of the Main Target Minerals in the Lead-Zinc Ore	131
Figure 10-6: Lead-Zinc Ore Beneficiation Test Flowsheet	133
Figure 10-7: Beneficiation Flowsheet of the Dabaoshan Copper-Sulfur Concentrator	136
Figure 10-8: Photographs of the Main Workshops and Equipment at the Dabaoshan Copper-Sulfur Concentrator	138
Figure 10-9: Photographs of the Dabaoshan Tailings Storage Facilities	142
Figure 14-1: Capex Investment Plan Distribution over LOM	160
Figure 14-2: Initial Capex Investment Plan over LOM (in Million RMB)	161
Figure 14-3: Sustaining Capex Investment Plan over LOM (in Million CNY)	162
Figure 14-4: Closure Capex Investment Plan over LOM (in Million CNY)	163
Figure 14-5: Historical Opex Distribution	164
Figure 14-6: Estimated Annual Opex by Cost Category over the LOM	167
Figure 15-1: Annual and Cumulative Discounted Free Cash Flow over the LoM	171
Figure 15-2: NPV Sensitivity to Discount Rate	171
Figure 15-3: Sensitivity Spider Chart (10% Discount Rate)	173

Appendices

Appendix A	Mining License
Appendix B	JORC Code Table 1

APPENDIX III

COMPETENT PERSON’S REPORT

Useful Definitions

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

Term / Abbreviation	Meaning / Definition
%	percent
°	degree, angle of inclination
°C	degrees of temperature
3D	Three-dimensional
AN/FO	Ammonium nitrate / fuel oil
ARD	Acid rock drainage
asl	above sea level
AusIMM	Australasian Institute of Mining and Metallurgy
Capex	capital expenditure(s)
CIT	corporate income tax
cm	centimetres
CMF	SRK adopted metal price forecasts based on Consensus Market Forecasts / Consensus Metal Forecasts published by Consensus Economics Inc., which represent consensus forecasts compiled from a range of market analysts and financial institutions.
COG	cut-off grade
CPR	Competent Person’s Report
the Company	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (formerly as Guangdong Dabaoshan Mining Co., Ltd.) (广东省广晟大宝山铜业股份有限公司)
DCF	discounted cash flow
E	East
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves.
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources.
FS or Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.
FY	financial year
G&A	general and administration
g	gram
g/cm ³	gram(s) per cubic centimetre
g/t	gram per tonne
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Ltd

APPENDIX III

COMPETENT PERSON'S REPORT

Term / Abbreviation	Meaning / Definition
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
JORC Committee	Joint Ore Reserves Committee
K	the element symbol of potassium
kg	kilogram, equivalent to 1,000 grams
km	kilometres, equivalent to 1,000 metres
km ²	square kilometres
kt	thousand tonnes
ktpa	thousand tonnes per annum
kV	kilovolts, equivalent to 1,000 volts
kVA	kilovolt ampers
kW	kilowatt, equivalent to 1,000 watts
kWh	kilowatt hours
L	litres
Li	the element symbol of lithium
LHD	load-haul-dump
L/s	litres per second
LoM	life-of-mine
M	million
m	metres
m ²	square metre
m ³	cubic metre
Mm ³	million cubic metres
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
m/s	metres per second
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
ML	megalitres (million litres); Mining Licence
mg	milligram
mm	millimetre(s)
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum

APPENDIX III

COMPETENT PERSON'S REPORT

Term / Abbreviation	Meaning / Definition
MW	megawatts
MWh	megawatts hours
NPV	net present values
NSR	net smelter return
OK	Ordinary Kriging
Opex	operating expenditure(s)/cost(s)
Ore Reserve	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
ORM	Ore Reserves Model
PFS	A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.
PPE	Personal protective equipment
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Reserve	Ore the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Proved Reserve	Ore the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
QA/QC	quality assurance/quality control
RC	reverse circulation
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
S	South, also the element symbol of sulphur
SG	specific gravity
SRK	SRK Consulting China Ltd
Stock Exchange	The Stock Exchange of Hong Kong Ltd, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd (“HKEx”).
t	tonnes
t/d or tpd	tonnes per day
t/m ³	tonnes per cubic metre
TSF	tailings storage facilities
US\$	United States dollar
VALMIN Code	2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets.
WRD	waste rock dump
VAT	value-added tax

Executive Summary

Introduction

SRK Consulting China Ltd. (“**SRK**”) was commissioned by Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (formerly as “Guangdong Dabaoshan Mining Co., Ltd.”) (the “**Company**”) to undertake an independent assessment of all relevant technical aspects of the Dabaoshan Polymetallic Mine Project (“**Dabaoshan Project**”, “**Dabaoshan Mine**, or the “**Project**”) which is located in Shaoguan City, Guangdong Province, the People’s Republic of China (“**PRC**”).

It is SRK’s understanding that the independent technical assessment on the Project is required to be included in a Competent Person’s Report (“**CPR**”, or this “**Report**”) suitable for inclusion in a [Redacted] prepared to support the proposed [Redacted] of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the “**Stock Exchange**”), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd (“**HKEx**”).

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

Summary of Principal Objectives

The principal objective of this Report is to provide the Company and potential equity investors and future shareholders of the Company with an independent technical assessment of the geology and exploration, Mineral Resources and Ore Reserves, mining methodologies, processing and metallurgical technologies, environmental and social aspects, and etc of the Project based on all available technical data. It is understood that the aim of this Report will be used by the Company for the proposed [Redacted] on the Stock Exchange and HKEx.

Outline of Work Programme

The work program for this project consisted of:

- review of dataset and resource models provided by the Company, and preparation of data verification plan which will be conducted during site inspection.
- a site visit on 13 and 15 January 2026, to the Project, excluding any on-site metallurgical processing facilities as ore is toll-treated off-site, including the locations of exploration and production boreholes, drill cores, ore and waste stockpiles, tailings storage facilities (“**TSF**”), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment (“**EIA**”) reports, mineral processing technology and mining methodologies, capital expenditures (“**Capex**”) and operating expenses (“**Opex**”), etc.
- discussion with the Company management and technical personnel.

APPENDIX III

COMPETENT PERSON’S REPORT

- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 August 2026).
- submission of the draft to the Company and the related third party for comments and finalise the draft based on the feedback.

Results

Overall

The Dabaoshan Project comprises an open-pit mining system, waste rock dumps, a flotation plant, a tailings storage facility (TSF), and associated ancillary infrastructure, which are located in Shaoguan city, Guangdong Province, PRC. Since the commissioning of the 3.30 Mt/a Cu-S open-pit mining operation in 2017, the project has been in continuous and stable production.

Continuous geological exploration, including diamond drilling, has been carried out in the project area since the 1960s. SRK has reviewed, verified, and integrated the historical exploration database. Based on reasonable cut-off grade (“CoG”) of both the copper-sulfur and lead-zinc mineralised domains with the mining licensed area, SRK has estimated the remaining Mineral Resources and Ore Reserves for the Dabaoshan Project. As of 31 August 2026, the estimated Mineral Resources and Ore Reserves, as per the JORC Code guidelines, are presented in Table ES 0-1.

Table ES 0-1: Summary of Mineral Resources and Ore Reserves of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026

Mineralised Domain	Resource Category	CoG (%)	Tonnage	Average Grade				Metal Contained			
				Cu %	S %	Pb %	Zn %	Cu kt	S kt	Pb kt	Zn kt
Mineral Resources ^[1, 2, 3, 4, 5]			Mt								
Cu-S Domain	Measured	0.2% CuEq	25.12	0.53	20.91			134	5,254		
	Indicated		66.19	0.33	9.8			218	6,489		
	Measured + Indicated		91.31	0.39	12.86			352	11,742		
	Inferred		30.53	0.42	15.97			127	4,876		
	Total		121.84	0.39	13.64			479	16,618		
Pb-Zn Domain	Measured	0.8% ZnEq									
	Indicated		0.69			1.75	4.92			12	34
	Measured + Indicated		0.69			1.75	4.92			12	34
	Inferred		3.22			1.21	3.87			39	124
	Total		3.91			1.30	4.04			51	158
Ore Reserves ^[6, 7, 8, 9, 10]			Kt								
Cu-S Domain	Proved	0.3% CuEq	24,171	0.52	20.37			126	4,923		
	Probable		39,537	0.38	10.91			150	4,314		
	Subtotal		63,708	0.43	14.50			276	9,237		
Pb-Zn Domain	Probable		204			1.86	6.41			4	13
	Subtotal		204			1.86	6.41			4	13

Source: SRK

APPENDIX III

COMPETENT PERSON’S REPORT

Notes:

- ¹ All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.
- ² The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang under the supervision of Dr. Hancheng Zhang, a Member of the Australian Institute of Geoscientists (“AIG”). Both are full-time employees of SRK Consulting China Ltd. Dr Zhang has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves”, the JORC Code. Dr. Zhang consents to the reporting of this information in the form and context in which it appears.
- ³ Mineral Resources are reported inclusive of Ore Reserves.
- ⁴ A cut-off grade of 0.2% CuEq is estimated for the copper-sulphur mineralised domains, based on the following parameters: the copper price is calculated at RMB 75950 per tonne, based on the CMF quotation for the third quarter of 2026; the copper beneficiation recovery rate is 86.18%, representing the weighted average of the actual recovery rates over the past three years, and the payable is 94%, as stipulated in the sales contract. The sulfur price is calculated at RMB 800 per tonne, based on the weighted average of sulfur product sales prices over the past three years; the sulfur beneficiation recovery rate is 89.5%, also derived from the weighted average of the actual recovery rates over the past three years, and the payable is 43%, as stipulated in the sales contract. $\text{CuEq (\%)} = \text{Cu (\%)} + 0.0241 \times \text{S (\%)}$.
- ⁵ A cut-off grade of 0.8% ZnEq is estimated for the lead-zinc mineralised domains, based on the following assumptions: the lead price is calculated at RMB 13,650 per tonne, based on the CMF quotation for the third quarter of 2026; the lead beneficiation recovery rate is 81.11%, derived from beneficiation testwork. The zinc price is calculated at RMB 20,300 per tonne, based on the CMF quotation for the third quarter of 2026; the zinc beneficiation recovery rate is 84.6%, derived from beneficiation testwork. $\text{ZnEq (\%)} = \text{Zn (\%)} + 0.645 \times \text{Pb (\%)}$.
- ⁶ The information in this report which relates to Ore Reserve is based on information compiled by Mr. Rui Shen under the supervision sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as the Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves”, the JORC Code. Ms. Chuang consents to the reporting of this information in the form and context in which it appears.
- ⁷ 0.3% EqCu COG was applied to define Cu-S ore or waste. As the Pb-Zn ore is sold as a ROM by-product with minimal incremental processing costs, its economic COG is considered to be close to zero and no separate COG has been applied in the Ore Reserve conversion.
- ⁸ Number was rounded to the second significant digit to reflect the uncertainties in estimate.
- ⁹ Total may not add or calculated due to rounding discrepancies.
- ¹⁰ The mining dilution rate is 2.5% and the mining loss rate is 2.5%.

The Dabaoshan Polymetallic Mine is developed as an open pit mine. A conventional open pit mining method is applied using a top-down and bench by bench mining approach. Production drilling is undertaken using down-the-hole (“DTH”) drill rigs, followed by deep-hole delayed blasting. Excavators are used to load blasted ore and waste material into haul trucks for transportation to the stockpiles and waste dumps. The mining method is considered appropriate for the current open pit design and production requirements.

Currently, the Dabaoshan Concentrator, using flotation process technology, processes the copper and sulfur mineralised ore to produce copper concentrate with a copper recovery between 84.71% and 87.58% and sulfur concentrate with a sulfur recovery ranging from 86.18% to 92.54%.

The mine and associated plant operated by the Company, are well integrated and well managed operations. The operating standards are generally following the Chinese national industrial practices.

Based on the current remaining Ore Reserves and mining and processing capacity, the life of mine (“**LoM**”) is 13 years commencing in 1 September 2026. The total projected Capex over the LoM is about Renminbi (“**RMB**”) 4,628 million, and the forecasted unit Opex is about RMB 276.64 per tonne of ore processed.

SRK estimated the Dabaoshan Project’s net present value (“**NPV**”) using the discount cash flow method, as of 31 August 2026, at a discount rate of 10%, is about RMB 3,251 million. The positive NPVs for the Project indicate that it is economically viable.

APPENDIX III

COMPETENT PERSON’S REPORT

Operational Licences and Permits

The safety production permits for the Dabaoshan Project are presented in Table ES 0-2.

Table ES 0-2: Summary of the Safety Production Permits

Safety Production Permit No.	(Yue) FM [2026] Oa023III1	(Yue) FM [2026] Oc027III1
Issued To	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.
Issued By	Department of Emergency Management of Guangdong Province	Department of Emergency Management of Guangdong Province
Issue Date	October 30, 2023	May 21, 2024
Expiry Date	October 29, 2026	May 20, 2027
Licensed Activity	Copper, Iron, Pyrite, Lead and Zinc Open Pit Mining	Operation of Fandongcun Tailing Storage Facility

Source: Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (2026).

According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. However, enterprises, institutions, and other producers and operators whose production and emissions of pollutants are small and have minimal impact on the environment are not required to apply for pollutant discharge permits, but they should fill out pollutant discharge registration forms. The detailed information of the Dabaoshan Project is listed in Table ES 0-3.

Table ES 0-3: Summary of the Pollutant Discharge Permit

Pollutant Discharge Permit No.	9144020019152157XE001V
Issued To	Guangdong Dabaoshan Mining Co., Ltd.
Issued By	Shaoguan City Ecology and Environment Bureau
Issue Date	September 8, 2023
Expiry Date	September 7, 2028
Main Types of Pollutants	Waste gas, Wastewater

Source: Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (2026).

Geology and Mineralogy

The project area mainly exposed Paleozoic strata. The Cambrian epimetamorphic rocks exposed in the northwest are in angular unconformity contact with the overlying Devonian. The middle-lower Devonian Guitou group is sandy conglomerate and quartz sandstone; the Middle Devonian Donggangling Formation is massive and thick layered limestone with siltstone; the Upper Devonian Tianziling Formation is dominated by limestone. There is an integrated contact between the strata in the Devonian system. The Lower Jurassic Jinji Formation is quartz sandstone, siltstone and carbonaceous mudstone. The Devonian overthrusts along the north-northwest direction to the lower Jurassic.

In terms of structure, the eastern part of the project area develops syncline, the axis is northwest, and the core is composed of Devonian system. The early faults are mainly northwest (“NW”)-trending,

APPENDIX III

COMPETENT PERSON’S REPORT

which are cut by the northeast (“NE”)-trending and nearly east-west (“EW”)-trending faults. The NW-trending fault structure is the principal mineralization-controlling structure.

Magmatic activity mainly occurred in the late Yanshan period. The Late Jurassic dacite porphyry (formerly subdacite porphyry) was emplaced along the thrust nappe structure and then invaded by the Cretaceous granodiorite porphyry. At the end of magmatic activity, a small number of mafic dykes intruded into porphyry bodies and surrounding rocks. The granodiorite porphyry is later than the dacite porphyry in terms of emplacement, and together they constitute the metallogenic parent intrusive rocks for the porphyry- copper (“Cu”)–molybdenum (“Mo”) type mineralisation.

The metallogenic system of Dabaoshan polymetallic deposit is complex. According to the different host rocks, the following mineralization types are mainly developed:

■ **limonite-siderite mineralization in Devonian strata**

It is exposed in the shallow part of the Mining Licensed area and is located in the upper part of the Cu-S polymetallic deposit. It mainly occurs in the Middle Devonian Donggangling Formation. The occurrence is basically consistent with the surrounding stratum, which is stratiform and stratabound, and locally irregular lenticular.

The main ore minerals of limonite ore are limonite-goethite, followed by hematite and siderite. The associated trace minerals are bismuthinite and hematite. In the secondary enrichment zone, chalcocite, covellite, bornite and bismuthinite commonly occur.

The main ore minerals of the siderite ore are siderite, followed by pyrite, and occasionally sphalerite, magnetite, etc.

After years of mining and stripping operations, the limonite-siderite mineralization body has less resources remains and limited economic value.

■ **Cu-S-Pb-Zn mineralization in Devonian strata**

Spatially, this mineralisation is distributed in the hanging wall of the dacite porphyry (formerly subdacite porphyry) body and is mainly hosted in altered limestone and sandstone of the Middle Devonian Donggangling Formation, as well as Jurassic sandstone and mudstone. The Cu-sulfur (“S”)-lead (“Pb”)-zinc (“Zn”) mineralised body generally strikes NW, with a strike length of approximately 2,700 meters (“m”), dipping to the NE at a dip angle of 20°–30°, and with a down-dip extension of about 400 m. The mineralized bodies occur as stratiform and stratabound bodies, locally as irregular lenses. Between the #31-#17 exploration lines, the Cu-S mineralized body was displaced by the NW-trending faults. Towards the southeast along the extension of the Cu–S mineralised body, Pb–Zn gradually become enriched; to the southeast of exploration Line #4, the Cu–S mineralisation progressively transitions into Cu–S–Pb–Zn mineralisation.

The main ore minerals in the Cu-S-Pb-Zn ore are pyrite, pyrrhotite, chalcopyrite, sphalerite, galena, molybdenite, bismuthinite, and argentite.

The Cu-S-Pb-Zn mineralized body in the Devonian strata is the principal mining object at present.

■ **Porphyry-skarn type Cu-Mo mineralization**

This type of mineralisation is hosted within the Late Jurassic–Cretaceous dacite porphyry (formerly subdacite porphyry) and granodiorite porphyry bodies and their outer contact zones. The footwall of

APPENDIX III

COMPETENT PERSON’S REPORT

the mineralized body is mainly altered sandstone and mudstone of the Lower Jurassic Jinji Formation; the hanging wall is mainly the Middle-Lower Devonian Donggangling Formation and Guitou Group altered limestone and sandstone. The Cu–Mo orebodies strike overall NW, with a strike length of more than 1,000 m within the Mining Licensed area, a width of 50–260 m, and dip to the NE at a dip angle of 50°–70°. At present, drilling has traced the mineralisation down-dip to about 500 m, where the mineralized body occur in a dyke-like, tabular form. West of Line 41, Mo shows a gradual enrichment trend within the Cretaceous granodiorite porphyry and at its contact with the Late Jurassic dacite porphyry. The Cu–Mo orebodies remain open at depth and to the NW direction.

The main metal minerals in the Cu-Mo ore are pyrite, pyrrhotite, chalcopyrite, sphalerite, galena, molybdenite, chalcocite, tetrahedrite, bismuthinite, arsenopyrite, marcasite, magnetite, hematite, etc.

The porphyry-skarn type Cu-Mo mineralised bodies are not yet mined and will be the principal mining targets following future mine expansion.

The Dabaoshan polymetallic deposit is primarily exploited for Cu–S–Pb–Zn ore. The ore minerals are mainly chalcopyrite, pyrite, pyrrhotite, sphalerite, galena, bismuth, argentite, and arsenopyrite. These minerals mainly contain elements such as bismuth (“Bi”), silver (“Ag”), gold (“Au”) and arsenic (“As”), among which Bi, Ag and Au are beneficial associated components, while As is a deleterious associated component. Following mineral processing, these components become further enriched in the concentrate products. It is therefore necessary to continuously optimise the beneficiation and recovery processes in order to fully realise the economic value of the beneficial associated components Bi, Ag and Au.

Exploration and QA/QC

The Dabaoshan Project has been systematically explored by various geological brigades since late 1950s. As of 2025, the completed exploration works comprise 17,714 cubic meters (“m³”) of trenching, 2,992 m of tunnels, 2,162 m of shallow pits, 123,680.7 m of geological drill holes and 101,119.04m of production drill holes. Core recovery for the drillholes completed before 2015 was relatively low, whereas the drillholes completed between 2015 and 2025 achieved core recoveries of 85–99%.

Core was cut lengthwise with a diamond saw, half submitted for assay and half retained as archive, with sample intervals based on geology and mineralisation, typically 1.0–1.5 m (historical core generally sampled at 1 m). In trenches and underground workings, continuous 3–5 cm wide and 3–5 cm deep channel samples were cut across the full width of the mineralised zone from cleaned faces, with sample intervals typically 1–2 m.

Sample preparation, routine analyses and internal/external check assaying were carried out by different laboratories. Most of the laboratories involved are appropriately accredited, and sample preparation and laboratory analyses are considered to comply with the relevant standards.

No formal quality assurance and quality control (QA/QC) protocols involving certified reference materials, blanks or field/analytical duplicates were documented in the earlier exploration reports; quality control was based primarily on occasional internal and external check assays.

SRK conducted a site visit from 13 to 15 January 2026. Under SRK’s guidance, the Company selected 120 pulp duplicate samples to verify the reliability of historical grade analyses and collected 135 specific-gravity samples. These verification samples were submitted to Auslab Analytical Testing

APPENDIX III

COMPETENT PERSON’S REPORT

(Guangzhou) Co. Ltd, and the returned results indicate that the check assays are generally acceptable.

SRK considers the sampling, sample preparation and analytical procedures for the Dabaoshan Project to be generally appropriate, although the QA/QC programme has not systematically used field blanks or CRMs, which is a limitation. Sampling and laboratory analysis have been conducted in accordance with relevant national standards (Geology and Mineral Laboratory Testing Quality Management Specification; DZ/T 0130 2006) and company procedures, and the main laboratories involved hold CMA accreditation under the Chinese national inspection and testing system. Internal and external check results are generally satisfactory, with no obvious systematic bias, and long-term production experience is consistent with the exploration data. Overall, the available sampling and analytical data are considered reasonably reliable for Mineral Resource estimation.

Mineral Resource Estimation

A non-rotational model for Dabaoshan Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model which was able to follow the mineralized zones. The block model used the same coordinate system as data collection.

The Ordinary Kriging (“OK”) method was used for the Cu, S, Pb and Zn grade estimation of CUB, CUN, CUS and PBS Domains. Inverse Distance Weighting Square (“IDW2”) method was used for Cu, S, Pb and Zn grade estimation for other domains. Hard boundaries were used for both Cu, S, Pb and Zn of all domains.

For the Cu–S–Pb–Zn deposit of the Dabaoshan Project, the Mineral Resource at the space of 30m (strike) × 30m (dip) is defined as Measured Mineral Resource, the resource at the space of 60m (strike) × 60m (dip) is defined as Indicated Mineral Resource and the resource at the space of 120m (strike) × 120m (dip) and greater is defined as Inferred Mineral Resource.

For the porphyry copper deposit of the Dabaoshan Project, the Mineral Resource at the space of 70m (strike) × 70m (dip) is defined as Measured Mineral Resource, the resource at the space of 140m (strike) × 140m (dip) is defined as Indicated Mineral Resource and the resource at the space of 280m (strike) × 280m (dip) and greater is defined as Inferred Mineral Resource.

As of 31 August 2026, and at a cut-off grade of 0.20% EqCu, the Dabaoshan Project is estimated to contain 25.12 million tonnes (“Mt”) of Measured Mineral Resources with an average grade of 0.53% Cu, 20.91% S, 66.19 Mt of Indicated Mineral Resources with an average grade of 0.33% Cu, 9.8% S, and 30.53 Mt of Inferred Mineral Resources with an average grade of 0.42% Cu, 15.97% S (see Table ES 0-4).

As of 31 August 2026, and at a cut-off grade of 0.8% EqZn, the Dabaoshan Project is estimated to contain 0.69 million tonnes (“Mt”) of Indicated Mineral Resources with an average grade of 1.75% Pb, 4.92% Zn, and 3.22 Mt of Inferred Mineral Resources with an average grade of 1.21% Pb, 3.87% Zn (see Table ES 0-5).

APPENDIX III

COMPETENT PERSON’S REPORT

Table ES 0-4: Mineral Resource Statement¹, Cu-S Domain of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026²

Mineralised Domain	category	Average Value			Material Content	
		Mass	Cu	S	Cu	S
		Mt	%	%	kt	kt
Cu-S Domain	Measured	25.12	0.53	20.91	134	5,254
	Indicated	66.19	0.33	9.8	218	6,489
	Measured+Indicated	91.31	0.39	12.86	352	11,742
	Inferred	30.53	0.42	15.97	127	4,876

Source: SRK (2026)

Table ES 0-5: Mineral Resource Statement¹, Pb-Zn Domain of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026²

Mineralised Domain	category	Average Value			Material Content	
		Mass	Pb	Zn	Pb	Zn
		Mt	%	%	kt	kt
Pb-Zn Domain	Measured					
	Indicated	0.69	1.75	4.92	12	34
	Measured+Indicated	0.69	1.75	4.92	12	34
	Inferred	3.22	1.21	3.87	39	124

Source: SRK (2026)

Notes:

- ¹ All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.
- ² The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang under the supervision of Dr. Hancheng Zhang. Dr Zhang is a Member of the Australian Institute of Geoscientists (AIG), who are full time employee of SRK Consulting China Ltd. Dr Zhang has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves”, the JORC Code. Dr Zhang consents to the reporting of this information in the form and context in which it appears.
- ³ Mineral resources of Cu-S Deposit are reported by EqCu ($\text{EqCu} = \text{Cu} + 0.0241 \cdot \text{S}$) at a cut-off grade is 0.2%. The main parameters adopted for the EqCu in this project are as follows: the copper price is calculated at RMB 75950 per tonne, based on the CMF quotation for the third quarter of 2026; the copper beneficiation recovery rate is 86.18%, representing the weighted average of the actual recovery rates over the past three years, and the payable is 94%, as stipulated in the sales contract. The sulfur price is calculated at RMB 800 per tonne, based on the weighted average of sulfur product sales prices over the past three years; the sulfur beneficiation recovery rate is 89.5%, also derived from the weighted average of the actual recovery rates over the past three years, and the payable is 43%, as stipulated in the sales contract.
- ⁴ Mineral resources of Pb-Zn Deposit are reported by EqZn ($\text{EqZn} = \text{Zn} + 0.645 \cdot \text{Pb}$) at a cut-off grade is 0.8%. The main parameters adopted for the EqZn in this project are as follows: the lead price is calculated at RMB 13,650 per tonne, based on the CMF quotation for the third quarter of 2026; the lead beneficiation recovery rate is 81.11%, derived from beneficiation testwork. The zinc price is calculated at RMB 20,300 per tonne, based on the CMF quotation for the third quarter of 2026; the zinc beneficiation recovery rate is 84.6%, derived from beneficiation testwork.

Exploration Potential

The Dabaoshan polymetallic deposit has a complex metallogenic system. Regional geological studies indicate that magmatic activity was concentrated in the Middle Jurassic, with multiple phases of magmatic intrusion. Devonian strata were thrust over Jurassic strata, and the Dabaoshan dacite porphyry (formerly subdacite porphyry) and granodiorite porphyry intruded along this thrust zone (the contact zone between the Devonian and Jurassic strata), forming an assemblage of intrusive phases that constitutes a porphyry metallogenic system.

The previous drilling results indicate that the metallogenic parent intrusive rocks for the porphyry type Cu–Mo mineralisation (dacite porphyry and granodiorite porphyry) continue along strike to the NW direction into the surrounding Exploration Licence area adjacent to the Dabaoshan Mining Licence

APPENDIX III

COMPETENT PERSON’S REPORT

and also extend down-dip to depth. The porphyry type Cu–Mo mineralisation extends to depth and towards the NW direction, indicating favourable exploration potential for the Project.

Ore Reserves

SRK has estimated the Ore Reserves for the Dabaoshan Polymetallic Mine in accordance with the JORC Code. The Ore Reserve estimate is supported by Modifying Factors derived from technical studies and operational record considered appropriate for a Feasibility Study level assessment.

The main Modifying Factors applied include pit optimisation, pit design, mining dilution and ore loss, together with processing, economic, environmental, legal and other relevant considerations. The economically mineable portions of the Measured and Indicated Mineral Resources within the designed open pit have been classified as Proved and Probable Ore Reserves, respectively.

Two ore types are included in the Ore Reserve estimate: copper-sulphur ore (“Cu-S ore”) and lead-zinc ore (“Pb-Zn ore”). The Ore Reserve statement is presented in Table ES 0-6.

Table ES 0-6: Ore Reserves Statement for the Dabaoshan Polymetallic Mine, as of 31 August 2026

Category	Tonnes	Cu-S Tonnes	Pb-Zn Tonnes	Average Grade				Metal Contained			
				Cu	S	Pb	Zn	Cu	S	Pb	Zn
	kt	kt	kt	%	%	%	%	kt	kt	kt	kt
Proved Ore	24,171	24,171	-	0.52	20.37	-	-	126	4,923	-	-
Probable Ore	39,741	39,537	204	0.38	10.91	1.86	6.41	150	4,314	3.79	13.09
Total	63,912	63,708	204	0.43	14.50	1.86	6.41	276	9,237	3.79	13.09

Source: SRK (2026)

Notes:

- ¹ The information in this report which relates to Ore Reserve is based on information compiled by Mr Rui Shen and Ms Tzuhsuan Chuang, who are full-time employees of SRK Consulting China Ltd. Ms Tzuhsuan Chuang is a Member of AusIMM. Ms Tzuhsuan Chuang has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which is undertaking to qualify as Competent Persons as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves”, the JORC Code. Mr Rui Shen and Ms Tzuhsuan Chuang consent to the reporting of this information in the form and context in which it appears.
- ² 0.3% EqCu COG was applied to define Cu-S ore or waste. As the Pb-Zn ore is sold as a ROM by-product with minimal incremental processing costs, its economic COG is considered to be close to zero and no separate COG has been applied in the Ore Reserve conversion.
- ³ Number was rounded to the second significant digit to reflect the uncertainties in estimate.
- ⁴ Total may not add due to rounding discrepancies
- ⁵ The mining dilution rate is 2.5%. Mining loss rate is 2.5%.

Mining Assessment

The Dabaoshan Polymetallic Mine includes two ore types, Cu-S ore and Pb-Zn ore. Cu-S ore is processed on site, while Pb-Zn ore is planned to be sold as Run-of-Mine (“ROM”) ore.

Geotechnical conditions are variable, and the pit slope design is based on available geotechnical studies and existing pit exposures. SRK considers the adopted overall pit slope angles of approximately 32° to 45° reasonable for the current Feasibility Study level assessment.

APPENDIX III

COMPETENT PERSON’S REPORT

SRK carried out open pit optimisation using Whittle™ based on the Mineral Resource block model and the adopted technical and economic assumptions. A series of nested pit shells was generated using revenue factors applied to the base case copper price of RMB75,950/t. The RF1.0 pit shell was selected as the basis for the final pit design as it reflects the economic pit limit under the base case assumptions. The final pit design incorporates an 8% ramp gradient, with ramp widths of 6m for single-lane traffic and 12m for double-lane traffic.

Mining operations are undertaken by Hongda Blasting Engineering Group Co., Ltd, which is responsible for drilling, blasting, loading and hauling mined material to the designated delivery points. Conventional open pit mining methods are applied using top-down benches, with down-the-hole drilling, deep-hole blasting, excavator loading and truck haulage.

Waste rock is disposed of in the existing WRD west of the final pit. Considering the smaller SRK pit design and planned waste rock utilisation, SRK considers the existing WRD capacity sufficient for the projected disposal requirements.

The LOM production schedule was developed using Deswik™ on an annual basis. Measured and Indicated Mineral Resources above the cut-off grade are scheduled as ROM material, while Inferred Mineral Resources, material below the cut-off grade and material within the leached zone are excluded from ROM and scheduled as waste. The LOM is approximately 13 years, commencing in 1 September 2026. Total scheduled ROM production comprises 63,708kt of Cu-S ore and 204kt of Pb-Zn ore, with total waste movement of approximately 265,471kt and an average stripping ratio of 4.15.

Processing

Dabaoshan is a large, long-established mine characterized by complex, composite mineralization, comprising several distinct deposits hosting different metals, including iron, copper-iron sulfide (“copper-sulfur” or “Cu-S”), lead-zinc (“Pb-Zn”), and molybdenum (“Mo”) deposits.

The iron ore deposit has been exhausted. Small-scale mining of the Cu-S deposit commenced in 1976, and the current mining and processing capacity is 3.3 million tonnes per annum (Mt/a). The plant produces copper concentrate and sulfur concentrate. Historically, multiple research institutions have conducted beneficiation test work on Dabaoshan Cu-S ore, generating extensive results that have provided a solid technical basis for the construction, upgrading, and expansion of the Dabaoshan copper-sulfide concentrator. The current concentrator flowsheet comprises single stage open circuit crushing, semi autogenous grinding (SAG) plus ball milling, copper rougher flotation, regrinding of the copper rougher concentrate, copper cleaner flotation, sulfur (pyrite) flotation, and sulfur (pyrrhotite) magnetic separation. It is planned to construct an additional copper–sulfide concentrator, thereby increasing the copper–sulfide ore processing capacity to 6.6 million tonnes per annum (Mt/a).

The Cu-S concentrator is well designed and constructed, with appropriate equipment configuration and stable operation. Its production performance is presented in Table ES 0-7.

Table ES 0-7: Cu-S Ore Processing Performance

Indicator Items	Unit	2023	2024	2025	Jan-Aug 2026
Ore Processed	kt	3,627	3,614	3,558	2,311

APPENDIX III

COMPETENT PERSON'S REPORT

Indicator Items	Unit	2023	2024	2025	Jan-Aug 2026
Copper Grade of Ore Processed	%	0.47	0.46	0.46	0.43
Copper Content in Ore Processed	t	17,013	16,574	16,361	9,973
Copper Concentrate Production	t	84,960	81,793	80,073	52,250
Ore Processed/Copper Concentrate Output	t/t	42.69	44.18	44.43	44.23
Copper Concentrate Grade	%	17.50	17.51	17.31	16.74
Copper Content in Concentrate	t	14,866	14,325	13,858	8,747
Copper Recovery	%	87.38	86.43	84.71	87.70
Sulphur Grade of Ore Processed	%	16.71	15.13	14.82	15.20
Sulphur Content in Ore Processed	kt	605.8	546.6	527.3	351.3
Flotation Sulphur Concentrate Production	kt	947.9	965.6	934.5	624.9
Ore Processed/Sulphur Concentrate Output	t/t	3.83	3.74	3.81	3.70
Flotation Sulphur Concentrate Grade	%	45.96	45.82	46.37	45.97
Flotation Sulphur Content in Concentrate	kt	435.6	442.4	433.4	287.2
Flotation Sulphur Recovery	%	71.90	80.93	82.19	81.76
Magnetic Sulphur Concentrate Production	kt	303.3	197.0	178.4	130.9
Concentration Ratio	t/t	11.96	18.34	19.94	17.65
Magnetic Sulphur Concentrate Grade	%	28.52	28.08	27.08	28.96
Magnetic Sulphur Content in Concentrate	kt	86.49	55.33	48.33	37.91
Magnetic Sulphur Recovery	%	14.28	10.12	9.17	10.79
Total Sulphur Recovery	%	86.18	91.05	91.36	92.55

Source: Dabaoshan Mineral Processing Plant Metals Balance Sheet

The lead–zinc deposit is not yet scheduled for development. Small quantities of lead–zinc ore produced as a by-product of copper–sulfur mining are currently treated in an integrated utilization pilot plant with a capacity of 300 t/d, which produces a bulk copper–lead–zinc concentrate and a sulfur (pyrite) concentrate. Operating performance is summarized in Table ES 0-8.

Both the grade and recovery of the bulk copper–lead–zinc concentrate are relatively low. This is attributable, on the one hand, to the absence of supporting process mineralogy studies and beneficiation test work on the ore, and, on the other hand, to the use of a borrowed integrated pilot plant flotation flowsheet and equipment configuration that are not well suited to the separation of polymetallic ore.

In May 2026, Jiangxi University of Science and Technology completed the "Research and Development of Stabilization and Improvement Process Technology for Complex By-Product Copper-Lead-Zinc Mixed Concentrate in Dabaoshan Mine", which is expected to enhance the beneficiation indicators of by-product lead-zinc ore.

SRK recommends that a development plan be prepared for the lead–zinc deposit, including detailed process mineralogy studies and flowsheet test work on the lead–zinc ore. The product strategy should be defined based on the copper, lead, and zinc grades of the ore, with the objective of improving metal recoveries. It is further recommended that the feasibility study, design, and construction of a dedicated lead–zinc concentrator be scheduled and implemented in a planned manner.

Table ES 0-8: Lead–Zinc Ore Processing Performance

Indicator Items	Unit	Jan-July 2026	¹ Aug 2026
Ore Processed	t	59,725	9,967

APPENDIX III

COMPETENT PERSON’S REPORT

Indicator Items	Unit	Jan-July 2026	¹ Aug 2026
Metal Grade of Ore Processed (Cu+Pb+Zn)	%	3.12	0.46
Metal Content in Ore Processed (Cu+Pb+Zn)	t	1,862	45.5
Bulk Concentrate Production	t	2,973	239
Bulk Concentrate Concentration Ratio	t/t	20.09	41.70
Metal Grade of Bulk Concentrate (Cu+Pb+Zn)	%	34.52	13.52
Metal Content in Bulk Concentrate (Cu+Pb+Zn)	t	1,026	32.3
Bulk Metal Recovery (Cu+Pb+Zn)	%	55.11	70.97
Sulphur Grade of Ore Processed	%	14.82	14.69
Sulphur Content in Ore Processed	t	8,853	1,464
Sulphur Concentrate Production	t	16,151	2,843
Sulphur Concentrate Concentration Ratio	t/t	3.70	3.51
Sulphur Grade of Concentrate	%	42.76	43.04
Sulphur Content in Concentrate	t	6,906	1,223
Sulphur Recovery	%	78.01	83.58

Source: Dabaoshan Mineral Processing Plant Metals Balance Sheet

Note: ¹only copper data are recorded in August 2026.

Development of the molybdenum deposit has not yet been scheduled. To date, only process mineralogy studies and beneficiation test work were carried out in 2011 by the Guangzhou Research Institute of Nonferrous Metals. The final results of the beneficiation tests are summarized in Table ES 0-9.

SRK recommends that the molybdenum Mineral Resources be further delineated and that a development plan be prepared for the molybdenum deposit. Metallurgical test work should be carried out in a systematic manner, followed by a feasibility study, concentrator design, and plant construction for the molybdenum ore.

Table ES 0-9: Dabaoshan Molybdenum Ore Beneficiation Test Results

Production	Yield (%)	Mo Grade (%)	Mo Recovery (%)
Mo Concentrate	0.19	45.64	84.45
Cleaning Tailings	0.23	0.23	0.54
Roughing Tailings	99.58	0.015	15.01
Feed	100.00	0.10	100.00

Source: Beneficiability Test Study Report on the Dabaoshan Molybdenum Ore, Guangzhou Research Institute of Nonferrous Metals, May 6, 2011.

Dabaoshan Mine was formerly designated as a national key mine, and site infrastructure is well developed. The associated Caodukeng tailings storage facility and Fandongcun tailings storage facility are properly constructed, and the total storage capacity is sufficient for tailings disposal from the existing concentrator.

As Mineral Resources and Ore Reserves are expanded, tailings storage capacity will need to be increased in accordance with the resource development plan, through planned staged raising of the Fandongcun tailings dam and planned reclamation and integrated utilization of historical tailings in the Caodukeng tailings storage facility, thereby further increasing effective storage capacity.

Workforce Assessment

As of 31 August 2026, the Company had a total of 1,018 employees. Under the leadership of the Board of Directors, the Company operates under a General-led management system. Its organizational structure comprises departments responsible for management, technical services,

APPENDIX III

COMPETENT PERSON’S REPORT

safety, environmental protection, mining production, mineral processing, laboratory services and supporting functions.

SRK’s assessment indicates that, under the current “three shifts of eight hours each, operating 300 days per year” scheduling system, the existing staffing levels are sufficient to maintain a production capacity of 3.30 Mt/a. Following expansion, and with appropriate adjustment, the workforce will also meet the planned capacity of 6.60 Mt/a. The investigation shows that all employees have entered into formal employment contracts in accordance with relevant PRC labor laws and regulations, and that the Company has made social insurance and housing provident fund contributions as required.

Project Infrastructure

The Dabaoshan Project is located southeast of downtown Shaoguan (azimuth approximately 165°), approximately 25 km away, and falls under the administrative jurisdiction of Shaxi Town in Qujiang District, Shaoguan City.

The G4 Beijing–Hong Kong–Macau Highway and National Road G106 pass to the west of the mine area. A paved road from the mining area connects to the Nanhuasi exit of the G4 Highway and to National Road G106, with a distance of approximately 18 km. To the west of the mining area lie the Beijing–Guangzhou Railway and the Beijiang River shipping channel, along which Maba Railway Station and Shaoguan Port are situated. Internal haulage at the mine is by road, while external product transport is primarily by rail, supplemented by road transport. A dedicated standard-gauge industrial railway connects with the Beijing–Guangzhou line at Maba Station; Shaxi Station and Donghua Station are located along this line, which has a total length of about 17 km, providing convenient transport conditions.

The project area has established its own power supply system, which is connected to the China Southern Power Grid. There is one 110 kV Baofan Substation within the area, equipped with two 40,000 kVA main transformers supplying the mine; the current load factor is about 50%, and several 10 kV reserve switchgear panels are installed, indicating the power supply capacity is sufficient.

Water for production in the project is sourced from the Fandongcun tailings storage facility (TSF) located to the east of the mining area, while domestic water is supplied from the Fandong River and nearby springs. These two sources are fully capable of meeting the mine’s production and domestic water demands. The mine’s existing office and camp are located within Shaxi Town, close to the production area, and are equipped with office buildings, dormitories, canteen, bathhouse and other facilities. Following the expansion, some office and camp facilities will be upgraded as required.

Environmental and Social Impacts

The Project has undergone multiple Environmental Impact Assessment (“EIA”) studies. The EIA reports generally cover the mining area, processing plant, tailings storage facility, wastewater treatment systems, and other ancillary infrastructure. All reports have been approved by the relevant government authorities, and the corresponding EIA approval documents have been obtained.

A sediment retention pond has been constructed downstream of the waste rock dump to intercept and store leachate and contaminated surface runoff, thereby reducing soil erosion and sediment loss. The collected wastewater is conveyed via pipelines to the wastewater treatment facilities for treatment prior to discharge. At present, two phases of wastewater treatment facilities have been

APPENDIX III

COMPETENT PERSON’S REPORT

constructed for the Liwu sediment retention pond. In addition, a portion of wastewater from the Fandongcun Tailings Storage Facility is discharged after treatment. The Project engages a third-party environmental monitoring agency on an annual basis to conduct routine environmental monitoring.

Public consultation has been carried out through online announcements, newspaper publications, and on-site postings to collect public feedback. According to the EIA reports, no objections were raised during multiple rounds of consultation. Furthermore, the Project implements community support initiatives, including targeted donations to surrounding village committees and townships to support local development.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

Future Capex has been estimated based on the capital expenditure plans provided by Dabaoshan Polymetallic Mine and SRK’s estimates developed based on historical expenditure and the LOM production schedule. The total estimated Capex over the LOM is RMB 4,628 million, as summarised in Table ES 0-10.

Table ES 0-10: Summary of Capex

Item	Unit	LOM
Initial Capex		
Dabaoshan Polymetallic Mine Expansion and Upgrade	Million RMB	2,180
Sustaining Capex		
Five-Year Equipment Expansion and Replacement Program	Million RMB	211
Liwu Sediment Containment Facility Environmental Risk Management Project	Million RMB	180
Five-Year Exploration Program	Million RMB	41
Sulphur Processing Circuit Upgrade Project	Million RMB	-
Expansion and Upgrade of the Fandong Village Tailings Discharge Water Treatment Facility	Million RMB	-
Mining Rights Acquisition Fee	Million RMB	-
Purchase of Additional Equipment and others	Million RMB	320
Other Capital Projects	Million RMB	1,180
Acquisition of Land Parcels	Million RMB	69
Closure Cost	Million RMB	446
Total Capex	Million RMB	4,628

Source: Summarised by SRK

Operating Costs

The unit operating costs used for the future Opex estimate are summarised in Table ES 0-11. With the exception of mining costs and royalty, SRK has generally used the historical weighted average

APPENDIX III

COMPETENT PERSON’S REPORT

unit operating costs on an expense basis for the future economic evaluation. Mining costs are estimated separately based on the 2026 FS, using unit costs of RMB 6.80/t of ore and RMB 8.70/t of waste. As historical Labour and Materials costs included mining-related components, these components have been excluded from the respective unit costs to avoid double counting. In addition, historical surcharges included within G&A were removed, as surcharges were separately estimated in the economic analysis. Royalty is estimated separately based on the applicable rates.

Future Opex is estimated by applying these unit operating costs to the LOM production schedule. For reporting purposes and to maintain consistency with the historical cost categories, the estimated mining costs are allocated back to Labour and Materials based on the historical average allocation. The estimated surcharges are subsequently included within G&A for reporting purposes, consistent with the historical cost. The estimated annual Opex and corresponding unit operating costs over the LOM are summarised in Table ES 0-12. The estimated annual Opex by cost category over the LOM is shown in Figure ES 0-1.

Table ES 0-11: Unit Operating Costs Used for Future Opex Estimation

OPEX - By Element	Unit	Historical Average	SRK Input
Production			
Mining	RMB/t	56.51	6.80/t of ore 8.70/t of waste
Labor ¹	RMB/t	18.31	18
Materials ¹	RMB/t	34.24	34
Fuel and Power	RMB/t	20.94	21
Safety	RMB/t	7.28	7
Environmental	RMB/t	25.25	25
Employee Transportation	RMB/t	1.26	1
Product Transportation	RMB/t	1.77	2
Maintenance	RMB/t	9.89	10
Rental	RMB/t	8.34	8
Outsourced Services	RMB/t	4.67	5
Others	RMB/t	10.89	11
Royalty	RMB/t	12.97	-
Selling Cost	RMB/t	3.47	3
G&A ²	RMB/t	40.96	41
R&D expenses	RMB/t	17.73	18

Source: Summarised by SRK

Note:

¹ Mining-related costs have been excluded from Labor and Materials and are estimated separately.

² Surcharges have been excluded from G&A and are estimated separately.

APPENDIX III

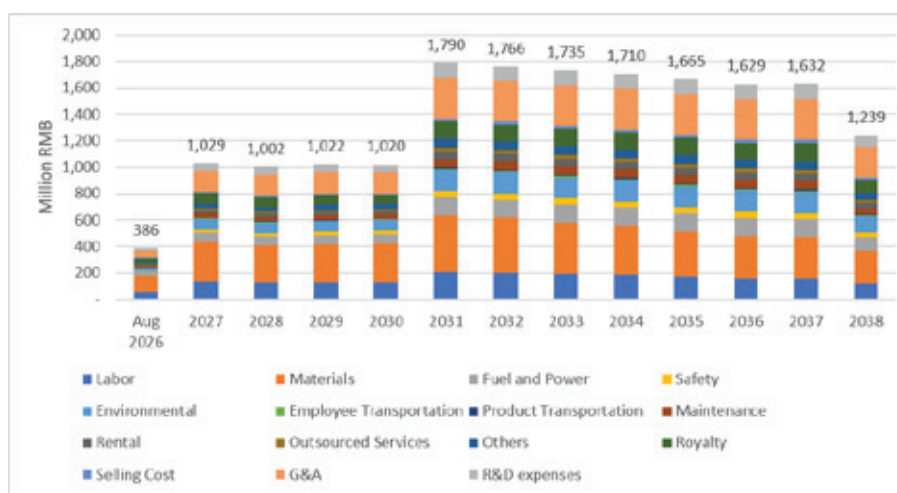
COMPETENT PERSON’S REPORT

Table ES 0-12: Estimated Annual Opex and Unit Opex over the LOM

Unit costs incl. Royalty	LOM	Aug 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Production	RMB/t milled	385.99	252.64	229.25	217.29	216.04	218.63	289.72	286.82	283.21	277.21	270.61	265.37	263.79
Labor	RMB/t milled	30.45	49.68	43.00	39.59	39.34	39.97	31.71	30.89	29.28	28.29	26.26	24.76	24.31
Materials	RMB/t milled	65.67	112.69	95.98	87.44	86.83	88.79	67.74	66.67	61.66	59.16	54.08	50.34	49.21
Fuel and Power	RMB/t milled	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96
Safety	RMB/t milled	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29
Environmental	RMB/t milled	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28
Employee Transportation	RMB/t milled	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Product Transportation	RMB/t milled	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77
Maintenance	RMB/t milled	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93
Rental	RMB/t milled	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35
Outsourced Services	RMB/t milled	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67
Others	RMB/t milled	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75
Royalty	RMB/t milled	20.99	26.89	24.57	23.30	22.82	20.85	20.45	19.22	20.39	20.05	20.19	19.87	21.37
Selling Cost	RMB/t milled	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47
G&A	RMB/t milled	48.53	50.46	50.31	49.43	49.14	48.47	48.30	48.14	48.32	48.23	48.22	48.11	48.59
R&D expenses	RMB/t milled	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73
Total	RMB/t milled	278.64	350.68	325.53	311.23	309.59	309.34	279.67	275.88	271.11	267.19	260.21	254.55	254.96

Source: summarised by SRK

Figure ES 0-1: Estimated Annual Opex by Cost Category over the LOM



Source: Summarised by SRK

Economic Analysis

SRK conducted a discounted cash flow (“DCF”) analysis using the relevant technical and economic assumptions. The resulting net present values (“NPVs”) at various discount rates are summarised in Table ES 0-13. The analysis indicates positive project economics, with an NPV of RMB 3,251 million at a discount rate of 10%.

Table ES 0-13: Estimated NPVs at Different Discount Rate for Dabaoshan Project

Discount Rate	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
NPV	4,743	4,386	4,062	3,766	3,497	3,251	3,027	2,822	2,635	2,462	2,304

Source: Summarized by SRK (2026)

APPENDIX III

COMPETENT PERSON’S REPORT

SRK conducted a single-factor sensitivity analysis for the Dabaoshan Polymetallic Mine to assess the impact of changes in key economic parameters when considered independently. The analysis focused on product prices, Capex and Opex, each tested within a $\pm 30\%$ range.

At a 10% discount rate, changes in product prices have the largest impact on NPV, followed by changes in Opex, while changes in Capex have a comparatively smaller impact. The NPV reaches break-even (NPV = 0) at approximately a 24% decrease in product prices from the base.

Risk Assessment

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

SRK considers various technical aspects which may affect feasibility and future cash flow and conducts risk assessments for the Dabaoshan Project based on similar techno-economic conditions among the different deposits or mines, which have been summarized in Table ES 0-14.

Table ES 0-14: Risk Assessment for Dabaoshan Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Unlikely	Moderate	Low
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Grade control on feed grade	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Moderate	Low
Pumping System Adequacy	Unlikely	Moderate	Low
Poor Slope Stability	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Moderate	Low
Processing and Metallurgy			
Changes in the properties of copper-sulfur ore have led to a decrease in the recovery of copper and sulfur concentrates	Unlikely	Moderate	Low
Recycled water affects the recovery of the target minerals	Possible	Moderate	Medium
The high equipment failure rate and low operating rate prevent the concentrator from reaching its designed processing capacity	Possible	Moderate	Medium
The sample used for lead-zinc ore beneficiation tests was not representative, resulting in uncertainty in the metal recovery index	Possible	Moderate	Medium
The sample used for the molybdenum ore beneficiation tests was not sufficiently representative, so the test results cannot reflect the beneficiation performance of the ore from the molybdenum deposit.	Possible	Minor	Low
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Negative Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium

APPENDIX III

COMPETENT PERSON’S REPORT

Risk Source/Issue	Likelihood	Consequence	Risk
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

Recommendations

The previous drilling results indicate that the metallogenic parent intrusive rocks for the porphyry type Cu–Mo mineralisation (dacite porphyry and granodiorite porphyry) continue along strike to the NW direction into the surrounding Exploration Licence area adjacent to the Dabaoshan Mining Licence and also extend down-dip to depth. The porphyry type Cu–Mo mineralisation extends to depth and towards the NW direction, indicating favourable exploration potential for the Project.

It is recommended that the Company seek an extension of the Mining Licence to the southwest and, in future feasibility studies, incorporate this Mo-mineralised resource into the overall project Mineral Resources.

SRK recommends strengthening surface water and groundwater monitoring throughout the entire mining area, covering both upstream and downstream locations, while also developing and implementing appropriate stormwater management and emergency response measures to effectively address heavy rainfall events during the wet season. In addition, SRK recommends establishing a stakeholder engagement plan and grievance mechanism to enhance community relations and facilitate effective, ongoing stakeholder management.

SRK recommends that the mine plan and Ore Reserve estimate be reviewed periodically as additional operating, geotechnical and production data become available. SRK also recommends that waste rock disposal and utilisation be regularly reviewed against the remaining capacity of the existing WRD to confirm that sufficient disposal capacity is maintained over the LOM.

1 Introduction and Scope of Report

SRK Consulting China Ltd. (“**SRK**”) was commissioned by Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. (formerly as “Guangdong Dabaoshan Mining Co., Ltd.”) (the “**Company**”) to undertake an independent assessment of all relevant technical aspects of the Dabaoshan Polymetallic Mine Project (“**Dabaoshan Project**”, “**Dabaoshan Mine**”, or the “**Project**”) which is located in Shaoguan City, Guangdong Province, the People’s Republic of China (“**PRC**”).

It is SRK’s understanding that the independent technical assessment on the Project is required to be included in a Competent Person’s Report (“**CPR**”, or this “**Report**”) suitable for inclusion in a [Redacted] prepared to support the proposed [Redacted] of the Company on the Main Board of the Stock Exchange of Hong Kong Ltd. (the “**Stock Exchange**”), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd (“**HKEx**”).

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

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide an independent technical assessment for inclusion in a [Redacted] to be issued by the Company to support the proposed [Redacted] on the Stock Exchange and the HKEx. SRK’s report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the reviewed project.

2.2 Reporting Standard

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

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

In this Report, the Mineral Resource and Ore Reserve estimates are reported using the classification and reporting terminology of the JORC Code, 2012. SRK has reviewed the underlying data, estimation methodology, classification criteria and applicable Modifying Factors and considers that the Mineral Resource and Ore Reserve statements presented in this Report have been prepared and reported in accordance with the JORC Code, 2012. The relevant Competent Persons have reviewed and endorsed the information in the form and context in which it appears.

2.3 Limitations Statement

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

2.4 Effective Date

The effective date for this CPR is deemed to be 31 August 2026 (the “Effective Date”). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 August 2026 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK. Rather than ordinary production, SRK is not aware of any material changes to the Mineral Resources and Ore Reserves post the statement.

APPENDIX III

COMPETENT PERSON’S REPORT

2.5 Work Program

- review of dataset and wireframes provided by the Company, and preparation of data verification plan which will be conducted during site inspection.
- a site visit on 13 and 15 January 2026, to the Project, excluding any on-site metallurgical processing facilities as ore is toll-treated off-site, including the locations of exploration and production boreholes, drill cores, ore and waste stockpiles, tailings storage facilities (“TSF”), water source and power supply station, the office and living areas, and other infrastructure, etc.
- review of all available documents, including operating licenses and permits, geology reports and environmental impact assessment (“EIA”) reports, mineral processing technology and mining methodologies, capital expenditures (“Capex”) and operating costs (“Opex”), etc.
- discussion with the Company management and technical personnel.
- preparation of a draft report in accordance with the JORC Code and the requirements of the *Chapter 18* on the Stock Exchange and other regulations of the HKEx (the declaration date of Mineral Resources and Ore Reserves is 31 August 2026).
- submission of the report to the Company and the related third party for comments and finalize the report based on feedback.

2.6 SRK Experience

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

Among the company’s more than 1,800 clients are most of the world’s major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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

SRK Consulting employs leading specialists in each field of science and engineering. Its seamless integration of services, along with its global base, has made the company a world leader in due diligence, feasibility studies, and confidential internal reviews.

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

SRK China was established in 2005 and has three offices located in Beijing, Nanchang and Kunming. Either independently or together with other SRK Consulting offices, SRK has been providing independent technical services for the Chinese mining companies. SRK has considerable experience in providing Independent Expert Reports to mining companies for successfully listing on the stock exchanges in Hong Kong, Australia, United Kingdom, Canada, South Africa and the United States.

APPENDIX III

COMPETENT PERSON’S REPORT

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

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

Company	Year	Nature of Transaction
Yanzhou Coal Limited (listed in HKEx)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on the HKEx and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on the HKEx
Lingbao Gold Limited	2005	IPO Listing on the HKEx
Yue Da Holdings Limited (listed in HKEx)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on the HKEx
Sino Gold Mining Limited	2007	Dual Listing on the HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on the HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in coal projects in Inner Mongolia, China
Hao Tian Resource Group Limited	2009	Very Substantial Acquisition of two coal mines in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Very Substantial Acquisition of shareholding in one iron project in Mongolia
Ming Fung Jewellery Group Holdings Ltd	2009	Acquisition of shareholding in gold project in Inner Mongolia, China
Continental Holdings Limited	2009	Acquisition of a gold project in Henan, China
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shaanxi, China
CNNC International Ltd	2010	Acquisition of a uranium mine in Africa
Sino Prosper Mineral Products Ltd	2010	Acquisition of shareholdings in one gold project in Inner Mongolia, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	IPO Listing on the HKEx
Citic Dameng Holdings Limited	2010	IPO Listing on the HKEx
China Hanking Holdings Limited	2011	IPO Listing on the HKEx
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on the HKEx
China Nonferrous Mining Corporation Limited	2012	IPO Listing on the HKEx
Hengshi Mining Investments Limited	2013	IPO Listing on the HKEx
Future Bright Mining Holdings Limited	2014	IPO Listing on the HKEx
King Stone Energy Group Limited	2014	Acquisition of Shareholding in silver mines in Fujian, China
Agritrade International Pte LTD	2015	Acquisition of Shareholding in one coal mine in Indonesia
China Unienergy Group Limited	2016	IPO Listing on the HKEx
Pizu Investment Co. Ltd	2020	Acquisition of Shareholding in a polymetallic project in China
China Qinfa Group Limited	2021	Annual disclosure of coal mines in Shanxi, China
China Graphite Group Limited	2022	IPO Listing on the HKEx
Kinetic Development Group	2022	Major transaction of equity interest in Ningxia Sunshine
Persistence Resources Group Ltd	2023	IPO Listing on HKEx
Chifeng Jilong Gold Mining Co., Ltd	2025	IPO Listing on HKEx
Zijin Gold International Co., Ltd	2025	IPO Listing on HKEx

APPENDIX III

COMPETENT PERSON’S REPORT

2.7 Project Team

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

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Hancheng Zhang	Principal Consultant (Geology)	Project Manager / Overall Report Lead
Mingyan Wang	Consultant (Geology)	Geological Resource Modelling
Zimeng Li	Assistant Consultant (Geology)	Assist in Geological Data
Hui Bai	Consultant (GIS)	GIS and Drafting
Falong Hu	Principal Consultant (Mining)	Mining Review and Economic Analysis
TzuHsuan (Shan) Chuang	Senior Consultant (Mining)	Mining and Economic Analysis
Rui Shen	Assistant Consultant (Mining)	Preparation of the Mining Chapter
Lanliang Niu	Principal Consultant (Processing)	Processing and Metallurgical Review
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Jingran Yang	Project Coordinator	Project Management and Coordination
Qiong (Amy) Wu	Senior Project Coordinator	Project Management and Coordination
Yiefei Jia	Corporate Consultant (Geology)	Internal Peer Review

Hancheng Zhang, PhD, Member of AIG, Professorial Geological Engineer (China), Principal Consultant (Geology and Project Evaluation) in SRK China. Dr. Zhang has more than 30 years of experience in geological exploration, resource estimation and mineral project evaluation, mainly in precious metals (gold, silver and platinum group elements, etc.), rare metals (REE metals, lithium, molybdenum, etc.), non-ferrous metals (copper, lead, zinc, nickel, cobalt, aluminum, tin, antimony, etc.), ferrous metals (iron, manganese, chromium, vanadium, titanium) and non-metallic minerals (potash, fluorite, graphite, etc.) and decorative stone. He has been responsible for resource estimation and project evaluation of various mineral species and deposits. In recent years, he has completed a number of due diligence projects in China and overseas, and prepared technical reports which have been used by corporations and financial institutions to raise funds or list on capital markets including the HKEX.

Mingyan Wang, BMgt, is a Geological Consultant at SRK China. Prior to joining SRK in 2022, he worked at China Geological Engineering Group Corporation, where he was primarily involved in ecological restoration design and integrated land remediation projects. Since joining SRK, he has focused on resource modeling, resource estimation, data processing, and map generation, contributing to projects involving a variety of commodities including gold, copper, cobalt, and nickel. In addition, he has served as a field geologist on multiple exploration projects, responsible for core logging, sample collection, and quality control. Mingyan is proficient in software such as GIS, ENVI, Surpac, Leapfrog, and AutoCAD.

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

Hui Bai, BEng, is a GIS Consultant at SRK China. Prior to joining SRK, she worked at Kunming University of Science and Technology Jintu Technology Co., Ltd., where she participated in the 2021 Geological Hazard Refinement Investigation and Risk Assessment Comprehensive Remote Sensing Identification Project. Additionally, she was involved in aerial remote sensing photogrammetry and land surveying for boundary determination. Since joining SRK in 2024, she has been primarily

APPENDIX III

COMPETENT PERSON’S REPORT

responsible for map production and data processing tasks, with expertise in software such as ArcGIS and AutoCAD.

Falong Hu, MBA, B.Eng, FAusIMM, Chinese Certified Mine Constructor, Chinese Certified Mineral Right Value, Chinese Certified Consulting Engineer (Investment), is a Principal Consultant (Mining). He obtained his bachelor’s degree in mining engineering from Central South University and Master of Business Administration (MBA) in China University of Geosciences (Beijing). Before joining SRK he worked as an on-site and head office mining engineer in 2 different international mining companies which were called Sino Gold Mining Limited (later merged with Eldorado Gold Corp.) and Silvercorp Metals Inc. He is familiar with underground and open pit mines’ production systems and has been involved in mining engineering and development design, scheduling, long-hole blasting and production operation, rock mechanics, ventilation, back-fill; and cost accounting. After taking part in SRK, he accumulated extensive experience in ore reserve estimation, economic analysis, project valuation, mining assessment, scoping/pre-feasibility/feasibility studies and so on. Minerals include gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, bentonite and so on. He is a modeler on both technical and economic and proficient in digital modeling by using Surpac, Whittle, Minesched, Datamine and AutoCAD.

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

Lanliang Niu, BEng, MAusIMM, Member of MCAMRA, is a Principal Consultant (Processing) with SRK Consulting China Ltd. He has 10 years’ experience in processing researches and 10 years in plant operation management and 15 years in mining technical consultancy. He has specific expertise in the processing of precious metal, nonferrous metal, ferrous metal, and some non-metallic minerals, as well as processing test, plant design and operation management, and mining project evaluation. He is actively involved with the new development of processing technologies, equipment, and reagents and has received two national awards for his achievements in this area. Since joining SRK, Lanliang has played a pivotal role in the due diligence and technical evaluation of nearly 200 mining financing or M&A projects within China and internationally.

Nan Xue, MSc, MBA, MAusIMM, is a Principal Consultant (Environmental) at SRK China. He holds Master of Environmental Science from Nankai University and Master of Business Administration from Beihang University, respectively. He has over fifteen years’ experience in environmental impact assessment, environmental planning and management, environmental due diligence and ESG-related field. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC as well as in the environmental-planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculation, and impact predictions. He also has an acute understanding of equator principles; International Finance Corporation environmental and social performance standards and other international standards related to ESG. After joining SRK, Nan has been involved in a number of IPO and due diligence projects in China, Laos, Russia, Mongolia, Philippines, Indonesia, Kazakhstan, Kyrgyzstan, South

APPENDIX III

COMPETENT PERSON’S REPORT

Africa, DRC, Ecuador, Chile and Ghana; the clients include Zijin Mining, Future Bright Mining, CNMC, China Gold, Shandong Gold, Chifeng Gold, Sino Steel, Tianqi Lithium, etc.

Yiefei Jia, PhD, FAusIMM CP (Geo), is a Corporate Consultant (geology) with over 30 year’s experience in a combination of exploration, resource estimation, mineral project evaluation, and the delivery of multidisciplinary technical assessment reports. He is highly experienced in the management of exploration and mineral resource estimation of precious metals (gold, silver, and PGE), alkali and base metals (lithium, potassium, lead, zinc, copper, vanadium, titanium, cobalt, nickel, aluminum, magnesium and tin and etc.), and black metals (iron, manganese and chromium) as well as non-metallic metals (fluorite and graphite) and decorative stone (marble) ore deposits in different geological settings in Australia, China, Mongolia, Africa, America and southeast and central Asia. He also has over five years’ experience in coal deposits exploration and due diligence in China, Indonesia and Mongolia. Yiefei’s background has provided him with a firm understanding of key criteria required for the successful delivery of projects across a variety of disciplines. In recent years, Yiefei, as both a geologist and project manager, has led and coordinated dozens of due diligence projects with technical reports for mergers and acquisitions, financing and exchange listings, such as the Stock Exchange of Hong Kong Limited.

2.8 Warranties

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

2.9 Indemnities

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

- Which results from SRK’s reliance on information provided by the Company or to the Company not providing material information; or
- Which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.10 Compliance Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Mingyan Wang, a Member of the Australasian Institute of Mining & Metallurgy, and Dr Hancheng Zhang, a Member of the Australasian Institute of Mining & Metallurgy (Annual Membership Certificate No. 9902). Both are full-time employees of SRK. Mr. Mingyan Wang and Dr Hancheng Zhang have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the JORC Code. Mr. Mingyan Wang and Dr Hancheng Zhang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Ms. Shan Chuang, MAusIMM, and reviewed by Mr. Falong Hu, FAusIMM. Both are full-time employees

APPENDIX III

COMPETENT PERSON’S REPORT

of SRK. Mr. Falong Hu and Ms. Shan Chuang have sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code”. Mr. Falong Hu and Ms. Shan Chuang consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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

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

Peer review and quality control of the Report were conducted by Dr. Yiefei Jia, FAusIMM, a Corporate Consultant (Geology) at SRK.

2.11 Independence Statement

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

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

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

2.12 Consent

SRK consents to this Report being included, in full, in the Company [Redacted], in the form and context in which the technical assessment is provided, and not for any other purpose.

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

2.13 Forward Looking Statement

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

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX III

COMPETENT PERSON’S REPORT

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

3 Operating Licenses and Permits

3.1 Business Licence

Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. is a limited liability company established in the People’s Republic of China on 28 December 1995. The company holds a valid business licence issued by the relevant Market Supervision Administration. The registered capital is RMB 149,119,100, and the legal representative is Mr. Zhong Yong. The registered address is Shaxi Town, Qujiang District, Shaoguan City, Guangdong Province, PRC.

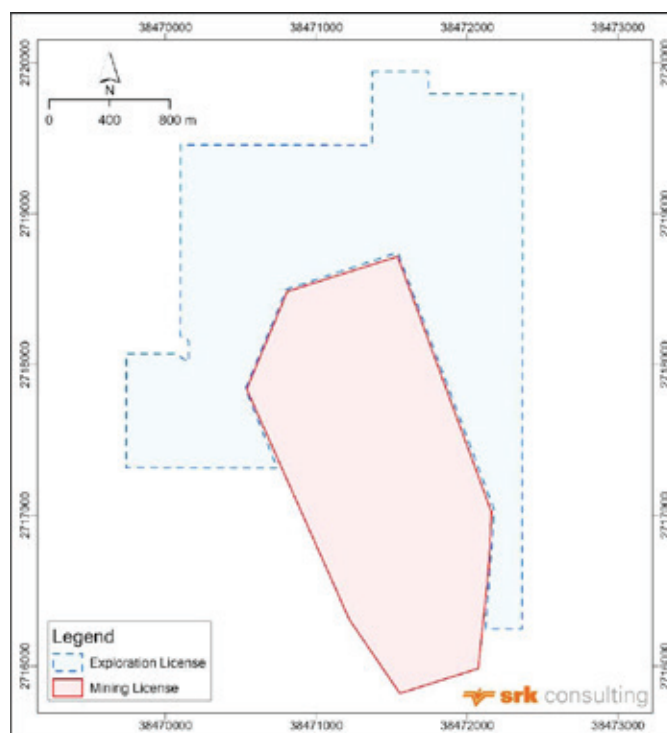
The company is principally engaged in the mining and processing of non-coal mineral resources. Details of the business licence are provided in Appendix A.

3.2 Mineral Tenure

3.2.1 Mining License

One mining license is currently held by the Company (Figure 3-1). Details of the mining license Information are listed in Table 3-1.

Figure 3-1: Mineral Tenure Map



APPENDIX III

COMPETENT PERSON’S REPORT

Source: SRK (2026)

Table 3-1: Information of Mining License, Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.

Company	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.
Project Name	Dabaoshan Polymetallic Mine of Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.
License No.	DC4400002009082220034118
Issued To	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.
Issued By	Department of Natural Resources of Guangdong Province
Period of Validity	24 February 2017 – 24 February 2039
Area (km ²)	2.9072
Mining Depth	From 1015m to 270m

Source: the Company

3.2.2 Exploration License

One Exploration license is currently held by Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. Details of the Exploration license Information are listed in Table 3-2.

Table 3-2: Information of Exploration License, Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.

Company	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.
Project Name	Exploration of the Chuandu–Baimianshi Mo-polymetallic deposit in Qujiang District, Shaoguan City
Permit No.	T1000002023083018001441
Issued To	Guangdong Dabaoshan Mining Co., Ltd..
Issued By	Ministry of Natural Resources
Period of Validity	14 July 2023 - 14 July 2028
Area (km ²)	4.1711

Source: the Company

3.3 Safety Production Permits

The safety production permits for the Dabaoshan Project are presented in Table 3-3.

Table 3-3: Summary of the Safety Production Permits

Safety Production Permit No.	(Yue) FM [2026] Oa023III1	(Yue) FM [2026] Oc027III1
Issued To	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.	Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd.
Issued By	Department of Emergency Management of Guangdong Province	Department of Emergency Management of Guangdong Province
Issue Date	October 30, 2023	May 21, 2024
Expiry Date	October 29, 2026	May 20, 2027
Licensed Activity	Copper, Iron, Pyrite, Lead and Zinc Open Pit Mining	Operation of Fandongcun Tailing Storage Facility

Source: the Company

3.4 Pollutant Discharge Permit

According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. However, enterprises, institutions, and other producers and operators whose production and emissions of pollutants are small and have minimal impact on the environment are not required to apply for pollutant discharge permits, but they should fill out pollutant discharge registration forms. The detailed information of the Dabaoshan Project is listed in Table 3-4.

Table 3-4: Summary of the Pollutant Discharge Permit

Pollutant Discharge Permit No.	9144020019152157XE001V
Issued To	Guangdong Dabaoshan Mining Co., Ltd.
Issued By	Shaoguan City Ecology and Environment Bureau
Issue Date	September 8, 2023
Expiry Date	September 7, 2028
Main Types of Pollutants	Waste gas, Wastewater

Source: Dabaoshan

4 Regional Description

4.1 Property Location

The Dabaoshan Project is located southeast of downtown Shaoguan (azimuth approximately 165°), approximately 25 km away, and falls under the administrative jurisdiction of Shaxi Town in Qujiang District, Shaoguan City. The geographic center coordinates are longitude: 113 ° 43 ' 04 ' E, latitude: 24 ° 33 ' 51 ' N (CGCS2000 Coordinate System) (Figure 4-1).

Figure 4-1: General Location Map of the Project



Source : SRK (2026) · CGCS2000 Coordinate System

4.2 Accessibility

As shown in Figure 4-1, The G4 Beijing–Hong Kong–Macau Highway and National Road G106 pass to the west of the mine area. A paved road from the mining area connects to the Nanhuasi exit of the G4 Highway and to National Road G106, with a distance of approximately 18 km. To the west of the mining area lie the Beijing–Guangzhou Railway and the Beijiang River shipping channel, along which Maba Railway Station and Shaoguan Port are situated. Internal haulage at the mine is by road, while external product transport is primarily by rail, supplemented by road transport. A dedicated standard-gauge industrial railway connects with the Beijing–Guangzhou line at Maba Station; Shaxi

APPENDIX III

COMPETENT PERSON'S REPORT

Station and Donghua Station are located along this line, which has a total length of about 17 km, providing convenient transport conditions.

4.3 Local Resources and Infrastructure

Water for production in the project is sourced from the Fandongcun TSF located to the east of the mining area, the catchment area is 3.50 km², with a total reservoir capacity of approximately 71,241,300 m³, a remaining capacity of 24,841,100 m³, and an annual water supply of 2,046,400 m³. Domestic water is supplied from the Fandong River and nearby springs, with a one-way distance of approximately 4 to 5 km. These two sources are fully capable of meeting the mine's production and domestic water demands.

The project area has established its own power supply system, which is connected to the China Southern Power Grid. There is one 110 kV Baofan Substation within the area, equipped with two 40,000 kVA main transformers supplying the mine; the current load factor is about 50%, and several 10 kV reserve switchgear panels are installed, indicating the power supply capacity is sufficient. National mobile network coverage has been achieved throughout the mining area.

Mining equipment, construction materials, and mining supplies can be procured from Shaoguan and the surrounding areas to meet the project's construction and operational needs.

4.4 Climate

The project area is located in a subtropical climatic zone, with an annual average temperature of 20.20°C. The historical extreme maximum temperature is 42°C (12 July 1978), and the historical extreme minimum temperature is -4.9°C (15 January 1963). According to statistics from the Shaoguan National Basic Meteorological Station (Station No. 59082) for the period 2005–2024, the annual average precipitation in the project area is approximately 1,815.7 mm, with an average of 152.5 rainy days per year and an average of 6.7 days per year with heavy rainfall (≥ 50 mm/day). Throughout the year, the prevailing wind directions alternate between southerly and northerly throughout the year.

4.5 Physiography

The project area is located in the middle–low mountainous terrain of the Nanling Range, with elevations ranging from +521.10 m to +1,020.40 m and a relative relief of about 500 m. The mountain range trends generally north–south, turning to the northeast at its northern end. The deposit lies between two nearly parallel, north–south-trending ridgelines with a significant elevation difference, forming a narrow, elongated and asymmetric basin and depression landform. The eastern ridge has elevations of +650–+750 m, while the western ridge ranges from +800 m to +1,020.40 m. Historical mining activities have formed two open pits on the northern and southern sides of the mine area, with a minimum pit floor elevation of +625 m.

Surface drainage is well developed in the project area and is characterised by mountain streams: narrow channels, deeply incised valleys, steep gradients, short flow paths with headwaters close to the catchments, and runoff predominantly controlled by rainfall, resulting in pronounced temporal variability. Topographic ridgelines act as surface-water divides, separating the dendritic drainage

APPENDIX III

COMPETENT PERSON’S REPORT

network within the area into two main systems to the north and south. Most streams originate from Dabaoshan and Maxieao.

The northern drainage system has two main branches, to the west and to the north. The northern branch originates in the northern part of Dabaoshan (Shaxi River), flows generally northwest, with discharges ranging from 35.20 to 443.18 L/s. The western branch rises on the western flank of Dabaoshan in the Gouerling–Chuandu Village area (Chuandu River), flowing northwest–north, with discharges of 48–544 L/s. These two branches converge near Shaxi Town and eventually flow northwestward into the Beijiang River.

The southern drainage system also has two main branches, to the east and to the south. The eastern branch originates in the Fandongcun Village–Qiuwuba Village area east of Dabaoshan (Fandong River), flowing south to southeast, with discharges of 8.70–1,222.99 L/s. The southern branch rises within the Dabaoshan area (Nanshui River), flowing south to southeast, with discharges of 50.83–187.36 L/s; it first flows into the Liwu silt retention dam, and is then treated by the external discharge system before being discharged in compliance with relevant standards. The two southern branches meet at Liangqiao Village, which represents the lowest erosion base level of the mine area, at an elevation of approximately +210 m.

5 Geological Setting and Mineralisation

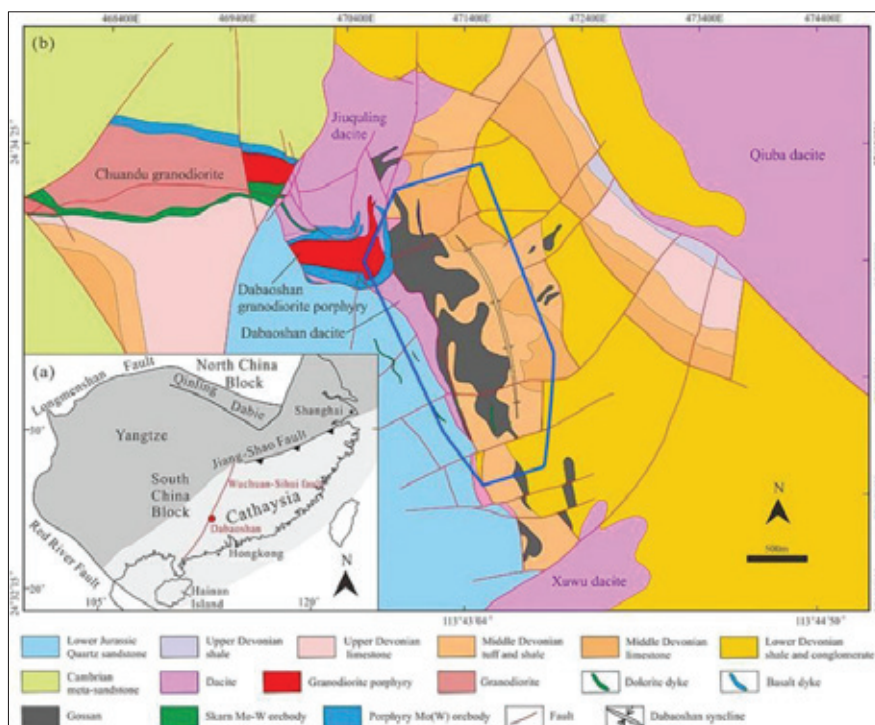
5.1 Regional Geology

The Dabaoshan polymetallic project is regionally situated in the central and southern part of the Nanling metallogenic belt. The geotectonic unit belongs to the Luoxiao fold belt of the Huaxia Block on the southeast side of the Qinhang junction zone, and the northern section of the Wuchuan-Sihui fault zone. The Wuchuan-Sihui fault zone is a major northeast-trending deep fault in the region, with multi-stage activity characteristics. The regional outcrops include pre-Devonian metamorphic crystalline basement, Devonian to Late Triassic caprocks and Mesozoic and Cenozoic basin sediments (Figure 5-1).

During the Early Palaeozoic and earlier, the region experienced shallow sea-semi-deep sea sedimentary periods, forming extremely thick sandy argillaceous clastic rock formations. The strong intracontinental orogenic event in the early Paleozoic caused strong folds in the strata of this period, forming a crystalline basement. The orogenic movement is accompanied by the regional crustal uplift, resulting in the general lack of Silurian in the area, and some extend to the Lower Devonian. From the Late Paleozoic to the Early Triassic, a wide range of shallow marine carbonate rocks and sandy argillaceous clastic rock formations were stably deposited, which covered the early basement with high-angle unconformity. In the Middle Triassic, with the Indosinian magmatic activity, the regional crust was uplifted to the land again. After the end of the Indosinian movement, the crust in the area subsides again and is dominated by coastal-continental sand shale deposits.

The Yanshanian magmatic activity in the area is strong and characterized by large-scale intrusion. In the north, the Dadongshan pluton (159–165 Ma) and the Guitong composite pluton (151–160 Ma and 235–239 Ma) are well developed, while in the south the Fogang pluton (159–165 Ma) is exposed.

Figure 5-1: Regional geological map of the Project



Source: Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd., Modified by SRK, 2026

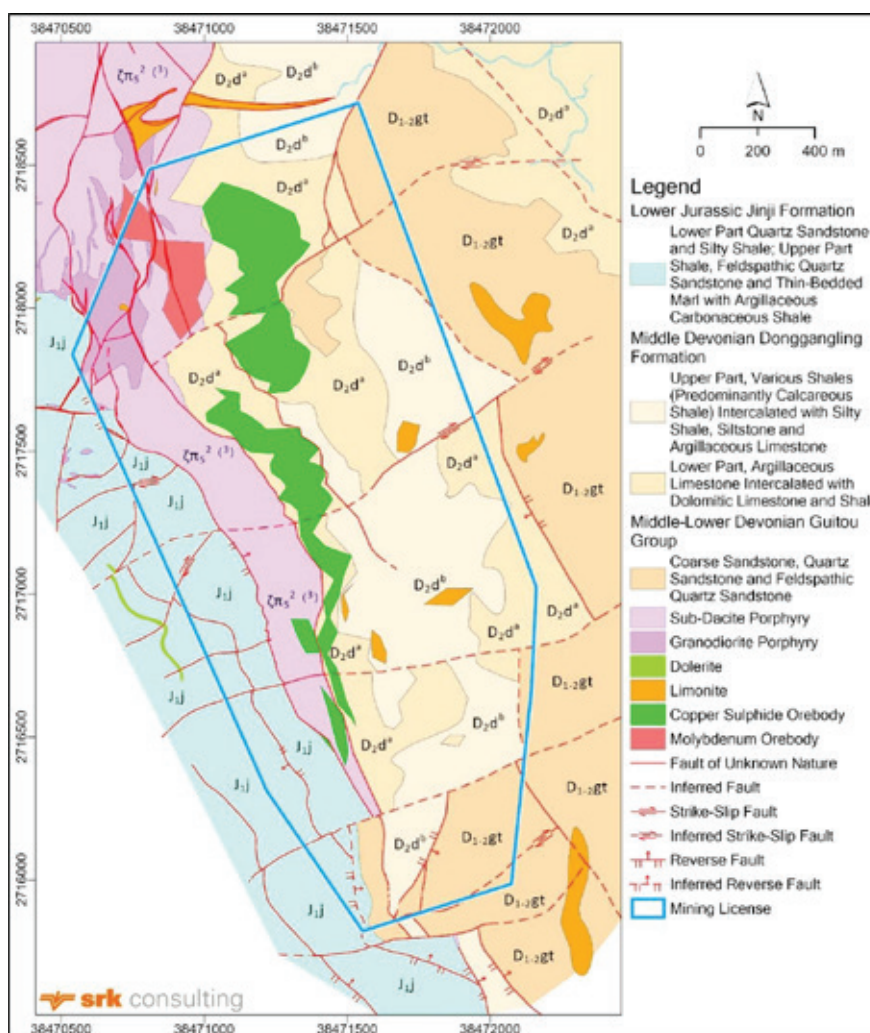
Note: CGCS2000 Coordinate System

5.2 Property Geology

The project area mainly exposed Paleozoic strata. The Cambrian epimetamorphic rocks exposed in the northwest are in angular unconformity contact with the overlying Devonian. The middle-lower Devonian Guitou group is sandy conglomerate and quartz sandstone; the Middle Devonian Donggangling Formation is massive and thick layered limestone with siltstone; the Upper Devonian Tianziling Formation is dominated by limestone. There is an integrated contact between the strata in the Devonian system. The Lower Jurassic Jinji Formation is quartz sandstone, siltstone and carbonaceous mudstone. The Devonian overthrusts along the north-northwest direction to the lower Jurassic (Figure 5-2).

In terms of structure, the eastern part of the project area develops syncline, the axis is northwest, and the core is composed of Devonian system. The early fault is mainly NW-trending (Fa) and later is cut by NE-trending (Fb) and nearly EW-trending (Fc) faults. The NW (Fa) fault structure is the principal mineralization-controlling structure.

Figure 5-2: Geological map of the Project area



Source: Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. Modified by SRK, 2026

Note: CGCS2000 Coordinate System

The magmatic activity mainly occurred in the late Yanshan period. The Late Jurassic dacite porphyry (formerly subdacite porphyry) (K-Ar age: 143 Ma) was emplaced along the thrust nappe structure and then invaded by the Cretaceous granodiorite porphyry (K-Ar age: 97-101 Ma). At the end of magmatic activity, a small number of mafic dykes intruded into porphyry bodies and surrounding rocks. The granodiorite porphyry is later than the dacite porphyry in terms of emplacement, and together they constitute the metallogenic parent intrusive rocks for the porphyry Cu–Mo type mineralisation.

- Late Jurassic dacite porphyry

APPENDIX III

COMPETENT PERSON'S REPORT

It intrudes along the NW-trending structure and occurs as a dyke. The dyke extends for more than 1,300 m along strike to the NW; in the NW part it is about 260 m wide, and in the SE part its minimum width is about 50 m. It dips to the NE at 60°–65°.

The rock is grey to dark grey, with a porphyritic texture and massive structure. Phenocrysts account for 15%–20% of the rock and are mainly quartz, followed by plagioclase and biotite, with occasional hornblende. The groundmass is dominated by felsic minerals, with a microcrystalline to cryptocrystalline texture, and is pervasively affected by sericite and biotitic alteration.

■ Cretaceous granodiorite porphyry

The intrusion trends approximately E–W, with a length of about 800 m and a width of about 200 m; it dips north at 60°. Several apophyses extend northwards, cutting into the dacite porphyry body.

The rock is greyish-white to greyish-green, with a porphyritic texture. Phenocryst assemblage comprises quartz (40%), plagioclase (35%), K-feldspar (15%) and biotite (10%). The groundmass is predominantly felsic, with a microcrystalline to cryptocrystalline texture, and is pervasively affected by epidotisation and sericitic alteration.

5.3 Mineralization

The metallogenic system of Dabaoshan polymetallic deposit is complex. According to the different host rocks, the following mineralization types are mainly developed :

- Limonite-siderite mineralization in Devonian strata
- Cu-S-Pb-Zn mineralization in Devonian strata
- Porphyry-skarn type Cu-Mo mineralization

5.3.1 Limonite-siderite mineralization in Devonian strata

It is exposed in the shallow part of the Mining License area and is located in the upper part of the Cu-S polymetallic deposit. It mainly occurs in the Middle Devonian Donggangling Formation. The occurrence is basically consistent with the surrounding stratum, which is stratiform and strata bound, and locally irregular lenticular.

The main metal minerals of limonite ore are limonite-goethite, followed by hematite and siderite. The associated trace minerals are bismuthinite and hematite. In the secondary enrichment zone, chalcocite, covellite, bornite and bismuthinite commonly occur. Gangue minerals are mainly quartz, kaolinite, sericite, etc.

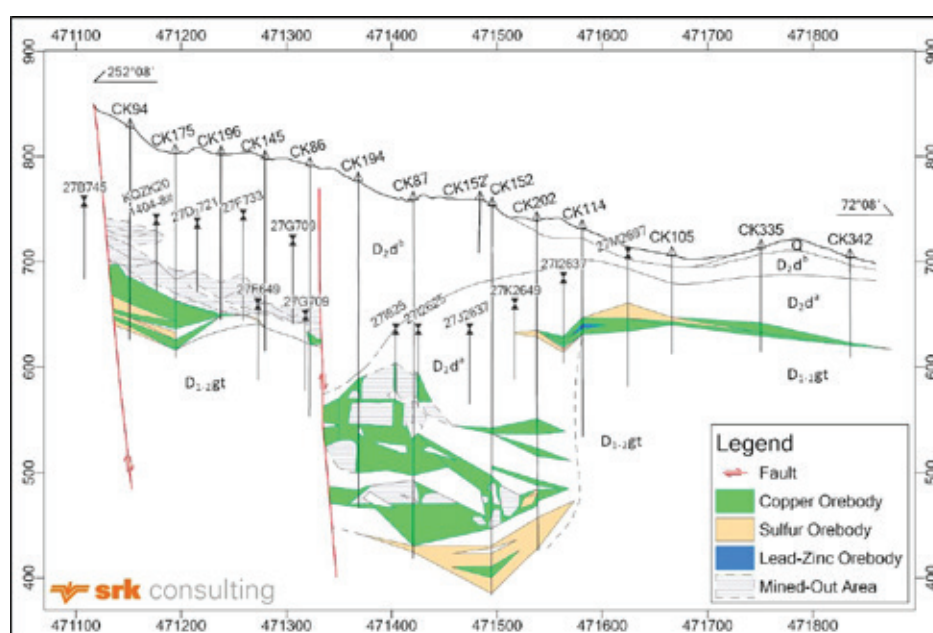
The main metal mineral of the siderite ore is siderite, followed by pyrite, and occasionally sphalerite, magnetite, etc. Gangue minerals are quartz, kaolinite, gibbsite, tremolite, andalusite, chlorite and organic matter, etc.

After years of mining and stripping operations, the limonite-siderite mineralization body has less resources remains and limited economic value.

5.3.2 Cu-S-Pb-Zn mineralization in Devonian strata

Spatially, this mineralization is distributed in the hanging wall of the dacite porphyry (formerly subdacite porphyry) body and is mainly hosted in altered limestone and sandstone of the Middle Devonian Donggangling Formation, as well as Jurassic sandstone and mudstone. The Cu-S-Pb-Zn mineralized body generally strikes NW, with a strike length of approximately 2,700 m, dipping to the NE at 20°–30°, and with a down-dip extension of about 400 m. The mineralized bodies occur as stratiform and strata bound bodies, locally as irregular lenses. Between the 31-17 exploration section lines, the Cu-S mineralized body was broken by the NW-trending F4 a fault. Towards the southeast along the extension of the Cu-S mineralised body, Pb-Zn gradually become enriched; to the southeast of Line 4, the Cu-S mineralization progressively transitions into Cu-S-Pb-Zn mineralization (Figure 5-3).

Figure 5-3: No.27 exploration line section in the project area



Source: Guangdong Rising Mineral-Rich Mountain Copper Co., Ltd. Modified by SRK, 2026

Note: CGCS2000 Coordinate System

The mineralization-bearing limestone and sandstone of the Middle Devonian Donggangling Formation and the Jurassic sandstone and mudstone have undergone strong alteration. The main alteration types are skarnization, silicification, tremolitization, actinolization, biotitization, sericitization, epidotization, chloritization, kaolinization, etc.

The main metal minerals in the Cu-S-Pb-Zn ore are pyrite, pyrrhotite, chalcocopyrite, sphalerite, galena, molybdenite, bismuthinite, argentite, arsenopyrite etc. Gangue minerals mainly include quartz, chlorite, sericite, potassium feldspar, calcite, dolomite, tremolite and actinolite (Figure 5-4).

APPENDIX III

COMPETENT PERSON’S REPORT

Since the commissioning of the 3.30 Mt/a open-pit Cu–S mining project in 2017, the Cu–S–Pb–Zn mineralised bodies hosted in the Devonian strata have been the principal mining object of the operation, which has maintained continuous and stable production to the present.

Figure 5-4: Cu-S mineralization at 34.58-37.58 m in borehole 39G2637, No.39 exploration line

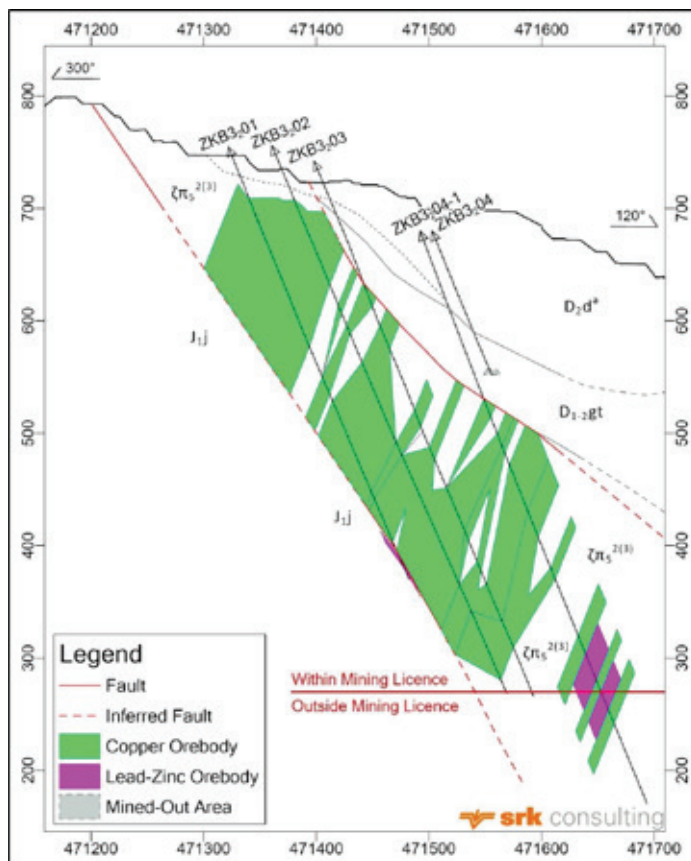


Source: SRK (2026)

5.3.3 Porphyry-skarn type Cu-Mo mineralization

This type of mineralization is hosted within the Late Jurassic–Cretaceous dacite porphyry (formerly subdacite porphyry) and granodiorite porphyry bodies and their outer contact zones. The footwall of the mineralized body is mainly altered sandstone and mudstone of the Lower Jurassic Jinji Formation; the hanging wall is mainly the Middle-Lower Devonian Donggangling Formation and Guitou Group altered limestone and sandstone. The Cu–Mo orebodies strike overall NW, with a strike length of more than 1,000 m within the Mining License area, a width of 50–260 m, and dip to the NE at 50°–70°. At present, drilling has traced the mineralization down-dip to about 500 m, where the mineralized body occur in a dyke-like, tabular form. West of Line 41, Mo shows a gradual enrichment trend within the Cretaceous granodiorite porphyry and at its contact with the Late Jurassic dacite porphyry. The Cu–Mo orebodies remain open at depth and to the NW direction (Figure 5-5).

Figure 5-5: No. B32 exploration line section in the project area



Source: the Company. Modified by SRK, 2026

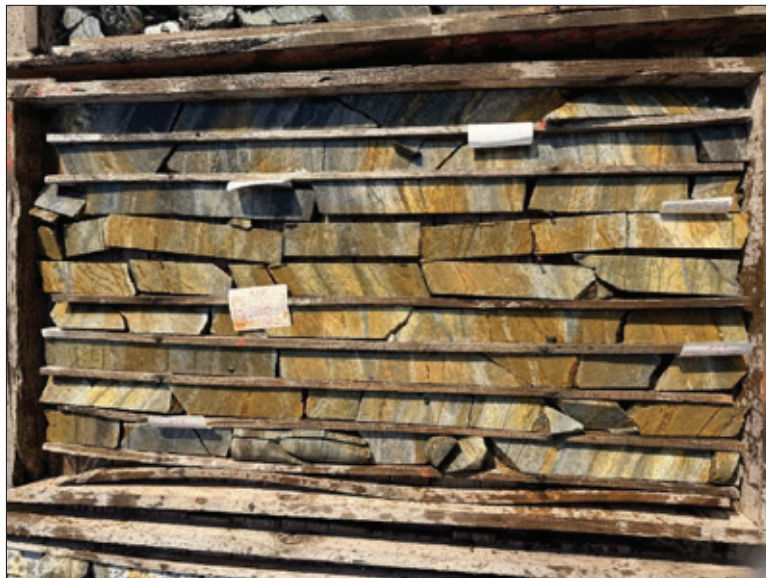
Note: CGCS2000 Coordinate System

The dacite porphyry (formerly subdacite porphyry) and granodiorite porphyry are intensely altered and exhibit clear zonation, characterised from the core outward by sericitization, potassium silicification, propylitization alteration, with locally intense kaolinization.

The main metal minerals in the Cu-Mo ore are pyrite, pyrrhotite, chalcocite, sphalerite, galena, molybdenite, chalcocite, tetrahedrite, bismuthinite, arsenopyrite, marcasite, magnetite, hematite, etc. Gangue minerals mainly include quartz, sericite, chlorite, plagioclase, potassium feldspar, tremolite, epidote, actinolite, biotite, calcite, dolomite, garnet, diopside, talc, etc. (Figure 5-6).

The porphyry-skarn type Cu-Mo mineralised bodies are not yet mined and will be the principal mining targets following future mine expansion.

Figure 5-6: Porphyry Cu-Mo mineralization at 331.96-333.5 m in borehole ZKB3201, No. B32 exploration line section



Source: SRK (2026)

The Dabaoshan polymetallic deposit is primarily exploited for Cu–S–Pb–Zn ore. Common metallic minerals chalcopyrite, pyrite, pyrrhotite, sphalerite, galena, bismuth, argentite, and arsenopyrite etc. These minerals mainly contain elements such as W, Bi, Ag, Au and As, among which W, Bi, Ag and Au are beneficial associated components, while As is a deleterious associated component. Following mineral processing, these components become further enriched in the concentrate products. It is therefore necessary to continuously optimise the beneficiation and recovery processes in order to fully realise the economic value of the beneficial associated components W, Bi, Ag and Au.

5.4 Deposit Types

The Dabaoshan polymetallic deposit has a complex metallogenic system. Regional geological studies indicate that magmatic activity was concentrated in the Middle Jurassic, with multiple phases of magmatic intrusion. Devonian strata were thrust over Jurassic strata, and the Dabaoshan dacite porphyry (formerly subdacite porphyry) and granodiorite porphyry intruded along this thrust zone (the contact zone between the Devonian and Jurassic strata), forming an assemblage of intrusive phases that constitutes a porphyry metallogenic system (Figure 5-7).

In the hanging wall of the porphyry, the Devonian strata have developed extensive hornfelsization due to thermal contact metamorphism. Cu–S–Pb–Zn mineralizing fluids precipitated in limestone and sandstone, forming Cu–S–Pb–Zn mineralized bodies related to magmatic–hydrothermal activity.

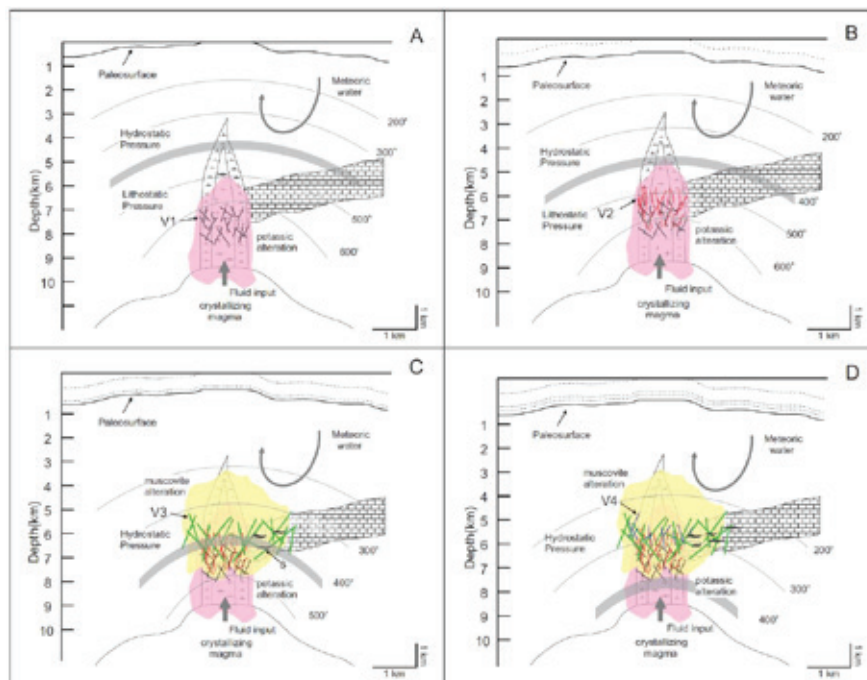
At the contact between the porphyry bodies and the surrounding limestone strata, skarn was formed; Cu–Mo mineralizing fluids precipitated within the porphyry bodies and/or their contact zones with the country rocks, ultimately forming porphyry and skarn-type Cu–Mo mineralised bodies.

APPENDIX III

COMPETENT PERSON’S REPORT

Porphyry Cu-Mo mineralization is characterized by the superposition of multiple generations of crosscutting quartz-bearing veins: V1, barren quartz veins. V2, quartz-pyrite-Cu-Mo veins with K-feldspar alteration. V3, quartz-pyrite-Cu-Mo veins with Pyrite-sericite alteration. V4, late base metal mineralization with argillic alteration. VS, limestone-hosted strata-bound Cu-Pb-Zn mineralization.

Figure 5-7: Schematic diagram showing the evolution of the magmatic-hydrothermal system at Dabaoshan



Source: Wei Mao et al., 2017.

A. As crystallization progressed in the magma chamber beneath the mineralization zone, low-salinity magmatic fluid continuously exsolved and accumulated at the top of the magma chamber. V1 veins accompanied by K-feldspar alteration formed when magmatic fluid was driven into fractures by overpressurization. B. V2 veins formed when the magmatic fluid cooled to around 530°C at depths about 6.9 km. C. The hydrologic regime switched from lithostatic pressure to hydrostatic pressure at about 400°C. V3 veins started to form with Pyrite-sericite alteration. D. V4 veins formed at shallower depths as the magmatic-hydrothermal system cooled to around 250° to 300°C and fluid propagated outward. As well as Outward migration of the hydrothermal fluid interacted with the Devonian limestone and formed the strata-bound Cu-S-Pb-Zn mineralization Vs veins.

6 Exploration

6.1 Exploration History

The Dabaoshan Project was initially developed in 1958-1959 as a state-owned mine and successively restructured through several state entities. In 1995, it was restructured as Guangdong Dabaoshan Mining Co., Ltd., a provincial state-owned limited liability company holding the mining licence. Subsequent corporate transfers in 2001, 2003 and 2008 moved the shareholding between provincial asset-management and steel groups, but the mining right remained with Guangdong Dabaoshan Mining Co., Ltd., which is the current licence holder.

Regional 1:200,000 and 1:50,000 geological and geophysical surveys were followed by systematic deposit-scale exploration at Dabaoshan mining area from the late 1950s.

Between 1958 and 1961, No. 705 Geological Brigade of the Guangdong Geological Bureau drilled approximately 51,560 m of diamond core and drove about 2,852 m of exploration drifts on the main strata bound Cu-Pb-Zn-S mineralized bodies within the current mining licence. In 1960-1961, the same team drilled a further 4,872 m of core and developed 160 m of crosscuts on the western massive sulphide zone inside the licence area.

From 1970 to 1981, No. 937 Geological Brigade, Guangdong Branch of China Nonferrous Metals Industry Corporation completed about 25,172 m of core drilling, 55 m of shaft sinking and 10,445 m³ of trenching on the eastern porphyry Mo deposit located in and adjacent to the present licence.

During 1978-1979, the Company carried out production drilling on the No. 1 Fe mineralized body, completing 176 drillholes for 13,504 m within the current licence.

Between 1984 and 1987, the No. 937 Geological Brigade conducted infill and extension drilling on the southern Pb-Zn deposit, completing 95 drillholes for 15,192 m within the southern part of the current licence.

From 1993 to 1994, the Company, using the services of the No. 705 Geological Brigade, undertook a supplementary drilling program on the Cu-S mineralized bodies, completing 49 surface core holes for 5,568.4 m.

From September 1998 to June 1999, the Company commissioned the No. 238 Geological Brigade of Hunan Nonferrous Geological Exploration Bureau to carry out mine-development drilling on Cu-S mineralization at elevations of 570-650 mRL, completing 92 underground drillholes for 3,059.01 m.

Between 2000 and 2004, the Company conducted extensive underground production drilling on the Cu-S deposits, completing 866 underground drillholes for 35,708.6 m within the current licence.

From 1995 to 2014, as mining transitioned from underground to open pit, the Company completed a large surface production drilling program on the polymetallic deposits, comprising 786 drillholes for 49,530.2 m within the open-pit area.

Between 2014 and 2016, Guangdong Dabaoshan Mining Co., Ltd. in cooperation with the No.3 Geological Brigade of the Guangdong Geological Bureau carried out a government-funded exploration program in the northeastern extension area outside the current licence, drilling 11 core holes for 8,889.63 m and discovering a thick Cu-S mineralized zone.

APPENDIX III

COMPETENT PERSON’S REPORT

From 2015 to May 2024, within the current mining licence, Guangdong Dabaoshan Mining Co., Ltd. drilled 71 core holes for 22,688 m to delineate a newly identified south-central porphyry Cu deposit and completed 421 production and infill drillholes for 26,895 m plus 126 void-investigation drillholes for 5,704 m on the main Cu-S mineralized bodies.

From June 2024 to December 2025, Guangdong Dabaoshan Mining Co., Ltd. drilled 91 production holes for 18990.01 m.

In addition, government-sponsored resource verification campaigns were undertaken in 2006, 2007, 2010, 2015 and 2021, which reviewed and updated the Chinese-code resource inventory for the Cu, Pb–Zn, Fe and Mo deposits and form an important basis for the current Mineral Resource estimation.

The work completed in Dabaoshan Project were summarized in Table 6-1.

Table 6-1: Work Completed at Exploration Stages in the Dabaoshan Project

Item	Unit	Before 2015	2015-2025	total
1:2000 topographic survey	km ²	6.44	3	9.44
1:2000 geological survey	km ²	6.44	3	9.44
1:20000 regional hydrogeological survey	km ²		31	31
Trenches	m ²	17714		17714
Geological drill holes	m	100992.47	22688.18	123680.7
Production drill holes	m	49530.2	51588.84	101119.04
Shallow pits	m	2162		2162
Tunnels	m	2992		2992

Source: Summarised by SRK from the *Dabaoshan Resource and Reserve Verification Report 2025*

6.2 Trenching and Tunnelling Exploration

Historical surface trenching and underground exploration workings were used mainly in the early exploration stages for geological mapping and for defining near-surface mineralisation. In total, approximately 17,714 m² of surface trenching, 2,992 m of exploration pits and 2,162 m of shallow shafts were completed prior to the most recent drilling campaigns and were completed before 2015.

According to archived reports, trenches and underground workings were surveyed using standard geological survey tools (tape, compass and level) referenced to local control points. Geological logging recorded lithology, alteration, mineralisation intensity, structure and sample intervals on standard forms.

6.3 Drilling Exploration

Diamond core drilling is the principal exploration and resource delineation method at Dabaoshan Project. Historical drilling prior to 2015 totals about 100,992 m of geological core drilling and 49,530 m of production drilling. Most earlier holes were drilled as nominally vertical or moderately inclined holes on section spacings of 60-120 m and hole spacings of 50-100 m, broadly perpendicular to the strike of the stratabound and porphyry-related ore bodies.

1958–1961 polymetallic drilling: Core recoveries were variable, with some holes and intervals reporting recoveries <50%, particularly in fractured zones. Downhole deviation was checked in selected holes; however, azimuth measurements were not routinely taken, and many early holes lack complete orientation data.

APPENDIX III

COMPETENT PERSON’S REPORT

1970–1981 Mo drilling: Core recoveries were generally acceptable for the porphyry Mo deposit, and all holes were subject to downhole deviation and depth checks.

1978–1979 Fe drilling and 1984–1987 Pb–Zn drilling: For the Fe and southern Pb–Zn deposits, core recoveries were mostly >65% in mineralised zones, with low-recovery intervals either redrilled or downgraded in confidence. Drill hole depths were routinely verified and deviations measured.

Drill core from post-1980 programs is stored in wooden core trays in secure core sheds at the mine site, with hole identification, depth marks and sample intervals clearly labelled. Early core from the 1960s is partially preserved; where core is missing or poorly recovered, such data are treated cautiously and generally down-weighted in the current interpretation.

Between 2015 and May 2024, 22,688 m of diamond drilling in 71 holes on the south-central porphyry Cu deposit and 26,895 m in 421 holes of production/infill drilling (plus 5,704 m in 126 holes for void investigation) in the main Cu–S pit were completed. Drilling used track-mounted diamond rigs (e.g. XY-4 and YDX-3) with wireline core, starting diameters of 130 mm and reducing to ≥75 mm at depth.

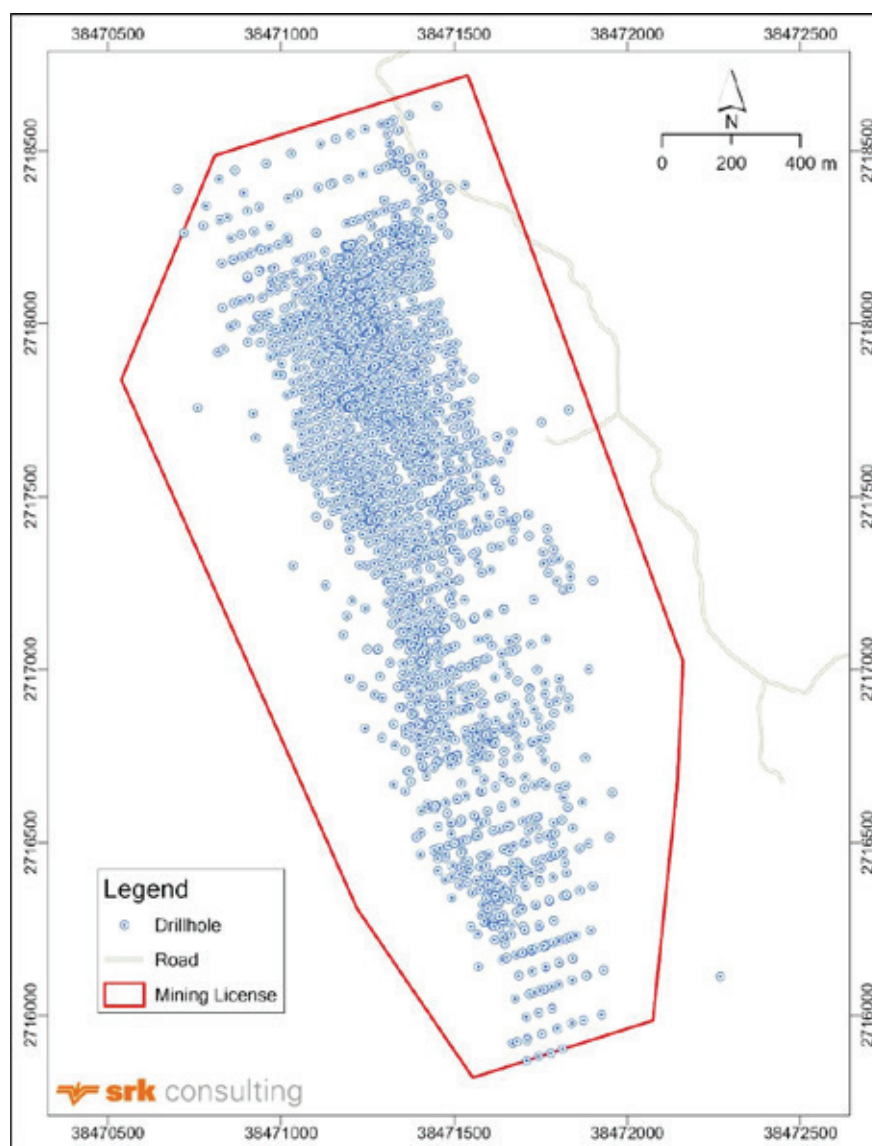
From June 2024 to December 2025, Guangdong Dabaoshan Mining Co., Ltd. drilled 91 production holes for 18990.01 m.

For the porphyry Cu program, average core recovery is 94% (range 75–100%), and average mineralised core recovery is 96%. Hole deviation (inclination and azimuth) was measured in almost all holes using downhole tools at regular depth intervals, and final hole depths were checked by steel-tape measurement with errors <0.5 m per 100 m. Most holes were sealed with cement plugs and marked with concrete collar posts.

For the production/infill drilling, holes are relatively shallow (generally <90 m). Core recoveries in mineralised intervals range from 85–99% and are considered acceptable. Because of the shallow depths and straight-hole drilling, systematic downhole deviation surveying was not conducted; hole depths were verified at the end of drilling by steel-tape measurement, with errors typically <1%. All core was logged and stored in core sheds with appropriate identification and depth marking.

Drillhole locations are shown in Figure 6-1.

Figure 6-1: Dabaoshan Drillhole Location Map



Source: SRK (2026)

6.4 Sampling, Sample Preparation and Analyses

6.4.1 Sampling

For recent drilling (2015–2025), all core was geologically logged and photographed before sampling. Core was sewn longitudinally using a diamond core saw, with one half submitted for assay and the remaining half retained in core trays as a permanent archive. Sample intervals were based on geological boundaries and mineralisation intensity, with typical sample lengths of 1.0–1.5 m and a maximum of 2.0 m within mineralised zones; occasional longer samples (up to about 4.5 m) were taken in weakly mineralised or barren intervals.

Sampling procedures aimed to minimise contamination: the core saw was cleaned between samples, particularly when changing between mineralised and barren intervals; sample bags were clean plastic bags with unique sample numbers; and sample tags, ticket books and sample sheets were cross-checked to avoid mix-ups.

Historical core sampling prior to 2015 followed similar principles with nominal 1 m (1961 and 1987) and 2–3 m (1980) samples and geological boundaries. In the 1960s, some composite samples across longer intervals were produced where core recovery was low; these early samples are treated with caution in the current interpretation.

In trenches and underground workings, channel samples were collected from cleaned faces. The exposed rock surface was first washed and scraped to remove weathered material; then a continuous channel approximately 3–5 cm wide and 3–5 cm deep was cut using hammer and chisel across the full width of the mineralised zone. Sample intervals were typically 1–2 m, with shorter intervals at sharp geological contacts. The cut material was caught on plastic sheets or canvases and transferred into pre-labelled sample bags to minimise loss and contamination.

6.4.2 Sample Preparation and Analysis

Sample preparation and assaying have been performed by several accredited laboratories over different periods:

1958–1961

Routine analyses and internal checks were carried out by Shaoguan Geological Bureau Laboratory, 705 Geological Team Laboratory, and Guangdong Provincial Geological Bureau Laboratory. External check assays were carried out by Hubei Provincial Geological Bureau Laboratory and Guangdong Provincial Geological Bureau Laboratory.

Samples were crushed to 20 mesh, finely ground to 120 mesh and then milled to 160 mesh for analysis. After splitting, 20–40 g was retained for assay. Copper was analysed by iodimetric and polarographic methods, and sulphur by barium sulphate gravimetry.

1978–1979

Routine analyses and internal checks were carried out by the Company Central Laboratory and external checks by Guangdong Metallurgical Research Institute Laboratory.

APPENDIX III

COMPETENT PERSON’S REPORT

Samples were prepared to 150 mesh; 50 g was taken for analysis and about 200 g preserved as duplicate.

1984–1987

Routine analyses and internal checks were carried out by Laboratory of 937 Geological Team and Guangdong Geological Research Institute. External check assays were carried out by Guangdong Geological Research Institute and Guangdong Geological Testing Centre.

Splitting errors for sample preparation were all less than 3%; any splits exceeding 3% were re-done, giving a 100% pass rate. Sample preparation quality was considered satisfactory.

1999–2014 production exploration

Routine analyses and internal checks were carried out by the Nuclear Industry 290 Research Institute, and external check assays by the laboratory of the 706 Geological Brigade of the Guangdong Geological Bureau.

Sample preparation followed four steps: crushing, screening, mixing and splitting. About 200 g was retained as a duplicate after preparation, and the final analytical grain size was 160 mesh. Copper was analysed by colorimetry, Pb and Zn by atomic absorption, and S by the combustion method.

2015–2025

All laboratories involved in this period hold CMA accreditation for analytical testing.

For the copper-porphyry samples, preparation and testing of routine analytical samples were undertaken by the Analytical Testing Centre of Nuclear Industry Research Institute 203, with external check assays carried out by the Qinghai Nuclear Industry Testing Centre and the Northwest Non-ferrous Metals Mineral Geological Testing Centre.

For production exploration samples (Cu–S ore), routine samples were prepared and tested by the Analytical Testing Centre of Nuclear Industry Research Institute 290, the Geological Laboratory Testing Centre of the Hunan Institute of Mineral Resources and the Testing Branch of the Xiangnan Geological Exploration Institute of Hunan, while external check assays were performed by the Guangdong Institute of Mineral Application Research, the Hunan Institute of Non-ferrous Geological Exploration and the Hunan Remote Sensing Geological Survey and Monitoring Institute.

The preparation flow generally comprises four steps: crushing, screening, mixing and splitting. Before processing, crushing and screening equipment were cleaned and any material retained on sieves was removed to avoid contamination and operational bias. Sample preparation loss was kept below 5% and splitting errors below 3%.

On-Site Laboratory

Two on-site laboratories operate at the Company, namely the Fandong and Shaxi laboratories.

Upon receipt of geological samples, the laboratories register and check the sample IDs, then carry out crushing and double-roll processing. Samples are split manually using the quartering method, and sub-samples are placed in dedicated sample pots for grinding. To avoid cross-contamination, separate pots are used for different ore types, and each pot is cleaned with the original ore before grinding. The ground product is finer than 160 mesh.

APPENDIX III

COMPETENT PERSON’S REPORT

6.4.3 Specific Gravity Data

In the 1961 geological exploration campaign, 380 specific-gravity measurements were carried out, and the samples were grouped into 5% S-grade classes, from which average specific-gravity values were derived (Table 6-2). These values have since been used for assigning densities to Cu-S and Pb-Zn ores in subsequent exploration and production. Specific gravity for the southern lead-zinc ores is also based on the empirical formula established in that report for lead-zinc ores and sulphide ores (including copper ores). These historical specific-gravity assignments are summarised based on Dabaoshan Resource and Reserve Verification Report 2025.

Table 6-2: 1961 Specific Gravity Table for Cu-S and Pb-Zn Ores for Dabaoshan Project

Host rock	Ore type	5.01-10 t/m ³ S	10.01-15 t/m ³ S	15.01-20 t/m ³ S	20-25.01 t/m ³ S	25.01-30 t/m ³ S	30.01-35 t/m ³ S	35.01-40 t/m ³ S
Limestone and altered rocks	Pyrite / pyrrhotite	3	3.1	3.3	3.5	3.7	4.1	
	Primary Pb-Zn ore	3	3.09	3.34	3.6	4.06	4.16	4.35
Shale	Oxidised ore	Specific gravity taken as 1.80 t/m ³ for all S contents						

Source: Summarized by SRK from the Dabaoshan Resource and Reserve Verification Report 2025

In the 2025 verification report, specific-gravity results for 41 porphyry copper ore samples were reported. Specific-gravity measurements were carried out by the Analytical Testing Centre of Nuclear Industry Research Institute 290 using the wax-coating water-displacement (hydrostatic weighing) method. The results of these specific-gravity measurements are plotted in Figure 6-2 and indicate that the specific gravity of the porphyry copper ore is mainly controlled by sulphur content.

Given the age of the historical density data, SRK recommends that new specific-gravity sampling and testing be carried out for Cu-S and Pb-Zn ores. The sampling details and measurements results are presented in Section 6.6.

Figure 6-2: Specific Gravity Performance of Dabaoshan Porphyry Copper Samples

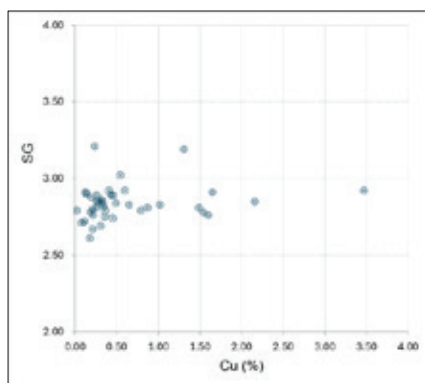


Figure 6-2A Relationship of SG and Cu grade for porphyry copper samples

Source: SRK (2026)

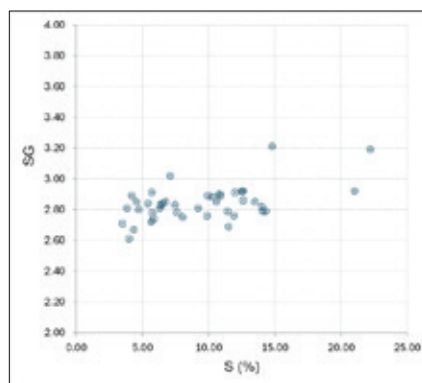


Figure 6-2B Relationship of SG and S grade for porphyry copper samples

6.5 Quality Assurance and Quality Control Programs

The quality assurance and quality control (QA/QC) protocol historically adopted for the Dabaoshan Polymetallic Mine project included the insertion of laboratory duplicates (internal checks) and inter-laboratory check assays (external checks). At Dabaoshan, internal and external check samples span a long time period and form a large dataset, and previous reports indicate that the internal and external checks have generally performed well. SRK has therefore selected representative datasets by year for illustrative presentation in this section. The check samples mainly comprise copper–sulphide samples from the production exploration stage and copper-porphyry samples from the prospecting–detailed exploration stage. The results of the historical internal and external checks are summarised in Table 6-3 and 6-4, and the performance of the internal and external checks is presented in Figure 6-3 and 6-4.

Figure 6-3: Performance of Internal Check Duplicates in Dabaoshan

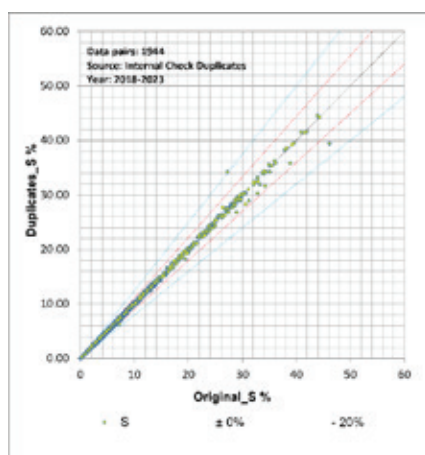


Figure 6-3A Performance of S in Internal Check Duplicates for Copper- porphyry samples

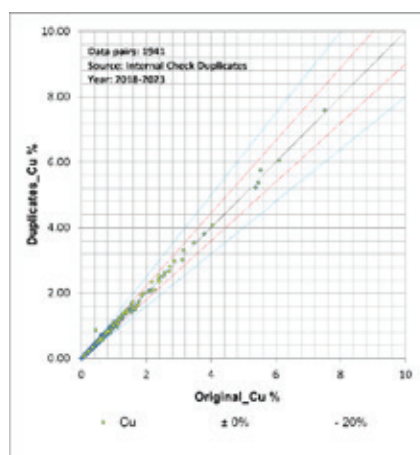


Figure 6-3B Performance of Cu in Internal Check Duplicates for Copper- porphyry samples

APPENDIX III

COMPETENT PERSON’S REPORT

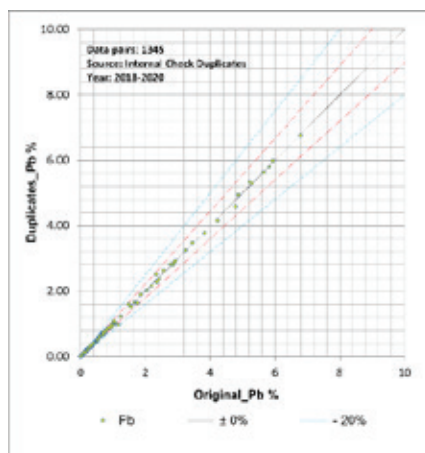


Figure 6-3C Performance of Pb in Internal Check Duplicates for Copper- porphyry samples

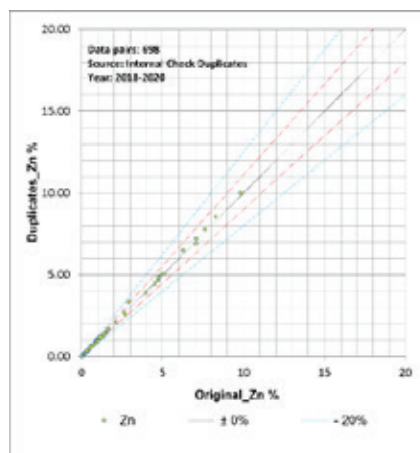


Figure 6-3D Performance of Zn in Internal Check Duplicates for Copper- porphyry samples

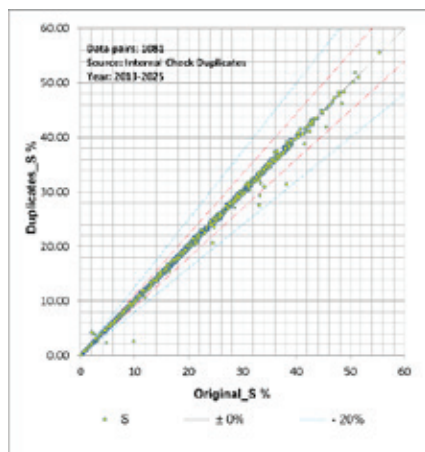


Figure 6-3A Performance of S in Internal Check Duplicates for Cu-S samples

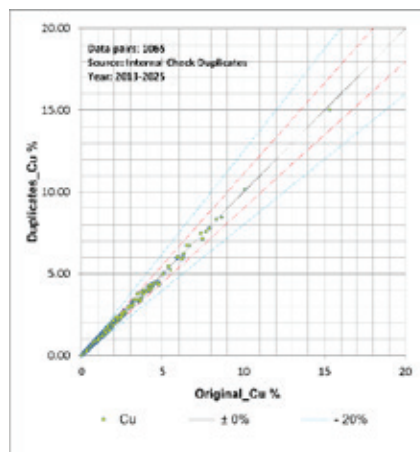


Figure 6-3B Performance of Cu in Internal Check Duplicates for Cu-S samples

APPENDIX III

COMPETENT PERSON’S REPORT

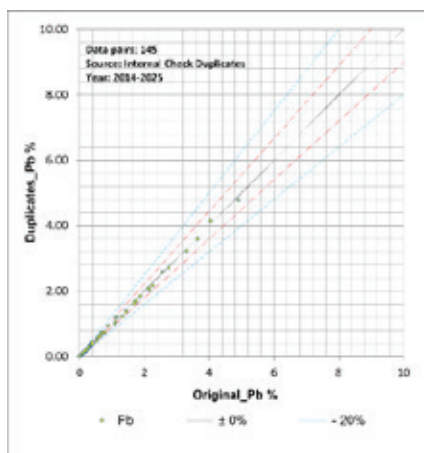


Figure 6-3C Performance of Pb in Internal Check Duplicates for Cu-S samples

Source: SRK (2026)

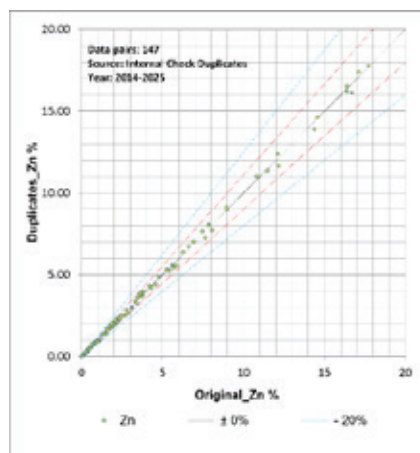


Figure 6-3D Performance of Zn in Internal Check Duplicates for Cu-S samples

Figure 6-4: Performance of External Check Duplicates in Dabaoshan

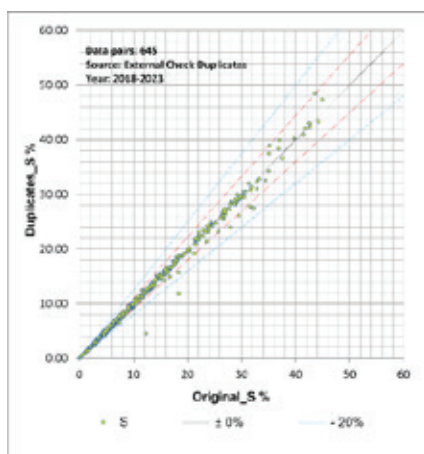


Figure 6-4A Performance of S in External Check Duplicates for porphyry Copper samples

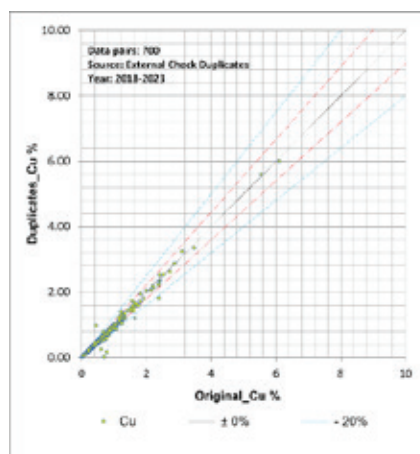


Figure 6-4B Performance of Cu in External Check Duplicates for porphyry Copper samples

APPENDIX III

COMPETENT PERSON’S REPORT

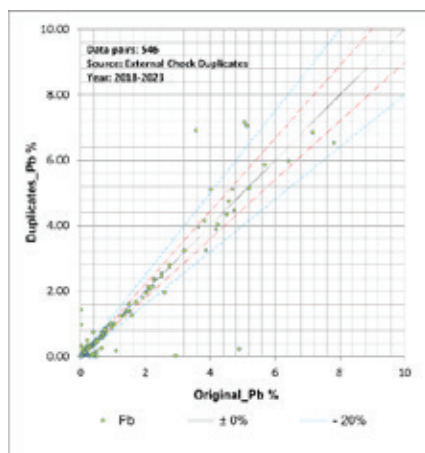


Figure 6-4C Performance of Pb in External Check Duplicates for porphyry Copper samples

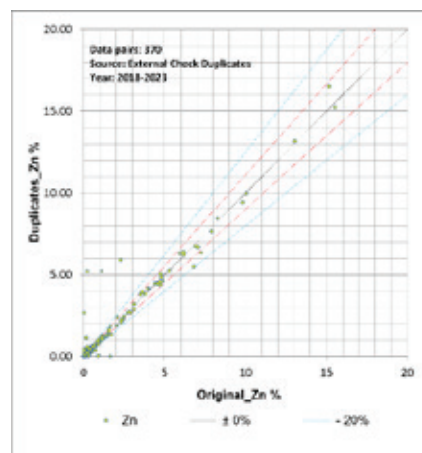


Figure 6-4D Performance of Zn in External Check Duplicates for porphyry Copper samples

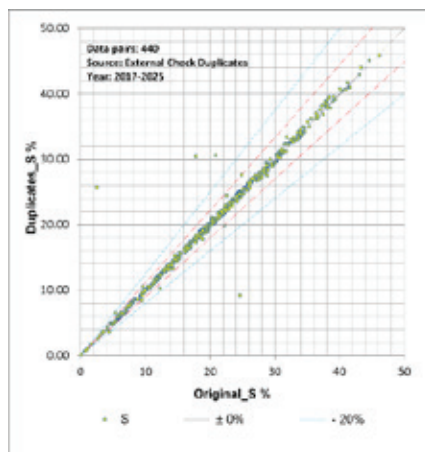


Figure 6-4A Performance of S in External Check Duplicates for porphyry Cu-S samples

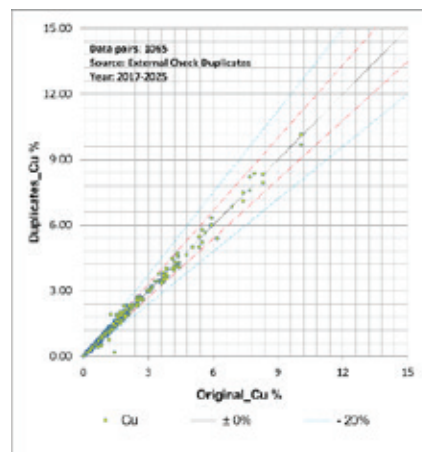


Figure 6-4B Performance of Cu in External Check Duplicates for porphyry Cu-S samples

APPENDIX III

COMPETENT PERSON’S REPORT

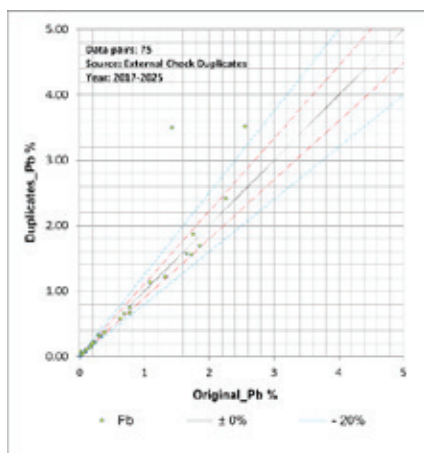


Figure 6-4C Performance of Pb in External Check Duplicates for porphyry Cu-S samples

Source: SRK (2026)

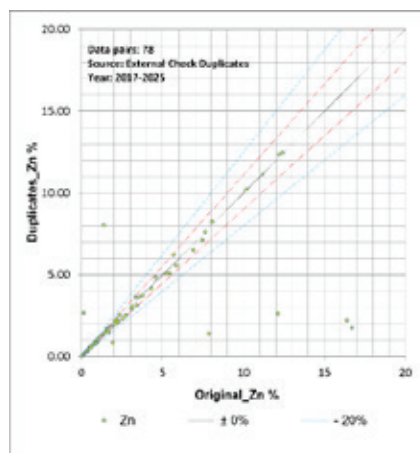


Figure 6-4D Performance of Zn in External Check Duplicates for porphyry Cu-S samples

Table 6-3: Statistics of Internal Check Assay Data for Dabaoshan

Ore Type	Year	Element	Data Pairs Count	Relative Difference						Pass Rate
				<10%		10% - 20%		> 20%		< 20%
Cu-S	2013-2025	S	1081	1066	99%	10	1%	5	0%	100%
		Cu	1065	865	81%	171	16%	29	3%	97%
	2014-2025	Pb	145	111	77%	24	17%	10	7%	93%
		Zn	147	119	81%	28	19%	0	0%	100%
Copper-porphyry	2018-2023	S	1944	1921	99%	21	1%	2	0%	100%
		Cu	1941	1660	86%	267	14%	14	1%	99%
	2018-2020	Pb	1345	1033	77%	264	20%	48	4%	96%
		Zn	698	566	81%	111	16%	21	3%	97%

Source: SRK 2026

Table 6-4: Statistics of External Check Assay Data for Dabaoshan

Ore Type	Year	Element	Data Pairs Count	Relative Difference						Pass Rate
				<10%	10% - 20%		> 20%		< 20%	
Cu-S	2017-2025	S	440	430	98%	5	1%	5	1%	99%
		Cu	1065	848	80%	177	17%	40	4%	96%
		Pb	75	42	56%	13	17%	20	27%	73%
		Zn	78	63	81%	6	8%	9	12%	88%
Copper-porphyry	2018-2023	S	645	621	96%	18	3%	6	1%	99%
		Cu	700	468	67%	207	30%	25	4%	96%
		Pb	546	195	36%	111	20%	240	44%	56%
		Zn	370	169	46%	61	16%	140	38%	62%

Source: SRK 2026

No field duplicates, coarse duplicates, Certified reference materials (CRMs), or blanks were inserted in the Dabaoshan project.

APPENDIX III

COMPETENT PERSON’S REPORT

CRMs and blanks are used only in the laboratory as part of internal quality control, with one CRM and one blank inserted in each analytical batch.

6.6 SRK Data Verification

SRK visited the Dabaoshan Polymetallic Mine Project site between 13 and 15 January 2026 and conducted the following verification procedures (Figure 6-5):

- Discussed with the company’s geologists and engineers
- Verified a selection of historical exploration drill hole collar
- Visited the drill core shed and inspected mineralized cores
- Visited the on-site laboratory and examined sample preparation procedures
- Reviewed the previous exploration dataset, selected SRK verification samples

Figure 6-5: Photos of on-site laboratories at Dabaoshan



Source: SRK 2026

Following the review of the historical datasets and site inspections, SRK guided the Company to select 120 samples from the pulp duplicate samples as verification samples. These comprised 30 Cu-S samples, 30 lead-zinc samples, 30 copper-porphyry samples and molybdenum-porphyry

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APPENDIX III

COMPETENT PERSON’S REPORT

samples. The verification samples were submitted to Auslab Analytical Testing (Guangzhou) Co. Ltd. for verification analysis. The results are plotted in Figure 6-6 and summarized in Table 6-5.

APPENDIX III

COMPETENT PERSON'S REPORT

Figure 6-6: Performance of SRK Umpire Samples from Dabaoshan

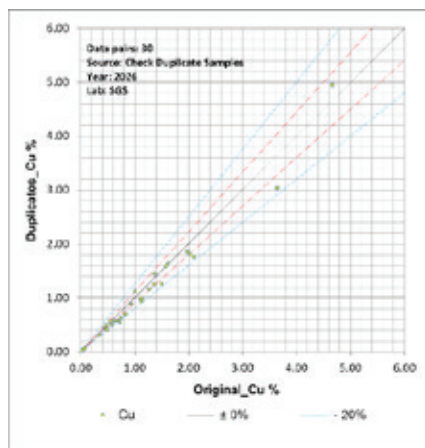


Figure 6-6A Performance of Cu in Cu-S verification samples

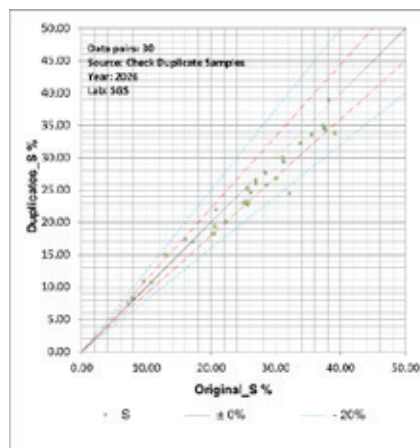


Figure 6-6B Performance of S in Cu-S verification samples

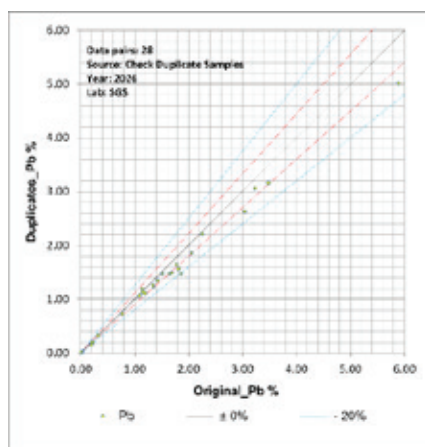


Figure 6-6C Performance of Pb in Lead-Zinc verification samples

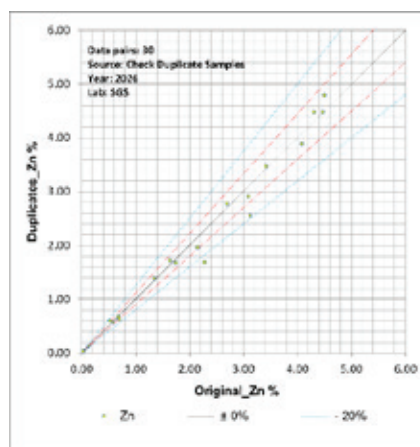


Figure 6-6D Performance of Zn in Lead-Zinc verification samples

APPENDIX III

COMPETENT PERSON’S REPORT

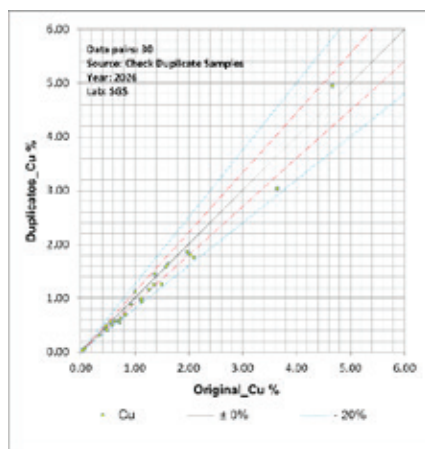


Figure 6-6E Performance of Cu in Copper-porphry verification samples

Source: SRK 2026

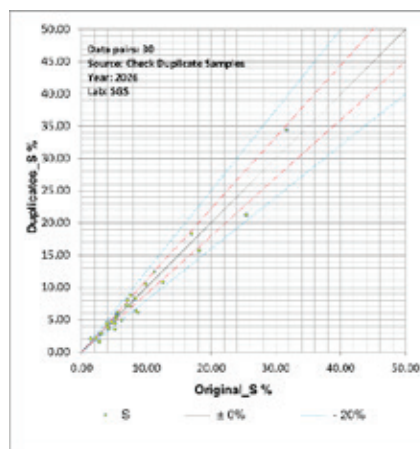


Figure 6-6F Performance of S in Copper-porphry verification samples

Table 6-5: Summary of 2026 Umpire Sample Results

Ore Type	Element	Data Pairs Count	Relative Difference						Pass Rate <20%
			<10%		10% - 20%		> 20%		
Pb-Zn Ore	Pb	28	15	54%	8	29%	5	18%	82%
	Zn	30	22	73%	7	23%	1	3%	97%
Cu-S Ore	Cu	30	14	47%	14	47%	2	7%	93%
	S	30	20	67%	9	30%	1	3%	97%
Copper-Porphry Ore	Cu	30	14	47%	14	47%	2	7%	93%
	S	30	16	53%	8	27%	6	20%	80%

Source: SRK 2026

The Company collected 50 Cu-S samples, 35 lead-zinc samples and 50 molybdenum-porphry samples, for a total of 135 samples, for specific-gravity (SG) measurements. These samples were submitted to Auslab Analytical Testing (Guangzhou) Co. Ltd. for sample preparation, assay and density determination. The relationships between specific gravity and metal grades for these verification samples are shown in Figure 6-7.

Specific-gravity samples were collected by grab sampling. Two surface samples (15 cm × 15 cm × 15 cm) were taken from fresh exposures on Line 8, and the remaining samples were taken from drill cores, with lengths of 0.07–0.30 m. All samples were bagged and labelled inside and outside, with corresponding entries on sample cards and geological notes. Ground sheets and bags were kept clean, and sample IDs on bags, submission forms and sampling sheets were consistent.

The specific gravity values of the Cu–S ore verification samples range from 2.78 to 4.65 t/m³, with an average density of 3.59 t/m³. Based on the S grade ranges of the samples, average densities were calculated for the check samples of the Cu-S ore and compared with the SG values adopted in the 2025 verification report. The comparison results and errors are shown in Table 6-6.

APPENDIX III

COMPETENT PERSON’S REPORT

For lead–zinc ore, the measured specific gravity values of the verification samples range from 2.93 to 5.55 t/m³, with an average density of 3.95 t/m³. In the 2025 report, the adopted density values for lead–zinc ore range from 2.60 to 5.18 t/m³, with an average density of 3.93 t/m³.

The density values obtained from the verification samples show minor differences from those used in the 2025 verification report, and the historical specific gravity values were derived from a much larger number of samples. Accordingly, the Mineral Resource estimation in this report continues to use the specific gravity parameters adopted in the 2025 verification report.

Figure 6-7: Relationship Between Specific Gravity (SG) and Metal Grade of 2026 Check Samples

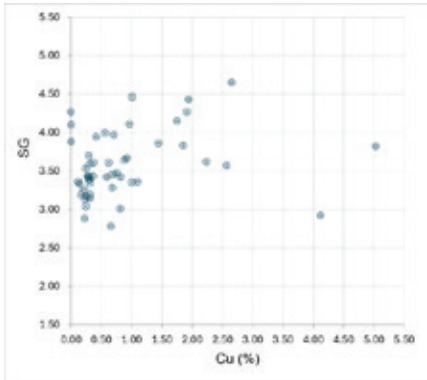


Figure 6-7A Relationship of SG and Cu grade for Cu-S samples

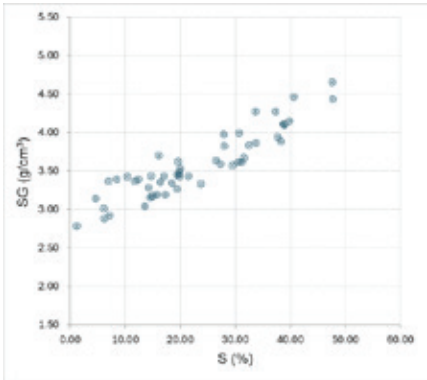


Figure 6-7B Relationship of SG and S grade for Cu-S samples

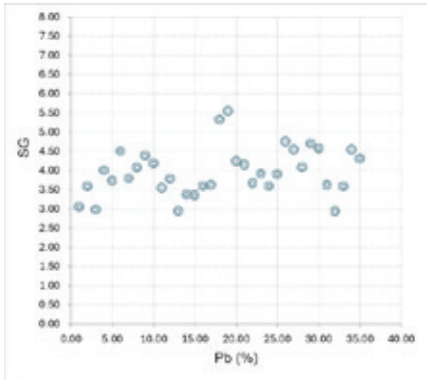


Figure 6-7C Relationship of SG and Pb grade for lead-zinc samples

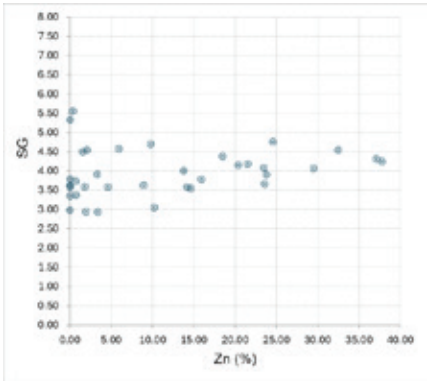


Figure 6-7D Relationship of SG and Zn grade for lead-zinc samples

APPENDIX III

COMPETENT PERSON’S REPORT

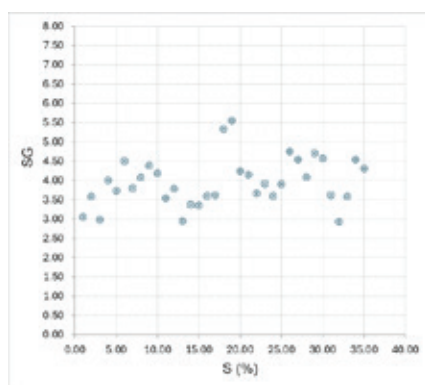


Figure 6-7E Relationship of SG and S grade for lead-zinc samples

Source: SRK (2026)

Table 6-6: Summary of 2026 SG Sample Results (Cu-S ore)

	S grade classes and corresponding specific gravity (t/m ³)							
	0-5	5.01-10	10.01-15	15.01-20	20.01-25	25.01-30	30.01-35	>35
2026 Check Samples	2.96	3.112	3.28	3.4125	3.38	3.718	3.834	4.22
Verification Report	3	3	3.1	3.3	3.5	3.7	4.1	4.1
Relative Deviation	-1.33%	3.73%	5.81%	3.41%	-3.43%	0.49%	-6.49%	2.93%

Source: SRK 2026

In SRK’s opinion, the sampling, sample preparation and analytical procedures used for the Dabaoshan Project are generally appropriate. However, SRK notes that the QA/QC programme did not systematically employ field blanks or CRMs, which is a limitation of the current quality control framework.

Despite this, sampling, sample preparation and laboratory analysis have been carried out in accordance with relevant national standards (the Geology and Mineral Laboratory Testing Quality Management Specification; DZ/T 0130-2006) and company procedures. The main laboratories involved hold relevant qualifications, including CMA accreditation under the Chinese national inspection and testing system.

Existing internal and external check results are generally satisfactory, with no obvious evidence of systematic bias, and long-term production experience has not indicated any major inconsistencies with the exploration data. On this basis, although certain types of QC samples were not used, the available sampling and analytical data are considered reasonably reliable for the purposes of this Mineral Resource estimation.

7 Mineral Resource Estimates

7.1 Introduction

This section describes the Mineral Resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global Mineral Resources found in the Project at the current level of sampling.

The Mineral Resources have been estimated in conformity with generally accepted “Estimation of Mineral Resource and Ore Reserves Best Practices” guidelines and are reported in accordance with the JORC Code (2012 Edition). The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserves.

The estimates are based on drilling information available up to December 2025. With respect to drilling sample information available for the 31 August 2026 Mineral Resource estimates, SRK believes the current drilling sampling information is sufficiently reliable to interpret with confidence the mineralisation domains for the deposit and that the assay data is reliable to support Mineral Resource estimation.

The solid models were prepared in GEOVIA Surpac 2020.1 (“Surpac”) software and Ordinary Kriging (“OK”) estimation techniques using Leapfrog 2025.3 (“Leapfrog”) software. The entire estimate procedure, consisting of database compilation, mineralised domains construction, the grade interpolation as well as the Mineral Resources classification, were completed by SRK.

7.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Construction of wireframe models for the boundaries of mineralization;
- Definition of Mineral Resource domains;
- Data conditioning (compositing and capping) for geostatistical analysis and Variography;
- Block modelling and grade interpolation;
- Mineral Resource classification and validation;
- Assessment of “reasonable prospects for eventual economic extraction” (“RPEEE”) and selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource Statement.

7.3 Resource Database

The primary database provided by client includes database (collar, assay, survey in CSV format), an exploration report, all relevant analytical data, geological maps, mineralization maps, and interpreted maps etc. SRK undertook a thorough review of the primary database, followed by various verification

APPENDIX III

COMPETENT PERSON’S REPORT

procedures, and verified that the primary database provided by client was acceptable for using in a Mineral Resource estimate.

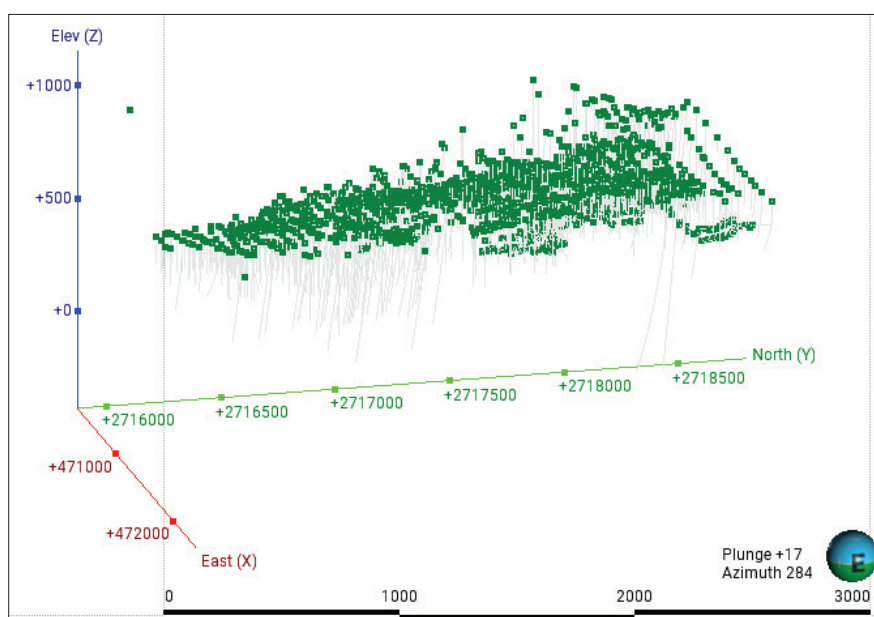
Table 7-1 summarises the Mineral Resource database covering the entire the project area, and the holes’ location are display in Figure 7-1.

Table 7-1: Summary of Resource Database Records

Data Type	Surface Drillhole	Total
Hole Number	2564	2564
Length (m)	269939	269939
Assay Sample Number	79997	79997

Source: SRK (2026)

Figure 7-1: Drillholes 3D Display of Dabaoshan Project



Source: SRK (2026)

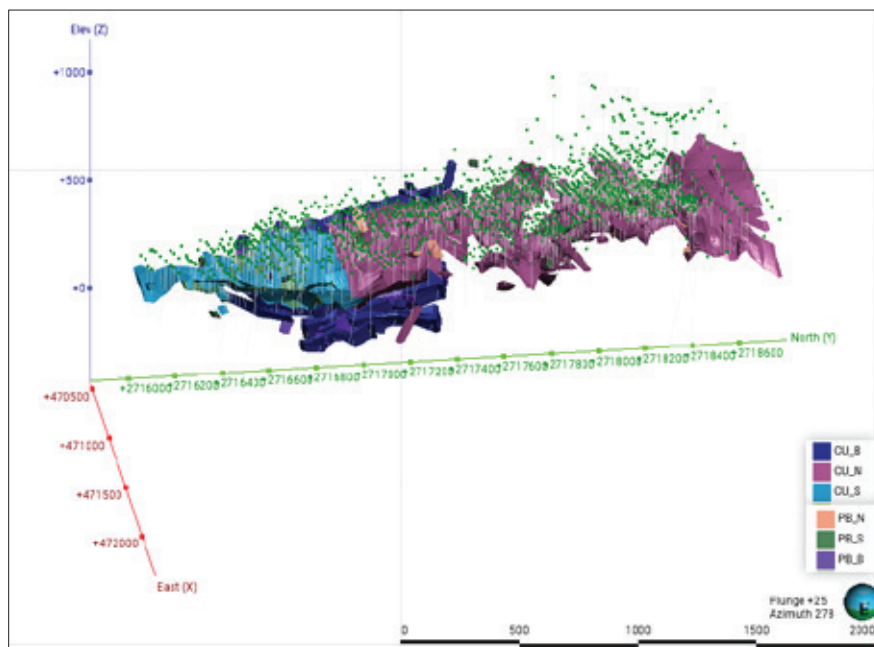
7.4 Solid Body Modelling

The wireframe models for the deposit were established by SRK using Surpac software. A nominal cut-off grade of 0.15 % CuEq was applied to define the mineralised intervals for Cu-S Domains. A nominal cut-off grade of 0.5 % ZnEq was applied to define the mineralised intervals for Pb-Zn Domains. As shown in Figure 7-2. A total of 6 mineralized domains were constructed.

APPENDIX III

COMPETENT PERSON’S REPORT

Figure 7-2: The Mineralisation Domain of Dabaoshan Project



Source: SRK (2026)

7.5 Specific Gravity

SRK understands from the client that only the original SG data for the porphyry copper deposit has been properly preserved; the original SG data for the other mineralised domains have been lost due to their age and poor storage conditions. SRK therefore recommended that new SG samples be collected and analyzed for each mineralised domain in order to verify the accuracy of the historical SG results. The client engaged the Guangdong Provincial Institute of Mineral Resources Exploration to undertake this verification work. According to the submitted report entitled “Verification Report on Ore Grade and Density Testing for the Dabaoshan Mining”, a total of 135 SG samples were collected from three deposits within the mining license area—the northern Cu–S deposit, the southern Pb–Zn deposit and the porphyry-type Mo deposit—for SG testing. Comparison with the original SG values confirmed that the original SG parameters are accurate.

The SG values adopted for each mineralised domains are shown in Table 7-2.

Table 7-2: The SG Values Adopted for each Mineralised Domains

Domain	S (%)	SG
Cu_N	0-5	1.8
	5.01-10	3
	10.01-15	3.09
	15.01-20	3.34
	20.01-25	3.6
	25.01-30	4.06

APPENDIX III

COMPETENT PERSON’S REPORT

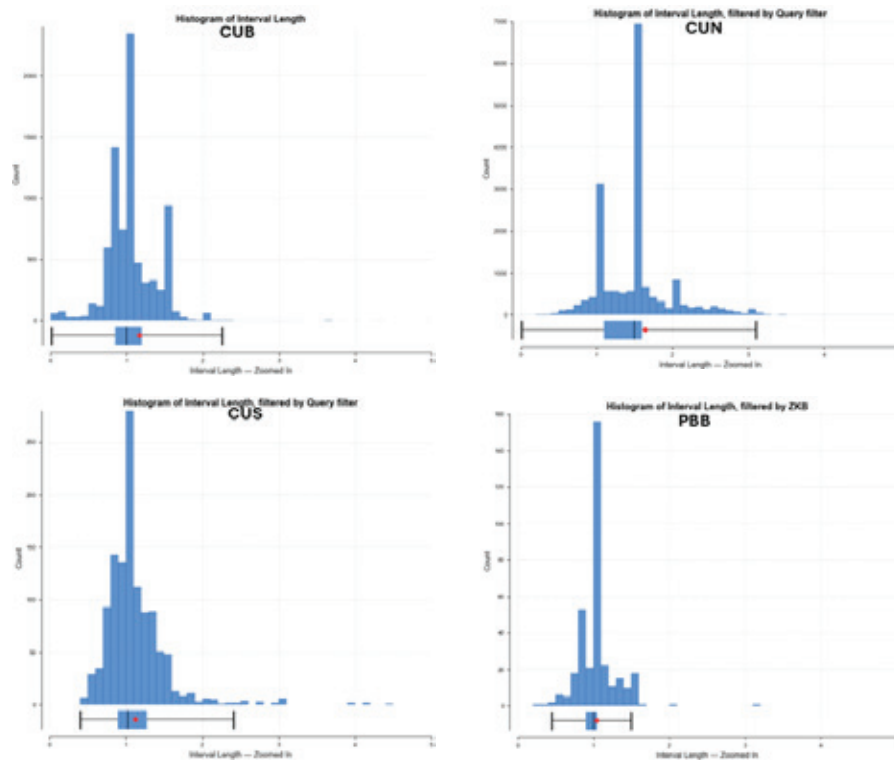
Domain	S (%)	SG
	30.01-35	4.16
	35.01-45	4.35
	0-8	2.79
Cu_B	8.01-14	2.86
	14-45	2.95
Cu_S	-	2.4889+0.0472* S
Pb-Zn	-	2.3885+0.034124*Pb+0.00077946*Zn+0.05049*S

Source: SRK (2026)

7.6 Compositing

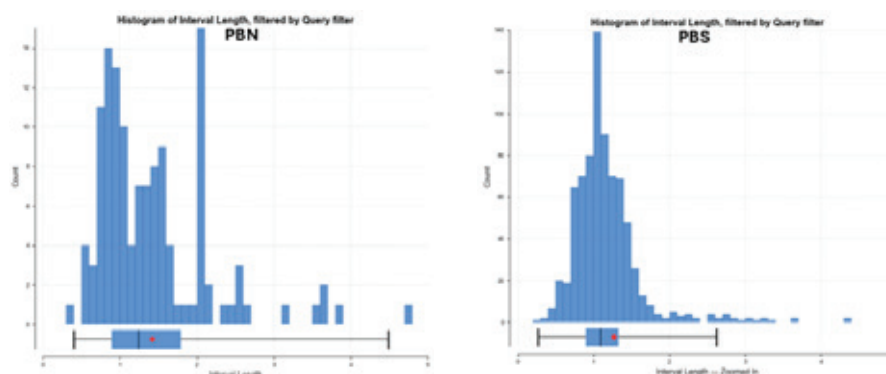
Prior to the statistical analysis, the samples were generally combined so the length of each sample was basically equivalent. The distribution of sample lengths is provided in Figure 7-3.

Figure 7-3: Histogram of the Sample Length of the Dabaoshan Project



APPENDIX III

COMPETENT PERSON’S REPORT



Source: SRK (2026)

The database indicates that the most sample intervals are 0.5 m and 2m. A composite length of 1 m was selected for CUB, CUN, CUS, PBB and PBS Domains. A composite length of 2 m was selected for PBN Domain.

Composites were created within the Mineral Resource estimation domains beginning at the upper contacts. The intersection thickness encountered by any given drill hole samples, however, is not even multiple of the composite length. If the remaining length was less than one half of the composite length, the composite was added to previous interval. The treatment of the ended composites did not affect the overall integrity of the composite database.

7.7 Evaluation of Outliers

Due to the Cu, S, Pb, Zn skewed distribution of some mineralization zone, the few high-grade assays represent a significant proportion of the metal content. As the number of such extreme grades is small, this can lead to considerable uncertainty in the tonnage and grade of this material. To help control this uncertainty and risk, metal top cuts were applied to the Cu, S, Pb, Zn and Mo data.

The assessment considers the variable histogram, normal probability plot, and charts where samples are sorted from low to high and the impact of adding samples one by one to the dataset from low to high on the mean, standard deviation and coefficient of variation. The High-grade composites were capped or restricted to a small spatial influence (Table 7-3).

Table 7-3: Capping Values Statistics of the Dabaoshan Project

Element	Domain	Mean (%)	Cap Value (%)	Capped mean (%)	Capped Count
Cu	CUB	0.3	3.04	0.3	8
	CUN	0.57	5.43	0.56	28
	CUS	0.21	1.74	0.2	7
	PBB	0.57	2.4	0.54	6
	PBN	0.66	1.4	0.42	3
	PBS	0.19	1.49	0.19	5
	CUB	6.49	-	-	-
S	CUN	21	-	-	-
	CUS	17.97	-	-	-
	PBB	18.83	-	-	-
	PBN	20.61	-	-	-
	PBS	-	-	-	-

APPENDIX III

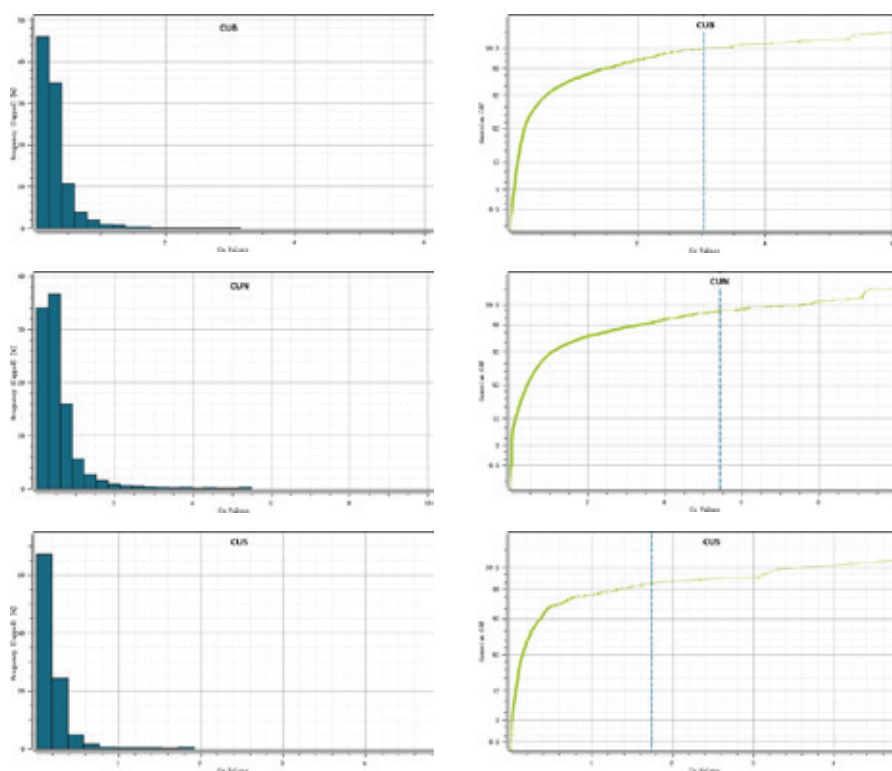
COMPETENT PERSON’S REPORT

Element	Domain	Mean (%)	Cap Value (%)	Capped mean (%)	Capped Count
Pb	PBS	17.8	-	-	-
	PBB	1.04	5.5	0.99	7
	PBN	1.12	4	0.93	2
	PBS	2.39	16.91	2.28	4
Zn	PBB	2.8	10.79	2.73	6
	PBN	4.61	14.64	4.16	5
	PBS	5.04	26.37	4.84	2

Source: SRK (2026)

The histogram and cumulative probability curve of the composites Cu, S, Pb and Zn for all domains were presented from Figure 7-4 to Figure 7-7.

Figure 7-4: Histogram and Log Probability Curve of Capping Cu



APPENDIX III

COMPETENT PERSON’S REPORT

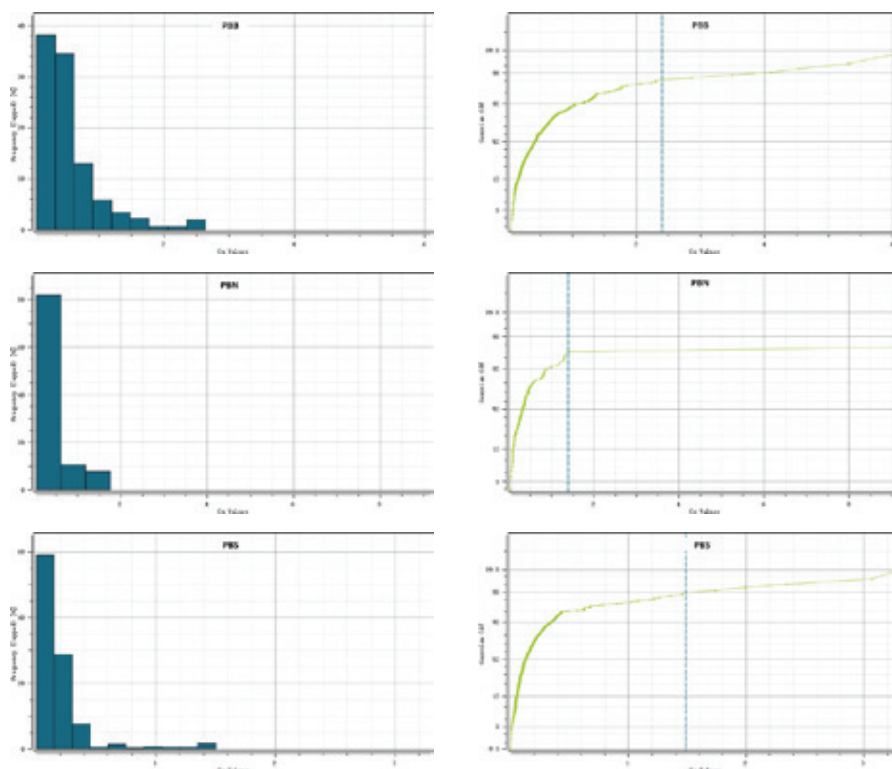
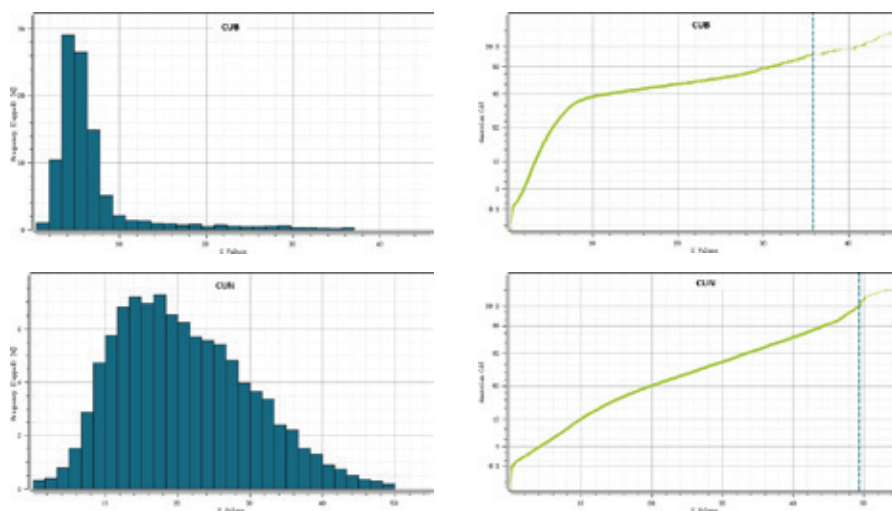


Figure 7-5: Histogram and Log Probability Curve of Capping S



APPENDIX III

COMPETENT PERSON’S REPORT

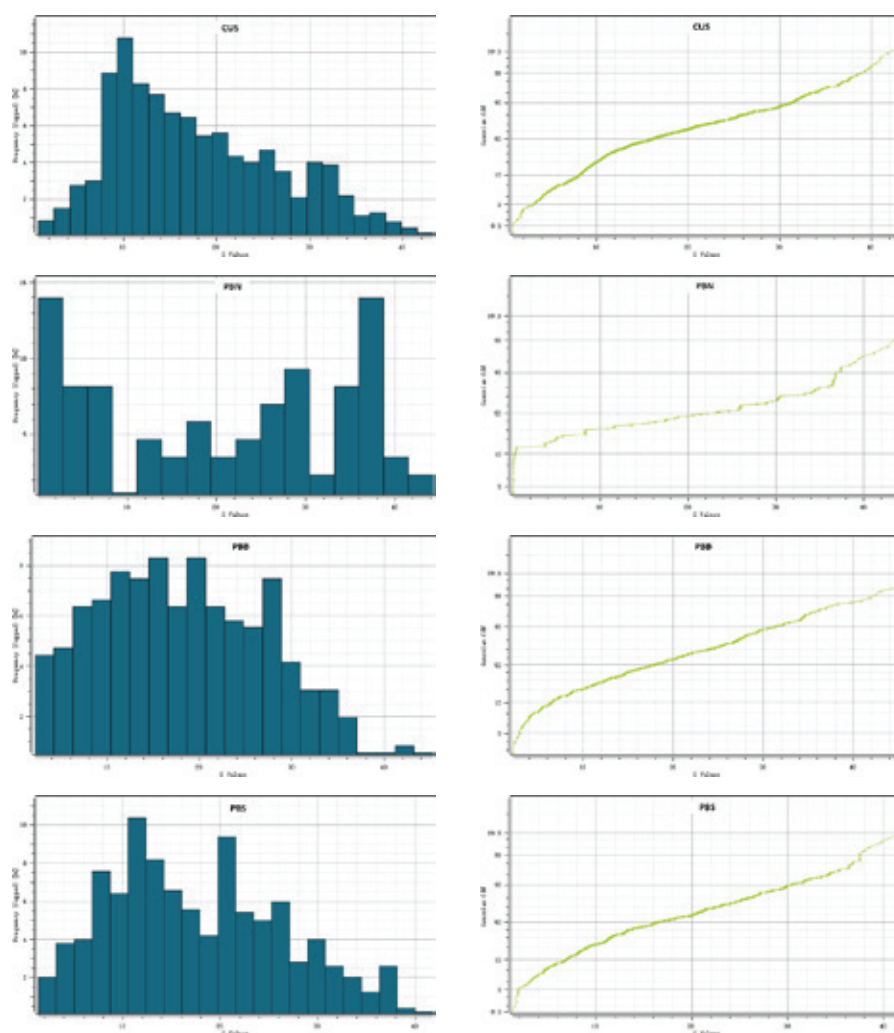
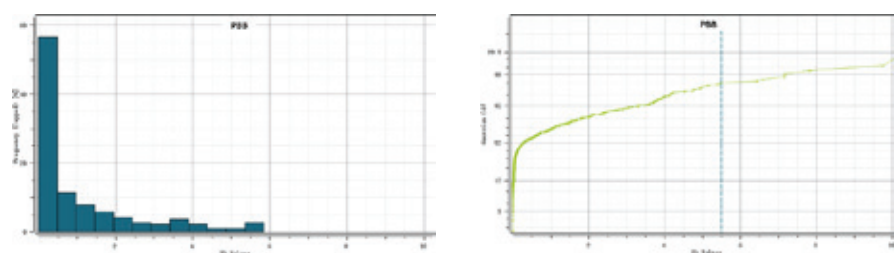


Figure 7-6: Histogram and Log Probability Curve of Capping Pb



APPENDIX III

COMPETENT PERSON’S REPORT

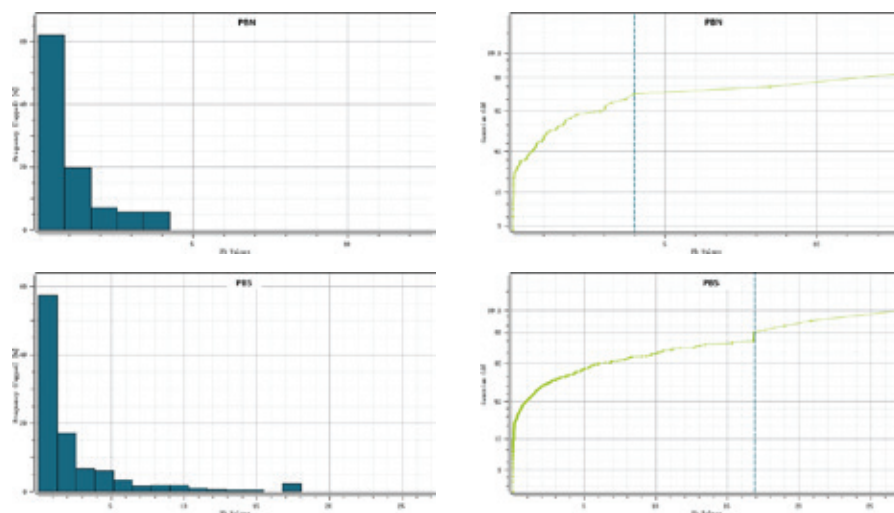
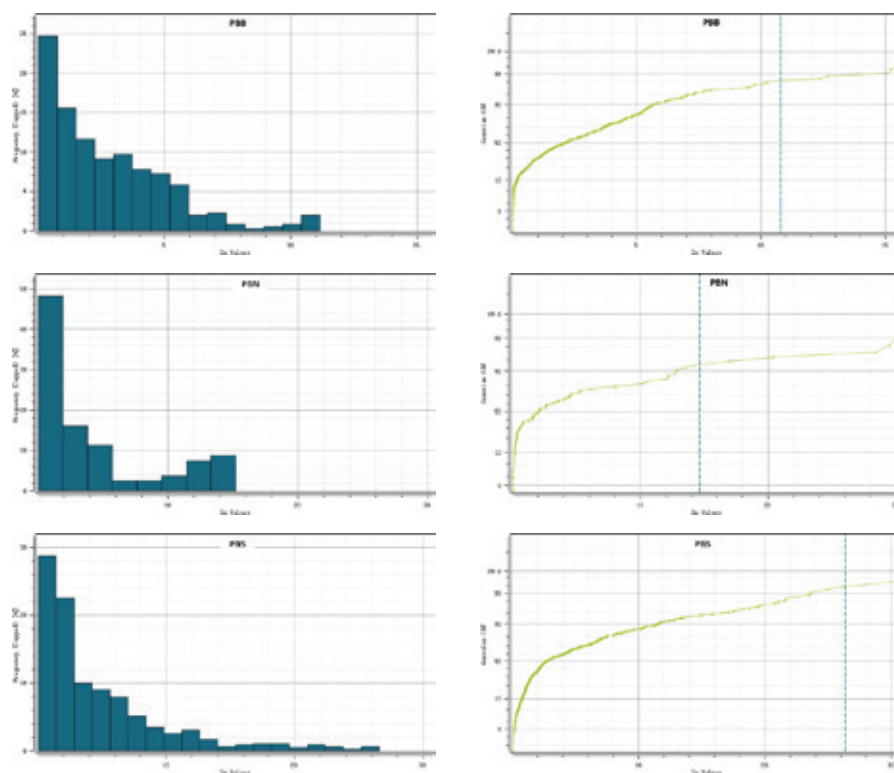


Figure 7-7: Histogram and Log Probability Curve of Capping Zn



APPENDIX III

COMPETENT PERSON’S REPORT

7.8 Statistical Analysis and Variography

For many of the domains the assessment of the experimental semi-variograms did not show any interpretable structure in the data. This is potentially due to relatively small numbers of composites and relatively widely spaced intersections. The Cu of CUB, CUN, CUS and PBS Domains, S of CUB, CUN, CUS and PBS Domains, Pb and Zn of PBS Domain showed a sufficiently robust structure to allow modelling of a semi-variogram for Cu, S, Pb and Zn. As shown in Table 7-4.

Table 7-4: Semi-Variogram Model Parameters

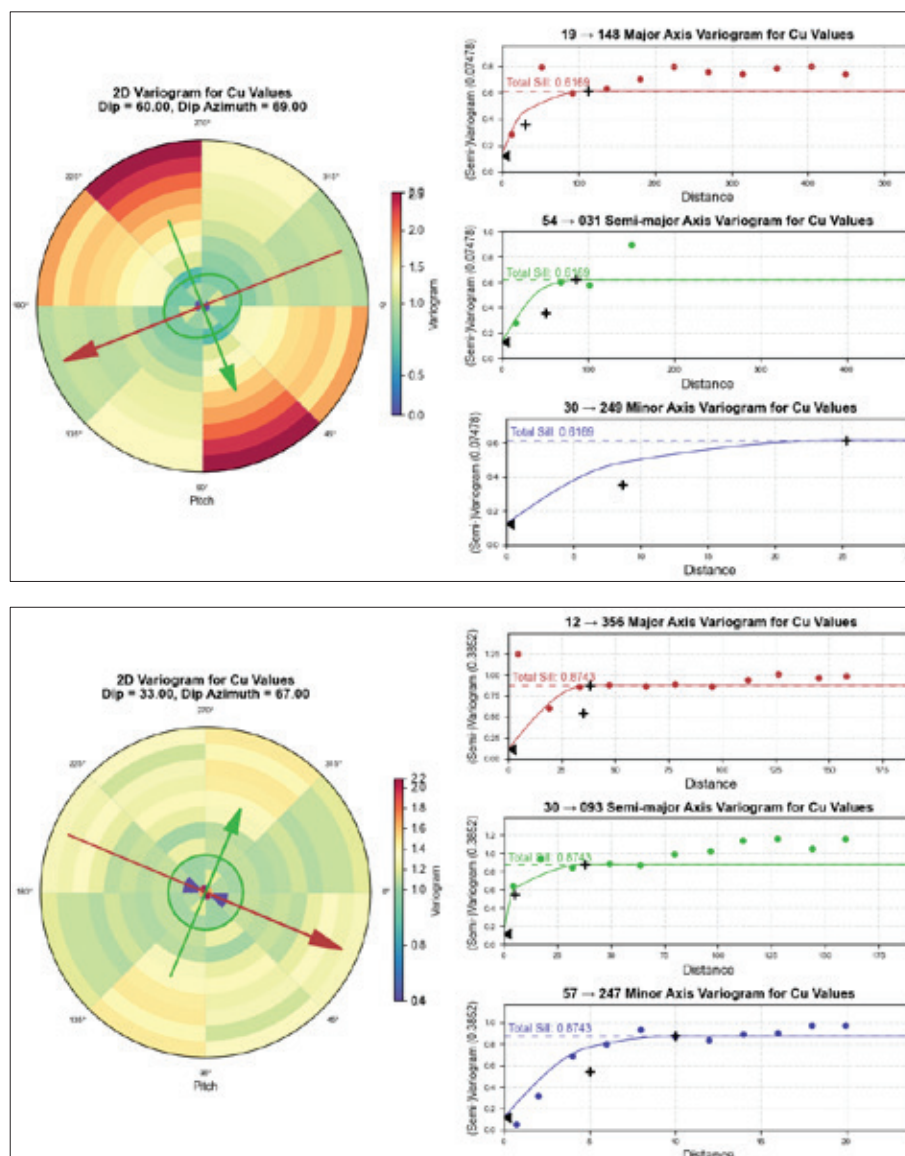
Variogram Name	Normalized Nugget	Dip	Dip Azi.	Pitch	Structure 1				Structure 2					
					Normalized sill	Structure	Major	Semi-major	Minor	Normalized sill	Structure	Major	Semi-major	Minor
Cu in Domain CUB	0.13	60	69	158	0.23	Spherical	30	51	9	0.26	Spherical	113	86	25
Cu in Domain CUN	0.12	33	67	23	0.43	Spherical	35	5	5	0.33	Spherical	38	38	10
Cu in Domain CUS	0.34	38	72	155	0.31	Spherical	93	66	15					
Cu in Domain PBS	0.09	38	72	158	0.91	Spherical	105	34	15					
Pb in Domain PBS	0.04	40	71	69	0.96	Spherical	144	100	10					
S in Domain CUB	0.01	62	73	113	0.30	Spherical	15	95	5	0.24	Spherical	155	119	10
S in Domain CUN	0.03	36	77	160	0.50	Spherical	38	7	10	0.26	Spherical	65	30	20
S in Domain CUS	0.06	39	72	157	0.89	Spherical	71	23	16					
S in Domain PBS	0.07	38	72	158	0.93	Spherical	90	33	17					
Zn in Domain PBS	0.03	45	71	21	0.50	Spherical	84	76	10	0.38	Spherical	130	123	15

Source: SRK (2026)

APPENDIX III

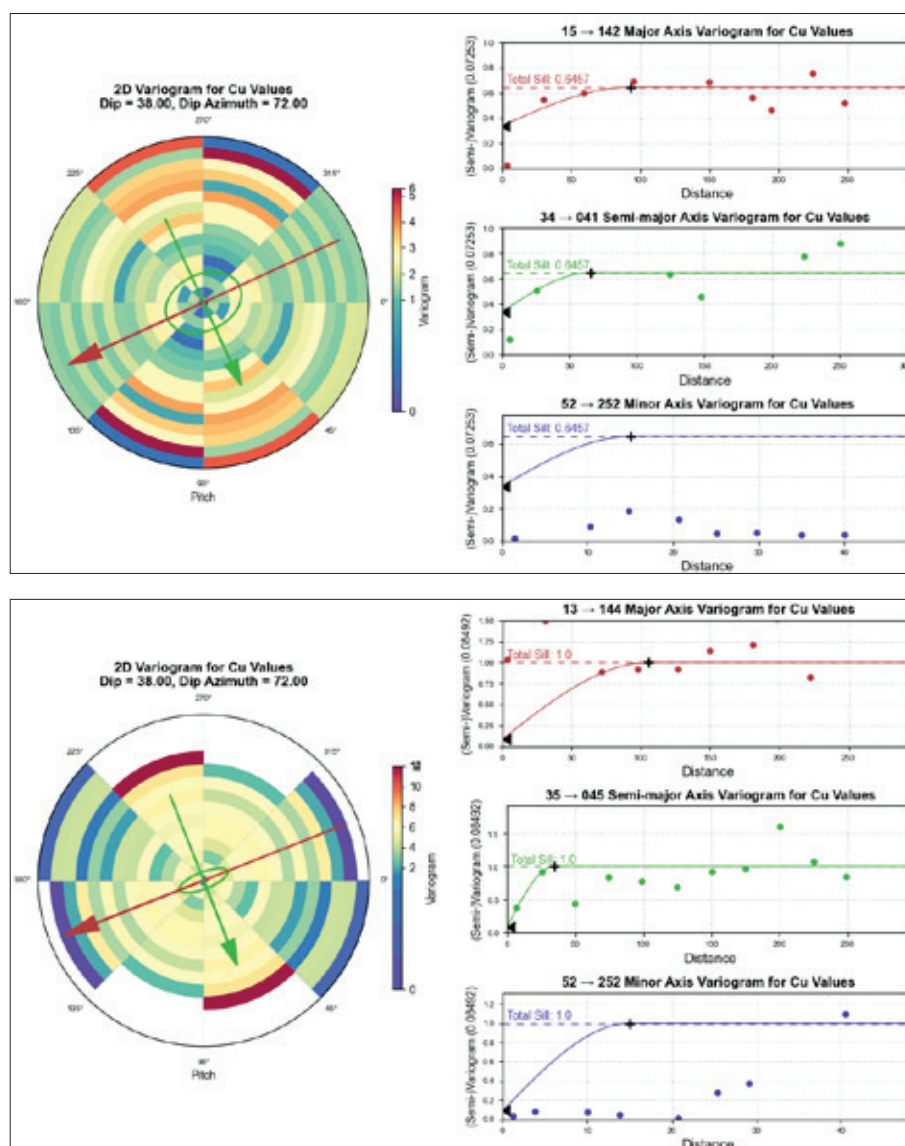
COMPETENT PERSON’S REPORT

Figure 7-8: Gaussian Space Semi-Variogram Models of Cu (From Upper to Lower: CUB, CUN, CUS, PBS)



APPENDIX III

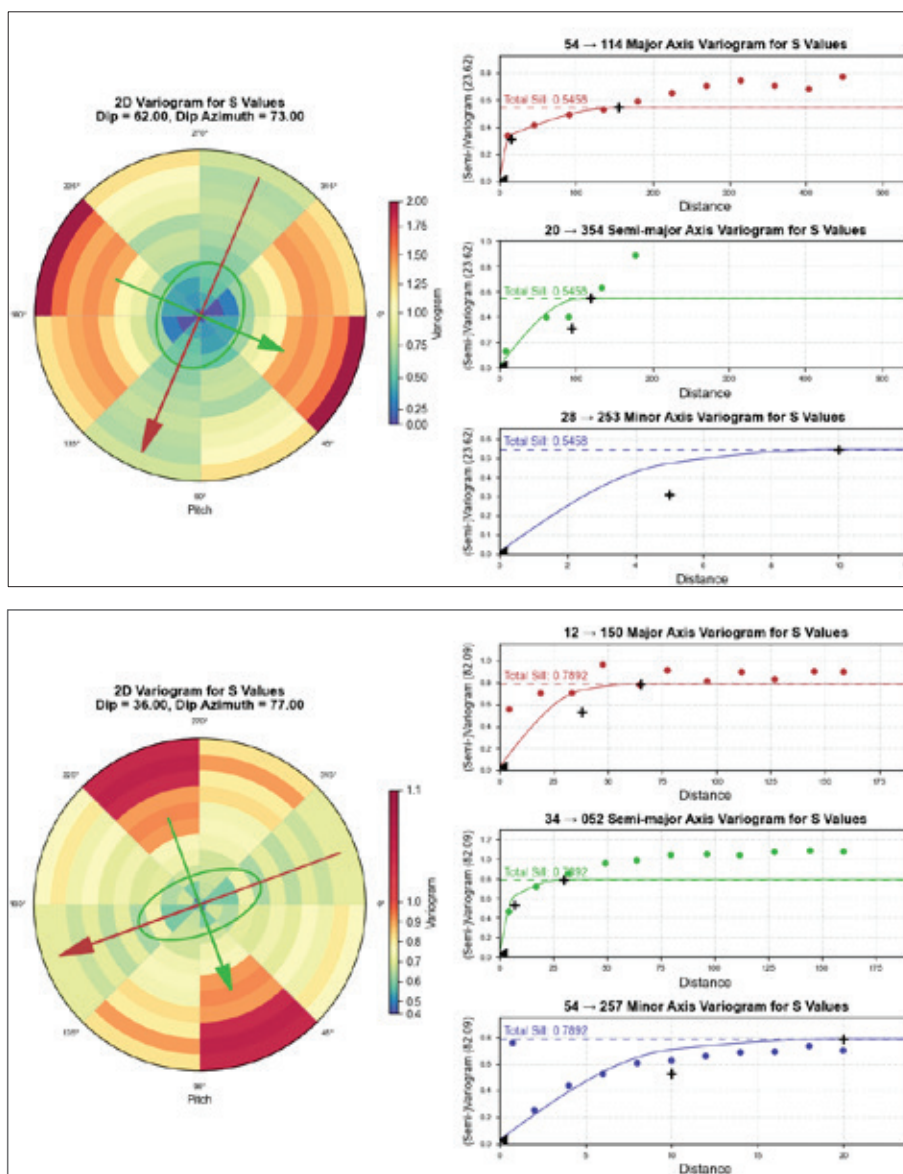
COMPETENT PERSON’S REPORT



APPENDIX III

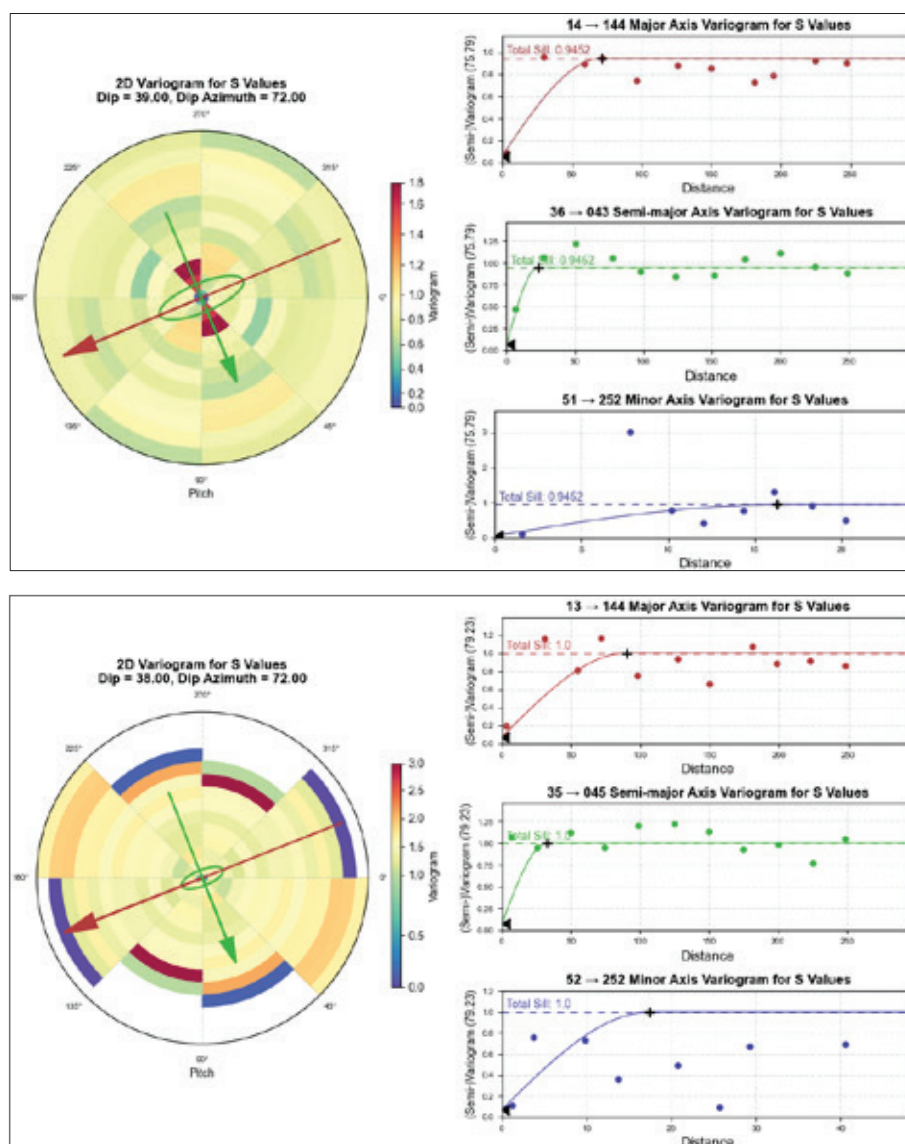
COMPETENT PERSON’S REPORT

Figure 7-9: Gaussian Space Semi-Variogram Models of S (From Upper to Lower: CUB, CUN, CUS, PBS)



APPENDIX III

COMPETENT PERSON’S REPORT



APPENDIX III

COMPETENT PERSON’S REPORT

Figure 7-10: Gaussian Space Semi-Variogram Models of Pb

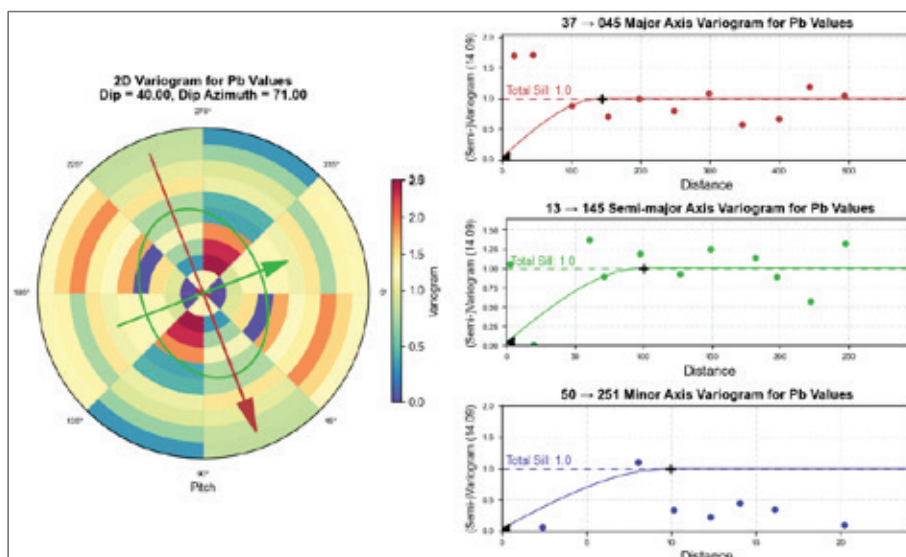
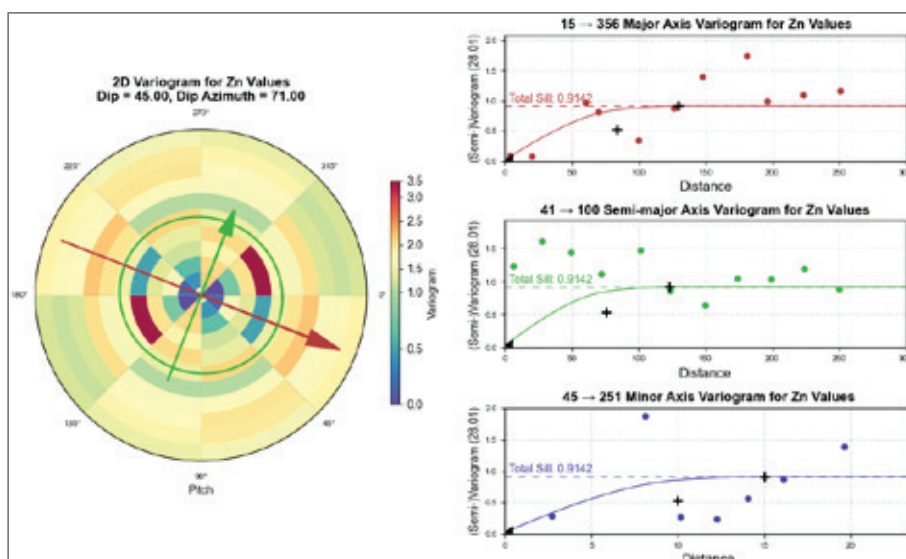


Figure 7-11: Gaussian Space Semi-Variogram Models of Zn



Source: SRK (2026)

7.9 Block Model and Grade Estimation

A non-rotational model for Dabaoshan Project was generated by leapfrog Edge software for grade and tonnage estimation. A suitable block interval and unit size was adopted to build a block model which was able to follow the mineralized zones. The block model used the same coordinate system as data collection. The block model summary is presented in Table 7-5. The attributes and descriptions are presented in Table 7-6.

Table 7-5: Block Model Specifications of Dabaoshan Project

Axis	Minimum (m)	Maximum (m)	Block Size (m)	Sub Block Size (m)	Rotation (degrees)
N	2715700	2718904	12	6	0
E	470300	472400	12	6	0
Z	-520	1100	12	6	0

Source: SRK (2026)

Table 7-6: Attributes and Descriptions of Dabaoshan Project

Attribute	Description
GM	Mineralisation domains
Cu	Copper grade
S	Sulphur grade
PB_F	Lead grade
ZN	Zinc grade
EQCU	Cu_eq grade
EQZN	Zn_eq grade
Category	Mineral Resource Classification
SG	Specific gravity

Source: SRK (2026)

The Ordinary Kriging (“OK”) method was used for the Cu, S, Pb and Zn grade estimation of CUB, CUN, CUS and PBS Domains. Inverse Distance Weighting Square (“IDW2”) method was used for Cu, S, Pb and Zn grade estimation for other domains. Hard boundaries were used for both Cu, S, Pb and Zn of all domains.

The parameters of the searching ellipsoid were thus manually optimized, and the parameters are summarized in Table 7-7. These three progressively more relaxed search criteria were used for estimation. The search dynamic ellipsoids were aligned with general mineralisation orientation.

The Domain and Category attribute were assigned directly using the solid models.

Table 7-7: Search Parameters

Pass	Search Distance (m in X, Y, Z axis)	Minimum Number of Composites	Maximum Number of Composites
1	60,30,10	6	50
2	120,60,20	4	50
3	240,120,40	1	50

Source: SRK (2026)

7.10 Model Validation and Sensitivity

Model validation is a common approach for determining whether grade estimation has been performed as expected. An acceptable or preferred validation result does not necessarily imply that

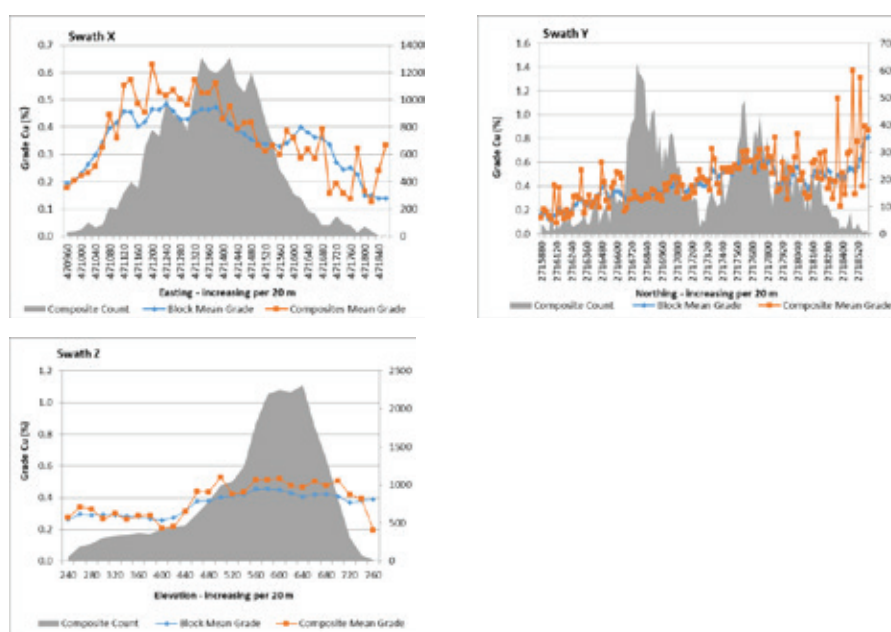
APPENDIX III

COMPETENT PERSON’S REPORT

the model is correct or derived from the right estimation approach. It suggests only that the model is a reasonable representation of the Mineral Resource data used and of the estimation method applied. Other issues such as the relationship between the model-selective assumptions and mining practices are equally important when determining the appropriateness of the Mineral Resource estimate.

SRK adopted Swath plot to validate the model, Swath plots were created in three orthogonal directions (easting, northing, and vertical, as X, Y, and Z) in particular slice thicknesses in each direction to validate the resultant block models, as shown in Figure 7-12 and Figure 7-15 This comparison shows close agreement between the grade of block estimates and grade of composed samples in terms of overall distribution as a function of X, Y, and Z location.

Figure 7-12: Swath Plot of Cu



APPENDIX III

COMPETENT PERSON’S REPORT

Figure 7-13: Swath Plot of S

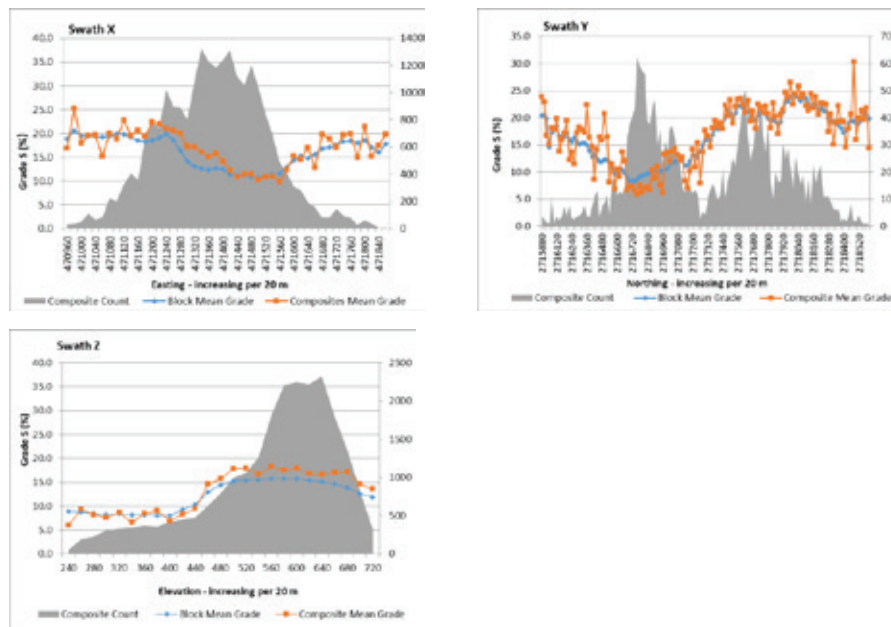
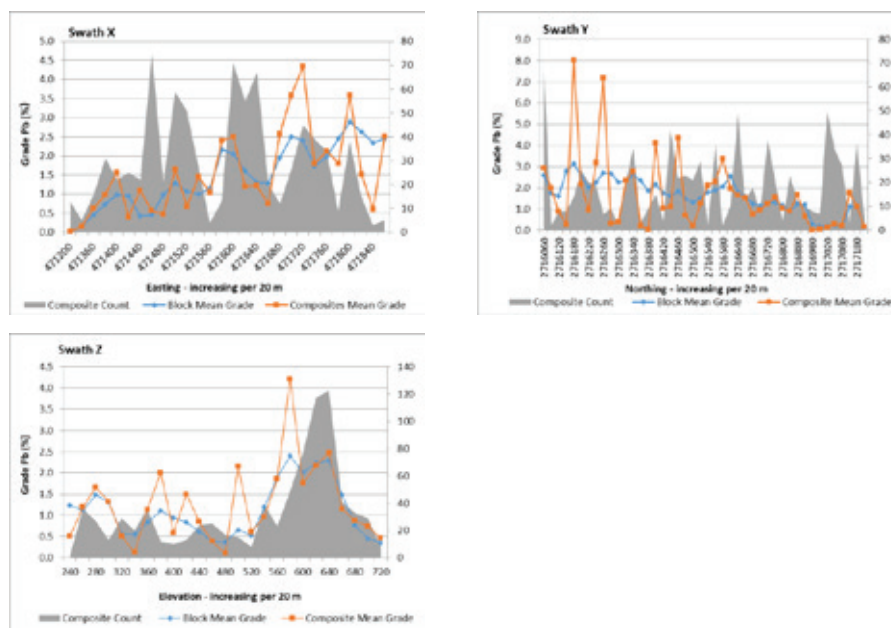


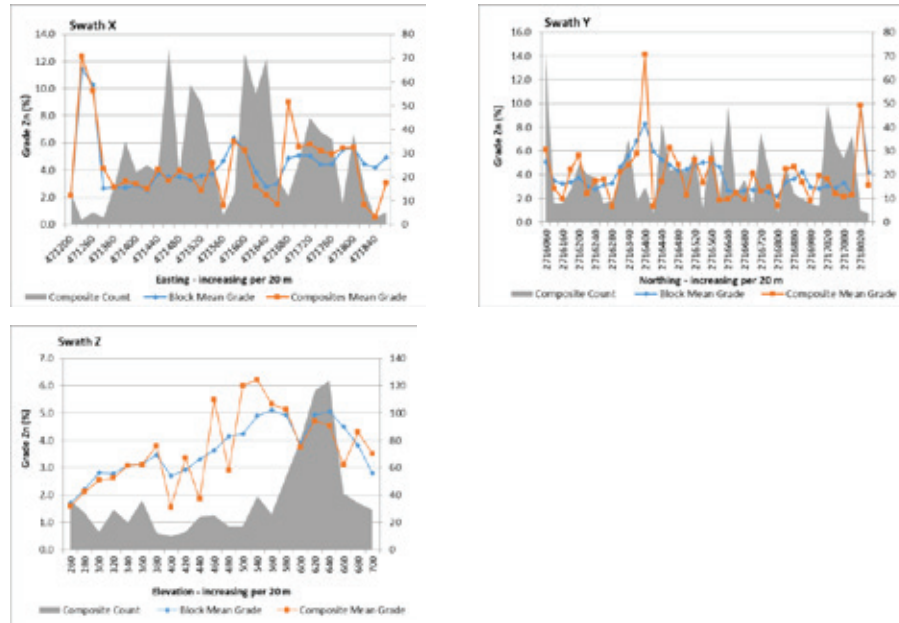
Figure 7-14: Swath Plot of Pb



APPENDIX III

COMPETENT PERSON’S REPORT

Figure 7-15: Swath Plot of Zn



Source: SRK (2026)

7.11 Mineral Resource Classification

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

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

Generally, for mineralization exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that blocks estimated during the first estimation run (pass) can be classified in the Measured Mineral Resource category, the second estimation run can be classified in the Indicated Mineral Resource category within the meaning of the JORC Code.

Conversely, blocks estimated during the third pass considering search neighborhoods set at twice searching distance should be appropriately classified in the Inferred Mineral Resource category because the confidence in the estimate is insufficient to allow for the meaningful application of technical and economic parameters.

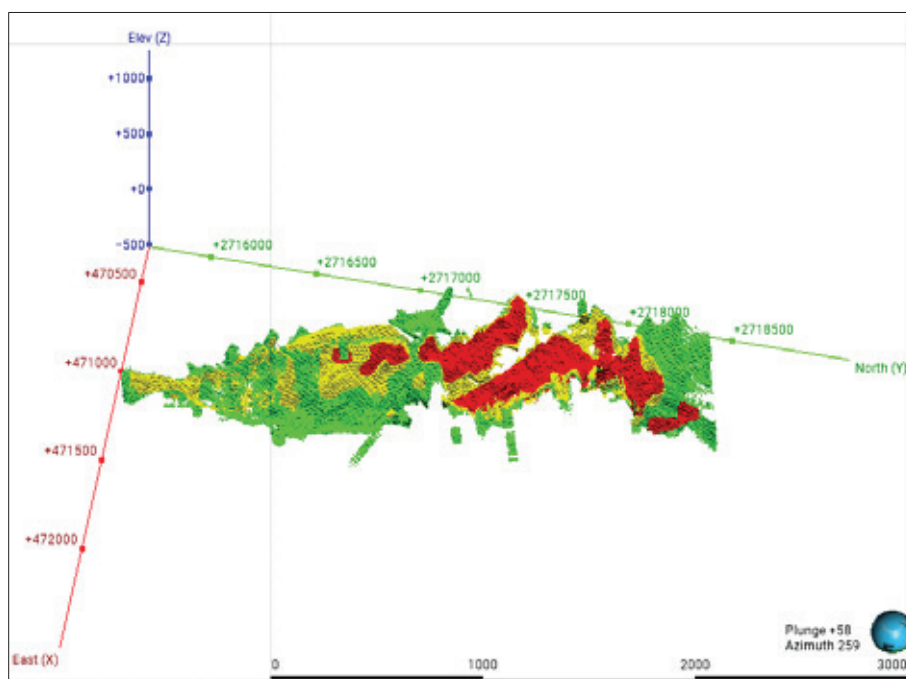
APPENDIX III

COMPETENT PERSON’S REPORT

For the Cu–S–Pb–Zn deposit of the Dabaoshan Project, the Mineral Resource at the space of 30m (strike) × 30m (dip) is defined as Measured Mineral Resource, the resource at the space of 60m (strike) × 60m (dip) is defined as Indicated Mineral Resource and the resource at the space of 120m (strike) × 120m (dip) and greater is defined as Inferred Mineral Resource.

For the porphyry copper deposit of the Dabaoshan Project, the Mineral Resource at the space of 70m (strike) × 70m (dip) is defined as Measured Mineral Resource, the resource at the space of 140m (strike) × 140m (dip) is defined as Indicated Mineral Resource and the resource at the space of 280m (strike) × 280m (dip) and greater is defined as Inferred Mineral Resource.

Figure 7-16: The Resource Category Classification of the Dabaoshan Project.



Source: SRK (2026)

7.12 Mineral Resource Statement

The JORC Code 2012 defines a mineral resource as:

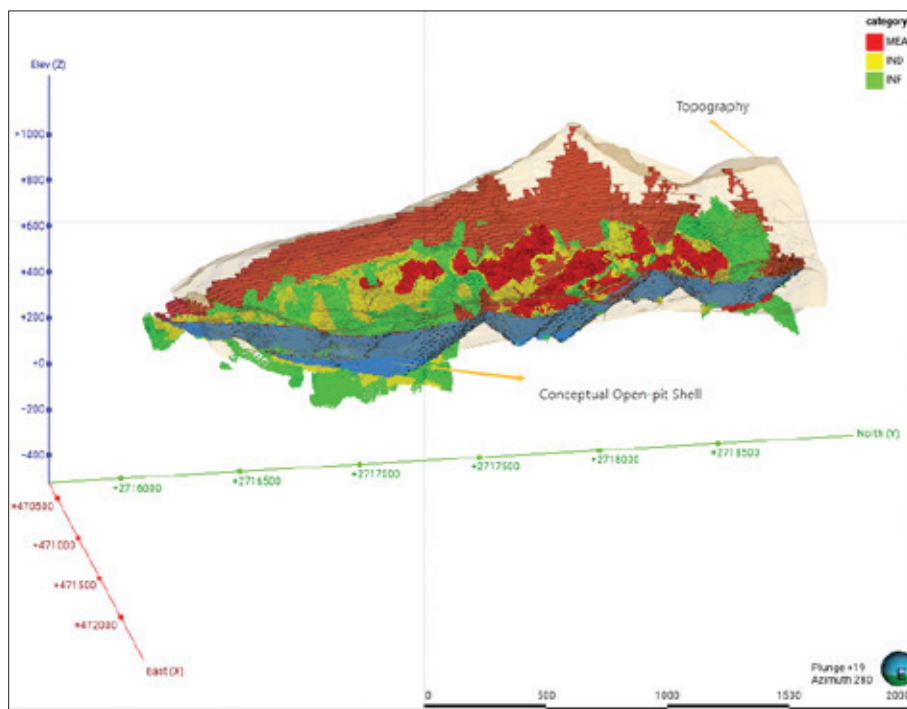
“a concentration or occurrence of material of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.”

APPENDIX III

COMPETENT PERSON’S REPORT

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that major portions of the Dabaoshan are amenable for opening pit mining. A conceptual pit shell representing the RPEEE constraint is shown in Figure 7-17.

Figure 7-17: Conceptual open-pit shell for the Dabaoshan deposit



Source: SRK (2026)

The conceptual parameters used to estimate the cut-off grade for the Dabaoshan Project are summarised in Table 7-8.

Table 7-8: Assumptions Considered for the Dabaoshan Project

Parameters	Units	Value (Cu)	Value (Zn)
Price	RMB/t	99,750	26,250
Payable	%	94%	-
Royalty	%	1.2	-
Processing Recovery	%	86.18	84.60
Processing Cost	RMB/t feed	141	141
G&A	RMB/t feed	30	30
COG	%	0.20	0.80

Source: SRK (2026)

As of 31 August 2026, and at a cut-off grade of 0.20% EqCu, the Dabaoshan Project is estimated to contain 25.12 million tonnes (“Mt”) of Measured Mineral Resources with an average grade of 0.53%

APPENDIX III

COMPETENT PERSON’S REPORT

Cu, 20.91% S, 66.19 Mt of Indicated Mineral Resources with an average grade of 0.33% Cu, 9.8% S, and 30.53 Mt of Inferred Mineral Resources with an average grade of 0.42% Cu, 15.97% S (see Table 7-9).

As of 31 August 2026, and at a cut-off grade of 0.8% EqZn, the Dabaoshan Project is estimated to contain 0.69 million tonnes (“Mt”) of Indicated Mineral Resources with an average grade of 1.75% Pb, 4.92% Zn, and 3.22 Mt of Inferred Mineral Resources with an average grade of 1.21% Pb, 3.87% Zn (see Table 7-10).

Table 7-9: Mineral Resource Statement¹, Cu-S Domain of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026^{2, 3}

Mineralised Domain	category	Mass	Average Value		Material Content	
			CU	S	CU	S
		Mt	%	%	kt	kt
Cu-S Domain	Measured	25.12	0.53	20.91	134	5,254
	Indicated	66.19	0.33	9.8	218	6,489
	Measured+Indicated	91.31	0.39	12.86	352	11,742
	Inferred	30.53	0.42	15.97	127	4,876

Source: SRK (2026)

Table 7-10: Mineral Resource Statement¹, Pb-Zn Domain of Dabaoshan Project, SRK Consulting China Limited, 31 August 2026^{2, 4}

Mineralised Domain	category	Mass	Average Value		Material Content	
			Pb	Zn	Pb	Zn
		Mt	%	%	kt	kt
Pb-Zn Domain	Measured					
	Indicated	0.69	1.75	4.92	12	34
	Measured+Indicated	0.69	1.75	4.92	12	34
	Inferred	3.22	1.21	3.87	39	124

Source: SRK (2026)

Notes:

- ¹ All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.
- ² The information in this report which relates to Mineral Resource is based on information compiled by Mr. Mingyan Wang under the supervision of Dr. Hancheng Zhang, Dr Zhang is a Member of the Australian Institute of Geoscientists (AIG), who are full time employee of SRK Consulting China Ltd. Dr Zhang has sufficient experience which is relevant to the style of mineralization and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves”, the JORC Code. Dr Zhang consents to the reporting of this information in the form and context in which it appears.
- ³ Mineral resources of Cu-S Deposit are reported by EqCu ($\text{EqCu} = \text{Cu} + 0.0241 \times \text{S}$) at a cut-off grade is 0.2%. The main parameters adopted for the EqCu in this project are as follows: the copper price is calculated at RMB 75950 per tonne, based on the CMF quotation for the third quarter of 2026; the copper beneficiation recovery rate is 86.18%, representing the weighted average of the actual recovery rates over the past three years, and the payable is 94%, as stipulated in the sales contract. The sulfur price is calculated at RMB 800 per tonne, based on the weighted average of sulfur product sales prices over the past three years; the sulfur beneficiation recovery rate is 89.5%, also derived from the weighted average of the actual recovery rates over the past three years, and the payable is 43%, as stipulated in the sales contract.
- ⁴ Mineral resources of Pb-Zn Deposit are reported by EqZn ($\text{EqZn} = \text{Zn} + 0.645 \times \text{Pb}$) at a cut-off grade is 0.8%. The main parameters adopted for the EqZn in this project are as follows: the lead price is calculated at RMB 13,650 per tonne, based on the CMF quotation for the third quarter of 2026; the lead beneficiation recovery rate is 81.11%, derived from beneficiation testwork. The zinc price is calculated at RMB 20,300 per tonne, based on the CMF quotation for the third quarter of 2026; the zinc beneficiation recovery rate is 84.6%, derived from beneficiation testwork.

APPENDIX III

COMPETENT PERSON’S REPORT

7.13 Grade Sensitivity Analysis

The mineral resources of the Dabaoshan Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the global model quantities and grade estimates [or the block model quantities and grade estimates within the conceptual pit used to constrain the mineral resources (although the global grade tonnage information is generally more appropriate characteristics of the grade tonnage characteristics of the deposit)] are presented in Table 7-11 and Table 7-12 at different cut-off grades. The reader is cautioned that the figures presented in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. presents this sensitivity as grade tonnage curves.

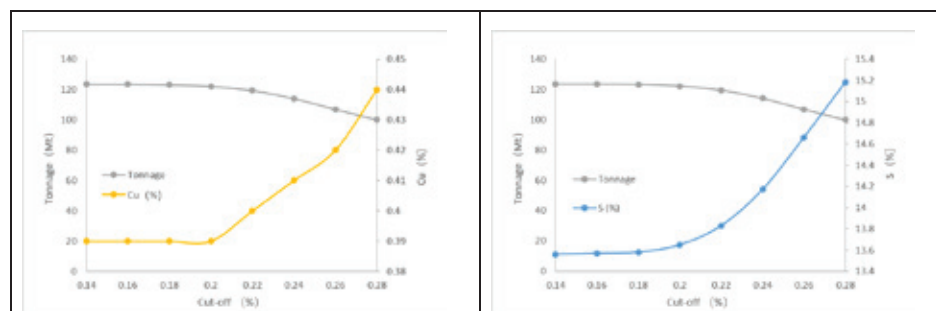
Table 7-11: Global Block Model Quantities and Grade Estimates¹, Cu-S Domain of Dabaoshan Project at Various cut-off Grades.

Cut-off Grade	Mass	Grade	Grade	MetalContent	MetalContent
EqCu (%)	(Mt)	Cu (%)	S (%)	Cu(kt)	S(kt)
0.14	123.21	0.39	13.55	481	16,698
0.16	123.13	0.39	13.56	481	16,694
0.18	122.88	0.39	13.57	481	16,679
0.20	121.84	0.39	13.64	479	16,618
0.22	119.06	0.4	13.82	475	16,449
0.24	113.75	0.41	14.16	466	16,105
0.26	106.58	0.42	14.65	452	15,619
0.28	99.77	0.44	15.17	438	15,134

Source: SRK (2026)

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

Figure 7-18: Grade-tonnage Curve for Cu-S Domain of Dabaoshan Project



Source: SRK (2026)

Table 7-12: Global Block Model Quantities and Grade Estimates¹, Pb-Zn Domain of Dabaoshan Project at Various cut-off Grades.

Cut-off Grade	Mass	Grade	Grade	MetalContent	MetalContent
EqZn (%)	(Mt)	Pb (%)	Zn (%)	Pb(kt)	Zn(kt)
0.6	3.91	1.30	4.05	51	158
0.7	3.91	1.31	4.06	51	158
0.8	3.91	1.31	4.06	51	158
0.9	3.9	1.31	4.06	51	158
1	3.9	1.31	4.06	51	158
1.1	3.9	1.31	4.07	51	158

APPENDIX III

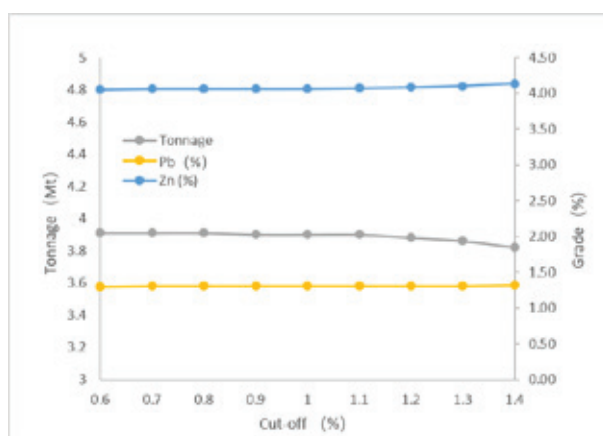
COMPETENT PERSON’S REPORT

Cut-off Grade	Mass	Grade	Grade	MetalContent	MetalContent
EgZn (%)	(Mt)	Pb (%)	Zn (%)	Pb(kt)	Zn(kt)
1.2	3.88	1.31	4.08	51	158
1.3	3.86	1.31	4.1	51	158
1.4	3.82	1.32	4.13	50	158
1.4	4.01	1.28	4.07	51	163

Source: SRK (2026)

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

Figure 7-19: Grade–tonnage Curve for Pb-Zn Domain of Dabaoshan Project



Source: SRK (2026)

7.14 Exploration Potential and Recommendations

The Cu–S–Pb–Zn polymetallic deposits and the porphyry copper deposits show a favorable spatial relationship, indicating outstanding overall exploration potential. The Cu–S–Pb–Zn polymetallic orebodies display a certain extension towards the east and at depth, suggesting that concealed orebodies may still be present in these directions; this area is a key target for the next stage of infill drilling and depth-extension projects. The porphyry copper deposit is steeply dipping, and the northwestern belt of sub-alkaline trachyandesite porphyry has a lithologic assemblage similar to that of the known mineralized zones; local Cu (Mo) anomalies and weakly mineralized outcrops have already been identified, indicating the potential to form a new porphyry Cu (Mo) mineralization center. This belt is therefore a priority target area for detailed line infill surveying, deep drilling, and refined geochemical work.

It is recommended that future work focus on strengthening drilling data management and quality control. Specifically, drilling data should be fully standardized and normalized, with a unified coordinate system adopted; records and archiving of specific gravity assay results, drillhole collar coordinates, downhole survey data, and geological logging information should be improved to establish a systematic electronic database. At the same time, the QA/QC system should be reinforced to ensure data are accurate and reliable, thereby providing a high-quality basis for subsequent resource estimates.

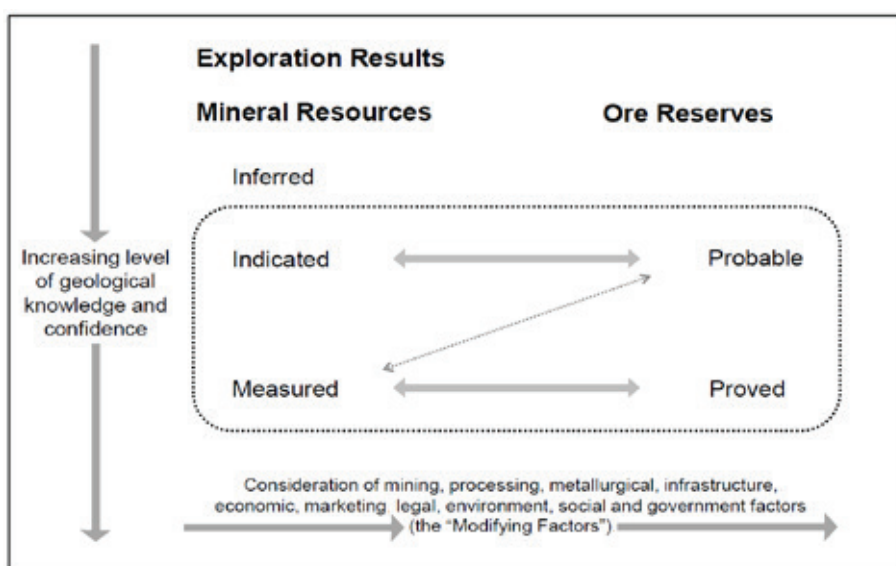
8 Ore Reserve Estimation

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

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

The conversion from Mineral Resources to Ore Reserves is presented in Figure 8-1.

Figure 8-1: General relationship between Mineral Resources and Ore Reserves



Source: JORC Code (2012)

The Ore Reserves were estimated by SRK in accordance with the JORC Code guidelines. These estimates are based on technical studies together with on-going operation and have been adjusted to meet a Pre-Feasibility study (PFS) standard, ensuring a reliable assessment of the projects' economic and technical viability.

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

8.1 Technical Studies

SRK has received the following technical studies:

APPENDIX III

COMPETENT PERSON’S REPORT

- Feasibility Study Report for the Expansion and Upgrade of the Mining and Processing Operations, prepared by Sinosteel Ma’anshan Institute of Mining Research Co., Ltd., June 2026 (the “2026 FS”);
- Preliminary Design for the 3.30 Mtpa Copper–Sulphur Mining and Processing Project of Guangdong Dabaoshan Mining Co., Ltd., prepared by MCC Changtian International Engineering Corporation Limited, December 2016 (the “2016 Preliminary Design”);
- Study on Optimisation of Open-Pit Slope Structural Parameters for the 3.30 Mtpa Mining and Processing Project of Guangdong Dabaoshan Mining Co., Ltd., January 2016 (the “2016 Slope Study”); and
- Feasibility Study Report for the 3.30 Mtpa Copper–Sulphur Mining and Processing Project of Guangdong Dabaoshan Mining Co., Ltd., prepared by MCC Changtian, June 2009 (the “2009 FS”).

The earlier studies were prepared for the development of the copper–sulphur operation at a production capacity of 3.30 million tonnes per annum (“Mtpa”). The Mine is currently being operated and expanded with reference to the 2026 FS.

The mining operation is using conventional open-pit method with drilling, blasting, loading and haulage. Ore and waste are transported via the haul road to the ore stockpiles and waste dumps, respectively.

The 2026 FS proposes an expanded total mining capacity of 6.60 Mtpa, comprising:

- 3.60 Mtpa of copper–sulphur ore;
- 2.80 Mtpa of porphyry copper ore; and
- up to 0.20 Mtpa of lead–zinc ore recovered as a by-product during the mining of the copper–sulphur and porphyry copper deposits.

The proposed products comprise copper concentrate, sulphur concentrate and lead–zinc run-of-mine ore.

Based on its review, SRK considers that the 2026 FS has been prepared in accordance with the applicable Chinese design codes and generally contains technical information at a level consistent with, or exceeding, that expected for a Pre-Feasibility Study as defined in the JORC Code (2012 Edition) and recognised industry practice. Nevertheless, to support the declaration of Ore Reserves in accordance with the JORC Code, SRK independently reviewed and revised the open pit design and mine production schedule using the Mineral Resource classification prescribed by the JORC Code. SRK also assessed the relevant Modifying Factors to confirm that the resulting mine plan is technically achievable and economically viable, and to support the conversion of eligible Mineral Resources to Ore Reserves.

8.2 Cut-off Grade

SRK estimated an economic cut-off grade (COG) for application to the Mineral Resource block model as an input to open-pit optimisation and subsequent mine planning for the Dabaoshan Polymetallic Mine.

APPENDIX III

COMPETENT PERSON’S REPORT

Material within the designed open pit with a grade equal to or greater than the applicable COG is classified as ore and directed to the crusher or run-of-mine (“ROM”) stockpile. Material below the COG is classified as waste and transported to the designated waste rock dump (“WRD”). The COG adopted for the Ore Reserve estimate is presented in Table 8-1. The COG for copper in the Run-of-Mine (“ROM”) feed has been calculated using the following formula.

$$A = \frac{C_l + C_g + C_s + C_{ma} + C_f + C_{sa} + C_e + C_{et} + C_{pt} + C_{mt} + C_r + C_{os} + C_o + C_{rd}}{P * P_a * P_r * (1 - R_t)}$$

Table 8-1: Cut-off Grade Estimate

Item	Parameters	Units	Value
P	Copper Price	RMB/t	75,950
Pa	Payable	%	94
Rt	Royalty	%	1.2
Pr	Processing Recovery	%	86.18
Cm	Mining Cost	RMB/t Ore mined	6.8
Cw	Stripping Cost	RMB/t Waste mined	8.7
Cl	Labor	RMB/t feed	18
Cma	Materials	RMB/t feed	34
Cf	Fuel and Power	RMB/t feed	21
Csa	Safety	RMB/t feed	7
Ce	Environmental	RMB/t feed	25
Cet	Employee Transportation	RMB/t feed	1
Cpt	Product Transportation	RMB/t feed	2
Cmt	Maintenance	RMB/t feed	10
Cr	Rental	RMB/t feed	8
Cos	Outsourced Services	RMB/t feed	5
Co	Others	RMB/t feed	11
Cg	G&A	RMB/t feed	41
Cs	Selling Cost	RMB/t feed	3
Crd	R&D Expense	RMB/t feed	18
A	COG	%	0.3

Source: SRK (2026)

As both copper and sulphur contribute to the economic value of the mineralised material, SRK estimated a sulphur-to-copper equivalence factor based on the respective commodity prices, metallurgical recoveries and payable factors. The assumptions and resulting equivalence factors are presented in Table 8-2 below.

Table 8-2: Equivalent Cut-off Grade Estimate

Item	Unit	Cu	S
Recovery	%	86.18	89.5
Payable	%	94	43
Price	RMB/t	75,950	799.4
Equivalent Factors against Cu		1.0000	0.0241

Source: SRK (2026)

APPENDIX III

COMPETENT PERSON’S REPORT

During the site visit, SRK understood that the mine has been applying an operational COG of 0.15% Cu for production planning purposes. SRK’s economic COG assessment resulted in an economic COG of 0.30% Cu, which has been adopted for the Ore Reserve estimate. The difference between the operational COG and the economic COG does not necessarily indicate that material between 0.15% and 0.30% Cu is uneconomic under the current mining operation, as such material is currently being processed by the mine.

Material within the 0.15% to 0.30% Cu range represents a potential opportunity for future mine planning and operational optimisation. SRK considers that this material may provide additional value under favourable economic conditions and could be considered in future mine planning studies.

The applicable COG is dependent on the technical and economic assumptions adopted for the estimate. Changes in commodity prices, operating costs, metallurgical recoveries, payable factors or other relevant assumptions may affect the applicable COG and, consequently, the mineable inventory and Ore Reserve estimate.

8.3 Modifying Factors

The following modifying factors are used to determine the Ore Reserves.

- Optimization: The economic limits of the open pit were defined through pit optimisation, taking into account the mineralised domains. Mineral Resources located outside the mining licence boundary were designated as mining exclusion areas and excluded from the optimisation.
- Pit design: Practical mining constraints were incorporated when converting the optimised pit shell into an operational open-pit design. The resulting difference in mineable inventory between the optimised shell and the practical pit design was accounted for in the Ore Reserve estimate. The conversion between the optimal pit shell and the practical mine design.
- Dilution: A mining dilution factor of 2.5% was applied, consistent with the 2026 FS.
- Loss: A mining loss of 2.5% was applied, consistent with the 2026 FS.

8.4 Ore Reserve Estimation

The conversion of Mineral Resources to Ore Reserves is based on the application of relevant modifying factors, including open pit optimisation, pit design, dilution and ore loss. The conversion process from Mineral Resources to Ore Reserves is presented in Table 8-3 and illustrated in the waterfall charts shown in Figure 8-2 and Figure 8-3.

Approximately 51% of the Mineral Resource tonnage and 58% of the contained metal have been converted to Ore Reserves. A key factor limiting the conversion of Mineral Resources to Ore Reserves is the proportion of Inferred Mineral Resources.

Table 8-3: Summary of the Ore Reserve Conversion Process

Item	Tonnes (Mt)	Cu Metal (kt)
Mineral Resource (MI+I)	126.02	478.13
Mineral Resource (MI)	(33.78)	(115.21)

APPENDIX III

COMPETENT PERSON’S REPORT

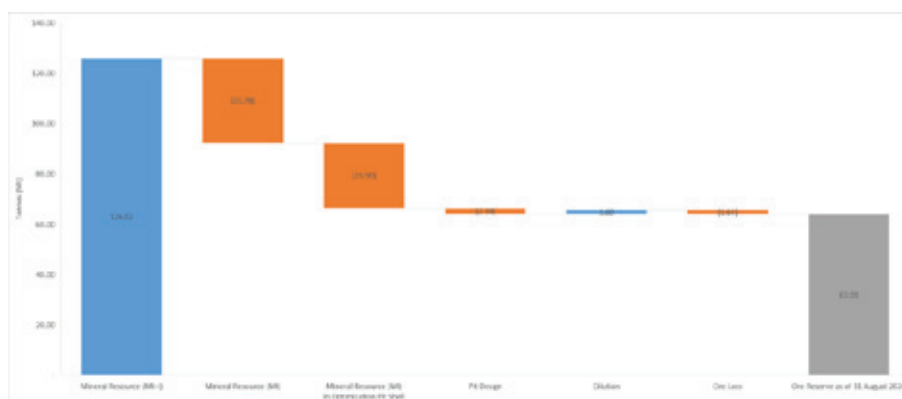
Item	Tonnes (Mt)	Cu Metal (kt)
Mineral Resource (MI) in Optimisation Pit Shell	(25.90)	(71.03)
Pit Design	(2.13)	(7.15)
Dilution	1.60	-
Ore Loss	(1.64)	(7.09)
Ore Reserves as of 31 August 2026	63.91	276.52

Source: SRK (2026)

Notes:

- ¹ The Mineral Resource MI+I has been estimated as in situ material using a cut-off grade of 0.2 % EqCu.
- ² The MI Mineral Resource has been estimated as in situ material using a cut-off grade of 0.2% EqCu.
- ³ Within the pit optimization shell, the MI Mineral Resource above the cut-off grade of 0.2% EqCu has been used.
- ⁴ The design of the final pit limits and the estimation of Ore Reserves have both been constrained by a cut-off grade of 0.3% EqCu.

Figure 8-2: Waterfall Chart of Mining Inventory



Source: SRK (2026)

APPENDIX III

COMPETENT PERSON’S REPORT

Figure 8-3: Waterfall Chart of Contained Cu Metal



Source: SRK (2026)

8.5 Ore Reserve Statement

SRK has estimated the Ore Reserves for the Dabaoshan Polymetallic Mine in accordance with the JORC Code guidelines. The Ore Reserve estimate is supported by technical studies and operational data considered to be at a level equivalent to a Pre-Feasibility Study.

The economically mineable portions of the Measured and Indicated Mineral Resources within the final designed open pit have been classified as Proved and Probable Ore Reserves, respectively, with appropriate allowances for mining dilution and ore loss. The reference point for the Ore Reserve estimate is the stockpile preceding crusher feed, consistent with the reporting requirements under the JORC Code framework.

As of 31 August 2026, the Ore Reserves for the Dabaoshan Polymetallic Mine are estimated at 63,912 kt, with an average grade of 0.43% copper (Cu), 14.5% sulphur (S), 1.86% lead (Pb) and 6.41% zinc (Zn). The Ore Reserves contain 276 kt of copper (Cu), 9,237 kt of sulphur (S), 3.79 kt of lead (Pb) and 13.09 kt of zinc (Zn).

The Ore Reserve estimate is summarised in Table 8-4.

Table 8-4: Ore Reserves Statement as of 31 August 2026

Category	Tonnes	Cu-S Tonnes	Pb-Zn Tonnes	Average Grade				Metal Contained			
				Cu	S	Pb	Zn	Cu	S	Pb	Zn
	kt	kt	kt	%	%	%	%	kt	kt	kt	kt
Proved Ore	24,171	24,171	-	0.52	20.37	-	-	126	4,923	-	-
Probable Ore	39,741	39,537	204	0.38	10.91	1.86	6.41	150	4,314	3.79	13.09
Total	63,912	63,708	204	0.43	14.50	1.86	6.41	276	9,237	3.79	13.09

Source: SRK (2026)

Notes:

¹ Any differences between totals and sum of components are due to rounding.

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APPENDIX III

COMPETENT PERSON’S REPORT

- ² 0.3% EqCu COG was applied to define Cu-S ore or waste. As the Pb-Zn ore is sold as a ROM by-product with minimal incremental processing costs, its economic COG is considered to be close to zero and no separate COG has been applied in the Ore Reserve conversion.
- ³ The pit optimisation and COG estimates are based on the forecast Cu price of 75,950 RMB per tonne.
- ⁴ The Ore Reserves are reported on a metric dry tonne basis.
- ⁵ The Ore Reserves are reported at the reference point of ROM stockpile before crushing.
- ⁶ The Ore Reserves are reported inclusive of Mineral Resources.
- ⁷ The Mineral Resources are effective as at 31 August 2026.

9 Mining Assessment

9.1 Mine Operating Status

Mining at the Dabaoshan Polymetallic Mine commenced with the development of the iron ore deposit in 1958 with the operation completed in 1975 at a design capacity of 2.30 Mtpa of ROM ore. Historical iron ore production generally ranged from 1.50 Mtpa to 2.10 Mtpa. Mining was undertaken by conventional open-pit methods using drilling, blasting, excavator loading and truck haulage. Following several decades of mining, most of the limonite resources in the upper part of the deposit were depleted.

Open-pit mining of the copper deposit commenced in 1970, initially targeting mineralisation between exploration lines 37 and 51 above the 590 m elevation. The operation used conventional truck haulage and had a production capacity of approximately 1,000 t/d. Underground mining commenced in October 1998, targeting mineralisation between exploration lines 23 and 37 using inclined-shaft and adit access, with rail haulage and hoisting of ore and waste. The underground operation had a production capacity of approximately 2,000 t/d and has since ceased production.

The current operation is carried out by open pit mining, primarily targeting copper and sulphur mineralisation, with comprehensive recovery of limonite, lead zinc ore and low grade copper sulphur ore stripped during mining.

The planned total mining capacity is expanded to 6.60 Mtpa, comprising 3.60 Mtpa of copper–sulphur ore, 2.80 Mtpa of porphyry copper ore and up to 0.20 Mtpa of lead–zinc ore. The saleable products comprise copper concentrate, sulphur concentrate and lead–zinc ROM ore. Production data for the last three years are summarised in Table 9-1.

Table 9-1: Dabaoshan Mine Historical Production

Type	Unit	2023	2024	2025	31 August 2026
Ore Mined	kt	3,297	3,290	3,300	2,026
Ore Mined by Product	kt	285	484	392	196
Waste Mined	kt	2,410	2,661	2,230	1,069
Total Mined	kt	5,991	6,435	5,922	3,292
Ore Milled	kt	3,626	3,614	3,558	2,311
Cu Milled Grade	%	0.47	0.46	0.46	0.43
S Milled Grade	%	16.71	15.13	14.82	15.20
Cu Milled Metal	t	17,008	16,587	16,365	9,938
S Milled Metal	t	605,987	546,752	527,241	351,286

Source: Dabaoshan Polymetallic Mine

9.2 Geotechnical and Hydrologic Considerations

9.2.1 Geotechnical Considerations

Geotechnical conditions at the Dabaoshan Polymetallic Mine are variable, reflecting the complex geological setting, lithological variations and weathering profile within the deposit area. SRK reviewed the available geotechnical investigations, slope stability analyses and design criteria provided in the 2026 FS. The available information is considered adequate for the current Feasibility Study level assessment, although additional geotechnical data collection and slope performance monitoring during mining would support further refinement and optimisation of pit slope parameters.

Rock mass quality is generally moderate, with variations related to lithology and weathering conditions. Porphyritic andesite and limestone within the moderately to slightly weathered zones generally exhibit RQD values of approximately 57% to 70%, while tuff generally exhibits poorer rock mass quality with RQD values of approximately 35%. The key geotechnical controls on slope stability are considered to be rock mass quality, weathering intensity and the presence of weaker geological units, particularly tuff and overburden materials.

Laboratory test results indicate that intact rock strength generally increases with depth and decreases with increasing weathering intensity. Semi-weathered sandstone and andesite exhibit relatively lower strength characteristics, while fresh sandstone, limestone and andesite are significantly stronger, with skarn representing the strongest lithological unit tested. Rock mass mechanical parameters show a similar trend, with cohesion and friction angle increasing from strongly weathered to slightly weathered conditions. Tuff and overburden materials, including silty clay and loose fill, exhibit comparatively lower shear strength parameters.

Dynamic loading and groundwater conditions have been considered in the slope stability assessment. Blast vibration effects have been incorporated using a vibration influence coefficient of 0.031. Seismic loading has been assessed in accordance with GB 18306-2015, with the mine area classified as a 6-degree seismic fortification zone, corresponding to a peak ground acceleration (PGA) of 0.05g and a reduction factor of 0.25 applied in stability calculations. Field investigations indicate that no stable groundwater table has been identified within the pit slopes. Historical underground workings have provided effective drainage of the rock mass, and groundwater pressure is not considered a major controlling factor for current slope stability conditions.

Slope stability analyses have been completed for representative sections using limit equilibrium methods, including Simplified Bishop and Morgenstern–Price methods for circular failure analyses, and Spencer and Morgenstern–Price methods for non-circular failure analyses. The analyses considered static, blast-induced and seismic loading conditions. The calculated factors of safety generally range from approximately 1.18 to greater than 1.30, with some sections exceeding 1.5. The results indicate that the proposed slope configurations are acceptable for the current Feasibility Study level design and are consistent with the applicable design safety criteria for the relevant slope classes and loading conditions.

Based on the geotechnical assessments, conservative slope parameters have been adopted for the final pit design. Overall pit slope angles vary by geological and structural conditions, ranging from approximately 32° to 45° across different slope zones. Overburden and surface soil slopes are designed at angles not exceeding 35°. The operational bench height is 12 m, with two 12 m benches combined into a 24 m final bench configuration near the pit limits in semi-weathered and fresher rock

APPENDIX III

COMPETENT PERSON’S REPORT

units. Bench face angles vary according to rock quality, ranging from approximately 41° to 48° in overburden and soil materials, 43° to 55° in strongly weathered rock, 48° to 63° in semi-weathered rock, and 51° to 68° in slightly weathered and fresh rock.

SRK considers the adopted slope parameters reasonable for the current Feasibility Study level and consistent with the available geotechnical information and applicable design criteria. During the site visit, SRK observed that the mine has established a slope monitoring system to support ongoing assessment of pit slope stability. Continued slope performance monitoring and collection of additional geotechnical data during mining are recommended to support future refinement and optimisation of pit slope configurations.

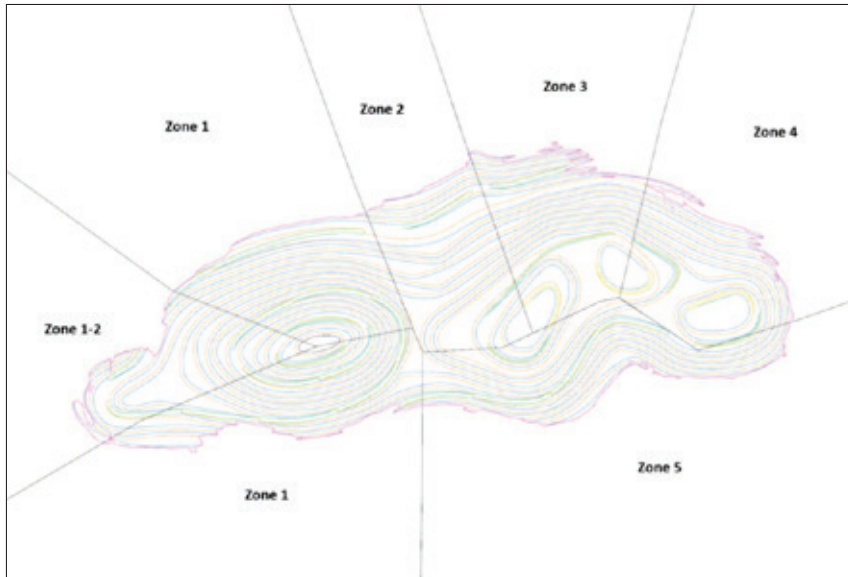
Figure 9-1 and Table 9-2 present the pit slope angles by zone for the Dabaoshan Polymetallic Mine.

Table 9-2: Pit Slope Angles by Zone for the Dabaoshan Polymetallic Mine

Zone	Overall Pit Slope
1	40.8
1-2	32.2
2	33.5
3	44.7
4	38.8
5	45.1

Source: FS 2026

Figure 9-1: Slope Zoning Plan



Source: FS 2026

9.2.2 Hydrologic Considerations

The Dabaoshan Polymetallic Mine is located in mountainous terrain, with the open pit elevation ranging from approximately +896m to +368m. The hydrological conditions vary significantly with elevation, with approximately +632m representing the transition between natural drainage conditions and active dewatering requirements. Above this elevation, mining is conducted on hillslopes, where surface runoff is mainly intercepted and discharged through bench-top diversion ditches. Below this elevation, the open pit forms a topographic depression and requires active pumping to manage accumulated water.

The region experiences a humid climate with relatively high rainfall. According to the 2026 FS, the long-term average annual precipitation is approximately 1,816mm, with approximately 153 rainy days per year. The maximum recorded daily rainfall is 286mm, and heavy rainfall events exceeding 50mm/day occur approximately 7 times per year. Due to the large exposed area of the open pit, direct rainfall and associated surface runoff represent the primary sources of mine water inflow, particularly during heavy rainfall events.

Groundwater inflow is considered a secondary contributor to total pit inflows. Groundwater occurs mainly within fractured carbonate and fractured bedrock aquifers, which generally exhibit low to moderate permeability, with hydraulic conductivities ranging from approximately 0.003m/day to 0.431m/day according to the 2026 FS. Existing underground workings have provided effective drainage of the rock mass through an adit located at approximately +430m, with long-term monitored discharge of approximately 4,830m³/day. Localised groundwater inflows associated with faults and fracture zones may occur; however, these are not considered a major constraint to current mining operations, as major faults do not generally intersect highly permeable formations or connect with significant surface water bodies.

Surface water has limited hydraulic influence on the open pit. Local streams are generally small and rainfall dependent, with limited infiltration contribution to pit inflows.

Below approximately +632m elevation, mine water is managed through two main dewatering systems centred on the +313m and +457m pump stations. The systems utilise staged pumping through intermediate pump stations and sumps before discharge to external settling ponds and local drainage channels. According to the 2026 FS, the dewatering systems have been designed to accommodate predicted inflows under both normal operating conditions and design storm events. The installed pumping capacity is considered sufficient to manage the expected mine water inflows throughout the current mine plan.

SRK considers that the existing dewatering infrastructure is adequate for the current Feasibility Study level assessment. Monitoring of pit inflows and pumping performance during operations will assist in confirming dewatering requirements and identifying opportunities for future system optimisation.

9.3 Pit Optimisation

9.3.1 Mining Block Model

The mine design and resource estimation within the pit design were based on Mineral Resource block model developed by SRK., with an effective date of 31 August 2026. The model was provided in Surpac block model (mdl) format.

APPENDIX III

COMPETENT PERSON’S REPORT

Key parameters of the block model are summarised in Table 9-3 below. SRK converted the mdl to a Mining Block Model in Datamine Block Model (.dm) format for mine planning purposes in Deswik™.

Table 9-3: Resource Block Model Parameters

Range	Min	Max
Easting	470,300	472,400
Northing	2,715,700	2,718,904
Elevation	-520	1100
X size	12	12
Y size	12	12
Z size	12	12
Rotation	-	-

Source: SRK (2026)

9.3.2 Pit Optimisation Parameters

The conversion of Mineral Resources into mineable open pit Ore Reserves requires the application of appropriate modifying factors, including open pit optimisation. Open pit optimisation applies physical, technical and economic parameters to the Mineral Resource block model to define a series of potential economic pit shells. The selected pit shell provides the basis for the subsequent pit design and mine planning process.

SRK utilised Whittle™ software for open pit optimisation. Whittle™ applies a range of revenue factors (“RF”) to the base case economic assumptions to generate a series of nested pit shells. Each pit shell represents a different economic scenario, with lower RF values generating smaller pit shells and higher RF values generating larger pit shells. The selected pit shell was used as the basis for the final pit design.

A summary of the pit optimisation parameters is presented in Table 9-4.

Table 9-4: Pit Optimisation Parameters

Optimisation Parameters	Units	Value
Copper Price	RMB/t	75,950
Royalty	%	1.2
Processing Recovery	%	86.18
Mining Cost	RMB/t Ore mined	6.8
Stripping Cost	RMB/t Waste mined	8.7
Labor Cost	RMB/t feed	18
Materials Cost	RMB/t feed	34
Fuel and Power Cost	RMB/t feed	21
Safety Cost	RMB/t feed	7
Environmental Cost	RMB/t feed	25
Employee Transportation Cost	RMB/t feed	1
Product Transportation Cost	RMB/t feed	2
Maintenance Cost	RMB/t feed	10
Rental Cost	RMB/t feed	8
Outsourced Services Cost	RMB/t feed	5
Others Cost	RMB/t feed	11

APPENDIX III

COMPETENT PERSON’S REPORT

Optimisation Parameters	Units	Value
G&A Cost and others	RMB/t feed	41
Selling Cost	RMB/t feed	3
R&D Expense	RMB/t feed	18
OSA	degree	42
Ore Loss	%	2.5
Ore Dilution	%	2.5

Source: CMF, Dabaoshan Polymetallic Mine and SRK

Dilution and Ore loss

Dilution within the orebody typically arises from several factors, including excessive blasting, poor selectivity during loading operations, and the inadvertent mixing of waste and ore by operators. This results in an increase in the tonnage but a decrease in the grade of the ROM delivered as process feed.

Ore loss often occurs because machinery may not be able to access all areas of the orebody or due to conservative blast designs that leave some ore unfragmented.

A 2.5% dilution and 2.5% ore loss were derived from 2026 FS and historical reconciliation records. SRK considers these figures to be reasonable for an open pit operation.

9.3.3 Pit Optimisation Results

A series of nested pit shells were generated using Whittle™ software based on a range of revenue factors (“RF”) applied to the base case copper price. Economic parameters included a discount rate of 10% and a nominal copper price of RMB 75,950/t. The results of the pit optimisation are summarised in Table 9-5.

Three optimisation scenarios were automatically generated by Whittle™ software:

- Best case: Each of the pit shells is mined sequentially, one after the other.
- Worst case: The final pit is mined bench by bench.
- Specified case: This scenario is based on predefined pushback geometries.

The RF 1.0 pit shell was selected as the basis for the final pit design, as it represents the maximum economic pit limit under the base case assumptions. This shell has a total tonnage of 66,337 kt, including 314,509 kt of ROM.

Pit shell 8 is used for conceptual pushbacks in the purpose of production scheduling.

A pit-by-pit graph of the Measured and Indicated Mineral Resource is shown in Figure 9-2.

Table 9-5: Whittle Pit Optimisation Results (Discount rate @ 10%)

Pit Shell	Rev Factor	Best Case (RMB M)	Worst Case (RMB M)	Specified Case (RMB M)	Total (kt)	Ore (kt)	Waste (kt)	Strip Ratio (t/t)
1	0.30	3,769	3,769	3,769	13,035	8,070	4,965	0.62

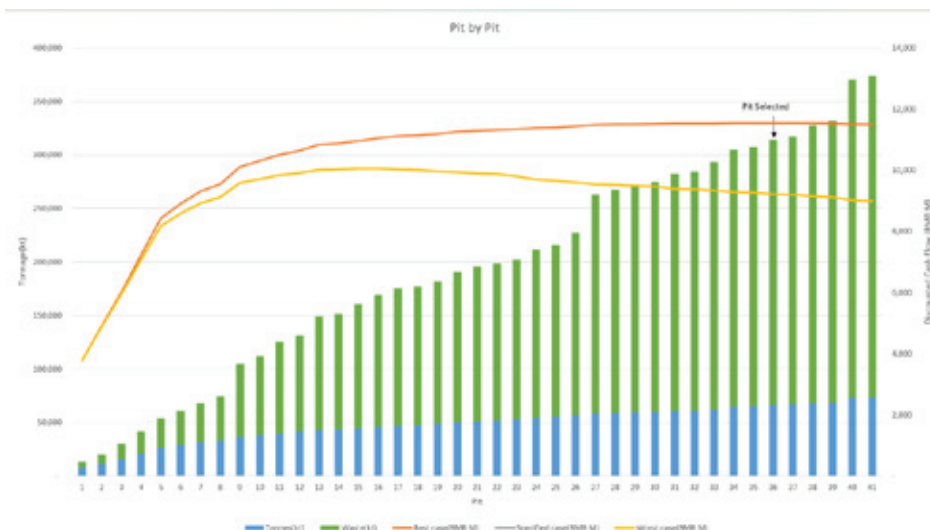
APPENDIX III

COMPETENT PERSON’S REPORT

Pit Shell	Rev Factor	Best Case (RMB M)	Worst Case (RMB M)	Specified Case (RMB M)	Total (kt)	Ore (kt)	Waste (kt)	Strip Ratio (t/t)
2	0.32	4,924	4,898	4,898	19,970	11,716	8,254	0.70
3	0.34	6,039	5,966	5,966	30,207	15,746	14,461	0.92
4	0.36	7,232	7,073	7,073	41,633	20,742	20,891	1.01
5	0.38	8,435	8,173	8,173	54,295	26,511	27,784	1.05
6	0.40	8,910	8,592	8,592	61,108	29,237	31,871	1.09
7	0.42	9,303	8,922	8,922	68,027	31,684	36,344	1.15
8	0.44	9,548	9,120	9,120	74,433	33,329	41,104	1.23
9	0.46	10,106	9,582	9,582	105,116	36,619	68,498	1.87
10	0.48	10,299	9,713	9,713	112,323	38,183	74,140	1.94
11	0.50	10,500	9,836	9,836	125,487	39,859	85,628	2.15
12	0.52	10,638	9,911	9,911	131,329	41,449	89,880	2.17
13	0.54	10,833	10,009	10,009	149,108	43,200	105,908	2.45
14	0.56	10,883	10,023	10,023	151,671	43,858	107,814	2.46
15	0.58	10,962	10,054	10,054	160,534	44,711	115,823	2.59
16	0.60	11,043	10,056	10,056	169,500	45,857	123,642	2.70
17	0.62	11,115	10,025	10,025	175,361	47,218	128,144	2.71
18	0.64	11,140	10,016	10,016	177,306	47,736	129,571	2.71
19	0.66	11,189	9,961	9,961	181,760	48,959	132,801	2.71
20	0.68	11,257	9,932	9,932	190,412	50,340	140,072	2.78
21	0.70	11,293	9,898	9,898	195,896	51,239	144,657	2.82
22	0.72	11,314	9,878	9,878	198,984	51,800	147,184	2.84
23	0.74	11,341	9,804	9,804	202,167	52,949	149,218	2.82
24	0.76	11,383	9,688	9,688	211,401	54,685	156,716	2.87
25	0.78	11,402	9,649	9,649	215,628	55,490	160,138	2.89
26	0.80	11,436	9,602	9,602	227,518	56,815	170,703	3.00
27	0.82	11,491	9,537	9,537	263,005	58,539	204,465	3.49
28	0.84	11,499	9,519	9,519	267,618	58,932	208,686	3.54
29	0.86	11,505	9,498	9,498	270,504	59,264	211,240	3.56
30	0.88	11,512	9,465	9,465	274,848	59,871	214,977	3.59
31	0.90	11,522	9,382	9,382	282,450	61,131	221,319	3.62
32	0.92	11,524	9,372	9,372	284,342	61,338	223,004	3.64
33	0.94	11,528	9,332	9,332	293,619	61,995	231,624	3.74
34	0.96	11,540	9,277	9,277	304,981	65,027	239,954	3.69
35	0.98	11,541	9,261	9,261	307,639	65,422	242,217	3.70
36	1.00	11,542	9,211	9,211	314,509	66,337	248,171	3.74
37	1.02	11,541	9,199	9,199	317,337	66,864	250,472	3.75
38	1.04	11,537	9,148	9,148	327,547	68,129	259,419	3.81
39	1.06	11,534	9,124	9,124	332,269	68,637	263,632	3.84
40	1.08	11,503	9,010	9,010	370,217	73,091	297,126	4.07
41	1.10	11,500	8,986	8,986	373,483	73,413	300,069	4.09

Source: SRK (2026)

Figure 9-2: Pit by Pit Graph with Preliminary Cash Flow @ 75,950 RMB/t Copper Price



Source: SRK

9.4 Pit Design

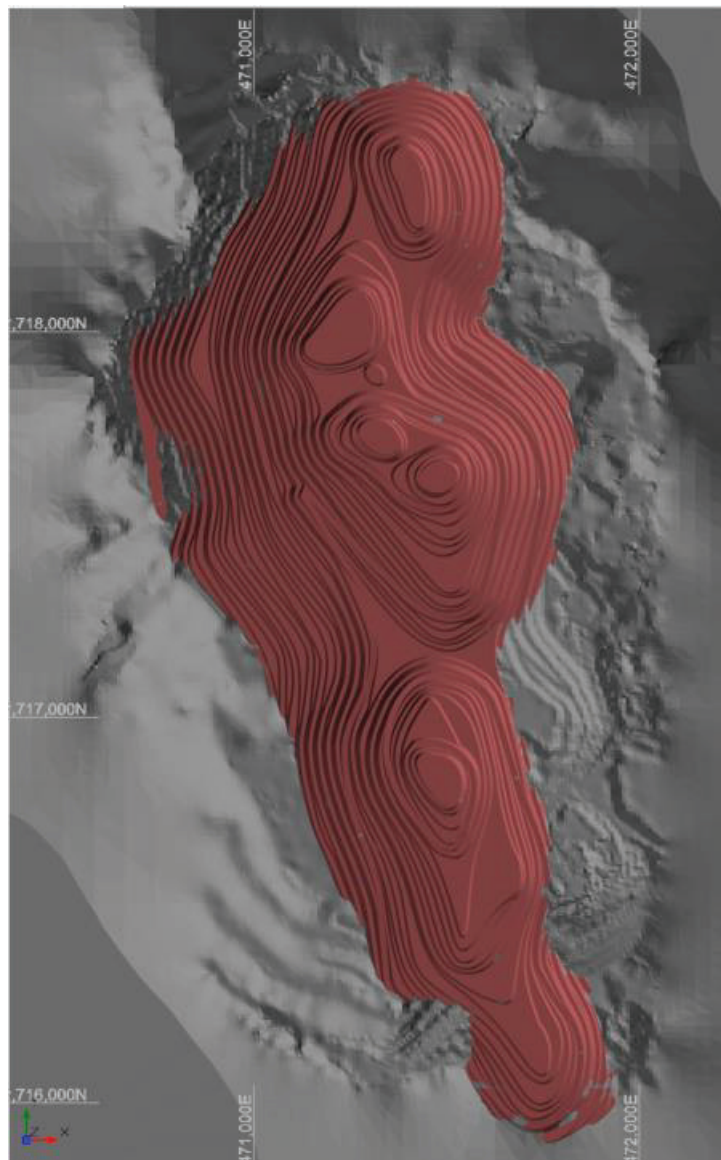
The ramp design parameters adopted for the pit design are based on the 2026 FS and are summarised below:

- Ramp Grade: 8%
- Ramp Width (single lane): 6 m
- Ramp Width (double lane): 12 m

Single-lane ramps are implemented at the pit bottom when the benches begin to narrow, and mining rates are significantly reduced.

Figure 9-3 shows the final pit design and Table 9-6 shows the summary of pit design parameters. Figure 9-4 shows the bench-by-bench tonnage.

Figure 9-3: Final Pit Design

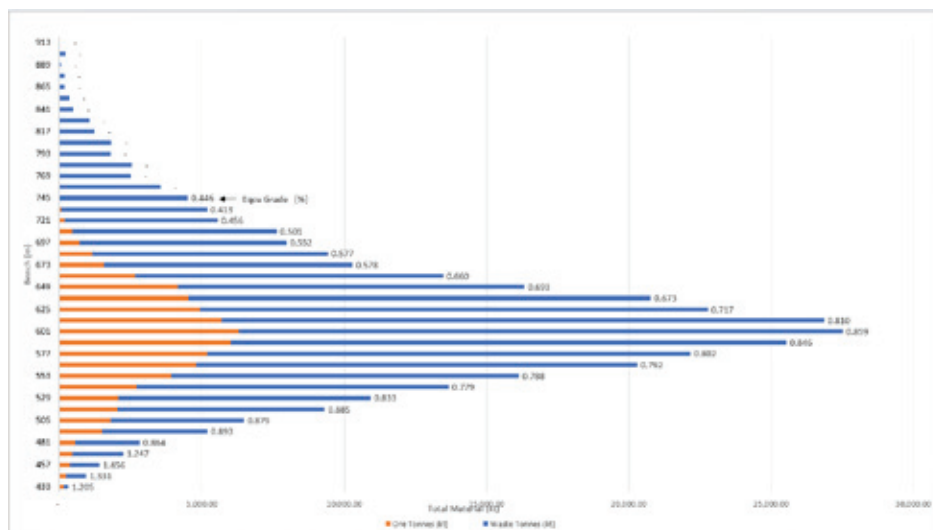


Source: SRK (2026)

APPENDIX III

COMPETENT PERSON’S REPORT

Figure 9-4: Bench by Bench Tonnage



Source: SRK (2026)

Table 9-6: Summary of Pit Design Parameter

Item	Unit	Value
Terrain	mRL	913
Bottom of the pit	mRL	433
Open pit length	m	2680
Open pit width	m	1040
Bench height	m	12
Double bench height	m	24
Bench Face Angle (“BFA”) for Fresh Rock	°	65
BFA for the weathered zone	°	45
Berm Width	m	10
OSA for Fresh Rock	°	32.2-45.1

Source: FS 2026

9.5 Mining Operations

The Dabaoshan Polymetallic Mine applies a conventional open pit mining method using a top-down, and bench by bench mining approach. Mining operations are undertaken by Hongda Blasting Engineering Group Co., Ltd as the mining contractor. Under the current mining contract, Hongda Blasting Engineering Group is responsible for mining activities and transportation of mined material to the designated delivery points for handovers.

Drilling and blasting are used for rock fragmentation. Production drilling is undertaken using down-the-hole (“DTH”) drill rigs, followed by deep-hole delayed blasting. The normal production blasting method is a controlled deep-hole millisecond blasting approach, with emulsion explosives initiated using electronic detonators.

APPENDIX III

COMPETENT PERSON’S REPORT

Following blasting, excavators are used to load blasted ore and waste material into haul trucks for transportation to the stockpiles and waste dumps. Oversized fragments generated during blasting are reduced using hydraulic breakers mounted on excavators prior to handling and transportation.

The mining methods are considered appropriate for the current open pit design and production requirements. Mining progresses from upper benches downward in accordance with the designed pit geometry.

9.6 Equipment

Material is blasted and subsequently loaded into trucks using 6m³ excavators and loaded and hauled by trucks with a capacity of 70 tonnes. 2026 FS has provided the list of primary and ancillary equipment, which is summarised in Table 9-7.

The existing drilling fleet comprises five DTH drill rigs, with eight additional units proposed. Ten new 6m³ excavators are proposed for waste-rock loading, while the existing 3m³ excavators will continue to be used for selective ore loading. The existing 2.0m³ and 2.5m³ excavators will support ancillary loading activities. No additional haul trucks are required, as the existing fleet exceeds the estimated requirement.

SRK notes that the existing combination of 3m³ excavators and 70t haul trucks requires a relatively high number of loading passes and is not considered an efficient match for bulk waste-rock loading. This issue was also observed during SRK’s site visit. The proposed 6m³ excavators would provide a more appropriate match for the 70t trucks and are considered suitable for waste-rock loading. The continued use of smaller excavators for ore loading is reasonable, as it provides greater selectivity and assists with controlling mining dilution and ore loss. As the existing haul-truck fleet exceeds the estimated requirement, SRK considers that the proposed equipment fleet is adequate for the planned production capacity and does not represent a material operational risk.

In addition, the mine’s existing maintenance workshop and spare parts inventory are expected to be sufficient to support the maintenance requirements associated with the additional equipment, thereby supporting continued production.

Table 9-7: Primary and Ancillary Equipment List

Equipment	Specification	Unit(s)
Drilling Rig	Φ150mm	13
Excavator	6m ³	10
Excavator	3m ³	20
Excavator	2.5m ³	1
Excavator	2m ³	4
Dump Truck	70t	115

Source: FS 2026

9.7 Waste Rock Dump Design

The Waste Rock Dump (WRD) is located west of the final pit limit, as indicated in Figure 9-5. The WRD is designated for the deposition of waste rock generated from Dabaoshan Polymetallic Mine. The total planned footprint of the dump is approximately 270 hectares.

APPENDIX III

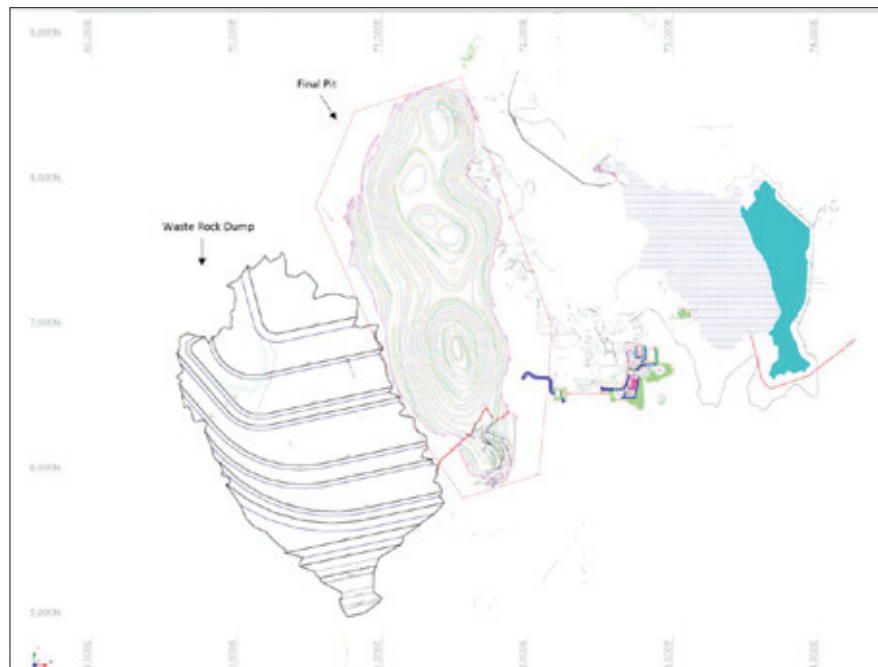
COMPETENT PERSON’S REPORT

The maximum dump height is approximately 304m, with the dump elevation ranging from 453m to 757mASL. The dump is designed with 38m high major lifts, separated by 40m wide safety benches between each major lift. The overall slope angle is approximately 10.1°.

The 2026 FS considered the construction of additional WRD capacity due to the larger final pit design and higher waste rock generation associated with the FS mine plan. Three potential locations for additional waste rock dumps were identified; however, due to land acquisition constraints, the development of additional WRD facilities is considered challenging. The 2026 FS therefore recommended optimising the existing WRD to maximise available storage capacity and managing the remaining waste rock through integrated utilisation.

Considering the smaller final pit designed by SRK and the planned waste rock utilisation, SRK reviewed the remaining capacity of the existing WRD against the projected waste rock volume generated from the SRK mine plan. The review indicates that the existing WRD capacity is sufficient to accommodate the waste rock requiring disposal under the SRK mine plan.

Figure 9-5: Waste Rock Dump Location



Source: FS 2026 and SRK

9.8 Mine Production Plan

The Life of Mine (“LOM”) production schedule was developed using the Deswik™ suite software. The production schedule was prepared on an annual basis, with the following assumptions applied:

APPENDIX III

COMPETENT PERSON’S REPORT

- Only Measured and Indicated Mineral Resources above the copper cut-off grade of 0.30% were included in the production schedule as ROM material.
- Ore is classified into Cu-S ore and by-product ore. By-product ore is planned to be sold as ROM ore.
- Inferred Mineral Resources and material below the copper cut-off grade of 0.30% were not included as ROM material and were scheduled as waste.
- A conceptual pushback was developed to maintain ROM supply and balance the stripping ratio.
- The maximum annual total material movement was limited to 35,671ktpa.
- The vertical lag between mining phases was restricted to a maximum of six benches.

The LOM production schedule was developed by SRK using Deswik software based on the resource model, final pit design, planned mining sequence and annual mining requirements. The schedule incorporates grade management and ore blending considerations at the long-term planning level based on the distribution of mining blocks and planned material movements. Copper grade management was considered as a key scheduling objective; however, no additional constraints were applied to specifically balance sulphur grades. Applying further sulphur grade constraints would introduce additional limitations to the schedule and may affect copper grade distribution and overall production outcomes.

The LOM production schedule represents a long-term planning scenario developed at an annual production scale and does not fully capture the operational flexibility available during mine execution. During actual operations, the mining sequence and ore blending strategy can be adjusted based on grade control information, mining conditions and processing requirements. By blending materials from different mining areas and grade ranges, the operation can manage plant feed characteristics and reduce short-term fluctuations in copper and sulphur grades. Therefore, the actual plant feed grades may differ from the annual grades presented in the LOM production schedule and are expected to be subject to operational adjustments.

The results of the mining scheduling and ore blending scheduling are shown in Table 9-8, Table 9-9, Figure 9-6 and Figure 9-7.

The LOM is approximately 13 years, commencing in 1 September 2026. The scheduled ROM amount is 63,708 kt Cu-S ore and 204 kt Pb-Zn ore with Cu grade of 0.43%, S grade of 14.5%, Pb grade of 1.86% and Zn grade of 6.4%, and the total Cu contained metal is 276.48kt, S contained metal is 9,236.92kt, Pb contained metal is 3.79kt and Zn contained metal is 13.09kt. The waste amount is 265,471 kt with the average stripping ratio of 4.15.

APPENDIX III

COMPETENT PERSON'S REPORT

Table 9-8: Mine Production Schedule

Item	Cu-S Ore Tonnes (kt)	Cu Grade (%)	Cu Contained Metal (kt)	S Grade (%)	S Contained Metal (kt)	Pb-Zn Ore Tonnes (kt)	Pb Grade (%)	Pb Contained Metal (kt)	Zn Grade (%)	Zn Contained Metal (kt)	Ore Tonnes (kt)	Waste Tonnes (kt)	Total Tonnes (kt)	Stripping Ratio (t/t)
LOM	63,708	0.43	276.48	14.50	9,236.92	204	1.86	3.78	6.41	13.08	63,912	265,471	329,383	4.15
2026/9/1	1,250	0.45	5.67	18.58	232.21	2	0.89	0.01	2.96	0.05	1,251	12,900	14,151	10.31
2027	3,010	0.48	14.46	16.59	499.31	2	0.99	0.02	3.77	0.08	3,012	28,997	32,009	9.63
2028	3,218	0.46	14.87	15.99	514.56	1	0.60	0.01	2.84	0.03	3,219	24,996	28,215	7.76
2029	3,694	0.40	14.92	15.07	556.46	6	1.57	0.09	3.66	0.22	3,700	24,996	28,696	6.76
2030	4,993	0.45	22.65	14.83	740.43	79	2.12	1.68	6.51	5.16	5,072	24,755	29,827	4.88
2031	5,592	0.41	22.97	12.78	714.45	86	2.03	1.74	7.55	6.47	5,678	29,993	35,671	5.28
2032	6,497	0.44	28.55	13.46	874.51	13	0.89	0.11	4.70	0.59	6,509	27,208	33,718	4.18
2033	6,500	0.41	26.48	13.23	859.68	16	0.76	0.12	3.11	0.49	6,516	23,075	29,590	3.54
2034	6,396	0.42	27.06	13.47	861.44	-	-	-	-	-	6,396	20,596	26,992	3.22
2035	6,129	0.42	25.91	14.47	887.11	-	-	-	-	-	6,129	15,581	21,710	2.54
2036	6,297	0.44	27.79	15.10	950.75	-	-	-	-	-	6,297	11,593	17,890	1.84
2037	6,335	0.45	28.59	16.22	1,027.50	-	-	-	-	-	6,335	10,406	16,741	1.64
2038	3,798	0.44	16.54	13.65	518.52	-	-	-	-	-	3,798	10,375	14,173	2.73

Source: SRK (2026)

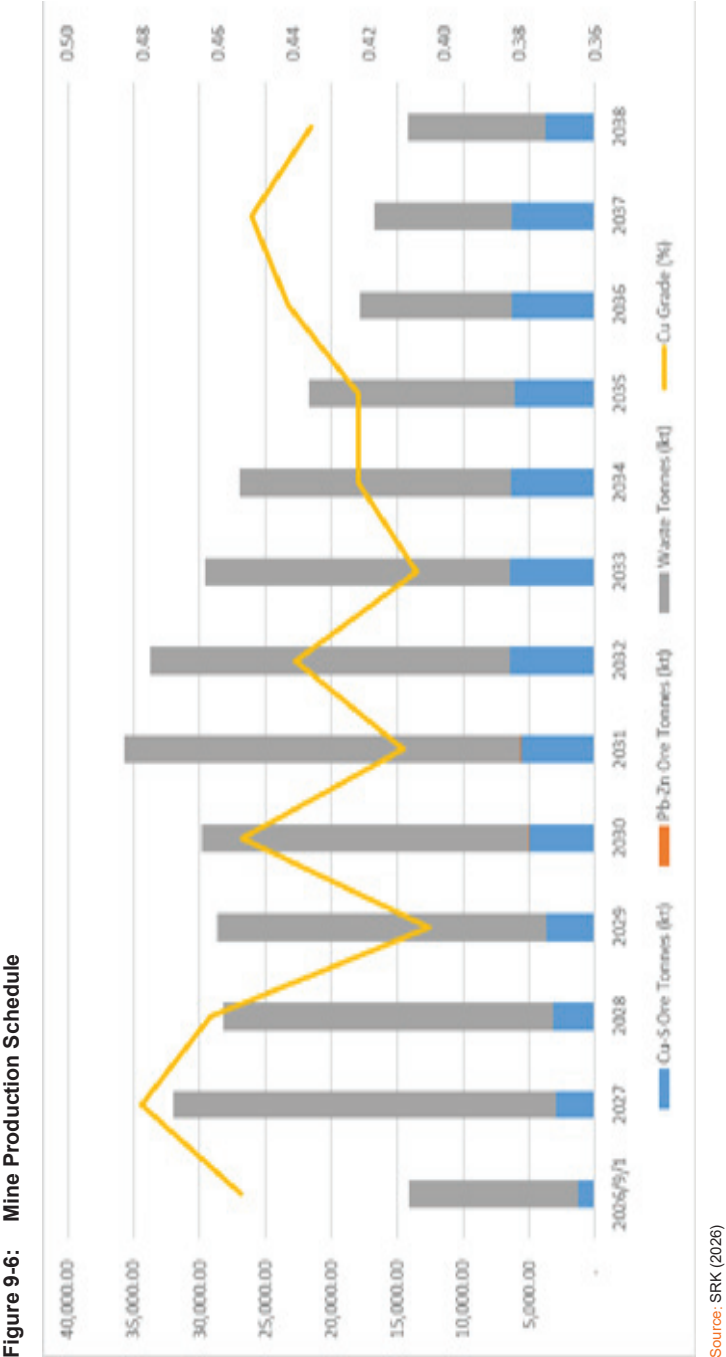
APPENDIX III

COMPETENT PERSON'S REPORT

Table 9-9: Ore Blending Schedule

Item	Cu-S Ore Tonnes (kt)	Cu Grade (%)	Cu Contained Metal (kt)	S Grade (%)	S Contained Metal (kt)	Pb-Zn Ore Tonnes (kt)	Pb Grade (%)	Pb Contained Metal (kt)	Zn Grade (%)	Zn Contained Metal (kt)	Ore Tonnes (kt)
LOM	63,708	0.43	276.48	14.50	9,236.92	204	1.86	3.78	6.41	13.08	63,912
2026/ 9/1	1,100	0.45	4.99	18.55	204.12	2	0.89	0.01	2.96	0.05	1,102
2027	3,159	0.48	15.15	16.69	527.39	2	0.99	0.02	3.77	0.08	3,162
2028	3,218	0.46	14.87	15.99	514.56	1	0.60	0.01	2.84	0.03	3,219
2029	3,300	0.43	14.08	16.23	535.50	6	1.57	0.09	3.66	0.22	3,306
2030	3,300	0.42	13.75	13.38	441.48	79	2.12	1.68	6.51	5.16	3,379
2031	6,400	0.43	27.84	13.82	884.49	86	2.03	1.74	7.55	6.47	6,486
2032	6,400	0.43	27.84	13.36	855.21	13	0.89	0.11	4.70	0.59	6,413
2033	6,400	0.43	27.84	14.15	905.43	16	0.76	0.12	3.11	0.49	6,416
2034	6,400	0.43	27.73	13.88	888.23	-	-	-	-	-	6,400
2035	6,400	0.42	26.94	14.34	917.57	-	-	-	-	-	6,400
2036	6,400	0.42	26.64	14.06	900.13	-	-	-	-	-	6,400
2037	6,400	0.44	27.84	15.43	987.35	-	-	-	-	-	6,400
2038	4,830	0.43	20.96	13.99	675.47	-	-	-	-	-	4,830

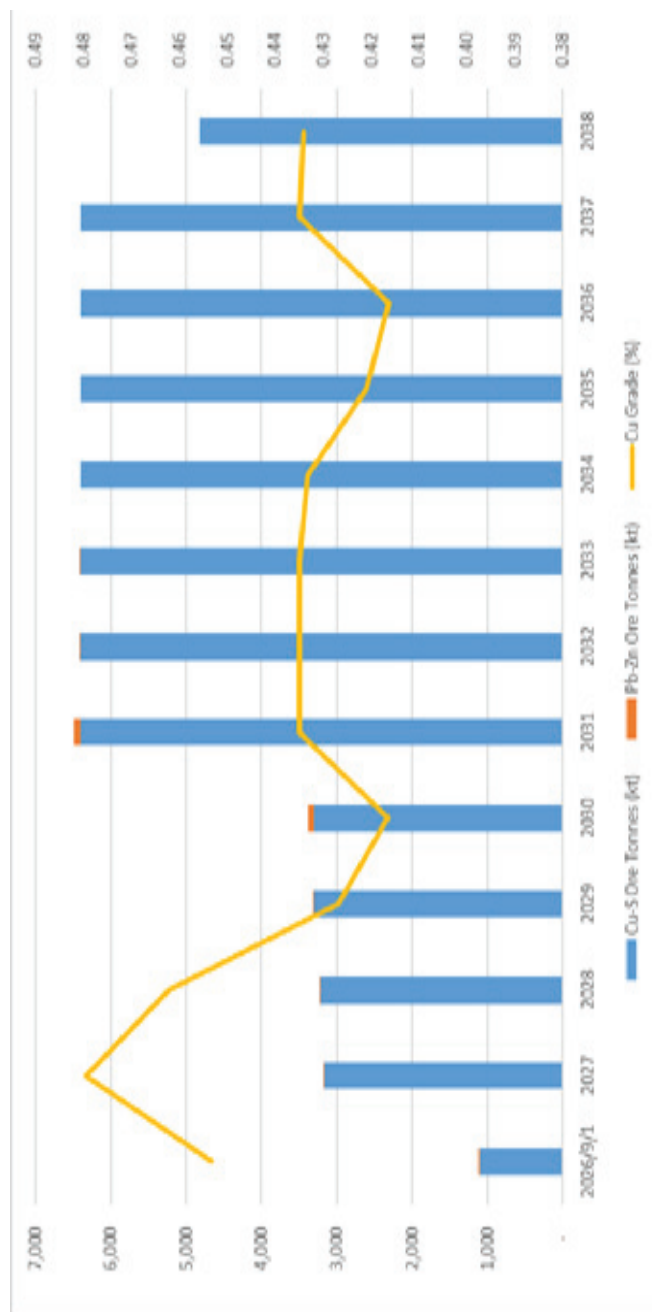
Source: SRK (2026)



APPENDIX III

COMPETENT PERSON’S REPORT

Figure 9-7: Ore Blending Schedule



Source: SRK (2026)

10 Processing Assessment

10.1 Introduction

Dabaoshan is a large mine with a long operating history and complex polymetallic mineralization, comprising several separate deposits of different metals, including an iron deposit, a copper–sulfur deposit, a lead–zinc deposit, and a molybdenum deposit. The mine was established in 1958 and entered formal production in 1966, initially focusing on iron ore extraction. The iron ore has now been fully depleted, and the operation has evolved into a large integrated enterprise engaged in the mining and processing of copper–sulfur ore, lead–zinc ore, and molybdenum ore.

The Dabaoshan copper–sulfur concentrator was designed by the Guangdong Nonferrous Metallurgy Design Institute and constructed in June 1970 with a design capacity of 250 t/d. Expansion commenced in November 1975 and was completed in January 1980, increasing the design capacity to 600 t/d. The plant was shut down in 1984 and restarted in 1989, but the actual mining and processing capacity was only approximately 300 t/d.

In 1995, construction of the Phase I copper concentrator with a capacity of 1,000 t/d was undertaken, based on a design by the Changsha Nonferrous Mining Design Institute. Phase I was commissioned in October 1996. To further expand copper production, monitor and control the impact of underground artisanal/unauthorized mining on the copper–sulfide orebody, and make fuller use of the Mineral Resources, Dabaoshan Mine proceeded with construction of the Phase II copper concentrator with a capacity of 2,000 t/d. Construction commenced in 1998 and trial production began in June 1999. Drawing on the operating experience of Phase I, Phase II trial production was successful, and the plant reached nameplate capacity and design performance in the same year. As a result, the copper ore mining and processing capacity increased to 2,000 t/d, and the operation established a dual iron-and-copper production profile, achieving the original development objective of concurrent iron and copper production.

Underground mining of the copper–sulfur ore ceased in August 2005. The mine is designed for a production rate of 3.3 Mt/a of copper–sulfide run-of-mine ore, and a new copper–sulfide concentrator has been constructed with a matching processing capacity of 3.3 Mt/a. The original copper–sulfide concentrator has been converted into an integrated utilization pilot plant, which is currently used to process lead–zinc ore produced as a by-product of copper–sulfide mining.

In November 2024, Changsha Mining Research Institute Co., Ltd. (“Changsha Mining Institute”) completed the Mineral Processing Test Study Report on Enhanced Recovery and Cleaner Utilization of Copper–Sulfur Ore from Guangdong Dabaoshan Mining Co., Ltd. In May 2025, Changsha Mining Institute completed a further report entitled the Expanded Continuous Flotation Test Study Report on Enhanced Recovery and Cleaner Utilization of Copper–Sulfur Ore from Guangdong Dabaoshan Mining Co., Ltd. These two test reports present the latest process mineralogy and beneficiation test results for Dabaoshan copper–sulfur ore and provide the technical basis for process optimization and performance improvement at the Dabaoshan copper–sulfur concentrator.

In June 2026, Ma’anshan Mining Research Institute (“Ma’anshan Mining Institute”) completed the Feasibility Study Report on Increasing the Mining and Processing Scale of Copper–Sulfur Ore at Guangdong Dabaoshan Mining Co., Ltd. to 20,000 tpd. The study proposes construction of an

APPENDIX III

COMPETENT PERSON’S REPORT

additional 3.3 Mt/a copper–sulfide concentrator, which would double the mining and processing capacity for copper–sulfide ore.

The lead–zinc deposit has not yet been mined on a large scale. No feasibility study has been undertaken for development of the lead–zinc resources. At present, a bulk copper–lead–zinc concentrate and a sulfur (pyrite) concentrate are produced by treating lead–zinc ore generated as a by-product during copper–sulfide mining in the integrated utilization pilot plant. In May 2026, Jiangxi University of Technology completed the "Research on the Technological Development and Mineral Processing Test of the Process for Stably Improving the Indicators of Cu-Pb-Zn Mixed Concentrate from a Complex Cu-S Ore Mining By-product", laying a technical foundation for the by-product lead-zinc ore from copper-sulfur ore and the future development and improvement of lead-zinc deposit and beneficiation indicators.

The Dabaoshan molybdenum resources have not yet been developed. In May 2011, the Guangzhou Research Institute of Nonferrous Metals completed process mineralogy studies and beneficiation test work on Dabaoshan molybdenum ore and prepared the Beneficiability Test Study Report on the Dabaoshan Molybdenum Ore. These study results provide technical support for a feasibility study on the development of molybdenum resources, as well as for the design of a molybdenum concentrator. No feasibility study has yet been carried out for the development and utilization of the molybdenum resources.

10.2 Process Mineralogy of the Copper–Sulfuric Ore

10.2.1 Chemical and Mineralogical Composition of the Ore

The multi-element chemical analysis results are presented in Table 10-1, and the mineralogical composition of the ore is shown in Table 10-2. The data indicates that the principal economically valuable elements in the ore are iron, sulfur, and copper, with gold as additional elements that can be recovered.

Copper occurs mainly as chalcopyrite with minor secondary copper sulfide minerals. Iron and sulfur occur predominantly as pyrite and pyrrhotite. These minerals constitute the primary targets for beneficiation, and the objective of the processing plant is to separate these target minerals from the other minerals in the ore to achieve their concentration and recovery.

The non-metallic (gangue) minerals are relatively diverse, and are dominated by quartz, feldspar, and mica.

Table 10-1: Chemical Composition of the Copper–Sulfide Ore

Element	Cu	Fe	S	SiO ₂	Na ₂ O	CaO	MgO	Al ₂ O ₃
Content (%)	0.43	20.84	16.00	37.51	0.067	5.1	3.67	6.52
Element	Zn	Pb	Mo	Co	C	F	Au (g/t)	
Content (%)	0.078	0.045	0.006	0.0048	0.37	0.34	0.05	

Source: Mineral Processing Test Study Report on Enhanced Recovery and Cleaner Utilization of the Dabaoshan Copper–Sulfide Ore, Changsha Mining Research Institute Co., Ltd., November 2024.

Table 10-2: Mineralogical Composition of the Copper–Sulfide Ore

Mineral	Content (%)	Mineral	Content (%)
Chalcopyrite	0.99	Quartz	18.33

APPENDIX III

COMPETENT PERSON’S REPORT

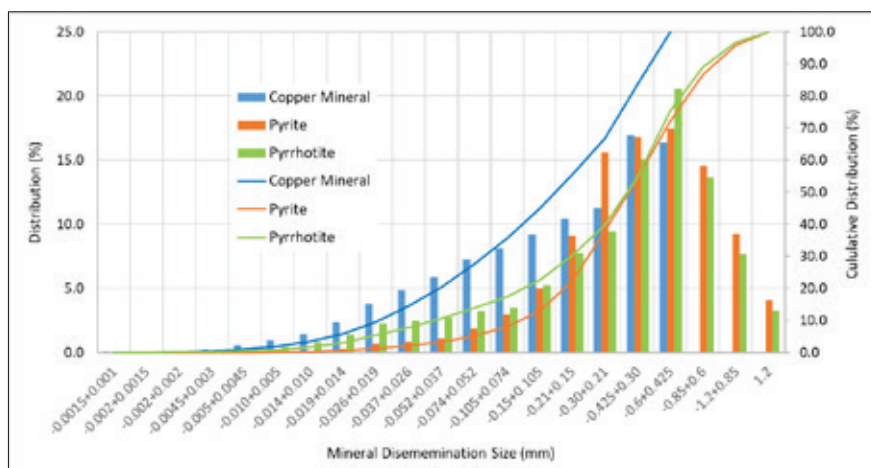
Mineral	Content (%)	Mineral	Content (%)
Chalcocite	0.001	Orthoclase (K-feldspar)	6.18
Tetrahedrite	0.073	Tremolite / Actinolite	4.18
Bornite	0.05	Hedenbergite / Diopside	3.45
Covellite	0.001	Muscovite	8.05
Molybdenite	0.01	Calcite	2.72
Pyrite	20.06	Chlorite / Calcic Chlorite	5.65
Siderite	0.24	Andradite / Almandine	3.44
Magnetite	0.73	Epidote	2.25
Hematite / Limonite	0.72	Phlogopite	4.76
Pyrrhotite	11.72	Plagioclase	1.05
Arsenopyrite	0.05	Biotite	0.45
Galena	0.051	Quartz / Sericite	1.58
Jarosite	0.24	Dolomite / Ankerite	0.45
Sphalerite	0.06	Serpentine	0.32
Bismuthinite	0.01	Talc / Ferroan Talc	0.42
Beudantite	0.05	Rutile	0.21
		Titanite (Sphene)	0.31
		Apatite	0.11
		Clay minerals	0.13
		Gypsum	0.21
		Others	0.63
Subtotal	35.06	Subtotal	64.88

Source: Mineral Processing Test Study Report on Enhanced Recovery and Cleaner Utilization of the Dabaoshan Copper-Sulfide Ore, Guangdong Dabaoshan Mining Co., Ltd., Changsha Mining Research Institute Co., Ltd., November 2024.

10.2.2 Occurrence of the Principal Target Minerals

The grain size distribution of the principal target minerals is shown in Figure 10-1. The copper minerals, pyrite, and pyrrhotite occur predominantly as medium- to coarse-grained particles; however, the copper minerals are finer grained than the other two, indicating that the principal target minerals are readily liberated by grinding. At a grind size of 70% passing 0.074 mm (74 μ m), the degrees of mineral liberation are presented in Table 10-3. The liberation of all target minerals is relatively high, with pyrite showing the highest degree of liberation.

Figure 10-1: Grain Size Distribution of the Principal Target Minerals



APPENDIX III

COMPETENT PERSON’S REPORT

Source: Prepared by SRK based on the *Mineral Processing Test Study Report on Enhanced Recovery and Cleaner Utilization of the Dabaoshan Copper–Sulfide Ore* by Changsha Mining Research Institute.

Table 10-3: Degree of Liberation of Target Minerals at a Grind Size of 70% Passing 74 µm

Mineral	liberated particles (%)	locked particles (%)				liberated and high-grade locked particles (%)
		>3/4	3/4~1/2	1/2~1/4	<1/4	
Copper minerals	71.19	17.73	2.00	2.66	6.42	88.92
Pyrite	77.17	20.48	1.07	0.78	0.49	97.65
Pyrrhotite	43.76	45.14	6.77	2.89	1.43	88.90

Source: *Mineral Processing Test Study Report on Enhanced Recovery and Cleaner Utilization of the Dabaoshan Copper–Sulfide Ore*, Guangdong Dabaoshan Mining Co., Ltd.; prepared by Changsha Mining Research Institute Co., Ltd., November 2024.

■ Copper Minerals

The copper mineralogy is relatively complex and includes chalcopyrite, chalcocite, (arsenian) tetrahedrite, bornite, covellite, and others. Most of the copper is hosted in chalcopyrite, with minor copper occurring in secondary copper sulfides and other minerals.

Chalcopyrite (CuFeS_2), with an average content of 0.99%, is the principal target mineral for copper recovery by beneficiation. Chalcopyrite occurs mainly as xenomorphic (anhedral) or irregular grains, with minor subhedral grains, and has a grain size predominantly in the range of 0.019–0.6 mm. In the –2 mm size fraction, some relatively coarse chalcopyrite grains occur as liberated single grains, while other chalcopyrite is intergrown with gangue minerals, pyrrhotite, pyrite, magnetite, and others.

Most chalcopyrite occurs as irregular grains unevenly distributed within the gangue; a smaller portion is disseminated as fine particles in the gangue. Locally, chalcopyrite fills and replaces along the margins, fractures, and cavities of pyrrhotite and pyrite, forming inclusion textures and replacement (relict) textures. Trace chalcopyrite occurs in intergrowth with magnetite, sphalerite, arsenopyrite, and other minerals, and small amounts of chalcopyrite are intricately mixed with pyrite or pyrrhotite.

Overall, the textural relationships of most chalcopyrite are moderately complex. A minor portion of the chalcopyrite occurs as very fine disseminated grains in the gangue or as fillings in cavities within pyrrhotite or pyrite; for this very fine-grained chalcopyrite, achieving complete liberation by grinding is difficult.

■ Pyrite

Pyrite (FeS_2), with an average content of 20.06%, is both an impurity that must be removed during copper flotation and the principal mineral for the recovery of sulfur and iron. Pyrite occurs as euhedral–subhedral or anhedral grains, with grain sizes predominantly in the range of 0.105–1.2 mm. In the –2 mm size fraction, some pyrite occurs as liberated single grains, mostly euhedral–subhedral, with minor anhedral or brecciated grains. Other pyrite occurs in intergrowths, mainly with gangue minerals and chalcopyrite, and to a lesser extent with magnetite, hematite, limonite, arsenopyrite, and other metallic minerals.

Pyrite commonly hosts fillings of chalcopyrite, pyrrhotite, gangue minerals, and magnetite within intergranular spaces, fractures, and cavities. Magnetite can be observed replacing pyrite along grain margins; pyrrhotite and pyrite locally form colloform textures. Minor pyrite occurs as aggregates of euhedral grains distributed within the gangue. In some areas, pyrite aggregates are developed along the margins of gangue minerals, forming semi-enveloping textures. A small portion of pyrite is locally altered to hematite or limonite, forming pyrite–hematite intergrowths with replacement, relict replacement, or filling textures.

APPENDIX III

COMPETENT PERSON’S REPORT

Compared with the copper minerals, pyrite tends to be coarser grained, better crystallized, and more readily liberated. During grinding, brecciated pyrite breaks down to form well-liberated fine pyrite particles. These fine pyrite grains generally exhibit good floatability and are readily recovered by flotation.

■ Pyrrhotite

Pyrrhotite (Fe_{1-x}S , $x = 0-0.223$), with an average content of 11.72%, is both an impurity that must be removed in copper flotation and a principal mineral for the recovery of sulfur and iron. Pyrrhotite occurs in two structural forms: hexagonal pyrrhotite and monoclinic pyrrhotite. Hexagonal pyrrhotite has relatively poor floatability and weak magnetic properties, whereas monoclinic pyrrhotite exhibits good floatability and strong magnetism, and is therefore amenable to both flotation and magnetic separation.

Pyrrhotite typically occurs as irregular or anhedral grains, with grain sizes mostly in the range of 0.05–1.2 mm. Most pyrrhotite is distributed as anhedral grains within the gangue and is predominantly intergrown with pyrite; minor amounts are intergrown with chalcopyrite and other minerals. A small portion occurs as brecciated or disseminated grains within the gangue. This type of pyrrhotite is fine-grained with complex textural relationships and is difficult to fully liberate.

Incomplete liberation of pyrrhotite may result in unliberated pyrrhotite reporting to the sulfur concentrate during sulfur flotation, thereby lowering the sulfur concentrate grade, or reporting to tailings, negatively impacting sulfur recovery.

10.3 Beneficiation Test Work on the Copper–Sulfuric Ore

A “low-alkali, acid-free” clean copper–sulfur separation flowsheet was adopted. Based on optimization tests on operating conditions, a series of locked-cycle tests were carried out on different flowsheet configurations. The final selected combined process consists of preferential copper flotation, followed by sulfur flotation (pyrite and pyrrhotite) from the rougher copper tailings, and then magnetic separation of the sulfur flotation tailings to recover additional sulfur. This flowsheet produces a copper concentrate, a flotation sulfur concentrate (pyrite and pyrrhotite concentrate), and a magnetic sulfur concentrate (pyrrhotite concentrate). Both the flotation sulfur concentrate and the magnetic sulfur concentrate are treated as sulfur concentrate products. The test flowsheet and conditions are shown in Figure 10-2, and the results are summarized in Table 10-4.

The locked-cycle test on the full flowsheet yielded a copper concentrate grading 21.23% Cu at a copper recovery of 88.34%, and a combined sulfur concentrate grading 46.13% S at a sulfur recovery of 90.31%. These test results are considered satisfactory. However, the gold grade in the copper concentrate is only 0.33 g/t, which is below the threshold for payable gold in concentrate sales.

Using plant production samples, verification tests were conducted in the mine laboratory, applying the same flowsheet and operating conditions as used in the Changsha Mining Institute laboratory tests. Comparable results were obtained using both fresh water and reclaimed water from the tailings storage facility.

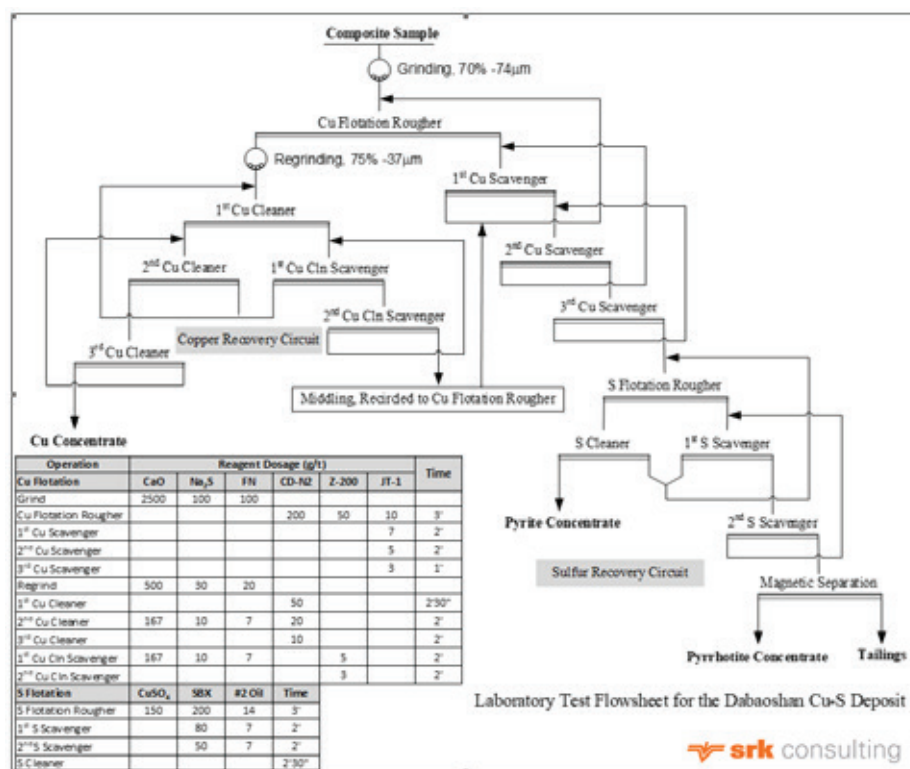
The “low-alkali, acid-free” clean copper–sulfide separation flowsheet was effectively validated in expanded continuous flotation tests. A combined reagent scheme of “CD-N2 + lime + sodium humate (FN) + sodium sulfide” was used as conditioning reagents to depress sulfur and gangue minerals, together with “Z-200 + Jiangtong No. 1 (JT-1) or sodium butyl xanthate (SBX)” as collectors, forming

APPENDIX III

COMPETENT PERSON’S REPORT

a highly selective “depressant–collector” reagent system for preferential copper flotation. The copper rougher tailings remain at a natural pH of 7–7.5. By adding an appropriate dosage of copper sulfate, pyrite and most pyrrhotite are effectively activated, and the subsequent use of sodium butyl xanthate plus No. 2 oil achieves efficient sulfur recovery. This reagent scheme demonstrates good technical feasibility and is more environmentally friendly and efficient.

Figure 10-2: Recommended Laboratory Beneficiation Flowsheet and Operating Conditions for Dabaoshan Copper–Sulfide Ore



Source: Prepared by SRK based on the recommended laboratory test flowsheet.

Table 10-4: Results of Locked-Cycle Laboratory Beneficiation Tests on Dabaoshan Copper–Sulfide Ore

Product	Yield (%)	Grade (%)			Recovery (%)		
		Cu	Fe	S	Cu	Fe	S
Copper concentrate	1.95	21.23	26.67	28.31	88.34	2.54	3.42
Pyrite concentrate	25.03	0.11	43.71	48.92	5.66	53.45	75.91
Pyrrhotite concentrate	6.55	0.08	56.34	35.46	1.17	18.03	14.40
Tailings	66.47	0.03	8.00	1.52	4.83	25.98	6.27
Ore	100.00	0.47	20.47	16.13	100.00	100.00	100.00
Bulk sulfur concentrate	31.58	0.10	46.33	46.13	6.83	71.48	90.31

Source: Dabaoshan Copper-Sulfur Ore Enhanced Recovery and Clean Utilization Beneficiation Test Study Report, Changsha Mining Research Institute Co., Ltd., for Guangdong Dabaoshan Mining Co., Ltd., November 2024.

APPENDIX III

COMPETENT PERSON’S REPORT

10.4 Process Mineralogy of Molybdenum Ore

10.4.1 Chemical Composition and Mineralogical Characteristics of the Ore

Guangzhou Research Institute of Nonferrous Metals completed process mineralogy and beneficiation testwork on Dabaoshan molybdenum ore in May 2011 and compiled the “Dabaoshan Molybdenum Ore Beneficiation Amenability Test Study Report.” The chemical composition of the ore is shown in Table 10-5 and the mineralogical composition is shown in Table 10-6,. The results indicate that molybdenum is the only recoverable valuable element in the ore, and the main molybdenum-bearing mineral is molybdenite. Molybdenum phase analysis shows that 95.7% of the molybdenum occurs in the sulfide phase, interpreted as molybdenite. Molybdenite is therefore the sole target mineral for recovery in the beneficiation process.

Metal sulfide minerals: minor pyrite and molybdenite, with trace pyrrhotite, galena and arsenopyrite.

Metal oxide minerals: very minor limonite and other iron oxides.

Gangue minerals: predominantly quartz, feldspar and sericite, with subordinate chlorite and calcite, and minor tremolite, diopside, biotite, garnet and epidote.

Table 10-5: Multi-Element Chemical Assay Results for Dabaoshan Molybdenum Ore

Element	Mo	Bi	Fe	Mn	Sn	Cu	Pb
Content (%)	0.099	0.005	1.94	0.04	0.0072	0.018	0.0036
Element	Zn	S	MgO	As	P	CaO	Au (g/t)
Content (%)	0.0082	1.11	1.89	0.006	0.058	3.44	0.09
Element	Ag (g/t)	CaF ₂	CaCO ₃	SiO ₂	Al ₂ O ₃		
Content (%)	1.6	0.94	3.44	71.97	12.72		

Source: Dabaoshan Molybdenum Ore Beneficiation Amenability Test Study Report, Guangzhou Research Institute of Nonferrous Metals, May 2011.

Table 10-6: Mineralogical Composition of Dabaoshan Molybdenum Ore (MLA Analysis Results)

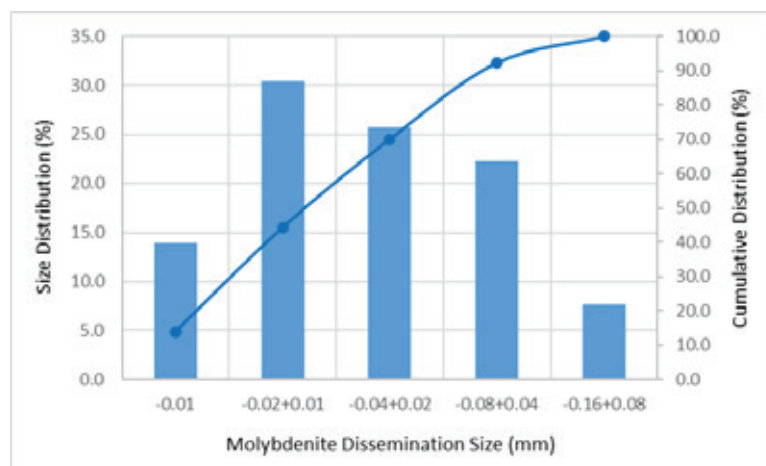
Mineral	Content (%)	Mineral	Content (%)
Molybdenite	0.145	Quartz	47.129
Pyrite	1.703	Feldspar	22.438
Pyrrhotite	0.029	Sericite	21.453
Galena	0.008	Calcite	2.237
Arsenopyrite	0.001	Dolomite	0.207
Chalcopyrite	0.029	Chlorite	1.472
Limonite	0.093	Epidote	0.924
Siderite	0.071	Andradite (Garnet)	0.298
Rutile	0.358	Biotite	0.228
Monazite	0.01	Tremolite	0.209
Bastnäs site	0.005	Apatite	0.30
		Kaolinite	0.179
		Other	0.472
Subtotal	2.452	Subtotal	97.546

Source: Dabaoshan Molybdenum Ore Beneficiation Amenability Test Study Report, Guangzhou Research Institute of Nonferrous Metals, May 2011.

10.4.2 Mode of Occurrence of Molybdenite

The grain-size distribution of molybdenite is shown in Figure 10-3. The mineral is finely disseminated, with 70% of the particles smaller than 0.04 mm. However, liberation tests at different grind sizes indicate that at a grind of 82% passing 0.074 mm, the degree of molybdenite liberation is 91.7%, and at 87% passing 0.074 mm, the liberation reaches 93.3%, indicating that molybdenite is readily liberated by grinding.

Figure 10-3: Grain-Size Distribution of Molybdenite in Dabaoshan Molybdenum Ore



Source: Prepared by SRK based on process mineralogy study results from Guangzhou Research Institute of Nonferrous Metals.

■ MoS

Molybdenite crystals are hexagonal and platy. Platy aggregates occur in crumpled, dendritic, leafy and irregular granular forms. Single-mineral chemical analysis of molybdenite shows Mo 59.41%.

In this ore, molybdenite occurs mainly in the following modes:

- 1) Crumpled aggregates of molybdenite fill fractures in the ore and occur irregularly and disorderly.
- 2) Fine platy molybdenite is sparsely disseminated along fractures within quartz, feldspar and other gangue minerals, and is commonly intergrown with sericite. This type is characterized by fine grain size but relatively weak intergrowth, and is readily liberated.
- 3) A small amount of thin platy molybdenite is enclosed in calcite; these grains are extremely fine and difficult to liberate.
- 4) A small amount of very fine scaly, speckled molybdenite is disseminated within gangue minerals.
- 5) A small amount of molybdenite fills interlayer cleavages in muscovite; this type is difficult to liberate.

■ CuFeS₂

Chalcopyrite is an impurity mineral in relation to molybdenite; where its content is high, a separate copper concentrate can be produced. In this orebody, chalcopyrite content is very low and is only observed in part of the samples.

APPENDIX III

COMPETENT PERSON’S REPORT

Chalcopyrite is predominantly associated or intergrown with pyrite and is only rarely associated with molybdenite. It commonly occurs as fillings along the edges or in fractures of shattered pyrite, and secondarily as irregular granular disseminations within gangue minerals. The grain size of chalcopyrite is uneven, generally ranging from 0.02 to 0.5 mm.

■ FeS₂

Pyrite is the most abundant metallic sulfide mineral in this ore. It occurs mainly as euhedral to subhedral grains, and locally as coarse, shattered pyrite. Chalcopyrite commonly fills or replaces along the edges and fractures of pyrite. A small proportion of pyrite is intergrown or associated with molybdenite.

10.5 Molybdenum Ore Beneficiation Testwork

Based on the preliminary scoping tests, grinding fineness tests and reagent dosage tests, both open-circuit and closed-circuit flotation tests were carried out. The closed-circuit flotation flowsheet is shown in Figure 10-4, and the results are presented in Table 10-7.

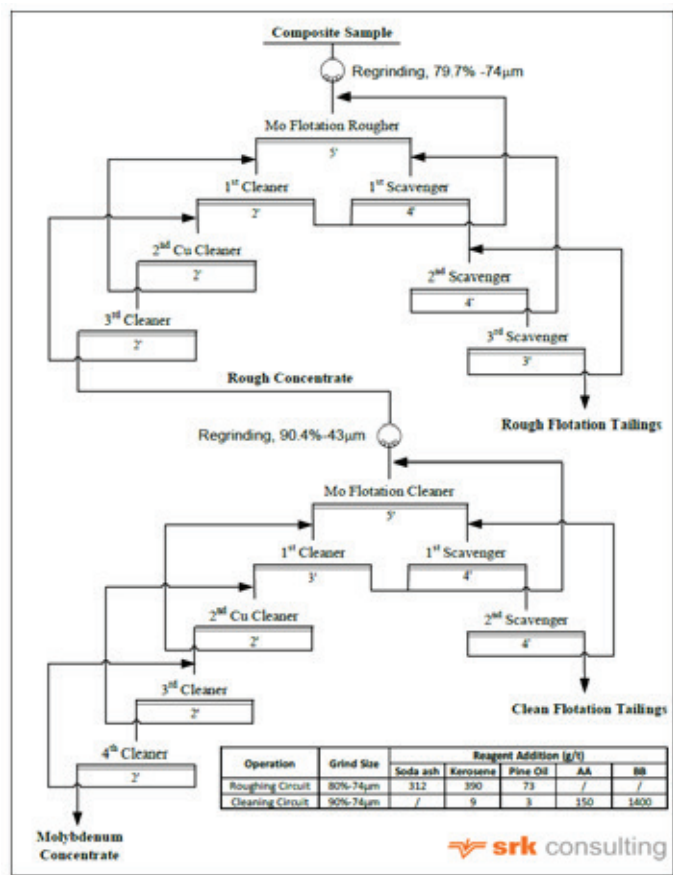
The basic flowsheet comprises rough grinding and rougher flotation, followed by regrinding of the rougher concentrate and cleaner flotation. This flowsheet is consistent with the fine but readily floatable dissemination of molybdenite in the ore. The closed-circuit flotation ultimately achieved a concentrate grade of 45.6% Mo with a molybdenum recovery of 84.5%.

Table 10-7: Closed-Circuit Beneficiation Test Results for Dabaoshan Molybdenum Ore

Product	Yield (%)	Mo Grade (%)	Mo Recovery (%)
Molybdenum Concentrate	0.19	45.64	84.45
Molybdenum Cleaner Tailings	0.23	0.23	0.54
Molybdenum Rougher Tailings	99.58	0.015	15.01
Ore	100.00	0.10	100.00

Source: Study on the Beneficiability of the Dabaoshan Molybdenum Ore, Guangzhou Research Institute of Nonferrous Metals, 6 May 2011

Figure 10-4: Closed-Circuit Beneficiation Flowsheet for Dabaoshan Molybdenum Ore



Source: Compiled by SRK based on the process flowsheet from the beneficiability test report of the Guangzhou Research Institute of Nonferrous Metals.

10.6 Process Mineralogy of Lead-Zinc Ore

At present, the lead-zinc ore produced as a by-product from mining of the copper-sulfur ore is either sold directly or processed at the comprehensive utilization pilot plant to produce a bulk Cu-Pb-Zn concentrate and a sulfur concentrate. However, both the grade and recovery of the bulk concentrate are relatively low.

To improve the grade and recovery of the bulk concentrate, Jiangxi University of Science and Technology completed process mineralogy studies and beneficiation testwork on the by-product lead-zinc ore from the copper-sulfur mining operation in May 2026.

APPENDIX III

COMPETENT PERSON’S REPORT

10.6.1 Chemical Composition and Mineralogical Characteristics of the Ore

Detailed process mineralogy studies were carried out on two ore samples: one with a low lead grade (“low-Pb” sample) and one with a high lead grade (“high-Pb” sample). The main chemical compositions of the samples are shown in Table 10-8, and the chemical phase analysis results for Cu, Pb and Zn are given in Table 10-9.

In the low-Pb ore, silver grade is also low, whereas in the high-Pb ore, silver grade is high, indicating a close association between silver and lead. In both the low-Pb and high-Pb samples, the degree of oxidation of lead is higher than that of copper and zinc, which may result in lower lead recoveries compared with copper and zinc. The degree of lead oxidation is critical to the recoveries of both lead and silver.

Table 10-8: Major Chemical Composition of the Lead-Zinc Ore

Element		Cu	Pb	Zn	S	Au (g/t)	Ag (g/t)
Content (%)	Low-Pb	0.61	0.84	1.09	25.85	0.17	5.84
	High-Pb	0.77	2.41	1.86	28.13	0.33	77.79

Source: “Research and Development of Process Technology for Stable Improvement of Complex By-Product Copper-Lead-Zinc Bulk Concentrate Indices,” Beneficiation Test Study, Jiangxi University of Science and Technology, May 2026.

Table 10-9: Chemical Phase Analysis Results for the Lead-Zinc Ore

Phase	Low-Pb sample		High-Pb sample	
	Content (%)	Distribution (%)	Content (%)	Distribution (%)
Copper in Primary Copper Sulfide	0.35	57.38	0.54	58.44
Copper in Secondary Copper Sulfide	0.18	29.51	0.24	31.17
Copper in Combined Copper Oxide	0.07	11.47	0.05	6.49
Copper in Free Copper Oxide	0.02	1.62	0.03	3.90
Total Copper	0.61	100.00	0.77	100.00
Lead in Lead Sulfide	0.46	54.76	1.43	59.34
Lead in lead-iron jarosite	0.07	8.33	0.18	7.47
Lead in Lead Oxide	0.31	36.90	0.80	33.20
Lead in Lead sulfates	<0.01	0.00	<0.01	0.00
Total Lead	0.84	100.00	2.41	100.00
Zinc in Zinc Sulfides	0.96	88.07	1.68	90.32
Zinc in Zinc Ferrite (Zinc Iron Spinel)	0.09	8.26	0.10	5.38
Zinc in Zinc Oxide	0.04	3.67	0.08	4.30
Zinc in Zinc sulfates	<0.01	0.00	<0.01	0.00
Total Zinc	1.09	100.00	1.86	100.00

Source: “Research and Development of Process Technology for Stable Improvement of Complex By-Product Copper-Lead-Zinc Bulk Concentrate Indices,” Beneficiation Test Study, Jiangxi University of Science and Technology, May 2026.

The main mineralogical compositions of the lead-zinc ore samples are shown in Table 10-10. The two samples exhibit significant differences in mineral composition, such as in the content of valuable mineral pyrrhotite and gangue mineral quartz. These differences may lead to variations in ore grindability and beneficiation amenability, and consequently to differences in metallurgical performance.

Table 10-10: Mineral Composition of the Lead-Zinc Ore

Mineral	content (%)	
	Low-Pb	High-Pb
Chalcopyrite	2.04	1.91
Galena	0.93	3.40

APPENDIX III

COMPETENT PERSON’S REPORT

Mineral	content (%)	
	Low-Pb	High-Pb
Marmatite	1.77	2.14
Pyrrhotite	25.77	5.13
Pyrite	23.51	45.69
Magnetite	4.59	1.90
Biotite	9.26	2.05
Quartz	6.63	20.68
Calcite	6.60	/
Tremolite	6.13	0.74
Chamosite	4.04	3.95
K-Feldspar	3.17	2.01
Augite	1.82	/
Muscovite	1.06	4.38
Dolomite	0.44	3.68
Others	2.25	1.34
Total	100.00	100.00

Source: “Research and Development of Process Technology for Stable Improvement of Complex By-Product Copper-Lead-Zinc Bulk Concentrate Indices,” Beneficiation Test Study, Jiangxi University of Science and Technology, May 2026.

10.6.2 Occurrence of Copper, Lead, Zinc and Sulfur

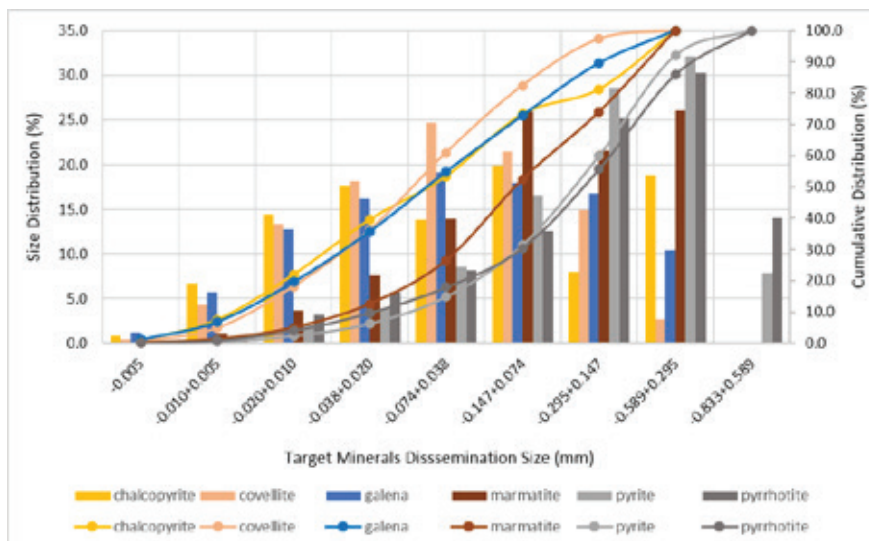
As indicated by the phase analysis results, copper occurs mainly in the sulfide minerals chalcopyrite and covellite, with a small proportion present in copper oxide minerals. Lead is hosted predominantly in the sulfide mineral galena, but significant amounts also occur in the oxide minerals cerussite and anglesite. Zinc occurs mainly in the sulfide mineral iron-rich sphalerite (marmatite), with minor zinc in Zn–Fe spinel and other zinc oxide minerals. Sulfur is distributed among several sulfide minerals, including pyrite, pyrrhotite, chalcopyrite, marmatite and galena, and is dominated by pyrite and pyrrhotite. Silver occurs mainly in silver telluride minerals.

These minerals are the target minerals for beneficiation. The grain-size distribution of the main target minerals is shown in Figure 10-5. Chalcopyrite, covellite and galena are mainly disseminated at medium to fine grain sizes, pyrite and pyrrhotite at medium to coarse grain sizes, and sphalerite mainly at medium grain size. The relatively coarse grain size favors liberation during grinding and facilitates recovery in flotation.

APPENDIX III

COMPETENT PERSON’S REPORT

Figure 10-5: Grain-Size Distribution of the Main Target Minerals in the Lead-Zinc Ore



Source: Compiled by SRK based on process mineralogy study results.

■ Chalcopyrite and Covellite

Liberated chalcopyrite accounts for 8.48% of the particles, while composites containing three or more mineral phases account for 83.43%. Chalcopyrite intergrown with pyrite represents 28.58%, and with galena 22.45%; these two are the most important associated sulfides, with very tight locking relationships. Intergrowth with covellite accounts for 12.48% (closely associated), with marmatite (iron-rich sphalerite) 6.66% (moderately associated), and with pyrrhotite 3.78% (weakly associated).

Liberated covellite represents 6.77% of the particles, while composites containing three or more mineral phases make up 72.98%. Two-phase composites are relatively common (20.25%). Covellite intergrown with galena accounts for 46.75%, indicating an extremely close association and representing the most important associated sulfide; intergrowth with marmatite accounts for 18.02% (strong association), with pyrite 10.39% (moderate association), with chalcopyrite 4.14% (weak association), and with pyrrhotite only 0.59% (very weak association).

Grainsize analysis indicates that chalcopyrite has an average particle size of 0.11 mm, with 18.79% of the mineral in the +0.074 mm size fraction and 21.90% in the -0.020 mm fraction, reflecting an uneven grainsize distribution. Covellite has an average particle size of 0.08 mm, with 39.08% in the +0.074 mm size fraction and 18.06% in the -0.020 mm fraction, also indicating an uneven grainsize distribution.

■ Galena

Liberated galena accounts for 14.02% of the particles, while composites containing three or more mineral phases dominate at 69.27%. Galena intergrown with covellite represents 29.59% and is the most important and most tightly locked associated sulfide. Intergrowth with pyrite accounts for 18.79%, representing another important and strongly associated sulfide, and with marmatite (iron-rich sphalerite) 13.89%, also indicating a relatively close association. Intergrowth with

APPENDIX III

COMPETENT PERSON’S REPORT

chalcopyrite (2.82%) and pyrrhotite (1.96%) is less common and therefore relatively weak. Other associated minerals are mainly gangue minerals such as quartz, muscovite and biotite, with decreasing proportions.

Galena has an average particle size of 0.12 mm; 45.11% of the mineral occurs in the +0.074 mm size fraction and 19.58% in the –0.020 mm fraction, indicating a medium–fine, uneven grain-size dissemination.

■ Iron-rich sphalerite

Liberated marmatite is scarce, accounting for only 6.65% of the particles, while composites containing three or more mineral phases dominate at 85.56%. Among the associated sulfides, galena represents 32.91% and is the most important and most tightly locked associate. Pyrite accounts for 20.99% and is likewise a major, strongly associated sulfide. Covellite represents 15.18%, indicating a relatively close association with marmatite. In contrast, chalcopyrite (1.98%) and pyrrhotite (0.73%) occur with marmatite only rarely, and the locking relationships are very weak. The other associated minerals are mainly gangue minerals such as quartz.

Marmatite has an average particle size of 0.18 mm; 73.59% of the mineral occurs in the +0.074 mm size fraction and 4.92% in the –0.020 mm fraction, indicating a coarse-grained dissemination type.

Pyrrhotite and pyrite occur mainly as complex composite grains in the ore, with very low proportions of liberated grains (9.80% for pyrrhotite and 4.97% for pyrite). The two minerals are strongly intergrown with each other. Pyrite also shows a relatively close association with chalcopyrite (5.01%). Apart from its tight intergrowth with pyrite (9.96%), pyrrhotite is only weakly associated with galena (2.53%) and is very weakly associated with marmatite (0.39%) and chalcopyrite (0.29%). Both pyrite and pyrrhotite are closely intergrown with easily sliming gangue minerals such as biotite, chlorite and tremolite.

Both pyrite and pyrrhotite are predominantly coarse-grained. The average particle sizes of pyrrhotite and pyrite are 0.30 mm and 0.28 mm, respectively, with 82.11% and 85.13% of the minerals occurring in the +0.074 mm size fraction. However, the proportion of pyrrhotite in the –0.020 mm fraction (5.69%) is significantly higher than that of pyrite (3.90%), indicating a higher risk of over-grinding of pyrrhotite at finer grind sizes.

■ Silver Minerals

The silver minerals in the ore are mainly silver tellurides. Their chemical compositions show some variability, with silver contents ranging from 20.07% to 73.32% and tellurium contents from 26.68% to 79.93%. Silver occurs predominantly as included silver (84.87%), mainly as inclusions within sulfides such as marmatite, galena and pyrite. Intergrown silver accounts for only 15.13%, occurring chiefly in association with lead telluride.

Silver minerals are extremely fine grained, with 100% smaller than 5 µm and 99.01% in the 1–5 µm size fraction, representing an ultra-fine dissemination. Such fine grain size makes complete liberation by conventional grinding difficult and is the key factor limiting silver recovery.

10.7 Lead-Zinc Ore Beneficiation Testwork

Grinding fineness tests, copper–lead bulk flotation followed by zinc flotation tests, full bulk flotation flowsheet tests, and reagent type and dosage tests were carried out. Based on the optimum

APPENDIX III

COMPETENT PERSON’S REPORT

flowsheet and conditions determined from these tests, closed-circuit flotation tests were conducted. The closed-circuit flotation flowsheet and reagent conditions are shown in Figure 10-6, and the final closed-circuit test results are presented in Table 10-11.

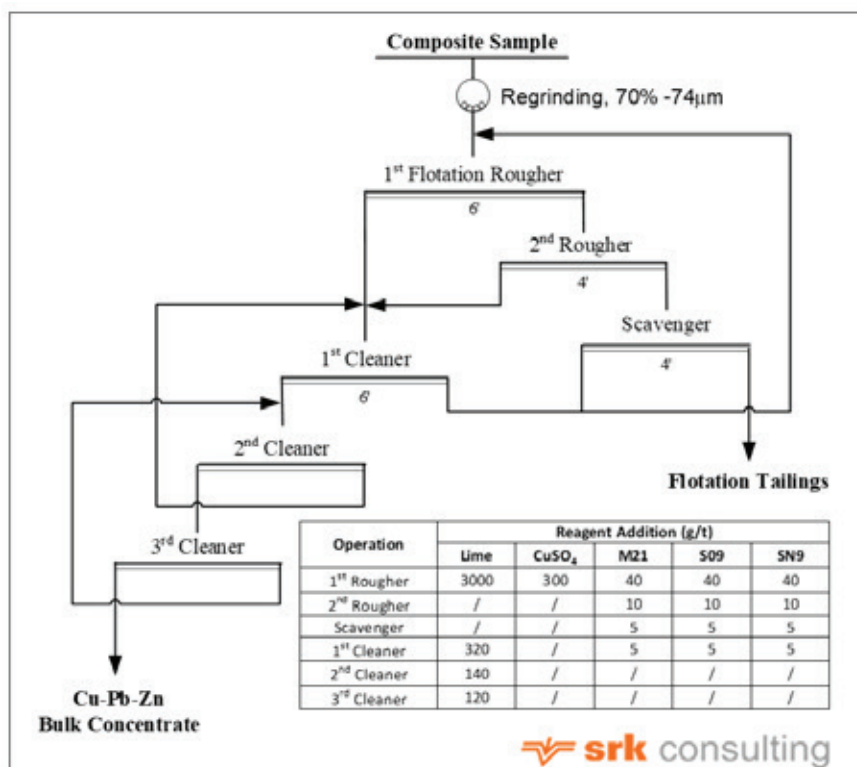
Table 10-11: Closed-Circuit Test Results of the Lead-Zinc Ore

Production	Yield (%)	Grade (%)				Recovery (%)			
		Cu	Pb	Zn	Cu+Pb+Zn	Cu	Pb	Zn	Cu+Pb+Zn
Bulk Conc.	6.66	7.73	12.91	24.71	45.35	78.60	74.81	97.75	86.60
Tailings	93.34	0.15	0.31	0.04	0.50	21.40	25.19	2.25	13.40
Feed	100.0	0.65	1.15	1.68	3.49	100.0	100.0	100.0	100.0

Source: "Research and Development of Process Technology for Stable Improvement of Complex By-Product Copper-Lead-Zinc Bulk Concentrate Indices," Beneficiation Test Study, Jiangxi University of Science and Technology, May 2026.

The tests did not produce separate copper, lead or zinc concentrates, nor was sulfur recovered. Compared with the current operating performance, the tests improved both the grade and recovery of the bulk concentrate, providing a basis for technical modifications to the comprehensive utilization pilot plant to accommodate the by-product lead-zinc ore.

Figure 10-6: Lead-Zinc Ore Beneficiation Test Flowsheet



Source: "Research and Development of Process Technology for Stable Improvement of Complex By-Product Copper-Lead-Zinc Bulk Concentrate Indices," Beneficiation Test Study, Jiangxi University of Science and Technology, May 2026.

10.8 Copper–Sulfur Concentrator

The Dabaoshan copper–sulfur concentrator is located on the hillside to the east of the pit, approximately 500 m in a straight line from the mining area. The plant has a design processing capacity of 10,000 tpd and operates continuously throughout the year, with an operating rate of 90.41%, corresponding to 330 effective operating days per year and an annual ore treatment capacity of 3,300 ktpa. The plant produces copper concentrate and sulfur concentrate as final products

The actual throughput of the copper–sulfur concentrator has reached 3,600 ktpa. The copper concentrate contains approximately 100 g/t Ag, which increases the sale price of the copper concentrate.

The plant is arranged in a stepped layout, making full use of the topography to achieve gravity flow of slurry and thereby reduce slurry pumping power consumption. The main processing facilities include the primary crushing station, coarse ore stockpile, grinding and flotation plant, concentrate dewatering plant, as well as the mechanical workshop, assay laboratory, high-level fresh-water tank, high-level return-water tank, reagent preparation plant, and several substations. The sulfur concentrate dewatering plant is located at the Donghua railway freight yard, allowing the dewatered concentrate to be loaded directly into railcars for shipment.

In May 2026, Ma'anshan Mining Research Institute completed a feasibility study report for expanding the Dabaoshan copper–sulfur concentrator to 6,600 ktpa, proposing construction of a new concentrator using the same flowsheet and equipment configuration as the existing plant.

10.8.1 Copper–Sulfur Ore Beneficiation Flowsheet

The beneficiation flowsheet adopted by the Copper-Sulfur Concentrator is shown in Figure 10-7, comprising the following unit operations:

- Primary Crushing: Single-stage jaw crusher in open circuit. Crushed ore is conveyed by belt conveyor to a buffer coarse ore bin.
- SAB Grinding: A closed-circuit grinding system consisting of a SAG mill, ball mill, and hydrocyclone cluster, controlling product fineness to 70%–75% passing 74 μm . The mill discharges flows by gravity to the copper roughing-scavenging flotation circuit.
- Copper Roughing-Scavenging: Pulp is conditioned in mixing tanks with copper flotation reagents, then processed through a one-roughing, three-scavenging flotation circuit to produce a copper rough concentrate and copper tailings. The copper tailings are pumped to the sulfur magnetic separation–flotation–magnetic separation circuit.
- Copper Rough Concentrate Regrinding: A closed-circuit system comprising hydrocyclone clusters and a ball mill regrinds the copper rough concentrate to 80% passing 45 μm . A flash flotation unit is incorporated in the grinding and classification circuit to pre-recover readily floatable copper minerals as final copper concentrate.
- Copper Cleaning: Two flotation columns in a two-stage cleaning circuit produce the final copper concentrate and a middlings stream. The middlings report to the middlings treatment circuit.
- Middlings Treatment: A one-roughing, two-cleaning circuit produces final concentrate from the cleaner stage, with tailings returning to the copper scavenging circuit.

APPENDIX III

COMPETENT PERSON’S REPORT

- Copper Concentrate Dewatering: Thickener followed by ceramic disc filter. Dewatered copper concentrate is discharged into the concentrate storage shed.
- First-Stage Sulfur Magnetic Separation: Wet permanent magnet drum separators treat the copper flotation tailings to produce a magnetic sulfur concentrate. The non-magnetic tailings are thickened and fed to the sulfur flotation circuit.
- Sulfur Flotation: A one-roughing, one-cleaning, two-scavenging circuit produces the final sulfur concentrate. The flotation tailings report to the second-stage magnetic separation for pyrrhotite recovery.
- Second-Stage Sulfur Magnetic Separation: Wet permanent magnet drum separators process the sulfur flotation tailings to produce a magnetic sulfur concentrate and final tailings.
- Sulfur Concentrate Dewatering: Magnetic sulfur concentrate and sulfur concentrate are transported via long pipeline to the dewatering plant adjacent to the dedicated railway freight yard (Donghua Railway Freight Yard). Dewatering is carried out using thickeners and ceramic disc filters, and the dewatered product is stockpiled in the sulfur concentrate warehouse, then loaded into railcars by grab crane for marshalling and off-site transport.

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APPENDIX III

COMPETENT PERSON’S REPORT

yard, and the central control room. Auxiliary facilities include the reagent preparation plant, reagent storage warehouse, lime slurry preparation plant, plant mechanical workshop, laboratory and test laboratory.

The main beneficiation equipment is listed in Table 10-12. Belt conveyors for ore transport, pumps for slurry and flotation froth transport, reagent preparation and dosing equipment, and auxiliary equipment for lubrication and services are not included in this table.

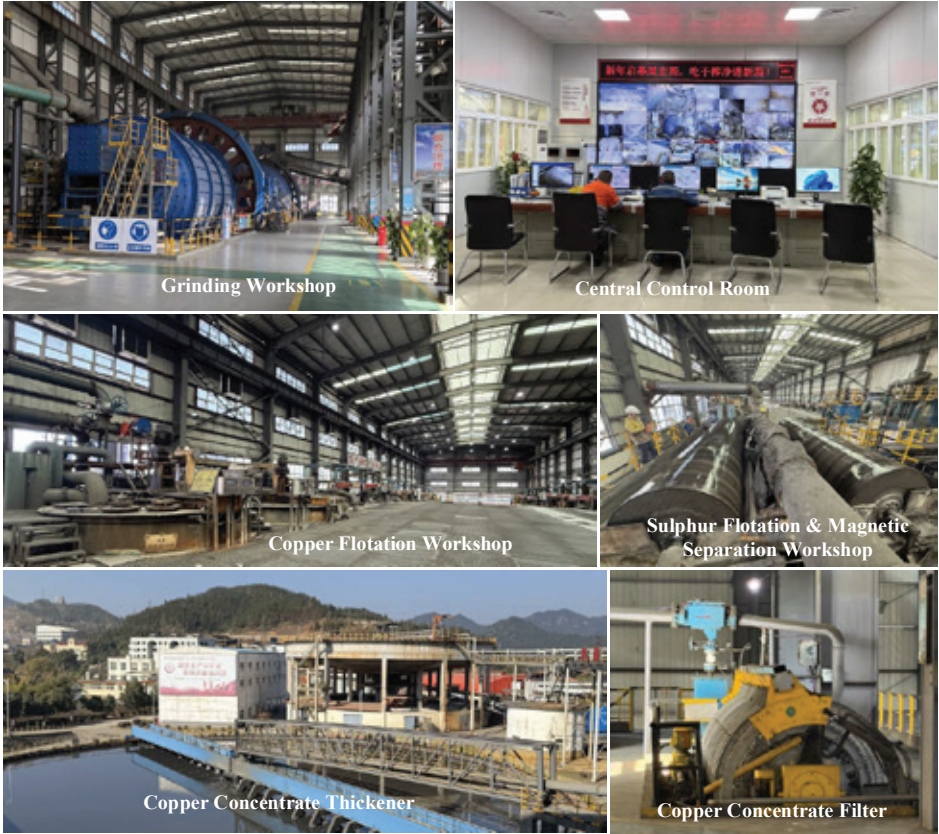
During the site visit, SRK observed that the Dabaoshan copper–sulfur concentrator is laid out in terraces on the hillside, which facilitates gravity flow of slurry and reduces transport costs. The plant buildings are spacious, well-lit and clean, indicating good plant management. Production reports show that the actual throughput has reached 3,600 ktpa with stable operating performance. Photographs of the main processing workshops and equipment are presented in Figure 10-8

Table 10-12: Major Beneficiation Equipment of the Dabaoshan Copper–Sulfur Concentrator

No.	Equipment Name	Model / Specification	Power (kW)	Quantity
1	Heavy-duty apron feeder	ZB2400×9000	75	1
2	Jaw crusher	CJ815	200	1
3	Heavy-duty apron feeder	ZB1500×10000	55	4
4	Semi-autogenous mill (SAG mill)	φ8.5×3.8 m	4850	1
5	Linear vibrating screen	GJZKK3061	37	2
6	Ball mill	MQY 6.2×9.5 m	6000	1
7	Slurry pump	350NT-NZJA-MR	630	2
8	Hydrocyclone cluster	FX660-GT×8		2
9	Ball mill	MQY 2.7×4.0 m	450	1
10	Hydrocyclone cluster	FX350-GT×6		2
11	Slurry conditioning tank	Φ4500×4500 mm	37	5
12	Slurry conditioning tank	Φ2500×2500 mm	15	2
13	Flotation cell	KYF-160 m3	220	1
14	Flotation cell	KYF-100 m3	132	21
15	Flotation cell	GF-40 m3	90	6
16	Flotation column	CCF Φ4.5×10.0 m		1
17	Flotation column	CCF Φ3.0×10.0 m		1
18	Magnetic separator	CTB 1550	30	6
19	Thickener	CZN-60	27.5	3
20	High-efficiency thickener	NZT-30	7.5	1
21	High-efficiency thickener	NZT-42	24	1
22	High-efficiency thickener	GZN-45	15	1
23	Ceramic filter	KS3-45	7	2
24	Ceramic filter	KS5-100	10.5	12
25	Filter press	HAZGFQ800-2000-U	18.5	2

Source: Dabaoshan (2026)

Figure 10-8: Photographs of the Main Workshops and Equipment at the Dabaoshan Copper–Sulfur Concentrator



Source: SRK site visit

10.8.3 Copper–Sulfur Concentrator Performance

Historical production performance for copper–sulfur ore beneficiation from 2022 to the first half of 2026 is summarized in Table 10-13. Copper concentrate grades range from 16.7% to 17.5% Cu, with copper recovery between 84.7% and 87.5%, indicating relatively stable operating performance. In addition, assays of 60 rail consignments of saleable copper concentrate collected from June to November 2025 show silver contents of 83–134 g/t, averaging 103 g/t Ag. Moisture in the copper concentrate at the point of sale ranged from 10.6% to 14.1%, with an average of 12.6%.

In addition to copper concentrate, the plant produces sulfur concentrate (pyrite concentrate), comprising both flotation and magnetic concentrates. The flotation sulfur concentrate has a sulfur grade of 45.8–46.4% S with sulfur recovery of 71.9–82.2%; the magnetic sulfur concentrate has a sulfur grade of 27.1–28.8% S with sulfur recovery of approximately 9.2–14.3%. The sulfur concentrates figures reported in Table 10-13 represent the average of these two sulfur concentrates, with average sulfur grades of 41.7–43.3% S.

APPENDIX III

COMPETENT PERSON’S REPORT

The actual ranges of concentrate grades and recoveries in production are slightly wider than those quoted above, but still remain within a relatively narrow and reasonable band, indicating a stable copper–sulfur ore beneficiation process and consistent metallurgical performance.

Table 10-13: Production Performance of Copper–Sulfur Ore Beneficiation

Indicator Items	Unit	2023	2024	2025	Jan-Aug 2026
Ore Processed	kt	3,627	3,614	3,558	2,311
Copper Grade of Ore Processed	%	0.47	0.46	0.46	0.43
Copper Content in Ore Processed	t	17,013	16,574	16,361	9,973
Copper Concentrate Production	t	84,960	81,793	80,073	52,250
Ore Processed/Copper Concentrate Output	t/t	42.69	44.18	44.43	44.23
Copper Concentrate Grade	%	17.50	17.51	17.31	16.74
Copper Content in Concentrate	t	14,866	14,325	13,858	8,747
Copper Recovery	%	87.38	86.43	84.71	87.70
Sulphur Grade of Ore Processed	%	16.71	15.13	14.82	15.20
Sulphur Content in Ore Processed	kt	605.8	546.6	527.3	351.3
Flotation Sulphur Concentrate Production	kt	947.9	965.6	934.5	624.9
Ore Processed/Sulphur Concentrate Output	t/t	3.83	3.74	3.81	3.70
Flotation Sulphur Concentrate Grade	%	45.96	45.82	46.37	45.97
Flotation Sulphur Content in Concentrate	kt	435.6	442.4	433.4	287.2
Flotation Sulphur Recovery	%	71.90	80.93	82.19	81.76
Magnetic Sulphur Concentrate Production	kt	303.3	197.0	178.4	130.9
Concentration Ratio	t/t	11.96	18.34	19.94	17.65
Magnetic Sulphur Concentrate Grade	%	28.52	28.08	27.08	28.96
Magnetic Sulphur Content in Concentrate	kt	86.49	55.33	48.33	37.91
Magnetic Sulphur Recovery	%	14.28	10.12	9.17	10.79
Total Sulphur Recovery	%	86.18	91.05	91.36	92.55

Source: Copper and Sulfur Metal Balance Sheets of the Dabaoshan Mining Concentrator.

10.9 Comprehensive Utilization Pilot Plant and Lead-Zinc Ore Beneficiation

Development and utilization of the Dabaoshan lead-zinc resources have not yet formally commenced. The small number of lead-zinc ore produced as a by-product during copper–sulfur mining is either sold directly or processed in the comprehensive utilization pilot plant.

The comprehensive utilization pilot plant is the former 300 tpd copper–sulfur concentrator, which was converted to a pilot plant after the current 10,000 tpd copper–sulfur concentrator was commissioned. The plant is equipped with a complete set of beneficiation facilities, including two-stage closed-circuit crushing, single-stage closed-circuit grinding, two flotation circuits and two concentrate thickening and filtration systems. The main equipment is listed in Table 10-14

Table 10-14: Major Equipment of the Dabaoshan Comprehensive Utilization Pilot Plant

No.	Equipment Name	Model / Specification	Power (kW)	Quantity
1	Jaw Crusher	PE500×750	55	1
2	Jaw Crusher	PEX250×1000	37	1
3	Vibrating Screen	1250×3000mm	7.5	1
4	Ball Mill	MQG2436	320	1

APPENDIX III

COMPETENT PERSON’S REPORT

No.	Equipment Name	Model / Specification	Power (kW)	Quantity
5	Spiral Classifier	FC-1500	11	2
6	Flotation Machine	XJ-5.8m ³	22	36
7	Flotation Machine	XJ-2.8m ³	11	8
8	Slurry Conditioning Tank	Φ2500×2100	30	1
9	Slurry Conditioning Tank	Φ2500×1800	30	2
10	Slurry Conditioning Tank	Φ1800×1800	22	2
11	Thickener	Φ9m	4	2
12	Thickener	Φ12m	5.5	1
13	Ceramic Filter	YM12/3-12m ²	4.5	2
14	Ceramic Filter	YM30/3N-30m ²	7.7	1

Source: Detailed List of Major Beneficiation Equipment of Dabaoshan.

In 2026, the performance of the Dabaoshan comprehensive utilization pilot plant in processing lead-zinc ore is summarized in Table 10-15. The plant produced a bulk Cu-Pb-Zn concentrate and a sulfur concentrate. The bulk Cu-Pb-Zn concentrate had a combined metal grade of 34.6% and a combined recovery of 59.7%, which is relatively low.

Detailed process mineralogy and beneficiation testwork are required to guide flowsheet optimization so as to separate copper, lead and zinc from one another, producing individual copper, lead and zinc concentrates, or at least a Cu-Pb bulk concentrate and a separate zinc concentrate, and to improve both the grade and recovery of each concentrate.

Table 10-15: Production Performance of Lead-Zinc Ore Processing at the Dabaoshan Comprehensive Utilization Pilot Plant

Indicator Items	Unit	Jan-July 2026	¹ Aug 2026
Ore Processed	t	59,725	9,967
Metal Grade of Ore Processed (Cu+Pb+Zn)	%	3.12	0.46
Metal Content in Ore Processed (Cu+Pb+Zn)	t	1,862	45.5
Bulk Concentrate Production	t	2,973	239
Bulk Concentrate Concentration Ratio	t/t	20.09	41.70
Metal Grade of Bulk Concentrate (Cu+Pb+Zn)	%	34.52	13.52
Metal Content in Bulk Concentrate (Cu+Pb+Zn)	t	1,026	32.3
Bulk Metal Recovery (Cu+Pb+Zn)	%	55.11	70.97
Sulphur Grade of Ore Processed	%	14.82	14.69
Sulphur Content in Ore Processed	t	8,853	1,464
Sulphur Concentrate Production	t	16,151	2,843
Sulphur Concentrate Concentration Ratio	t/t	3.70	3.51
Sulphur Grade of Concentrate	%	42.76	43.04
Sulphur Content in Concentrate	t	6,906	1,223
Sulphur Recovery	%	78.01	83.58

Source: Cu-Pb-Zn and sulfur metal balance sheets for the comprehensive recovery workshop of the Dabaoshan Mining concentrator.

Note: ¹only copper figure in August 2026.

10.10 Consumptions and Services

Dabaoshan is a long-established large mine with well-developed infrastructure, including transportation, power supply and distribution, water supply and drainage, automotive and mechanical maintenance, and reagent and materials supply systems.

APPENDIX III

COMPETENT PERSON’S REPORT

10.10.1 Reagent and Material Consumptions

Reagent and materials consumption per tonne of ore for copper–sulfur beneficiation is summarized in Table 10-16. The reagent regime is continually adjusted to accommodate changes in ore characteristics.

Table 10-16: Reagent and Materials Consumption for Copper–Sulfur Beneficiation at Dabaoshan

Material/Reagent	Unit	2023	2024	2025
Steel Ball	kg/t	1.30	1.30	1.30
Electricity	kWh/t	51.21	37.80	38.33
New Water	t/t	7.37	4.82	4.53
Ethyl Xanthate (Z-200)	g/t	75	92	111
Jiangtong No.1	g/t	160	143	75
Zinc Sulfate (ZnSO ₄)	g/t	206	313	805
Sodium Sulfide (Na ₂ S)	g/t	624	611	1,018
Sodium Humate	g/t	167	187	476
Sodium Sulfite (Na ₂ SO ₃)	g/t	/	/	505
Quicklime (CaO)	g/t	7,919	8,334	6,610
No.310 Xanthate	g/t	17	9	/
Na-Butyl Xanthate (SBX)	g/t	219	283	394
No.2 Flotation Oil	g/t	0.47	0.16	3.03
Sulfuric Acid (H ₂ SO ₄)	g/t	13,823	17,719	5,277

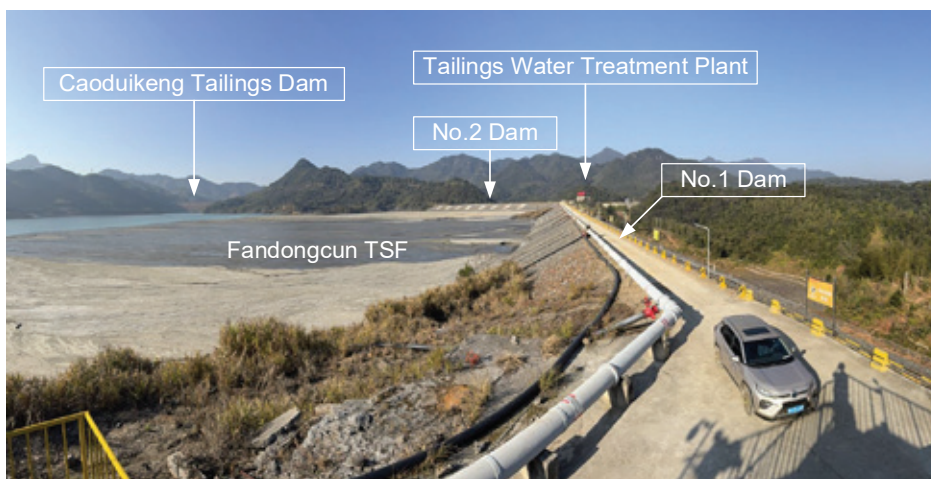
Source: Dabaoshan Mining Monthly Verification Statement of Key Technical and Economic Indicators, 2023–2025

10.11 Tailings Storage Facility

10.11.1 Basic Information of the Tailings Storage Facility

Dabaoshan has constructed two tailings storage facilities: the Caoduikeng TSF and the Fandongcun TSF. The two TSFs are located in the same valley, with the Fandongcun TSF situated downstream of the Caoduikeng TSF. It serves as the replacement facility for the Caoduikeng TSF and is integrated with it as a single unit, as shown in Figure 10-9.

Figure 10-9: Photographs of the Dabaoshan Tailings Storage Facilities



Source: SRK site visit

The Caodukeng tailings storage facility was designed in 1973 by the Changsha Ferrous Metallurgy Design and Research Institute (now MCC Changtian International Engineering Co., Ltd.). It has a total dam height of 58.8 m (crest elevation 572.5 m), a total storage capacity of 15.161 million m³, and is classified as a Class III facility. It reached full capacity and was decommissioned in 2016.

The Fandongcun tailings storage facility is the replacement for the Caodukeng facility and forms part of the 3.3 Mtpa copper–sulfur concentrator project. It was designed by MCC Changtian International Engineering Co., Ltd. in May 2013, construction commenced in July 2014, and the facility was commissioned in July 2016. Environmental protection completion acceptance was obtained on 15 July 2018, and the facility is currently operating normally.

The Fandongcun TSF has a designed ultimate dam height of 55 m (final crest elevation 540 m), a total storage capacity of 46.38 million m³ and an effective storage capacity of 32.90 million m³. The impoundment incorporates the entire area of the former Caodukeng TSF and is also able to collect inflows and leachate from historical illegal artisanal workings and waste dumps outside the original area. This addresses the previous lack of treatment for such wastewater and is of significant importance in resolving the legacy environmental issues associated with illegal mining in the Fandong area of Qujiang.

The Fandongcun TSF is a water-retaining, reservoir-type tailings facility, with a tailings water treatment plant constructed downstream. Together, the Fandongcun TSF and the tailings water treatment plant integrate water storage and treatment functions and constitute an environmental protection project that contributes to improvement of the ecological environment in the Dabaoshan mining area.

10.11.2 Tailings Dam and Construction Method

The Fandongcun tailings dam site is located at the mouth of the valley near Fandong Village. Two starter dams have been constructed, each with a design crest elevation of 540 m.

APPENDIX III

COMPETENT PERSON’S REPORT

- **Starter Dam No. 1:** Dam axis length 472.3 m; minimum elevation of the valley floor along the dam axis 485 m; dam height 55 m; crest width 10 m.
- **Starter Dam No. 2:** Dam axis length 370.0 m; minimum elevation of the valley floor along the dam axis 496 m; dam height 44 m; crest width 10 m.

Both starter dams are compacted rockfill dams constructed in a single stage, using waste rock from mining or borrow material from within the impoundment area. The upstream and downstream slope ratios for each starter dam are 1:2. Berms 5 m wide are provided at 15 m vertical intervals.

An impermeable barrier is designed on the upstream face. The anti-seepage system consists of a layered structure of crushed rock – weathered soil – geomembrane – weathered soil – crushed rock. The crushed-rock bedding layer is 0.5 m thick, and the impermeable system is protected by a 1 m thick riprap layer.

Under the long-term development plan, the starter dams can be thickened and raised using the downstream method to a crest elevation of 600 m, increasing the total storage capacity to 186.47 million m³.

10.11.3 Tailings Storage Capacity and Service Life

The Fandongcun tailings storage facility has starter dams with a crest elevation of 540 m and a dam height of 55 m. The total storage capacity is 46.38 million m³, with an effective storage capacity of 32.90 million m³. Based on a dry bulk density of 1.3 t/m³, the facility can store approximately 42.77 million tonnes of tailings.

According to the "Safety Status Evaluation Report of the Fandongcun Tailings Storage Facility of Guangdong Dabaoshan Mining Co., Ltd." issued by Hunan Mingsheng Safety Technology Co., Ltd. in February 2024, the volume of tailings in the facility was approximately 12.10 million m³. During 2024, 2025, and the end of August 2026, a total of 3.418 million m³ (4.444 million tonnes) of tailings were deposited. As of the end of August 2026, the remaining effective storage capacity is 13.464 million m³. From 2022 to the end of August 2026, the average tailings yield of the Copper-Sulfur Concentrator was 64.8%. Based on this yield, at an annual ore throughput of 3.3 million tonnes, the annual tailings production is 2.1384 million tonnes (1.645 million m³), corresponding to a remaining service life of 9.72 years for the Fandongcun TSF. At an annual ore throughput of 6.6 million tonnes, the annual tailings production would be 4.2768 million tonnes, and the remaining service life would be shortened accordingly.

To accommodate future tailings from lead-zinc ore and molybdenum ore processing, China Nerin Engineering Co., Ltd. prepared the *Dabaoshan Fandongcun Tailings Storage Facility Raising and Expansion Project Proposal* in 2025. The proposal recommends thickening and raising the starter dams using the downstream method to a crest elevation of 565 m, giving a total dam height of 80 m. The total storage capacity would be increased to 92.10 million m³, and based on a storage utilization factor of 0.71, the effective storage capacity would be 65.40 million m³.

As of the end of August 2026, the remaining effective storage capacity is 45.764 million m³, sufficient to store approximately 59.49 million tonnes of tailings. The expansion project proposed in the report has not yet proceeded to feasibility study or detailed engineering design.

APPENDIX III

COMPETENT PERSON’S REPORT

10.11.4 Flood Control Standards and Flood Management Facilities

The Fandongcun tailings storage facility is designed for a flood protection standard of once in 200 years for the initial stage and once in 1,000 years for the mid- to late stages. As a water-retaining dam-type tailings facility, it is designed with a minimum freeboard of 1.0 m at the maximum flood water level.

Flood management facilities include:

- Perimeter diversion channels: Channels constructed around the perimeter of the impoundment to intercept runoff from the valley slopes and divert it away from the TSF, preventing stormwater from entering the impoundment. The main catchment above the Fandongcun TSF has an area of 11.75 km² and a main gully length of 3.62 km. Two diversion channels along the main gully intercept runoff from 7.15 km², leaving a direct catchment area to the TSF of 4.6 km².
- Tributary (Meizikeng gully) cutoff dam: A cutoff dam on the Meizikeng tributary diverts floodwater from the upstream section of this tributary, via an open channel, into an adjacent gully, thereby preventing upstream floodwater from eroding Tailings Dam No. 2. The Meizikeng cutoff dam has a dam axis length of 108.5 m and is a compacted earth-rockfill dam with a crest elevation of 510 m, a dam height of 11 m and a crest width of 3 m. It is located downstream of Tailings Dam No. 2 and also serves as the retaining dam for Seepage Collection Pond No. 2.
- Spillway tower and tunnel: A spillway tower and outlet tunnel are provided to discharge floodwater from within the impoundment. The spillway tower is of reinforced concrete construction, with an external diameter of 3.5 m, wall thickness of 0.6 m, overall height of 27 m and crest elevation of 539 m. The lowest inlet elevation is 523.7 m. The flood discharge tunnel has a horseshoe-shaped cross-section with reinforced concrete lining, a bottom width of 2.0 m, height of 2.5 m and a longitudinal gradient of 0.03. The tunnel inlet elevation is +507.4 m, and the outlet elevation is +468.0 m. A stilling basin is constructed at the tunnel outlet; it is a C25 reinforced concrete structure measuring 6 m × 4 m × 2 m (length × width × depth). Water from the stilling basin is pumped to the external tailings water treatment plant.

10.11.5 Tailings Disposal, Return Water, Seepage Control and Tailings Water Treatment Facilities

Tailings slurry from the copper–sulfur concentrator, together with overflow and filtrate water from the concentrate thickeners and filters, is combined and gravity-fed to the Fandongcun TSF through a 500 mm-diameter (DN500), 2,800 m-long steel-frame plastic composite pipelines. Discharge is via 24 spigot lines along the inside of Starter Dams No. 1 and No. 2, depositing tailings at the dam toes to form a dry beach. As per the design, tailings are also discharged upstream of the Caodukeng tailings dam to form a downstream dry beach, thereby protecting the Caodukeng dam from saturation.

A floating pump station is installed near the spillway tower to pump clarified tailings water via pipeline to a 4,000 m³ high-level return-water tank at the concentrator, for reuse in processing.

Seepage interception ditches are constructed along the downstream toes of Starter Dams No. 1 and No. 2, on the natural ground in the valley floor. Seepage is collected and discharged via open channels, PE pipes or pumped transfer to downstream seepage collection ponds, from where it is pumped to the tailings water treatment plant. The seepage collection pond for Dam No. 1 has a retaining dam located about 30 m downstream of Starter Dam No. 1. This dam is a random-rubble

APPENDIX III

COMPETENT PERSON’S REPORT

concrete structure with a crest elevation of 487 m, height of 5 m, axis length of approximately 28.3 m and crest width of 2 m. The seepage collection pond for Dam No. 2 uses the Meizikeng tributary cutoff dam, which was constructed to divert floodwater from the tributary.

Under normal conditions, all clarified water in the Fandongcun TSF is returned to the concentrator via the return-water system. During the rainy season, for TSF safety, the water level in the impoundment must be lowered in advance and excess stormwater discharged through the spillway tunnel.

To ensure that overflow water meets discharge standards, a downstream tailings water treatment plant with a capacity of 24,000 m³/d has been constructed. Overflow water from the TSF and collected seepage water are pumped to the treatment plant, treated to meet the required standards, and then discharged.

10.11.6 Monitoring System

A dual monitoring system comprising both manual and automatic systems is in place.

Manual monitoring facilities include:

- Displacement monitoring: Manual displacement monitoring points are installed on the 1# starter dam at elevations +510 m, +525 m, and +540 m, and on the 2# starter dam at the same elevations, with three points per row. One displacement reference point is established on each side of the valley slopes.
- Water level monitoring: Scale markings and water level elevations are painted in red on the overflow tower derrick in the impoundment area, allowing for clear visual observation of the pond water level.
- Water quality monitoring: Two monitoring wells are installed at the toe of the downstream slope of the 1# starter dam to monitor seepage flow rate and water quality.

Online monitoring facilities include:

- GPS displacement monitoring points, video surveillance points, pond level measuring points, precipitation monitoring in the impoundment area, and beach monitoring. There are 23 GPS monitoring points and one base station on the dams, of which 11 GPS points (No. 1-GPS01 to 1-GPS11) are on the 1# dam, and 12 GPS points (No. 2-GPS01 to 2-GPS12) are on the 2# dam. A rain gauge is installed on the roof of the duty room. Video surveillance is set up at the pond surface, dam outer slopes, discharge points, and other locations. A set of beach monitoring facilities is installed on each of the 1# and 2# starter dams, and a pond level monitoring system is installed adjacent to the overflow tower.

11 Workforce Assessment

11.1 Workforce Numbers

As of 31 August 2026, the Company had a total of 1,036 registered employees. Under the leadership of the Board of Directors, the Company implements a general manager responsibility system. Its organisational structure and staffing arrangements are summarised in Table 11-1.

SRK considers that the existing staffing level is sufficient to support the stable operation of a production capacity of 3.3 million tonnes per annum. Following the planned capacity expansion, and with appropriate optimisation and adjustments, the staffing arrangement is expected to meet the target production capacity of 6.6 million tonnes per annum.

Table 11-1: Summary of Existing Employees of the Company

Department	Staff Number
Company Leadership	8
Board Office	41
Mining Plant	81
Processing Plant	339
Human Resources Department	21
Discipline Inspection Office	6
Audit Department	5
R & D Investment Department	21
Finance Department	14
Operations Management Department	24
Production Department	24
Safety Department	9
Environmental Protection Department	20
Equipment and Engineering Department	70
Caoduiheng tailings reservoir re-mining Dept	14
Marketing Centre	36
Testing Centre	95
Transport Centre	113
Logistics Support Centre	95
Total	1036

Source: the Company (2026).

11.2 Working Schedules

Dabaoshan Mine operates on a shift system, with each shift lasting 8 hours. Management and support personnel work shifts as required.

SRK considers that the working hours’ arrangement complies with the relevant labour laws and regulations of the PRC.

11.3 Assessment of Workforce

The Company strictly complies with PRC labor laws and regulations, has entered into employment contracts with all employees, and pays endowment insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund contributions on their behalf.

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APPENDIX III

COMPETENT PERSON’S REPORT

SRK considers that the current headcount and staffing configuration are reasonable and sufficient to meet the production capacity of 3.30 Mt/a. Following the planned expansion to 6.60 Mt/a, the Company’s human resources reserves will also be able to meet the expansion target.

12 Project Infrastructure

12.1 New Infrastructure for the Expansion

To increase production capacity from 3.30 Mt/a to 6.60 Mt/a, the Maanshan Mining Research Institute has compiled the “2026 Feasibility Study Report for the Expansion and Upgrading of the Mining and Processing Project of the Copper Polymetallic Ore at the Dabaoshan Mining Area”. The report proposes modification and expansion of some facilities on the existing basis, mainly including expansion of open-pit mining, development and transportation systems, waste dumping and mine drainage systems; tailings storage facility (TSF); and expansion of a 2.80 Mt/a concentrator, etc.

12.2 Industrial sites

■ Open Pit

Located within Fandong Village, about 13 km from Shaxi town. After expansion, the planned mining elevation range will be from +985 m (upper limit) to +313 m (lower limit). The pit crest will have plan dimensions of approximately 2,470 m × 880 m, and the pit bottom about 230 m × 30 m.

■ Waste Rock Dump

Close to the southwest side of the open pit, after optimization of the Liwu waste rock dump, the design parameters are: Total dump height: 339.0 m (elevation +380.00 m to +719.00 m); the step height: 19.0 m / 38.0 m; Safety platform width: 50.0 m; Step slope angle: 33°; Overall slope angle: 10°; Dump volume: 119.7958 million m³; Dump area approximately 4,048 mu (about 270 ha); The waste rock dump has a Class I safety level.

In addition, a new stockpile is planned in the Liwu waste rock dump area for temporary storage of low-grade ore from the open pit, and later to be comprehensive recovery.

■ Processing Plant

Existing 3.30 Mt/a Processing Plant

The existing 3.30 Mt/a Processing Plant is located about 0.5 km east of the open pit. The main buildings and structures include ore unloading platform, coarse crushing building, coarse crushing ore bin, grinding–flotation plant, various types of concentration pools (for intermediate concentrate, magnetic pyrite concentrate, sulphur concentrate and copper concentrate), product warehouse, substation, water tank and pump house, etc.

New 2.80 Mt/a Processing Plant

The new 2.80 Mt/a Processing Plant will be constructed to the south and east of the existing 3.30 Mt/a plant. The site will be levelled according to the local topography, with the main production platform arranged on the hillside east of the existing concentrator.

In accordance with the process flow, the following facilities will be arranged from south to north: coarse crushing ore bin, grinding–flotation plant, intermediate concentration and magnetic pyrite concentration pools, sulphur concentrate concentration pools, copper concentration pools, and product warehouse. The main site entrance will be located on the east side of the substation, and a

secondary entrance on the south side of the existing concentrator. The expanded concentrator will occupy an area of about 137 mu (approximately 9.1 ha).

12.3 Development and transport

Internal transportation at the mine is by road, while external transport is primarily by rail, supplemented by road. A dedicated standard-gauge industrial railway connects with the Beijing–Guangzhou line at Maba Station; the spur line is 17 km in length and includes two stations: Shaxi Station and Donghua Station.

The spiral development method is adopted below the + 625 m level of the stope. Above +625 m, separate transport roads are arranged for ore and waste rock. Based on the topography, the location of the waste rock dump and the unloading platform of the original ore bin, the haul roads are laid out in sections as follows: on the southeastern stope of the pit, a direct haul road is arranged from +625 m to the ore unloading platform; on the south-central stope, a switchback haul road is arranged from +625 m to the upper part of the waste rock dump. The main haul roads are designed as Class II roads, two-lane, with a pavement width of 12 m, maximum longitudinal slope 8%, and the length of the gentle slope section 80-100 m.

12.4 Mine drainage

Pit dewatering and drainage follows the principle of “interception as the main measure, combined prevention and drainage”.

- **Stope peripheral water interception**

Based on the topographic characteristics of the mine area, the main catchment areas are located to the northwest and southeast of the pit. During earlier mining stages, multiple concrete interceptor ditches were constructed around the pit to divert external runoff away from the mine. The ditch cross-section is not less than 1.5 m × 1.5 m, which meets the required drainage capacity.

- **Stope platform waterproof and drainage**

On the final pit slopes, rectangular surface drains are arranged on all cleanup benches and on the +649 m level bench. Collected runoff is intercepted and discharged towards both ends of the benches or towards pit entrances/exits, and then routed into the perimeter interceptor ditches in the mine area.

- **Mechanical Dewatering of the Pit Bottom**

On benches below the +649 m level, runoff from each bench and bench face is directed to sump(s) at the pit bottom. In the north, water is collected into the +517 m and +457 m pit sumps; in the south, into the +313 m pit sump. Pump stations are installed at these sumps to discharge water from the pit in a unified manner.

12.5 Tailings Storage Facility

The Fandongcun tailings storage facility (TSF) is located approximately 0.6 km east of the open pit. The TSF expansion will adopt a combined upstream–downstream dam-raising method. After raising,

the two original starter dams will be merged into a single dam, with a crest elevation of 565 m and a maximum dam height of 80 m.

An auxiliary dam will be added at the saddle on the right abutment to provide additional containment. For Auxiliary Dam No. 1, the channel bottom elevation is 555 m, the dam crest elevation is 565 m, and the maximum dam height is 10 m; the dam axis is approximately 45 m in length.

12.6 Electricity Supply

The project area is currently supplied by the existing 110 kV Baofan Substation, which is equipped with two 40,000 kVA main transformers providing power to the mine loads. The present load factor is less than 50%, and several 10 kV reserve switchgear panels are installed.

A new 10 kV Fandong Substation is planned on the eastern side of the open pit to supply power to the pit loads. This substation will be fed from the 10 kV switchgear room of the 110 kV Baofan Substation, with a supply capacity of approximately 6,300 kVA.

After the expansion, the 10 kV power supply for the mining system will be taken from the Fandong Substation, while the 10 kV power supply for the processing system will be taken from the reserve 10 kV panels in the Baofan Substation switchgear room.

12.7 Water Supply

Mining production water and domestic water will be sourced from the return water of the Fandongcun TSF and from surface streamflow in the Fandong Meizikeng area, respectively, which will be sufficient to meet the mine’s production and domestic water demands after the expansion.

12.8 Office and Living Facilities

The office and camp area is located within Shaxi Town, adjacent to the production area, and is equipped with office buildings, dormitories, canteen and bathhouse facilities. Following the expansion, the office and living facilities will be optimized in line with actual needs.

13 Environmental Studies, Permitting, Social or Community Impact

13.1 Environmental and Social Review Objective

The objective of this due diligence review is to identify and verify the existing and potential Environmental, Permitting, and Social or Community liabilities and risks, and assess any associated proposed remediation measures for the Dabaoshan Project. The Dabaoshan Project is comprised of Dabaoshan Polymetallic Mine, Copper-Sulphur Processing Plant and Fandongcun Tailings Storage Facility.

13.2 Environmental and Social Review Process, Scope and Standards

The process for verifying the environmental permitting and licensing compliance and operational conformance for the Dabaoshan Project comprised a review and inspection of the Projects’ environmental management performance against:

- Chinese national environmental regulatory requirements; and
- World Bank/International Finance Corporation (IFC) environmental standards and guidelines and internationally recognized environmental management practices.

The methodology applied for this environmental review of the Project consisted of a combination of documentation review, site visit and interviews with company technical representatives. The site visit for the Project was undertaken on 13 to 15 January 2026.

13.3 Environmental Legal Framework

The basis of environmental policy in China is contained in the 2018 Constitution of the People’s Republic of China. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organizes and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the Minerals Resources Law of the People’s Republic of China (2024) and the Ecological and Environmental Code of the People’s Republic of China (2026):

- Forestry Law (2019).
- Water Law (2016).
- Land Administration Law (2019).
- Protection of Wildlife Law (2022).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

13.4 Status of Environmental Approvals

The Environmental Impact Assessment Law of the People’s Republic of China and the Regulations on the Administration of Environmental Protection for Construction Projects require that projects with

APPENDIX III

COMPETENT PERSON’S REPORT

potentially significant environmental impacts prepare an Environmental Impact Report (“EIA”), which must comprehensively evaluate the pollution generated by the project and its impact on the environment. Before construction begins, the construction unit must submit the Environmental Impact Report or Environmental Impact Statement to the relevant environmental protection authority for approval. The company provided SRK with the EIA reports and approvals for the Project, with specific details outlined in the table below.

The details of the Environmental Impact Assessment (“EIA”) reports and approvals for the Project are presented in Table 13-1.

Table 13-1: EIA Reports and Approvals

Project	Produced By	Production date	Approved By	Approval date
Dabaoshan Polymetallic Mine Copper-Sulfur Raw Ore Mining Expansion Project (3.3 Mtpa)	Guangdong University of Technology	October, 2016	Guangdong Province Environmental Protection Bureau	December 8, 2016
Copper-Sulfur Processing Plant Project (7,000 tpd)	Changsha Nonferrous Metallurgical Design and Research Institute Co., Ltd.	December, 2014	Shaoguan City Environmental Protection Bureau	January 4, 2015
Copper-Sulfur Processing Plant Project (7,000 tpd) Post EIA	Guangzhou Caigao Environmental Protection Technology Co., Ltd.	August, 2019	Shaoguan City Ecological and Environmental Bureau	September 25, 2019
Fandongcun Tailings Storage Facility Project	Changsha Nonferrous Metallurgical Design and Research Institute	October, 2010	Shaoguan City Environmental Protection Bureau	May 23, 2013
Liwu Tailings Pond External Drainage Water Treatment Project (15,000 tpd)	Shaoguan Environmental Protection Science and Technology Research Institute	May, 2009	Shaoguan City Environmental Protection Bureau	June 11, 2009
Liwu Tailings Pond External Drainage Water Treatment Expansion Project (45,000 tpd)	Shaoguan Environmental Protection Science and Technology Research Institute	May, 2014	Shaoguan City Environmental Protection Bureau	June 17, 2014
The Processing of By-product Ore from the Dabaoshan Project (0.1 Mtpa)	Guangzhou Caigao Environmental Protection Technology Co., Ltd.	July, 2018	Shaoguan City Environmental Protection Bureau	December 19, 2018
Technical Upgrade for Comprehensive Recovery of Tailings Resources from the Copper-Sulfur Processing Plant (7,000 tpd) of the Dabaoshan Project	Guangzhou Caigao Environmental Protection Technology Co., Ltd.	March, 2019	Shaoguan City Ecological and Environmental Bureau	May 22, 2019

Source: the Company (2026).

SRK reviewed above EIA reports and concluded that the EIA reports basically cover the mining site, processing plant, tailings storage facility, water treatment facility and other ancillary facilities. All of the above EIA reports have been approved by the relevant government authorities, and the

APPENDIX III

COMPETENT PERSON’S REPORT

corresponding EIA approval documents have been obtained. SRK considers that the company prepared the EIA reports for the main production facilities in accordance with relevant Chinese legal requirements and obtained corresponding government approvals.

13.5 Flora and Fauna

The project area is located in the low- to middle-mountain region of Lingnan and is characterized by a humid and rainy subtropical climate, with mild and moist conditions, abundant rainfall, and lush vegetation growth. The zonal vegetation type in the project area is typical evergreen broad-leaved forest, which gradually transitions into montane evergreen–deciduous broad-leaved forest with increasing elevation, accompanied by an increasing proportion of deciduous tree species. Due to long-term disturbances from mining and other industrial activities, the original native vegetation within the developed areas around the mine has been almost completely destroyed, and the existing vegetation is predominantly secondary forest or plantation forest.

The secondary broad-leaved forest vegetation types within the assessment area include evergreen broad-leaved forest and mixed evergreen–deciduous broad-leaved forest. These are mainly distributed in the mountainous and hilly areas of northern and northeastern Dabaoshan at elevations of approximately 100–850 m, and are also found on hillsides around the mine area that have experienced relatively low levels of disturbance. Subtropical evergreen coniferous forests consist of pure stands and mixed stands of Masson pine (*Pinus massoniana*) and Chinese fir (*Cunninghamia lanceolata*), which are either artificially planted or naturally regenerated. These forests are mainly distributed in the Tielong Forest Farm and are relatively limited to extent within the assessment area.

Bamboo forests occupy a relatively large area and represent the most widely distributed vegetation type around the Dabaoshan mining area. They are mainly found along valleys near villages and in mountainous areas. The dominant species is moso bamboo (*Phyllostachys edulis*), which grows in a semi-natural state and has also extensively encroached into montane evergreen broad-leaved forests. Rocky hill shrublands have the smallest distribution area and are mainly found on rocky hilltops and along roadsides. *Miscanthus floridulus* grasslands are also widely distributed in the region and are commonly found on slopes disturbed by human activities, such as abandoned old mine pits, former waste dumps, and landslide areas. Artificial vegetation mainly includes paddy fields, orchards, and plantations, which are mostly distributed on flat river terraces and near villages, while orchards and plantations are also present in hilly areas.

Wildlife within the assessment area mainly includes hares, wild boars, pheasants, rodents, sparrows and other bird species, as well as various species of snakes. Although the Qujiang Shaxi Provincial Nature Reserve is located relatively close to the project’s tailings storage facility, the EIA concludes that, due to several decades of mining activities, environmental disturbances in the surrounding area have become relatively stable, and only some common wildlife species are present in the region. Considering the sensitivity of wildlife to external disturbances and their capacity for migration, animal species that originally occurred in the area would relocate to surrounding habitats with similar or more favorable environmental conditions away from disturbed areas as a result of industrial and mining activities. In addition, there are no habitats or breeding grounds for rare or endangered species within the buffer zone of the nature reserve. Therefore, the EIA considers that the project is unlikely to have a significant impact on wildlife within the Qujiang Shaxi Nature Reserve. In addition, the EIA proposes a series of ecological protection measures to reduce impacts on flora and fauna, such as minimizing the area of land disturbance, stockpiling topsoil for reclamation, and using locally suitable tree and grass species for revegetation.

13.6 Water Management

The surface water bodies in the project area belong to the Zhujiang River system. On the eastern side of the Dabaoshan mining area, Fandong River is formed by the confluence of two streams—Fanxi from the south and Beishui from the north—constituting a small river with a flow rate ranging from 0.169 to 0.591 m³/s. In the southern part of the mining area, Liwu Creek is formed by several streams originating from Maxie'ao, with a flow rate of 5.83 to 116.25 L/s. Liwu Creek flows southward and joins Fandong River at Liangqiao in the southeastern part of the mining area. After flowing for approximately 4 km, it converges into Hengshi River. Hengshi River originates from Huangmaokeng in Shixing County, flows from north to south for about 13 km, and joins the Wengjiang River at Longkou in Yingde City. The Wengjiang River is a first-order tributary of the Beijiang River, with a long-term average daily flow of 3.67 million m³/d.

At present, domestic water for the mine is supplied by a third party, Guangzhou Changjian Property Management Co., Ltd., Shaoguan Branch, with which a water supply agreement was signed in April 2025. In addition, the original water abstraction permit for Dabaoshan has been transferred to this company. Domestic water supply for the Shaxi area and Fandong Village, as well as road dust suppression and landscaping within the plant area, are all provided by this company. Production water for the processing plant is sourced from recycled water from the tailings storage facility and mine dewatering.

The main wastewater from the project includes mine dewatering water, leachate from the waste rock dump, mineral processing wastewater, wastewater from the tailings storage facility and rainwater coming into contact with the waste rock dump and sediment retention pond. A sediment retention pond has been constructed downstream of the waste rock dump to intercept and store leachate and contaminated surface runoff from the dump, thereby controlling soil erosion and sediment loss.

Wastewater collected in the sediment retention pond is conveyed via pipelines to the wastewater treatment facilities for treatment prior to discharge. At present, two phases of wastewater treatment facilities have been constructed for the Liwu sediment retention pond, with treatment capacities of 15,000 m³/day and 45,000 m³/day, respectively. This wastewater is acidic and contains various heavy metal ions. The wastewater treatment facilities for the Liwu sediment retention pond adopt a “two-stage coagulation and sedimentation reaction” process, in which lime, flocculants, and heavy metal ion scavengers are added to purify the wastewater.

In addition, a portion of the wastewater from the Fandongcun Tailings Storage Facility is also discharged after treatment. Under normal conditions, all water stored in the tailings storage facility is recycled for use in the processing plant. During periods of heavy rainfall, however, the water level in the tailings storage facility must be lowered in advance, and excess water is discharged into the Fandong River after being treated to meet discharge standards at the wastewater treatment plant associated with the tailings storage facility. At present, a wastewater treatment facility with a treatment capacity of 36,000 m³/day has been constructed downstream of the tailings dam to treat the discharged tailings wastewater. The process scheme for the wastewater treatment facility retains the original two-stage flocculation and sedimentation process, while additionally incorporating a CASS (Cyclic Activated Sludge System) biological reaction tank and a flocculation-sedimentation tank.

The Project enters into an environmental monitoring contract with a third-party monitoring agency on an annual basis. SRK reviewed the 2025 contract, which included water quality monitoring for treated

APPENDIX III

COMPETENT PERSON’S REPORT

effluent discharged from the Liwu sediment retention pond, as well as surface water monitoring points. SRK reviewed the monthly water quality monitoring reports for the discharged effluent from the Phase I and Phase II wastewater treatment facilities at the Liwu sediment retention pond for the period from January 2025 to August 2026. The monitoring parameters included copper, manganese, arsenic, cadmium, and others. The results indicated that the quality of the discharged effluent complied with the relevant limits specified in the pollutant discharge permit. SRK recommends that the Project strengthen surface water and groundwater monitoring across the entire mining area, including upstream and downstream areas. Proper stormwater management measures should be implemented at the waste rock dump and sediment retention pond, together with emergency response measures for heavy rainfall events during the wet season.

13.7 Waste Rock and Tailings Management

At present, waste rock generated from project operations is disposed of at the nearby waste rock dump (“WRD”). The Liwu WRD, located southwest of the open pit, is an important supporting facility for the open-pit operation. It has been in use since the mine commenced operations in 1958. The dump is a hillside-type waste rock facility situated on relatively steep terrain, with waste rock disposed of using high-bench dumping methods. The Liwu WRD covers an area of approximately 135 ha. Downstream of the waste rock dump is the Liwu sediment retention pond, which is used to collect and intercept leachate and contaminated surface runoff from the waste rock dump, as well as sediment transported by erosion.

The previously used Caodukeng Tailings Storage Facility (“TSF”) is located approximately 1 km northeast of the open pit. Due to exhaustion of storage capacity, the facility was decommissioned at the end of 2017. The currently operating TSF is the Fandongcun TSF. This facility is located immediately downstream of the Caodukeng TSF, adjacent to Fandongcun Village, which was completely relocated in 2014. Construction of the Fandongcun TSF commenced in 2015, and the facility was completed and impounded in August 2016 to replace the Caodukeng TSF.

The Fandongcun TSF was designed for a copper-sulphur ore mining and processing capacity of 3.3 Mt/a, with a service life of 20 years. The upstream face of the starter dam is lined with crushed rock, weathered soil, and geomembrane to prevent seepage of tailings water. Interception drains have been constructed around the perimeter of the TSF. Displacement monitoring facilities have been installed on the crest and outer slope of the starter dam, with monitoring benchmarks established on stable bedrock on both abutments. Regular monitoring of dam displacement is conducted. According to the EIA report for the Fandongcun TSF, toxicity leaching test results for the copper-sulphur tailings conducted by the Shaoguan Monitoring Station in 2009 indicated that the copper-sulphur tailings are classified as Class I general industrial solid waste and are not classified as hazardous solid waste. During the time of this site visit, SRK observed that the upstream leachate and contaminated surface runoff intercepted by the Liwu sediment retention pond exhibited a distinct dark reddish colour and had relatively low pH values, indicating acidic conditions. These acidic wastewaters are treated at two wastewater treatment facilities located downstream of the Liwu sediment retention pond prior to discharge.

13.8 Dust and Noise Emissions

The fugitive dust emission sources for the Project are mainly from the stockpiles (ore and waste rock), loading and unloading, crashing, dry beach of TSF and movement of vehicles and mobile equipment. The dust suppression measures proposed in the EIA reports include the use of wet drilling, water

APPENDIX III

COMPETENT PERSON’S REPORT

spraying for dust control on working faces and blasted muck piles, installation of dust collection and control equipment at the processing plant, and regular watering of haul road surfaces. During the site visit, SRK did not observe significant dust emissions in the processing plant area. However, along the haul roads within the mining area, occasional dust was generated due to the passage of haulage vehicles.

The main sources of noise emissions for the Project are from the operation of the mining and processing plant operation (drilling, blasting, loading, haulage, crushers, ball mills, pumps and other processing equipment) and movement of vehicles/mobile equipment. The noise mitigation measures proposed in the EIA reports include the use of low-noise equipment, installation of silencers on noise-generating equipment such as air compressors, as well as traffic management measures such as controlling vehicle speed and restricting horn use when appropriate. During the site visit, SRK did not observe noticeable noise levels at the mine site boundary.

The Project has established a monitoring program for air emissions and noise, under which an external third-party organization is engaged to conduct quarterly monitoring of fugitive emissions, stack emissions, and noise levels. SRK reviewed the air quality and noise monitoring report for the third quarter of 2025 provided by the Dabaoshan mine. The air monitoring covered fugitive emissions and noise at the boundary of the processing plant and the mining platform, as well as emissions from sources such as the crushing workshop and the ore bin. The monitoring results indicate that all air quality and noise levels complied with the relevant applicable standards.

13.9 Hazardous Substances Management

Hazardous materials have the characteristics of corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which pose a potential risk to human and/or environmental health. The hazardous materials will be generated mainly by the Project’s construction, mining, and processing operations and include of hydrocarbons (i.e. diesels, waste oils, and lubricants) and oil containers, explosives, processing reagents, etc. The leaks, spills or other types of accidental releases of hazardous materials may have negative impact on soils and groundwater resources near the mine site.

The main hazardous wastes generated by the Project include waste oil, empty oil drums, and packaging bags from mineral processing reagents. The Project has constructed a dedicated hazardous waste storage facility within the processing plant area. Waste classification signage is posted at the entrance, and the internal floor of the facility has been concreted and equipped with drainage channels. Dabaoshan has established an annual management plan for the above-mentioned hazardous wastes and has signed a waste disposal contract with Shaoguan Dongjiang Environmental Protection Renewable Resources Development Co., Ltd. The Project conducts monthly hazardous waste inventory records, including information on the generation, utilization/disposal, outsourcing to external contractors, and storage of hazardous wastes. SRK recommends that the processing reagents be stored with secondary containment which is in line with the recognised international industry management practices.

13.10 Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under the Mineral Resources Law of People’s Republic of China (2024), the Rules for Implementation of the Mineral Resources Law of the People’s Republic of China, the Mine Site Geological Environment Protection Regulations (2019),

APPENDIX III

COMPETENT PERSON’S REPORT

and the Land Rehabilitation Regulation (2011) issued by the State Council. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by the Company.

SRK has sighted a mine ecological restoration plan for the Dabaoshan polymetallic mine which was produced by Guangdong General Team of the China Building Materials Industrial Geological Exploration Center in August 2026. The plan includes the ecological restoration measures and engineering works. The total static investment for mine ecological restoration is RMB 338,935,100, while the total dynamic investment for restoration is RMB 429,156,500. SRK reviewed the 2025 bank payment receipt for the fund, which shows that RMB 1.93 million was paid into the environmental restoration and land reclamation fund. According to the reclaimed land area statistics provided by the Company, as of the end of 2024, the Project has completed reclamation of 1,573,633 m².

13.11 Social Aspects

The Dabaoshan Project is located approximately 13 km southeast of Shaxi Town, Qujiang District, Shaoguan City. A 13 km cement-paved road connects the company headquarters directly to the mining area. The general surrounding land use mainly comprises forest with some agriculture.

There are several villages distributed within a 10 km radius of the Project. The general regional area is mainly populated with Han Chinese. The Company informed SRK that there are no ethnic minority settlements in the vicinity of the Project, and no historical or cultural heritage sites within the mining area.

During the several environmental impact assessment process, the project proponent conducted environmental information disclosures in accordance with the measures for public participation in environmental impact assessment. Public consultation was carried out through online announcements, newspaper publications, and posted notices to gather opinions and suggestions from the public regarding the environmental aspects of the Project. According to the information provided in the EIA reports, no objections to the Project were received during multiple rounds of public consultation.

The Company informed that the Project provides targeted donations to surrounding village committees and townships to support community development and has also participated in poverty alleviation programs in Guangdong Province.

14 Capital Expenditures and Operating Expenses

This section summarizes the Capital expenditures (“Capex”) and Operating expenditures (“Opex”) for the Project. All the Capex and Opex are estimated in Renminbi (“RMB”).

14.1 Capital Expenditures

The Capex for the Project is categorised into Sunk Capex and Future Capex.

14.1.1 Sunk Capex

The sunk Capex covers the period from 2023 to Aug 2026 and primarily comprises sustaining capital expenditures associated with ongoing operations, mining rights payments, equipment procurement and other capitalised projects.

The expenditure for the Sulphur Processing Circuit Upgrade Project was incurred in 2023, and the expenditure for the Expansion and Upgrade of the Fandong Village Tailings Discharge Water Treatment Facility was incurred in 2024 and 2025. No additional capital expenditure is expected for these projects over the forecast period.

The Mining Rights Acquisition Fee has been incurred on an annual basis and has been incorporated into the future initial capital expenditure estimate for the Dabaoshan Polymetallic Mine Expansion and Upgrade.

The summary of sunk Capex is presented in Table 14-1.

Table 14-1: Historical Sunk Capex (2023 to Aug 2026)

CAPEX	Unit	Historical			
		2023	2024	2025	Aug 2026
Five-Year Equipment Expansion and Replacement Program	Million RMB	-	-	-	-
Liwu Sediment Containment Facility Environmental Risk Management Project	Million RMB	-	-	-	-
Five-Year Exploration Program	Million RMB	-	-	-	-
Sulphur Processing Circuit Upgrade Project	Million RMB	8.19	-	-	-
Expansion and Upgrade of the Fandong Village Tailings Discharge Water Treatment Facility	Million RMB	-	1.77	4.84	-
Mining Rights Acquisition Fee	Million RMB	60.00	60.00	60.00	35.00
Purchase of Additional Equipment and others	Million RMB	63.84	50.00	90.79	48.39
Other Capital Projects	Million RMB	-	-	-	-
Acquisition of Land Parcels	Million RMB	-	23.52	-	-
Total Capex	Million RMB	132.03	135.28	155.63	83.39

Source: summarized by SRK

14.1.2 Future Capex

Future Capex has been estimated based on the capital expenditure plans provided by Dabaoshan Polymetallic Mine and SRK’s estimates developed based on historical expenditure and the LOM

APPENDIX III

COMPETENT PERSON’S REPORT

production schedule. The total estimated Capex over the LOM is RMB 4,628 million, as summarised in Table 14-2.

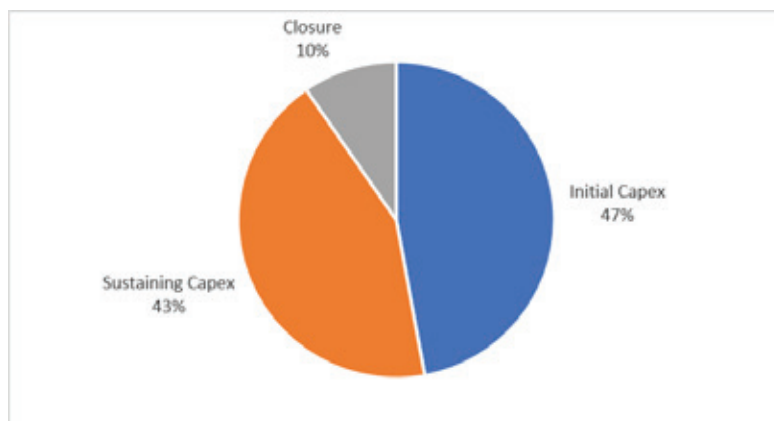
As shown in Figure 14-1, the estimated Capex is divided into three primary categories. Initial Capex accounts for approximately 47% of the total, Sustaining Capex accounts for approximately 43%, and Closure Cost accounts for approximately 10%.

Table 14-2: Summary of LOM Capex

Item	Unit	LOM
Initial Capex		
Dabaoshan Polymetallic Mine Expansion and Upgrade	Million RMB	2,180
Sustaining Capex		
Five-Year Equipment Expansion and Replacement Program	Million RMB	211
Liwu Sediment Containment Facility Environmental Risk Management Project	Million RMB	180
Five-Year Exploration Program	Million RMB	41
Sulphur Processing Circuit Upgrade Project	Million RMB	-
Expansion and Upgrade of the Fandong Village Tailings Discharge Water Treatment Facility	Million RMB	-
Mining Rights Acquisition Fee	Million RMB	-
Purchase of Additional Equipment and others	Million RMB	320
Other Capital Projects	Million RMB	1,180
Acquisition of Land Parcels	Million RMB	69
Closure Cost	Million RMB	446
Total Capex	Million RMB	4,628

Source: summarized by SRK

Figure 14-1: Capex Investment Plan Distribution over LOM



Source: summarized by SRK

Initial Capex

The initial capital expenditure for the Dabaoshan Polymetallic Mine Expansion and Upgrade was based on the 2026 FS. The total initial capital cost is estimated at RMB 2,180 million, excluding working capital. The initial capital expenditure includes construction investment, other project-related costs, and contingency allowance required for the implementation of the expansion and upgrade works.

The major components of the initial capital expenditure are summarised below:

- Engineering construction costs, including:
 - Mine development works;
 - Waste dump construction;
 - Crushing facilities, coarse ore stockpile, grinding facilities, concentrate storage facilities, and associated processing facilities;
 - Conveying systems, drainage and pipeline transportation systems;
 - Electrical infrastructure, including the 110 kV substation expansion;
 - Intelligent mine systems and online analysis systems;
 - Slope engineering works and general site works; and
 - Expansion works for the Fandong Village tailings storage facility.
- Other project-related costs, including:
 - Mining rights acquisition fees and land-related costs;
 - Demolition costs and environmental protection and land reclamation costs;

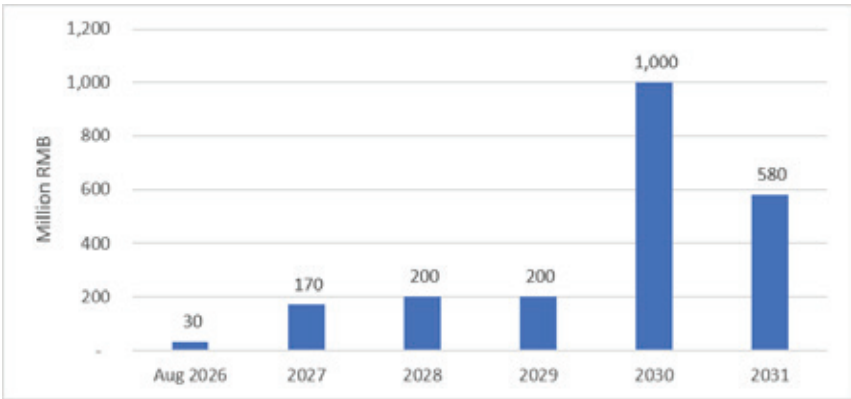
APPENDIX III

COMPETENT PERSON’S REPORT

- Construction management fees, testing and commissioning costs, design fees, feasibility study and preliminary design costs;
- Budget preparation fees, supervision fees, employee training costs, office and living facility procurement costs, production equipment and tools procurement costs, and consulting service fees.
- Contingency allowance included in the capital cost estimate.

The initial capital expenditure is scheduled to be incurred between Aug 2026 and 2031, as presented in Figure 14-2. The majority of the expenditure is planned for 2030, corresponding to the peak construction and equipment installation period. The remaining expenditure in 2031 relates to the completion of the expansion works, with the operation expected to achieve full production capacity in 2031.

Figure 14-2: Initial Capex Investment Plan over LOM (in Million RMB)



Source: summarized by SRK

Sustaining Capex

The sustaining capital expenditure includes capital requirements after the commencement of operations for ongoing mining activities, infrastructure improvements, resource development, and other operational requirements. The sustaining capital estimate was based on the planned capital programmes and operational requirements. The total sustaining capital expenditure considered in the economic evaluation is estimated at RMB 2,001 million.

The Five-Year Equipment Expansion and Replacement Program was provided by the Company as part of its Five-Year Plan. The total expenditure is estimated at RMB 211 million. The expenditure is scheduled between 2026 and 2030 and relates to planned equipment additions and replacements during the operating period.

The Liwu Sediment Containment Facility Environmental Risk Management Project was provided by the Company as part of its planned capital programme. The total expenditure is estimated at RMB 180 million. The expenditure is scheduled between 2026 and 2030 and relates to planned environmental risk management measures associated with the Liwu sediment containment facility.

APPENDIX III

COMPETENT PERSON’S REPORT

The Five-Year Exploration Program was provided by the Company as part of its planned capital programme. The total expenditure is estimated at RMB 41 million. The programme includes planned infill drilling activities within the Dabaoshan mining area to support ongoing mine planning and geological interpretation during the production period. The expenditure is scheduled between 2027 and 2031.

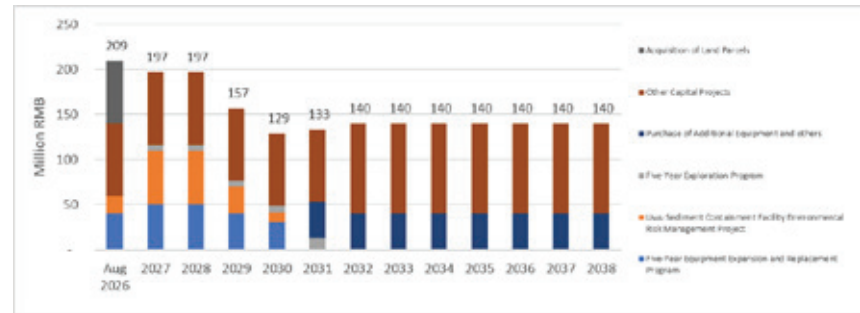
The Purchase of Additional Equipment includes planned equipment purchases to support ongoing operations. The total expenditure is estimated at RMB 320 million, with expenditure scheduled periodically throughout the LOM.

The Other Capital Projects include various capital activities required to support mine operations. The total expenditure is estimated at RMB 1,180 million and is scheduled throughout the LOM.

The Acquisition of Land Parcels relates to the planned acquisition of additional six land required for mining operations and associated infrastructure. The total expenditure is estimated at RMB 69 million, with the majority of the expenditure scheduled during the early operating period.

The annual sustaining capital expenditure schedule is presented in Figure 14-3.

Figure 14-3: Sustaining Capex Investment Plan over LOM (in Million CNY)



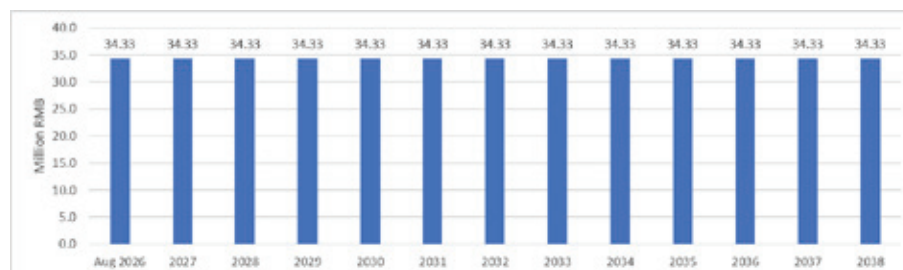
Source: summarized by SRK

Closure Cost

The closure cost estimate was based on the Mine Environmental Protection and Land Reclamation Plan. The total closure cost is estimated at RMB 446 million, approximately RMB 34 million per year over the LOM, as shown in Figure 14-4.

The closure cost includes engineering measures, biological rehabilitation, monitoring, and other associated costs required for mine closure and land reclamation. The major closure activities include site levelling, slope protection, vegetation restoration, environmental monitoring, and post-closure management activities associated with the open pit, waste dump, tailings storage facilities, and other disturbed areas.

Figure 14-4: Closure Capex Investment Plan over LOM (in Million CNY)



Source: summarized by SRK

14.2 Operating Costs

Opex estimates are based on historical cash costs and the LoM production plan. All figures represent in cash basis; non-cash items such as Depreciation and Amortization (D&A) are excluded.

14.2.1 Historical Operating Costs

Historical Opex for the period from 2023 to Aug 2026 is presented in Table 14-3. The historical operating costs include labour, materials, fuel and power, safety, environmental costs, transportation costs, maintenance, rental, outsourced services, royalties, selling costs, general and administrative expenses, research and development expenses, and other operating costs.

The distribution of historical Opex by cost category is shown in Figure 14-5. Materials represented the largest cost component, accounting for approximately 26% of the historical Opex, followed by G&A expenses, labour, fuel and power, and R&D expenses.

APPENDIX III

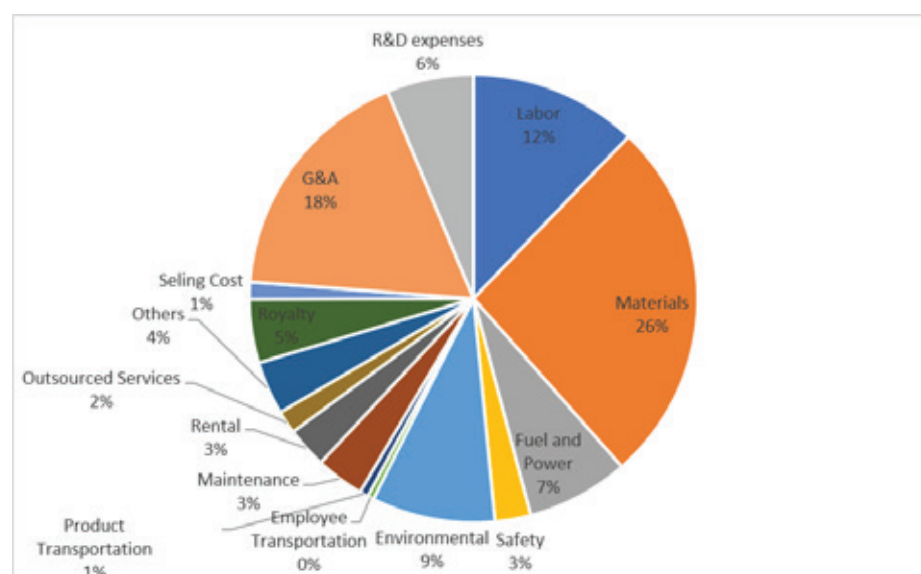
COMPETENT PERSON’S REPORT

Table 14-3: Historical Opex (2023 to Aug 2026)

Item	Unit	2023	2024	2025	Aug 2026
Production					
Labor	Million RMB	103.13	121.78	119.00	110.82
Materials	Million RMB	261.52	232.57	274.48	216.15
Fuel and Power	Million RMB	83.56	80.45	59.00	53.28
Safety	Million RMB	25.77	26.92	24.16	19.29
Environmental	Million RMB	93.65	85.59	88.88	65.12
Employee Transportation	Million RMB	4.61	4.84	3.87	3.27
Product Transportation	Million RMB	5.01	6.03	6.89	5.37
Maintenance	Million RMB	40.86	29.74	45.73	14.61
Rental	Million RMB	14.58	36.88	33.14	25.52
Outsourced Services	Million RMB	15.11	15.72	17.10	13.65
Others	Million RMB	37.88	39.78	44.32	19.73
Royalty	Million RMB	35.85	40.50	44.12	50.57
Selling Cost	Million RMB	12.36	12.30	11.89	9.18
G&A	Million RMB	157.78	205.80	161.91	130.34
R&D expenses	Million RMB	52.02	59.57	74.99	47.12
Total OPEX	Million RMB	943.67	998.46	1,009.50	784.03

Source: summarized by SRK

Figure 14-5: Historical Opex Distribution



Source: summarized by SRK

APPENDIX III

COMPETENT PERSON’S REPORT

14.2.2 Unit Operating Costs

The historical unit operating costs on an expense basis are summarised in Table 14-4. Mining-related costs were historically included within the labour and materials cost categories. Surcharges were historically included within the General and Administrative (G&A) cost category.

For the future Opex estimate, SRK separated the mining-related components from labour and materials to allow mining costs to be estimated independently. Mining costs are based on the 2026 FS, using unit costs of RMB 6.80/t of ore and RMB 8.70/t of waste. The mining-related portions were therefore removed from the historical labour and materials costs to avoid double counting. In addition, historical surcharges included within G&A were removed, as surcharges were separately estimated in the economic analysis. The resulting unit operating costs used for the future Opex estimate are summarized in Table 14-5.

Table 14-4: Historical Unit Operating Costs on an Expense Basis (2023 to Aug 2026)

Item	Unit	Historical				
		2023	2024	2025	Aug 2026	Average/Total
Processing						
Milled ROM	kt	3,626	3,614	3,558	2,384	13,182
Cu Concentrate	kt	14.87	14.32	13.86	9.14	52.19
S Concentrate	kt	1,245	1,264	1,238	659	4,406
Pyrrhotite Concentrate	kt	303	197	185	140	825
Selling						
Cu Concentrate	kt	14.94	14.14	12.88	9.96	51.92
S Concentrate	kt	1,249	1,238	1,205	881	4,574
Pyrrhotite Concentrate	kt	304	198	181	143	825
Production						
Labor	RMB/t Milled ROM	28.44	33.70	33.45	46.48	34.50
Materials	RMB/t Milled ROM	72.11	64.36	77.15	90.66	74.70
Fuel and Power	RMB/t Milled ROM	23.04	22.26	16.59	22.35	20.96
Safety	RMB/t Milled ROM	7.10	7.45	6.79	8.09	7.29
Environmental	RMB/t Milled ROM	25.82	23.68	24.98	27.31	25.28
Employee Transportation	RMB/t Milled ROM	1.27	1.34	1.09	1.37	1.26
Product Transportation	RMB/t Milled ROM	1.38	1.67	1.94	2.25	1.77
Maintenance	RMB/t Milled ROM	11.27	8.23	12.86	6.13	9.93
Rental	RMB/t Milled ROM	4.02	10.21	9.32	10.70	8.35

APPENDIX III

COMPETENT PERSON’S REPORT

Item	Unit	Historical				
		2023	2024	2025	Aug 2026	Average/Total
Outsourced Services	RMB/t Milled ROM	4.17	4.35	4.81	5.72	4.67
Others	RMB/t Milled ROM	10.45	11.01	12.46	8.28	10.75
Royalty	RMB/t Milled ROM	9.88	11.21	12.40	21.21	12.97
Selling Cost	RMB/t Milled ROM	3.41	3.40	3.34	3.85	3.47
G&A	RMB/t Milled ROM	43.51	56.95	45.51	54.67	49.75
R&D expenses	RMB/t Milled ROM	14.34	16.48	21.08	19.76	17.73
Total OPEX	RMB/t Milled ROM	260.22	276.30	283.76	328.84	283.39

Table 14-5: Unit Operating Costs Used for Future Opex Estimation

OPEX - By Element	Unit	Historical Average	SRK Input
Production			
Mining	RMB/t	56.51	6.80/t of ore 8.70/t of waste
Labor ¹	RMB/t	18.31	18
Materials ¹	RMB/t	34.24	34
Fuel and Power	RMB/t	20.94	21
Safety	RMB/t	7.28	7
Environmental	RMB/t	25.25	25
Employee Transportation	RMB/t	1.26	1
Product Transportation	RMB/t	1.77	2
Maintenance	RMB/t	9.89	10
Rental	RMB/t	8.34	8
Outsourced Services	RMB/t	4.67	5
Others	RMB/t	10.89	11
Royalty	RMB/t	12.97	-
Selling Cost	RMB/t	3.47	3
G&A	RMB/t	40.96	41
R&D expenses	RMB/t	17.73	18

Source: summarized by SRK

Note:

¹ Mining-related costs have been excluded from Labour and Materials and are estimated separately.

² Surcharges have been excluded from G&A and are estimated separately.

14.2.3 Future Opex Estimation

Future Opex has been estimated by applying the unit operating costs set out in the previous section to the LOM schedule. For reporting purposes and to maintain consistency with the historical cost categories, the estimated mining costs are allocated to Labour and Materials based on the historical

APPENDIX III

COMPETENT PERSON’S REPORT

average allocation, with approximately 29% allocated to Labour and 71% to Materials. Taxes and surcharges are estimated separately based on the principal assumptions in Chapter 15.1.3. The estimated surcharges are subsequently included within G&A for reporting purposes, consistent with the historical cost.

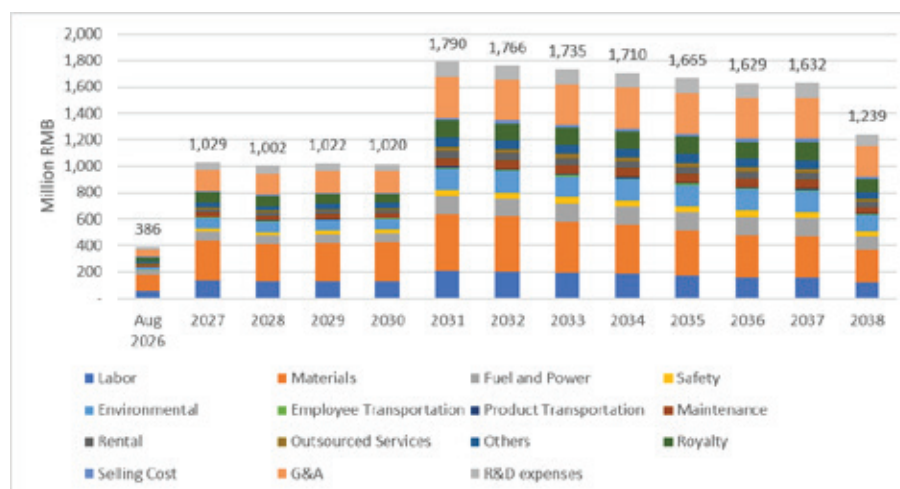
The estimated annual Opex and corresponding unit operating costs over the LOM are summarised in Table 14-6. The annual Opex by cost category is shown in Figure 14-6.

Table 14-6: Estimated Annual Opex and Unit Opex over the LOM

Unit costs incl. Royalty	LOM	Aug 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Production	MM\$/t milled	185.99	252.64	229.25	217.29	216.44	218.63	189.72	186.82	183.21	177.21	170.61	165.37	163.79
Labor	MM\$/t milled	30.45	49.68	43.00	39.59	39.34	39.97	31.71	30.89	29.28	28.29	26.26	24.76	24.31
Materials	MM\$/t milled	65.67	112.69	95.98	87.44	86.83	86.79	67.74	65.67	61.64	58.16	54.08	50.34	49.31
Fuel and Power	MM\$/t milled	30.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96	20.96
Safety	MM\$/t milled	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29	7.29
Environmental	MM\$/t milled	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28	25.28
Employee Transportation	MM\$/t milled	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Product Transportation	MM\$/t milled	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77
Maintenance	MM\$/t milled	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93	9.93
Rental	MM\$/t milled	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35
Outsourced Services	MM\$/t milled	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67
Others	MM\$/t milled	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75
Royalty	MM\$/t milled	20.93	24.99	24.97	24.30	22.82	20.85	20.45	19.72	20.89	20.05	20.19	19.87	20.16
Selling Cost	MM\$/t milled	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47	3.47
G&A	MM\$/t milled	48.53	50.46	50.31	49.43	49.14	48.47	48.30	48.14	48.32	48.23	48.22	48.11	48.59
R&D expenses	MM\$/t milled	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73
Total	MM\$/t milled	276.64	350.66	325.53	311.23	309.59	309.34	279.67	275.88	271.11	267.39	260.21	254.55	254.06

Source: summarized by SRK

Figure 14-6: Estimated Annual Opex by Cost Category over the LOM



Source: summarized by SRK

15 Economic Analysis

The economic analysis presented in this section is based only on the results of the technical review provided above and some key assumptions. It is provided for technical evaluation and Ore Reserve estimation purposes only.

The economic analysis of the Project was conducted using conventional Discounted Cash Flow (“DCF”) techniques. It is important to note that the purpose of this analysis is solely to demonstrate the economic viability of the Project. The derived Net Present Values (“NPVs”) do not indicate the fair market values or the profitability of the Project. The estimated cash flows and NPVs were presented on an after-tax basis, and financing costs were not considered.

The NPV was determined from the project's cash flow using an 10% discount rate as the base case. Additionally, a sensitivity analysis was performed to examine the effects of changes in Capex, Opex, and metal/ commodity prices.

15.1 Principal Assumptions

The cash flow estimate includes only the revenue, costs, taxes, and other factors directly associated with Dabaoshan Polymetallic Mine. The assumptions are as follows:

- The LoM production schedule comprises Cu-S ore and Pb-Zn ore. Cu-S ore is processed into Copper Concentrate (“Cu Concentrate”), Sulphur Concentrate (“S Concentrate”) and Pyrrhotite Concentrate, while Pb-Zn ore is sold directly as ROM ore.
- The local currency for Dabaoshan Polymetallic Mine is Renminbi (“RMB”).
- Annual gross revenue is estimated based on the applicable product prices and contractual payable terms for the saleable products over the LoM.
- SRK does not consider future inflation nor currency and cost fluctuations; the cost remains constant over the LoM.
- Financing is assumed to be on a 100% equity basis; no debt or related financing costs have been included in the technical economic analysis.
- Exploration Capex, which is aimed at discovering additional Mineral Resources that are outside the Ore Reserves estimates, is not considered during this analysis.
- No salvage value has been included in the technical-economic analysis.
- Working capital will be fully recovered at the end of LoM.
- The corporate tax rate is 15% and the VAT rate is 13%.
- The reference date or effective date is 31 August 2026.

15.1.1 LoM Physical

The summary of the key LoM physical inputs used in the economic analysis is presented in Table 15-1. The LoM schedule assumes mining of ROM material from the open pit operation, processing of Cu-S ore through the processing plant, and sale of Pb-Zn ROM ore. The physical inputs include ore production, grades, recoveries, and concentrate production used in the cash flow model.

APPENDIX III

COMPETENT PERSON’S REPORT

Table 15-1: LoM Physical Inputs for Economic-Analysis

Item	Unit	LOM	Aug 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Mining															
ROM Mineral	t	63,712	1,251	3,012	3,219	3,732	5,072	5,638	6,529	6,515	6,796	6,129	6,197	6,315	5,298
Cu-Zn ROM Reserve	t	63,708	1,250	3,010	3,218	3,694	4,993	5,592	6,490	6,505	6,796	6,129	6,197	6,315	5,298
Pb-Zn ROM Reserve	t	354	7	7	5	6	29	86	13	36	-	-	-	-	-
Cu Grade	%	0.43	0.45	0.46	0.46	0.46	0.45	0.45	0.44	0.43	0.42	0.42	0.42	0.42	0.44
S Grade	%	34.50	18.58	16.59	15.99	15.37	14.83	12.18	11.46	11.29	13.47	14.47	15.10	14.22	13.65
Mineral Mineral	t	205,472	32,000	26,397	24,996	24,996	24,755	23,993	21,208	21,075	21,096	15,548	15,599	16,406	18,375
Mineral	t	329,383	34,313	32,209	28,215	28,696	29,627	26,673	23,718	23,559	26,952	21,719	17,899	18,741	18,172
Strip Ratio	t/t	4.15	13.31	9.62	7.76	6.76	4.88	5.28	4.18	3.54	3.22	2.54	1.84	1.64	2.73
Processing															
Cu Mineral	t	63,708	1,250	3,119	3,218	3,690	5,000	5,600	6,490	6,490	6,490	6,490	6,490	6,490	5,600
S Concentrate															
S Concentrate Recovery	%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
S Concentrate (20%)	t	20,867	467	1,189	1,352	1,536	998	1,379	1,913	2,025	1,987	2,050	2,050	2,099	3,531
Pyrrhotite Concentrate															
Pyrrhotite Concentrate Recv	%	13%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%
Pyrrhotite Concentrate	t	5,405	82	111	308	314	177	354	862	862	755	867	866	109	219
Cu Concentrate															
Cu Conc Recovery	%	80%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%	86%
Cu Concentrate	t	278	8	53	13	13	52	34	34	34	34	35	35	35	35

Source: SRK

15.1.2 Pricing Assumptions

The prices for Pb-Zn ROM ore and Pyrrhotite Concentrate are based on the 2026 FS. The Sulphur Concentrate price is based on the sales contract and the weighted average historical price over the past three years. These product prices are held constant over the LoM. The prices used are RMB 320.35/t for Pb-Zn ROM ore, RMB 608.99/t for Sulphur Concentrate and RMB 190.50/t for Pyrrhotite Concentrate.

Copper price assumptions are shown in Table 15-2. The copper price varies over the LoM and is based on the Consensus Market Forecast (“CMF”) published by Consensus Economics Inc., to which SRK subscribes annually.

Table 15-2: Copper Price Assumptions for Economic Analysis

Commodity	Units	2026	2027	2028	2029	2030	2031	LTP
Copper	US\$/t	13,300	12,750	11,950	12,000	11,900	10,850	10,850
	US\$/lb	603	578	542	544	540	492	492

Source: CMF, 17 August 2026

15.1.3 Tax and Royalties

The tax, government charges and royalties for Dabaoshan Polymetallic Mine are mainly corporate income tax, resource tax, which is in term of royalties, and value added tax (“VAT”).

■ Corporate Income Tax (“CIT”)

The standard corporate income tax rate in China is 25% of taxable income. However, Dabaoshan Polymetallic Mine qualifies as a High and New Technology Enterprise and is therefore subject to a reduced enterprise income tax rate of 15%. The qualification is valid for a three-year period and may be renewed upon expiry.

■ Resource Tax (“Royalty”)

- 6% of the net sales from Pb-Zn ROM
- 2% of the net sales from sulphur (S) mineral products
- 2% of the net sales from copper (Cu) mineral products

■ Value Added Tax

APPENDIX III

COMPETENT PERSON’S REPORT

In China, industrial minerals prices include a VAT, which is 13% of sales, excluding revenue from gold (Au) if any.

- Surtax/ Surcharge and Royalties
 - City Maintenance and Construction Tax: 7% of VAT payable.
 - Education Surcharge: 5% of VAT payable.
 - 3.68% of the net sales from Pb-Zn ROM
 - 3.77% of the net sales from sulphur (S) mineral products
 - 1.2% of the net sales from copper (Cu) mineral products

The City Maintenance and Construction Tax and Education Surcharge have been included within General and Administrative (G&A) costs in the economic model.

15.1.4 Depreciation

The initial Capex and sustaining expenditures, including development costs, are depreciated using the reducing balance method at an annual rate of 10%. Depreciation is calculated based on the remaining book value of the assets, with any residual book value fully depreciated at the end of the LoM.

15.1.5 Working Capital

Working capital is the Capex needed to fund operations before revenue is received from the finished product. Working capital requirements are estimated based on industry benchmarks. Both Debtor Days and Creditor Days are set at 30 days. Over the project’s life, the working capital nets to zero.

15.2 DCF Projection

The key economic results from the technical-economic model are shown in Table 15-3.

Table 15-3: LoM Key Economic Results

Item	Unit	Value
Production Start date	Date	1-Sep-26
Discounting period convention	-	Mid
Discount rate	%	10.0%
Net Present Value, pre-tax	RMB Million	4,072
Net Present Value, post-tax	RMB Million	3,251
IRR	%	218%
Payback	in year	1.3

Sources: SRK

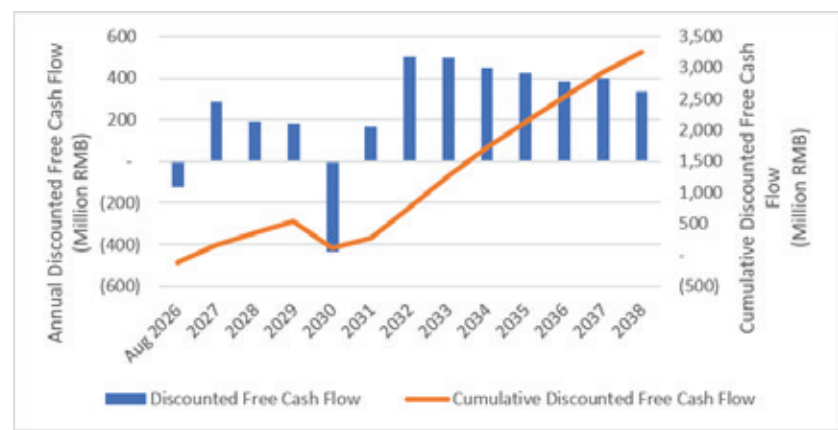
The economic analysis indicates a positive economic outcome for the Project. At a discount rate of 10%, the NPV of the Project is RMB 3,251 million. The annual cash flows are presented graphically in Figure 15-1 and in tabular form in Table 15-4. The negative discounted free cash flow in 2030 is associated with the capital expenditure required for the Phase II expansion, which temporarily reduces annual cash flow during the expansion period. Following completion of the expansion, the Project is expected to generate higher cash flows due to the increased production capacity. The IRR is not considered a representative measure of project economic performance due to the staged

APPENDIX III

COMPETENT PERSON’S REPORT

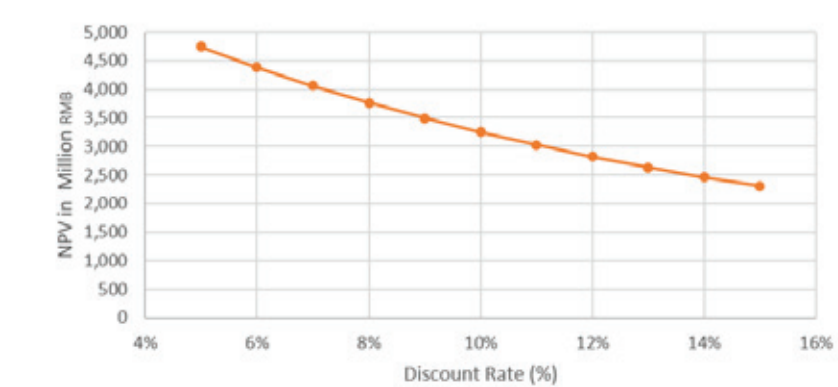
investment profile, which includes significant Phase II expansion capital expenditure during the operating period. The sensitivity of NPV to discount rate is presented in Figure 15-2.

Figure 15-1: Annual and Cumulative Discounted Free Cash Flow over the LoM



Source: SRK

Figure 15-2: NPV Sensitivity to Discount Rate



Source: SRK

APPENDIX III

COMPETENT PERSON'S REPORT

Table 15-4: LOM Cost and Cash Flow Forecast

Operating costs incl. Royalty	US\$M	Aug. 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Production	10000000	21,809	278	254	689	274	275	1,214	1,190	1,180	1,170	1,160	1,150	1,140
Mining	10000000	1,784	171	273	739	243	250	1,060	1,040	1,030	1,020	1,010	1,000	990
Crk	10000000	495	9	20	22	25	34	91	44	40	40	40	40	40
Waste	10000000	1,790	172	274	741	244	251	1,061	1,041	1,031	1,021	1,011	1,001	991
Labor	10000000	1,130	20	38	59	62	61	117	117	117	117	117	117	117
Materials	10000000	2,185	38	108	143	113	113	229	230	230	230	230	230	230
Fuel and Power	10000000	1,325	23	40	47	59	69	134	134	134	134	134	134	134
Salaries	10000000	805	8	23	23	24	24	47	47	47	47	47	47	47
Environmental	10000000	1,653	28	80	85	83	83	162	162	162	162	162	162	162
Employee Transportation	10000000	80	1	4	4	4	4	8	8	8	8	8	8	8
Product Transportation	10000000	113	3	6	6	6	6	12	12	12	12	12	12	12
Maintenance	10000000	630	11	31	32	33	33	64	64	64	64	64	64	64
Rental	10000000	132	9	26	27	28	28	53	53	53	53	53	53	53
Contracted Services	10000000	208	9	15	15	15	15	30	30	30	30	30	30	30
Others	10000000	645	12	34	35	35	35	69	69	69	69	69	69	69
Royalty ("Resource Tax")	10000000	1,111	20	79	75	75	69	132	130	130	129	127	127	127
Surface Charge	10000000	981	32	29	27	27	25	47	46	47	46	46	46	46
Leasing Cost	10000000	223	4	11	11	11	11	22	22	22	22	22	22	22
G&A	10000000	2,839	49	129	132	139	139	262	262	262	262	262	262	262
Other expenses	10000000	1,179	20	36	37	39	39	77	77	77	77	77	77	77
Total	10000000	17,424	384	529	1,692	1,222	1,403	1,790	1,790	1,785	1,780	1,775	1,770	1,765
Capital costs	10000000	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Capex	10000000	2,180	30	230	280	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Sustaining Capex	10000000	2,800	200,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000
Change	10000000	680	24,321	24,321	24,321	24,321	24,321	24,321	24,321	24,321	24,321	24,321	24,321	24,321
Total	10000000	4,660	273	461	401,000	381,000	381,000	381,000	381,000	381,000	381,000	381,000	381,000	381,000
Cash flow	10000000	14,877	758	2,206	1,976	1,356	1,790	2,405	2,391	2,412	2,412	2,412	2,412	2,412
Net revenue	10000000	121,800	(244)	(221)	(896)	(251)	(247)	(1,412)	(1,392)	(1,382)	(1,372)	(1,362)	(1,352)	(1,342)
Operating costs	10000000	(12,850)	(300)	(200)	(1,500)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Royalties	10000000	(1,130)	(20)	(38)	(59)	(62)	(61)	(117)	(117)	(117)	(117)	(117)	(117)	(117)
Change Costs	10000000	(1,130)	(20)	(38)	(59)	(62)	(61)	(117)	(117)	(117)	(117)	(117)	(117)	(117)
Change in net working capital	10000000	(1,130)	(20)	(38)	(59)	(62)	(61)	(117)	(117)	(117)	(117)	(117)	(117)	(117)
Capex	10000000	(1,130)	(20)	(38)	(59)	(62)	(61)	(117)	(117)	(117)	(117)	(117)	(117)	(117)
Free cash	10000000	(1,130)	(20)	(38)	(59)	(62)	(61)	(117)	(117)	(117)	(117)	(117)	(117)	(117)
After Cash Flow	10000000	108,718	(712)	1,128	418	418	418	418	418	418	418	418	418	418

15.3 Sensitivity Analysis

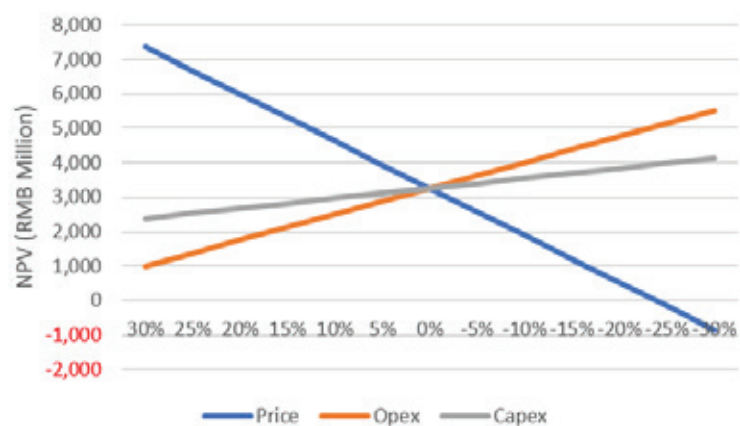
SRK conducted a single-factor sensitivity analysis for the Dabaoshan Polymetallic Mine to assess the impact of changes in key economic parameters when considered independently. The analysis focused on product prices, Capex and Opex, each tested within a $\pm 30\%$ range. The results of the sensitivity analysis are shown in Table 15-5 and Figure 15-3.

Table 15-5: Sensitivity Analysis Result (@10% Discount Rate)

Variance	Price	Opex	Capex
	NPV @ 10% Annual Discount Rate (RMB Million)		
30%	7,346	1,001	2,383
25%	6,664	1,376	2,528
20%	5,981	1,751	2,673
15%	5,299	2,126	2,818
10%	4,616	2,502	2,962
5%	3,934	2,877	3,107
0%	3,251	3,251	3,251
-5%	2,569	3,627	3,396
-10%	1,887	4,002	3,541
-15%	1,205	4,377	3,686
-20%	522	4,752	3,831
-25%	(166)	5,127	3,975
-30%	(857)	5,502	4,120

Sources: SRK

Figure 15-3: Sensitivity Spider Chart (10% Discount Rate)



Source: SRK

At a 10% discount rate, changes in product prices have the largest impact on NPV, while changes in Opex and Capex have comparatively smaller impacts. The NPV reaches break-even (NPV = 0) at approximately a 24% decrease in product prices from the base case.

This indicates that the economics of the Dabaoshan Polymetallic Mine are particularly sensitive to product prices.

16 Risk Assessment

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

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

In addition to the risk factor, the likelihood of risk must also be considered. Likelihood of occurrence within the life of mine (LOM) timeframe can be considered as:

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

Table 16-1: Risk assessment Matrix

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

Source: SRK (2026)

SRK completed a risk assessment of the specific risks identified for the Dabaoshan Project in relation to their likelihood of occurrence within the LOM and consequence in accordance with the listing rules of the Stock Exchange and the HKEx.

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

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Dabaoshan Project. SRK’s final Risk Assessment is presented in

Table 16-2: Risk Assessment for Dabaoshan Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Moderate	Low
Lack of Significant Ore Reserves	Unlikely	Moderate	Low
Unexpected Groundwater Ingress	Unlikely	Moderate	Low
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Grade control on feed grade	Possible	Moderate	Medium
Mining			
Significant Production Shortfalls (LOM)	Unlikely	Moderate	Low

APPENDIX III

COMPETENT PERSON’S REPORT

Risk Source/Issue	Likelihood	Consequence	Risk
Pumping System Adequacy	Unlikely	Moderate	Low
Poor Slope Stability	Possible	Moderate	Medium
Poor Mine Plan	Unlikely	Moderate	Low
Processing and Metallurgy			
Changes in the properties of Cu-S ore have led to a decrease in the recovery rate of Copper-sulfur concentrate	Unlikely	Moderate	Low
Recycled water affects the recovery rate of the target minerals	Possible	Moderate	Medium
The high equipment failure rate and low operating rate prevent the concentrator from reaching its designed processing capacity	Possible	Moderate	Medium
The sample used for lead-zinc beneficiation tests was not representative, resulting in uncertainty in the metal recovery index	Possible	Moderate	Medium
The samples used for the molybdenum ore beneficiation tests were not sufficiently representative, so the test results cannot reflect the beneficiation performance of the ore from the molybdenum deposit.	Possible	Minor	Low
Environmental and Social			
Lack of Relevant Environmental Approvals	Unlikely	Moderate	Low
Negative Impact on Biodiversity	Possible	Minor	Low
Water Contamination	Possible	Moderate	Medium
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Possible	Minor	Low
Capital Costs- Ongoing	Possible	Minor	Low
Operating Cost Underestimated	Possible	Moderate	Medium

17 Conclusions and Recommendations

17.1 Geology

The Dabaoshan polymetallic deposit has a complex metallogenic system. Regional geological studies indicate that magmatic activity was concentrated in the Middle Jurassic, with multiple phases of magmatic intrusion. Devonian strata were thrust over Jurassic strata, and the Dabaoshan dacite porphyry (formerly subdacite porphyry) and granodiorite porphyry intruded along this thrust zone (the contact zone between the Devonian and Jurassic strata), forming an assemblage of intrusive phases that constitutes a porphyry metallogenic system. In the hanging wall of the porphyry, Devonian strata occur well-developed hornfelsification, as a result of thermal contact metamorphism. Cu–S–Pb–Zn mineralising fluids precipitated within limestone and sandstone, forming Cu–S–Pb–Zn mineralised bodies related to magmatic–hydrothermal activity. At the contact between the porphyry bodies and the surrounding limestone strata, skarn was formed; Cu–Mo mineralising fluids precipitated within the porphyry bodies and/or their contact zones with the country rocks, ultimately forming porphyry and skarn-type Cu–Mo mineralised bodies.

The Dabaoshan polymetallic deposit is primarily exploited for Cu–S–Pb–Zn ore. Common metallic minerals chalcopyrite, pyrite, pyrrhotite, sphalerite, galena, bismuth, argentite, and arsenopyrite etc. These minerals mainly contain elements such as W, Bi, Ag, Au and As, among which W, Bi, Ag and Au are beneficial associated components, while As is a deleterious associated component. Following mineral processing, these components become further enriched in the concentrate products. It is therefore necessary to continuously optimise the beneficiation and recovery processes in order to fully realise the economic value of the beneficial associated components W, Bi, Ag and Au.

The previous drilling results indicate that the metallogenic parent intrusive rocks for the porphyry type Cu–Mo mineralisation (dacite porphyry and granodiorite porphyry) continue along strike to the NW direction into the surrounding Exploration Licence area adjacent to the Dabaoshan Mining Licence and also extend down-dip to depth. The porphyry type Cu–Mo mineralisation extends to depth and towards the NW direction, indicating favourable exploration potential for the Project.

17.2 Mineral Resource Estimation

SRK undertook a thorough review of the primary database, followed by various verification procedures, and verified that the primary database provided by Dabaoshan was acceptable for use in a Mineral Resource estimate.

As of 31 August 2026, and at a cut-off grade of 0.20% EqCu, the Dabaoshan Project is estimated to contain 25.12 million tonnes (“Mt”) of Measured Mineral Resources with an average grade of 0.53% Cu, 20.91% S, 66.19 Mt of Indicated Mineral Resources with an average grade of 0.33% Cu, 9.8% S, and 30.53 Mt of Inferred Mineral Resources with an average grade of 0.42% Cu, 15.97% S.

As of 31 August 2026, and at a cut-off grade of 0.8% EqZn, the Dabaoshan Project is estimated to contain 0.69 million tonnes (“Mt”) of Indicated Mineral Resources with an average grade of 1.75% Pb, 4.92% Zn, and 3.22 Mt of Inferred Mineral Resources with an average grade of 1.21% Pb, 3.87% Zn.

APPENDIX III

COMPETENT PERSON’S REPORT

Constrained by the southwestern boundary of Mining Licence DC4400002009082220034118, SRK has constructed a solid (wireframe) model of the Mo-rich mineralised body; however, only a very small portion of the three-dimensional extent of this Mo-rich mineralisation falls within the designed open-pit limits. In accordance with the JORC Code (2012), SRK has therefore not included this portion of the Mineral Resources in the current Mineral Resource estimate.

It is recommended that the Company seek an extension of the Mining Licence to the southwest and, in future feasibility studies, incorporate this Mo-mineralised resource into the overall project Mineral Resources.

17.3 Mining and Ore Reserves

The Dabaoshan Polymetallic Mine is a large open pit polymetallic operation in Guangdong Province, China, with Cu-S ore processed on site and Pb-Zn ore sold as ROM ore. The mine design incorporates the available geotechnical and hydrological considerations, together with appropriate haul road and waste disposal requirements. A 13-year LOM production schedule commencing in 1 September 2026 has been developed, with an average stripping ratio of 4.15.

SRK carried out open pit optimisation using Whittle™ and selected the RF1.0 pit shell as the basis for the final pit design. An economic cut-off grade of 0.30% Cu was adopted for the Ore Reserve estimate. Mining dilution and ore loss factors of 2.5% each were applied based on the 2026 FS.

The Ore Reserves have been estimated and reported in line with the JORC Code (2012), at the point of delivery to the process plant and constrained within the designed open pit. SRK considers that the current technical studies meet or exceed Pre-Feasibility Study level and that the declared Ore Reserves have reasonable prospects for eventual economic extraction. No material environmental or community risks have been identified in the information provided.

Ore Reserves as of 31 August 2026

- **Proved Ore:** 24,171 kt, is all Cu-S ore, average 0.52% Cu and 20.37% S, containing 126.26 kt Cu and 4,923.15 kt S;
- **Probable Ore:** 39,741 kt, comprising 39,537 kt Cu-S ore and 204 kt Pb-Zn ore, average 0.38% Cu, 10.91% S, 1.86% Pb and 6.41% Zn, containing 150.22 kt Cu, 4,313.77 kt S, 3.79 kt Pb and 13.09 kt Zn;
- **Total Ore Reserves:** 63,912 kt, comprising 63,708 kt Cu-S ore and 204 kt Pb-Zn ore, with average grades of 0.43% Cu, 14.5% S, 1.86% Pb and 6.41% Zn, containing 276.48 kt Cu, 9236.92 kt S, 3.79 kt Pb and 13.09 kt Zn.

SRK recommends that the mine plan and Ore Reserve estimate be reviewed periodically as additional operating, geotechnical and production data become available. SRK also recommends that waste rock disposal and utilisation be regularly reviewed against the remaining capacity of the existing WRD to confirm that sufficient disposal capacity is maintained over the LOM.

17.4 Processing

- In the Dabaoshan copper–sulfur ore, the main valuable elements are iron, sulfur and copper. Copper occurs mainly in chalcopyrite with minor secondary copper sulfide minerals; iron and

APPENDIX III

COMPETENT PERSON’S REPORT

sulfur occur primarily in pyrite and pyrrhotite. These minerals are the targets for beneficiation. Extensive testwork has demonstrated that the Dabaoshan copper–sulfur ore has good beneficiation amenability. Using a flowsheet of preferential flotation followed by magnetic separation, it is possible to produce copper and sulfur concentrates that meet product specifications.

- The Dabaoshan copper–sulfur concentrator has a combined processing capacity of 10,000 tpd (3.3 Mtpa). The flowsheet comprises single-stage open-circuit crushing, SAG plus ball mill closed-circuit grinding, copper flotation, sulfur flotation, and magnetic separation of the sulfur concentrate. The plants produce marketable copper concentrate, sulfur concentrate, and magnetic sulfur concentrate. Silver is enriched in the copper concentrate at approximately 100 g/t, which increases the sale price of the copper concentrate. The copper–sulfur concentrator is well designed and constructed, with an appropriate equipment configuration, stable operation and good management. The actual throughput has reached 3.6 Mtpa.
- No beneficiation testwork has yet been conducted specifically on the lead-zinc ore. A small number of lead-zinc ore is produced as a by-product during mining of the copper–sulfur ore and is either sold directly or treated in the 300 tpd comprehensive utilization pilot plant to produce a bulk Cu-Pb-Zn concentrate and a sulfur concentrate for sale. However, the bulk concentrate has low grade and low metal recoveries. SRK recommends that detailed process mineralogy and beneficiation testwork be carried out on the lead-zinc ore to determine the optimum flowsheet, operating parameters, product scheme and target recoveries, thereby providing technical support for future feasibility studies on lead-zinc resource development and for the design of a dedicated concentrator.
- Development of the molybdenum resource has not yet been placed on the agenda. The Guangzhou Research Institute of Nonferrous Metals conducted process mineralogy studies and beneficiation tests in 2011. The main valuable minerals in the molybdenum ore are molybdenite and pyrite. Using a flotation process, a molybdenum concentrates grading 45.6% Mo and achieving 84.5% recovery can be obtained, which are acceptable indicators. SRK recommends further delineation of the molybdenum ore resource, preparation of a molybdenum deposit development plan, and systematic advancement of beneficiation test work, development feasibility studies, concentrator design and construction. In addition, testing and evaluation of the economic feasibility of recovering pyrite to produce a sulfur concentrate should be carried out.
- Dabaoshan was formerly a national key mine and has well-developed infrastructure. The associated Caoduikeng and Fandongcun tailings storage facilities are well constructed, and their combined storage capacity is sufficient for the current concentrator’s tailings disposal needs. As resources and reserves are expanded, it will be necessary, in line with the resource development plan, to progressively raise the Fandongcun tailings dam to increase storage capacity, and at the same time to plan for re-mining and comprehensive utilization of historical tailings in the Caoduikeng TSF to further increase effective capacity.

17.5 Environmental Studies, Permitting, Social or Community Impact

The Project has completed multiple EIA studies covering the mining site, processing plant, tailings storage facility, wastewater treatment systems, and associated infrastructure, all of which have been approved by the relevant authorities. A sediment retention pond has been constructed downstream of the WRD to collect and control contaminated runoff, with wastewater subsequently treated at

APPENDIX III

COMPETENT PERSON’S REPORT

onsite facilities before discharge, including two treatment phases for the Liwu system and additional treated discharge from the Fandongcun TSF. SRK recommends strengthening surface water and groundwater monitoring across the entire mining area, including both upstream and downstream locations. It also advises developing and implementing appropriate stormwater management and emergency response measures to address heavy rainfall events during the wet season.

The Project also supports local communities through targeted donations and participation in poverty alleviation programs in Guangdong Province. SRK recommends developing a stakeholder engagement plan and a grievance mechanism to strengthen community relations and support ongoing stakeholder management.

17.6 Capital Expenditures and Operating Expenses

The LOM Capex estimate of RMB 4,628 million includes Initial Capex, Sustaining Capex and closure and rehabilitation costs. The estimate is considered appropriate for the current LOM production schedule. Capital requirements should be reviewed as the major expansion and upgrade works advance, and more detailed implementation information becomes available.

Future Opex has been estimated primarily using historical weighted average unit operating costs on an expense basis, with mining costs estimated separately based on the 2026 FS. These assumptions are considered reasonable for the economic evaluation. Operating costs should continue to be reviewed against actual performance, particularly following the planned production expansion.

17.7 Economic Analysis

The DCF analysis indicates positive project economics under the base case assumptions, with an NPV of RMB 3,251 million at a discount rate of 10%. The sensitivity analysis indicates that the Project is most sensitive to changes in product prices, with the NPV reaching break-even at approximately a 24% decrease in product prices from the base case. SRK recommends that the economic evaluation be updated when there are material changes in product prices, operating costs, capital requirements or the LOM production schedule.

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APPENDIX III

COMPETENT PERSON’S REPORT

Closure

This report, Competent Person’s Report on Dabaoshan Polymetallic Mine Project in Guangdong Province, the People’s Republic of China, was prepared by

Hancheng Zhang, PhD, MAIG
Principal Consultant

and reviewed by

Yiefei Jia, PhD, FAusIMM(CP)
Corporate Consultant

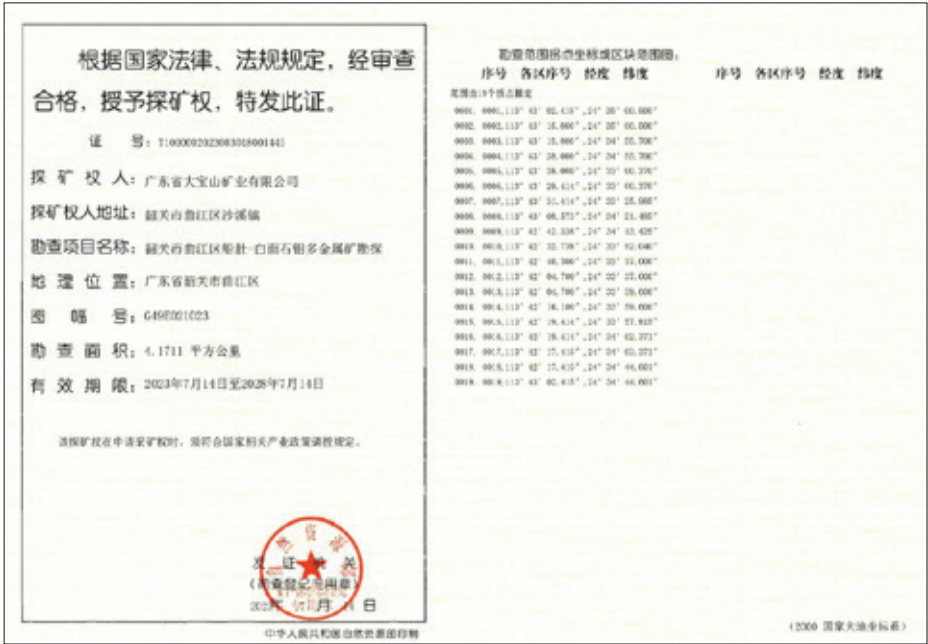
All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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- ⁹ Guangdong Dabaoshan Mining Co., Ltd. Expanded Continuous Test Report on Enhanced Recovery and Clean Utilization of the Dabaoshan Copper-Sulfur Ore. Changsha Institute of Mining Research Co., Ltd., May 2025.
- ¹⁰ Guangdong Dabaoshan Mining Co., Ltd. Beneficiation Test Report on Enhanced Recovery and Clean Utilization of the Dabaoshan Copper-Sulfur Ore. Changsha Institute of Mining Research Co., Ltd., November 2024.

Appendix A Mining License

Exploration Licence



COMPETENT PERSON'S REPORT

根据《中华人民共和国矿产资源法》等法律法规，为保护采矿权人合法权益，对采矿权人申请登记的本证所列采矿权利，经审查核实，准予登记，颁发此证。

中华人民共和国自然资源部监制

证号:	DC4400002009062220034118
矿山名称	广东省广晟大宝山铜业股份有限公司大宝山多金属矿
矿山地址	广东省韶关市曲江镇
面积	2.9072平方公里
不动产单元号	440205802000G000001W000000000
开采深度	标高起1015.00米标高止270.00米
开采矿种	铜矿
共生矿种	铁矿, 铅矿, 钨矿, 铋矿
批准期限	2017年 02月 24日至 2039年 02月 24日
采矿权人	广东省广晟大宝山铜业股份有限公司
采矿权人统一社会信用代码	9144020019152157XF
权利其他状况	

开采区域范围拐点坐标		
点号	X坐标	Y坐标
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2.	2718485.81	38470809.04
3.	2718717.82	38471539.05
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5.	2716665.79	38472164.05
6.	2715985.79	38472674.05
7.	2715820.79	38471554.04
8.	2716310.79	38471219.04

开采深度:	标高起1015.00米标高止270.00米
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APPENDIX III

COMPETENT PERSON’S REPORT

Appendix B JORC Code Table 1

APPENDIX III

COMPETENT PERSON’S REPORT

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- Trench and tunnel samples were collected by channel sampling, using standard 5x3 cm channels cut on cleaned faces, with nominal 1–2 m intervals. - Diamond drill core was sampled as half-core cut along the core axis at nominal 1–1.5 m intervals. - Core sampling was undertaken only after residual core had been dealt with, drillhole depths corrected, the core re-checked, and sampling forms completed and approved.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- Drilling used crawler-mounted rigs (e.g. XY-4, YDX-3) with wireline coring. - Hole diameter was 130 mm and final hole diameter not less than 75 mm.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- For porphyry copper drilling, overall core recovery averaged about 94% (range 75–100%), with ore-interval core recovery averaging about 96%. - Production exploration holes were relatively shallow (generally <90 m), with ore-interval core recovery ranging from 85% to 99%.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate	All diamond core and channel samples from trenches and tunnels were geologically logged, with core divided by lithology and ore type

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	and descriptions including rock/ore type, colour, texture, structure, mineral assemblage, mineralisation, alteration, contacts and fracturing.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- For drilling sampling, a diamond saw was used to cut the core lengthwise in half, one half was submitted for assay and the other half retained in the core trays. - In trenches and underground workings, channel sampling was used. Continuous channels approximately 3–5 cm wide and 3–5 cm deep were cut with hammer and chisel across the full width of the mineralised zone. - Samples were crushed to <5 mm, split and pulverised to 150–160 mesh - Sample preparation loss <5% and splitting error <3%.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- The routine assay elements are mainly Cu and S, with Pb and Zn analysed as required. Copper is generally determined by colorimetry, and sulphur by the combustion method. - Sampling and laboratory analysis follow relevant national standards (Geology and Mineral Laboratory Testing Quality Management Specification; DZ/T 0130-2006) and company procedures. - The main laboratories involved hold CMA accreditation under the Chinese national inspection and testing system. - Routine insertion of CRMs, blanks and duplicates is not documented. QA/QC relied mainly on internal and external check assays (typically 10% internal and 4% external). - Internal and external check results are generally satisfactory, with no obvious systematic bias, and long-term production experience is consistent with the exploration data. - Basic contamination controls during crushing/splitting, and laboratory internal controls, with check data indicating no obvious systematic bias and generally acceptable precision for the purposes of this report. - Overall, although some types of QC samples were not used, the

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	available sampling and analytical data are considered reasonably reliable for Mineral Resource estimation. Significant intersections were independently verified by alternative company personnel or external consultants.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Drill collars were located using RTK systems, with one base station and two rovers operating simultaneously—one for set-out and the other for check measurements. Collar position differences were strictly controlled within ± 0.1 m. - The nominal exploration grid spacing is 60x60 m, with some areas drilled to a tighter spacing of 30x30 m. - Surface surveying was controlled by an independent fourth-order triangulation network. Elevations were tied to the Yellow Sea elevation datum and linked to the national benchmark at Maba.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Data spacing and distribution were sufficient to establish geological and grade continuity, supporting Mineral Resource classifications. - Composite samples are essentially not used.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- Trenches, tunnels and drill holes were generally designed to intersect the main orebodies (alteration zones) at high angles, and sampling intervals were defined to respect lithological and mineralisation boundaries, minimising orientation-related bias. - No material sampling bias related to the relationship between drilling/sampling orientation and the orientation of key mineralised structures has been identified.
Sample security	The measures taken to ensure sample security.	- During drillcore sampling, samples were placed in clean plastic bags with unique IDs, and the same IDs were recorded on sample tickets and sampling logs, which were cross-checked to avoid mis-bagging and sample mix-ups. - In trenches and underground workings, chips broken from the rock

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	face were first collected on clean plastic sheeting or tarpaulin and then placed into pre-numbered sample bags to minimise sample loss and contamination. A review of the sampling techniques and data was carried out by SRK as part of the Mineral Resource estimation and the database is considered to be sufficient quality to carry out a Mineral Resource estimation.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Guangdong Dabaoshan Mining Co. Ltd. owns the mining license and retained various Chinese professional geological exploration brigades or companies to conduct exploration programs
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The porphyry-type copper deposit has been explored by Guangdong Dabaoshan Mining Co. Ltd. and the Institute of Mineral Resources of the Chinese Academy of Geological Sciences, while production exploration of the main Cu–sulphide mining area has been carried out by the Company.
Geology	Deposit type, geological setting and style of mineralisation.	- The surficial iron ore deposit at Dabao Mountain is a weathered-leached limonitic iron deposit occurring as quasi-stratiform and lenticular bodies overlying the Dabao Mountain polymetallic sulphide and siderite deposits. - The main polymetallic deposit at Dabao Mountain is classified as a syn-sedimentary, hydrothermally modified stratiform Cu–sulphide polymetallic deposit. - In the central–southern part of the district, fine vein–disseminated copper mineralisation forms a porphyry-type copper deposit genetically related to trachy-andesite porphyry.

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Since 1956, many companies were commissioned to undertake further exploration focusing on the Exploration License area, including geological mapping, diamond drilling, sampling workings survey, and various sample assaying. A total of 2564 diamond drill holes were completed. A total of 269939m, and for the Cu–S–Pb–Zn deposit of the Dabaoshan Project, drilled on a grid of 30 – 120 m, for the porphyry copper deposit of the Dabaoshan Project, drilled on a grid of 70 – 280 m.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregations should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- The Mineral Resources were estimated. Details see Section 7. - Mineral resources of Cu–S Deposit are reported by EqCu at a cut-off grade is 0.2%. - Mineral resources of Pb–Zn Deposit are reported by EqZn at a cut-off grade is 0.8%.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).	Details see Section 5.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Maps and cross-sections have been used to report the exploration results. Please refer to the report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	No other exploration results for the Project

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	SRK is not aware of any material or substantive exploration data that has not been reported.
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	SRK suggests that further geological exploration to upgrade and increase the base of the Mineral Resources.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	- SRK was provided with the Csv format tables of all drill holes data. SRK has reviewed the tables and database provided by the client and they are acceptable for the Mineral Resource estimation. - The data validation process involves: Setting restrictions in the database to ensure validation, such as checking for duplicate/ exact sampling intervals, ensuring sampling intervals do not exceed the maximum hole depth, validating geological codes, and addressing missing assays. Inspecting for errors in the import of Collar, Survey, and Assay data through a 3D view.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	SRK visited the Dabaoshan Project site between 13 and 15 January 2026.
Geological interpretation	- Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation. - The use of geology in guiding and controlling Mineral Resource estimation.	- The wireframe models for the deposit were established by SRK using Surpac software. A nominal cut-off grade of 0.15 % CuEq was applied to define the mineralised intervals for Cu-S Domains. A nominal cut-off grade of 0.5 % ZnEq was applied to define the mineralised intervals for Pb-Zn Domains. - A total of 6 mineralized domains were constructed.

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
Dimensions	- The factors affecting continuity both of grade and geology. - The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	- Extrapolation was limited to approximately half of the level interval and the drill spacing. - The drillholes spacing is 30*120-30*120. For the CU_B Domain, the drillholes spacing is 70*140-70*140.
Estimation and modelling techniques	- The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. - The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. - The assumptions made regarding recovery of by-products. - Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). - In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. - Any assumptions behind modelling of selective mining units. - Any assumptions about correlation between variables. - Description of how the geological interpretation was used to control the resource estimates. - Discussion of basis for using or not using grade cutting or capping. - The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	- The Ordinary Kriging (“OK”) method was used for the Cu, S, Pb and Zn grade estimation of CUB, CUN, CUS and PBS Domains. Inverse Distance Weighting Square (“IDW2”) method was used for Cu, S, Pb and Zn grade estimation for other domains. Hard boundaries were used for both Cu, S, Pb and Zn of all domains. - The parameters of the searching ellipsoid were thus manually optimized. The three progressively more relaxed search criteria used for estimation. The search dynamic ellipsoids were aligned with the general mineralisation orientation. Details are the Chapter 7.9. - SRK performed a thorough validation of the interpolation model results, which included visual examination and “Swath Plots” analysis.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	SRK understands from the client that only the original SG data for the porphyry copper deposit has been properly preserved; the original SG data for the other mineralised domains have been lost due to their age and poor storage conditions. SRK therefore recommended that new SG samples be collected and analyzed for each mineralised domain in order to verify the accuracy of the historical SG results. The client engaged the Guangdong Provincial Institute of Mineral Resources Exploration to undertake this verification work. According to the submitted report entitled “Verification Report on Ore Grade and

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
		Density Testing for the Dabaoshan Mining”, a total of 135 SG samples were collected from three deposits within the mining licence area—the northern Cu–S deposit, the southern Pb–Zn deposit and the porphyry-type Mo deposit—for SG testing. Comparison with the original SG values confirmed that the original SG parameters are accurate. The tonnages are estimated on a dry basis.
<i>Cut-off parameters</i>	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	- A cut-off-grade of 0.2% CuEq was used to report the in-situ Cu-S Mineral Resources. - A cut-off-grade of 0.8% EqZn was used to report the in-situ Pb-Zn Mineral Resources. - This cut-off grade is estimated to be the minimum grade required for economic extraction at current prices.
<i>Mining factors or assumptions</i>	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	- Open Pit mining methodology is adopted. - The general and administrative cost is RMB 30 per tonne of feed.
<i>Metallurgical factors or assumptions</i>	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	- The Dabaoshan copper-sulphur resources have a long history of mining and processing. A concentrator with a capacity of 10,000 tpd has been constructed. Multiple process mineralogy studies and beneficiation testwork programs have supported plant construction and flowsheet optimisation. The plant operates stably: copper minerals are concentrated by flotation; iron sulfide (pyrite and pyrrhotite) is recovered using a combined flotation and magnetic separation process. The products are copper concentrate, sulphur (pyrite and pyrrhotite) concentrate. Historical production performance (grades, recoveries, etc.) is sufficient to support the copper-sulphur resource estimation. - Process mineralogy studies or beneficiation testwork have been completed for the Dabaoshan lead-zinc ore. However, the representative of the test sample is not sufficient. In a pilot/experimental plant, flotation of the lead-zinc ore has produced a

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
		bulk Cu–Pb–Zn concentrate and a sulphur (pyrite) concentrate. The grade and recovery of the bulk Cu–Pb–Zn concentrate are relatively low and have significant potential for improvement, but detailed process mineralogy studies and beneficiation testwork on a representative composite sample are required to define the optimal product scheme, flowsheet and process parameters. The Dabaoshan molybdenum resources do not yet have a defined development plan. Preliminary process mineralogy and beneficiation testwork have been completed. Using a conventional molybdenum flotation flowsheet of “coarse grinding and rougher flotation, followed by regrinding and cleaning”, a molybdenum concentrate grade of 45.6% and a recovery of 84.5% were achieved. These results can be adopted as the metallurgical parameters for molybdenum resource estimation.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	- The Project has conducted multiple environmental impact assessment (EIA) studies and obtained the corresponding EIA approval documents. Waste rock and tailings generated by the Project are disposed of at the Liwu WRD and the Fandongcun TSF, respectively. - Three wastewater treatment facilities have been constructed on site to treat effluent from the tailings storage facility and wastewater from the Liwu sediment retention pond.
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	SRK understands from the client that only the original SG data for the porphyry copper deposit have been properly preserved; the original SG data for the other mineralised domains have been lost due to their age and poor storage conditions. SRK therefore recommended that new SG samples be collected and analysed for each mineralised domain in order to verify the accuracy of the historical SG results. The client engaged the Guangdong Provincial Institute of Mineral Resources Exploration to undertake this verification work. According to the submitted report entitled “Verification Report on Ore Grade and Density Testing for the Dabaoshan Mining”, a total of 135 SG samples were collected from three deposits within the mining licence area—the northern Cu–S deposit, the southern Pb–Zn deposit and the porphyry-type Mo deposit—for SG testing. Comparison with the

APPENDIX III

COMPETENT PERSON'S REPORT

Criteria	JORC Code explanation	Commentary
		original SG values confirmed that the original SG parameters are accurate.
Classification	- The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). - Whether the result appropriately reflects the Competent Person's view of the deposit.	- Drillhole spacing distance was used as the basis for classification. - For the Cu-S-Pb-Zn deposit of the Dabaoshan Project, the Mineral Resource at the space of 30m (strike) x 30m (dip) is defined as Measured Mineral Resource, the resource at the space of 60m (strike) x 60m (dip) is defined as Indicated Mineral Resource and the resource at the space of 120m (strike) x 120m (dip) and greater is defined as Inferred Mineral Resource. - For the porphyry copper deposit of the Dabaoshan Project, the Mineral Resource at the space of 70m (strike) x 70m (dip) is defined as Measured Mineral Resource, the resource at the space of 140m (strike) x 140m (dip) is defined as Indicated Mineral Resource and the resource at the space of 280m (strike) x 280m (dip) and greater is defined as Inferred Mineral Resource. - Blocks excluded by Indicated category and within the mineralized domains should be appropriately classified in the Inferred Mineral resource category because the confidence in the estimate is insufficient to allow for the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	The results were peer reviewed internally by SRK consultants.
Discussion of relative accuracy/confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	- The tonnes and grades for the Measured and Indicated Mineral Resources are estimated to a certain acceptable level of confidence, based on the data density observed by the Competent Person. - The tonnes and grades for the Inferred Mineral Resources are estimated to a low-level confidence, as sparse data cannot support a precise estimation of the deposit. - SRK's Mineral Resource estimation is a global estimate.

APPENDIX III

COMPETENT PERSON'S REPORT

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	- Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. - Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	- The Mineral Resource estimate was reviewed by SRK in-house geologist(s) which is the basis of Ore Reserve Estimate dated 31 August 2026 - Reported Mineral Resource is inclusive of potential reserve material.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	- Ms. Tzuhsuan Chuang, the Competent Person for this Ore Reserve statement is a full-time employee of SRK Consulting (China) Ltd. - Ms. Tzuhsuan Chuang conducted the site visit in January 2026.
Study status	- The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. - The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	- This project is an operating mine with a processing plant, fed from 1 open pit. - The technical study was updated by Sinosteel Ma'anshan Institute of Mining Research Co., Ltd in 2026. - SRK reviewed technical studies, as well as the current mining plan and actual operation data, and supportive studies, the level of accuracy of the Modifying Factors proposed in the studies and/or modified by the Company, are considered by SRK to be akin to a feasibility level study ("FS"), which are suitable for the Ore Reserve Estimates.

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary																																																																		
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	The COG is based on equivalent copper (EqCu) grade, the Eqcu grade is calculated as: $\text{EqCu} = \text{Cu grade} + 0.0241 \times \text{S}$. <table border="1"> <thead> <tr> <th>Parameters</th><th>Units</th><th>Value</th></tr> </thead> <tbody> <tr> <td>Copper Price</td><td>RMB/t</td><td>75,950</td></tr> <tr> <td>Payable</td><td>%</td><td>94</td></tr> <tr> <td>Royalty</td><td>%</td><td>1.2</td></tr> <tr> <td>Processing Recovery</td><td>%</td><td>86.18</td></tr> <tr> <td>Mining Cost</td><td>RMB/t Ore mined</td><td>6.8</td></tr> <tr> <td>Stripping Cost</td><td>RMB/t Waste mined</td><td>8.7</td></tr> <tr> <td>Labor</td><td>RMB/t feed</td><td>18</td></tr> <tr> <td>Materials</td><td>RMB/t feed</td><td>34</td></tr> <tr> <td>Fuel and Power</td><td>RMB/t feed</td><td>21</td></tr> <tr> <td>Safety</td><td>RMB/t feed</td><td>7</td></tr> <tr> <td>Environmental</td><td>RMB/t feed</td><td>25</td></tr> <tr> <td>Employee Transportation</td><td>RMB/t feed</td><td>1</td></tr> <tr> <td>Product Transportation</td><td>RMB/t feed</td><td>2</td></tr> <tr> <td>Maintenance</td><td>RMB/t feed</td><td>10</td></tr> <tr> <td>Rental</td><td>RMB/t feed</td><td>8</td></tr> <tr> <td>Outsourced Services</td><td>RMB/t feed</td><td>5</td></tr> <tr> <td>Others</td><td>RMB/t feed</td><td>11</td></tr> <tr> <td>G&A</td><td>RMB/t feed</td><td>41</td></tr> <tr> <td>Selling Cost</td><td>RMB/t feed</td><td>3</td></tr> <tr> <td>R&D Expense</td><td>RMB/t feed</td><td>18</td></tr> <tr> <td>COG</td><td>%</td><td>0.3</td></tr> </tbody> </table>	Parameters	Units	Value	Copper Price	RMB/t	75,950	Payable	%	94	Royalty	%	1.2	Processing Recovery	%	86.18	Mining Cost	RMB/t Ore mined	6.8	Stripping Cost	RMB/t Waste mined	8.7	Labor	RMB/t feed	18	Materials	RMB/t feed	34	Fuel and Power	RMB/t feed	21	Safety	RMB/t feed	7	Environmental	RMB/t feed	25	Employee Transportation	RMB/t feed	1	Product Transportation	RMB/t feed	2	Maintenance	RMB/t feed	10	Rental	RMB/t feed	8	Outsourced Services	RMB/t feed	5	Others	RMB/t feed	11	G&A	RMB/t feed	41	Selling Cost	RMB/t feed	3	R&D Expense	RMB/t feed	18	COG	%	0.3
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Mining factors or assumptions	- The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). - The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. - The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. - The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	- The Dabaoshan Polymetallic Mine is an operating open pit mine. - Based on operational practice review and FS 2026, SRK has applied mining dilution factors of 2.5% for the Dabaoshan Polymetallic Mine in the Ore Reserve estimation. - Similarly, mining loss factors of 2.5% for the Dabaoshan Polymetallic Mine have been applied in the Ore Reserve estimation, reflecting operational practices. - The design parameters for the final pit are shown in Table. <table border="1"> <thead> <tr> <th>Item</th><th>Unit</th><th>Value</th></tr> </thead> <tbody> <tr> <td>Terrain</td><td>mRL</td><td>913</td></tr> </tbody> </table>	Item	Unit	Value	Terrain	mRL	913																																																												
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APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
	- The mining dilution factors used. - The mining recovery factors used. - Any minimum mining widths used. - The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. - The infrastructure requirements of the selected mining methods.	Bottom of the pit 433 Open pit length 2680 Open pit width 1040 Bench height 12 Double bench height 24 Bench Face Angle (“BFA”) for Fresh Rock 65 BFA for the weathered zone 45 Berm Width 10 OSA for Fresh Rock 32.2-45.1 - The end-of-month survey dated 31 August 2026 serves as the latest data source for the cutoff date. - Inferred Mineral Resources is not converted to Ore Reserves.
Metallurgical factors or assumptions	- The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. - Whether the metallurgical process is well-tested technology or novel in nature. - The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domains applied and the corresponding metallurgical recovery factors applied. - Any assumptions or allowances made for deleterious elements. - The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. - For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	- The Dabaoshan copper-sulphur ore has a long history of mining and processing. A 10,000 tpd concentrator has been constructed, supported by multiple process mineralogy studies and beneficiation testwork programs that have guided plant construction and flowsheet optimisation. Plant performance is stable: copper minerals are concentrated by flotation; iron sulfide is recovered using a combined flotation and magnetic separation process. The products are copper concentrate and sulphur (pyrite and pyrrhotite) concentrate. The copper-sulphur beneficiation flowsheet and equipment configuration are well matched to the ore characteristics, and historical operating data (grades and recoveries) are sufficient to support copper-sulphur resource estimation and the conversion of resources to reserves. - Since 2023, production indicators have been stable. The copper concentrate has averaged 17.4% Cu with an average copper recovery of 86.3%; the sulphur concentrate has averaged 46.1% S with an average recovery of 78.3%; and the magnetic sulphur (pyrrhotite) concentrate has averaged 28.1% with an average recovery of 11.3%. - Process mineralogy studies and beneficiation testwork have been completed on the lead-zinc sample from copper ore mining by-product. In a test plant, flotation of the lead-zinc ore has produced a bulk Cu-Pb-Zn concentrate and a sulphur concentrate. In first half year of 2026, the bulk concentrate achieved a combined Cu+Pb+Zn grade of 32.9% at a combined Cu+Pb+Zn recovery of 58.6%. Both the grade and recovery of the bulk concentrate are relatively low and have considerable room for improvement, detailed process mineralogy work and beneficiation testwork are required on the representative

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
		composite sample of the lead-zinc deposit to determine the optimal product scheme, flowsheet and process parameters. These current indicators, when used as metallurgical parameters for resource estimation and reserve conversion, are considered conservative. - The Dabaoshan molybdenum resources do not yet have a defined development plan. Preliminary process mineralogy and beneficiation testwork have been completed. Using a conventional molybdenum flotation flowsheet of “coarse grinding and rougher flotation followed by regrinding and cleaning”, a concentrate grade of 45.6% Mo and a recovery of 84.5% were achieved. These results can be used as metallurgical parameters for molybdenum resource estimation and reserve conversion. - In the copper–sulphur, lead–zinc and molybdenum ores, the contents of deleterious elements are low, and in all concentrate products they are below levels that would attract price penalties.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	Waste rock and tailings generated by the Project are disposed of at the Liwu WRD and the Fandongcun TSF, respectively. Part of the wastewater from the TSF is treated prior to discharge. According to the EIA report, the copper-sulfur tailings were classified as Class I general industrial solid waste based on toxicity leaching test results. Acidic wastewater generated from the Liwu WRD is treated at two wastewater treatment facilities before discharge.
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	See Chapter 12.
Costs	- The derivation of, or assumptions made, regarding projected capital costs in the study. - The methodology used to estimate operating costs. - Allowances made for the content of deleterious elements. - The source of exchange rates used in the study. - Derivation of transportation charges. - The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. - The allowances made for royalties payable, both Government and private.	- See section 14.1 for the capital costs. - See section 14.2 for the operating costs.

APPENDIX III

COMPETENT PERSON’S REPORT

Criteria	JORC Code explanation	Commentary
Revenue factors	- The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. - The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	See section 15.
Market assessment	- The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. - A customer and competitor analysis along with the identification of likely market windows for the product. - Price and volume forecasts and the basis for these forecasts. - For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	Mature channel for selling of products has been built and maintained well.
Economic	- The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. - NPV ranges and sensitivity to variations in the significant assumptions and inputs.	See section 15 for the assumptions.
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	During the EIA process, the project proponent conducted public consultations through online announcements, newspapers, and posted notices in accordance with public participation requirements. According to the EIA reports, no objections to the Project were received during multiple rounds of consultation.
Other	- To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: - Any identified material naturally occurring risks. - The status of material legal agreements and marketing arrangements. - The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	See chapter 16 for the risks.

APPENDIX III

COMPETENT PERSON'S REPORT

Criteria	JORC Code explanation	Commentary
Classification	- The basis for the classification of the Ore Reserves into varying confidence categories. - Whether the result appropriately reflects the Competent Person's view of the deposit. - The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	See section 8.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	This report has been peer reviewed by Dr Yiefei Jia, FAusIMM (CP Geo), a Corporate Consultant.
Discussion of relative accuracy/confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. - It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	See chapter 16 for the risks.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix contains a summary of the Company’s Articles of Association, the objective of which is to provide potential investors with an overview of the Company’s Articles of Association. As the information contained below is in summary form, it does not contain all the information that may be important to potential investors.

The Articles of Association and relevant amendments thereto were adopted or ratified by the Shareholders in Shareholders’ Meetings in accordance with applicable laws and regulations, including the PRC Company Law, the Securities Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidance on Articles of Association of Listed Company, the Hong Kong Listing Rules and other relevant regulations, and will become effective on the date that the Company’s H Shares are listed on the Hong Kong Stock Exchange.

ISSUE OF SHARES

The shares of the Company shall be in the form of share certificates. The issue of shares by the Company shall adhere to the principles of openness, fairness and impartiality, and each share of the same class shall carry the same rights.

Shares of the same class issued in the same tranche shall be issued on the same terms and at the same price. The same price shall be paid for each share subscribed for by any entity or individual.

Shareholders holding domestic unlisted shares of the Company may convert all or part of their shares into H Shares and list and trade such shares on an overseas stock exchange, subject to the regulatory procedures, provisions and requirements of domestic and overseas securities regulatory authorities, and shall entrust the Company to file with the China Securities Regulatory Commission. Such conversion and overseas listing and trading of shares, and any resulting amendments to the Articles, shall not require a resolution of the Shareholders’ Meeting.

INCREASE AND REDUCTION OF SHARES AND REPURCHASE

Increase of Capital

Depending on its business and development needs, the Company may, in accordance with laws and regulations, and subject to separate resolutions of the Shareholders’ Meeting, increase its registered capital in any of the following ways:

- (i) by issuing shares to unspecified investors;
- (ii) by issuing shares to specified investors;
- (iii) by issuing bonus shares to existing shareholders;
- (iv) by converting reserves into share capital; and
- (v) by any other means prescribed by laws and administrative regulations.

When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles or resolved by the Shareholders’ Meeting.

Reduction of Capital

The Company may reduce its registered capital. Any reduction of the registered capital of the Company shall be carried out in accordance with the Company Law, other relevant provisions and the procedures prescribed in the Articles.

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the Shareholders’ Meeting passes the resolution to reduce the registered capital and shall publish an

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

announcement in newspapers within 30 days. Creditors shall, within 30 days from receipt of the notice or, if no notice is received, within 45 days from the date of the announcement, be entitled to require the Company to settle its debts or provide corresponding guarantees.

Where the Company reduces its registered capital, it shall reduce the number of shares in proportion to the shares held by the shareholders, unless all shareholders agree otherwise.

Repurchase of Shares

The Company shall not purchase its own shares except in any of the following circumstances:

- (i) to reduce the registered capital of the Company;
- (ii) to merge with another company which holds shares in the Company;
- (iii) to use the shares for an employee share ownership scheme or an equity incentive scheme;
- (iv) where a shareholder who objects to a resolution on merger or division of the Company passed by the Shareholders’ Meeting requires the Company to purchase his or her shares;
- (v) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares; and
- (vi) where the repurchase is necessary for safeguarding the value of the Company and the interests of its shareholders.

Where the Company purchases its own shares in the circumstances specified in items (i) and (ii) above, the repurchase shall be subject to a resolution of the Shareholders’ Meeting. Where the Company purchases its own shares in the circumstances specified in items (iii), (v) and (vi) above, it may do so, in accordance with the Articles or the authorisation of the Shareholders’ Meeting, by a resolution passed at a Board meeting attended by not less than two-thirds of the Directors.

After the Company purchases its own shares in accordance with the Articles, shares repurchased in the circumstances specified in item (i) above shall be cancelled within 10 days from the date of repurchase; shares repurchased in the circumstances specified in items (ii) and (iv) above shall be transferred or cancelled within six months; and, in the circumstances specified in items (iii), (v) and (vi) above, the aggregate number of shares of the Company held by the Company shall not exceed 10 per cent. of the total number of issued shares of the Company and shall be transferred or cancelled within three years.

Transfer of Shares

The shares of the Company may be transferred in accordance with law.

All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form, in the standard form prescribed by the Hong Kong Stock Exchange from time to time, or in such other form as may be approved by the Board. Where the transferor or transferee is a recognised clearing house as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or its nominee, the instrument of transfer may be signed by hand or by machine-imprinted signature. All instruments of transfer of H Shares shall be kept at the domicile of the Company or at such other place as the Board may designate from time to time. The Company shall not accept its own shares as the subject matter of a pledge.

Shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the date on which the Company’s shares are listed and traded on a stock exchange.

Directors and senior management shall report to the Company the shares of the Company held by them and changes in such shareholdings. During their term of office, the number of shares transferred by them each year shall not exceed 25 per cent. of the total number of shares of the

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

Company held by them. Shares of the Company held by them shall not be transferred within one year from the date on which the Company’s shares are listed and traded on a stock exchange. Such persons shall not transfer the shares of the Company held by them within six months after leaving office.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**Shareholders**

The original register of members of H Shares shall be kept in Hong Kong. The register of members shall be sufficient evidence of a shareholder’s holding of shares in the Company.

The Company shall not exercise any power to freeze or otherwise impair any rights attached to shares held by any person merely because any person who directly or indirectly holds interests in such shares has failed to disclose such interests to the Company.

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Rights and Obligations of Shareholders

The shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of distribution of benefits according to the proportion of shares held by them;
- (ii) to request, convene, preside over, attend or appoint proxies to attend Shareholders’ Meetings in accordance with law, and to exercise the corresponding rights to speak and vote;
- (iii) to supervise the operations of the Company and to make recommendations or enquiries;
- (iv) to transfer, gift or pledge the shares of the Company held by them in accordance with laws, administrative regulations and the Articles;
- (v) to inspect the Articles, the register of members, minutes of Shareholders’ Meetings, resolutions of Board meetings and financial and accounting reports;
- (vi) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company according to the proportion of shares held by them;
- (vii) where a shareholder objects to a resolution on merger or division of the Company passed by the Shareholders’ Meeting, to require the Company to purchase his or her shares; and
- (viii) to enjoy other rights prescribed by laws, administrative regulations, departmental rules or the Articles.

The shareholders of the Company shall assume the following obligations:

- (i) to comply with laws, administrative regulations and the Articles;
- (ii) to pay the subscription monies in accordance with the number of shares subscribed for by them and the method of capital contribution;
- (iii) not to withdraw their share capital except in circumstances prescribed by laws and regulations;

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (iv) not to abuse shareholders’ rights to prejudice the interests of the Company or other shareholders, and not to abuse the independent legal person status of the Company or shareholders’ limited liability to prejudice the interests of the creditors of the Company; and
- (v) to assume other obligations prescribed by laws, administrative regulations and the Articles.

Where a shareholder of the Company abuses shareholders’ rights and causes loss to the Company or other shareholders, he or she shall be liable for compensation in accordance with law.

Where a shareholder of the Company abuses the independent legal person status of the Company and shareholders’ limited liability to evade debts and thereby seriously prejudices the interests of the creditors of the Company, he or she shall bear joint and several liability for the debts of the Company.

SHAREHOLDERS’ MEETINGS

General Provisions on Shareholders’ Meetings

The Shareholders’ Meeting of the Company shall comprise all shareholders. The Shareholders’ Meeting shall be the supreme authority of the Company and shall exercise the following functions and powers in accordance with law:

- (i) to elect and replace Directors and determine matters relating to the remuneration of Directors;
- (ii) to consider and approve the report of the Board;
- (iii) to consider and approve the Company’s profit distribution plan and loss recovery plan;
- (iv) to resolve on any increase or reduction of the registered capital of the Company;
- (v) to resolve on the issue of corporate bonds or to authorise the Board to resolve on the issue of corporate bonds;
- (vi) to resolve on merger, division, dissolution, liquidation or change of corporate form of the Company;
- (vii) to amend the Articles;
- (viii) to resolve on the engagement or dismissal of the accounting firm undertaking the Company’s audit;
- (ix) to consider and approve guarantee matters prescribed in the Articles;
- (x) to consider matters relating to the purchase or disposal by the Company within one year of material assets exceeding 30 per cent. of the latest audited total assets of the Company;
- (xi) to consider transactions of the Company which meet the thresholds prescribed in the Articles;
- (xii) to consider and approve changes in the use of proceeds;
- (xiii) to consider equity incentive plans and employee share ownership schemes;
- (xiv) to consider related (connected) transactions which require consideration by the Shareholders’ Meeting; and
- (xv) to consider other matters which are required to be decided by the Shareholders’ Meeting under laws, administrative regulations, departmental rules and the Articles.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

Convening of Shareholders’ Meetings

A Shareholders’ Meeting shall be convened by the Board and presided over by the Chairman. Where the Chairman is unable or fails to perform his or her duties, a Director jointly elected by more than half of the Directors shall preside over the meeting.

With the consent of more than half of all independent non-executive Directors, the independent non-executive Directors shall have the right to propose to the Board that an extraordinary Shareholders’ Meeting be convened.

Where the Board agrees to convene an extraordinary Shareholders’ Meeting, it shall issue a notice of the Shareholders’ Meeting within five days after the Board resolution is passed. Where the Board does not agree to convene an extraordinary Shareholders’ Meeting, it shall state its reasons.

The Audit Committee shall have the right to propose to the Board that an extraordinary Shareholders’ Meeting be convened.

Where the Board does not agree to convene an extraordinary Shareholders’ Meeting, or fails to respond within 10 days after receiving the proposal, the Board shall be deemed unable or failing to perform its duty to convene the Shareholders’ Meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or collectively holding not less than 10 per cent. of the shares of the Company shall have the right to request the Board to convene an extraordinary Shareholders’ Meeting.

Where the Board does not agree to convene an extraordinary Shareholders’ Meeting, or fails to respond within 10 days after receiving the request, shareholders individually or collectively holding not less than 10 per cent. of the shares of the Company shall have the right to propose to the Audit Committee that an extraordinary Shareholders’ Meeting be convened.

Where the Audit Committee fails to issue a notice of the Shareholders’ Meeting within the prescribed period, shareholders who have individually or collectively held not less than 10 per cent. of the shares with voting rights of the Company for not less than 90 consecutive days may convene and preside over the meeting on their own.

The expenses necessary for a Shareholders’ Meeting convened by the Audit Committee or by shareholders on their own shall be borne by the Company.

Proposals and Notices of Shareholders’ Meetings

The contents of a proposal shall fall within the scope of the functions and powers of the Shareholders’ Meeting, shall have a clear subject and specific matters for resolution, and shall comply with the relevant provisions of laws, administrative regulations and the Articles.

The convenor shall notify all shareholders in writing 21 days before the annual Shareholders’ Meeting is convened, and shall notify all shareholders in writing 15 days before an extraordinary Shareholders’ Meeting is convened.

When calculating the starting date of the aforesaid periods of 21 days and 15 days, the date on which the meeting is convened shall be excluded, but the date on which the notice or announcement is issued shall be included.

A notice of Shareholders’ Meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) the matters and proposals submitted to the meeting for consideration;

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (iii) a conspicuous statement that all shareholders are entitled to attend the Shareholders’ Meeting and may appoint a proxy in writing to attend the meeting and vote, and that such proxy need not be a shareholder of the Company;
- (iv) the record date for determining shareholders entitled to attend the Shareholders’ Meeting;
- (v) the name and telephone number of the standing contact person for meeting affairs; and
- (vi) the voting time and voting procedures by network or other means.

Voting and Resolutions at Shareholders’ Meetings

Resolutions of Shareholders’ Meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a Shareholders’ Meeting shall be passed by more than half of the voting rights held by the shareholders, including proxies, attending the Shareholders’ Meeting.

A special resolution of a Shareholders’ Meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders, including proxies, attending the Shareholders’ Meeting.

The following matters shall be passed by ordinary resolution of the Shareholders’ Meeting:

- (i) the work report of the Board;
- (ii) the profit distribution plan and loss recovery plan formulated by the Board;
- (iii) the appointment and removal of members of the Board and their remuneration and method of payment; and
- (iv) other matters except those required by laws, administrative regulations or the Articles to be passed by special resolution.

The following matters shall be passed by special resolution of the Shareholders’ Meeting:

- (i) any increase or reduction of the registered capital of the Company;
- (ii) merger, division, dissolution or change of corporate form of the Company;
- (iii) amendments to the Articles and their appendices, including the Rules of Procedure for Shareholders’ Meetings and the Rules of Procedure for Board Meetings;
- (iv) the purchase or disposal by the Company of material assets, or the provision of guarantees to others, within any consecutive 12-month period in an amount exceeding 30 per cent. of the latest audited total assets of the Company;
- (v) equity incentive plans;
- (vi) other matters which are required by laws, administrative regulations or the Articles, or which are determined by ordinary resolution of the Shareholders’ Meeting to have a material impact on the Company and therefore require approval by special resolution; and
- (vii) other matters required by the securities regulatory rules of the place where the Company’s shares are listed to be passed by special resolution.

Shareholders, including proxies, shall exercise voting rights according to the number of shares with voting rights represented by them, with one vote for each share, except that individual shareholders shall abstain from voting on individual matters as required under the Listing Rules.

Shares of the Company held by the Company shall carry no voting rights and shall not be counted in the total number of shares with voting rights represented at a Shareholders’ Meeting.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

When a Shareholders’ Meeting considers matters relating to related (connected) transactions, shareholders with connected relationships shall abstain from voting except in special circumstances. “Special circumstances” means the shareholders attending the Shareholders’ Meeting consist only of the connected shareholder, or the proposal for which the connected shareholder requests to participate in voting has been submitted to the Shareholders’ Meeting and approved by special resolution procedure by the other shareholders attending the meeting, or other circumstances in which the connected shareholder cannot abstain. Resolutions on connected matters shall be passed by more than half (for ordinary resolutions) or not less than two-thirds (for special resolutions) of the total number of voting rights of the non-connected shareholders attending the Shareholders’ Meeting.

DIRECTORS AND THE BOARD

Directors shall be elected or replaced by the Shareholders’ Meeting and shall hold office for a term of three years. A Director may be re-elected upon expiry of his or her term. Before the expiry of his or her term of office, a Director shall not be removed from office by the Shareholders’ Meeting without cause.

The term of office of a Director shall commence from the date on which he or she assumes office and shall end upon the expiry of the term of the current session of the Board. Where a Director’s term has expired and re-election has not been carried out in a timely manner, the original Director shall, before the re-elected Director assumes office, continue to perform his or her duties as a Director in accordance with laws, administrative regulations, departmental rules and the Articles.

The Company shall have a Board which shall be accountable to the Shareholders’ Meeting. The Board shall comprise nine Directors, including three independent non-executive Directors, at least one of whom shall be an accounting professional. The Board shall include at least one Director of a different gender to satisfy the requirements on diversity of Board composition. The Board shall include an employee representative Director. The employee representative on the Board shall be democratically elected by the employees of the Company through an employee representative congress, employee congress or other form, and shall not be subject to consideration by the Shareholders’ Meeting. The Board shall have one Chairman. The Chairman shall be elected by more than half of all Directors.

The Board shall exercise the following functions and powers:

- (i) to convene Shareholders’ Meetings and report its work to the Shareholders’ Meeting;
- (ii) to implement resolutions of the Shareholders’ Meeting;
- (iii) to decide on the Company’s business plans and investment proposals;
- (iv) to formulate the Company’s profit distribution plan and loss recovery plan;
- (v) to formulate proposals for the increase or reduction of the Company’s registered capital, the issue of bonds or other securities and listing;
- (vi) to formulate plans for material acquisitions, repurchase of shares of the Company, merger, division, dissolution and change of corporate form of the Company;
- (vii) within the scope authorised by the Shareholders’ Meeting, to decide on matters such as external investment, acquisition and disposal of assets, asset mortgage, external guarantees, entrusted wealth management, related (connected) transactions and external donations of the Company;

In accordance with the requirements of laws and regulations, the Board may provide asset mortgages for borrowings of the Company not exceeding 30 per cent. of the Company’s latest audited total assets.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (viii) to decide on the establishment of the Company’s internal management organisation;
- (ix) to decide on the appointment or dismissal of the Company’s general manager, secretary to the Board and other senior management members, and to decide on their remuneration, rewards and penalties;
- (x) upon nomination by the general manager, to decide on the appointment or dismissal of senior management members such as the deputy general manager and financial controller of the Company, and to decide on their remuneration, rewards and penalties;
- (xi) to formulate proposals for amendments to the Articles;
- (xii) to propose to the Shareholders’ Meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiii) to hear the work report of the general manager of the Company and inspect the work of the general manager; and
- (xiv) to exercise other functions and powers conferred by laws, administrative regulations, departmental rules or the Articles.

The Board shall have one Chairman. The Chairman shall be elected by more than half of all Directors.

The Chairman shall exercise the following functions and powers:

- (i) to preside over Shareholders’ Meetings and to convene and preside over Board meetings;
- (ii) to supervise and inspect the implementation of resolutions of the Board;
- (iii) to sign important documents of the Board and other documents which shall be signed by the legal representative of the Company;
- (iv) to exercise the functions and powers of the legal representative of the Company;
- (v) in the event of an emergency caused by a major natural disaster or other force majeure, to exercise special disposal powers which comply with laws and are in the interests of the Company in respect of the affairs of the Company, and to report to the Board and the Shareholders’ Meeting thereafter; and
- (vi) to exercise other functions and powers conferred by the Board.

The Board shall hold at least four regular meetings each year.

A Board meeting may be held only if more than half of the Directors are present. Unless otherwise provided in the Articles, a resolution of the Board must be passed by more than half of all Directors.

Voting on Board resolutions shall be on the basis of one person, one vote.

Where a Director has a connected relationship with an enterprise or individual involved in a matter to be resolved at a Board meeting, the Director shall promptly report the matter in writing to the Board. A Director with a connected relationship shall not exercise voting rights on the resolution, and shall not exercise voting rights on behalf of any other Director. The Board meeting may be held if more than half of the Directors without connected relationships are present, and a resolution of the Board meeting shall be passed by more than half of the Directors without connected relationships. If fewer than three Directors without connected relationships attend the Board meeting, the matter shall be submitted to the Shareholders’ Meeting for consideration.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

SPECIAL COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee shall exercise the functions and powers of the board of supervisors as prescribed under the Company Law.

The Audit Committee shall have three members, including two independent non-executive Directors, with an independent non-executive Director who is an accounting professional as its convener. The Audit Committee shall be responsible for reviewing the Company’s financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, and reviewing the effectiveness of the Company’s financial control, risk management and internal control systems.

Strategy and Investment Decision Committee

The Strategy and Investment Decision Committee is established to strengthen the strategic and decision-making functions of the Board, enhance the quality of strategic decision-making, improve investment decision-making procedures, regulate the investment activities of the Company, guard against investment risks, and improve the effectiveness and quality of decision-making for major investments.

Nomination Committee

The Nomination Committee shall be responsible for formulating the selection criteria and procedures for Directors and senior management, selecting and reviewing candidates for Directors and senior management and their qualifications, and making recommendations to the Board on matters such as the nomination or appointment and removal of Directors, and the appointment or dismissal of senior management.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee shall be responsible for formulating appraisal standards for Directors and senior management and conducting appraisals, formulating and reviewing remuneration policies and proposals for Directors and senior management, and making recommendations to the Board on matters such as the remuneration of Directors and senior management.

SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The Company shall have one secretary to the Board, who shall be appointed or dismissed by the Board. The Company shall have deputy general manager(s) and a financial controller, who shall be appointed or dismissed by the Board upon nomination by the general manager. The general manager, deputy general manager(s), secretary to the Board and financial controller of the Company shall be senior management members of the Company.

The general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (i) to be in charge of the production, operation and management of the Company, organise the implementation of Board resolutions and report work to the Board;
- (ii) to organise the implementation of the Company’s annual business plan and investment proposal;
- (iii) to formulate plans for the establishment of the Company’s internal management organisation;

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (iv) to formulate the Company’s basic management system;
- (v) to formulate the Company’s specific rules and regulations;
- (vi) to propose to the Board the appointment or dismissal of the deputy general manager and financial controller of the Company;
- (vii) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board; and
- (viii) to exercise other functions and powers conferred by the Articles or the Board.

The general manager shall attend Board meetings as a non-voting participant.

The Company shall have a secretary to the Board, who shall be responsible for the preparation of Shareholders’ Meetings and Board meetings, the keeping of documents and the management of shareholders’ information of the Company. The secretary to the Board shall possess the academic or professional qualifications or relevant experience which the stock exchange of the place where the Company’s shares are listed considers sufficient for the performance of company secretary duties.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant State departments.

PROFIT DISTRIBUTION

When distributing after-tax profits for the year, the Company shall allocate 10 per cent. of its profits to the statutory reserve. Where the cumulative amount of the Company’s statutory reserve is not less than 50 per cent. of its registered capital, no further allocation is required.

Where the Company’s statutory reserve is insufficient to make up losses from previous years, the profits of the current year shall first be used to make up such losses before allocation is made to the statutory reserve in accordance with the preceding paragraph.

After the Company has allocated after-tax profits to the statutory reserve, it may, subject to a resolution of the Shareholders’ Meeting, allocate after-tax profits to the discretionary reserve.

The remaining after-tax profits of the Company after making up losses and allocating reserves shall be distributed in proportion to the shares held by the shareholders, unless all shareholders agree that distribution shall not be made in proportion to their shareholdings.

Shares of the Company held by the Company shall not participate in the distribution of profits.

After the Shareholders’ Meeting resolves on a profit distribution plan, or after the Board formulates a specific interim dividend plan based on the conditions and upper limit for interim dividends approved by the annual Shareholders’ Meeting for the following year, the Company shall complete the distribution of dividends or shares within two months.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved for any of the following reasons:

- (i) a resolution on dissolution is passed by the Shareholders’ Meeting;
- (ii) dissolution is required as a result of merger or division of the Company;
- (iii) the Company’s business licence is lawfully revoked, or the Company is ordered to close down or is revoked;

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (iv) serious difficulties arise in the operation and management of the Company and cannot be resolved by other means, and the continued existence of the Company would cause material loss to the interests of shareholders, in which case shareholders holding not less than 10 per cent. of the total voting rights of all shareholders of the Company may request the people’s court to dissolve the Company; or
- (v) the term of business prescribed in the Articles expires or other grounds for dissolution prescribed in the Articles occur.

Where the Company is dissolved under items (i), (iii), (iv) or (v) above, a liquidation group shall be established within 15 days from the date on which the grounds for dissolution occur and liquidation shall commence. The liquidation group shall comprise Directors or persons determined by the Shareholders’ Meeting. Where a liquidation group is not established within the prescribed period to conduct liquidation, creditors may apply to the people’s court for the appointment of relevant persons to form a liquidation group for liquidation.

The liquidation group shall notify creditors within 10 days from the date of its establishment and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from receipt of the notice or, if no notice is received, within 45 days from the date of the announcement.

AMENDMENTS TO THE ARTICLES

The Company shall amend the Articles in any of the following circumstances:

- (i) after amendments to the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the Company’s shares are listed, matters prescribed in the Articles conflict with the amended laws or administrative regulations;
- (ii) the circumstances of the Company change and become inconsistent with the matters recorded in the Articles; or
- (iii) the Shareholders’ Meeting resolves to amend the Articles.

PARTY COMMITTEE

In accordance with the Constitution of the Communist Party of China and the Regulations on the Work at Primary-level Organisations of State-owned Enterprises of the Communist Party of China (for Trial Implementation), the Company shall establish the Committee of the Communist Party of China of Guangdong Guangsheng Dabaoshan Copper Co., Ltd. (hereinafter referred to as the “Party Committee”). The Party Committee shall play a leadership role, set the direction, manage the overall situation and ensure implementation, and discuss and decide on major enterprise matters in accordance with relevant regulations. Major operational and management matters of the Company must first be studied and discussed by the Party Committee before the Board or the management makes a decision.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(A) FURTHER INFORMATION ABOUT OUR GROUP**1 Incorporation**

Our Company was established as a limited liability company under the laws of the PRC on December 28, 1995, and was converted into a joint stock limited company with limited liability on August 13, 2026. As of the Latest Practicable Date, the registered share capital of our Company is RMB850,000,000.

Our Company has established a place of business in Hong Kong at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on September 10, 2026. Ms. Ho Wing Nga (何詠雅) has been appointed as the authorized representative of our Company and our agent for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As we are established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the Articles of Association is set out in Appendix IV to this document.

2 Changes in Share Capital of our Company

Save as disclosed in the section headed “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes”, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3 Changes in Share Capital of our Subsidiaries

There has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4 Resolutions Passed by Our Shareholders’ General Meeting in Relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on August 28, 2026, the following resolutions, among other things, were duly passed:

- (a) the [REDACTED] by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H shares to be issued before the exercise of the [REDACTED] shall not exceed [REDACTED]% of the enlarged share capital of our Company upon completion of the [REDACTED] and granting the [REDACTED] the [REDACTED] of no more than [REDACTED]% of the above number of H shares to be [REDACTED];
- (c) subject to the completion of the [REDACTED], the Articles of Association has been approved and adopted, which shall only become effective on the [REDACTED], and our Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and
- (d) authorizing our Board and its authorized persons to handle all relevant matters relating to, among other things, the [REDACTED], the issue of H Shares and the [REDACTED].

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(B) FURTHER INFORMATION ABOUT OUR BUSINESS

1 Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that are or may be material:

(a) [REDACTED]

2 Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or industrial property rights which are or may be material in relation to our business.

(a) Patents

As of the Latest Practicable Date, we had registered the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent Holder	Patent Name	Patent Type	Patent No.	Application Date	Expiry date
1.	Our Company	Environmentally Friendly Processing Method and Equipment for Sized Lump Ore Production	Invention	2007100271450	2007.3.9	2027.3.9
2.	Our Company	Umbrella-shaped Baffle Steady-flow Ore Feeding Box and Its Manufacturing Method	Invention	201010583958X	2010.12.13	2030.12.13
3.	Our Company	A Classifier and Its Bearing Seat	Utility Model	2018213708341	2018.8.23	2028.8.23
4.	Our Company	A Belt Conveyor and Its Buffer Idler Roller	Utility Model	2018213888698	2018.8.23	2028.8.23
5.	Our Company	A Copper-Sulphur Ore Beneficiation System with Improved Foam Pump Installation	Utility Model	2018213709556	2018.8.23	2028.8.23
6.	Our Company	A Copper-Sulphur Ore Beneficiation System with Improved Foam Pump Installation	Invention	2018109685267	2018.8.23	2038.8.23
7.	Our Company	A Motor Winding Shaping Device	Utility Model	2018213708407	2018.8.23	2028.8.23
8.	Our Company	A Gas Cylinder Hanging Bracket	Utility Model	2018216889781	2018.10.18	2028.10.18
9.	Our Company	A Polymer Pipe Flanging Tool	Utility Model	2020214131837	2020.7.17	2030.7.17
10.	Our Company	A Magnetic Separator Placement Rack Device	Utility Model	2020214131979	2020.7.17	2030.7.17
11.	Our Company	A Pump Connection Embedded Part	Utility Model	2020214131305	2020.7.17	2030.7.17
12.	Our Company	A Magnetic Separator Placement Rack Device	Invention	2020106899651	2020.7.17	2040.7.17
13.	Our Company	A Ball Mill Steel Ball Box	Utility Model	2020214131292	2020.7.17	2030.7.17
14.	Our Company	A Mobile Surveillance Camera Lifting and Positioning Device	Utility Model	2020214131818	2020.7.17	2030.7.17
15.	Our Company	A Variable-Volume Bucket	Utility Model	2021200423196	2021.1.7	2031.1.7
16.	Our Company	A Bucket with Easy-to-Replace Teeth	Utility Model	2021200397613	2021.1.7	2031.1.7
17.	Our Company	A Drill Frame with Mud Removal Device	Utility Model	2021200397628	2021.1.7	2031.1.7
18.	Our Company	A Conveniently Retractable Belt Conveyor	Utility Model	2021200394954	2021.1.7	2031.1.7
19.	Our Company	An Anti-Clogging Vibrating Screen	Utility Model	2021200425628	2021.1.7	2031.1.7
20.	Our Company	An Environmentally Friendly Vibrating Screen	Utility Model	2021200533849	2021.1.8	2031.1.8
21.	Our Company	A Deformable Belt Conveyor Carrying Idler Roller	Utility Model	2021200524746	2021.1.8	2031.1.8
22.	Our Company	A Classification Vibrating Screen	Utility Model	2021200554309	2021.1.8	2031.1.8
23.	Our Company	A Multi-Directionally Adjustable Frame for Down-the-Hole Drill Rig	Utility Model	2021200668013	2021.1.11	2031.1.11
24.	Our Company	A Bucket with Crushing Function	Utility Model	2021200668028	2021.1.11	2031.1.11
25.	Our Company	A New Type Down-the-Hole Drill Dust Removal Device	Utility Model	2021201019994	2021.1.14	2031.1.14
26.	Our Company	A Down-the-Hole Drill Vehicle with Quick Drill Rod Replacement	Utility Model	2021201060791	2021.1.14	2031.1.14

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Patent Holder	Patent Name	Patent Type	Patent No.	Application Date	Expiry date
27.	Our Company	Down-the-Hole Drill Rod Installation Device	Utility Model	2021201059652	2021.1.14	2031.1.14
28.	Our Company	A Mining Dump Truck Wheel Nut Anti-Loosening Device	Utility Model	2021201889988	2021.1.22	2031.1.22
29.	Our Company	A New Type Dump Truck Body	Utility Model	2021201863761	2021.1.22	2031.1.22
30.	Our Company	A Mining Dump Truck Rearview Mirror	Utility Model	2021202023338	2021.1.22	2031.1.22
31.	Our Company	A Heavy-Duty Apron Feeder Chain Plate Spillage Collection Device	Utility Model	2021201861821	2021.1.22	2031.1.22
32.	Our Company	A Heavy-Duty Apron Feeder with Dust Removal Device	Utility Model	2021201863776	2021.1.22	2031.1.22
33.	Our Company	An Adjustable Bridge Crane Track	Utility Model	2021202081969	2021.1.25	2031.1.25
34.	Our Company	A Belt Conveyor Cleaning Device	Utility Model	2021202106311	2021.1.25	2031.1.25
35.	Our Company	A Multi-Stage Magnetic Separator	Utility Model	2021202083714	2021.1.25	2031.1.25
36.	Our Company	A Cone Crusher Thin Oil Station Dust-Proof Device	Utility Model	2021202105906	2021.1.25	2031.1.25
37.	Our Company	A Heavy-Duty Apron Feeder Bearing Lubrication Device	Utility Model	2021202241826	2021.1.26	2031.1.26
38.	Our Company	A Dump Truck Anti-Rollover Device	Utility Model	2021202241811	2021.1.26	2031.1.26
39.	Our Company	A Flotation Machine Active Air Intake Device	Utility Model	2021202466092	2021.1.28	2031.1.28
40.	Our Company	A High-Efficiency Agitation Flotation Machine	Invention	2021101150788	2021.1.28	2041.1.28
41.	Our Company	A Multi-Stage Integrated Ball Mill	Utility Model	2021202466779	2021.1.28	2031.1.28
42.	Our Company	A New Type Flotation Machine	Utility Model	2021202466177	2021.1.28	2031.1.28
43.	Our Company	A Flotation Machine	Invention	202110115123X	2021.1.28	2041.1.28
44.	Our Company	A High-Efficiency Agitation Flotation Machine	Utility Model	2021202469599	2021.1.28	2031.1.28
45.	Our Company	A Flotation Machine Unified Feeding Equipment	Utility Model	2021202465850	2021.1.28	2031.1.28
46.	Our Company	A Flotation Machine Unified Feeding Equipment	Invention	2021101151102	2021.1.28	2041.1.28
47.	Our Company	A Variable Sulphur Separation Equipment for Complex and Variable Raw Ore	Utility Model	2021205839314	2021.3.22	2031.3.22
48.	Our Company	A Variable Sulphur Separation Equipment and Process for Complex and Variable Raw Ore	Invention	2021103039516	2021.3.22	2041.3.22
49.	Our Company	A Foam Launder Structure for Air-Agitated Flotation Machine	Utility Model	2021207771405	2021.4.15	2031.4.15
50.	Our Company	An Excavator Bucket Fixing Device	Utility Model	2022205911909	2022.3.18	2032.3.18
51.	Our Company	A Separation Device for Mining Operations	Utility Model	2022205912066	2022.3.18	2032.3.18
52.	Our Company	A Mine Ground Maintenance Device	Utility Model	2022206252896	2022.3.22	2032.3.22
53.	Our Company	An Excavator Counterweight Device	Utility Model	202220652579X	2022.3.24	2032.3.24
54.	Our Company	A Down-the-Hole Drill Rod Anti-Drop Support	Utility Model	2022206624973	2022.3.25	2032.3.25
55.	Our Company	A Flotation Machine Scraper Structure	Utility Model	2022207013017	2022.3.29	2032.3.29
56.	Our Company	A Flotation Machine Intermediate Box Anti-Clogging Device	Utility Model	2022207119577	2022.3.30	2032.3.30
57.	Our Company	A Flotation Machine Rotor Structure	Utility Model	2022208706056	2022.4.15	2032.4.15
58.	Our Company	A Drill Frame Preventing Excessive Drill Rod Swing	Utility Model	2022209328967	2022.4.22	2032.4.22
59.	Our Company	A Down-the-Hole Drill Rig with Steering Wheel	Utility Model	2022209641063	2022.4.25	2032.4.25
60.	Our Company	A Walking Pulley for Down-the-Hole Drill	Utility Model	2022209911645	2022.4.27	2032.4.27
61.	Our Company	A Pipeline Replacement Auxiliary Tool	Utility Model	2022210205277	2022.4.29	2032.4.29
62.	Our Company	A Ceramic Filter Cleaning Mechanism	Utility Model	2022212786886	2022.5.26	2032.5.26
63.	Our Company	A Conveyor Belt Idler Roller Replacement Auxiliary Tool	Utility Model	2022212929697	2022.5.27	2032.5.27
64.	Our Company	An Ore Blending Device for Concentrates with Large Grade Differences	Utility Model	2022224713246	2022.9.19	2032.9.19
65.	Our Company	A Mining Vibrating Screen with Easy Screen Mesh Replacement	Utility Model	2022225410772	2022.9.26	2032.9.26

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Patent Holder	Patent Name	Patent Type	Patent No.	Application Date	Expiry date
66.	Our Company	A Vibrating Screen Ore Feeding Device	Utility Model	2022225906424	2022.9.29	2032.9.29
67.	Our Company	A Vibrating Screen with Blockage Clearing Device	Utility Model	2022226085468	2022.9.30	2032.9.30
68.	Our Company	A Vibrating Screen Installation Fixing Bracket	Utility Model	2022228574806	2022.10.28	2032.10.28
69.	Our Company	A Scraper Conveyor with Adjustable-Width Chain Plates	Utility Model	2022228564927	2022.10.28	2032.10.28
70.	Our Company	A Quick-Detach Scraper for Scraper Conveyor	Utility Model	2022228802997	2022.10.31	2032.10.31
71.	Our Company	A Fully Agitated Flotation Machine	Utility Model	202223155800X	2022.11.28	2032.11.28
72.	Our Company	A Flotation Machine Scraper Cleaning Device	Utility Model	202223155511X	2022.11.28	2032.11.28
73.	Our Company	A Heavy-Duty Apron Feeder Bottom Track Roller Buffer Mechanism	Utility Model	2022231717557	2022.11.29	2032.11.29
74.	Our Company	A Heavy-Duty Apron Feeder Head Sprocket Adjustment Structure	Utility Model	2022231953136	2022.12.01	2032.12.01
75.	Our Company	A Mining Wastewater Treatment Pool	Invention	2024103515658	2024.3.26	2044.3.26
76.	Our Company	A Fine-Grained Sulphur Concentrate Filtration Equipment	Utility Model	2024209728066	2024.5.08	2034.5.08
77.	Our Company	A Semi-Autogenous Mill Curved Discharge End Liner Structure	Utility Model	2024211003290	2024.5.20	2034.5.20
78.	Our Company	A Prospecting Device for Copper-Bearing Gossan	Utility Model	2024212809656	2024.6.6	2034.6.6
79.	Our Company	A Slurry Particle Size Analysis Device	Utility Model	2024215265911	2024.7.1	2034.7.1
80.	Our Company	Cast-in-Place Pile Support Structure for Fractured Rock Mass Slope in Open-Pit Mine	Utility Model	202421895550X	2024.8.7	2034.8.7
81.	Our Company	A Geological Environment Remediation Device	Utility Model	2024221393419	2024.9.2	2034.9.2
82.	Our Company	A Portable Surveying Bracket	Utility Model	2024224718573	2024.10.14	2034.10.14
83.	Our Company	A High-Efficiency Ball Mill for Ore Grinding	Utility Model	2024225699048	2024.10.24	2034.10.24
84.	Our Company	A Mining Hammer for Mining Survey	Utility Model	2024231767729	2024.12.23	2034.12.23
85.	Our Company	A Sorting Mechanism for Low-Grade Copper-Sulphur Ore	Utility Model	2025213489202	2026.6.26	2036.6.26
86.	Our Company	A Differentiated Processing Device for Copper-Sulphur Middlings	Utility Model	202521167034X	2026.6.19	2036.6.19
87.	Our Company	A Binocular Vision Laser Vertical Photography Adjustment Assembly for Open-Pit Slope Rock Wall	Utility Model	2025214380103	2026.6.2	2036.6.2
88.	Our Company	An Ore Grinding Machine with Adjustable Nano-Ceramic Ball Specifications	Utility Model	2025209655002	2026.5.26	2036.5.26
89.	Our Company	A Grinding Fineness Test Device for Sulphur Concentrate Products	Utility Model	2025212903722	2026.5.26	2036.5.26
90.	Our Company	A Path Mechanism for Middlings Grade Return Channel	Utility Model	2025212245380	2026.5.19	2036.5.19
91.	Our Company	A Flotation Machine Drive Structure with High-Performance Permanent Magnet Material	Utility Model	202520813171X	2026.4.14	2036.4.14
92.	Our Company	An Ore Crusher with Adjustable End Cover Liner Structure	Utility Model	2025208871926	2026.4.14	2036.4.14
93.	Our Company	A Pre-Treatment Equipment for Low-Grade Copper Ore Recovery	Utility Model	2025207536649	2026.4.14	2036.4.14
94.	Our Company	A Beneficiation Method Combining Flash Flotation and Spiral Chute to Improve Copper Recovery Rate	Invention	2023108478472	2026.3.10	2046.3.10
95.	Our Company	A Down-the-Hole Quick Sampling Equipment	Utility Model	202422978348X	2026.2.13	2036.2.13
96.	Our Company	A Detection Rod for Geological Exploration of Deep Goaf Areas in Mining Districts	Utility Model	2025205674606	2026.1.6	2036.1.6
97.	Our Company	A New Type Mineral Processing Plant Reagent Metering Equipment	Utility Model	2024230974882	2026.1.6	2036.1.6
98.	Our Company	An Automatic Washing Equipment for Mining Vehicles	Invention	202311531988X	2025.12.5	2045.12.5

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(b) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights in the PRC which we consider to be or may be material to our business:

No.	Copyright Name	Copyright Owner	Registration No.	Registration Date	Expiry Date
1	Industrial Internet + Safety Production Management and Control Platform V1.0	Our Company	2023SR0788131	2023.7.4	2073.12.31
2	Open-Pit Mine Risk Source Point Monitoring System V1.0	Our Company	2024SR0958303	2024.7.9	2074.12.31
3	Homogenization Combined Ore Blending and Production Data Integration and Sharing System V1.0	Our Company	2024SR1064920	2024.7.25	2074.12.31
4	Mine Safety Production AI Intelligent Supervision and Early Warning System V1.0	Our Company	2026SR0649322	2026.6.8	2076.12.31
5	Dabaoshan Polymetallic Mine Cut-off Grade Dynamic Calculation System V1.0	Our Company	2025SR2210360	2025.11.17	2075.12.31
6	Dabaoshan Production Cost and Economic Indicator Management System V1.0	Our Company	2025SR2210328	2025.11.17	2075.12.31
7	Fully Automatic Cross-Rolling Phosphor Copper Ball Automatic Control System V1.0	Nanfeng Special Copper Materials	2017SR282572	2017.6.19	2067.12.31
8	Nano-Level Microcrystalline Copper Upward Continuous Casting and Extrusion Control System V1.0	Nanfeng Special Copper Materials	2017SR282349	2017.6.19	2067.12.31

(c) Domain Names

As of the Latest Practicable Date, we owned the following domain names in the PRC which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	www.gddbbs.com.cn : 8689/	Our Company	2030.1.15

(C) FURTHER INFORMATION ABOUT OUR DIRECTORS

1 Particulars of Directors’ Service Contracts and Appointment Letters

Each of the Directors [has entered into] a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

2 Remuneration of Directors

The aggregate amount of remuneration for our Directors for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 was RMB3.45 million, RMB4.36 million, RMB4.30 million and RMB1.09 million, respectively.

Under the arrangements currently in force, we estimate that the aggregate remuneration (excluding any discretionary bonus which may be paid) payable to, and benefits in kind receivable by, our Directors by any member of our Group in respect of the year ending December 31, 2026 is approximately RMB4.20 million.

There is no arrangement under which any Director has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

3 Disclosure of Interests

(a) Interests of our substantial Shareholders

Save as disclosed in the section headed “Substantial Shareholders” in this document, our Directors are not aware of any person (other than our Directors and chief executive of our Company) who will, immediately following the completion of the [REDACTED], have interests or short positions in the Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

(b) Interests of our Directors and chief executive

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes to our issued and outstanding Shares between the Latest Practicable Date and the [REDACTED]), so far as our Directors are aware, there is no interest or short position of our Directors or chief executives in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange:

(D) OTHER INFORMATION

1 Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

2 Litigation

Save as disclosed in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company’s results of operations or financial condition.

3 Sole Sponsor

[REDACTED]

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of RMB4,000,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

4 Consent of Experts

The qualification of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this document are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	Licensed to conduct Types 4 (Advising on Securities) and 6 (Advising on Corporate Finance) of the regulated Activities under the SFO
Deheng Law Offices	Legal advisor to our Company as to PRC laws
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
SRK Consulting (China) Ltd.	Competent Person
Frost & Sullivan	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5 Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

6 Promoters

The promoters of our Company comprised of our two Controlling Shareholders, as of August 13, 2026 before our conversion into a joint stock liability company.

Save as disclosed in this Document, within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this document.

7 Bilingual [REDACTED]

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

8 Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

9 Compliance Advisor

Our Company has appointed Lego Corporate Finance Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

10 No Material Adverse Change

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document, and up to the date of this document.

11 Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

12 Miscellaneous

Save as disclosed in this document:

- (i) within the two years immediately preceding the date of this document:
 - (a) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (b) no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;
 - (c) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (d) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
- (ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;
- (iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (iv) our Company has no outstanding convertible debt securities or debentures;
- (v) there is no arrangement under which future dividends are waived or agreed to be waived;
- (vi) for the H Shares to be [REDACTED] in connection with the [REDACTED], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
- (vii) all necessary arrangements have been made to enable the H shares to be admitted into [REDACTED] for [REDACTED] and [REDACTED].

APPENDIX VI

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Statutory and General Information — (D) Other Information — 4 Consent of Experts” in Appendix V to this document; and
- (b) a copy of the material contract referred to in “Statutory and General Information — (B) Further Information about our Business — 1 Summary of Material Contracts” in Appendix V to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available for inspection at the website of the Stock Exchange at www.hkexnews.hk and our website at www.gdbs.com.cn:8689/ including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from Ernst & Young, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for each of the years ended [December 31, 2023, 2024 and 2025 and the reviewed financial statements for the six months ended June 30, 2026];
- (d) the report on unaudited [REDACTED] financial information of our Group from Ernst & Young, the text of which is set out in Appendix IIA to this document;
- (e) the letters from Ernst & Young and the Sole Sponsor relating to the [REDACTED] of our Group for the year ended December 31, 2026, the text of which is set out in Appendix IIB to this document;
- (f) the material contracts referred to in “Statutory and General Information — (B) Further Information about our Business — 1 Summary of Material Contracts” in Appendix V to this document;
- (g) the service contracts and the letters of appointment referred to in “Statutory and General Information — (C) Further information about our Directors — 1. Particulars of Directors’ Service Contracts and Appointment Letters” in Appendix V to this document;
- (h) the industry report issued by F&S, a summary of which is set forth in “Industry Overview” in this document;
- (i) the Competent Person’s Report prepared by SRK Consulting China Ltd., the text of which is set out in Appendix III to this Document;
- (j) the PRC legal opinion issued by Deheng Law Offices, our PRC Legal Advisor on PRC law, in respect of certain general corporate matters and property interests in the PRC of our Group;
- (k) the written consents referred to in “Statutory and General Information — (E) Other information — 4 Consent of experts” in Appendix V to this document;
- (l) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translation.