THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **GT Gold Holdings Limited** (the "**Company**"), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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GT Gold Holdings Limited
大唐黃金控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8299)

MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF TWO PROJECT COMPANIES IN NINGSHAN COUNTY SHAANXI PROVINCE INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 7 to 45 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Suite 2703, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Thursday, 25 June 2026 at 9:30 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the extraordinary general meeting (i.e. not later than 9:30 a.m. on Tuesday, 23 June 2026 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

5 June 2026

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and midsized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

		Page
DEFINITIONS		1
LETTER FROM THE BOARD		7
APPENDIX I	**– FINANCIAL INFORMATION OF THE GROUP**	I-1
APPENDIX IIA	**– ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF SHANGSHAN INTERNATIONAL**	IIA-1
APPENDIX IIB	**– ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF CATHAY GOLD MINING**	IIB-1
APPENDIX IIC	**– ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF SHENZHEN EXCELLENCE**	IIC-1
APPENDIX IID	**– ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF JINCHENG MINING**	IID-1
APPENDIX IIE	**– ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF BBG MINING**	IIE-1
APPENDIX IIF	**– ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF TARGET COMPANY**	IIF-1
APPENDIX III	**– MANAGEMENT DISCUSSION AND ANALYSIS ON THE TARGET COMPANY**	III-1
APPENDIX IV	**– UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**	IV-1
APPENDIX V	**– COMPETENT PERSON'S REPORT**	V-1
APPENDIX VI	**– VALUATION REPORT OF THE TARGET COMPANY**	VI-1
APPENDIX VII	**– INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS**	VII-1
APPENDIX VIII	**– GENERAL INFORMATION**	VIII-1
NOTICE OF EGM		EGM-1

In this Circular, unless the context otherwise requires, the following words and expressions have the following meanings ascribed to them respectively:

"Acquisition"	the proposed acquisition of the Sale Share by the Purchaser from the Vendor pursuant to the Agreement
"Agreement"	the sale and purchase agreement entered into between the Purchaser and the Vendor on 30 March 2026 in relation to the Acquisition
"Au"	gold
"BBG Mining"	寧陝縣步步高礦業有限責任公司 (in English, for identification purpose only Ningshan County Bubugao Mining Co., Ltd), a domestic company established in the PRC owned as to 80% by the Target Group as at the Latest Practicable Date
"Board"	the board of Directors of the Company
"Business Day(s)"	any day (except a Saturday, Sunday and public holiday) on which banks in Hong Kong are open to the general public for business
"BVI"	the British Virgin Islands
"Cathay Gold Mining"	國泰黃金礦業發展(深圳)有限公司 (in English, for identification purpose only, Cathay Gold Mining Development (Shenzhen) Co., Ltd), a wholly foreign owned enterprise established in the PRC and an intermediate holding company of the Target Group, its entire issued share capital is held by Shangshan International
"Company"	GT Gold Holdings Limited(大唐黃金控股有限公司), a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the GEM (stock code: 8299)
"Competent Person's Report"	the due diligence report dated 5 February 2026 issued by SRK on the Mineral Resources and Ore Resources of the Gold Mine in accordance with the JORC Code, including ore processing plants and tailing storage facilities, of the Project Companies

"Completion"	the completion of the Acquisition contemplated under the Agreement
"Completion Date"	the third Business Day following the date on which the last conditions precedent set out in the Agreement has been fulfilled (or otherwise waived) or such other date as the parties may agree in writing
"Connected Persons"	has the same meaning ascribed to it under the GEM Listing Rules
"Consideration"	the consideration in respect of the Acquisition
"Consideration Shares"	676,000,000 new Shares of the Company to be issued by the Company to the Vendor (or such designated party as the Vendor may direct) at HK$0.5 per Consideration Share
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting to be held by the Company on Thursday, 25 June 2026 at Suite 2703, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong to approve the Acquisition
"Exploration License"	the license authorizing BBG Mining to conduct exploration activities at the Gold Mine
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Gold Mine"	one gold mine owned and operated by BBG Mining and located in the Ningshan County in Shaanxi Province of the PRC
"Group"	the Company and its subsidiaries
"g/t"	gram(s) per tonne
"HK$" or "HKD"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party(ies)"	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its Connected Persons
"Indicated"	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 (as defined under the JORC Code)
"Inferred"	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 (as defined under the JORC Code)
"Jincheng Mining"	寧陝縣金誠礦業有限公司 (in English, for identification purpose only, Ningshan Jincheng Mining Co., Ltd), a domestic company established in the PRC owned as to 80% by the Target Group as at the Latest Practicable Date
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition), as published by the Joint Ore Reserves Committee
"km"	kilometer(s)
"kt"	kilotonne(s)
"Latest Practicable Date"	3 June 2026, being the latest practicable date prior to the printing of this circular ascertaining certain information contained

"Measured"	part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"Mineral Resource(s)"	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 (as defined under the JORC Code). 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
"Mining License"	the license held by BBG Mining to conduct mining activities at the Gold Mine
"Ore Reserves"	economically mineable part of a measured and/or indicated mineral resource
"Ms. Lu"	Ms. Lu Runqun (盧潤群), beneficial owner of the entire issued share capital of the Target Company as at the Latest Practicable Date, an Independent Third Party
"No.1 Plant"	one of the two processing plants held by Jincheng Mining
"No.2 Plant"	one of the two processing plants held by Jincheng Mining
"PRC"	the People's Republic of China, which for the purpose of this Circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Project Companies"	collectively, Jincheng Mining and BBG Mining
"RMB"	Renminbi, the lawful currency of the PRC

"Sale Share"	One share, representing the entire issued share capital of the Target Company
"Shangshan International"	Shangshan International Asset Management Limited 上善國際資產管理有限公司, an investment holding company incorporated in Hong Kong with limited liability and beneficially owned as to 80% by the Target Company and 20% by Ocean Wing Investment Limited（海勝投資有限公司）, Independent Third Parties as at the Latest Practicable Date
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of HK$0.001 each in the issued share capital of the Company
"Shenzhen Excellence"	深圳卓越黃金實業有限公司 (in English, for identification purpose only Shenzhen Excellence Gold Industry Co., Ltd), a domestic company established in the PRC and an intermediate holding company of the Target Group, its entire issued share capital is held by Cathay Gold Mining
"Specific Mandate"	the specific mandate to be granted by the Shareholders to the Board for the allotment and issue of the Consideration Shares at the EGM
"SRK"	SRK Consulting (China) Limited
"sq. km"	square kilometer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"t"	tonne(s)
"tpd"	tonne(s) per day
"Target Company" or "ChangSheng United"	ChangSheng United Investment Limited（長盛聯合投資有限公司）a limited liability company incorporated under the law of BVI and wholly-owned by the Vendor which in turn holds 80% the issued share capital of Shangshan International as at the Latest Practicable Date

"Target Group"	the Target Company and its subsidiaries including Shangshan International, Cathay Gold Mining, Shenzhen Excellence, Jincheng Mining and BBG Mining
"Valuation"	a valuation on the entire equity interest in the Target Group as at 28 February 2026
"Valuation Report"	the valuation report prepared by the Valuer regarding the valuation of the Target Group
"Valuer"	Ravia Global Appraisal Advisory Limited, appointed by the Company as the independent valuer to prepare the Valuation Report
"Vendor" or "Cathay Gold"	Cathay Gold Investment Holdings Limited 國泰黃金投資控股有限公司, a limited liability company incorporated under the law of BVI and solely owned by Ms. Lu as at the Latest Practicable Date
"%"	per cent

GT Gold Holdings Limited
大唐黃金控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8299)

Executive Directors:
Dr. Li Dahong *(Chairman)*
Ms. Ma Xiaona

Independent non-executive Directors:
Mr. Guo Wei
Mr. Lam Albert Man Sum
Mr. Cheung Wai Hung

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
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Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

5 June 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF TWO PROJECT COMPANIES IN NINGSHAN COUNTY SHAANXI PROVINCE INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the announcements of the Company dated 30 March 2026, 31 March 2026 and 1 June 2026.

The purpose of this circular is to provide you with the information with regard to, among other things, (i) further details of the Agreement, including the grant of the Specific Mandate for the allotment and issue of the Consideration Shares; (ii) the financial information of the Target Companies; (iii) the unaudited pro forma financial information of the Enlarged Group; (iv) the Competent Person's Report; (v) the Valuation Reports on the Target Company; (vi) a notice convening the EGM; and (vii) other information as required under the GEM Listing Rules.

On 30 March 2026, the Company and the Vendor entered into the Agreement, pursuant to which the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at an aggregate Consideration of HK$585,000,000, which shall be settled partly in cash and partly by way of issue and allotment of the Consideration Shares. The Consideration Share will be issued and allotted by way of the Specific Mandate to be sought from the Shareholders at the EGM and shall rank pari passu among themselves and with all Shares in issue on the Completion Date.

The Agreement

Date	30 March 2026
Parties	
The Purchaser:	The Company.
The Vendor:	Cathay Gold, an investment holding company wholly-beneficially owned by Ms. Lu, which as at the Latest Practicable Date holds the entire issued share capital of the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Cathay Gold Mining and its ultimate beneficial owner are Independent Third Parties.

Subject matter

Pursuant to the Agreement, the Purchaser agreed to purchase, and the Vendor agreed to sell the Sale Share.

Upon Completion, the Company shall own the entire issued share capital of the Target Company and that the Target Company shall become a direct wholly-owned subsidiary of the Company. The results and assets and liabilities of the Target Group will be consolidated with, and accounted for as subsidiaries, in the Company's consolidated financial statements.

The Target Group is engaged in the exploration and mining of gold and related minerals. The Target Group, through the Project Companies, holds the Exploration License and the Mining License in respect of the Gold Mine and also the facilities for gold mining and mineral processing. Detailed information on the Target Group is set out in the paragraph headed ''Information on the Target Group'' of this Circular.

Consideration and Payment Terms

The Consideration shall be HK$585,000,000, which will be settled by the Company in the following manner:

(i) a deposit and part payment of the Consideration in the sum of HK$168,000,000 in cash to the Vendor on or before signing of the Agreement;

(ii) part payment of the Consideration in the sum of HK$79,000,000 in cash to the Vendor on the Completion Date; and

(iii) the remainder of the Consideration in the sum of HK$338,000,000 will be settled by the issue and allotment of the Consideration Shares at the issue price of HK$0.5 each to the Vendor or its designated person(s) on the Completion Date.

The cash consideration in the total sum of HK$247 million of the Acquisition will be satisfied from the internal resources of the Company.

The Company had completed a placing of new shares on 3 October 2025 (the **''2025 Placing**'') and received net proceeds in the sum of HK$274.47 million, out of which HK$192.13 million had been earmarked for future acquisition by the Group, As such, the deposit and part payment of the Consideration in the sum of HK$168 million had been fully paid from the proceeds of the 2025 Placing.

The Board resolved on 21 May 2026 (after trading hours) to re-allocate the remaining net proceeds from the 2025 Placing originally allocated for the Company's working capital and for general corporate purposes in the sum of HK$45.51 million for payment of part of the remaining Cash Consideration. For details, please refer to the announcement of the Company dated 21 May 2026. The balance in the sum of HK$9.36 million would be covered from the Group's latest cash and bank balances.

CONSIDERATION SHARES

The Consideration Shares of 676,000,000 new Shares to be allotted and issued as fully paid, assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Completion, will represent approximately 7.63% of the issued share capital of the Company as at the Latest Practicable Date and approximately 7.09% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the EGM and shall rank pari passu among themselves and with all Shares in issue on the Completion Date and shall, when allotted and issued, rank *pari passu* in all respects with the Shares in issue. An application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares.

The Issue Price of HK$0.5 per Consideration Share represents:

(i) a discount of approximately 1.96% to the closing price of HK$0.51 per Share as quoted on the Stock Exchange on the date of the Agreement; and

(ii) a discount of approximately 3.47% to the average closing price of HK0.518 per Share for the last five (5) consecutive trading days immediately prior to the date of the Agreement.

The theoretical dilution effect in relation to the issue and allotment of the Consideration Shares as defined in GEM Rule 10.44A is 0.25%.

The Company considers the Issue Price, which was determined after arm's length negotiation between the Vendor and the Company, to be fair and reasonable, after taking into account, among others, the prevailing market price of the Shares, the financial performance of the Group and the current market conditions.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, set out below is a summary of the shareholdings in the Company (i) as at the Latest Practicable Date; and (ii) immediately after issue and allotment of the Consideration Shares (assuming there is no other change in the shareholding structure of the Company since the Latest Practicable Date):

	As at the Latest Practicable Date		**Immediately after issue and allotment of the Consideration Shares**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Ma Qianzhou ("**Mr. Ma**") *(Note 1)*	3,429,354,894	38.69	3,429,354,894	35.94
Zhao Yuebing ("**Ms. Zhao**") *(Note 1)*	779,613,860	8.79	779,613,860	8.17
The Vendor (or its nominees) *(Note 2)*	–	–	676,000,000	7.09
Public Shareholders	4,655,848,966	52.52	4,655,848,966	48.80
	8,864,817,720	100.00	9,540,817,720	100.00

Note:

(1) Mr. Ma and Ms. Zhao are spouses.

(2) To be best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimates beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Basis

The Consideration was determined by the Vendor and the Purchaser after arm's length negotiations taking into account, among other things, (i) the Valuation of the Target Group as of 28 February 2026 in the sum of RMB1,000,000,000; (ii) the Competent Person's Report of the Gold Mine prepared by SRK in accordance with the JORC Code; and (iii) the factors as set out in the section headed "Reasons for and Benefits of the Acquisition".

The income approach is adopted in the Valuation. Under the income approach, the DCF method is adopted. The DCF method begins with an estimation of the annual cash flows, which a market participant acquirer would expect the asset to generate over a discrete projection period.

THE VALUATION OF THE TARGET GROUP

Identity of the Valuer

The Valuation was carried out by Ravia Global Appraisal Advisory Limited, an independent and qualified valuer engaged by the Company.

Valuation methodology adopted by the Valuer

For the valuation analysis, the income approach was adopted in deriving the appraised value of the Target Group taking into account of the following factors:

(i) the cost approach was not adopted as the replication cost may not represent the value of the Target Group;

(ii) the market approach was not adopted because it cannot account for the characteristics of the mining plans, production schedules and cost structures concerning the Gold Mine; and

(iii) the income approach was adopted as the Gold Mine's mining plans, production schedules and cost structures are well-defined within the Independent Technical Report. This provides an accurate reflection of the Gold Mine's value by the future production profile, estimated capital requirements and operational costs.

Since the DCF method under the income approach was adopted by the Valuer in the Valuation Report, the Valuation constitutes a profit forecast under Rule 19.61 of the GEM Listing Rules. Accordingly, the requirements under Rule 19.60A of the GEM Listing Rules apply.

KEY ASSUMPTIONS AND KEY INPUTS OF THE PROFIT FORECAST UNDER THE VALUATION REPORT

Major Assumptions

The general and major assumptions of the profit forecast under the Valuation Report are summarised as follows, including but not limited to:

- the information provided and the representations made by the management of the Target Group with regard to the Target Group's financial and business affairs are accurate and reliable;
- the Target Group will continue to operate as a going concern and has sufficient liquidity and maximize the efficiency of the operation of Target Group;
- the Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Target Group operates or intends to operate would be officially obtained and renewable upon expiry with de minimis expenses;
- there will be sufficient supply of technical staff in the industry in which the Target Group operates or intends to operate, and the Target Group will retain competent management, key personnel and technical staff to support their ongoing operations and developments;
- there will be no major changes in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- there will be no major changes in the political, legal, economic or market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group;
- there will be no material changes in the relevant interest rates and exchange rates that would impact the Target Group's business; and
- there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the Target Group as at the Valuation Date.

Specific Assumptions

The specific assumptions and key inputs of the profit forecast under the Valuation Report are set out as follows:

Specific assumptions	**Inputs**	**Basis of assumption**
Discount rate	10.25%	Determined based on weighted average cost of capital, which was calculated with reference to public market data including risk free rate, market return, beta of comparable public companies etc.
Discount rate of lack of marketability	20.40%	Determined based on "Control Premium and Discount for Lack of Marketability Study 2025 – Issue 4", published by Moore.
Forecasted gold price		The forecasted prices of gold are determined with reference to "Consensus price forecasts – Gold, silver prices surge to new highs" published by S&P Global Market Intelligence, "Fitch Ratings Raises Most Near-Term Metals and Mining Price Assumptions" published by Fitch Ratings and "Commodity Markets Outlook" published by World Bank Group.

Based on the above key inputs, the Valuer has performed a sensitivity analysis on (i) the discount rate; and (ii) forecasted gold price adopted in the Valuation, details of which are set out as follows:

Discount rate	**Forecasted gold price**	**Valuation**	**Increase/ (decrease) in Valuation**
		RMB	*RMB*
(changes in the absolute value)	(changes in percentage)	*(million)*	*(million)*
9.25% (-1%)	+1%	1,081	75
10.25% (base input)	+1%	1,028	22
11.25% (+1%)	+1%	978	(28)
9.25% (-1%)	base input	1,058	52
10.25% (base input)	base input	1,006	0
11.25% (+1%)	base input	957	(49)
9.25% (-1%)	–1%	1,035	29
10.25% (base input)	–1%	984	(22)
11.25% (+1%)	–1%	936	(70)

The theoretical net asset value of the Target Group (i.e. net of (i) the sum of net assets of each of the Target Company and its subsidiaries as at 31 December 2025; and (ii) elimination of intra-group investments within the Target Group) amounted to HK$149.78 million (equivalent to approximately RMB130.24 million), representing a discount of approximately 86.98% to the appraised value of the Target Group of RMB1,000 million.

Given that the Target Group is principally engaged in mining business and constitutes the Company's core capital-intensive asset business segment, the book value of the Target Company did not incorporate the fair value of its mining rights. The exclusion of mining right value from the carrying book assets is the primary driver of the substantial difference between the appraised value and the net asset book value. The Valuer has also further justified in the Valuation Report that the cost approach was considered inappropriate as the replication cost may not present the value of the Target Group.

The Directors have considered the competence and independence of the Valuer prior to engaging the Valuer to perform valuation of the Target Company. Having considered that (i) the Valuer is an experienced valuation firm based on its track records; and (ii) the person in-charge of the Valuation Report is a Chartered Geologist and Geotechnical Engineer, a member of the Australasian Institute of Mining and Metallurgy (CP), and serves on the Geological Society of Hong Kong. With over thirty years of geological experience in Hong Kong and overseas, in geological engineering and project management, particularly in the mineral deposit and mining fields, the Directors are of the view that the Valuer has sufficient qualification, reputation and experience in performing the valuation of the Target Company and has the relevant expertise and adequate resources to perform its role as an independent valuer. The Directors had also reviewed the objectivity of the Valuation, the DCF method used by the Valuer and the inputs and assumptions adopted by the Valuer.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Valuer is independent from the Group, and that none of its partners, directors or officers is an officer or servant or proposed director of the Group, its subsidiaries or holding company or of a subsidiary of the Group's holding company or any associated company of the Group.

The reasons for a significant difference between the appraised value of RMB1,000 million and the Consideration of HK$585 million

The Vendor is primarily a gold mine project investor. They do not have the requisite mining expertise, professional team and mature operational capabilities to effectively develop and operate mining assets. In contrast, the Company possesses inherent professional mining know-how, an experienced operational team and extensive industry experience in Shaanxi Province, Mainland China. The Vendor strongly endorses the Group's adoption of advanced mining technologies and AI-driven mining solutions. AI-enabled resource exploration constitutes a core competency that materially enhances operational efficiency and productivity. It not only reduces the time and cost incurred in resource exploration, but also allows mining operations to be focused on the most prospective mineralised zones, thereby directly boosting overall mining output and productivity. During the negotiation phase, the Target Group's mining project stayed non-operational. Its Mining Licence had lapsed and the Exploration Licence was set to expire in 2026, posing further regulatory and operational risks. In pursuit of its accelerated divestment, profit realization and capital reallocation to other business ventures, the Vendor agreed to the Consideration at a 40% discount to the Target Group's appraised value to secure the prompt completion of the Acquisition.

Given the Vendor's confidence in the Group's future prospects, a substantial portion out of the total consideration in the sum of HK$338,000,000 will be satisfied by the issue and allotment of 676,000,000 new Shares. Upon completion of the allotment, such new Shares will represent a substantial shareholding of over 7% in the Company's enlarged issued share capital. The Vendor demonstrates a clear willingness to retain the Consideration Shares so as to capture benefits from the Company's future growth and development. The appraised value of the Target Company reflects the full fair market value of the assets primarily on a cash-only transaction basis. Nevertheless, the Vendor has agreed to receive part of the consideration in shares, signifying its readiness to accept a lower immediate cash payout in return for potential upside from the Company's appreciation in value of its Shares. This structure aligns the Vendor's interests with the Company's long-term development. As the Purchaser leverages its professional mining capabilities to optimise the assets and drive business growth, the value of the retained Consideration Shares is expected to rise, allowing the Vendor to secure additional returns beyond the upfront transaction proceeds. Accordingly, the lower cash portion within the total consideration of HK$585 million is reasonable. The Vendor is adequately compensated through prospective share value growth, which fully justifies the discrepancy between the appraised value and the agreed transaction consideration. The Vendor recognises these advantages and is willing to accept a discounted price to secure a reliable and experienced long-term operator for the assets.

The Consideration is negotiated on an arm's length basis between the parties. The Consideration properly accounts for the Target Group's early development stage, operational risks and licence renewal requirements. The Company considers the 40% discount to the Target Group's appraised value to render the Acquisition highly beneficial, the Board considers that the Consideration is fair, reasonable and in the best interests of the Company and its shareholders as a whole.

Conditions precedent

Completion is conditional upon the satisfaction (or waiver, if applicable) of all of the following conditions:

(i) the Purchaser having completed the due diligence investigation of the Target Group and that the Purchaser being satisfied with the results thereof;

(ii) the Board having approved the Agreement and the transactions contemplated therein;

(iii) the Company having obtained the approval from its Shareholders approving the Agreement and the transactions contemplated thereunder at the EGM including the issue and allotment of the Consideration Shares under the Specific Mandate;

(iv) Listing approval in relation of the Consideration Shares has been issued by the Stock Exchange;

(v) the obtaining of all necessary consents and approvals in respect of the Acquisition from the relevant governmental or regulatory bodies, and no governmental or regulatory bodies has issued any orders, laws, regulations to disallow or restrain Completion from taking place;

(vi) the Purchaser having obtained a legal opinion issued by a PRC law firm that: (i) the Project Companies are legally established and validly existing; (ii) the Project Companies have obtained the required licenses and permits upon its establishment and such licenses and permits remain valid; (iii) the Project Companies have legally obtained the Mining License and Exploration License and such Mining License and Exploration License remains effective; and (iv) other matters that the Purchaser deems necessary;

(vii) the Purchaser having obtained a legal opinion issued by a BVI law firm that: (i) the Target Company is legally established and validly existing; (ii) the Vendor have the necessary authority to sell the Target Company; and (iii) other matters that the Purchaser deems necessary;

(viii) the warranties given by the Vendor in the Agreement remaining true, accurate and not misleading at the date of the Agreement and up to and including the Completion Date in all material aspects;

The Company shall have the right to waive the conditions precedent above. Conditions (i), (ii), (iii), (iv) and (v) are not waivable. As at the Latest Practicable Date. Condition (i), (ii), (v), (vi) (in relation to the Mining License) and (vii) has been fulfilled. Based on advice from the Company's PRC legal counsel, the application for the Exploration License has reached the advanced approval stage with the relevant competent authorities. No legal impediment stands in the way of obtaining the Exploration License. The Exploration License is legally separate from mining activities, including trial mining and full-scale commercial mining. Pursuant to Article 28 of the Mineral Resources Law of the PRC, the Mining License entitles the holder to conduct both mining and exploration operations within its approved area, whereas an Exploration License permits exploration activities exclusively within its designated scope. The areas covered respectively by the BBG Mining's Mining License and Exploration Licence are completely separate with no overlap. For details, please to the paragraph headed "Renewal of Exploration License" below. The Company has therefore waived Condition (iv) relating to the Exploration License and considers that such waiver is fair and reasonable. Save as aforesaid, if the conditions precedent as set out in the Agreement have not been fulfilled (or, where applicable, waived by the Purchaser) on or before 30 June 2026, neither the Purchaser nor the Vendor shall be obliged to proceed with Completion.

In respect of Condition (i), the Directors conducted comprehensive due diligence on the Target Group, covering: (a) legal due diligence, including without limitation verification of corporate legal qualifications and standing, substantive validity and current status of all mining and exploration licenses, due diligence into the statutory PRC legal procedures governing the renewal of expired and imminently expiring mining and exploration licenses, as well as comprehensive assessment of any potential legal impediments, procedural barriers, regulatory restrictions and outstanding compliance issues that may affect license renewal, overall regulatory compliance status, and all pending and historical litigation, arbitration and administrative disputes; (b) mineral resource and geological due diligence, including professional evaluation of proven gold reserves and resources, geological structural conditions and technical and commercial mining viability of the projects; (c) production and operational due diligence, including review of inherent production capacity, physical condition and usability of on-site equipment, and operational safety compliance status; (d) financial and tax due diligence covering the financial position, accounting records and tax compliance of the Target Group; and (e) valuation of the Target Group.

The specific due diligence procedures performed by the Directors are set out below:

(i) Five on-site inspection visits were conducted by the Directors and/or senior management of Taizhou Mining, as well as the Group's internal management and professional technical teams, involving thorough and detailed inspections of all existing mining tunnels, processing plant facilities, drilling sample logs, tailing pond and disposal facilities, and all other technical and operational supporting infrastructure of the mines;

(ii) The Group's management and technical teams conducted a full review of all available official and operational documents of the Target Group, including business licenses and corporate registration documents, material commercial contracts, project design drawings, official geological survey reports, mineral reserve and resource data, field drilling records, topographic and geological survey maps, environmental approval and supervision documents, work safety filings and certificates, financial statements, banking records, and all historical dispute records;

(iii) The Directors conducted one-on-one interviews with the senior management of the Project Companies to verify the development history of the mining projects and all historical production and operational records, and also held consultations and communication with local communities, village committees, township and county-level government authorities to confirm local compliance, land use and grassroots coordination status;

(iv) Two qualified PRC law firms were formally engaged to: (a) conduct comprehensive formal legal due diligence on the Project Companies and their core assets, with a key focus on verifying the legal validity, current status and renewability of their mining and exploration licenses; such due diligence included an in-depth review of the full set of statutory PRC regulatory procedures for the renewal of expired and soon-to-expire licenses, verification of statutory renewal prerequisites, the renewability of the then application in process of the expired Mining License (which had since successfully completed the renewal prior to the signing of SPA as expected), review of applicable regulatory timelines, and thorough investigation of any existing legal obstacles, unrectified compliance issues or administrative restrictions that may hinder successful license renewal; (b) undertake full regulatory compliance due diligence in respect of the Acquisition of the Project Companies; and (c) issue formal written legal due diligence report and opinions to confirm the legality, compliance and license renewal feasibility of the foregoing matters;

(v) A professional accounting firm was engaged to conduct independent financial and tax due diligence on the Target Group's financial books, records and tax filings, and prepare a formal financial due diligence report setting out its findings and professional opinions;

(vi) SRK was commissioned to prepare the Competent Person's Report for the Project Companies, covering without limitation geological condition verification, mineral reserve and resource quantification and verification, evaluation of production facilities, assessment of environmental protection and work safety compliance, and comprehensive project economic benefit analysis;

(vii) The Valuer was engaged to prepare a Valuation Report on the Target Group.

As at the Latest Practicable Date, all the due diligence exercises set out above had been completed.

As revealed from the results of the due diligence exercises and as of the Latest Practicable Date, there are no (i) unsettled legal claims or proceedings that may have an influence on its rights to explore or mine; and (ii) unsettled claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims of the Target Group.

Renewal of Exploration License

Legal due diligence on the Project Companies confirms that the Target Group's Exploration License was expired on 8 May 2026. As of the Latest Practicable Date, the Target Group has completed all procedural steps for license renewal, as detailed below:

– In March 2026, BBG Mining initiated renewal preparations, including green exploration site upgrades, engagement of the Northwest Geology and Exploration Bureau for subsequent exploration design, and consultations with the Ningshan County Natural Resources Bureau (the "**Bureau**").

– On 10 April 2026, per the Bureau's guidance, BBG Mining applied to the Bureau for exploration area reforestation verification and on-site green standard inspection, as part of the renewal process.

– On 20 April 2026, the Bureau approved the official expert on-site inspection report.

– On 29 April 2026, BBG Mining submitted the Exploration License renewal application to the Shaanxi Provincial Natural Resources Department via the official Shaanxi government service online platform. This date is recognised by local authorities as the valid official application date.

– On 30 April 2026, the online system returned feedback of "agree to process", confirming the acceptance and validity of the application by the Target Group for the Exploration License.

– On 6 May 2026, BBG Mining submitted all hard-copy renewal documents to the Shaanxi Provincial Natural Resources Department at the provincial administrative hall and obtained official written acceptance.

– On 19 May 2026, an online check of the application status via the provincial government official platform for exploration license extension registration shown that the current status is: "Receiving Agency: Shaanxi Provincial Natural Resources Department; Process Type: Administrative Confirmation; Current Status: In Progress" (the **"Provincial Government Confirmation**").

Notwithstanding the expired Exploration License, the Target Group's Mining License remains valid, enforceable and legally independent. Under Article 28 of the Regulations for the Implementation of the Mineral Resources Law (2026 Revision), exploration rights and mining rights are separate, independent statutory usufructuary rights and administrative permits with distinct validity regimes. A valid Mining License alone authorises formal gold mining, exploration, utilisation of in-boundary mineral reserves and resources, and sale of mineral products, independent of a subsisting Exploration License. A valid exploration license authorizes exploration within its designated and often separated areas, as is the case of BBG Mining.

As such, the Target Group's core mining operations remain fully legal and compliant. The pending Exploration License renewal will not impede the Group's scheduled trial production commencement in July 2026, even if the renewal is not finalised by then.

As advised by the Company's PRC legal advisers, with the renewal application formally accepted and under official review (supported by the Provincial Government Confirmation), the expired license and ongoing renewal process only entail routine procedural or time uncertainties. No known material substantive risks to the Acquisition or the Group's core mineral assets exist under PRC law.

As further advised by the Company's PRC legal advisers, mineral regulations strictly define and limit statutory grounds for rejecting exploration license renewals to specific non-compliance scenarios. Statutorily, renewal may only be rejected if an applicant unjustifiably fails to complete prescribed exploration work, meet minimum exploration investment requirements, maintains long-term idle exploration blocks without valid reasons. Additionally, renewal rejection is reserved for Exploration License operating within a Natural Reserves area. Comprehensive pre-completion legal and technical due diligence verifies that the Target Group has fully satisfied all statutory exploration investment, workload and filing obligations with a clean compliance record as has been confirmed by the "Agree to Process" on the official website of the renewal agency the Provincial Natural Resources Department. No substantive legal grounds for rejection apply, as further evidenced by the Provincial Government Confirmation.

The Company's decision to complete the Acquisition on or before 30 June 2026 even if the Exploration License has yet been renewed is reasonable, prudent and in the best interests of the Company and its shareholders. The license renewal is a routine procedural matter with no substantive risks, and all of the Target Group's core legal entitlements and assets remain legally secure for the following reasons:

First, the Target Group holds a valid, unencumbered and independent Mining License that supports continuous lawful gold production and revenue generation, unaffected by the license renewal procedural status.

Second, pursuant to Article 4 of the Mineral Resources Law (2024 Revision), the Target Group's registered the rights covering mineral reserves and resources as well as mine facilities are independent statutory assets (a statutory real property right), which are legally distinct from exploration and mining permits (administrative licenses). These reserves and resources constitute the core value of the Target Group and a primary rationale for the Acquisition; the holder's real property right to the mining interest remains valid and enforceable regardless of having any permits or permit renewal status.

Under Mineral Resources Law of the PRC (2024 Revision) and its implementing regulations, an Exploration License exclusively authorises exploration activities within its designated area, while a valid Mining License confers the right to conduct mining operations including trial and full-scale production within the approved mining zone. The Mining License of BBG Mining and the Exploration License (which was under renewal as at the Latest Practicable Date) govern two geographically distinct areas with no overlap whatsoever. Mining activities are legally independent of the status of the Exploration License, and under the Article 28 of the Mineral Resources Law of the PRC, mining right holders may carry out exploration within their licensed mining areas without holding a separate Exploration License. The Target Group currently holds a valid and subsisting Mining License covering areas for the scheduled trial production, meaning the commencement of trial production in July 2026 is duly authorised under the Mining License and will not be impeded even if the renewal of the Exploration License is not finalised by that time. Accordingly, the existence or status of the Exploration License has no impact on

mining activities conducted across the entirely separate area covered by the Mining License. The valuation of the Project Companies is based exclusively on the reserves and resources situated within the Mining License area, and is wholly unrelated to the separate territory under the Exploration License.

The ongoing exploration activities under the Exploration License cover areas outside the existing mining footprint and are intended solely for future resource expansion, rather than supporting current production arrangements. Accordingly, the incomplete progress of such external exploration will not exert any material adverse impact on the Target Group's operational efficiency or commercial viability of existing mining operations. All forward-looking information and underlying assumptions set out in the Valuation Report are grounded on reserves and resources and established production plans under the Mining License, and do not rely on the completion or renewal of the Exploration License.

The Company confirms that the Target Group's core mining operations remain fully legal and compliant. The pending renewal of the Exploration License and uncompleted related exploration work will not materially affect the Group's scheduled trial production, daily operations or the reasonableness of the assessments contained in the Valuation Report. All relevant information previously disclosed is accurate and complete.

Enforced on 1 July 2025, the revised Law decouples statutory real property rights in mineral reserves/resources from administrative permitting for exploration and extraction. Irrespective of permit status, the mining right holder may value, transfer, pledge or otherwise finance the mineral assets based on the real property right. Exploration and mining licenses merely regulate operational activities and do not affect the existence, value or transferability of the underlying real property right.

In compliance with the revised Law, provincial natural resources authorities have begun issuing mining right certificates (real property title) alongside exploration/mining permits (administrative licenses) to PRC mining enterprises. BBG Mining obtained both the mining right certificate and mining license on 13 February 2026, being among the first batch of enterprises in the province to complete this dual-registration.

The Board considers that gold reserves and resources constitute the fundamental core value of a gold mine. Boasting 11.8 tonnes of reserves and 25.3 tonnes of resources, the Target Group will lift the Group's existing reserves and resources by 37.2% and 55.0% respectively, substantially expanding asset scale and bringing substantial inherent benefits to the Company and its Shareholders.

Third, the Provincial Government Confirmation verifies the application is complete, compliant and has passed official screening, strongly indicating forthcoming approval per standard administrative practices. Further, full pre-completion due diligence confirms the Target Group has fulfilled all statutory obligations and met all renewal prerequisites, eliminating all substantive grounds for application rejection.

Besides, the Board reasonably anticipates the timely commissioning and trial operation of the mine. This judgment is grounded in complete mining and auxiliary infrastructure, valid mining license, support of trial operation policies, continuous local governmental supervision, as well as an experienced and proficient managerial and technical team. BBG Mining's trial operation initiation plan scheduled for July 2026 is the result of close coordination with seven local competent authorities of Ningshan County Government, including multiple meetings with the county mayor and four deputy mayors. Over the past three months, county authorities have conducted regular on-site visits to review, inspect and offer guidance on the commissioning scheme, which has been subject to ongoing governmental oversight and direction.

From a national perspective, revitalising idle mineral resources and expanding mineral reserves and output form a key national strategy. The mine commissioning plan complies with national strategic orientation of the Central Government and local economic development goals of Ningshan County.

Completion

Completion shall take place on the Completion Date.

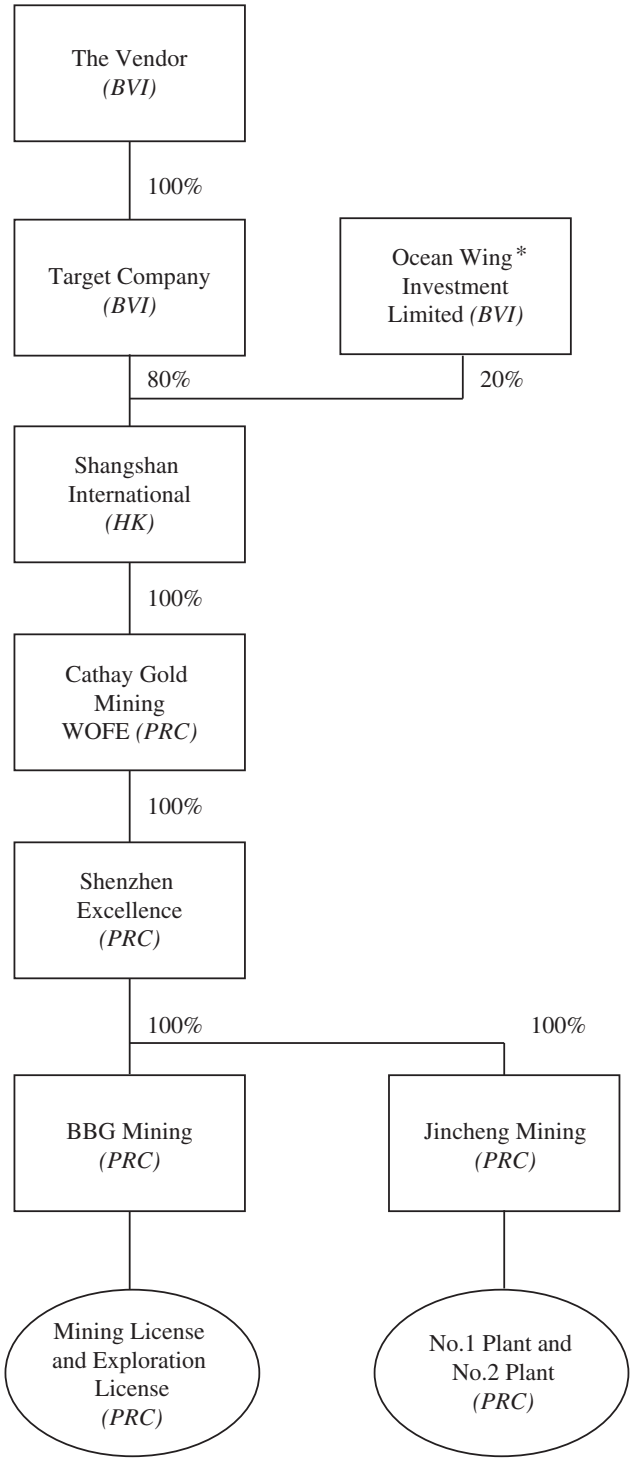
Upon Completion, the Company shall own the entire issued share capital of the Target Company and that the Target Company will become a wholly-owned subsidiary of the Company. The results and assets and liabilities of the Target Group will be consolidated with, and accounted for as subsidiaries, in the Company's consolidated financial statements.

As advised by the Company's PRC legal counsel, the issuance and allotment of Consideration Shares to the Vendor or its nominated parties pursuant to the Acquisition are subject to filing with the China Securities Regulatory Commission ("**CSRC**") under the Interim Administrative Measures for Domestic Enterprises' Overseas Securities Issuance and Listing (the **"Interim Measures**").

As confirmed by the Company's PRC legal counsel, the Company is obligated to satisfy the CSRC filing requirements set out in Article 16 Paragraph 2 of the Interim Measures within three business days following the issue and allotment date of the Consideration Shares, and the Company undertakes to complete such CSRC filing accordingly.

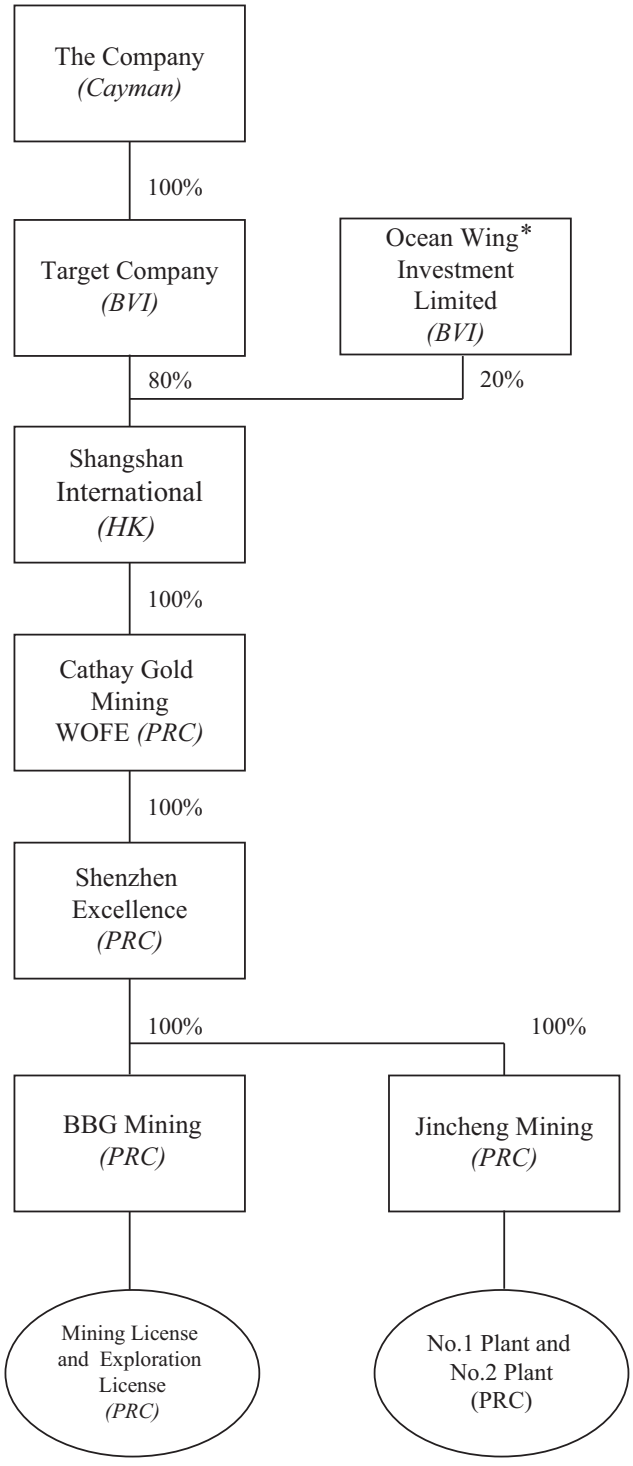
CORPORATE STRUCTURES BEFORE AND AFTER COMPLETION

Structure of Target Group as at the Latest Practicable Date



* *The ultimate beneficial owner of Ocean Wing Investment Limited is Deng Cindy, an Independent Third Party*

Structure of Target Group immediately upon completion of the Acquisition



* *The ultimate beneficial owner of Ocean Wing Investment Limited is Deng Cindy, an Independent Third Party*

INFORMATION OF THE PARTIES

The Company

The Group is principally engaged in gold exploration, mining and mineral processing with gold concentrate as its product.

The Vendor

Cathay Gold is a company with limited liability and beneficially solely owned by Ms. Lu.

Ms. Lu is a professional investor holding various portfolios of companies for investment including securities of mining companies. Cathay Gold Mining and its ultimate beneficial owner are Independent Third Parties.

The Target Group

The Target Company is an investment holding company incorporated in the BVI with limited liability. The Target Company holds 80% of the issued share capital of Shangshan International which in turn indirectly holds the entire equity interest of the Project Companies.

The Target Group is engaged in the exploration and mining of gold and related minerals. As at the Latest Practicable Date, the Project Companies hold the Mining License in respect of the Gold Mine. The Exploration License is under renewal.

None of the members of the Target Group (other than the Project Companies) has conducted any business activities since its incorporation nor have any other material assets as at the Latest Practicable Date.

Set out below is a summary of the unaudited financial information of each of the companies under the Target Group prepared in accordance with the Hong Kong Generally Accepted Accounting Principles for the three years ended 31 December 2023, 2024, 2025:

		For the year ended 31 December		
		2023	**2024**	**2025**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
ChangSheng United	*i*	–	–	–
Shangsheng International	*ii*	–	–	–
Cathay Gold Mining	*iii*	–	–	–
Shenzhen Excellence	*iv*	–	–	–
Jincheng Mining	*v*	–	–	–
BBG Mining	*vi*	–	–	–
		–	–	–

		For the year ended 31 December		
		2023	2024	2025
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Net loss (before and after taxation)				
ChangSheng United	*i*	–	–	–
Shangsheng International	*ii*	–	–	(6)
Cathay Gold Mining	*iii*	–	–	(473)
Shenzhen Excellence	*iv*	–	–	(3)
Jincheng Mining	*v*	(2,275)	(2,156)	(3,744)
BBG Mining	*vi*	(1,558)	(1,526)	(1,644)
		(3,833)	(3,682)	(5,870)

Notes

i) ChangSheng United was incorporated on 8 January 2026

ii) The unaudited net assets of Shangsheng International as at 31 December 2024 and 2025 were approximately HKD5.0 million and HKD107.8 million (including intra-group investments approximately HKD107.8 million).

iii) The unaudited net assets of Cathay Gold Mining as at 31 December 2025 was approximately HKD108.7 million (including intra-group investments approximately HKD108.7 million).

iv) The unaudited net assets of Shenzhen Excellence as at 31 December 2025 was approximately HKD108.7 million (including intra-group investments approximately HKD108.7 million).

v) The unaudited net assets of Jincheng Mining as at 31 December 2024 and 2025 were approximately HKD28.3 million and HKD37.5 million.

vi) The unaudited net assets of BBG Mining as at 31 December 2024 and 2025 were approximately HKD87.2 million and HKD112.8 million.

No mining activities were undertaken at the Gold Mine as at the Latest Practicable Date.

THE GOLD MINE

The Gold Mine is located in Ningshan County in the Shaanxi Province of the PRC.

As at the Latest Practicable Date, the BBG Mining has a portfolio of mineral tenements comprising of one Mining License ((XC6100002016114110143362) and one Exploration License (T6100002009054010028428), covering areas of 1.0367 sq. km and 7.49 sq. km, respectively. Details of the licenses held by BBG Mining are summarized below:

License Holder	License Type	License Number	Area *(sq km)*	Valid covered	Period
BBG Mining	Exploration	T6100002009054010028428	7.49	Under renewal	Under renewal
BBG Mining	Mining	XC6100002016114110143362	1.0367	13 Feb 2026	Until 13 Feb 2032

The life of mine ("**LOM**") of a mine is calculated by dividing its ore reserves by its annual production volume. For BBG Mining, the 11-year LOM stated in the Competent Person's Report issued by SRK Consulting is derived from detailed geological exploration findings and key operational assumptions, which are specifically set out as follows: (a) The current convertible ore reserves within the area covered by BBG Mining's Mining License amount to 4,340 thousand tonnes; (b) The full annual production capacity of BBG Mining and Jingcheng Mining is 600 thousand tonnes per annum; (c) The production profile is structured as a four-year ramp-up phase, four years of full production, and a three-year ramp-down phase, totalling an 11-year LOM.

The production schedule adopted by SRK in the Competent Person's Report is formulated based on its professional experience in the development and operation of typical grassroots gold mines. The Project Companies (including BBG Mining and Jincheng Mining) may adopt this schedule in full, or make appropriate adjustments by accelerating or decelerating the production progress in light of actual operational conditions. It is important to note that mine life is a dynamic rather than static concept. BBG Mining has been conducting active exploration activities within its licensed areas and will continue to do so, given the significant potential for further delineation of gold resources and reserves in the region. Continued exploration work is expected to identify additional mineral resources and convert such resources into exploitable ore reserves, which will in turn extend the LOM of BBG Mining.

It is not uncommon that the term of a Mining License issued in the PRC does not align with the actual operational life of a mine. In practice, the validity period of a Mining License is generally set to be shorter than the anticipated LOM, which enables the competent regulatory authorities to conduct periodic reviews of the overall operation of the mine, including compliance with safety, environmental protection and mineral resource development requirements, throughout the mine's operational lifespan.

As advised by the Company's PRC legal advisers, pursuant to relevant PRC laws and regulations, a Mining License may be renewed upon its expiry, provided that there remain extractable mineral resources within the registered mining area. Specifically, Article 24 of the Mineral Resources Law of the People's Republic of China (amended in 2019, the "**Mineral Resources Law**") clearly stipulates that: *"Where mineral resources remain extractable within the registered mining area upon the expiry of a mining right term, the term may be renewed, unless otherwise stipulated by laws or administrative regulations."* In view of the above, the Consideration paid to acquire the Target Group with a short validity period is fair and reasonable.

The Competent Person's Report has a cut-off date of 31 December 2025 and was formally signed on 5 February 2026. As at both the cut-off date and the signing date of the Competent Person's Report, BBG Mining's Mining License was in the status of pending expiry and renewal. This status is fully consistent with the Accountant's Report of BBG Mining as set out in Appendix II-E which was prepared in March 2026, which explicitly confirmed that the renewal of BBG Mining's Mining License was formally approved by the competent regulatory authority on 13 February 2026.

The latest renewal status of the Exploration License and the details thereof

Please refer to the paragraph headed "Renewal of Exploration License" in pages 19 to 21 of this Circular.

Safety Production Permit of Jincheng Mining

Jingcheng Mining's Safety Production Permit will expire on 12 September 2027. The renewal of this permit is a routine administrative procedure handled by the county-level Work Safety Bureau (the competent authority for safety production supervision). Pursuant to Article 6 of the 2014 Regulations on Safety Production Licenses, and Articles 6, 19 and 20 of the 2015 Measures for the Implementation of Safety Production Licenses for Non-coal Mines, the renewal of safety production licenses constitutes an administrative approval procedure. There exists no absolute bar to license renewal. Where a licensee fails to meet licensing requirements, rectification orders shall be issued, and the licensee must complete rectification to the satisfaction of the licensing authority. Licensees who maintain full compliance and accept routine safety supervision and inspection are exempted from substantive review when submitting renewal applications according to Regulations on Safety Production Licenses. Given that Jingcheng Mining's tailings storage facilities are essentially newly built and are subject to real-time online monitoring by the Provincial Work Safety Department, there are no foreseeable circumstances that would require any material structural modifications to the tailings storage facilities. Therefore, the renewal of Jingcheng Mining's Safety Production Permit is expected to be approved smoothly.

BBG Mining's commissioning will be carried out via joint trial operation with Jincheng Mining. While BBG Mining currently does not have a valid Safety Production Permit, Jincheng Mining holds a valid permit

Pursuant to Article 22 of the Measures for the Supervision and Administration of the "Three Simultaneities" of Safety Facilities in Construction Projects (Order No. 77 of 2015, former State Administration of Work Safety) (國家安全生產監督管理總局2015年第77號文，建設項目安全設施"三同時"監督管理辦法), projects requiring trial operation (including production and use) shall conduct trial production prior to formal production. The trial production period shall be no less than 30 days and no more than 180 days, with an extended period permissible for mining projects.

BBG Mining and Jincheng Mining will commence on-site trial operation in July 2026. A formal Safety Production Permit to BBG Mining will be issued only after review and inspection of the commissioning and trial operation activities, a process typically completed within one year.

In terms of environmental compliance, BBG Mining's operations generate no direct environmental pollutant discharges other than vehicle noise and exhaust emissions (which are within the national emission standards). Specifically, the processing plant of BBG Mining adopts a closed-loop wastewater circulation system, which realizes the full recycling of processing wastewater without any outward discharge; the tailings storage facility is equipped with a tailings reclaimed water recycling system, ensuring that tailings water is fully reused. Domestic sewage generated by BBG Mining is treated via septic tanks, with excess effluent disposed of through natural infiltration in accordance with environmental protection requirements. Accordingly, BBG Mining's operations do not involve any wastewater discharge that requires the acquisition of separate environmental discharge permits and no other environmental permits are required. Over the past few months, the local environmental protection bureau has conducted multiple on-site inspections and reviews of BBG Mining in preparation for its commissioning and trial production. The local environmental protection bureau is fully acquainted with BBG Mining's operational plans and environmental protection measures, and has raised no objections from the environmental perspective.

The steps and costs required in relation to the application of various licenses in connection with the business and operation of the Target Group, the potential risks and obstacles relevant to such license.

(a) Exploration License

1. *Renewal Steps*: (i) Preparatory Work: Complete supplementary exploration within the valid Exploration License area, conduct green exploration review for the past five years (including ecological restoration of the exploration site where necessary), and formulate a detailed five-year exploration work plan compiled by a qualified professional institution; (ii) Application Submission: Submit the renewal application to the Provincial Department of Natural Resources 30 days prior to the expiry date, along with supporting materials including the exploration work report, green exploration review approval, and five-year exploration plan; (iii) Expert Review: Accept the technical review of the exploration work plan by a panel of experts appointed by the Provincial Department of Natural Resources; (iv) Official Approval: Obtain formal approval via an office meeting of the Provincial Department of Natural Resources; (v) License Issuance: After approval, collect the renewed Exploration License from the competent authority. Pursuant to the *Measures for the Administration of Mineral Resources Exploration and Development Licenses*, the competent authority shall complete the approval process within 20 working days after accepting the application, excluding the time required for expert review.

2. *Costs*: The total estimated cost of the renewal process is no more than RMB300,000, which mainly includes: (i) Costs for supplementary exploration work verification and green exploration review (approximately RMB150,000); (ii) Expert review fees (approximately RMB80,000); (iii) Handling fees and other administrative fees (approximately RMB70,000). The above costs are estimated based on the current market prices and industry standards, and may fluctuate slightly depending on the actual review process and local regulatory requirements.

3. *Potential Risks and Obstacles*: (i) Regulatory Policy Risk: Changes in PRC laws and regulations regarding exploration rights (e.g., adjustments to green exploration standards or renewal requirements) may lead to additional supplementary work or delay in the renewal process; (ii) Expert Review Risk: If the exploration work plan or supplementary exploration results fail to meet the technical requirements of the expert panel, the application may be rejected or returned for revision, which will extend the renewal cycle and increase costs; (iii) Procedural Delay Risk: Due to the heavy workload of the competent authority or coordination issues between departments, the approval process may take longer than the estimated two months; (iv) Non-compliance Risk: Although BBG Mining has fulfilled the current prerequisites, any oversight in the documentation or non-compliance in the historical exploration activities (if identified during the review) may affect the renewal approval. In addition, pursuant to Article 24 of the Mineral Resources Law, if BBG Mining fails to conduct substantial exploration work as required, the competent authority may refuse to renew the Exploration License.

(b) Mining License

1. *Renewal Steps*: (i) Preparatory Work: Update the data on ore reserves and mineral resources of the mining site (verified by a qualified competent person), formulate a revised mine development and production plan, and sort out the historical operational records (including safety, environmental protection and mineral resource development compliance materials); (ii) Application Submission: Submit the renewal application to the Provincial Department of Natural Resources 90 days prior to the expiry date (13 February 2032), along with supporting materials including the updated ore reserve report, revised development and production plan, and compliance records; (iii) Expert Review: Accept the technical review of the updated ore reserve report and revised production plan by an expert panel; (iv) Departmental Approval: Secure formal approval via an office meeting of the Provincial Department of Natural Resources; (v) License Issuance: Pay the relevant fees (if any) and collect the renewed Mining License. Pursuant to Article 24 of the Mineral Resources Law, the term of the Mining License is determined based on the mineral resource reserves and mine construction scale, with a maximum term of 30 years, and may be renewed if there are still exploitable mineral resources within the registered mining area upon expiry.

2. *Costs*: The total estimated cost of the renewal process is no more than RMB500,000, which mainly includes: (i) Costs for updating ore reserve data and compiling the revised development and production plan (approximately RMB250,000); (ii) Expert review fees for ore reserves and production plan (approximately RMB150,000); (iii) Administrative handling fees and other related expenses (approximately RMB100,000). The cost estimation is based on the current industry standards and the complexity of the mining project, and may be adjusted according to the future regulatory policies and market conditions.

3. *Potential Risks and Obstacles*: (i) Ore Reserve Risk: If the updated ore reserve data is significantly lower than expected, or fails to meet the minimum reserve requirements for renewal specified by the competent authority, the renewal application may be rejected or the term of the renewed license may be shortened; (ii) Compliance Risk: Any historical non-compliance in safety production, environmental protection or mineral resource development (e.g., unqualified tailings management, excessive emissions) may be identified during the review, leading to delay or rejection of the renewal; (iii) Policy Adjustment Risk: Changes in PRC mineral resource policies (e.g., adjustments to mining right renewal procedures, increases in environmental protection standards) may require additional investment in rectification and delay the renewal process; (iv) Public Opinion or Social Risk: If the mining activities involve nearby residents' interests (e.g., land use, environmental impact), relevant complaints or objections may affect the regulatory approval process.

(c) Safety Production Permit

1. *Renewal Steps*: (i) Preparatory Work: Conduct a self-inspection of safety production conditions (including tailings storage facilities, mining equipment, safety management systems, and employee safety training), and rectify any potential safety hazards; (ii) Application Submission: Submit the renewal application to the county-level Work Safety Bureau 3 months prior to the expiry date (12 September 2027), along with supporting materials including the self-inspection report, safety hazard rectification records, and employee safety training certificates; (iii) On-site Inspection: Accept on-site inspection by experts designated by the local Work Safety Bureau to verify the safety production conditions; (iv) Official Approval: The local Work Safety Bureau issues the renewed Safety Production Permit after confirming that all safety production conditions are met. Pursuant to the *Regulations on the Administration of Safety Production Licenses*, the term of the Safety Production Permit is 3 years, and the enterprise shall apply for renewal 3 months prior to expiry.

2. *Costs*: The total estimated cost is capped at RMB550,000, including: (i) Costs for self-inspection, safety hazard rectification and employee safety training (approximately RMB300,000); (ii) Expert on-site inspection fees (approximately RMB150,000); (iii) Handling fees and other related expenses (approximately RMB100,000). Specifically, the cost for tailings storage facilities alone is no more than RMB50,000, and the cost for overall mining operations is no more than RMB500,000. If no major safety hazards are found during the self-inspection, the rectification cost may be reduced accordingly.

3. *Potential Risks and Obstacles*: (i) Safety Hazard Risk: If major safety hazards (e.g., structural defects of tailings storage facilities, unqualified safety equipment) are found during the on-site inspection, the Work Safety Bureau may require rectification within a time limit, and the renewal will be delayed until the rectification is completed; if the hazards cannot be rectified, the renewal application may be rejected; (ii) Accident History Risk: If Jingcheng Mining or BBG Mining has a major safety accident during the validity period of the current permit, the renewal application may be rejected or subject to stricter review in accordance with the *Regulations on the Administration of Safety Production Licenses*; (iii) Regulatory Standard Risk: Increases in safety production standards by the local Work Safety Bureau may require additional investment in safety equipment and management, increasing the renewal cost and cycle; (iv) Documentation Risk: Incomplete or unqualified supporting materials (e.g., incomplete safety training records, unauthentic self-inspection reports) may lead to the application being returned for revision, delaying the approval process. In addition, if the enterprise fails to apply for renewal on time and continues production, it may be ordered to stop production, fined RMB50,000 to RMB100,000, and its illegal gains may be confiscated.

The Company engaged SRK to prepare a Competent Person's Report on the Gold Mine. The major findings are set out below:

Based on reasonable 1.0 gram/tons of cut-off grade of gold, SRK has estimated the Mineral Resources and Ore Reserves of the Gold Mine. As of 31 December 2025, the estimated Mineral Resources and Ore Reserves, as per the JORC Code guidelines, were as follows:–

Category	**Cut-off Grade**	**Tonnage** *(kt)*	**Au Grade** *(g/t)*	**Au Metal** *(kg)*	**Au Metal** *(koz)*
	Mineral Resources[1]				
Measured	1.0 g/t Au	/	/	/	/
Indicated	1.0 g/t Au	6,299	3.45	21,728	699
Measured + Indicated	1.0 g/t Au	6,299	3.45	21,728	699
Inferred	1.0 g/t Au	1,161	3.21	3,729	120
Total	1.0 g/t Au	7,460	3.41	25,457	818
	Ore Reserves[2]				
Proved	1.0 g/t Au	–	–	–	–
Probable	1.0 g/t Au	4,340	2.72	11,800	379
Total	1.0 g/t Au	4,340	2.72	11,800	379

Sources: Competent Person's Report

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

2 The Mineral Resources are reported inclusive of Ore Reserves.

THE PROCESSING FACILITIES

The processing facilities are owned by Jincheng Mining. The processing facilities are located in the vicinity of the Gold Mine.

The findings by SRK revealed that, Jincheng Mining has two processing plants: the No.1 Plant has a designed capacity of 1,000 per day (tpd) and the No.2 Plant has a designed capacity of 500 tpd and their products are gold concentrate. Details of the production capacity of both processing plants are shown below.

Company	Mines/Plants	Raw Material	Unit	Production Capacity		Products	Status [3]
				Designed[1]	Actual[2]		
Jincheng Mining	No.1 Plant	Raw Ore	tpd	1,000	1,500	Concentrate	Non-operating
	No.2 Plant	Raw Ore	tpd	500	500	Concentrate	Non-operating
	Total	Raw Ore	tpd	1,500	2,000	Concentrate	Non-operating

Sources: Competent Person's Report

Notes:

1 Designed processing capacity refers to the production scale in the development and utilization plan

2 Actual processing capacity refers to the production scale that Jincheng Mining can achieve

3 Currently, both the processing plants are not operating.

Jincheng Mining has tailing storage facilities with a safety production permit, valid until 12 September 2027 (which can be extended when due). Other production auxiliary facilities include roads from mining tunnels to the ore processing plants, powers supply station, explosive storage, water intakes, production and domestic wastewater treatment systems, mechanical shop, testing laboratory, office buildings, management and worker dormitories, etc., with capacities as needed for the designed production.

As at the Latest Practicable Date, the Gold Mine and the two processing plants of the Project Companies are not operating. Based on the site evaluation and the information available to the Company, the Project Companies are in the status of active preparation to start trial production. It is anticipated that the Gold Mine and one processing plant shall start trial production in July 2026.

RISKS FACTORS

Risk Assessment regarding the Gold Mine

The following are the potential risks that the Competent Person believes may impact the economic or safety potential for the mining operations of the Target Group:

Table 17-1: Risk Assessment for Bubugao Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Minor	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Mining			
Significant Production Shortfalls	Unlikely	Minor	Low
Pumping System Adequacy	Unlikely	Minor	Low
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Possible Major	Moderate	
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Possible	Moderate	Moderate
Poor Road Transportation/Safety	Possible	Moderate	Moderate
Ore Processing and Metallurgy			
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Low Plant Reliability	Unlikely	Moderate	Low
Environmental and Social			
Environmental Approval and Permit	Possible	Moderate	Medium
Impact on Flora and Fauna	Possible	Minor	Low
Poor Water Management	Possible	Moderate	Medium
Poor Tailings Management	Unlikely	Moderate	Low
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Moderate
Capital Cost Increases	Unlikely	Minor	Low
Capital Costs- Ongoing	Unlikely	Minor	Low

Sources: SRK

Further details of the risk assessment process are set out in the section headed "17 Risk Assessment" in the CPR in Appendix V of this circular.

Risks relating to the operation of the Target Group

The Company further notes that the Target Group is exposed to the following risks:

(a) Gold Price Volatility

Domestic gold prices in the PRC are highly correlated with international gold prices (denominated in USD) and the USD/RMB exchange rate. International gold prices are influenced by numerous factors beyond the Target Group's control, including global economic conditions, fiscal, monetary and trade policies of major global economies (in particular those of the US Government and the US Federal Reserve which directly impact the US dollar), global inflationary pressures, major stock market fluctuations, geopolitical instability and international military conflicts. Volatility in gold prices may materially adversely affect the Target Group's operating revenue, cash flows and profitability.

(b) Mining Operational Accidents

Accidents cannot be entirely prevented during mining operations at the Gold Mine. Such incidents may cause significant disruptions to mineral extraction operations, financial losses and reputational damage to the Target Group. Accidents may also result in legal proceedings, compensation claims, administrative fines and penalties, and mandatory production suspensions. Further future liabilities may arise from accidents, fatalities or other workforce-related incidents, many of which are beyond the Target Group's control. These events may lead to production delays, increased operating costs, material uninsured liabilities and adverse publicity, thereby materially impairing the Target Group's reputation, operations, financial position and overall performance.

(c) Operational Risks, Hazards and Unplanned Disruptions

The Target Company's operations are subject to various operational risks and hazards that may disrupt business continuity. These include unplanned maintenance requirements, technical malfunctions, production interruptions caused by adverse weather, fires, natural disasters, industrial accidents, power and fuel supply disruptions, failure of key equipment and information management systems, changes in mineralisation and geological conditions, loss of well control, and fluctuations in transportation costs. Any of the above events may result in personal injury, environmental damage, reputational harm, damage to property and production facilities, delayed product delivery, and potential legal liabilities for the Target Group. The occurrence of any such matter may materially impact the Target Group's performance and financial condition.

(d) Uncertainty in Reserve Estimates and Production Forecasts

The CPR methodology adopted for estimating ore reserves of the Gold Mine is based on certain assumptions, judgements, expertise, experience and industry practices in respect of key factors and variables. Notwithstanding the foregoing, such estimates are subject to revision and may differ materially from actual mine conditions. Updates to information and changes in underlying factors may cause fluctuations in resource and reserve estimates. Accordingly, actual mineral resource extraction and reserve depletion at the Gold Mine may differ substantially from estimated volumes and timelines. Such discrepancies may adversely affect the Gold Mine's operating results and financial position, leading to outcomes materially different from expectations.

(e) Risks Relating to Additional Capital Expenditure Requirements

Mineral exploration and mining activities carry inherent investment risks. Substantial capital expenditures are routinely required for new exploration activities and ongoing mine development for operational and regulatory compliance purposes. However, exploration outcomes may not meet expectations, and newly discovered mineral resources and reserves may not achieve the required reliability standards within expected timelines.

(f) Severe Weather Conditions and Natural Disasters

Severe weather events and natural disasters may trigger personnel evacuation, operational disruptions, and damage to mineral assets, transportation routes and loading facilities. This may result in temporary operational suspensions and reduced overall productivity of the Target Group. There can be no assurance that such adverse weather and natural disasters will not cause material losses to the Target Group in future. Prolonged operational disruptions or damage arising from severe weather and/or natural disasters may have a substantial adverse impact on the Target Group's business and operating results.

(g) Compliance Risks Relating to Government Regulations and Permitting Requirements

The Target Group's mining activities are subject to applicable government policies, standards, licenses, permits and regulations, all of which may impact its operations. From time to time, the government implements industry initiatives for the mining sector, including mining right consolidation to reorganise fragmented mining areas into larger consolidated sites. In addition, the review and renewal procedures for existing mining and exploration rights, as well as approval processes for new mining and production facilities, may be lengthy, costly and uncertain. Even projects approved and under construction in prior years may be subject to re-review and re-approval under revised regulations and standards.

In relation to the risks of the application and renewal of various licenses necessitated for the business and operations of the Target Group, please refer to the sub-heading referred to as "The steps and costs required in relation to the application of various licenses in connection with the business and operation of the Target Group, the potential risks and obstacles relevant to such license" in pages 30 to 34 of this Circular.

(h) Compliance Risks Relating to Environmental Protection

The national green mine development initiative forms part of China's national environmental protection strategy. Virtually all major mining regions across the PRC, including the county where the Target Group operates, are covered by this initiative. Compliance requirements include restrictions on mining activities to specified elevations, exclusion from protected and natural reserve areas, strict adherence to environmental discharge standards, minimisation of adverse impacts of mining and processing activities on the surrounding ecological, social and geological stability, remediation of historical mining impacts, and rehabilitation of closed mine sites and surrounding areas. Additional specific requirements may apply, such as relocation of mining staff accommodation away from mining sites and afforestation of mine areas. Environmental regulations are expected to become increasingly stringent. Furthermore, dedicated routine environmental inspections of mining operations have been implemented by environmental authorities. Compliance with such environmental policies and standards may increase operating costs and cause temporary disruptions to the Target Group's normal production activities.

(i) Adequacy of Insurance Coverage

Although the Target Group maintains insurance coverage from time to time, there is no assurance that such coverage will remain available at reasonable premiums. In the event of a claim, insurance proceeds may be insufficient to fully settle relevant claims or liabilities. Uninsured liabilities or inadequate insurance coverage may materially adversely affect the Target Group's actual and potential profitability, business operations and financial results.

(j) Risks Relating to Mining Contractors

The Target Company may engage third-party contractors to provide specialised operational services. Such contractors may fail to perform their contractual obligations due to financial difficulties, contractual disputes, natural disasters or other reasons. There can be no assurance that the Target Company will be able to source alternative service providers promptly. In such circumstances, the Target Group's operations may be adversely affected, resulting in impaired financial performance.

(k) Risks Relating to Evolving PRC Laws and Regulations

Changes to PRC laws and regulations may require the Target Group to incur substantial expenditures, or expose it to material liabilities and sanctions. PRC legislation is continuously evolving, and any legislative amendments may result in higher compliance costs. In addition, many PRC laws grant regulators and government authorities significant discretion in administration, interpretation and enforcement. For example, the PRC authorities enacted a new Resource Tax Law in August 2019, granting local governments taxation powers over up to 164 types of resources including fossil fuels, minerals and water. The Resource Tax Law was adopted by the Standing Committee of the National People's Congress in August 2019 and came into force in September 2020. Central government-fixed tax rates remain applicable to major resources such as crude oil and rare earths, while local authorities may adjust tax rates for other resources in accordance with the Ministry of Finance taxation department.

Regulatory authorities may impose more onerous requirements and obligations on the Target Group in future compared with current applicable rules. The Target Group is unable to predict future compliance costs, which may be substantial and materially adversely affect its business, financial position, operating results and prospects.

(l) Risks Relating to the Evolving PRC Tax System and Interpretation & Application of Tax Laws

PRC tax laws and regulations continue to evolve. Such changes may expose the Target Group to additional substantial tax payments, which may have a material adverse effect on its business, financial position, operating results and prospects. Tax compliance and administration are also subject to regulatory review and investigation, which may result in substantial fines, penalties and interest charges. Tax authorities retain the right to issue additional tax assessments.

NO MATERIAL ADVERSE CHANGE

No material adverse change has occurred to the Target Group from the effective date of the Competent Person's Report up to the Latest Practicable Date.

LEGAL CLAIMS AND PROCEEDINGS

After making reasonable enquiries, as at the Latest Practicable Date, no legal claims or proceedings that may have an material influence on the Target Group are known to the Directors to be present, on-going, pending or threatened by any third party against the Target Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in gold exploration, mining, mineral processing and refinery with gold concentrates and gold ingots as its products in the PRC. The Acquisition will substantially expand the Group's existing mineral resources and reserves. According to the Competent Person's Report, BBG Mining holds approximately 11.8 tonnes of gold reserves and 25.5 tonnes of gold resources. Following the Group's acquisition of an 80% interest, such attributable reserves and resources will account for 37.2% and 55.0% of the Group's latest reported gold reserves and resources respectively, representing a material expansion of the Group's mineral asset base. The enlarged reserves and resources will lay a solid foundation for upgrading the Group's gold production capacity.

The Target Group's combined mineral processing plants have an installed design capacity of 1,500 tonnes per day, with a potential capacity of up to 2,000 tonnes per day, equivalent to three times and potentially four times the Group's current processing capacity. Upon reaching full design capacity, the Acquisition will drive a significant uplift in the Group's gold production output, together with corresponding revenue and profit growth.

After extensive due diligence and based on the geological assessment opinions issued by independent professional third parties on the assets of BBG Mining and Jincheng Mining, the Board is of the view that the risks arising from the Project's non-operational status are manageable for the following reasons:

(i) The Project holds valid Mining Licenses, which are essential for commencing trial production;

(ii) The Project is equipped with complete supporting infrastructure, including mining tunnels, access roads, processing plants, power supply stations, explosive storage facilities, testing laboratories, water supply systems, tailings storage facilities, as well as office and staff dormitory buildings. Technical professional assessments confirm that these facilities are generally in sound condition, notwithstanding the need for comprehensive inspection, and potential repair and retrofitting works prior to full commissioned operation in line with design specifications;

(iii) During the due diligence exercise, the Company's management and appointed independent professional third parties held meetings and consultations with local government authorities and relevant regulatory bodies. The Group has obtained clear and comprehensive official support for the Project's operation, trial production and subsequent full-scale production post-acquisition;

(iv) Local communities and neighbouring villages have high expectations for the formal operation of the project companies. The Project's operation will generate local employment opportunities, boost consumption and deliver broader economic and social benefits. Local community support is pivotal to the sustainable operation of the Project Companies;

(v) The Vendor will still retain its interest in the Project Companies as it will hold approximately 7.39% of the Company's shares after the Completion. It is therefore in the Vendor's best interests to facilitate the earliest possible commissioning and trial production, and the Vendor will provide full cooperation to the Group;

(vi) Following the due diligence process, and based on evaluations and professional advice from appointed consultants, together with feedback from local government and communities, the Board is not aware of any insurmountable obstacles that would prevent the Project from commencing operation shortly after completion of the Acquisition.

Given that the mine and its two processing plants have never undergone formal production, the commencement of operation constitutes a full commissioning exercise. In line with industrial practice, production ramp-up to full design capacity is expected to take 1-2 years. The process will involve facility retrofitting, underground mine safety inspection and reinforcement, workforce establishment, regular government inspections, as well as possible upgrades and rectification works arising from regulatory checks and issues identified during commissioning and trial production. It is therefore prudent to arrange an orderly phased launch of trial production by commissioning one processing plant at a time. Upon completion of the Acquisition and the Group's assumption of full control, the Group will review the trial production timetable and progress, and proactively seize all feasible opportunities to shorten the production ramp-up period.

Please to pages V-117 to 124 under the paragraph headed "Capital Expenditures and Operating Costs" for the amount of capital expenditure required for a "full commissioning exercise" and the capital requirements throughout the life of the Gold Mine.

The Company expects trial operations which is planned for July 2026 shortly after the Acquisition. As per the results of the due diligence review, the Project Companies hold approximately RMB14 million in bank deposits as revealed from its management account as of 31 March 2026 which forms part of Shangshan International's capital reserve arising from the Vendor's HK$25 million capital injection made in 16 January 2026 and injected into the Project Companies as investment in its subsidiaries, to cover working capital requirements for the upcoming trial operations.

It is standard industry practice for gold mining contractors engaged for trial and full-scale operations to be remunerated based on ore output. Gold concentrates, the principal products from mining and processing activities, are generally sold on a spot payment basis, which enables flexible and reasonable payment arrangements for contractors. As such, it is expected that there is sufficient fund to cover the capital expenditure required for production ramp-up at this stage.

The Company will conduct a further operational review and adjust operational plans in light of actual on-site conditions post-Acquisition. Should a funding shortfall occur in the course of delivering operational targets at a later stage, the Company would address the deficit through its internal resources or debt financing.

The most effective risk mitigation and arrangement is to complete the Acquisition and obtain full control as soon as possible, enabling the Group to fully manage and control the trial production schedule and implementation progress.

Prior to the Acquisition, the Project Companies were managed and operated by the Target Group. Trial operation preparation has been ongoing ever since the Target Group obtained its Mining License on 13 February 2026. As the Vendor is only an investor in gold mine and lacked experience in mine operation which constitutes the primary reason why trial production could not be finalised up to now before the Acquisition. Adopting a prudent stance, the Company also chose not to take charge of the ongoing trial operations during this period.

Following completion of the Acquisition, the Company will secure full ownership and management control of the Project Companies. With unified decision-making authority, the Company will assume overall responsibility for production arrangements, deploy resources optimally, streamline internal workflows and align all teams. This will allow the Company to fully oversee the trial production timetable, drive implementation progress in a structured manner and ensure the work proceeds as scheduled.

The Board considers that the Acquisition would strengthen the Group's mineral portfolio to support the sustainable development of the Group in respect of growth and profit potential.

Accordingly, the Directors are of the view that the Acquisition is fair and reasonable and in the ordinary and usual course of business of the Group, and are in the interest of the Company and its shareholders as a whole.

IMPLICATIONS OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition is more than 25% but are less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 19 of the GEM Listing Rules.

EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

A notice of an EGM to be held at Suite 2703, 27/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong at 9:30 a.m. on Thursday, 25 June 2026 is set out on pages EGM-1 to EGM-3 of this circular, for the purpose of considering and, if thought fit, passing the resolutions in respect of the Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the issue and allotment of the Consideration Shares.

To the best knowledge, information and belief of the Board, as at the Latest Practicable Date, no Shareholder has a material interest in the Agreement and is required to abstain from voting at the EGM.

Pursuant to the GEM Listing Rules, the resolution at the EGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 22 June 2026 to Thursday, 25 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date of the EGM will be Thursday, 25 June 2026 and in order to be eligible to attend and vote at the EGM (or at any adjournment thereof), all transfers of Shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's branch registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. (Hong Kong Time) on Thursday, 18 June 2026.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.gt-gold.com). Whether or not you propose to attend the EGM, you are requested to complete the accompanying form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire and, in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Had a general meeting been convened by the Company, the Directors would recommend the Shareholders to vote in favour of the resolutions to approve, confirm and ratify the Agreement and the Acquisition (including the issue and allotment of Consideration Shares under the Specific Mandate).

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
GT Gold Holdings Limited
Dr. Li Dahong
Chairman

1. FINANCIAL INFORMATION

Details of the financial information of the Group for each of the three years ended 31 March 2023, 31 March 2024 and 31 March 2025 and the six months ended 30 September 2025 are disclosed in the annual reports and interim report of the Company which have been published on the website of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.gt-gold.com):

(i) the unaudited financial information of the Group for the six months ended 30 September 2025 is disclosed in the interim report 2025 ("**2025 Interim Report**") of the Company published on 12 November 2025, from pages 4 to 21.

(https://www1.hkexnews.hk/listedco/listconews/gem/2025/1112/202511201242.pdf);

(ii) the audited financial information of the Group for the year ended 31 March 2025 is disclosed in the annual report 2024/2025 ("**2024/2025 Annual Report**") of the Company published on 24 July 2025, from pages 102 to 236

(https://www1.hkexnews.hk/listedco/listconews/gem/2025/0724/2025072400584.pdf);

The consolidated financial statements for the year ended 31 March 2025 were audited by McMillan Woods (Hong Kong) CPA Limited.

(iii) the audited financial information of the Group for the year ended 31 March 2024 is disclosed in the annual report 2023/2024 of the Company published on 5 July 2024, from pages 100 to 232

(https://www1.hkexnews.hk/listedco/listconews/gem/2024/0725/2024072500017.pdf); and

The consolidated financial statements for the year ended 31 March 2024 were audited by McMillan Woods (Hong Kong) CPA Limited.

(iv) the audited financial information of the Group for the year ended 31 March 2023 is disclosed in the annual report 2022/2023of the Company published on 29 June 2023, from pages 88 to 220

(https://www1.hkexnews.hk/listedco/listconews/gem/2023/0629/2023062900023.pdf).

The consolidated financial statements for the year ended 31 March 2023 were audited by MCM (HK) CPA Limited.

2. INDEBTEDNESS

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Circular, the details of the Enlarged Group's indebtedness are as follows:

	Notes	Company	Target Group	Total	Remarks
		HK$'000	*HK$'000*	*HK$'000*	*Remarks*
Bank and borrowings	*(a)*	294,003	–	294,003	non-current portion
Bonds	*(b)*	15,263	–	15,263	current portion
Loan Notes	*(c)*	17,235	–	17,235	non-current portion
Lease Liabilities	*(d)*	19	–	19	current portion
Contingent Liabilities	*(e)*	–	–	–	N/A
		326,520	–	326,520	

(a) Bank and Other borrowings

Unsecured and unguaranteed borrowings of approximately HK$211.3 million from related parties and approximately HK$80.5 million from other parties. Bank borrowings of approximately HK$2.2 million, secured by the pledge deposit approximately HK$5.0 million.

(b) Bonds

As at the close of business on 30 April 2026, the Group had outstanding Bonds of approximately HK$15.3 million was unguaranteed and unsecured.

(c) Loan Notes

As at the close of business on 30 April 2026, the Group had outstanding loan notes with an aggregate principal amount of approximately HK$14.0 million and interest payable amount of approximately HK$3.2 million. These loan notes bear interest rates at 4% and will mature on 27 August 2027 was unguaranteed and unsecured.

(d) Lease Liabilities

As at the close of business on 30 April 2026, the Group recognised lease liabilities of approximately HK$0.02 million, representing present value of future lease payments under property and equipment leases in accordance with HKFRS 16.

(e) Contingent Liabilities

As at the close of business on 30 April 2026, the Group did not have any material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including internally generated funds, available facilities , the un-utilised net proceeds from the 2025 placing and received net proceeds in the sum to approximately HK$165.3 million for which completion had taken place on 27 May 2026. The Group will have sufficient working capital for its requirements for at least the next twelve months from the date of this circular.

Out of the total cash consideration of HK$247.0 million for the acquisition, HK$168.0 million has been paid. The remaining balance of HK$79.0 million will be funded by HK$69.6 million from the unutilized use of proceeds of the 2025 placing and HK$9.4 million from cash and bank balances of the company.

The Company has obtained the working capital sufficiency confirmation letter from its auditor as required under Rule 19.66(13) of the GEM Listing Rules.

4. MATERIAL CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material change in the financial or trading position or outlook of the Group since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

5. TRADING AND FINANCIAL PROSPECTS OF THE GROUP

The principal activity of the Company is investment holding. Its principal subsidiary is engaged in gold exploration, mining, mineral processing and refining, with gold concentrates and gold ingots as its core products.

Commencing 1 April 2024, the Company has targeted a substantial step-up in gold output. The anticipated completion of the technical revamp at Taizhou Mining will progressively unlock its gold production capacity. Supported by relatively stable mining and processing costs, and with gold prices expected to remain at current levels or trend higher, this is expected to drive corresponding growth in the Group's revenue and profitability.

Since the publication of the audited accounts on 24 July 2025, the Company's business has remained unchanged, principally engaging in gold exploration, mining, processing and refining. In preparation for scaling up production, Taizhou Mining, the Company's operating subsidiary, has

continued with its technical upgrading whilst maintaining production at a stable level. The overall strategy is to further boost gold mining and production output at Taizhou Mining, with such enhancement to be realised upon completion of the technical upgrade works.

In the meantime, the Company, together with its internal management and technical teams as well as independent professional third parties (including geological, technical, financial and legal advisers), has conducted due diligence on the Target Group, with particular focus on BBG Mining and Jincheng Mining. The Company has also engaged in contract negotiations with the Vendor, culminating in the signing of the Sale and Purchase Agreement on 30 March 2026.

For the current financial year, the Company expects to partially complete the technical upgrade programme, including the upgrading of one existing processing plant and the completion of a new 1,000-tonne-per-day processing plant later in the year. The Company also anticipates completing the acquisition of the Target Group as scheduled within the year. Trial production at BBG Mining and Jincheng Mining is expected to commence in the same year, which will increase gold output, generate additional revenue and potentially drive profitability.

As part of its development and growth strategy, the Company will continue to pursue acquisition opportunities. Several potential acquisition targets are currently under review and in discussion with respective vendors. There are however no definite plans by the Company to conduct further acquisition at this stage.

The Acquisition represents a transformative milestone for the Group and delivers a powerful, immediate catalyst for long-term growth. As the Gold Mine is in a near production-ready status with the licenses necessary for trial production, it is expected to generate with a short preparation period and meaningful contributions to the Group's revenue, earnings and cash flows upon completion of the transaction. This will not only supplement the Group's existing production base but also enhance its overall gold reserve base, production scale and earnings stability, thereby strengthening the Group's market position and resilience in the global gold sector.

The Group's synergistic strategy of integrating organic growth with strategic mining asset acquisitions establishes a solid platform for sustained, high-growth gold production over the next few years.

The Directors consider that the Acquisition will materially support the development of the Group's existing business, diversify its production sources, optimise its asset portfolio and enable the Group to proactively capture valuable business opportunities amid the rapidly evolving market environment.

6. EFFECT OF THE ACQUISITIONS ON THE EARNINGS, ASSETS AND LIABILITIES OF THE COMPANY

Upon Completion, the Target Company will become an indirect subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated in the books and accounts of the Group. The unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular has been prepared to illustrate the financial effect of the Acquisition.

Effect on assets and liabilities

Based on the unaudited pro forma statement of financial position of the Enlarged Group as set out in Appendix IV to this circular, which is prepared as if the Acquisition had completed on 30 September 2025 to illustrate the effect of the Acquisition, it is expected that the total assets of the Group would increase from approximately HK$1,812 million to approximately HK$2,932 million and the total liabilities of the Group would increase from approximately HK$981 million to approximately HK$1,479 million. As the expected increase in total assets is higher than the expected increase in total liabilities, the net assets of the Group would increase from approximately HK$831 million to approximately HK$1,453 million.

Effect on earnings

As set out in the respective accountants' reports of Shangshan International, Cathay Gold Mining, Shenzhen Excellence, Jincheng Mining and BBG Mining in Appendix II to this circular, these companies did not record any revenue during the relevant periods covered therein. As the Target Company was incorporated on 8 January 2026, no accountants' report on historical financial information of the Target Company for the years ended 31 December 2023, 2024 and 2025 is included in Appendix II. The Company considers that there will not be any material effect on the profit or loss of the Group immediately upon Completion. As the Project Companies are expected to commence trial production in July 2026, the Company expects the Target Group to gradually improve its operating performance thereafter.

The following is the text of a report, set out on pages IIA-1 to IIA-25, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF SHANGSHAN INTERNATIONAL ASSET MANAGEMENT LIMITED TO THE DIRECTORS OF GT GOLD HOLDINGS LIMITED

INTRODUCTION

We report on the historical financial information of Shangshan International Asset Management Limited ("**Shangshan International**") set out on pages IIA-4 to IIA-25, which comprises the statements of financial position of Shangshan International as at 31 December 2024 and 2025 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the period from 8 August 2024 (date of incorporation) to 31 December 2024 and year ended 31 December 2025 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIA-4 to IIA-25 forms an integral part of this report, which has been prepared for inclusion in the circular of GT Gold Holdings Limited (the "**Company**") dated 5 June 2026 (the "**Circular**") in connection with the proposed major transaction in relation to acquisition of the entire issued share capital of Changsheng United Investment Limited (the "**Target Company**") by the Company, which holds an 80% equity interest in Shangshan International.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of Shangshan International is responsible for the preparation of the underlying financial statements (the "**Underlying Financial Statements**") on which the Historical Financial Information is based. These statements give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of Shangshan International determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of this Circular, including the Historical Financial Information of Shangshan International, and for ensuring that the accounting policies determined by the sole director of Shangshan International are materially consistent with those adopted by the Company.

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" issued by the Hong Kong Institute of Certified Public Accountants (the "**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 give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 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 sole director of Shangshan International, 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.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial positions of Shangshan International as at 31 December 2024 and 2025 and of its financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in note 2 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 have been made.

DIVIDENDS

We refer to note 12 to the Historical Financial Information which states that no dividend has been paid by Shangshan International in respect of the Relevant Periods.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

HISTORICAL FINANCIAL INFORMATION OF SHANGSHAN INTERNATIONAL

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 Shangshan International for the Relevant Periods, on which the Historical Financial Information is based, were prepared by the sole director of Shangshan International in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA (the "**Underlying Financial Statements**") and were audited by McMillan Woods (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

A. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the period from 8 August 2024 (date of incorporation) to 31 December 2024 HK$'000	For the year ended 31 December 2025 HK$'000
Revenue	7	–	–
Other income	7	–	–[#]
Administrative expenses		–	(6)
Loss before tax	8	–	(6)
Income tax expense	9	–	–
Loss and total comprehensive expense for the period/year		–	(6)

[#] *Represents amount less than HK$1,000*

B. STATEMENTS OF FINANCIAL POSITION

		As at 31 December	
		2024	2025
	Notes	*HK$'000*	*HK$'000*
Non-current asset			
Investment in a subsidiary	*13*	–	107,800
Current assets			
Amounts due from the then shareholders	*14*	5,000	–
Cash and bank balances		–	4
		5,000	4
Net assets		5,000	107,804
Capital and reserves			
Share capital	*15*	5,000	5,000
Reserves		–	102,804
Total equity		5,000	107,804

C. STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000*	Capital reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
Issue of shares upon incorporation	5,000	–	–	5,000
As at 31 December 2024 and 1 January 2025	5,000	–	–	5,000
Loss and total comprehensive expense for the year	–	–	(6)	(6)
Deemed contribution from the then ultimate controlling parties *(Note)*	–	102,810	–	102,810
As at 31 December 2025	5,000	102,810	(6)	107,804

Note: Capital reserve of Shangshan International represents the deemed contribution from the then ultimate controlling parties, being the amount of funds contributed to Shangshan International in excess of the nominal value of the shares issued.

D. STATEMENTS OF CASH FLOWS

	For the period from 8 August 2024 (date of incorporation) to 31 December 2024 *HK$'000*	For the year ended 31 December 2025 *HK$'000*
Cash flows from operating activities		
Loss before tax	–	(6)
Adjustment for:		
Interest income	–	–[#]
Net cash used in operating activities	–	(6)
Cash flows from investing activities		
Payment for investment in a subsidiary	–	(107,800)
Interest received	–	–[#]
Net cash used in investing activities	–	(107,800)
Cash flow from financing activities		
Proceeds from settlement of amount due from the then shareholders	–	5,000
Deemed contribution from the then ultimate controlling parties	–	102,810
Net cash generated from financing activities	–	107,810
Net increase in cash and cash equivalents	–	4
Cash and cash equivalents at the beginning of the period/year	–	–
Cash and cash equivalents at the end of the period/year	–	4
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	–	4

[#] *Represents amount less than HK$1,000*

E. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shangshan International Asset Management Limited ("**Shangshan International**") was incorporated in Hong Kong with limited liability on 8 August 2024. The address of its registered office and principal place of business is Rooms 1601-1603, 16F, YF Life Centre, No. 25 Jaffe Road and No. 38 Gloucester Road, Wanchai, Hong Kong.

Shangshan International is principally engaged in investment holding and has not carried on any other business since the date of its incorporation.

In the opinion of the directors of Shangshan International, during the period from 8 August 2024 (date of incorporation) to 21 October 2025, the immediate and ultimate holding company of Shangshan International was Shangshan Capital Group Co., Limited ("**Shangshan Capital**"), a company incorporated in Hong Kong.

On 22 October 2025, the 80% equity interest in Shangshan International was transferred from Shangshan Capital to Ms. Lu Runqun ("**Ms. Lu**"), and Ms. Lu became the ultimate controlling party of Shangshan International.

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International to Changsheng United Investment Limited ("**Target Company**"), a company incorporated in the British Virgin Islands. As a result, Target Company became the immediate holding company of Shangshan International, while Ms. Lu remains the ultimate controlling party of Shangshan International.

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. The Historical Financial Information also complies with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Periods, Shangshan International has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for its accounting period beginning on 1 January 2025, together with the relevant transitional provision, throughout the Relevant Periods.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Shangshan International has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvement to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 21 – The Effects of Changes in Foreign Exchange Rates	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The sole director of Shangshan International anticipates that the application of new and revised HKFRS Accounting Standards will not have material impact on Shangshan International's financial performance and financial position except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's result and/or financial position, and giving further details of the impact in accordance with HKAS 8.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how Shangshan International presents and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The sole director of Shangshan International is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the Historical Financial Information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Shangshan International's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of the Historical Financial Information are set out below.

(a) Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(b) Subsidiaries

Subsidiaries are entities over which Shangshan International has control. Shangshan International controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Shangshan International has power over an entity when Shangshan International has existing rights that give it the current ability to direct the relevant activities (i.e. activities that significantly affect the entity's returns).

When assessing control, Shangshan International considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Investment in a subsidiary is stated at cost less impairment loss, if any, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of the subsidiary are accounted for by Shangshan International on the basis of dividend received or receivable.

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Shangshan International becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Shangshan International derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Shangshan International neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Shangshan International recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Shangshan International retains substantially all the risks and rewards of ownership of a transferred financial asset, Shangshan International continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Shangshan International derecognises financial liabilities when, and only when, Shangshan International's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of Shangshan International's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("**ECLs**").

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information are measured using the currency of the primary economic environment in which Shangshan International operates (the "**functional currency**"). The Historical Financial Information are presented in Hong Kong dollars ("**HK$**"), which is Shangshan International's functional and presentation currency.

(ii) Transactions and balances in Historical Financial Information

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(f) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(g) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Shangshan International's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary different.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in a subsidiary, except where Shangshan International is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which Shangshan International expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Shangshan International intends to settle its current tax assets and liabilities on a net basis.

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Shangshan International has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(i) Event after the reporting period

Events after the reporting period that provide additional information about Shangshan International's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In the application of Shangshan International's accounting policies, the sole director of Shangshan International are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below.

Impairment for investment in a subsidiary

Shangshan International has to exercise judgement in determining whether the carrying value of its investment in a subsidiary is impaired or the event previously causing the asset impairment no longer exists. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

As at 31 December 2025, the carrying amount of investment in a subsidiary is approximately HK$107,800,000 (net of impairment loss of HK$Nil).

6. FINANCIAL RISK MANAGEMENT

Shangshan International's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk and credit risk. Shangshan International's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Shangshan International's financial performance.

(a) Foreign currency risk

Shangshan International has minimal exposure to foreign currency risk as most of its business transactions, assets are principally denominated in the functional currency of Shangshan International's entities. Shangshan International currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. Shangshan International monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

Shangshan International's exposure to cash flow interest rate risk arises primarily from its bank deposits.

Shangshan International currently does not have any interest rate hedging policy. Management monitors Shangshan International's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Except as stated above, Shangshan International did not have other significant interest-bearing assets and liabilities at the end of each of the Relevant Period, and its income and operating cash flows were substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on Shangshan International's Historical Financial Information.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Shangshan International is exposed to credit risk from its financing activities, including deposits with banks and financial institutions. Shangshan International's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which Shangshan International considers to have low credit risk.

Shangshan International does not provide any financial guarantees which would expose Shangshan International to credit risk.

(d) Capital risk management

The primary objective of Shangshan International's capital management is to safeguard Shangshan International's ability to continue as a going concern in order to support its business and maximise shareholders' value. To maintain or adjust the capital structure, Shangshan International may adjust the payment of dividends, issue new shares, sell assets as well as issue new debts or redeem existing debts.

Shangshan International manages its capital structure and makes adjustments to it, in light of cost and risk associated with the capital and changes in economic conditions.

(e) Fair values

The carrying amounts of Shangshan International's financial assets as reflected in the statement of financial position approximate their respective fair values at the end of each of the Relevant Periods.

7. REVENUE AND OTHER INCOME

(a) Revenue

Shangshan International did not generate any revenue during the Relevant Periods.

(b) Other income

	For the period from 8 August 2024 (date of incorporation) to 31 December 2024	For the year ended 31 December 2025
	HK$'000	*HK$'000*
Bank interest income	–	–[#]

[#] *Represents amount less than HK$1,000*

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	For the period from 8 August 2024 (date of incorporation) to 31 December 2024	For the year ended 31 December 2025
	HK$'000	*HK$'000*
Auditor's remuneration	–	–
Directors' emoluments *(note 10)*	–	–

9. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in the Historical Financial Information since Shangshan International has no assessable profit for the Relevant Periods.

A reconciliation between the income tax expense and the amount derived by applying the statutory tax rate to the loss before tax is as follows:

	For the period from 8 August 2024 (date of incorporation) to 31 December 2024	**For the year ended 31 December 2025**
	HK$'000	*HK$'000*
Loss before tax	–	(6)
Tax at the applicable tax rate of 16.5% (for the period ended 31 December 2024: 16.5%)	–	(1)
Tax effect of tax losses not recognised	–	1
Income tax expense	–	–

As at 31 December 2025, Shangshan International had unused tax losses of approximately HK$6,000 (2024: Nil) available for offset against future profits and are subject to the approval of Inland Revenue Department. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. These tax losses may be carried forward indefinitely.

10. DIRECTORS' EMOLUMENTS

(a) Directors' remuneration

The directors of Shangshan International during the Relevant Periods were Mr. Ng William and Mr. Wang Seng. Mr. Ng William served as the sole director of Shangshan International until his resignation, after which Mr. Wang Seng was appointed and served as the sole director during his term of office.

No fees or other emoluments were paid or were payable by Shangshan International to the directors in respect of services rendered to Shangshan International during the Relevant Periods.

(b) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to Shangshan International's business to which Shangshan International was a party and in which the then directors of Shangshan International had a material interest, whether directly or indirectly, subsisted at the end of each Relevant Period or at any time during the Relevant Periods.

(c) Loans, quasi-loans and other dealings in favour of the directors

No loans, quasi-loans or other dealings in favour of the then directors of Shangshan International, bodies corporate controlled by such directors, or entities connected with such directors, subsisted at the end of each Relevant Period or at any time during the Relevant Periods.

11. LOSS PER SHARE

No loss per share information is presented for the purpose of this report as its inclusion is not considered meaningful.

12. DIVIDEND

No dividend was paid or proposed by Shangshan International during the Relevant Periods.

13. INVESTMENT IN A SUBSIDIARY

	As at 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Unlisted investment, at cost	–	107,800

Particulars of Shangshan International's subsidiaries as at 31 December 2025 are as follows:

Name of entities	Place of establishment	Issued and fully paid capital/ registered capital	Percentage of equity interest attributable to Shangshan International	Principal activities
Directly held				
國泰黃金礦業發展(深圳)有限公司# (Cathay Gold Mining Development (Shenzhen) Co., Ltd*)	The People's Republic of China ("**The PRC**")	HK$107,800,000/ HK$230,000,000	100%	Investment holding in the PRC
Indirectly held				
深圳卓越黃金實業有限公司## (Shenzhen Excellence Gold Industry Co., Ltd*)	The PRC	RMB97,564,025/ RMB200,000,000	100%	Investment holding in the PRC
寧陝縣金誠礦業有限公司## (Ningshan Jincheng Mining Co., Ltd*)	The PRC	RMB60,800,000/ RMB60,800,000	100%	Mineral processing in the PRC
寧陝縣步步高礦業有限責任公司## (Ningshan County Bubugao Mining Co., Ltd*) *(Note (a))*	The PRC	RMB108,000,000/ RMB108,000,000	100%	Gold exploration and mining in the PRC

* *English name is for identification purposes only*

\# *A wholly foreign-owned enterprise established under the PRC law.*

\## *PRC companies with limited liability*

Notes:

(a) Subsequent to the reporting period, on 2 February 2026, Ningshan County Bubugao Mining Co., Ltd increased its registered capital from RMB108,000,000 to RMB150,000,000.

(b) None of the subsidiaries had issued any debt securities at the end of the Relevant Period.

14. AMOUNTS DUE FROM THE THEN SHAREHOLDERS

As at 31 December 2024, the amounts due from the then shareholders represented the unpaid share capital of Shangshan International and were unsecured and non-interest bearing. The unpaid share capital was fully settled in cash during the year ended 31 December 2025.

15. SHARE CAPITAL

	Number of shares in issue	Share capital
	'000	*HK$'000*
Ordinary shares, issued:		
As at 8 August 2024 (date of incorporation), 31 December 2024 and 31 December 2025	5,000	5,000

Note: During the year ended 31 December 2024, the issuance of share capital of HK$5,000,000 upon incorporation was settled through the current account with the shareholders. This amount was subsequently settled in cash by the shareholders during the year ended 31 December 2025.

16. CAPITAL COMMITMENTS

	As at 31 December	
	2024	2025
	HK$'000	*HK$'000*
Contracted for but not provided in the financial statements:		
Unpaid registered capital of a subsidiary	–	122,200

17. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in this Accountants' Report, Shangshan International had no other material transactions with related parties during the Relevant Periods.

18. CONTINGENT LIABILITIES

As at 31 December 2024 and 2025, Shangshan International did not have significant contingent liabilities.

19. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on 16 January, Ms. Lu contributed HK$25 million to Shangshan International as capital reserve and on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International to Target Company. As a result, the Target Company became the immediate holding company of Shangshan International, while Ms. Lu remains the ultimate controlling party of Shangshan International.

Save as disclosed above, the sole director of Shangshan International as at the date of this report is not aware of any other significant events after the reporting period and up to the date of this report.

20. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Shangshan International have been prepared in respect of any period subsequent to 31 December 2025.

The following is the text of a report, set out on pages IIB-1 to IIB-24, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF CATHAY GOLD MINING DEVELOPMENT (SHENZHEN) CO., LTD TO THE DIRECTORS OF GT GOLD HOLDINGS LIMITED

INTRODUCTION

We report on the historical financial information of Cathay Gold Mining Development (Shenzhen) Co. Ltd*(國泰黃金礦業發展(深圳)有限公司), ("**Cathay Gold Mining**") set out on pages IIB-4 to IIB-24, which comprises the statement of financial position of Cathay Gold Mining as at 31 December 2025 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 15 September 2025 (date of establishment) to 31 December 2025 (the "**Relevant Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIB-4 to IIB-24 forms an integral part of this report, which has been prepared for inclusion in the circular of GT Gold Holdings Limited (the "**Company**") dated 5 June 2026 (the "**Circular**") in connection with the proposed major transaction in relation to acquisition of the entire issued share capital of Changsheng United Investment Limited (the "**Target Company**") by the Company, which indirectly holds an 80% equity interest in Cathay Gold Mining.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of Cathay Gold Mining is responsible for the underlying financial statements (the "**Underlying Financial Statements**") on which the Historical Financial Information is based. These statements give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of Cathay Gold Mining determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

* *English name is for identification purposes only*

The directors of the Company are responsible for the contents of this Circular, including the Historical Financial Information of Cathay Gold Mining, and for ensuring that the accounting policies determined by the sole director of Cathay Gold Mining are materially consistent with those adopted by the Company.

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" issued by the Hong Kong Institute of Certified Public Accountants (the "**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 Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 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 sole director of Cathay Gold Mining, 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.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial positions of Cathay Gold Mining as at 31 December 2025 and of its financial performance and cash flows for the Relevant Period in accordance with the basis of preparation and presentation set out in note 2 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 have been made.

DIVIDENDS

We refer to note 11 to the Historical Financial Information which states that no dividend has been paid by Cathay Gold Mining in respect of the Relevant Period.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

HISTORICAL FINANCIAL INFORMATION OF CATHAY GOLD MINING

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 Cathay Gold Mining for the Relevant Period, on which the Historical Financial Information is based, were prepared by the sole director of Cathay Gold Mining in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA (the "**Underlying Financial Statements**") and were audited by McMillan Woods (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

A. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the period from 15 September 2025 (date of establishment) to 31 December 2025
		HK$'000
Revenue	*7*	–
Other income	*7*	–[#]
Administrative expenses		(473)
Loss before tax	*8*	(473)
Income tax expense	*9*	–
Loss for the period		(473)
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation from functional currency to presentation currency		1,398
Loss and total comprehensive income for the period		925

[#] *Represents amount less than HK$1,000*

B. STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2025 HK$'000
Non-current asset		
Investment in a subsidiary	*12*	108,725
Current asset		
Cash and bank balances		–[#]
Net assets		108,725
Capital and reserves		
Paid-in capital	*13*	107,800
Reserves		925
Total equity		108,725

[#] *Represents amount less than HK$1,000*

C. STATEMENT OF CHANGES IN EQUITY

	Paid-in capital	Foreign currency translation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Aa at 15 September 2025 (date of establishment)	–	–	–	–
Loss for the period	–	–	(473)	(473)
Exchange differences arising on translation from functional currency to presentation currency	–	1,398	–	1,398
Total comprehensive income for the period	–	1,398	(473)	925
Capital contribution *(note 13)*	107,800	–	–	107,800
As at 31 December 2025	107,800	1,398	(473)	108,725

D. STATEMENT OF CASH FLOWS

	For the period from 15 September 2025 (date of establishment) to 31 December 2025
	HK$'000
Cash flows from operating activities	
Loss before tax	(473)
Adjustment for:	
Interest income	–#
Net cash used in operating activities	(473)
Cash flows from investing activities	
Payment for investment in a subsidiary	(108,725)
Interest received	–#
Net cash used in investing activities	(108,725)
Cash flow from financing activity	
Capital contribution received from the immediate holding company	107,800
Net cash generated from financing activity	107,800
Net decrease in cash and cash equivalents	(925)
Cash and cash equivalents at the beginning of the period	–
Effect of foreign exchange rate changes, net	925
Cash and cash equivalents at the end of the period	–#
Analysis of the balances of cash and cash equivalents	
Cash and bank balances	–#

Represents amount less than HK$1,000

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Cathay Gold Mining Development (Shenzhen) Co. Ltd*(國泰黃金礦業發展(深圳)有限公司)("**Cathay Gold Mining**") was established in the People's Republic of China ("**the PRC**") with limited liability on 15 September 2025. The address of its registered office and principal place of business is Room 1109T, Xiangjiang Financial Tower, No. 3046 Xinghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, the PRC.

Cathay Gold Mining is principally engaged in investment holding and has not carried on any other business since the date of its establishment.

In the opinion of the directors of Cathay Gold Mining, during the Relevant Period, the immediate holding company of Cathay Gold Mining was Shangshan International Asset Management Limited ("**Shangshan International**"), a company incorporated in Hong Kong.

In the opinion of the directors of Cathay Gold Mining, during the period from 15 September 2025 (date of establishment) to 21 October 2025, the ultimate holding company of Cathay Gold Mining was Shangshan Capital Group Co., Limited ("**Shangshan Capital**"), a company incorporated in Hong Kong. On 22 October 2025, 80% of the equity interest in Shangshan International, being the immediate holding company of Cathay Gold Mining, was transferred from Shangshan Capital to Ms. Lu Runqun ("**Ms. Lu**"), and Ms. Lu became the ultimate controlling party of Cathay Gold Mining.

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International to Changsheng United Investment Limited ("**Target Company**"), a company incorporated in the British Virgin Islands. As a result, the Target Company became the intermediate holding company of Cathay Gold Mining, while Ms. Lu remains the ultimate controlling party of Cathay Gold Mining.

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. The Historical Financial Information also complies with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

* *English name is for identification purposes only*

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Period, Cathay Gold Mining has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for its accounting period beginning on 15 September 2025, together with the relevant transitional provision, throughout the Relevant Period.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Cathay Gold Mining has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvement to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 21 – The Effects of Changes in Foreign Exchange Rates	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The sole director of Cathay Gold Mining anticipates that the application of new and revised HKFRS Accounting Standards will not have material impact on Cathay Gold Mining's financial performance and financial position except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's result and/or financial position, and giving further details of the impact in accordance with HKAS 8.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how Cathay Gold Mining presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The sole director of Cathay Gold Mining is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the Historical Financial Information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Cathay Gold Mining's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of Historical Financial Information are set out below.

(a) Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(b) Subsidiaries

Subsidiaries are entities over which Cathay Gold Mining has control. Cathay Gold Mining controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Cathay Gold Mining has power over an entity when Cathay Gold Mining has existing rights that give it the current ability to direct the relevant activities (i.e. activities that significantly affect the entity's returns).

When assessing control, Cathay Gold Mining considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Investment in a subsidiary is stated at cost less impairment loss, if any, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by Cathay Gold Mining on the basis of dividend received or receivable.

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Cathay Gold Mining becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cathay Gold Mining derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Cathay Gold Mining neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Cathay Gold Mining recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Cathay Gold Mining retains substantially all the risks and rewards of ownership of a transferred financial asset, Cathay Gold Mining continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Cathay Gold Mining derecognises financial liabilities when, and only when, Cathay Gold Mining's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of Cathay Gold Mining's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("**ECLs**").

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information of Cathay Gold Mining are measured using the currency of the primary economic environment in which Cathay Gold Mining operates (the "**functional currency**"), which is Renminbi ("**RMB**")

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**"), which is Cathay Gold Mining's presentation currency. The directors of Cathay Gold Mining consider that the presentation of the Historical Financial Information in HK$ is appropriate as it is consistent with the presentation currency of its holding company and is considered to be more relevant to the equity holders and investors.

(ii) Transactions and balances in Historical Financial Information

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on Historical Financial Information

The results and financial position of Cathay Gold Mining that have a functional currency different from Cathay Gold Mining's presentation currency are translated into Cathay Gold Mining's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(f) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(g) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Cathay Gold Mining's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary different.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in a subsidiary, except where Cathay Gold Mining is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which Cathay Gold Mining expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Cathay Gold Mining intends to settle its current tax assets and liabilities on a net basis.

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Cathay Gold Mining has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(i) Event after the reporting period

Events after the reporting period that provide additional information about Cathay Gold Mining's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In the application of Cathay Gold Mining's accounting policies, the directors of Cathay Gold Mining are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each Relevant Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below.

Impairment for investment in a subsidiary

Cathay Gold Mining has to exercise judgement in determining whether the carrying value of its subsidiary is impaired or the event previously causing the asset impairment no longer exists. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

As at 31 December 2025, the carrying amount of investment in a subsidiary is approximately HK$108,725,000 (net of impairment loss of HK$Nil).

6. FINANCIAL RISK MANAGEMENT

Cathay Gold Mining's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk and credit risk. Cathay Gold Mining's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Cathay Gold Mining's financial performance.

(a) Foreign currency risk

Cathay Gold Mining has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of Cathay Gold Mining's entities. Cathay Gold Mining currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. Cathay Gold Mining monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

Cathay Gold Mining's exposure to cash flow interest rate risk arises primarily from its bank deposits.

Cathay Gold Mining currently does not have any interest rate hedging policy. Management monitors Cathay Gold Mining's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Except as stated above, Cathay Gold Mining did not have other significant interest-bearing assets and liabilities at the end of each Relevant Period, and its income and operating cash flows were substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on Cathay Gold Mining's Historical Financial Information.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Cathay Gold Mining is exposed to credit risk from its financing activities, including deposits with banks and financial institutions. Cathay Gold Mining's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which Cathay Gold Mining considers to have low credit risk.

Cathay Gold Mining does not provide any financial guarantees which would expose Cathay Gold Mining to credit risk.

(d) Capital risk management

The primary objective of Cathay Gold Mining's capital management is to safeguard Cathay Gold Mining's ability to continue as a going concern in order to support its business and maximise equity holders' value. To maintain or adjust the capital structure, Cathay Gold Mining may adjust the payment of distributions to its equity holders, obtain additional capital contributions, sell assets as well as issue new debts or repay existing debts.

Cathay Gold Mining manages its capital structure and makes adjustments to it, in light of the cost and risk associated with the capital and changes in economic conditions.

(e) Fair values

The carrying amount of Cathay Gold Mining's financial asset as reflected in the statement of financial position approximates its respective fair value at the end of the Relevant Period.

7. REVENUE AND OTHER INCOME

(a) Revenue

Cathay Gold Mining did not generate any revenue during the Relevant Period.

(b) Other income

	For the period from 15 September 2025 (date of establishment) to 31 December 2025 *HK$'000*
Bank interest income	–[#]

[#] *Represents amount less than HK$1,000*

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	For the period from 15 September 2025 (date of establishment) to 31 December 2025 *HK$'000*
Auditor's remuneration	–
Directors' emoluments *(note 10)*	–

9. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory tax rate of Cathay Gold Mining is 25% for the Relevant Period.

No provision for PRC Enterprise Income Tax is required since Cathay Gold Mining has no assessable profit during the Relevant Period.

A reconciliation between the income tax expense and the amount derived by applying the statutory tax rate to the loss before tax is as follows:

	For the period from 15 September 2025 (date of establishment) to 31 December 2025
	HK$'000
Loss before tax	(473)
Tax at the PRC Enterprise Income Tax rate of 25%	(118)
Tax effect of tax losses not recognised	118
Income tax expense	–

As at 31 December 2025, Cathay Gold Mining had unused tax losses of approximately HK$473,000 available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. These tax losses will expire within 5 years.

10. DIRECTORS' EMOLUMENTS

(a) Directors' remuneration

The directors of Cathay Gold Mining during the Relevant Period were Mr. Shen Chao and Mr. Zhou Wei. Mr. Shen Chao served as the sole director of Cathay Gold Mining until his resignation, after which Mr. Zhou Wei was appointed and served as the sole director during his term of office.

No fees or other emoluments were paid or were payable by Cathay Gold Mining to the directors in respect of services rendered to Cathay Gold Mining during the Relevant Period.

(b) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to Cathay Gold Mining's business to which Cathay Gold Mining was a party and in which the then sole director of Cathay Gold Mining had a material interest, whether directly or indirectly, subsisted at the end of the Relevant Period or at any time during the Relevant Period.

(c) Loans, quasi-loans and other dealings in favour of the directors

No loans, quasi-loans or other dealings in favour of the then sole director of Cathay Gold Mining, bodies corporate controlled by such directors, or entities connected with such directors, subsisted at the end of the Relevant Period or at any time during the Relevant Period.

11. DIVIDEND

No dividend was paid or proposed by Cathay Gold Mining during the Relevant Period.

12. INVESTMENT IN A SUBSIDIARY

	As at 31 December 2025
	HK$'000
Unlisted investment, at cost	108,725

Particulars of Cathay Gold Mining's subsidiaries as at 31 December 2025 are as follows:

Name of entities	Place of establishment	Issued and fully paid capital/ registered	Percentage of equity interest attributable to Cathay Gold Mining	Principal activities
Directly held				
深圳卓越黃金實業有限公司# (Shenzhen Excellence Gold Industry Co., Ltd*)	The PRC	RMB97,564,025/ RMB200,000,000	100%	Investment holding in the PRC
Indirectly held				
寧陝縣金誠礦業有限公司# *(Ningshan Jincheng Mining Co., Ltd*)*	The PRC	RMB60,800,000/ RMB60,800,000	100%	Mineral processing in the PRC
寧陝縣步步高礦業有限責任公司# *(Ningshan County Bubugao Mining Co., Ltd*) (Note (a))*	The PRC	RMB108,000,000/ RMB108,000,000	100%	Gold exploration and mining in the PRC

* *English name is for identification purposes only*

\# *PRC companies with limited liability*

Notes:

(a) Subsequent to the reporting period, on 2 February 2026, Ningshan County Bubugao Mining Co., Ltd increased its registered capital from RMB108,000,000 to RMB150,000,000.

(b) None of the subsidiaries had issued any debt securities at the end of the Relevant Period.

13. PAID-IN CAPITAL

	HK$'000
As at 15 September 2025 (date of establishment)	–
Capital contribution *(note)*	107,800
As at 31 December 2025	107,800

Note:

As at 31 December 2025, the registered capital of Cathay Gold Mining was RMB230,000,000. From 31 October 2025 to 31 December 2025, RMB107,800,000 of paid-in capital was received from Shangshan International, the immediate holding company of Cathay Gold Mining.

14. CAPITAL COMMITMENTS

	As at 31 December 2025 HK$'000
Contracted for but not provided in the financial statements:	
Unpaid registered capital of a subsidiary	114,155

15. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in this Accountants' Report, Cathay Gold Mining had no other material transactions with related parties during the Relevant Period.

16. CONTINGENT LIABILITIES

As at 31 December 2025, Cathay Gold Mining did not have significant contingent liabilities.

17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International, the immediate holding company of Cathay Gold Mining, to Target Company. As a result, the Target Company became the intermediate holding company of Cathay Gold Mining, while Ms. Lu remains the ultimate controlling party of Cathay Gold Mining.

Save as disclosed above, the sole director of Cathay Gold Mining as at the date of this report is not aware of any other significant events after the reporting period and up to the date of this report.

18. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Cathay Gold Mining have been prepared in respect of any period subsequent to 31 December 2025.

The following is the text of a report, set out on pages IIC-1 to IIC-28, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF SHENZHEN EXCELLENCE GOLD INDUSTRY CO., LTD TO THE DIRECTORS OF GT GOLD HOLDINGS LIMITED

INTRODUCTION

We report on the historical financial information of Shenzhen Excellence Gold Industry Co. Ltd*(深圳卓越黃金實業有限公司)("**Shenzhen Excellence**") set out on pages IIC-4 to IIC-28, which comprises the statement of financial position of Shenzhen Excellence as at 31 December 2025 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 17 September 2025 (date of establishment) to 31 December 2025 (the "**Relevant Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIC-4 to IIC-28 forms an integral part of this report, which has been prepared for inclusion in the circular of GT Gold Holdings Limited (the "**Company**") dated 5 June 2026 (the "**Circular**") in connection with the proposed major transaction in relation to acquisition of the entire issued share capital of Changsheng United Investment Limited (the "**Target Company**") by the Company, which indirectly holds an 80% equity interest in Shenzhen Excellence.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of Shenzhen Excellence is responsible for the preparation of the underlying financial statements (the "**Underlying Financial Statements**") on which the Historical Financial Information is based. These statements give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of Shenzhen Excellence determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

* *English name is for identification purposes only*

The directors of the Company are responsible for the contents of this Circular, including the Historical Financial Information of Shenzhen Excellence, and for ensuring that the accounting policies determined by the sole director of Shenzhen Excellence are materially consistent with those adopted by the Company.

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" issued by the Hong Kong Institute of Certified Public Accountants (the "**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 Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 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 sole director of Shenzhen Excellence, 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.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial positions of Shenzhen Excellence as at 31 December 2025 and of its financial performance and cash flows for the Relevant Period in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the Historical Financial Information which indicates that Shenzhen Excellence had net current liabilities of approximately HK$489,000 as at 31 December 2025 and Shenzhen Excellence had incurred a loss of approximately HK$3,000 for the year ended 31 December 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt about Shenzhen Excellence's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 have been made.

DIVIDENDS

We refer to note 11 to the Historical Financial Information which states that no dividend has been paid by Shenzhen Excellence in respect of the Relevant Period.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

HISTORICAL FINANCIAL INFORMATION OF SHENZHEN EXCELLENCE

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 Shenzhen Excellence for the Relevant Period, on which the Historical Financial Information is based, were prepared by the sole director of Shenzhen Excellence in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA (the "**Underlying Financial Statements**") and were audited by McMillan Woods (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

A. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the period from 17 September 2025 (date of establishment) to 31 December 2025 HK$'000
Revenue	7	–
Other income	7	–#
Administrative expenses		(3)
Loss before tax	8	(3)
Income tax expense	9	–
Loss for the period		(3)
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation from functional currency to presentation currency		2,956
Loss and total comprehensive income for the period		2,953

Represents amount less than HK$1,000

B. STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2025 HK$'000
Non-current asset		
Investments in subsidiaries	*12*	109,211
Current asset		
Cash and bank balances		2
Current liability		
Other payables		491
Net current liabilities		(489)
Net assets		108,722
Capital and reserves		
Paid-in capital	*13*	105,769
Reserves		2,953
Total equity		108,722

C. STATEMENT OF CHANGES IN EQUITY

	Paid-in capital	Foreign currency translation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 17 September 2025 (date of establishment)	–	–	–	–
Loss for the period	–	–	(3)	(3)
Exchange differences arising on translation from functional currency to presentation currency	–	2,956	–	2,956
Total comprehensive income for the period	–	2,956	(3)	2,953
Capital contribution *(note 13)*	105,769	–	–	105,769
As at 31 December 2025	105,769	2,956	(3)	108,722

D. STATEMENT OF CASH FLOWS

	For the period from 17 September 2025 (date of establishment) to 31 December 2025 *HK$'000*
Cash flows from operating activities	
Loss before tax	(3)
Adjustment for:	
Interest income	–[#]
Operating cash flows before movements in working capital	(3)
Changes in other payables	478
Net cash generated from operating activities	475
Cash flows from investing activities	
Payment for acquisition of subsidiaries	(106,242)
Interest received	–[#]
Net cash used in investing activities	(106,242)
Cash flow from financing activity	
Capital contribution received from the immediate holding company	105,769
Net cash generated from financing activity	105,769
Net increase in cash and cash equivalents	2
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	2
Analysis of the balances of cash and cash equivalents	
Cash and bank balances	2

[#] *Represents amount less than HK$1,000*

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shenzhen Excellence Gold Industry Co., Ltd*(深圳卓越黃金實業有限公司)("**Shenzhen Excellence**") was established in the People's Republic of China ("**The PRC**") with limited liability on 17 September 2025. The address of its registered office and principal place of business is Room 1109U, Xiangjiang Financial Tower, No. 3046 Xinghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, the PRC.

Shenzhen Excellence is principally engaged in investment holding and has not carried on any other business since the date of its establishment.

In the opinion of the directors of Shenzhen Excellence, during the Relevant Period, the immediate holding company of Shenzhen Excellence was Cathay Gold Mining Development (Shenzhen) Co. Ltd*(國泰黃金礦業發展(深圳)有限公司)("**Cathay Gold Mining**"), a company established in the PRC with limited liability.

In the opinion of the directors of Shenzhen Excellence, during the period from 17 September 2025 (date of establishment) to 21 October 2025, the ultimate holding company of Shenzhen Excellence was Shangshan Capital Group Co., Limited ("**Shangshan Capital**"), a company incorporated in Hong Kong.

On 22 October 2025, 80% of the equity interest in Shangshan International Asset Management Limited ("**Shangshan International**"), being an intermediate holding company of Shenzhen Excellence, was transferred from Shangshan Capital to Ms. Lu Runqun ("**Ms. Lu**"), and Ms. Lu became the ultimate controlling party of Shenzhen Excellence.

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International to Changsheng United Investment Limited (the "**Target Company**"), a company incorporated in the British Virgin Islands. As a result, the Target Company became an intermediate holding company of Shenzhen Excellence, while Ms. Lu remains the ultimate controlling party of Shenzhen Excellence.

* *English name is for identification purposes only*

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. The Historical Financial Information also complies with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

Notwithstanding the fact that Shenzhen Excellence had net current liabilities of approximately HK$489,000 as at 31 December 2025 and Shenzhen Excellence had incurred a loss of approximately HK$3,000 for the year ended 31 December 2025, the sole director of Shenzhen Excellence have prepared the Historical Financial Information on a going concern basis, the validity of which depends upon the financial support of the ultimate controlling party, at a level sufficient to finance the working capital requirements of Shenzhen Excellence. The ultimate controlling party has agreed to provide adequate funds for Shenzhen Excellence to meet its liabilities as they fall due.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Period, Shenzhen Excellence has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for its accounting period beginning on 17 September 2025, together with the relevant transitional provision, throughout the Relevant Period.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Shenzhen Excellence has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvement to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 21 – The Effects of Changes in Foreign Exchange Rates	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The sole director of Shenzhen Excellence anticipates that the application of new and revised HKFRS Accounting Standards will not have material impact on Shenzhen Excellence's financial performance and financial position except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's result and/or financial position, and giving further details of the impact in accordance with HKAS 8.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of

items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how Shenzhen Excellence presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The sole director of Shenzhen Excellence is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the Historical Financial Information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Shenzhen Excellence's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of Historical Financial Information are set out below.

(a) Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(b) Subsidiaries

Subsidiaries are entities over which Shenzhen Excellence has control. Shenzhen Excellence controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Shenzhen Excellence has power over an entity when Shenzhen Excellence has existing rights that give it the current ability to direct the relevant activities (i.e. activities that significantly affect the entity's returns).

When assessing control, Shenzhen Excellence considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Investments in subsidiaries are stated at cost less impairment loss, if any, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by Shenzhen Excellence on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiaries in the period the dividend is declared or if the carrying amounts of the investments in the separate financial statements exceed the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Shenzhen Excellence becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Shenzhen Excellence derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Shenzhen Excellence neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Shenzhen Excellence recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Shenzhen Excellence retains substantially all the risks and rewards of ownership of a transferred financial asset, Shenzhen Excellence continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Shenzhen Excellence derecognises financial liabilities when, and only when, Shenzhen Excellence's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of Shenzhen Excellence's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("**ECLs**").

(e) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability under HKFRS Accounting Standards. The accounting policies adopted for specific financial liabilities are set out below.

(f) Other payables

Other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(g) Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information of Shenzhen Excellence are measured using the currency of the primary economic environment in which Shenzhen Excellence operates (the "**functional currency**"), which is Renminbi ("**RMB**")

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**"), which is Shenzhen Excellence's presentation currency. The directors of Shenzhen Excellence consider that the presentation of the Historical Financial Information in HK$ is appropriate as it is consistent with the presentation currency of its holding company and is considered to be more relevant to the equity holders and investors.

(ii) Transactions and balances in Historical Financial Information

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on Historical Financial Information

The results and financial position of Shenzhen Excellence that have a functional currency different from Shenzhen Excellence's presentation currency are translated into Shenzhen Excellence's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(h) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(i) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Shenzhen Excellence's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary different.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in a subsidiary, except where Shenzhen Excellence is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which Shenzhen Excellence expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Shenzhen Excellence intends to settle its current tax assets and liabilities on a net basis.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Shenzhen Excellence has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(k) Event after the reporting period

Events after the reporting period that provide additional information about Shenzhen Excellence's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In the application of Shenzhen Excellence's accounting policies, the directors of Shenzhen Excellence are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of Shenzhen Excellence have made the following judgement that have the most significant effect on the amounts recognised in the Historical Financial Information (apart from those involving estimations which are dealt with below).

Going concern basis

These Historical Financial Information have been prepared on a going concern basis, the validity of which depends upon the financial support from the ultimate holding company of Shenzhen Excellence to finance the working capital requirements of Shenzhen Excellence. Details are explained in note 2 to the Historical Financial Information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each Relevant Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment for investments in subsidiaries

Shenzhen Excellence has to exercise judgement in determining whether the carrying values of its subsidiaries are impaired or the event previously causing the asset impairment no longer exists. Where an indication of impairment exists, the carrying amounts of the investments is assessed and written down immediately to its recoverable amount.

As at 31 December 2025, the carrying amount of investments in subsidiaries is approximately HK$109,211,000 (net of impairment loss of HK$Nil).

6. FINANCIAL RISK MANAGEMENT

Shenzhen Excellence's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk. Shenzhen Excellence's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Shenzhen Excellence's financial performance.

(a) Foreign currency risk

Shenzhen Excellence has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of Shenzhen Excellence's entities. Shenzhen Excellence currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. Shenzhen Excellence monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

Shenzhen Excellence's exposure to cash flow interest rate risk arises primarily from its bank deposits.

Shenzhen Excellence currently does not have any interest rate hedging policy. Management monitors Shenzhen Excellence's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Except as stated above, Shenzhen Excellence did not have other significant interest-bearing assets and liabilities at the end of each Relevant Period, and its income and operating cash flows were substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on Shenzhen Excellence's Historical Financial Information.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Shenzhen Excellence is exposed to credit risk from its financing activities, including deposits with banks and financial institutions. Shenzhen Excellence's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which Shenzhen Excellence considers to have low credit risk.

Shenzhen Excellence does not provide any financial guarantees which would expose Shenzhen Excellence to credit risk.

(d) Liquidity risk

For the management of Shenzhen Excellence's liquidity risk, Shenzhen Excellence monitors and maintains a sufficient level of cash and cash equivalents to finance Shenzhen Excellence's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors Shenzhen Excellence's working capital requirements regularly.

The following table sets out the remaining contractual maturities of Shenzhen Excellence's non-derivative financial liabilities at the end of the Relevant Period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the prevailing rates at the end of each Relevant Period) and the earliest date Shenzhen Excellence can be required to pay.

The maturity analysis of Shenzhen Excellence's financial liability based on contractual undiscounted cash flows is as follows:

	As at 31 December 2025			
	Within one year or on demand	After one year	Total Contractual undiscounted cash flow	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	491	–	491	491

(e) Capital risk management

The primary objective of Shenzhen Excellence's capital management is to safeguard Shenzhen Excellence's ability to continue as a going concern in order to support its business and maximise equity holders' value. To maintain or adjust the capital structure, Shenzhen Excellence may adjust the payment of distributions to its equity holders, obtain additional capital contributions, sell assets as well as issue new debts or repay existing debts.

Shenzhen Excellence manages its capital structure and makes adjustments to it, in light of the cost and risk associated with the capital and changes in economic conditions.

(f) Fair values

The carrying amounts of Shenzhen Excellence's financial asset and financial liability as reflected in the statement of financial position approximate their respective fair values at the end of the Relevant Period.

7. REVENUE AND OTHER INCOME

(a) Revenue

Shenzhen Excellence did not generate any revenue during the Relevant Period.

(b) Other income

	For the period from 17 September 2025 (date of establishment) to 31 December 2025 *HK$'000*
Bank interest income	–[#]

[#] *Represents amount less than HK$1,000*

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	For the period from 17 September 2025 (date of establishment) to 31 December 2025 *HK$'000*
Auditor's remuneration	–
Directors' emoluments *(note 10)*	–

9. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory tax rate of Shenzhen Excellence is 25% for the Relevant Period.

No provision for PRC Enterprise Income Tax is required since Shenzhen Excellence has no assessable profit during the Relevant Period.

A reconciliation between the income tax expense and the amount derived by applying the statutory tax rate to the loss before tax is as follows:

	For the period from 17 September 2025 (date of establishment) to 31 December 2025
	HK$'000
Loss before tax	(3)
Tax at the PRC Enterprise Income Tax rate of 25%	–[#]
Tax effect of tax losses not recognised	–[#]
Income tax expense	–

[#] *Represents amount less than HK$1,000*

As at 31 December 2025, Shenzhen Excellence had unused tax losses of approximately HK$3,000 available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. These tax losses will expire within 5 years.

10. DIRECTORS' EMOLUMENTS

(a) Directors' remuneration

The directors of Shenzhen Excellence during the Relevant Period were Mr. Shen Chao and Mr. Zhou Wei. Mr. Shen Chao served as the sole director of Shenzhen Excellence until his resignation, after which Mr. Zhou Wei was appointed and served as the sole director during his term of office.

No fees or other emoluments were paid or were payable by Shenzhen Excellence to the directors in respect of services rendered to Shenzhen Excellence during the Relevant Period.

(b) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to Shenzhen Excellence's business to which Shenzhen Excellence was a party and in which the then sole director of Shenzhen Excellence had a material interest, whether directly or indirectly, subsisted at the end of the Relevant Period or at any time during the Relevant Period.

(c) Loans, quasi-loans and other dealings in favour of the directors

No loans, quasi-loans or other dealings in favour of the then sole director of Shenzhen Excellence, bodies corporate controlled by such director, or entities connected with such director, subsisted at the end of the Relevant Period or at any time during the Relevant Period.

11. DIVIDEND

No dividend was paid or proposed by Shenzhen Excellence during the Relevant Period.

12. INVESTMENTS IN SUBSIDIARIES

	As at 31 December 2025 *HK$'000*
Unlisted investments, at cost	109,211

Particulars of Shenzhen Excellence's subsidiaries as at 31 December 2025 are as follows:

Name of entities	Place of establishment	Issued and fully paid capital/ registered capital	Percentage of equity interest attributable to Shenzhen Excellence	Principal activities
Directly held				
寧陝縣金誠礦業有限公司# (Ningshan Jincheng Mining Co., Ltd*)	The PRC	RMB60,800,000/ RMB60,800,000	100%	Mineral processing in the PRC
寧陝縣步步高礦業有限責任公司# (Ningshan County Bubugao Mining Co., Ltd*) *(Note (a))*	The PRC	RMB108,000,000/ RMB108,000,000	100%	Gold exploration and mining in the PRC

* *English name is for identification purposes only*

\# *PRC companies with limited liability*

Notes:

(a) Subsequent to the reporting period, on 2 February 2026, Ningshan County Bubugao Mining Co., Ltd changed its registered increased from RMB108,000,000 to RMB150,000,000.

(b) None of the subsidiaries had issued any debt securities at the end of the Relevant Period.

13. PAID-IN CAPITAL

	2025 *HK$'000*
As at 17 September 2025 (date of establishment)	–
Capital contribution *(note)*	105,769
As at 31 December 2025	105,769

Note: Between 30 November 2025 and 31 December 2025, approximately RMB97,564,000 (equivalent to approximately HK$105,769,000) of paid-in capital was received from Cathay Gold Mining, the immediate holding company of Shenzhen Excellence. As at 31 December 2025, the registered capital of Shenzhen Excellence was RMB200,000,000.

14. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in this Accountants' Report, Shenzhen Excellence had no other material transactions with related parties during the Relevant Period.

15. CONTINGENT LIABILITIES

As at 31 December 2025, Shenzhen Excellence did not have significant contingent liabilities.

16. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International, an intermediate holding company of Shenzhen Excellence, to Target Company. As a result, the Target Company became an intermediate holding company of Shenzhen Excellence, while Ms. Lu remains the ultimate controlling party of Shenzhen Excellence.

Save as disclosed above, the sole director of Shenzhen Excellence as at the date of this report is not aware of any other significant events after the reporting period and up to the date of this report.

17. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Shenzhen Excellence have been prepared in respect of any period subsequent to 31 December 2025

The following is the text of a report, set out on pages IID-1 to IID-41, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF NINGSHAN JINCHENG MINING CO., LTD TO THE DIRECTORS OF GT GOLD HOLDINGS LIMITED

INTRODUCTION

We report on the historical financial information of Ningshan Jincheng Mining Co. Ltd*(寧陝縣金誠礦業有限公司), ("**Jincheng Mining**") set out on pages IID-4 to IID-41, which comprises the statements of financial position of Jincheng Mining as at 31 December 2023, 2024 and 2025 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for each of years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IID-4 to IID-41 forms an integral part of this report, which has been prepared for inclusion in the circular of the GT Gold Holdings Limited (the "**Company**") dated 5 June 2026 (the "**Circular**") in connection with the proposed major transaction in relation to acquisition of the entire issued share capital of Changsheng United Investment Limited (the "**Target Company**") by the Company, which indirectly holds an 80% equity interest in Jincheng Mining.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of Jincheng Mining is responsible for the preparation of the underlying financial statements (the "**Underlying Financial Statements**") on which the Historical Financial Information is based. These statements give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of Jincheng Mining determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

* *English name is for identification purposes only*

The directors of the Company are responsible for the contents of this Circular, including the Historical Financial Information of Jincheng Mining, and for ensuring that the accounting policies determined by the sole director of Jincheng Mining are materially consistent with those adopted by the Company.

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" issued by the Hong Kong Institute of Certified Public Accountants (the "**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 Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 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 sole director of Jincheng Mining, 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.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial positions of Jincheng Mining as at 31 December 2023, 2024 and 2025 and of its financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in note 2 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 have been made.

DIVIDENDS

We refer to note 11 to the Historical Financial Information which states that no dividend has been paid by Jincheng Mining in respect of the Relevant Periods.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

HISTORICAL FINANCIAL INFORMATION OF JINCHENG MINING

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 Jincheng Mining for the Relevant Periods, on which the Historical Financial Information is based, were prepared by the sole director of Jincheng Mining in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA (the "**Underlying Financial Statements**") and were audited by McMillan Woods (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

A. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December		
		2023	**2024**	**2025**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*7*	–	–	–
Other income	*7*	12	1	1
Administrative expenses		(2,287)	(2,157)	(3,745)
Loss before tax	*8*	(2,275)	(2,156)	(3,744)
Income tax expense	*9*	–	–	–
Loss for the year		(2,275)	(2,156)	(3,744)
Other comprehensive (expense)/income:				
Item that will not be reclassified to profit or loss:				
Exchange differences arising on translation from functional currency to presentation currency		(962)	(990)	1,658
Loss and total comprehensive expense for the year		(3,237)	(3,146)	(2,086)

B. STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	*12*	31,004	28,123	35,733
Construction in progress	*12*	9,901	12,653	5,053
Right-of-use assets	*13*	1,044	959	955
		41,949	41,735	41,741
Current assets				
Inventories	*14*	6	6	–
Amount due from a related company	*15*	3,255	1,096	695
Cash and bank balances		43	873	1
		3,304	1,975	696
Current liabilities				
Other payables	*16*	212	117	–
Amount due to the then equity holder	*15*	10,962	10,601	–
		11,174	10,718	–
Net current (liabilities)/assets		(7,870)	(8,743)	696
Total assets less current liabilities		34,079	32,992	42,437
Non-current liability				
Other payables	*16*	2,664	4,723	4,965
Net assets		31,415	28,269	37,472
Capital and reserves				
Paid-in capital	*17*	74,450	74,450	74,450
Reserves		(43,035)	(46,181)	(36,978)
Total equity		31,415	28,269	37,472

C. STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Capital reserve	Foreign currency translation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2023	74,450	950	(3,586)	(37,162)	34,652
Loss for the year	–	–	–	(2,275)	(2,275)
Exchange differences arising on translation from functional currency to presentation currency	–	–	(962)	–	(962)
Total comprehensive expense for the year	–	–	(962)	(2,275)	(3,237)
As at 31 December 2023 and 1 January 2024	74,450	950	(4,548)	(39,437)	31,415
Loss for the year	–	–	–	(2,156)	(2,156)
Exchange differences arising on translation from functional currency to presentation currency	–	–	(990)	–	(990)
Total comprehensive expense for the year	–	–	(990)	(2,156)	(3,146)
As at 31 December 2024 and 1 January 2025	74,450	950	(5,538)	(41,593)	28,269
Loss for the year	–	–	–	(3,744)	(3,744)
Exchange differences arising on translation from functional currency to presentation currency	–	–	1,658	–	1,658
Total comprehensive income/(expense) for the year	–	–	1,658	(3,744)	(2,086)
Deemed contribution from a then equity holder	–	11,289	–	–	11,289
As at 31 December 2025	74,450	12,239	(3,880)	(45,337)	37,472

D. STATEMENTS OF CASH FLOWS

	For the year ended 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from operating activities			
Loss before tax	(2,275)	(2,156)	(3,744)
Adjustments for:			
Depreciation on property, plant and equipment	2,123	2,091	2,536
Depreciation on right-of-use assets	53	52	52
Loss on disposal of property, plant and equipment	–	–	603
Interest income	(12)	(1)	(1)
Operating cash flows before movements in working capital	(111)	(14)	(554)
Changes in inventories	–	–	6
Changes in other payables	2,686	2,103	328
Net cash generated from/(used in) operating activities	2,575	2,089	(220)
Cash flows from investing activities			
Purchases of property, plant and equipment	(226)	(192)	(137)
Additions of construction in progress	(9,983)	(3,143)	(981)
(Increase)/decrease in amount due from a related company	(3,386)	2,096	445
Interest received	12	1	1
Net cash used in investing activities	(13,583)	(1,238)	(672)
Cash flow from financing activity			
Advance from a then equity holder	11,053	–	–
Net cash generated from financing activity	11,053	–	–
Net increase/(decrease) in cash and cash equivalents	45	851	(892)
Cash and cash equivalents at the beginning of the year	–	43	873
Effect of foreign exchange rate changes, net	(2)	(21)	20
Cash and cash equivalents at the end of the year	43	873	1
Analysis of the balances of cash and cash equivalents			
Cash and bank balances	43	873	1

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Ningshan Jincheng Mining Co. Ltd*(寧陝縣金誠礦業有限公司)("**Jincheng Mining**") was established in the People's Republic of China ("**the PRC**") with limited liability on 18 June 2012. The address of its registered office and principal place of business is Fengfu Town, Ningshan County, Ankang City, Shaanxi Province, the PRC.

Jincheng Mining is primarily engaged in mineral processing in the PRC. During the Relevant Periods, Jincheng Mining remained in its development and construction phase and as a result, had not yet commenced commercial production or generated any revenue.

In the opinion of the directors of Jincheng Mining, Mr. Jiang Xiaojun and Mr. Liu Jizhi were the ultimate controlling parties and equity holders of Jincheng Mining prior to 1 January 2023 and continued in that capacity until 10 December 2025.

On 11 December 2025, the entire equity interest in Jincheng Mining was acquired by Shenzhen Excellence Gold Industry Co., Ltd*(深圳卓越黃金實業有限公司)("**Shenzhen Excellence**"), a company established in the PRC, which thereby became the immediate holding company of Jincheng Mining.

Shenzhen Excellence is a direct wholly-owned subsidiary of Cathay Gold Mining Development (Shenzhen) Co., Ltd*(國泰黃金礦業發展(深圳)有限公司)("**Cathay Gold Mining**"), a company established in the PRC, which is wholly owned by Shangshan International Asset Management Limited ("**Shangshan International**"), a company incorporated in Hong Kong. As at 11 December 2025, Shangshan International was controlled as to 80% by Ms. Lu Runqun ("**Ms. Lu**"). Accordingly, Ms. Lu has been the ultimate controlling party of Jincheng Mining since 11 December 2025.

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International to Changsheng United Investment Limited (the "**Target Company**"), a company incorporated in the British Virgin Islands. As a result, the Target Company became an intermediate holding company of Jincheng Mining, while Ms. Lu remains the ultimate controlling party of Jincheng Mining.

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. The Historical Financial Information also complies with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

* *English name is for identification purposes only*

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Periods, Jincheng Mining has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for its accounting period beginning on 1 January 2025, together with the relevant transitional provision, throughout the Relevant Periods.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Jincheng Mining has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvement to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 21 – The Effects of Changes in Foreign Exchange Rates	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The sole director of Jincheng Mining anticipates that the application of new and revised HKFRS Accounting Standards will not have material impact on Jincheng Mining's financial performance and financial position except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's result and/or financial position, and giving further details of the impact in accordance with HKAS 8.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how Jincheng Mining presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The sole director of Jincheng Mining is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the Historical Financial Information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Jincheng Mining's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of Historical Financial Information are set out below.

(a) Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost of self-constructed properties are classified as property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overhead.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

–	Plant and machinery	15-30 years
–	Furniture, fixtures and office equipment	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The gain or loss on disposal or retirement of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the statement of profit or loss.

(c) Leases

At inception of a contract, Jincheng Mining assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Jincheng Mining as a lessee

At the lease commencement date, Jincheng Mining recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, Jincheng Mining:

– where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

– uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Jincheng Mining, which do not have recent third-party financing, and

– makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use assets recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use assets is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value.

Right-of-use assets in which Jincheng Mining is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in Jincheng Mining's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether Jincheng Mining will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(d) Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(e) Inventories

Jincheng Mining's inventories include raw materials.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method.

At the end of the reporting period, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss for the Relevant Periods. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the Relevant Periods.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion. The estimated costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which Jincheng Mining must incur to make the sale and relevant taxes. For raw materials, provision for decline in value is made based on the categories of inventories. For finished goods, provision for decline in value is made on an item-by-item basis.

(f) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Jincheng Mining becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Jincheng Mining derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Jincheng Mining neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Jincheng Mining recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Jincheng Mining retains substantially all the risks and rewards of ownership of a transferred financial asset, Jincheng Mining continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Jincheng Mining derecognises financial liabilities when, and only when, Jincheng Mining's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Debt instruments

Debt instruments held by Jincheng Mining are classified into amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method.

(h) Other receivables

A receivable is recognised when Jincheng Mining has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("**ECLs**").

(j) Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of Jincheng Mining after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(k) Other payables

Other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information of Jincheng Mining are measured using the currency of the primary economic environment in which Jincheng Mining operates (the "**functional currency**"), which is Renminbi ("**RMB**").

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**"), which is Jincheng Mining's presentation currency. The directors of Jincheng Mining consider that the presentation of the Historical Financial Information in HK$ is appropriate as it is consistent with the presentation currency of its holding companies and is considered to be more relevant to the equity holders and investors.

(ii) Transactions and balances in Historical Financial Information

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on Historical Financial Information

The results and financial position of Jincheng Mining that have a functional currency different from Jincheng Mining's presentation currency are translated into Jincheng Mining's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(m) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Jincheng Mining's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary different.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which Jincheng Mining expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Jincheng Mining intends to settle its current tax assets and liabilities on a net basis.

(n) Government grants

A government grant is recognised when there is reasonable assurance that Jincheng Mining will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Jincheng Mining with no future related costs are recognised in profit or loss in the period in which they become receivable.

(o) Impairment of financial assets

Jincheng Mining recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, Jincheng Mining recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, Jincheng Mining measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, Jincheng Mining compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, Jincheng Mining considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which Jincheng Mining's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to Jincheng Mining's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, Jincheng Mining presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless Jincheng Mining has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, Jincheng Mining assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default;

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Jincheng Mining considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

Jincheng Mining regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

Jincheng Mining considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including Jincheng Mining, in full (without taking into account any collaterals held by Jincheng Mining).

Irrespective of the above analysis, Jincheng Mining considers that default has occurred when a financial asset is more than 90 days past due unless Jincheng Mining has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because it financial difficulties.

Write-off policy

Jincheng Mining writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under Jincheng Mining's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECLs

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, Jincheng Mining's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECLs is estimated as the difference between all contractual cash flows that are due to Jincheng Mining in accordance with the contract and all the cash flows that Jincheng Mining expects to receive, discounted at the original effective interest rate.

If Jincheng Mining has measured the loss allowance for a financial instrument at an amount equal to lifetime ECLs in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, Jincheng Mining measures the loss allowance at an amount equal to 12-month ECLs at the current reporting date, except for assets for which simplified approach was used.

Jincheng Mining recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Jincheng Mining has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(q) Events after the reporting period

Events after the reporting period that provide additional information about Jincheng Mining's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In the application of Jincheng Mining's accounting policies, the directors of Jincheng Mining are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of Jincheng Mining have made the following judgements that have the most significant effect on the amounts recognised in the Historical Financial Information (apart from those involving estimations, which are dealt with below).

Significant increase in credit risk

ECLs under general approach are measured as an allowance equal to 12-month ECLs for stage 1 assets, or lifetime ECLs for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased Jincheng Mining takes into account qualitative and quantitative reasonable and supportable forward looking information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for ECLs of amount due from a related company

Management regularly reviews the impairment of amount due from a related company to ensure appropriate allowance for ECLs of amount due from a related company are recognised in the statement of profit or loss.

Where differences between all contractual cash flows that are due to Jincheng Mining in accordance with the contract and all cash flows that Jincheng Mining expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to change in facts and circumstances, a material impairment loss may arise.

As at 31 December 2023, 2024 and 2025, Jincheng Mining had balances of amount due from a related company of approximately HK$3,255,000, HK$1,096,000 and HK$695,000 respectively. No impairment loss was recognised on these balances during the Relevant Periods.

(b) Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and machinery of similar nature and functions.

The estimated useful lives reflect the management's estimate of the period that Jincheng Mining intends to derive future economic benefits from the use of Jincheng Mining's property, plant and equipment. As at 31 December 2023, 2024 and 2025, the carrying amount of Jincheng Mining's property, plant and equipment was approximately HK$31,004,000, HK$28,123,000 and HK$35,733,000 respectively.

(c) Impairment assessment of the cash generating unit ("CGU") of gold mining operation ("Gold Mining CGU")

The carrying values of property, plant and equipment, construction in progress and right-of-use assets attributable to the Gold Mining CGU are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable in accordance with the accounting policy information as disclosed in note 4 to the Historical Financial Information. The recoverable amount of these assets, or where appropriate, the Gold Mining CGU to which they belong, is determined based on the higher of fair value less costs of disposal and value in use.

Jincheng Mining has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, Jincheng Mining estimates the recoverable amount of the Gold Mining CGU to which the asset belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

The directors of Jincheng Mining performed an impairment assessment and concluded that no impairment loss was necessary during the Relevant Periods, having considered that the company's mine infrastructure and development works are situated within the areas covered by the valid mineral resource exploration permits held by Ningshan County Bubugao Mining Co., Ltd. ("**BBG Mining**"), a related company of Jincheng Mining. Consideration was also given to the formal approval for the extension of the mining license granted to BBG Mining in February 2026.

Since Jincheng Mining's infrastructure is positioned to facilitate extraction within these permitted areas, the granting of the license extension supports the recoverability of the related assets' carrying values. The directors of Jincheng Mining have also considered the operational synergy between Jincheng Mining and BBG Mining, including the availability of resources for processing and general market conditions of gold. Based on these factors, the directors of Jincheng Mining determined that the recoverable amount of the Gold Mining CGU exceeded its carrying value as at 31 December 2023, 2024 and 2025.

The carrying values of property, plant and equipment, construction in progress and right-of-use assets attributable to the Gold Mining CGU at the end of each Relevant Periods are as follows:

	At 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Property, plant and equipment *(Note 12)*	31,004	28,123	35,733
Construction in progress *(Note 12)*	9,901	12,653	5,053
Right-of-use assets *(Note 13)*	1,044	959	955

6. FINANCIAL RISK MANAGEMENT

Jincheng Mining's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk. Jincheng Mining's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Jincheng Mining's financial performance.

(a) Foreign currency risk

Jincheng Mining has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of Jincheng Mining's entities. Jincheng Mining currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. Jincheng Mining monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

Jincheng Mining's exposure to cash flow interest rate risk arises primarily from its bank deposits.

Jincheng Mining currently does not have any interest rate hedging policy. Management monitors Jincheng Mining's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Except as stated above, Jincheng Mining did not have other significant interest-bearing assets and liabilities at the end of each Relevant Periods, and its income and operating cash flows were substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on Jincheng Mining's Historical Financial Information.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Jincheng Mining is exposed to credit risk from its operating activities (primarily amount due from a related company), and from its financing activities, including deposits with banks and financial institutions. Jincheng Mining's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which Jincheng Mining considers to have low credit risk.

Jincheng Mining assessed that no loss allowance shall be recognised for amount due from a related company as at 31 December 2023, 2024 and 2025 because counterparty is financially healthy.

Jincheng Mining does not provide any financial guarantees which would expose Jincheng Mining to credit risk.

The carrying amounts of amount due from a related company and bank balances included in the statement of financial position represents Jincheng Mining's maximum exposure to credit risk in relation to Jincheng Mining's financial assets.

In order to minimise credit risk, Jincheng Mining has policies in place to develop and maintain its credit risk grading to categorise exposures according to their degree of risk of default. Jincheng Mining uses publicly available financial information and own historical repayment records to rate its major debtors. Jincheng Mining's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

(d) Liquidity risk

For the management of Jincheng Mining's liquidity risk, Jincheng Mining monitors and maintains a sufficient level of cash and cash equivalents to finance Jincheng Mining's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors Jincheng Mining's working capital requirements regularly.

The following table sets out the remaining contractual maturities of Jincheng Mining's non-derivative financial liabilities at the end of each Relevant Periods, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the prevailing rates at the end of each Relevant Periods) and the earliest date Jincheng Mining can be required to pay.

The maturity analysis of Jincheng Mining's financial liabilities based on contractual undiscounted cash flows is as follows:

	As at 31 December 2025			
	Within one year or on demand	**After one year**	**Total Contractual undiscounted cash flow**	**Carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	4,965	–	4,965	4,965

	At 31 December 2024			
	Within one year or on demand	After one year	Total Contractual undiscounted cash flow	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	117	4,723	4,840	4,840
Amount due to the then equity holder	10,601	–	10,601	10,601
	10,718	4,723	15,441	15,441

	At 31 December 2023			
	Within one year or on demand	After one year	Total Contractual undiscounted cash flow	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	212	2,664	2,876	2,876
Amount due to the then equity holder	10,962	–	10,962	10,962
	11,174	2,664	13,838	13,838

(e) Capital risk management

The primary objective of Jincheng Mining's capital management is to safeguard Jincheng Mining's ability to continue as a going concern in order to support its business and maximise equity holders' value. To maintain or adjust the capital structure, Jincheng Mining may adjust the payment of distributions to its equity holders, obtain additional capital contributions, sell assets as well as issue new debts or repay existing debts.

Jincheng Mining manages its capital structure and makes adjustments to it, in light of the cost and risk associated with the capital and changes in economic conditions.

(f) Fair values

The carrying amounts of Jincheng Mining's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values at the end of each Relevant Periods.

7. REVENUE AND OTHER INCOME

(a) Revenue

Jincheng Mining did not generate any revenue during the Relevant Periods.

(b) Other income

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Bank interest income	12	1	1

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Auditor's remuneration	–	–	–
Depreciation on property, plant and equipment	2,123	2,091	2,536
Depreciation on right-of-use assets	53	52	52
Directors' emoluments *(note 10)*	–	–	–

9. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory tax rate of Jincheng Mining is 25% for the Relevant Periods.

No provision for PRC Enterprise Income Tax is required since Jincheng Mining has no assessable profit during the Relevant Periods.

A reconciliation between the income tax expense and the amount derived by applying the statutory tax rate to the loss before tax is as follows:

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Loss before tax	(2,275)	(2,156)	(3,744)
Tax at the PRC Enterprise Income Tax rate of 25%	(569)	(539)	(936)
Tax effect of tax losses not recognised	569	539	936
Income tax expense	–	–	–

As at 31 December 2023, 2024 and 2025, Jincheng Mining had unused tax losses of approximately HK$2,264,000, HK$4,301,000 and HK$8,371,000 respectively available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. These tax losses will expire within 5 years from the respective years in which the losses were incurred.

10. DIRECTORS' EMOLUMENTS

(a) Directors' remuneration

The directors of Jincheng Mining during the Relevant Periods were Mr. Liu Ji and Mr. Zhou Wei. Mr. Liu Ji served as the sole director of Jincheng Mining until his resignation, after which Mr. Zhou Wei was appointed and served as the sole director during his term of office.

No fees or other emoluments were paid or were payable by Jincheng Mining to the directors in respect of services rendered to Jincheng Mining during the Relevant Periods.

(b) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to Jincheng Mining's business to which Jincheng Mining was a party and in which the then sole director of Jincheng Mining had a material interest, whether directly or indirectly, subsisted at the end of each Relevant Periods or at any time during the Relevant Periods.

(c) Loans, quasi-loans and other dealings in favour of the directors

No loans, quasi-loans or other dealings in favour of the then sole director of Jincheng Mining, bodies corporate controlled by such director, or entities connected with such director, subsisted at the end of the Relevant Period or at any time during the Relevant Period.

11. DIVIDEND

No dividend was paid or proposed by Jincheng Mining during the Relevant Periods.

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture, fixtures and office equipment	Sub-total	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost					
As at 1 January 2023	47,159	121	47,280	–	47,280
Additions	226	–	226	9,983	10,209
Exchange realignment	(1,335)	(3)	(1,338)	(82)	(1,420)
As at 31 December 2023 and 1 January 2024	46,050	118	46,168	9,901	56,069
Additions	192	–	192	3,143	3,335
Exchange realignment	(1,521)	(4)	(1,525)	(391)	(1,916)
As at 31 December 2024 and 1 January 2025	44,721	114	44,835	12,653	57,488
Additions	137	–	137	981	1,118
Disposal	(603)	–	(603)	–	(603)
Transfer	9,004	–	9,004	(9,004)	–
Exchange realignment	2,529	6	2,535	423	2,958
As at 31 December 2025	55,788	120	55,908	5,053	60,961
Accumulated depreciation					
As at 1 January 2023	13,324	115	13,439	–	13,439
Charge for the year	2,123	–	2,123	–	2,123
Exchange realignment	(395)	(3)	(398)	–	(398)
As at 31 December 2023 and 1 January 2024	15,052	112	15,164	–	15,164
Charge for the year	2,091	–	2,091	–	2,091
Exchange realignment	(539)	(4)	(543)	–	(543)
As at 31 December 2024 and 1 January 2025	16,604	108	16,712	–	16,712
Charge for the year	2,536	–	2,536	–	2,536
Exchange realignment	921	6	927	–	927
As at 31 December 2025	20,061	114	20,175	–	20,175
Carrying amount					
As at 31 December 2025	35,727	6	35,733	5,053	40,786
As at 31 December 2024	28,117	6	28,123	12,653	40,776
As at 31 December 2023	30,998	6	31,004	9,901	40,905

The carrying values of the property, plant and equipment and construction in progress attributable to the Gold Mining CGU are included in the impairment assessment as set out in note 5(c) to the Historical Financial Information.

13. RIGHT-OF-USE ASSETS

	Leasehold land
	HK$'000
As at 1 January 2023	1,128
Depreciation charge for the year	(53)
Exchange realignment	(31)
As at 31 December 2023 and 1 January 2024	1,044
Depreciation charge for the year	(52)
Exchange realignment	(33)
As at 31 December 2024 and 1 January 2025	959
Depreciation charge for the year	(52)
Exchange realignment	48
As at 31 December 2025	955

The right-of-use assets represent Jincheng Mining's right-to-use underlying leased land situated in the PRC with lease terms of 30 years. Lump sum payments were made upfront to acquire the land use rights from the relevant parties.

The right-of-use assets of leasehold land are amortised based on the lease period.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Depreciation of right-of-use assets	53	52	52

The carrying value of the right-of-use assets is included in the impairment assessment of the Gold Mining CGU as set out in note 5(c) to the Historical Financial Information.

14. INVENTORIES

	As at 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Raw material	6	6	–

15. AMOUNTS DUE FROM/(TO) A RELATED COMPANY/A THEN EQUITY HOLDER

The amounts due are unsecured, interest-free and repayable on demand.

16. OTHER PAYABLES

	At 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Other payables	2,876	4,840	4,965
Less: Amount due for settlement within 12 months (shown under current liabilities)	(212)	(117)	–
Non-current portion	2,664	4,723	4,965

As at 31 December 2023, 2024 and 2025, Jincheng Mining's non-current other payables mainly represented government funds received for tailings pond remediation of approximately HK$2,664,000, HK$4,723,000 and HK$4,965,000, respectively. The balances were classified as non-current as they were not expected to be settled within twelve months after the end of the respective reporting periods.

17. PAID-IN CAPITAL

	At 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Registered and paid-in capital	74,450	74,450	74,450

As at 31 December 2023, 2024 and 2025, the registered and paid-in capital of Jincheng Mining was RMB60,800,000 (equivalent to approximately HK$74,450,000).

18. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Major non-cash transaction

During the year ended 31 December 2025, the then equity holder of Jincheng Mining assumed net liabilities of the company totaling HK$448,000, which was reflected as a non-cash increase in the amount due to the equity holder. The total balance of approximately HK$11,289,000, representing the assumed liabilities and the existing amount due, was subsequently waived irrevocably and unconditionally by the equity holder. Such waiver was accounted for as a deemed capital contribution and credited directly to the capital reserve of Jincheng Mining.

(b) Reconciliation of liabilities arising from financing activities

The table set forth below sets out the details of changes in Jincheng Mining's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in Jincheng's statement of cash flows as cash flows from financing activities.

	Amount due to the then equity holder
	HK$'000
As at 1 January 2023	–
Changes from financing cash flows	11,053
Other changes:	
Exchange realignment	(91)
As at 31 December 2023 and 1 January 2024	10,962
Other changes:	
Exchange realignment	(361)
As at 31 December 2024 and 1 January 2025	10,601
Other changes:	
Net liabilities assumed by the then equity holder	448
Deemed capital contribution from the then equity holder	(11,289)
Exchange realignment	240
At 31 December 2025	–

19. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in this Accountants' Report, Jincheng Mining had no other material transactions with related parties during the Relevant Periods.

20. CONTINGENT LIABILITIES

As at 31 December 2025, Jincheng Mining did not have significant contingent liabilities.

21. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International, an intermediate holding company of Jincheng Mining, to Target Company. As a result, the Target Company became an intermediate holding company of Jincheng Mining, while Ms. Lu remains the ultimate controlling party of Jincheng Mining.

Save as disclosed above, the sole director of Jincheng Mining as at the date of this report is not aware of any other significant events after the reporting period and up to the date of this report.

22. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Jincheng Mining have been prepared in respect of any period subsequent to 31 December 2025.

The following is the text of a report, set out on pages IIE-1 to IIE-44, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF NINGSHAN COUNTY BBG MINING CO., LTD TO THE DIRECTORS OF GT GOLD HOLDINGS LIMITED

INTRODUCTION

We report on the historical financial information of Ningshan County Bubugao Mining Co., Ltd*(寧陝縣步步高礦業有限責任公司)("**BBG Mining**") set out on pages IIE-4 to IIE-44, which comprises the statements of financial position of BBG Mining as at 31 December 2023, 2024 and 2025 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for each of years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIE-4 to IIE-44 forms an integral part of this report, which has been prepared for inclusion in the circular of the GT Gold Holdings Limited (the "**Company**") dated 5 June 2026 (the "**Circular**") in connection with the proposed major transaction in relation to acquisition of the entire issued share capital of Changsheng United Investment Limited (the "**Target Company**") by the Company, which indirectly holds an 80% equity interest in BBG Mining.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of BBG Mining is responsible for the preparation of the underlying financial statements (the "**Underlying Financial Statements**") on which the Historical Financial Information is based. These statements give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of BBG Mining determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

* *English name is for identification purposes only*

The directors of the Company are responsible for the contents of this Circular, including the Historical Financial Information of BBG Mining, and for ensuring that the accounting policies determined by the sole director of BBG Mining are materially consistent with those adopted by the Company.

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" issued by the Hong Kong Institute of Certified Public Accountants (the "**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 Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 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 sole director of BBG Mining, 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.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial positions of BBG Mining as at 31 December 2023, 2024 and 2025 and of its financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the Historical Financial Information which indicates that BBG Mining had net current liabilities of approximately HK$695,000 as at 31 December 2025 and BBG Mining had incurred a loss of approximately HK$1,644,000 for the year ended 31 December 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt about BBG Mining's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 have been made.

DIVIDENDS

We refer to note 11 to the Historical Financial Information which states that no dividend has been paid by BBG Mining in respect of the Relevant Periods.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

HISTORICAL FINANCIAL INFORMATION OF BBG MINING

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 BBG Mining for the Relevant Periods, on which the Historical Financial Information is based, were prepared by the sole director of BBG Mining in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA (the "**Underlying Financial Statements**") and were audited by McMillan Woods (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

A. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December		
		2023	2024	2025
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*7*	–	–	–
Other income	*7*	1	1	–[#]
Administrative expenses		(1,559)	(1,527)	(1,644)
Loss before tax	*8*	(1,558)	(1,526)	(1,644)
Income tax expense	*9*	–	–	–
Loss for the year		(1,558)	(1,526)	(1,644)
Other comprehensive (expense)/income:				
Item that will not be reclassified to profit or loss:				
Exchange differences arising on translation from functional currency to presentation currency		(2,702)	(2,988)	5,041
Loss and total comprehensive (expense)/ income for the year		(4,260)	(4,514)	3,397

[#] *Represents amount less than HK$1,000*

B. STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	*12*	13,000	11,960	59,715
Construction in progress	*12*	241	532	–
Right-of-use assets	*13*	1,185	1,089	1,084
Mining rights related assets	*14*	85,960	89,952	52,689
		100,386	103,533	113,488
Current assets				
Inventories	*15*	–	381	–
Deposits, prepayments and other receivables	*16*	1,627	1,384	–
Cash and bank balances		31	40	–[#]
		1,658	1,805	–[#]
Current liabilities				
Other payables	*17*	1,369	5,269	–
Amount due to a then equity holder	*18*	5,700	11,767	–
Amount due to a related company	*18*	3,255	1,096	695
		10,324	18,132	695
Net current liabilities		(8,666)	(16,327)	(695)
Net assets		91,720	87,206	112,793
Capital and reserves				
Paid-in capital	*19*	132,246	132,246	132,246
Reserves		(40,526)	(45,040)	(19,453)
Total equity		91,720	87,206	112,793

[#] *Represents amount less than HK$1,000*

C. STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Capital reserve	Foreign currency translation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 1 January 2023	132,246	20,015	(8,861)	(47,420)	95,980
Loss for the year	–	–	–	(1,558)	(1,558)
Exchange differences arising on translation from functional currency to presentation currency	–	–	(2,702)	–	(2,702)
Total comprehensive expense for the year	–	–	(2,702)	(1,558)	(4,260)
As at 31 December 2023 and 1 January 2024	132,246	20,015	(11,563)	(48,978)	91,720
Loss for the year	–	–	–	(1,526)	(1,526)
Exchange differences arising from translation of financial statements	–	–	(2,988)	–	(2,988)
Total comprehensive expense for the year	–	–	(2,988)	(1,526)	(4,514)
As at 31 December 2024 and 1 January 2025	132,246	20,015	(14,551)	(50,504)	87,206
Loss for the year	–	–	–	(1,644)	(1,644)
Exchange differences arising from translation of financial statements	–	–	5,041	–	5,041
Total comprehensive income/(expense) for the year	–	–	5,041	(1,644)	3,397
Deemed contribution from a then equity holder	–	22,190	–	–	22,190
As at 31 December 2025	132,246	42,205	(9,510)	(52,148)	112,793

D. STATEMENTS OF CASH FLOWS

	For the year ended 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from operating activities			
Loss before tax	(1,558)	(1,526)	(1,644)
Adjustments for:			
Depreciation on property, plant and equipment	677	668	693
Depreciation on right-of-use assets	60	59	59
Interest income	(1)	(1)	–[#]
Operating cash flows before movements in working capital	(822)	(800)	(892)
Changes in inventories	–	(389)	390
Changes in deposits, prepayments and other receivables	(1,641)	193	352
Changes in other payables	817	4,030	3,219
Net cash (used in)/generated from operating activities	(1,646)	3,034	3,069
Cash flows from investing activities			
Purchases of property, plant and equipment	(204)	(43)	(41)
Additions of construction in progress	(865)	(305)	(83)
Expenditure incurred on mining rights related assets	(6,387)	(6,969)	(2,541)
Interest received	1	1	–[#]
Net cash used in investing activities	(7,455)	(7,316)	(2,665)
Cash flows from financing activities			
Increase/(decrease) in amount due to a related company	3,386	(2,096)	(445)
Advance from a then equity holder	5,747	6,389	–
Net cash generated from/(used in) financing activities	9,133	4,293	(445)
Net increase/(decrease) in cash and cash equivalents	32	11	(41)
Cash and cash equivalents at the beginning of the year	–	31	40
Effect of foreign exchange rate changes, net	(1)	(2)	1
Cash and cash equivalents at the end of the year	31	40	–
Analysis of the balances of cash and cash equivalents			
Cash and bank balances	31	40	–

[#] *Represents amount less than HK$1,000*

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Ningshan County Bubugao Mining Co., Ltd* (寧陝縣步步高礦業有限責任公司)("**BBG Mining**") was established in the People's Republic of China ("**the PRC**") with limited liability on 30 December 2008. The address of its registered office and principal place of business is Fengfu Town, Ningshan County, Ankang City, Shaanxi Province, the PRC.

BBG Mining is primarily engaged in gold exploration and mining. During the Relevant Periods, BBG Mining remained in its exploration stage and had not commenced commercial production or generated any revenue.

In the opinion of the directors of BBG Mining, Mr. Jiang Xiaojun and Mr. Liu Jizhi were the ultimate controlling parties and equity holders of BBG Mining prior to 1 January 2023 and continued in that capacity until 10 December 2025.

On 11 December 2025, the entire equity interest in BBG Mining was acquired by Shenzhen Excellence Gold Industry Co., Ltd*(深圳卓越黃金實業有限公司)("**Shenzhen Excellence**"), a company established in the PRC, which thereby became the immediate holding entity of BBG Mining.

Shenzhen Excellence is a direct wholly-owned subsidiary of Cathay Gold Mining Development (Shenzhen) Co., Ltd*(國泰黃金礦業發展(深圳)有限公司)("**Cathay Gold Mining**"), a company established in the PRC, which is wholly owned by Shangshan International Asset Management Limited ("**Shangshan International**"), a company incorporated in Hong Kong. In the opinion of the directors of BBG Mining, as at 11 December 2025, Shangshan International was controlled as to 80% by Ms. Lu Runqun ("**Ms. Lu**"). Accordingly, Ms. Lu has been the ultimate controlling party of BBG Mining since 11 December 2025.

Subsequent to the reporting period, on 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International to Changsheng United Investment Limited (the "**Target Company**"), a company incorporated in the British Virgin Islands. As a result, the Target Company became an intermediate holding company of BBG Mining, while Ms. Lu remains the ultimate controlling party of BBG Mining.

* *English name is for identification purposes only*

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. The Historical Financial Information also complies with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

Notwithstanding the fact that BBG Mining had net current liabilities of approximately HK$695,000 as at 31 December 2025 and BBG Mining had incurred a loss of approximately HK$1,644,000 for the year ended 31 December 2025, the sole director of BBG Mining have prepared the Historical Financial Information on a going concern basis, the validity of which depends upon the financial support of the ultimate controlling party, at a level sufficient to finance the working capital requirements of BBG Mining. The ultimate controlling party has agreed to provide adequate funds for BBG Mining to meet its liabilities as they fall due.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Periods, BBG Mining has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for its accounting period beginning on 1 January 2025, together with the relevant transitional provision, throughout the Relevant Periods.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

BBG Mining has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvement to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 21 – The Effects of Changes in Foreign Exchange Rates	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to Hong Kong Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The sole director of BBG Mining anticipates that the application of new and revised HKFRS Accounting Standards will not have material impact on BBG Mining's financial performance and financial position except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's result and/or financial position, and giving further details of the impact in accordance with HKAS 8.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how BBG Mining presents and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The sole director of BBG Mining is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the Historical Financial Information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying BBG Mining's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of Historical Financial Information are set out below.

(a) Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost of self-constructed properties are classified as property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overhead.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over, the shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion.
- Mine properties 30 years
- Plant and machinery 15 years
- Others (including motor vehicles and furniture, fixtures and office equipment) 3-10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The gain or loss on disposal or retirement of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the statement of profit or loss.

(c) Mining rights related assets

Mining rights related assets with definite useful lives are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation is provided using the unit of production method based on the actual production volume over the estimated total proved and probable reserves of the ore.

(d) Leases

At inception of a contract, BBG Mining assesses whether the 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

BBG Mining as a lessee

At the lease commencement date, BBG Mining recognises a right-of-use asset and a lease liability, except for short- term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, BBG Mining:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by BBG Mining, which do not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then BBG Mining use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use assets recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use assets is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value.

Right-of-use assets in which BBG Mining is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in BBG Mining's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether BBG Mining will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(e) Exploration and evaluation assets

These are stated at cost less impairment loss. Exploration and evaluation assets included topographical and geological survey drilling, exploratory drilling, sampling and trenching and expenditure incurred for the technical feasibility studies and incurred to secure further mineralisation in the mine ore. Expenditure incurred prior to obtaining the exploration and evaluation rights to explore an area are written off as expense as incurred. Once the technical feasibility and commercial viability of extracting the mineral resource had been determined and that the project reaches development phase, exploration and evaluation costs capitalised are amortised. If exploration property is abandoned during the evaluation stage, the total expenditure thereon will be written off.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amounts of exploration and evaluation assets may exceed its recoverable amount.

(f) Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(g) Inventories

BBG Mining's inventories include raw materials.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method.

At the end of the reporting period, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss for the Relevant Periods. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the Relevant Periods.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion. The estimated costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which BBG Mining must incur to make the sale and relevant taxes. For raw materials, provision for decline in value is made based on the categories of inventories. For finished goods, provision for decline in value is made on an item-by-item basis.

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when BBG Mining becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

BBG Mining derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If BBG Mining neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, BBG Mining recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If BBG Mining retains substantially all the risks and rewards of ownership of a transferred financial asset, BBG Mining continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

BBG Mining derecognises financial liabilities when, and only when, BBG Mining's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Debt instruments

Debt instruments held by BBG Mining are classified into amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method.

(j) Other receivables

A receivable is recognised when BBG Mining has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before BBG Mining has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of BBG Mining's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("**ECLs**").

(l) Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of BBG Mining after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information of BBG Mining are measured using the currency of the primary economic environment in which BBG Mining operates (the "**functional currency**"), which is Renminbi ("**RMB**").

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**"), which is BBG Mining's presentation currency. The directors of BBG Mining consider that the presentation of the Historical Financial Information in HK$ is appropriate as it is consistent with the presentation currency of its holding companies and is considered to be more relevant to the equity holders and investors.

(ii) Transactions and balances in Historical Financial Information

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on Historical Financial Information

The results and financial position of BBG Mining that have a functional currency different from BBG Mining's presentation currency are translated into BBG Mining's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(n) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. BBG Mining's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary different.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which BBG Mining expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and BBG Mining intends to settle its current tax assets and liabilities on a net basis.

(o) Impairment of financial assets

BBG Mining recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, BBG Mining recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, BBG Mining measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Lifetime ECLs represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, BBG Mining compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, BBG Mining considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which BBG Mining's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to BBG Mining's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, BBG Mining presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless BBG Mining has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, BBG Mining assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default;

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

BBG Mining considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

BBG Mining regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

BBG Mining considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including BBG Mining, in full (without taking into account any collaterals held by BBG Mining).

Irrespective of the above analysis, BBG Mining considers that default has occurred when a financial asset is more than 90 days past due unless BBG Mining has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because it financial difficulties.

Write-off policy

BBG Mining writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under BBG Mining's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECLs

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, BBG Mining's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECLs is estimated as the difference between all contractual cash flows that are due to BBG Mining in accordance with the contract and all the cash flows that BBG Mining expects to receive, discounted at the original effective interest rate.

If BBG Mining has measured the loss allowance for a financial instrument at an amount equal to lifetime ECLs in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, BBG Mining measures the loss allowance at an amount equal to 12-month ECLs at the current reporting date, except for assets for which simplified approach was used.

BBG Mining recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when BBG Mining has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(q) Event after the reporting period

Events after the reporting period that provide additional information about BBG Mining's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In the application of BBG Mining's accounting policies, the directors of BBG Mining are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of BBG Mining have made the following judgements that have the most significant effect on the amounts recognised in the Historical Financial Information (apart from those involving estimations, which are dealt with below).

(a) Significant increase in credit risk

ECLs under general approach are measured as an allowance equal to 12-month ECLs for stage 1 assets, or lifetime ECLs for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased BBG Mining takes into account qualitative and quantitative reasonable and supportable forward looking information.

(b) Going concern basis

The Historical Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support from the ultimate controlling party of BBG Mining to finance the working capital requirements of BBG Mining. Details are explained in note 2 to the Historical Financial Information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for ECLs of deposits and other receivables

Management regularly reviews the impairment of deposits and other receivables to ensure appropriate allowance for ECLs of deposits and other receivables are recognised in the statement of profit or loss.

Where differences between all contractual cash flows that are due to BBG Mining in accordance with the contract and all cash flows that BBG Mining expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to change in facts and circumstances, a material impairment loss may arise.

As at 31 December 2023, 2024 and 2025, BBG Mining had balances of deposits and other receivables of approximately HK$1,627,000, HK$1,384,000 and HK$Nil respectively. No impairment loss was recognised on these balances during the Relevant Periods.

(b) Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and machinery of similar nature and functions.

The estimated useful lives reflect the management's estimate of the period that BBG Mining intends to derive future economic benefits from the use of BBG Mining's property, plant and equipment. As at 31 December 2023, 2024 and 2025, the carrying amount of BBG Mining's property, plant and equipment was approximately HK$13,000,000, HK$11,960,000 and HK$59,715,000 respectively.

(c) Impairment assessment of the cash generating unit ("CGU") of gold mining operation ("Gold Mining CGU")

The carrying values of property, plant and equipment, construction in progress, mining rights related assets and right-of-use assets attributable to the Gold Mining CGU are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable in accordance with the accounting policy information as disclosed in note 4 to the Historical Financial Information. The recoverable amount of these assets, or where appropriate, the Gold Mining CGU to which they belong, is determined based on the higher of fair value less costs of disposal and value in use.

BBG Mining has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, BBG Mining estimates the recoverable amount of the Gold Mining CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

The directors of BBG Mining have performed an impairment assessment and concluded that no impairment loss was necessary during the Relevant Periods on property, plant and equipment, construction in progress, right-of-use assets and mining rights related assets. In making this assessment, the directors of BBG Mining have considered the exploration and evaluation stage of the gold mining operation, the continuous possession of valid mineral resource exploration permits throughout the Relevant Periods, and the substantive capital expenditure incurred for the development of mine infrastructure in preparation for commercial production.

Furthermore, the directors of BBG Mining have taken into account the estimated amount of gold resources and ore reserves in the mine, the prevailing market price and future price trends of gold, the technical feasibility of mining the gold as demonstrated by feasibility studies, and the remaining legal tenure and allowed mining period specified in the mining license.

The directors of BBG Mining also took into account the formal approval for the extension of the mining license in February 2026 (as further disclosed in note 23 to the Historical Financial Information), which was consistent with the directors' expectation during the Relevant Periods that the mining rights remained legally secured and the gold mining operation remained commercially viable. Based on these factors, the directors of BBG Mining determined that the recoverable amount of the Gold Mining CGU exceeded its carrying value as at 31 December 2023, 2024 and 2025.

The carrying values of property, plant and equipment, construction in progress, mining rights related assets and right-of-use assets attributable to the Gold Mining CGU at the end of each Relevant Periods are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Property, plant and equipment *(note 12)*	13,000	11,960	59,715
Construction in progress *(note 12)*	241	532	–
Right-of-use assets *(note 13)*	1,185	1,089	1,084
Mining rights related assets *(note 14)*	85,960	89,952	52,689

6. FINANCIAL RISK MANAGEMENT

BBG Mining's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk. BBG Mining's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on BBG Mining's financial performance.

(a) Foreign currency risk

BBG Mining has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of BBG Mining's entities. BBG Mining currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. BBG Mining monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Interest rate risk

BBG Mining's exposure to cash flow interest rate risk arises primarily from its bank deposits.

BBG Mining currently does not have any interest rate hedging policy. Management monitors BBG Mining's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Except as stated above, BBG Mining did not have other significant interest-bearing assets and liabilities at the end of each of the Relevant Periods, and its income and operating cash flows were substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on BBG Mining's Historical Financial Information.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. BBG Mining is exposed to credit risk from its operating activities (primarily deposits and other receivables), and from its financing activities, including deposits with banks and financial institutions. BBG Mining's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which BBG Mining considers to have low credit risk.

BBG Mining does not provide any financial guarantees which would expose BBG Mining to credit risk.

The carrying amounts of deposits and other receivables and bank balances included in the statement of financial position represents BBG Mining's maximum exposure to credit risk in relation to BBG Mining's financial assets.

In order to minimise credit risk, BBG Mining has policies in place to develop and maintain its credit risk grading to categorise exposures according to their degree of risk of default. BBG Mining uses publicly available financial information and own historical repayment records to rate its major debtors. BBG Mining's exposure and the credit rating of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For deposits and other receivables, the directors make periodic individual assessments on the recoverability of deposits and other receivables.

(d) Liquidity risk

For the management of BBG Mining's liquidity risk, BBG Mining monitors and maintains a sufficient level of cash and cash equivalents to finance BBG Mining's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors BBG Mining's working capital requirements regularly.

The following table sets out the remaining contractual maturities of BBG Mining's non-derivative financial liabilities at the end of each of the Relevant Periods, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the prevailing rates at the end of each of the Relevant Periods) and the earliest date BBG Mining can be required to pay.

The maturity analysis of BBG Mining's financial liabilities based on contractual undiscounted cash flows is as follows:

	As at 31 December 2025			
	Within one year or on demand	**After one year**	**Total Contractual undiscounted cash flow**	**Carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due to a related company	695	–	695	695

	As at 31 December 2024			
	Within one year or on demand	**After one year**	**Total Contractual undiscounted cash flow**	**Carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	5,269	–	5,269	5,269
Amount due to a then equity holder	11,767	–	11,767	11,767
Amount due to a related company	1,096	–	1,096	1,096
	18,132	–	18,132	18,132

	As at 31 December 2023			
	Within one year or on demand	**After one year**	**Total Contractual undiscounted cash flow**	**Carrying amount**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	1,369	1,369	1,369	–
Amount due to a then equity holder	5,700	5,700	5,700	–
Amount due to a related company	3,255	3,255	3,255	–
	10,324	10,324	10,324	–

(e) Capital risk management

The primary objective of BBG Mining's capital management is to safeguard BBG Mining's ability to continue as a going concern in order to support its business and maximise equity holders' value. To maintain or adjust the capital structure, BBG Mining may adjust the payment of distributions to its equity holders, obtain additional capital contributions, sell assets as well as issue new debts or repay existing debts.

BBG Mining manages its capital structure and makes adjustments to it, in light of the cost and risk associated with the capital and changes in economic conditions.

(f) Fair values

The carrying amounts of BBG Mining's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values at the end of each of the Relevant Periods.

7. REVENUE AND OTHER INCOME

(a) Revenue

BBG Mining did not generate any revenue during the Relevant Periods.

(b) Other income

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Bank interest income	1	1	–[#]

[#] *Represents amount less than HK$1,000*

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Auditor's remuneration	–	–	–
Depreciation on property, plant and equipment	677	668	693
Depreciation on right-of-use assets	60	59	59
Directors' emoluments *(note 10)*	–	–	–

9. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory tax rate of BBG Mining is 25% for the Relevant Periods.

No provision for PRC Enterprise Income Tax is required since BBG Mining has no assessable profit during the Relevant Periods.

A reconciliation between the income tax expense and the amount derived by applying the statutory tax rate to the loss before tax is as follows:

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Loss before tax	(1,558)	(1,526)	(1,644)
Tax at the PRC Enterprise Income Tax rate of 25%	(390)	(382)	(411)
Tax effect of tax losses not recognised	390	382	411
Income tax expense	–	–	–

As at 31 December 2023, 2024 and 2025, BBG Mining had unused tax losses of approximately HK$1,562,000, HK$3,006,000 and HK$4,849,000 respectively available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. These tax losses will expire within 5 years from the respective years in which the losses were incurred.

10. DIRECTORS' EMOLUMENTS

(a) Directors' remuneration

The directors of BBG Mining during the Relevant Periods were Mr. Liu Ji and Mr. Zhou Wei. Mr. Liu Ji served as the sole director of BBG Mining until his resignation, after which Mr. Zhou Wei was appointed and served as the sole director during his term of office.

No fees or other emoluments were paid or were payable by BBG Mining to the directors in respect of services rendered to BBG Mining during the Relevant Periods.

(b) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to BBG Mining's business to which BBG Mining was a party and in which the then sole director of BBG Mining had a material interest, whether directly or indirectly, subsisted at the end of each of the Relevant Periods or at any time during the Relevant Periods.

(c) Loans, quasi-loans and other dealings in favour of the directors

No loans, quasi-loans or other dealings in favour of the then sole director of BBG Mining, bodies corporate controlled by such director, or entities connected with such director, subsisted at the end of each of the Relevant Periods or at any time during the Relevant Periods.

11. DIVIDEND

No dividend was paid or proposed by BBG Mining during the Relevant Periods.

12. PROPERTY, PLANT AND EQUIPMENT

	Mine properties	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Sub-total	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost							
As at 1 January 2023	13,664	5,575	317	2,495	22,051	–	22,051
Additions	–	204	–	–	204	865	1,069
Transfer from construction in progress	622	–	–	–	622	(622)	–
Exchange realignment	(392)	(159)	(9)	(71)	(631)	(2)	(633)
As at 31 December 2023 and 1 January 2024	13,894	5,620	308	2,424	22,246	241	22,487
Additions	3	9	31	–	43	305	348
Exchange realignment	(458)	(185)	(11)	(80)	(734)	(14)	(748)
As at 31 December 2024 and 1 January 2025	13,439	5,444	328	2,344	21,555	532	22,087
Additions	–	27	14	–	41	83	124
Transfer from construction in progress	627	–	–	–	627	(627)	–
Transfer from mining rights related assets	45,885	–	–	–	45,885	–	45,885
Exchange realignment	1,988	280	17	121	2,406	12	2,418
As at 31 December 2025	61,939	5,751	359	2,465	70,514	–	70,514
Accumulated depreciation							
As at 1 January 2023	2,976	3,178	300	2,371	8,825	–	8,825
Charge for the year	318	359	–	–	677	–	677
Exchange realignment	(87)	(93)	(9)	(67)	(256)	–	(256)
As at 31 December 2023 and 1 January 2024	3,207	3,444	291	2,304	9,246	–	9,246
Charge for the year	311	352	5	–	668	–	668
Exchange realignment	(112)	(121)	(10)	(76)	(319)	–	(319)
As at 31 December 2024 and 1 January 2025	3,406	3,675	286	2,228	9,595	–	9,595
Charge for the year	332	354	7	–	693	–	693
Exchange realignment	183	198	16	114	511	–	511
As at 31 December 2025	3,921	4,227	309	2,342	10,799	–	10,799
Carrying values							
As at 31 December 2025	58,018	1,524	50	123	59,715	–	59,715
As at 31 December 2024	10,033	1,769	42	116	11,960	532	12,492
As at 31 December 2023	10,687	2,176	17	120	13,000	241	13,241

During the year ended 31 December 2025, capitalised costs of HK$45,885,000 were reclassified from mining rights related assets to mine properties in view of the progress of mine shaft construction works during the year.

The carrying values of the property, plant and equipment and construction in progress attributable to the Gold Mining CGU are included in the impairment assessment as set out in note 5(c) to the Historical Financial Information.

13. RIGHT-OF-USE ASSETS

	Leasehold land
	HK$'000
Right-of-use assets	
As at 1 January 2023	1,281
Depreciation charge for the year	(60)
Exchange realignment	(36)
As at 31 December 2023 and 1 January 2024	1,185
Depreciation charge for the year	(59)
Exchange realignment	(37)
As at 31 December 2024 and 1 January 2025	1,089
Depreciation charge for the year	(59)
Exchange realignment	54
As at 31 December 2025	1,084

The right-of-use assets represent BBG Mining's right-to-use underlying leased land situated in the PRC with lease terms of 30 years. Lump sum payments were made upfront to acquire the land use rights from the relevant parties.

The right-of-use assets of leasehold land are amortised based on the lease period.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	For the year ended 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Depreciation of right-of-use assets	60	59	59

The carrying value of the right-of-use assets is included in the impairment assessment of the Gold Mining CGU as set out in note 5(c) to the Historical Financial Information.

14. MINING RIGHTS RELATED ASSETS

	HK$'000
Cost	
As at 1 January 2023	81,942
Addition	6,387
Exchange realignment	(2,369)
As at 31 December 2023 and 1 January 2024	85,960
Addition	6,969
Exchange realignment	(2,977)
As at 31 December 2024 and 1 January 2025	89,952
Addition	5,153
Transfer to property, plant and equipment *(note (b))*	(45,885)
Exchange realignment	3,469
As at 31 December 2025	52,689

Notes:

Mining rights related assets represent the cost of exploration permits and mining rights permits, with the mining area situated within the exploration area. The exploration permit is valid until 8 May 2026.

(a) The mining right permit expired on 23 November 2021 and the renewal application was submitted on 26 December 2024. As at 31 December 2025, the renewal of the mining right permit was under processing. Details of the renewal approved after the reporting period are set out in note 23 to the Historical Financial Information.

(b) During the year ended 31 December 2025, mining rights related assets of approximately HK$45,885,000 were reclassified to mine properties under property, plant and equipment in view of the progress of mine shaft construction works during the year.

(c) The carrying value of the mining rights related assets is included in the impairment assessment of the Gold Mining CGU as set out in note 5(c) to the Historical Financial Information.

15. INVENTORIES

	As at 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Raw material	–	381	–

16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Prepayments	1,037	217	–
Other receivables	590	1,167	–
	1,627	1,384	–

17. OTHER PAYABLES

	As at 31 December		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Other payables	1,369	5,269	–

18. AMOUNTS DUE TO A THEN EQUITY HOLDER/A RELATED COMPANY

The amounts due are unsecured, interest-free and repayable on demand.

19. PAID-IN CAPITAL

	As at 31 December		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Registered and paid-in capital	132,246	132,246	132,246

As at 31 December 2023, 2024 and 2025, the registered and paid-in capital of BBG Mining was RMB108,000,000 (equivalent to approximately HK$132,246,000).

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

During the year ended 31 December 2025, the then equity holder of BBG Mining assumed net liabilities of the company totaling HK$10,156,000, which was reflected as a non-cash increase in the amount due to the equity holder. The total balance of approximately HK$22,190,000, representing the assumed liabilities and the existing amount due, was subsequently waived irrevocably and unconditionally by the equity holder. Such waiver was accounted for as a deemed capital contribution and credited directly to the capital reserve of BBG Mining.

(b) Reconciliation of liabilities arising from financing activities

The table set forth below sets out the details of changes in BBG Mining's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in BBG's statement of cash flows as cash flows from financing activities.

	Amount due (from)/to a related company	**Amount due to a then equity holder**
	HK$'000	*HK$'000*
As at 1 January 2023	(106)	–
Changes from financing cash flows	3,386	5,747
Other changes:		
Exchange realignment	(25)	(47)
As at 31 December 2023 and 1 January 2024	3,255	5,700
Changes from financing cash flows	(2,096)	6,389
Other changes:		
Exchange realignment	(63)	(322)
As at 31 December 2024 and 1 January 2025	1,096	11,767
Changes from financing cash flows	(445)	–
Other changes:		
Net liabilities transferred to a then equity holder	–	10,156
Deemed capital contribution from a then equity holder	–	(22,190)
Exchange realignment	44	267
As at 31 December 2025	695	–

21. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in this Accountants' Report, BBG Mining had no other material transactions with related parties during the Relevant Periods.

22. CONTINGENT LIABILITIES

As at 31 December 2025, BBG Mining did not have significant contingent liabilities.

23. EVENTS AFTER THE REPORTING PERIOD

(a) On 2 February 2026, BBG Mining increased its registered capital from RMB108,000,000 to RMB150,000,000.

(b) On 13 February 2026, BBG Mining received an official notice from the Shaanxi Provincial Department of Natural Resources approving the renewal of the mining right permit with permit no. XC6100002016114110143362. The renewed mining right permit covers a mining area of 1.0367 sq.km and is valid from 13 February 2026 to 13 February 2032.

The official notice specifies while the physical permit is temporarily pending issuance due to the technical upgrade of the provincial mining rights approval system during the transition period of the Mineral Resources Law of the PRC, BBG Mining may conduct normal mining operations or apply for work resumption procedures within the approved validity period based on the said notice.

(c) On 24 March 2026, Ms. Lu transferred her 80% equity interest in Shangshan International, an intermediate holding company of BBG Mining, to Target Company. As a result, the Target Company became an intermediate holding company of BBG Mining, while Ms. Lu remains the ultimate controlling party of BBG Mining.

Save as disclosed above, the sole director of BBG Mining as at the date of this report is not aware of any other significant events after the reporting period and up to the date of this report.

24. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of BBG Mining have been prepared in respect of any period subsequent to 31 December 2025.

The following is the text of a report, set out on pages IIF-1 to IIF-17, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF TARGET COMPANY TO THE DIRECTORS OF GT GOLD HOLDINGS LIMITED

INTRODUCTION

We report on the historical financial information of Target Company set out on pages IIF-4 to IIF-17, which comprises the statement of financial position of Target Company as at 28 February 2026 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 8 January 2026 (date of establishment) to 28 February 2026 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIF-4 to IIF-17 forms an integral part of this report, which has been prepared for inclusion in the circular of GT Gold Holdings Limited (the "**Company**") dated 5 June 2026 (the "**Circular**") in connection with the proposed major transaction in relation to acquisition of the entire issued share capital of the Target Company by the Company.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The sole director of Target Company is responsible for the underlying financial statements (the "**Underlying Financial Statements**") on which the Historical Financial Information is based. These statements give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information, and for such internal control as the sole director of Target Company determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of this Circular, including the Historical Financial Information of Target Company, and for ensuring that the accounting policies determined by the sole director of Target Company are materially consistent with those adopted by the Company.

* *English name is for identification purposes only*

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" issued by the Hong Kong Institute of Certified Public Accountants (the "**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 Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in note 2 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 sole director of Target Company, 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.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial positions of Target Company as at 28 February 2026 and of its financial performance and cash flows for the period in accordance with the basis of preparation and presentation set out in note 2 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 have been made.

DIVIDENDS

We refer to note 11 to the Historical Financial Information which states that no dividend has been paid by Target Company in respect of the period.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

HISTORICAL FINANCIAL INFORMATION OF TARGET COMPANY

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 Target Company for the period, on which the Historical Financial Information is based, were prepared by the sole director of Target Company in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA (the "**Underlying Financial Statements**") and were audited by McMillan Woods (Hong Kong) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

A. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the period from 8 January 2026 (date of establishment) to 28 February 2026 HK$'000
Revenue	7	–
Administrative expenses		–
Loss before tax	8	–
Income tax expense	9	–
Loss and total comprehensive income for the period		–

Represents amount less than HK$1,000

B. STATEMENT OF FINANCIAL POSITION

	Notes	As at 28 February 2026 HK$'000
Current asset		
Amounts due from the then shareholders	*12*	–#
Net assets		–#
Capital and reserves		
Paid-in capital	*13*	–#
Reserves		–
Total equity		–#

Represents amount less than HK$1,000

C. STATEMENT OF CHANGES IN EQUITY

	Paid-in capital HK$'000	Accumulated loss HK$'000	Total HK$'000
As at 8 January 2026 (date of establishment) allotment of share	–#	–	–#
Loss for the period	–	–	–
As at 28 February 2026	–#	–	–#

Represents amount less than HK$1,000

D. STATEMENT OF CASH FLOWS

	For the period from 8 January 2026 (date of establishment) to 28 February 2026
	HK$'000
Cash flows from operating activities	
Net cash used in operating activities	–
Net increase in cash and cash equivalents	–
Cash and cash equivalents at the end of the period	–

Represents amount less than HK$1,000

E. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Target Company was established in the British Virgin Islands ("**BVI**") with limited liability on 8 January 2026. The address of its registered office and principal place of business is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI.

Target Company is principally engaged in investment holding and has not carried on any other business since the date of its establishment.

In the opinion of the director of Target Company, the immediate and ultimate holding company of Target Company was Cathay Gold Investment Holdings Limited ("Cathay Gold"), a company incorporated in BVI.

2. BASIS OF PREPARATION AND PRESENTATION

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. The Historical Financial Information also complies with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the period, Target Company has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for its accounting period beginning on 8 January 2026, together with the relevant transitional provision, throughout the period.

(b) New and revised HKFRS Accounting Standards in issue but not yet effective

Target Company has not early applied the following new and revised HKFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvement to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 21 – The Effects of Changes in Foreign Exchange Rates	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The sole director of Target Company anticipates that the application of new and revised HKFRS Accounting Standards will not have material impact on Target Company's financial performance and financial position except for HKFRS 18 – Presentation and Disclosure in Financial Statements which may have impact on the entity's result and/or financial position, and giving further details of the impact in accordance with HKAS 8.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 – Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how Target Company presents and discloses financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The sole director of Target Company is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the Historical Financial Information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Target Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of Historical Financial Information are set out below.

(a) Other income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(b) Subsidiaries

Subsidiaries are entities over which Target Company has control. Target Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Target Company has power over an entity when Target Company has existing rights that give it the current ability to direct the relevant activities (i.e. activities that significantly affect the entity's returns).

When assessing control, Target Company considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Investment in a subsidiary is stated at cost less impairment loss, if any, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by Target Company on the basis of dividend received or receivable.

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when Target Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Target Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Target Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Target Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Target Company retains substantially all the risks and rewards of ownership of a transferred financial asset, Target Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Target Company derecognises financial liabilities when, and only when, Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of Target Company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("**ECLs**").

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the Historical Financial Information of Target Company are measured using the currency of the primary economic environment in which Target Company operates (the "**functional currency**"), which is United States Dollar ("**USD**")

The Historical Financial Information is presented in Hong Kong dollars ("**HK$**"), which is Target Company's presentation currency. The directors of Target Company consider that the presentation of the Historical Financial Information in HK$ is appropriate as it is consistent with the presentation currency of its holding company and is considered to be more relevant to the equity holders and investors.

(ii) Transactions and balances in Historical Financial Information

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on Historical Financial Information

The results and financial position of Target Company that have a functional currency different from Target Company's presentation currency are translated into Target Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(f) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(g) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Target Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business

combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary different.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in a subsidiary, except where Target Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which Target Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Target Company intends to settle its current tax assets and liabilities on a net basis.

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Target Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(i) Event after the reporting period

Events after the reporting period that provide additional information about Target Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

Given the Company's simple financial position, management considers that there are no critical accounting judgements, key sources of estimation uncertainty disclosures required.

6. FINANCIAL RISK MANAGEMENT

Target Company was incorporated on 8 January 2026 and has not yet commenced any business since the date of incorporation. The financial risks faced by Target Company are considered to be minimal.

Capital risk management

The primary objective of Target Company's capital management is to safeguard Target Company's ability to continue as a going concern in order to support its business and maximise equity holders' value. To maintain or adjust the capital structure, Target Company may adjust the payment of distributions to its equity holders, obtain additional capital contributions, sell assets as well as issue new debts or repay existing debts.

Target Company manages its capital structure and makes adjustments to it, in light of the cost and risk associated with the capital and changes in economic conditions.

7. REVENUE AND OTHER INCOME

Revenue

Target Company did not generate any revenue during the period.

8. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

	For the period from 8 January 2026 (date of establishment) to 28 February 2026
	HK$'000
Auditor's remuneration	–
Directors' emoluments *(note 10)*	–

9. INCOME TAX EXPENSE

The Company is incorporated in BVI. Under the current laws of the BVI, there is no income tax, corporate tax, capital gains tax, inheritance tax, gift tax or withholding tax applicable to the Company. Accordingly, no provision for income tax has been made in the financial statements.

10. DIRECTORS' EMOLUMENTS

(a) Directors' remuneration

No fees or other emoluments were paid or payable by Target Company to the directors in respect of services rendered to Target Company during the period.

(b) Directors' material interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to Target Company's business to which Target Company was a party and in which the then sole director of Target Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

(c) Loans, quasi-loans and other dealings in favour of the directors

No loans, quasi-loans or other dealings in favour of the then sole director of Target Company, bodies corporate controlled by such directors, or entities connected with such directors, subsisted at the end of the period or at any time during the period.

11. DIVIDEND

No dividend was paid or proposed by Target Company during the period.

12. AMOUNT DUE FROM THE THEN SHAREHOLDER

The amount due form the then shareholder is unsecured, interest – free, repayable on demand and denominated in USD.

13. PAID-IN CAPITAL

	HK$'000
As at 8 January 2026 (date of establishment) and as at 28 February 2026	–#

Note:

As at 8 January 2026, the Target Company issued 1 share with USD 1.

14. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in this Accountants' Report, Target Company had no other material transactions with related parties during the period.

15. CONTINGENT LIABILITIES

As at 28 February 2026, Target Company did not have significant contingent liabilities.

16. EVENTS AFTER THE REPORTING PERIOD

The sole director of Target Company as at the date of this report is not aware of any significant events after the reporting period and up to date of this report.

17. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Target Company have been prepared in respect of any period subsequent to 28 February 2026.

The financial statements of the Target Company for are set out in Appendix II to this circular. Set out below are the management discussion and analysis on the Target Company for the said year.

BUSINESS REVIEW

Immediately prior to the Completion, the Target Group was held as to 100% by the Vendor. After Completion, the Company shall be interested in the entire issued share capital of the Target Company and 80% of the equity interest of the Target Group.

The Target Group was incorporated on 8 January 2026.It is engaged in the exploration and mining of gold and related minerals. The Project Companies hold the Mining License and the Exploration License is currently under renewal in respect of the Gold Mine.

Shangshan International was incorporated in Hong Kong with limited liability on 8 August 2024.it is principally engaged in investment holding and has not carried on any other business since the date of its incorporation.

Cathay Gold Mining was established in the People's Republic of China ("The PRC") with limited liability on 15 September 2025.It principally engaged in investment holding and has not carried on any other business since the date of its establishment.

Shenzhen Excellence was established in The PRC with limited liability on 17 September 2025.It is principally engaged in investment holding and has not carried on any other business since the date of its establishment.

Jincheng Mining was established in The PRC with limited liability on 18 June 2012.It primarily engaged in mineral processing in the PRC. During the Relevant Periods, Jincheng Mining remained in its development and construction phase and as a result, had not yet commenced commercial production or generated any revenue.

BBG Mining was established in The PRC with limited liability on 30 December 2008. BBG Mining is primarily engaged in gold exploration and mining. During the Relevant Periods, BBG Mining remained in its exploration stage and had not commenced commercial production or generated any revenue.

FINANCIAL REVIEW

Revenue, Cost of sales, Gross profit

Target Group have yet to commence production, they did not have any revenue, cost of sales and gross profit for each of the years ended 31 December 2023, 2024 and 2025.

Administrative expenses

Shangshan International recorded administrative expenses of approximately HKD 0 and HKD 6,000 for the years ended 31 December 2024, 2025.

Cathy Gold Mining recorded administrative expenses of approximately HKD 473,000 for the year ended 31 December 2025.

Shenzhen Excellence recorded administrative expenses of approximately HKD 3,000 for the year ended 31 December 2025.

Jincheng Mining recorded administrative expenses of approximately HKD 2.3 million, HKD 2.1 million and HKD 3.7 million for the years ended 31 December 2023, 2024, 2025 respectively. The administrative expenses mainly comprised depreciation on property, plant and equipment.

BBG Mining recorded administrative expenses of approximately HKD 1.6 million, HKD 1.5 million and HKD 1.6 million for the years ended 31 December 2023, 2024, 2025 respectively. The administrative expenses mainly comprised depreciation on property, plant and equipment.

Loss for the year

Shangshan International recorded loss and total comprehensive expense of approximately HKD 0 and HKD 6,000 for the years ended 31 December 2024, 2025.

Cathy Gold Mining recorded loss and total comprehensive expense of approximately HKD 473,000 for the year ended 31 December 2025.

Shenzhen Excellence recorded loss and total comprehensive expense of approximately HKD 3,000 for the year ended 31 December 2025.

Jincheng Mining recorded loss and total comprehensive expense of approximately HKD 2.3 million, HKD 2.2 million and HKD 3.7 million for the year ended 31 December 2023,2024 and 2025.

BBG Mining recorded loss and total comprehensive expense of approximately HKD 1.6 million, HKD 1.5 million and HKD 1.6 million for the year ended 31 December 2023,2024 and 2025.

Capital structure, liquidity and financial resources

Shangshan International recorded net assets of approximately HKD 5.0 million and HKD 107.8 million for the years ended 31 December 2024, 2025.

Cathy Gold Mining recorded net assets of approximately HKD 108.7 million for the year ended 31 December 2025.

Shenzhen Excellence recorded net assets of approximately HKD 108.7 million for the year ended 31 December 2025.

As at 31 December 2023, 2024 and 2025, Jincheng Mining recorded net asset of approximately HKD 31.4 million, HKD 28.3 million and HKD 37.5 million respectively.

As at 31 December 2023, 2024 and 2025, Jincheng Mining mainly financed its operation by advances from the shareholder. The shareholder's advances to Jincheng Mining was approximately HKD 11.0 million, HKD 10.6 million and Nil respectively.

As at 31 December 2023, 2024 and 2025, BBG Mining recorded net asset of approximately HKD 91.7 million, HKD 87.2 million and HKD 112.8 million respectively.

As at 31 December 2023, 2024 and 2025, BBG Mining mainly financed its operation by advances from the shareholder. The shareholder's advances to BBG Mining was approximately HKD 5.7 million, HKD 11.8 million and Nil respectively.

For further financial information of the members of the Target Group, please refer to the respective accountants' reports as set out in Appendix II of this circular.

FOREIGN CURRENCY MANAGEMENT

Upon completion of reorganization, the Target Company indirectly holds 80% of the equity interest in Jincheng Mining and BBG Mining respectively. Jincheng Mining and BBG Mining principally conduct business operation in the Mainland China which exposes to foreign exchange risk, primarily with respect to RMB and US Dollar denominated transactions.

The Target Company currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Target Company will monitor their foreign currency exposure closely and will consider hedging foreign currency exposure of necessary.

EMPLOYEES AND REMUNERATION POLICY

The Target Company, Shangshan International, Cathy Gold Mining and Shenzhen Excellence did not have any employee since the respective dates of their incorporation/ establishment.

Both Jincheng Mining and BBG Mining have yet to commence production, they did not have any employee for each of the years ended 31 December 2023, 2024 and 2025.

SIGNIFICANT INVESTMENTS HELDS

The Target Company holds the entire issued share capital in Shangshan International, which in turn holds 80% of the issued share capital of Cathy Gold Mining. Cathy Gold Mining in turn holds the entire equity interest in Shenzhen Excellence which in turn holds the entire equity interest of both Jincheng Mining and BBG Mining.

Save for the above, the Target Company does not have other significant investments nor any material acquisitions or disposal of subsidiaries and affiliated companies since its date of incorporation on 8 January 2026.

CHARGES ON ASSETS

As at the Latest Practicable Date, there was no charge over any assets on all members of the Target Group.

GEARING RATIO

Since the members of the Target Group did not have any interest-bearing borrowings as at the Latest Practicable Date, the gearing ratio (total interest-bearing borrowings as a percentage of total equity) was not applicable.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, members of the Target Group did not have any contingent liabilities.

FUTURE PLANS AND PROSPECTS

As at the Latest Practicable Date, BBG Mining has a portfolio of mineral tenements comprising of one Mining License ((XC6100002016114110143362) and one Exploration License (T6100002009054010028428), covering areas of 1.0367 sq. km and 7.49 sq. km, respectively. Jincheng Mining has two processing plants: the No.1

Plant has a designed capacity of 1,000 per day (tpd) and the No. 2 Plant has a designed capacity of 500 tpd and their products are gold concentrate. Jincheng Mining has tailing storage facilities with a safety production permit, valid until 12 September 2027 (which can be extended when due). Pursuant to Article 6 of the 2014 Regulations on Safety Production Licenses, and Articles 6, 19 and 20 of the 2015 Measures for the Implementation of Safety Production Licenses for Non-coal Mines, the renewal of safety production licenses constitutes an administrative approval procedure. There exists no absolute bar to license renewal. Where a licensee fails to meet licensing requirements, rectification orders shall be issued, and the licensee must complete rectification to the satisfaction of the licensing authority. Licensees who maintain full compliance and accept routine safety supervision and inspection are exempted from substantive review when submitting renewal applications according to Regulations on Safety Production Licenses. Other production auxiliary facilities include roads from mining tunnels to the ore processing plants, powers supply station, explosive storage, water intakes, production and domestic wastewater treatment systems, mechanical shop, testing laboratory, office buildings, management and worker dormitories, etc., with capacities as needed for the designed production.

Based on the site evaluation and the information available to the Company, the Project Companies are in the status of active preparation to resume production. It is anticipated that the Gold Mine and one processing plant shall resume production in July 2026.

The Project Companies are located within the rich mineralization zone of Ningshan County in the Shaanxi Province, which have opportunities to expand exploration and mining boundaries and increase greatly in resources and reserves of gold.

I. BASIS OF PREPARATION

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities (the "**Unaudited Pro Forma Financial Information**") of the Group and the Target Group (hereinafter collectively referred to as the "**Enlarged Group**") which has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules to illustrate the effect of the Acquisition on the Group's consolidated statement of assets and liabilities as at 30 September 2025 as if the Acquisition had been completed on 30 September 2025.

The Unaudited Pro Forma Financial Information is prepared based on information on (i) the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2025 which has been extracted from the published interim report of the Company for the six months ended 30 September 2025; and (ii) the audited statements of financial positions of Shangshan International, Cathay Gold Mining, Shenzhen Excellence, Jincheng Mining and BBG Mining as at 31 December 2025, for illustrative purposes, the financial statements of the Target Company as at 28 February 2026 have been included as if the Target Company had existed on 31 December 2025, which have been extracted from the accountants' reports set out in Appendices IIA to IIF to this circular.

The Unaudited Pro Forma Financial Information has been prepared using accounting policies that are materially consistent with those of the Group and has been prepared by the directors of the Company for illustrative purposes only, based on their judgements, estimations and assumptions. Because of its hypothetical nature, it may not give a true picture of the actual financial position, results of operation or cash flows of the Enlarged Group that would have been attained had the Acquisition actually occurred on 30 September 2025.

Furthermore, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the Enlarged Group's future financial position, results of operation or cash flows.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the historical financial information of the Group as set out in the published interim report of the Company for the six months ended 30 September 2025, the accountants' reports of the Target Group as set out in Appendices IIA to IIE to the circular and other financial information included elsewhere in the circular.

For the purposes of the Unaudited Pro Forma Financial Information, assumptions and estimates underlying the unaudited pro forma adjustments set forth in the Unaudited Pro Forma Financial Information are described in the accompanying notes.

II. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP AS AT 30 SEPTEMBER 2025

The Unaudited Pro Forma Financial Information as at 30 September 2025 is presented in HK$ and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

	The Group as at 30 September 2025	Target Company	Shangshan International	Cathay Gold Mining	Shenzhen Excellence	Jincheng Mining	BBG Mining	Pro forma adjustments					Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 September 2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
	(unaudited)	(audited)	(audited)	(audited)	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Non-current assets													
Property, plant and equipment	1,139,273	–	–	–	–	35,733	59,715	–	–	–	–	–	1,234,721
Construction in progress	59,830	–	–	–	–	5,053	–	–	–	–	–	–	64,883
Right-of-use assets	10,004	–	–	–	–	955	1,084	–	–	–	–	–	12,043
Mining rights related assets	44,660	–	–	–	–	–	52,689	–	–	–	964,620	–	1,061,969
Investments in subsidiaries	–	–	107,800	108,725	109,211	–	–	(325,736)	–	585,000	(585,000)	–	–
	1,253,767	–	107,800	108,725	109,211	41,741	113,488	(325,736)	–	585,000	379,620	–	2,373,616
Current assets													
Inventories	460,14	–	–	–	–	–	–	–	–	–	–	–	460,143
Trade receivables	5,533	–	–	–	–	–	–	–	–	–	–	–	5,533
Deposits, prepayments and other receivables	73,473	–#	–	–	–	–	–	–	–	–	–	–	73,473
Pledged bank deposits	5,044	–	–	–	–	–	–	–	–	–	–	–	5,044
Amount due from a related company	–	–	–	–	–	695	–	–	(695)	–	–	–	–
Cash and bank balances	13,820	–	4	–#	2	1	–#	–	–	–	–	–	13,827
	558,013	–#	4	–#	2	696	–#	–	(695)	–	–	–	558,020
Current liabilities													
Lease liabilities	58	–	–	–	–	–	–	–	–	–	–	–	58
Trade and other payables	410,171	–	–	–	491	–	–	–	–	247,000	–	3,921	661,583
Amount due to a related company	–	–	–	–	–	–	695	–	(695)	–	–	–	–
Bonds	14,482	–	–	–	–	–	–	–	–	–	–	–	14,482
Tax payables	100,009	–	–	–	–	–	–	–	–	–	–	–	100,009
Bank loan	4,951	–	–	–	–	–	–	–	–	–	–	–	4,951
Loan notes	15,845	–	–	–	–	–	–	–	–	–	–	–	15,845
	545,516	–	–	–	491	–	695	–	(695)	247,000	–	3,921	796,928
Net current assets/(liabilities)	12,497	–#	4	–#	(489)	696	(695)	–	–	(247,000)	–	(3,921)	(238,908)
Total assets less current liabilities	1,266,264	–#	107,804	108,725	108,722	42,437	112,793	(325,736)	–	338,000	379,620	(3,921)	2,134,708
Non-current liabilities													
Other payables	109,135	–	–	–	–	4,965	–	–	–	–	–	–	114,100
Borrowings	326,464	–	–	–	–	–	–	–	–	–	–	–	326,464
Deferred tax liabilities	–	–	–	–	–	–	–	–	–	–	241,155	–	241,155
	435,599	–	–	–	–	4,965	–	–	–	–	241,155	–	681,719
Net assets	830,665	–#	107,804	108,725	108,722	37,472	112,793	(325,736)	–	338,000	138,465	(3,921)	1,452,989
Capital and reserves													
Share capital/Paid-in capital	7,428	–#	5,000	107,800	105,769	74,450	132,246	(420,265)	–	676	(5,000)	–	8,104
Reserves	691,399	–	102,804	925	2,953	(36,978)	(19,453)	94,529	–	337,324	(31,184)	(3,921)	1,138,398
Equity attributable to owners of the Company	698,827	–#	107,804	108,725	108,722	37,472	112,793	(325,736)	–	338,000	(36,184)	(3,921)	1,146,502
Non-controlling interests	131,838	–	–	–	–	–	–	–	–	–	174,649	–	306,487
Total equity	830,665	–#	107,804	108,725	108,722	37,472	112,793	(325,736)	–	338,000	138,465	(3,921)	1,452,989

Represents amount less than HK$1,000

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The unaudited condensed consolidated statement of financial position of the Group as at 30 September 2025 is extracted from the published interim report of the Company for the six months ended 30 September 2025.

2. The audited statements of assets and liabilities of Shangshan International, Cathay Gold Mining, Shenzhen Excellence, Jincheng Mining and BBG Mining as at 31 December 2025 are extracted from the respective Accountants' Reports set out in Appendices IIA to IIF to this circular. Changsheng United Investment Limited, the Target Company, was incorporated in the British Virgin Islands on 8 January 2026, for illustrative purposes, the financial statements of the Target Company as at 28 February 2026 have been included as if the Target Company had existed on 31 December 2025.

3. The adjustment represents the elimination of intra-group investments within the Target Group, comprising Shangshan International's investment in Cathay Gold Mining, Cathay Gold Mining's investment in Shenzhen Excellence, and Shenzhen Excellence's investments in Jincheng Mining and BBG Mining.

4. The adjustment represents the elimination of intra-group balances between Shangshan International and BBG Mining.

5. Pursuant to the Sale and Purchase Agreement dated 30 March 2026, the total consideration for the Acquisition of the entire issued share capital of the Target Company is HK$585,000,000. For the purpose of the Unaudited Pro Forma Financial Information, the consideration is assumed to be settled in the following manner:

   (i) a cash deposit and part payment of HK$168,000,000 paid on or before the signing of the Agreement;

   (ii) a cash part payment of HK$79,000,000 to be paid upon Completion; and

   (iii) the allotment and issuance of 676,000,000 Consideration Shares at an issue price of HK$0.5 per share on the Completion Date.

   The fair value of the Consideration Shares is assumed to be HK$338,000,000 based on the issue price of HK$0.5 per share. Although the closing price of the Shares as quoted on the Stock Exchange was HK$0.51 on 30 March 2026, the Directors consider the issue price of HK$0.5 to be a reasonable representation of the fair value of the Consideration Shares for illustrative purposes, as it was determined after arm's length negotiations between the Company and the Vendor.

The adjustment represents the recognition of the investment in the Target Company and the corresponding issuance of shares. As the Group expects to finance the cash consideration through future fund-raising activities and/or internal resources, the unpaid cash consideration of HK$247,000,000 is recognised as current liabilities under trade and other payables as if the Acquisition had been completed on 30 September 2025.

6. Upon Completion, the identifiable assets and liabilities of the Target Group will be accounted for in the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group at fair value under the acquisition accounting method in accordance with Hong Kong Financial Reporting Standard 3 (Revised) "Business Combinations".

The adjustment represents the elimination of the Company's investment in the Target Group against the fair value of the identifiable assets and liabilities acquired. The recognition of the gain on bargain purchase arising from the Acquisition if it had been completed as at 30 September 2025 is as follows:

	Notes	HK$'000
Consideration transferred	*(i)*	585,000
Add: Non-controlling interest	*(ii)*	174,649
Less: Fair value of identifiable net assets acquired:		
Carrying amount of identifiable net assets acquired	*(iii)*	(149,780)
Fair value adjustment on the identifiable net assets acquired	*(iv)*	(964,620)
Deferred tax liabilities arising from the fair value adjustments	*(v)*	241,155
		(873,245)
Bargain purchase gain arising from the acquisition of the Target Group		(113,596)

Notes:

(i) The consideration transferred of HK$585,000,000 is settled in the manner as set out in Note 5 above.

(ii) Non-controlling interests of HK$174,649,000 are measured at the 20% proportionate share of the fair value of the identifiable net assets of the Target Group of HK$873,245,000 as at 31 December 2025, for the purpose of illustrating the financial effect as if the Acquisition had been completed on 30 September 2025.

(iii) The carrying amount of identifiable net assets acquired of HK$149,780,000 represents the audited combined net assets as at 31 December 2025 derived from the Accountants' Reports of Shangshan International, Cathay Gold Mining, Shenzhen Excellence, Jincheng Mining and BBG Mining set out in Appendices IIA to IIE to this circular. The amount is arrived at after deducting intra-group investments of HK$325,736,000, as illustrated in Note 3 above, from the aggregate audited net assets of HK$475,516,000 of these five entities, comprising HK$107,804,000, HK$108,725,000, HK$108,722,000, HK$37,472,000 and HK$112,793,000, respectively.

(iv) The fair value adjustment on identifiable net assets acquired of approximately HK$964,620,000 represents the difference between the appraised value of the 100% equity interest in the Target Group of RMB1,000,000,000 (equivalent to approximately HK$1,114,400,000) and the carrying amount of identifiable net assets acquired of HK$149,780,000 as detailed in Note 6(iii) above. The appraised value of the Target Group was determined by the Directors with reference to the valuation report issued by Ravia Global Appraisal Advisory Limited, an independent professional valuer, as set out in Appendix VI to the circular, using the income approach.

For the purpose of the Unaudited Pro Forma Financial Information, the Directors have assessed the fair values of the identifiable assets acquired and liabilities assumed of the Target Group. As the carrying amounts of the identifiable assets and liabilities other than the mining rights related assets and the related deferred tax liabilities are considered to approximate their fair values as at 31 December 2025, the fair value adjustment of approximately HK$964,620,000, representing the surplus of the appraised value over the audited combined net assets of the Target Group, is allocated to the mining rights related assets.

The amounts of fair values of the identifiable assets and liabilities of the Target Group are subject to change upon the completion of the valuation on the date of completion of the Acquisition. In this context, the actual fair values and the resulting gain on bargain purchase could be different from those estimated amounts used in the preparation of the Unaudited Pro Forma Financial Information.

(v) The adjustment to deferred tax liabilities of HK$241,155,000 was arising from the fair value adjustment on identifiable net assets acquired as set out in note 6(iv) above and is calculated based on the PRC Enterprise Income Tax rate of 25%.

The following table sets out the reconciliation of the pro forma adjustments to share capital/ paid-in capital of HK$5,000,000 and reserves of HK$31,184,000, being the amounts shown in the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities in respect of the acquisition accounting adjustment described in this note:

	Share capital/ paid-in capital *HK$'000*	**Reserves** *HK$'000*	**Total** *HK$'000*
Shangshan International	5,000	102,804	107,804
Cathay Gold Mining	107,800	925	108,725
Shenzhen Excellence	105,769	2,953	108,722
Jincheng Mining	74,450	(36,978)	37,472
BBG Mining	132,246	(19,453)	112,793
Aggregate audited equity balances before intra-group investment elimination *(Note)*	425,265	50,251	475,516

	Share capital/ paid-in capital *HK$'000*	Reserves *HK$'000*	Total *HK$'000*
Reconciliation to net pro forma adjustments:			
Elimination of the aggregate audited equity balances of the companies comprising the Target Group before intra-group investment elimination *(Note)*	(425,265)	(50,251)	(475,516)
Adjustment for the effect of intra-group investment elimination already reflected in Note 3	420,265	(94,529)	325,736
Recognition of gain on bargain purchase arising from the Acquisition	–	113,596	113,596
Net pro forma adjustments	(5,000)	(31,184)	(36,184)

Note:

The audited equity balances of each company comprising the Target Group are extracted from the respective Accountants' Reports set out in Appendices IIA to IIE to this circular.

The investment cost of HK$585,000,000 recorded in Note 3 is fully eliminated upon consolidation against the Group's share of the fair value of identifiable net assets acquired. The resulting gain on bargain purchase of approximately HK$113,596,000 is primarily attributable to the favorable valuation of the mining rights related assets relative to the negotiated purchase price as at the date of the Agreement.

7. The adjustment represents the estimated acquisition-related transaction costs of approximately HK$3,921,000, including but not limited to legal and professional fees, which are directly attributable to the Acquisition and will be recognised in the profit or loss of the Group upon completion of the Acquisition and will be expensed in the consolidated statement of profit or loss of the Enlarged Group.

8. For the purpose of this Unaudited Pro Forma Financial Information, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1 to HK$1.1144 except stated otherwise.

9. Apart from the above, no adjustment has been made to the Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 30 September 2025.

The following is the text of a report, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Enlarged Group's pro forma financial information for the purpose of incorporation in this circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of GT Gold Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of GT Gold Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), and Changsheng United Investment Limited (the "**Target Company**") and its subsidiaries (collectively the "**Target Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2025 and related notes as set out on pages IV-2 to IV-6 of the circular issued by the Company dated 5 June 2026 (the "**Circular**") in connection with the proposed acquisition of the 100% equity interest in the Target Company (the "**Acquisition**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page IV-1 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Acquisition on the Group's financial position as at 30 September 2025 as if the Acquisition had taken place at 30 September 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated statement of financial position for the six months ended 30 September 2025, on which no auditor's report or review report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 30 September 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Acquisition, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the Acquisition in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong, 5 June 2026

Yeung Man Sun
Practising Certificate Number – P07606

Draft

Competent Person's Report on Bubugao Mining's Donggou Gold Mine, Shaanxi Province, the People's Republic of China

Bubugao Mining, Shaanxi Province, People's Republic of China
GT Gold Holdings Ltd



SRK Consulting (China) Ltd. ▪ SCN929 ▪ 5 February 2026

srk consulting

Draft

Competent Person's Report on Bubugao Mining's Donggou Gold Mine, Shaanxi Province, the People's Republic of China

Bubugao Mining, Shaanxi Province, People's Republic of China

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Mine Site Office Building

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SRK Consulting (China) Ltd. has prepared this document for GT Gold Holdings Ltd. ("**GT Gold**"), 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.

The opinions expressed in this document have been based on the information available to SRK at the time of preparation. SRK has exercised all due care in reviewing information supplied by others for use on this project. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information, except to the extent that SRK was hired to verify the data.

Contents

Useful Definitions xi

Executive Summary xv

1 Introduction 30

2 Program Objectives and Work Program 31
2.1 Purpose of the Report 31
2.2 Reporting Standard 31
2.3 Limitations Statement 31
2.4 Effective Date 31
2.5 Work Program 32
2.6 SRK Experience 32
2.7 Project Team 34
2.8 Warranties 36
2.9 Compliance Statement 36
2.10 Independence Statement 36
2.11 Consent 37
2.12 Forward Looking Statement 37

3 Operational Licences and Permits 38
3.1 Business Licence 38
3.2 Mining Licence 38
3.3 Safety Production Permit 39
3.4 Water Extraction Permit 39
3.5 Pollutant Discharge Permit 39

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography 40
4.1 Location and Accessibility 40
4.2 Climate 41
4.3 Physiography 41
4.4 Local Economy and Infrastructure 41

5 Geology and Exploration 43
5.1 Regional Geology 43
5.2 Property Geology 44
5.2.1 Stratigraphy 44
5.2.2 Structure 44
5.2.3 Igneous Rocks 47
5.2.4 Metamorphism and Alteration 49
5.3 Mineralised Body Geology 50
5.3.1 Controls on Mineralised Bodies 50
5.3.2 Mineralogical Characteristics 52

6 Exploration 54
6.1 Exploration History 54
6.1.1 General Exploration Campaign 54
6.1.2 Detailed Exploration Campaign 54
6.1.3 Advanced Exploration Campaign I 54
6.1.4 Advanced Exploration Campaign II 54

6.2 Trenching and Tunnelling Exploration 55
6.3 Drilling Exploration 55
6.4 Sampling, Sample Preparation and Analyses 56
6.4.1 Sampling 56
6.4.2 Sample Preparation and Analyses 56
6.4.3 Specific Gravity Data 56
6.5 Quality Assurance and Quality Control Programs 57
6.5.1 General Exploration Campaign 57
6.5.2 Detailed and Advanced Exploration Campaign 57
6.6 Bubugao Data Verification 57
6.7 SRK Data Verification 58
6.7.1 Site Visit 58
6.7.2 Data Verification 62
6.8 SRK's Comments 63

7 Mineral Resource Estimates 64
7.1 Introduction 64
7.2 Resource Estimation Procedures 64
7.3 Resource Database 64
7.4 Solid Body Modelling 65
7.5 Specific Gravity 66
7.6 Compositing 66
7.7 Evaluation of Outliers 67
7.8 Block Model and Grade Estimation 68
7.9 Model Validation and Sensitivity 69
7.10 Mineral Resource Classification 70
7.11 Mineral Resource Statement 71
7.12 Grade Sensitivity Analysis 73
7.13 Exploration Potential and Recommendations 74

8 Ore Reserve Estimates 75
8.1 Introduction 75
8.2 Technical Studies 76
8.2.1 Bubugao Mining 76
8.2.2 Jincheng Mining 77
8.3 Cut-off Grade 78
8.4 Ore Reserve Model 79
8.5 Mineable Analysis 80
8.6 Mining Loss and Dilution 81
8.7 Ore Reserves Classification 82
8.8 Ore Reserve Statement 83
8.9 Relative Accuracy and Confidence 83
8.10 Previous Ore Reserve Estimate 85
8.11 Mine Production Plan 85
8.12 Conclusions and Recommendations 87

9 Mining Assessment 88
9.1 Mine Operating History and Current Status 88
9.2 Hydrogeology 89
9.3 Geotechnical Conditions 89
9.4 Development System 90
9.5 Mining Methodology 90

9.6 Mining Services 91
9.6.1 Water Supply....91
9.6.2 Power Supply 91
9.6.3 Explosive Magazine 91
9.6.4 Water Drainage 92
9.6.5 Ventilation 92
9.6.6 Compressed Air 92
9.7 Mining Equipment....93

10 Ore Processing Assessment 94
10.1 Overview94
10.2 Metallurgical Test 94
10.2.1 Process Mineralogy....94
10.2.2 Comminution Test 96
10.2.3 Metallurgical Test and Results....96
10.3 Process Flowsheet 98
10.4 Main Facilities and Equipment 99
10.5 Historical Production Index....101
10.6 Tailings Storage Facilities 101

11 Workforce Assessment....103
11.1 Workforce Numbers....103
11.2 Assessment of Workforce 103

12 Project Infrastructure 104
12.1 Access 104
12.2 Water Supply 104
12.3 Power Supply 104
12.4 Office and Accommodation Buildings....105

13 Environmental Studies, Permitting, Social or Community Impact 106
13.1 Environmental and Social Review Objective....106
13.2 Environmental and Social Review Process, Scope and Standards 106
13.3 Status of Environmental Approvals 106
13.4 Flora and Fauna 107
13.5 Water Management 108
13.6 Waste Rock and Tailings Management....109
13.7 Dust and Noise Emissions 110
13.8 Hazardous Substances Management 111
13.9 Occupational Health and Safety....111
13.10 Site Closure Planning and Rehabilitation 111
13.11 Social Aspects 112

14 Capital Expenditures and Operating Costs 113
14.1 Sunk Capital Expenditures 113
14.2 Non-current Liabilities....114
14.3 Expansion Expenditures....115
14.4 Sustaining Expenditures....117
14.5 Historical Operating Costs....117
14.6 Operating Cost Forecasts 117
14.7 Historical Working Capital 119
14.8 Working Capital Forecasts 120

15 Market Studies and Contracts 121
15.1 Products and Buyers 121
15.2 Historical Prices 121
15.3 Price Forecast 122
15.4 Ore Sales Contract 123
15.5 Ore Treatment Contract 124
15.6 Gold Concentrates Sales Contract 124

16 Economic Analysis 125
16.1 Principal Assumptions 125
16.2 Net Cash Flow 125
16.3 Net Present Value Result 126
16.4 Sensitivity Analysis 127
16.5 Relative Accuracy and Confidence 127
16.6 Conclusions and Recommendations 128

17 Risk Assessment 130

18 Conclusions and Recommendations 132
18.1 Geology and Mineral Resources 132
18.2 Mining and Ore Reserves 132
18.3 Mineral Processing 132
18.4 Environmental Studies, Permitting, Social or Community Impact 133
18.5 Economic Analysis 133

References 135

Tables

Table 2-1: SRK's Recent Reports for Chinese Mining Companies 33
Table 2-2: SRK Project Team....34
Table 3-1: Business Licence 38
Table 3-2: Summary of Mining Licence....38
Table 3-3: Safety Production Permit 39
Table 6-1: Exploration Works in the Project Area 54
Table 6-2: Summary of the Density Samples....56
Table 6-3: Summary of Bubugao Sample Duplicate Performance 58
Table 6-4: Summary of SRK Sample Duplicate Performance 62
Table 7-1: Mineral Resource Database Statistics 65
Table 7-2: Summary Statistics of Sample Length 66
Table 7-3: Summary Statistic of Composites against Raws of Mineralised Domains....66
Table 7-4: Capping Values Statistics of Each Domain....68
Table 7-5: Block Model Specifications of Donggou Deposit 68
Table 7-6: Attributes and Descriptions of Donggou Deposit 68
Table 7-7: Search Parameters Used in Donggou Deposit 68
Table 7-8: Distance and Samples Used in Donggou Deposit 69
Table 7-9: Assumptions Considered for the Bubugao Project 72
Table 7-10: Mineral Resource Statement for the Bubugao Project, SRK Consulting China Limited, 31 December 2025 [1, 2, 3] 72
Table 8-1: Mineable Resources in Chinese Standard, as of 31 December 2025 77
Table 8-2: Assumptions on Calculation of Cut-off Grade....78
Table 8-3: Description of Key Fields in the Ore Reserve Model 80
Table 8-4: Mineable Materials as of 31 December 2025 81
Table 8-5: Summary of Mining Loss and Dilution....82
Table 8-6: Ore Reserve Statement for the Bubugao Project as of 31 December 2025 by SRK Consulting China Ltd [1, 2, 3, 4, 5, 6, 7] 83
Table 8-7: Some Factors Related to the Accuracy of Ore Reserves 83
Table 8-8: Summary of Mathematically Random Experiments on Ore Reserves....84
Table 9-1: Mainly Existing Mining Equipment 93
Table 10-1: Chemical Poly-element Analysis Results....94
Table 10-2: Gold Phase Analysis Results 95
Table 10-3: Mineral Composition Analysis Results 95
Table 10-4: Flotation Closed-circuit Test Results....96
Table 10-5: Knelson Gravity Test Result....97
Table 10-6: Main Equipment of the Processing Plants 100
Table 11-1: Workforce Numbers for the Bubugao Project 103
Table 13-1: EIA Reports and Approvals 107
Table 13-2: WSCP Reports and Approvals 107
Table 14-1: Summary of Sunk Capex as of 30 June 2025 (Unit: RMB million) 113
Table 14-2: DA Calculation of Sunk Capex (Unit: RMB million)....113
Table 14-3: Estimate of Non-current Liabilities as of 30 June 2025....114
Table 14-4: Payment Plan of Non-current Liabilities (Unit: RMB million)....114
Table 14-5: Expansion Capex Estimates 115
Table 14-6: DA Calculation of Expansion Capex (Unit: RMB million) 116
Table 14-7: Investment Plan of Sustaining Capex (Unit: RMB million) 117
Table 14-8: Opex Forecasts of 600 ktpa Processing Throughput (Unit: RMB/t RoM) 118
Table 14-9: Annual Opex Forecasts from 2026 to 2036 (Unit: RMB million) 118
Table 14-10: Unit Opex Forecasts from 2026 to 2036 (Unit: RMB/t RoM) 119

Table 14-11:Working Capitals in Years from 2022 to 1H2025 (Unit: RMB million) 119
Table 14-12:Turnover to Estimate Working Capital 120
Table 14-13:Working Capital Forecasts from 2026 to 2036 (Unit: RMB million) 120
Table 15-1: Summary Statistics of Gold Price 122
Table 15-2: Gold Price Forecasts of CMF 123
Table 16-1: Calculation of Cash Flow from 2026 to 2036 (Unit: RMB million) 125
Table 16-2: NPVs at Various Discount Rates 126
Table 16-3: Summary of Mathematically Random Experiments on NPV 127
Table 16-4: Summary of Overall Economics 129
Table 17-1: Risk Assessment for Bubugao Project 130

Figures

Figure 4-1: Map of Shaanxi Province, China 40
Figure 4-2: Location Map of the Project Area 41
Figure 5-1: Regional Geology 43
Figure 5-2: Property Geology 45
Figure 5-3: Mineralised Body Distribution Map 50
Figure 5-4: Map Showing the Relationship between Domains Au1-2 and Au2-3 and Fault F5 51
Figure 6-1: Bubugau Sample Duplicate Performance 58
Figure 6-2: Portal of the Adit PD1 59
Figure 6-3: Tunnel Channel Sampling 60
Figure 6-4: Drill Core Store and Core Sampling 60
Figure 6-5: Domain Au1-2 62
Figure 6-6: SRK Sample Duplicate Performance 63
Figure 7-1: The Map Showing Drillholes, Trenches and Tunnels 65
Figure 7-2: Histograms of Sample Length of Mineralised Domains 66
Figure 7-3: Au Histogram and Cumulative Probability Curve of Au1-2 67
Figure 7-4: Au Histogram and Cumulative Probability Curve of Au2-3 67
Figure 7-5: Au Swath Plot of Domain Au1-2 69
Figure 7-6: Au Swath Plot of Domain Au2-3 70
Figure 7-7: Mineral Resource Category Distribution of Bubugao Project 71
Figure 7-8: Grade Tonnage Curves Bubugao Project 73
Figure 8-1: Properties' Location of Bubugao Mining and Jincheng Mining 75
Figure 8-2: Sensitivity Analysis of Cut-off Grade 79
Figure 8-3: Pattern of Rooms and Pillars (Au1-2 for example) 81
Figure 8-4: Histogram of Ore Tonnage's Frequency 84
Figure 8-5: Mining Schedule in Ore Tonnage 85
Figure 8-6: Mining Schedule in Gold Metal 86
Figure 8-7: Processing Schedule 86
Figure 9-1: Top View of Existing Tunnels 88
Figure 9-2: On-site Motor Tricycle 89
Figure 9-3: Schematic Drawing of Room and Pillar Mining 90
Figure 9-4: The Existing Explosive Magazine 92
Figure 10-1: Process Flowsheet of #2 Plant 98
Figure 10-2: Overview Photo of the Processing Plant 100
Figure 10-3: Gulougou TSF 102
Figure 12-1: State Grid Fengfu 35 kV Mobile Substation 105
Figure 14-1: Key Protected Area of Qinling Mountains at Bubugao Project Area 116
Figure 15-1: Gold Price Trend in History 121
Figure 15-2: Gold Price Forecasts of CMF 122
Figure 16-1: Sensitivity Analysis of NPV (discount rate is 9%) 127

Figure 16-2: Histogram of NPV's Frequency 128

Appendices

Appendix A JORC Code, 2012 Edition - Table 1
Appendix B Fengfu Donggou Mine Mining Licence
Appendix C Qualification and Certificate of Dr Jia

Useful Definitions

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

Terms/ Abbreviation	Meaning / Definition
%	percent
‰	per thousand
º	degree, angle of inclination
ºC	degree of temperature (degree Celsius)
3D	three dimensional
AAS	atomic absorption spectrometry
Ag	the element symbol of silver
ARD	acid rock drainage
As	the element symbol of arsenic
asl	above sea level
Au	the element symbol of gold
AusIMM	Australasian Institute of Mining and Metallurgy
Bubugao Mining	Ningshan County Bubugao Mining Co., Ltd. (宁陕县步步高矿业有限责任公司)
Capex	Capital Expenditure
CGCS 2000	China Geodetic Coordinate System 2000
China or P.R. China	the People's Republic of China (中华人民共和国)
CIT	Corporate income tax
cm	centimetre
cm^3	cubic centimetre
CNY	Chinese Yuan
CoG	cut-off grade
Company or GT Gold	GT Gold Holdings Ltd. (大唐黄金控股有限公司)
CPR	Competent Person's Report
Cu	the element symbol of copper
DCF	Discounted Cash Flow
DD	diamond drill
EIA	Environmental Impact Assessment
EPMP	Environmental Protection and Management Plan
ESE	east-southeast
Exchange	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited ("HKEx")
Exploration Results	Data and information generated by mineral exploration programs that might be of use to investors, but which do not form part of a declaration of Mineral Resources or Ore Reserves
Exploration Target	A statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resources
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy

Terms/ Abbreviation	Meaning / Definition
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	gram
G&A	general and administration
g/cm^3	gram per cubic centimetre
g/l	gram per litre
g/t	gram per tonne
GPS	Global Positioning System
ha	hectare(s)
HKEx	Hong Kong Exchanges and Clearing Limited
IDW	Inverse Distance Weighting
Indicated Mineral Resource or Indicated 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 or Inferred 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	the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
JORC	Joint Ore Reserves Committee
kg	kilogram
km	kilometre, 1,000 m
km^2	square kilometre
kt	thousand tonnes
ktpa	thousand tonne per annum
kV	kilovolt
kW	kilowatt
kWh	kilowatt hours
LHD	Load-Haul-Dump
LoM	Life-of-Mine
m	metres
M	million
m^2	square metre

Terms/ Abbreviation	Meaning / Definition
m^3	cubic metre
m/s	meters per second
m^3/s	cubic metre per second
MAusIMM	Member of Australasian Institute of Mining and Metallurgy
m asl	metres above sea level
Measured Mineral Resource or Measured 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
mm	millimetre
MRE	Mineral Resource estimate
Mt	million tonnes
Mtpa	million tonnes per annum
MVA	Megavolt Amperes
MW	Megawatt
N	north
NE	northeast
NNE	north-northeast
NNW	north-northwest
NPV	net present value
NW	northwest
OHS	Occupational Health and Safety
OK	Ordinary Kriging
Opex	Operational Expenditure
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
ORM	Ore Reserve model
PPE	Personal Protection Equipment
Pb	the element symbol of lead
ppm	parts per million, equivalent to gram(s) per tonne (g/t)
Probable Ore Reserve	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
QA/QC	Quality Assurance / Quality Control

Terms/ Abbreviation	Meaning / Definition
ROM	run of mine
RPEEE	Reasonable Prospects for Eventual Economic Extraction
S	South, also the element symbol of sulphur
SE	southeast
SG	specific gravity
SEHK or Stock Exchange	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited ("HKEx")
SRK or SRK China	SRK Consulting China Limited
SSE	south-southeast
Stock Exchange	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited ("HKEx")
t	tonne, 1,000kg
t/d or tpd	tonnes per day
t/a or tpa	tonnes per annum
t/m^3	tonnes per cubic metre
TSF	tailings storage facilities
UG	Underground
USD or US$	United States of America Dollars
Valmin Code	the 2015 edition of the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
W	Watt or west
WGS	World Geodetic System
WNW	west-northwest
WRD	waste rock dump
WUL	Water Use Licence
XRD	X-ray powder diffraction
Zn	the element symbol of zinc

Executive Summary

Background

GT Gold Holdings Ltd. (the "**Company**" or "**GT Gold**"), a listed company on the Growth Enterprise Market (the "**GEM**") of the Stock Exchange of Hong Kong Limited (the "**SEHK"** or **"Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited ("**HKEX**"). GT Gold commissioned SRK Consulting China Ltd. ("**SRK**") to undertake an independent assessment of all relevant technical aspects of the Bubugao gold project (hereafter referred to as "**Bubugao Project**" or the "**Project**").

The Bubugao Project consists of the following properties, all of which are located in Fengfu Town, Ningshan County, Shaanxi Province of the People's Republic of China ("**China**"):

- One underground mine: Fengfu Donggou Gold Mine ("**Donggou Mine**").
- Two ore processing plants: #1 ore processing plant (hereafter referred to as "**#1 Plant**") and #2 ore processing plant (hereafter referred to as "**#2 Plant**").
- Gulougou tailings storage facilities ("**Gulougou TSF**").

Currently, the Donggou Mine is owned by Ningshan County Bubugao Mining Company Ltd ("**Bubugao Mining**"), and #1 Plant, # 2 Plant and Gulougou TSF are owned by Ningshan County Jincheng Mining Company Ltd ("**Jincheng Mining**").

SRK understands that in a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") is required to provide GT Gold and potential equity investors, as well as possible future shareholders with SRK's technical opinions on the reviewed projects.

The Report was 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 18A requirements and other relevant regulations of the Stock Exchange.

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

Summary of Principal Objectives

The principal objective of this Report is to provide the existing GT Gold shareholders, potential equity investors, and the Stock Exchange with an independent technical assessment report suitable for inclusion in documents that the Company plans to submit to the Stock Exchange in relation to the proposed acquisition of the reviewed project.

Outline of Work Programme

The work program for this project consisted of:

- review of data provided by the GT Gold and preparation of a site inspection;
- a site visit between 5 and 7 August 2025, to the Bubugao Project, including the locations of exploration boreholes, drill cores and underground tunnels showing the gold mineralisation, ore

processing plants, ore and waste stockpiles, tailings storage facilities "(**TSF**"), water source and power supply station; the office and living area, and other infrastructure, etc.;

- review of the available documents including operating licences and permits, geological reports, environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditure ("**Capex**") and operating expenses ("**Opex**"), product quality and prices, and techno-economic analysis, etc.;
- discussions with Bubugao Mining management and technicians, as well as the relevant geological brigades' geologists who conducted the geology and exploration on the mine;
- preparation of a draft report in accordance with the *JORC Code* guidelines and the requirements of the *Chapter 18A* and other relevant regulations of the HKEX (the Mineral Resources and Ore Reserves were reported as of 31 December 2025); and
- submission of the draft CPR to GT Gold and the related third party for comments and finalisation of the draft based on feedback.

Results

Overall

Bubugao Project is a fully developed gold mine, but no mining activity has ever taken place and the processing plant may only have carried out trial production using by-product ore generated during the exploration process, and it is currently in a state of shutdown. The Project consists of the Donggou Mine, which involves one mining licence, one exploration tenement and two ore processing plants, and other supporting facilities. All these properties are located approximately 65 kilometres ("**km**") northeast of the Ningshan County, or 40 km south of Xi'an, the capital of Shaanxi Province, China. Access to all the properties is excellent. There are concrete-paved roads between Xi'an, Ningshan County and the Project site, and there are daily flights and high-speed railways between the major cities and Xi'an.

The Bubugao Mining has one mining licence, namely the Donggou Section of Donggou Mine in Ningshan County (No. C6100002016110143362), covering an area of 1.0368 square kilometres ("**km^2**") with a validity period of five (5) years from 23 November 2016 to 23 November 2021. This mining licence has expired and is currently being applied for renewal. The Bubugao Mining also has one exploration tenement, namely the Fengfu Donggou Mine in Ningshan County, Shaanxi Province (No. T6100002009054010028428), covering an area of 7.49 km^2 with a validity period of five (5) years from 8 May 2021 to 8 May 2026. This Report only involves the mining licence.

Currently, the #1 Plant has a designed capacity of 1,000 per day ("**t/d**" or "**tpd**") and the #2 Plant has a designed capacity of 500 t/d and their products are gold ("**Au**") concentrate. Details of the production capacity and status of the Donggou Mine and both processing plants are shown in Table ES-1.

Table ES-1: Details of the Mine and Two Plants

Company	Mines/Plants	Raw Material	Unit	Production Capacity		Products	Status [3]
				Designed [1]	Actual [2]		
Bubugao Mining	Donggou Mine	Raw Ore	tpd	2,000	2,000	Raw Ore	Shutdown
Jincheng Mining	# 1 Plant	Raw Ore	tpd	1,000	1,500	Concentrate	Shutdown

	# 2 Plant	Raw Ore	tpd	500	500	Concentrate	Shutdown

Sources: Bubugao Mining

Notes:

[1] Designed mining and processing capacity refers to the production scale in the Development and Utilization Plan

[2] Actual mining and processing capacity refers to the production scale that the Bubugao Project can achieve

[3] Currently, both the mine and plants are in a state of shutdown. SRK has informed that production is expected to resume in January 2026

Based on reasonable cut-off grade ("**CoG**") of gold ("**Au**"), SRK has estimated the Mineral Resources and Ore Reserves for the Bubugao Project. As of 31 December 2025, the estimated Mineral Resources and Ore Reserves, as per the *JORC Code* guidelines, were listed in Table ES-2.

Table ES-2: Summary of Mineral Resources and Ore Reserves, as of 31 December 2025

Category	Cut-off Grade	Tonnage (kt)	Au Grade (g/t)	Au Metal (kg)	Au Metal (koz)
	Mineral Resources [1, 2, 3]				
Measured	1.0 g/t Au	/	/	/	/
Indicated	1.0 g/t Au	6,299	3.45	21,728	699
Measured + Indicated	**1.0 g/t Au**	**6,299**	**3.45**	**21,728**	**699**
Inferred	1.0 g/t Au	1,161	3.21	3,729	120
Total	**1.0 g/t Au**	**7,460**	**3.41**	**25,457**	**818**
	Ore Reserves [4, 5, 6, 7, 8, 9]				
Proved	1.0 g/t Au	-	-	-	-
Probable	1.0 g/t Au	4,340	2.72	11,800	379
Total	**1.0 g/t Au**	**4,340**	**2.72**	**11,800**	**379**

Sources: SRK

Notes:

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

[2] The information in this report which relates to Ore Reserve is based on information compiled by Mr Huaixiang (Hubert) Li and Dr Yiefei Jia, FAusIMM (CP. Geo), who are full time employees of SRK Consulting China Ltd. Mr Li is a Member of AIG and Dr Jia is a Fellow of AusIMM (CP Geo). They have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as the Competent Person as defined in the 2012 edition of the "*Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves*", the *JORC Code.* Mr Li and Dr Jia consent to the reporting of this information in the form and context in which it appears

[3] The Mineral Resources are reported inclusive of Ore Reserves.

[4] The information in this report which relates to Ore Reserve is based on information compiled by Mr Yonggang Wu, MAusIMM, and Dr Yiefei Jia, FAusIMM (CP. Geo), who are full time employees of SRK Consulting China Ltd. Both Dr Jia and Mr Wu have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as the Competent 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 Jia and Mr Wu consent to the reporting of this information in the form and context in which it appears.

[5] Number was rounded to the second significant figure to reflect the uncertainties in estimate.

[6] Total may not add due to rounding discrepancies

[7] Mining dilution rate, including waste rock and Inferred Mineral Resources, is 22.7%. Mining loss rate is 27.1%.

[8] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

[9] The estimated Ore Reserves are valid only when the Donggou Mining Licence is renewed. Now SRK was informed that the renewed Donggou Mining License is received with a validity period of six (6) years from 13 February 2026 to 13February 2032.

The hybrid of adit and inclined shaft was proposed to develop the mineralised zones following the mining sequence Au1-2 and Au2-3. The proposed mining method is room and pillar mining. SRK considered the proposed development and mining method are technically feasible.

The Bubugao Mining has planned to expand the ore mining capacity from the 150 thousand tonnes per annum ("**ktpa**" or "**kt/a**") to the 600 ktpa after three years operation. The mining operation is expected to restart in April 2026. As of 31 December 2025, the life of mine ("**LoM**") is about 11 years, including four years ramp-up period, four years full production period, and three years ramp-down period.

As of 31 December 2025, the net value of sunk capital expenditures ("**Capex**") is about Renminbi ("**RMB**") 117 million. In addition to the sunk Capex, there are about RMB 156 million of non-current liabilities. The expansion Capex is about RMB 130 million to exploit the mineralized zones Au1-2 and Au2-3. The sustaining Capex is estimated at RMB 34 million over the LoM. The forecasted unit operating cost ("**Opex**") is about RMB 546.6 per tonne of run-of-mine ("**RoM**") over the LoM.

Based on assumption of technical and economic parameters from documents provided by GT Gold, SRK conducted economic analysis for the Bubugao Project using the discount cash flow ("**DCF**") method. As of 31 December 2025, the estimated net present value ("**NPV**") for the Project is RMB 1,356 million at a discount rate of 9%. The positive NPV indicates that the Project is economically viable.

Operational Licences and Permits

SRK noted that the mining licence of the Bubugao Project has already expired. However, Bubugao Mining informed SRK that the licence renewal process is currently underway. SRK also reviewed a receipt notice issued in December 2024 by the Shaanxi Provincial Government Service Centre, acknowledging the submission of Bubugao Mining's application materials for the renewal of its mining licence.

The Project currently holds a Safety Production Permit issued for the Gulougou TSF, valid until September 12, 2027. However, the mining area does not currently have a valid Safety Production Permit. In addition, during this review, SRK did not observe environmental permits such as water extraction or pollutant discharge permits.

Geology and Mineralogy

The Donggou Mine is situated in the interior of the Qinling Mountains, Shaanxi Province, China. Regionally, it lies within the Central Qinling Tectonic Belt, bounded to the north by the Tangzang–Shangnan Fault and to the south by the Fengzhen–Shanyang Fault. The district preserves a polyphase tectono-magmatic evolution spanning the Jinningian, Variscan, Indosinian, and Yanshanian events, comprising: early basement development and carbonate-platform sedimentation; Variscan bedding-parallel ductile shearing and recumbent folding; Indosinian compressional deformation characterised by south-vergent, high-angle reverse to thrust faulting; and superposed Yanshanian northeast ("**NE**") – north northeast ("**NNE**")-striking sinistral strike-slip faulting, accompanied by voluminous intrusive magmatism.

The north northwest ("**NNW**") – south southeast ("**SSE**") structures control the emplacement of andesite porphyry and act as ore-conduit structures. The nearly north ("**N**") – south ("**S**") faults are mostly post-ore and disruptive to orebodies, with offsets of 1–20 m (typically 3–10 m) and are classified as ore-breaking structures. The principal ore-hosting structures are NW–SE-trending faults.

The exposed rocks in the Project area are mainly intermediate to felsic intrusive rocks, emplaced during the Middle Hercynian and Indosinian periods. Based on intrusive timing, the magmatic rocks are divided into three stages:

- Early Stage: Grey biotite–hornblende monzogranite accompanied by deep-sourced mafic enclaves (gabbro–diorite series).
- Middle Stage: Dark grey diorite including porphyry and pegmatite, andesite porphyry, andesitic crypto-explosive breccia, as well as neutral subvolcanic rocks emplaced from deep sources. Assimilation and contamination with country rock produced quartz monzonite and plagiogranite series.
- Late Stage: Potassium ("**K**")-feldspar granite and felsic dyke rocks.

Wall rock alteration in the area is generally weak. Based on the altered mineral assemblage and occurrence, the dominant alteration type is silicification–sericitization, mainly characterised by secondary quartz, sericite, and K-feldspar. Alteration zones are mostly banded or vein-like, typically 3–15 m wide, and up to about 30 m in maximum width.

The mineralised bodies within the Project area are primarily controlled by compressive-torsional, gently dipping faults. Later-stage ore-forming hydrothermal fluids filled these fault zones, forming vein-type, lenticular, and layered quartz vein gold mineralised bodies. The main types of mineralised veins include quartz veins and altered, brecciated quartz veins. The lengths of these veins are generally less than those of the structural zones that control them, and their occurrences are consistent with the attitude of these structures.

Two gold mineralised bodies have been delineated at the Donggou Mine. The main characteristics of these mineralised bodies are listed in Table ES-3.

Table ES-3: Characteristics of Mineralised Veins in the Bubugao Project

Vein	Controlled Scale of Mineralised Body				Mineralised Body Shape	Mineralised Body Occurrence			Aver Au (g/t)
	Length (m)	Down-Dip depth (m)	Vertical depth (m)	Average thickness (m)		Strike	Dip	Dip Angle (°)	
Au1-2	1780	980	338	3.57	Stratiform	Northwest	Northeast	11-25	3.55
Au2-3	620	75	70	3.48	Lenticular	North	East	16-31	2.87

Resource: SRK

The principal host rock associated with the mineralised bodies in the Project area is medium-grained, porphyritic monzogranite, which exhibits strong sericitization. The boundaries between the mineralised bodies and the host rock are indistinct and must be defined by geochemical assay results.

The waste interlayers within the mineralised bodies are predominantly composed of pyritised sericite-rock, with occasional occurrences of potassium feldspar–chlorite–altered granite. These interlayers typically occur as flattened, lenticular bodies with thicknesses ranging from 0.6 to 20 m. In most cases, the gold grades in the interlayers exceed 0.1 g/t.

The ore minerals are dominated by pyrite and limonite, with minor galena, chalcopyrite, and argentiferous gold minerals. The gangue minerals are mainly quartz, sericite (white mica), and dolomite, along with subordinate potassium feldspar and chlorite.

The ore textures include pseudomorphic automorphic granular texture, pseudomorphic cataclastic texture, inclusion texture, recrystallisation texture, and xenomorphic interstitial texture. The ore structures are disseminated structure, banded structure, and honeycomb structure.

Based on the polyelement geochemical analyses, the principal recoverable mineral in the Bubugao deposit is gold, with silver ("**Ag**") and sulphur ("**S**"). Other elements have no comprehensive utilization value. Ore samples assayed returned average contents of Ag, copper ("**Cu**"), lead ("**Pb**"), zinc ("**Zn**") and S at 42.7 g/t, 0.034%, 0.12%, 0.053% and 1.4%, respectively. The deleterious element arsenic ("As") was assayed at 0.021%.

Exploration, Sampling, Analytical Procedures

This region is located at the conjunction of the eastern and western Qinling Orogenic Belts. From 1958 to 2000, the state carried out public-benefit fundamental geological surveys in the area. Previous regional geological work mainly includes 1:200,000 scale regional geological mapping, 1:50,000 scale geological mapping, 1:200,000 scale regional geochemical surveys, and 1:250,000 scale geological mapping revisions.

From December 2007 to December 2021, four (4) exploration campaigns were undertaken by Shaanxi Chenlong Hot Spring Development Company and Shaanxi Mining Development Industry & Trade Company. The main exploration activities included trenching, tunnelling, drilling, and geological mapping.

Trenches are generally oriented perpendicular to the strike of the mineralised alteration zone, and construction of trenches exposes fresh bedrock throughout. The trench bottoms are approximately 0.8 to 1.0 m wide, with depths ranging from 0.5 to 3.0 m. The cross-section dimensions of the adits are 2 m × 1.8 m, with a gradient less than 5‰. Core recovery rates were consistently above 90%, with recovery rates of 95% in mineralised alteration zones and over 98% for mineralised bodies. Both hanging wall and footwall zones achieved recovery rates in excess of 96%.

Channel samples were collected from trenches and underground tunnelling. The channel section dimensions were 10 m × 5 cm, with lengths generally ranging from 0.3 to 1.0 m, with a few up to 1.5 m. Drill core samples for basic analysis were collected using the half-core mechanical splitting method. The typical sample length was around 1.0 m, with a maximum length of 2.0 m and a minimum length of 0.4 m.

Sample preparation involved four sequential procedures: stepwise crushing, sieving, mixing, and splitting (riffling). The sample splitting was carried out according to the formula $Q = k\,d^2$, where the value of k was set to 1.5. The grain size of analytical samples was generally between -160 mesh and -200 mesh. The total sample loss during the crushing process did not exceed 5%, and the splitting error was kept within 3%.

Samples from the general exploration campaign were analysed by the Analysis and Testing Centre of the 211 Brigade, Shaanxi Nuclear Industry Geological Bureau, a metrology-certified laboratory (Certification No. 2009270278E). Samples from the detailed and advanced exploration campaigns were analysed by the Xi'an Mineral Resources Supervision and Testing Centre of the Ministry of Land and Resources (Certification No. MA150016042593) and the Testing Centre of Xi'an Tianzhou Mining Technology Development Co., Ltd. (Certification No. MA2011270415Z), both of which are metrology-certified institutions.

The Atomic Absorption Spectrometry ("AAS") method was used for gold assays.

Quality Assurance and Quality Control

During the four exploration campaigns, internal and external lab checks were conducted for quality assurance and quality control ("**QA/QC**").

In 2021, Bubugao Mining collected 500 pulp duplicate samples and sent them to the No. 712 Brigade of Northwest Nonferrous Geological Exploration Bureau. The comparison of assay results between the original samples and check samples shows that the relative differences between them are mostly within 20%, with about 14% exceeded 20%.

A total of 59 pulp duplicate samples were collected by SRK during the site visit and sent to be re-assayed at the Analysis and Testing Centre of Xianyang Nuclear Industry 203 Research Institute. The comparison of assay results between the original samples and SRK check samples show that the relative differences between them are mostly within 20%, with about 17% exceeded 20%.

Overall, SRK is satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in the Mineral Resource estimation.

Mineral Resource Estimation

The Mineral Resource statement presented herein represents Mineral Resource evaluation prepared for the Bubugao Project in accordance with the *JORC Code. The eff*ective date of the Mineral Resource statement is 31 December 2025.

This section describes the Mineral Resource estimation methodology and summarises the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource evaluation reported herein is a reasonable representation of global estimate of gold Mineral Resources found in the Bubugao Project at the current level of sampling. The Mineral Resources are reported in accordance with *JORC Code.* Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve.

The database used to estimate the Bubugao Project Mineral Resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for gold mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

The solid models were prepared using Leapfrog Geo 2025.2 and the inverse distance weighted ("**IDW**") estimation techniques were applied using Leapfrog Edge 2025.2. The entire estimate procedure, consisting of database compilation, mineralised domains interpretation, the grade interpolation as well as the Mineral Resources classification, were completed by SRK.

The following Table ES-4 presents a summary of the estimated Mineral Resources in compliance with the *JORC Code* for the Bubugao Project, as of 31 December 2025, where a gold cut-off grade at 1.0 g/t was chosen. The Project is estimated to contain 1,955 thousand tonnes ("**kt**") of Measured Mineral Resources with an average grade of 3.83 g/t Au, 10,474 kt of Indicated Mineral Resources

with an average grade of 3.57 g/t Au, and 4,021 kt of Inferred Mineral Resources with an average grade of 3.59 g/t Au

Table ES-4: Mineral Resource Statement for the Bubugao Project, SRK Consulting China Limited, 31 December 2025 [1, 2, 3]

Domain	Category	Tonnage (kt)	Grade (g/t)	Au Metal (kg)	Au Metal (koz)
Au1-2	Measured	/	/	/	
	Indicated	5,979	3.48	20,818	648
	Measured + Indicated	***5,979***	***3.48***	***20,818***	***648***
	Inferred	597	3.51	2,099	65
Au2-3	Measured	/	/	/	/
	Indicated	320	2.84	911	28
	Measured + Indicated	***320***	***2.84***	***911***	***28***
	Inferred	564	2.89	1,630	51
Total	**Measured**	**/**	**/**	**/**	**/**
	Indicated	**10,474**	**3.45**	**21,728**	**699**
	Measured + Indicated	**12,429**	**3.45**	**21,728**	**699**
	Inferred	**4,021**	**3.21**	**3,729**	**120**
Grand Total		**16,450**	**3.41**	**25,457**	**818**

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 Hubert Li and Dr Yiefei Jia who are both full-time employees of SRK Consulting China Ltd. Mr Li is a Member of AIG (No.8667) and Dr Jia a Fellow of the AusIMM (No. 230607) and a chartered professional in geology (CP Geo). Both have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", the *JORC Code*. Mr Li and Dr Jia consent to the reporting of this information in the form and context in which it appears.

[3] Underground Mineral Resources are reported at a cut-off grade is 1.0 g/t Au.

Ore Reserves

Donggou Mine is in a state of shutdown, with some existing facilities and exploration tunnels that can be utilised for the future exploitation and mining operation. Technical studies available to SRK are listed below:

- *The Development and Utilisation Plan of Mineral Resources of Donggou Gold Mine in Fengfu Town for Ningshan County Bubugao Mining Company Ltd*, which was prepared by Shaanxi Metallurgical Design and Research Institute Co., Ltd. ("**SMDRI**") and dated in January 2015, hereinafter it was referred to as the ***DUP 2015***;
- *The Development and Utilisation Plan of Mineral Resources of Donggou Gold Mine in Fengfu Town, Ningshan County (supplementary)*, which was prepared by SMDRI and dated in September 2016, hereinafter it was referred to as the ***Supplementary for DUP 2015***; and
- *The Feasibility Study Report on the Construction Project of Donggou Gold Mine In Fengfu Town (600 ktpa) for foNingshan County Bubugao Mining Company Ltd,*, which was prepared by Shaanxi Lvrun Environmental Engineering Research Institute Company Ltd. and dated in August 2025, hereafter it was referred to as the ***FSR 2025***.

The difference between the *DUP 2015* and its supplementary is that the top elevation of planned mining area was changed from 1,517 m asl to 1,500 m asl due to environmental protection of Qinling Mountains.

The *FSR 2025* summarised the data and information available to date. It modified the ore mining capacity from that proposed in the *DUP 2015* to 600 ktpa, with nothing else changed. Overall, the *FSR 2025* is just given the name of feasibility study, however, both the quality and content are not in line with a commonly accepted feasibility study. It is considered to meet the standard of a pre-feasibility study.

The #1 Plant and #2 Plant are in the state of shutdown. The technical studies available to SRK are shown below:

- The *Feasibility Study Report on the Gulougou Tailings Storage Facilities for Ningshan County Jincheng Mining Company Ltd.*, which was prepared by Henan Province Metallurgical Planning and Design Institute Company Limited ("**HMPDI**") and dated in May 2010, hereinafter it was referred to as the ***FSR on Gulougou TSF 2010***.
- The *Construction of Copper Polymetallic Ore Processing Plant and Tailings Storage Facilities for Ningshan Count Jincheng Mining Company Ltd. (Supplementary),* which was prepared by Hanzhong City Environmental Engineering Planning and Design Institute ("**HCEEPDI**") and dated on 25 June 2016, hereinafter it was referred to as the ***CCPOP&TSF 2016***.
- The *Design Description of the Processing Plant Construction Project of Ningshan County Jincheng Mining Company Ltd.,* which was prepared by Jincheng Mining and dated in August 2025, hereinafter it was referred to as the ***DDPP 2025***.

The proposed final products of processing plants include copper concentrates, lead concentrates, and tungsten concentrates. At the time of this reporting, SRK was informed that the final product will be modified to gold concentrates, and that these two processing plants will no longer be used for processing of ores from other mines. To produce gold concentrates, a modification to the processing plants is necessary.

SRK estimated the Ore Reserves for the Bubugao Project in accordance with the *JORC Code* guidelines and based on each mine's mining recovery rate and dilution rate as well as other modifying factors cited from the *DUP 2015* and *Supplementary for DUP 2015, and the FSR 2025*.

The Ore Reserve statement is shown in Table ES-5.

Table ES-5: Ore Reserve Statement for the Bubugao Project as of 31 December 2025 by SRK Consulting China Ltd [1, 2, 3, 4, 5, 6, 7]

Mineralised Zone	Category	Cut-off Grade (g/t Au)	Ore Tonnage (kt)	Au Grade (g/t)	Au Metal (kg)	Au Metal (koz)
Au1-2	Probable	1.0	4,100	2.76	11,300	364
Au2-3	Probable	1.0	238	1.94	462	15
Total	**Probable**	**1.0**	**4,100**	**2.76**	**11,300**	**364**

Sources: SRK

Notes:

[1] The information in this report which relates to Ore Reserve is based on information compiled by Mr Yonggang Wu, MAusIMM, and Dr Yiefei Jia, FAusIMM CP(Geo), who are full time employees of SRK Consulting China Ltd. Both Dr Jia and Mr Wu have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as the Competent Persons as defined in the 2012

edition of the "*Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*", the *JORC Code*. Dr Jia and Mr Wu consent to the reporting of this information in the form and context in which it appears.

[2] Number was rounded to the third significant figure to reflect the uncertainties in estimate.

[3] Total tonnage and gold metal may not add due to rounding discrepancies.

[4] Mining dilution rate, including waste rocks and Inferred Mineral Resources, is 22.7%. Mining loss rate is 27.1%.

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

[6] Fengfu Donggou mining licence covers almost mineralised zones Au1-2 and Au2-3. However, the mining licence has already expired, and the licence renewal process is currently underway. The estimated Ore Reserves are based on the assumption that Bubugao can obtain the extended mining licence (see Appendix B). Now SRK was informed that the renewed Donggou Mining License is received with a validity period of six (6) years from 13 February 2026 to 13February 2032.

Mining Assessment

Bubugao Mining was incorporated on 30 December 2008. According to the *DUP 2015* and the *Supplementary for DUP 2015*, the hybrid of adit and inclined shaft was proposed to develop the mineralised zones Au1-2 and Au2-3. The *FSR 2025* proposed no further modification to the development system. The proposed mining method is room and pillar mining. SRK considered the proposed development and mining method are technically feasible.

There is no technical study on the development of other mineralised zones. SRK considered a preliminary feasibility study is necessary before mining operation starts in these zones.

Mineral Processing

The Donggou gold deposit is classified as a low-sulphide gold ore. The primary ore minerals are electrum, limonite, pyrite, and galena, with electrum being the main target mineral for beneficiation. The main gangue minerals include quartz, muscovite, and potassium feldspar.

In June 2012, Xi'an Tianzhou Mining Technology Development Co., Ltd ("**Tianzhou**") was commissioned to conduct beneficiation test studies on the gold ore, including flotation test, cyanide leaching test and knelson gravity test. The test results are summarised as follows:

- Through flotation process, a gold concentrate was obtained with a gold grade of 85.20 g/t and a silver grade of 1,252 g/t, resulting in a gold recovery rate of 91.89% and a silver recovery rate of 94.55%.
- Through cyanide leaching process, the gold and silver leaching rates were 93% and 59%, respectively. The grades of gold and silver in the leaching residue were 0.21 g/t and 17.42 g/t, respectively.
- Through Knelson gravity process, a gravity gold concentrate was obtained with a gold grade of 26.12 g/t and a recovery rate of 37.9%.

The Project consists of two processing plants with a total designed capacity of 1,500 t/d. The #1 Plant with a designed capacity of 1,000 t/d, was constructed in 2013 while the #2 Plant with a designed capacity of 500 t/d, was constructed in 2024. During the site visit, SRK has learned that the two plants are currently in a state of shutdown. The designed process is flotation, aimed at recovering gold, with the final product being gold concentrate.

In August 2025, a feasibility study was conducted for the Project to expand production capacity to 2,000 tpd (600,000 tpa) in 2028. SRK considers the level of detail in the metallurgical section of the study to be insufficient and recommends including a description of the current state of the 1,000 tpd

processing plant, as well as an assessment of equipment for each process stage. This would help determine the additional equipment and investment required for the expansion.

The Gulougou TSF was built in 2013, with a total dam height of 58 m and a designed storage capacity of 1.61 million cubic meters ("**Mm^3**"). In February 2025, the TSF was granted the safety production licence.

Environmental and Social Impacts

During this review, SRK sighted two EIA reports along with their approvals. These EIA studies cover the Project's main production facilities, including the mining area, #1 Plant, and the tailings storage facility. However, #2 Plant currently does not have any EIA documentation.

No wild plants protected at the national or local level, nor any ancient or notable trees, were identified. The Project does not encroach upon nature reserves, scenic areas, or other ecologically sensitive zones. The EIA concludes that, because many animals are highly mobile and suitable habitats are widely distributed around the Project area, the Project's development is unlikely to significantly affect wildlife species diversity or population sizes and will not result in a loss of biodiversity.

The Project's processing wastewater primarily comprises flotation wastewater and site wash water. Wastewater from the processing plant is managed through a closed-loop circulation system and is not discharged externally. During the site visit, SRK noted that previously generated waste rock, aside from being used for site levelling, was mainly deposited in gullies outside the adit entrances. The Gulougou TSF is a valley-type structure, consisting of an initial rockfill dam, a flood discharge system, dam monitoring devices, a tailings delivery system, and a tailings return-water system. There are no recorded significant cultural heritage sites within or surrounding the Project area.

Capital Expenditures and Operating Costs

Capital Expenditure(s)

The net value of sunk Capex is about RMB 117 million as of 30 June 2025 based on available balance sheets.

In addition to the sunk Capex, there are about RMB 156 million of non-current liabilities, estimated by SRK based on experience.

The expansion Capex is about RMB 130 million to exploit mineralised zones Au1-2 and Au2-3 based on estimate of Bubugao Project's technicians.

The sustaining Capex is about RMB 34 million over the life of mine ("**LoM**"), estimated by SRK based on experience.

Working capital is about RMB 24.8 million as of 30 June 2025. SRK estimated future years' working capital based on experiences, which is about the 30% of the Opex.

Operating Costs

The Bubugao Project has not started commercial production yet. There is no Opex recorded for the past three years.

SRK estimated future years' Opex based on the available data. The average Opex is about RMB 546.6 per tonne of run-of-mine ("**RoM**") over the LoM. The short-term Opex forecasts are shown in Table ES-6 and Table ES-7 for the Bubugao Project.

Table ES-6: Annual Opex Forecasts from 2026 to 2030 (Unit: RMB million)

Item	2026	2027	2028	2029	2030
Consumables	4.8	7.2	7.2	21.5	28.7
Fuel and electricity	1.8	2.7	2.7	8.1	10.8
Workforce employment	14.1	21.1	21.1	63.3	84.4
Maintenance	2.8	4.2	4.2	12.6	16.8
Labour protection	2.2	3.2	3.2	9.7	13.0
Other manufacture overheads	3.5	5.3	5.3	15.8	21.0
Transportation	4.0	6.0	6.0	18.0	24.0
Production safety	1.5	2.3	2.3	6.8	9.0
Selling	3.0	4.5	4.5	13.5	18.0
Administration	7.0	10.5	10.5	31.5	42.0
Environmental reclamation	0.5	0.8	0.8	2.3	3.0
Urban maintenance and construction tax	0.1	0.2	0.2	0.6	0.8
Education surcharge	0.1	0.2	0.2	0.6	0.8
Mineral Resource tax	5.8	8.7	8.3	24.6	27.8
Royalties for the transferring of property licence	3.8	5.7	5.4	16.2	18.3
Opex in Total	**56.3**	**84.5**	**83.8**	**250.9**	**326.2**

Sources: SRK
Notes: Values are in real terms.

Table ES-7: Unit Opex Forecasts from 2026 to 2030 (Unit: RMB/t RoM)

Item	2026	2027	2028	2029	2030
Consumables	47.8	47.8	47.8	47.8	47.8
Fuel and electricity	18.0	18.0	18.0	18.0	18.0
Workforce employment	140.7	140.7	140.7	140.7	140.7
Maintenance	28.0	28.0	28.0	28.0	28.0
Labour protection	21.6	21.6	21.6	21.6	21.6
Other manufacture overheads	35.0	35.0	35.0	35.0	35.0
Transportation	40.0	40.0	40.0	40.0	40.0
Production safety	15.0	15.0	15.0	15.0	15.0
Selling	30.0	30.0	30.0	30.0	30.0
Administration	70.0	70.0	70.0	70.0	70.0
Environmental reclamation	5.0	5.0	5.0	5.0	5.0
Urban maintenance and construction tax	1.3	1.3	1.3	1.3	1.3
Education surcharge	1.3	1.3	1.3	1.3	1.3
Mineral Resource tax	57.9	58.2	55.3	54.8	46.3

Item	2026	2027	2028	2029	2030
Royalties for the transferring of property licence	38.1	38.2	36.3	36.0	30.5
Unit Opex in Total	**562.8**	**563.3**	**558.5**	**557.6**	**543.7**

Sources: SRK

Notes: Values are in real terms.

Economic Analysis

The economic analysis presented here is based on the results of the technical review. Some key assumptions are made for technical evaluation and Ore Reserve estimation purposes only. The Bubugao Project economic analysis was conducted using the discount cash flow ("**DCF**") method and is based on assumptions of technical and economic parameters from actual historical production data and the feasibility study and/ or design of the Bubugao Project with some adjustments by SRK.

The overall economics are shown in Table ES-8, showing a positive NPV, indicate that the Bubugao Project is economically viable.

Table ES-8: Summary of Overall Economics

Item	Unit	Value	Remarks
Production capacity	ktpa ore	600	
Life of mine	years	11	
Ore			
Tonnage	kt	4,340	
Gold metal	koz	379	11,800 kg
Gold grade	g/t	2.72	
Gold Processing			
Gold processing recovery rate	%	91.0	
Gold grade in concentrates	g/t	85.0	
Gold concentrates tonnage	kt	126	
Gold metal in concentrates	koz	345	10,700 kg
Payable gold	koz	328	10,200 kg
Economic Analysis			
Long-term gold price	US$/oz	2,550	RMB 574 /g
Sales revenue of gold concentrates	RMB million	5,963	
Opex	RMB million	2,372	
Opex	RMB/oz payable gold	7,239	RMB 233 /g payable gold
Sunk Capex	RMB million	117	as of 31 December 2025
Non-current liabilities	RMB million	156	
Expansion Capex	RMB million	130	
Sustaining Capex	RMB million	34	
Mine closure and reclamation	RMB million	54	
NPV	RMB million	1,356	Discount rate is 9.0%

Sources: SRK

Risk Assessment

SRK completed a risk assessment of the risks identified for the Bubugao Project in relation to their likelihood of occurrence and consequence in accordance with the Listing Rules of the HKEX.

SRK considers various technical aspects which may affect the feasibility and future cash flow of Bubugao Project and conducts risk assessments for the Project, which have been summarised in Table ES-9.

Table ES-9: Risk Assessment for both Bubugao Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Minor	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Mining			
Significant Production Shortfalls	Possible	Moderate	Moderate
Pumping System Adequacy	Unlikely	Minor	Low
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Possible	Moderate	Moderate
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Unlikely	Minor	Low
Poor Road Transportation/Safety	Possible	Moderate	Moderate
Ore Processing and Metallurgy			
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Low Plant Reliability	Unlikely	Moderate	Low
Environmental and Social			
Environmental Approval and Permit	Possible	Moderate	Medium
Impact on Flora and Fauna	Possible	Minor	Low
Poor Water Management	Possible	Moderate	Medium
Poor Tailings Management	Unlikely	Moderate	Low
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Medium
Capital Cost Increases	Unlikely	Minor	Low
Capital Costs- Ongoing	Unlikely	Minor	Low

Source: SRK

Recommendations

SRK offers the following recommendations:

Geology

The known mineralisation veins at the Bubugao Project are all gold-bearing quartz veins/veinlets and/or alteration type deposits. During onsite observations, SRK identified the bounding shape of mineralised veins in exploration-level tunnels at the Project. This shape is commonly known as

"pinch-and swell" in veins and is caused by flexures of the fault plane enabling portions of the faults to widen ("swell") or narrow ("pinch") with movement along the faults.

Based on SRK's inspection on the mineralisation veins during the site visit, SRK believes there is potential to expand and upgrade the current Mineral Resources within the deposit, as the current mineralised veins and occurrences are not completely closed off both along the strike and at depth, based on the mineralisation exposed on the exploration level tunnels and drillholes. SRK recommends a further detailed tunnelling exploration with channel sampling at different levels and in-fill holes to be performed not only to expand the Mineral Resource tonnage but also to upgrade the Mineral Resource categories.

SRK also recommends that the Bubugao Mining conduct a QA/QC process for future exploration work, including infill drilling, sampling, sample preparation, analysis, internal and external lab check, and insertion of control samples (i.e. blank, standard and duplicate samples).

Mining and Ore Reserves

SRK estimated Ore Reserves based on the analysis of existing facilities and data, available technical studies and SRK's experience on other gold mines in China.

The *FSR 2025* summarised the data and information available to date. It modified the ore mining capacity from that proposed in the *DUP 2015* to 600 ktpa. Overall, the *FSR 2025* is given the name of feasibility study, however, both the quality and content are not in line with a commonly accepted feasibility study. It is considered to meet the standard of a pre-feasibility study.

SRK considered If Bubugao intends to further increase its mining capacity and, for that purpose, needs to change the mine development method (for example, to a vertical shaft plus ramp), a new and at least a pre-feasibility study report will be required.

Mineral Processing

The sample used for the Knelson gravity separation test lacked representativeness, and SRK recommends conducting new tests with freshly representative samples to evaluate gravity-flotation and gravity-leaching process flowsheet.

The designed storage capacity of Gulougou TSF is insufficient to meet the tailings storage requirements over the life-of-mine. It is recommended to conduct a feasibility study on the comprehensive utilization of tailings to reduce the volume of tailings stored.

Environmental and Social Aspect

SRK recommends that Bubugao Mining conduct regular surface and groundwater quality monitoring around the mining site and the tailings storage facility to keep track of water conditions and minimize the risk of environmental pollution.

1 Introduction

GT Gold Holdings Ltd. (the "**Company**" or "**GT Gold**"), a listed company on the Growth Enterprise Market (the "**GEM**") of the Stock Exchange of Hong Kong Ltd. (the "**SEHK"** or **"Stock Exchange**"), a wholly owned subsidiary of Hong Kong Exchanges and Clearing Ltd. ("**HKEX**"). GT Gold commissioned SRK Consulting China Ltd. ("**SRK**") to undertake an independent assessment of all relevant technical aspects of the Bubugao Gold Project (hereafter referred to as "**Bubugao Project**" or the "**Project**").

The Bubugao Project consists of the following properties, all of which are located in Fengfu Town, Ningshan County, Shaanxi Province of the People's Republic of China ("**China**"):

- Fengfu Donggou Gold Mine ("**Donggou Mine**"), holding one mining licence and one exploration tenement.
- Two ore processing plants: one with a processing throughput of 1,500 tonnes per day ("**t/d**" or "**tpd**", hereafter referred to as "**#1 Plant**") and the other with a processing throughput of 500 t/d (hereafter referred to as "**#2 Plant**").
- Gulougou tailings storage facilities ("**Gulougou TSF**").

Currently, the Donggou Mine is owned by Ningshan County Bubugao Mining Company Ltd. ("**Bubugao Mining**"), while #1 Plant, # 2 Plant and Gulougou TSF are owned by Ningshan County Jincheng Mining Company Ltd. ("**Jincheng Mining**").

SRK understands that a Competent Person's Report ("**CPR**", the "**Report**" or this "**Report**") is required to provide GT Gold and potential equity investors, as well as possible future shareholders with SRK's independent technical opinions on the reviewed properties.

The Report was 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* (the "**Listing Rules**") including the Chapter 18A requirements and other relevant regulations of the HKEX.

The principal objective of this Report is to provide the Company and the Stock Exchange with an independent technical assessment report suitable for inclusion in documents that the Company plans to submit to the Stock Exchange in relation to the proposed acquisition of the reviewed Project.

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

2 Program Objectives and Work Program

2.1 Purpose of the Report

The purpose of this Report is to provide both existing GT Gold shareholders and potential investors with a CPR of the Bubugao Project located in Ningshan County, Shaanxi Province, China. The SRK's report is proposed to provide an unbiased technical assessment of the risk and opportunities associated with the 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 *Australasian Code for Republic Reporting of Technical Assessments and Valuations of Mineral Assets* (the "***VALMIN Code***"). The *VALMIN Code* incorporates the *JORC Code* for the reporting of Mineral Resources and Ore Reserves and is binding upon all the Australasian Institute of Mining and Metallurgy ("**AusIMM**") members.

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

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

2.3 Limitations Statement

SRK is not professionally qualified to opine upon and/ or confirm that Bubugao Mining 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 Bubugao Mining has legal right to all underlying tenements as purported. Assessing the legal tenures and rights to the prospects of the Bubugao Mining and or any of its subsidiary companies are the responsibility of legal due diligence conducted by entities other than SRK.

2.4 Effective Date

The effective date for this CPR is deemed to be 31 December 2025 (the "**Effective Date**"). The Mineral Resource and Ore Reserve statements set out in this CPR are reported as of 31 December 2025 and represent the Mineral Resources and Ore Reserves at the Effective Date as audited by SRK.

The life of mine (the "**LoM**") plans and associated technical and economic parameters included in the LoM plans and techno-economic models all commence on 1 January 2026.

2.5 Work Program

The work program for this project consisted of:

- review of data provided by the GT Gold and preparation of a site inspection;
- a site visit between 5 and 7 August 2025, to the Bubugao Project, including the locations of exploration boreholes, drill cores and underground tunnels showing the gold mineralisation, ore processing plants, ore and waste stockpiles, tailings storage facilities "(**TSF**"), water source and power supply station; the office and living area, and other infrastructure, etc.;
- review of the available documents including operating licences and permits, geological reports, environmental impact assessment ("**EIA**") reports, mineral processing technology and mining methodologies, capital expenditure ("**Capex**") and operating expenses ("**Opex**"), product quality and prices, and techno-economic analysis, etc.;
- discussions with Bubugao Mining management and technical personnel, as well as the relevant geological brigades' professionals who conducted the geology and exploration on the mine;
- preparation of a draft report in accordance with the *JORC Code* guidelines and the requirements of the *Chapter 18A* and other relevant regulations of the HKEX (the Mineral Resources and Ore Reserves were reported as of 31 December 2025); and
- submission of the draft CPR to GT Gold and the related third party for comments and finalisation of the draft 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 1,500 clients are most of the world's major and medium-sized metal and industrial mineral mining houses, exploration companies, banks, petroleum exploration.

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

SRK Consulting employs leading specialists in each field of science and engineering. Its seamless integration of services, along with its global base, has made the company a world leader in due diligence, feasibility studies, and confidential internal reviews.

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

SRK China was established in 2005 and has three offices located in Beijing, Nanchang and Kunming. Either independently or together with other SRK Consulting offices—especially SRK Australasia, SRK has been providing independent technical services for the Chinese mining companies. SRK has considerable experience at providing Independent Expert Reports for mining companies who have successfully listed on the stock exchanges in Hong Kong, Australia, United Kingdom, Canada, South Africa and the United States.

SRK has provided dozens of independent technical reports for the Chinese mining companies who have completed successfully listed and/or acquired on the SEHK., as shown in Table 2-1.

Table 2-1: SRK's Recent Reports for Chinese Mining Companies

Company	Year	Nature of Transaction
Yanzhou Coal Limited (listed on SEHK)	2000	Sale of Jining III coal mine to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on SEHK and New York Stock Exchange
Fujian Zijin Gold Mining Group	2004	IPO Listing on SEHK
Lingbao Gold Limited	2005	IPO Listing on SEHK
Yue Da Holdings Limited (listed on SEHK)	2006	Acquisition of shareholding in mining projects in Yunnan, China
China Coal Energy Company Ltd (China Coal)	2006	IPO Listing on SEHK
Sino Gold Mining Limited	2007	Dual Listing on SEHK
Xinjiang Xinxin Mining Industry Co., Ltd	2007	IPO Listing on SEHK
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 SEHK
Citic Dameng Holdings Limited	2010	IPO Listing on SEHK
China Hanking Holdings Limited	2011	IPO Listing on SEHK
China Daye Non-Ferrous Metal Mining Limited	2012	Very Substantial Acquisition on SEHK

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

2.7 Project Team

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

Table 2-2: SRK Project Team

Consultant	Title	Discipline and Task
Dr. Yiefei Jia	Corporate Consultant (Geology)	Project Manager, whole report, CP
Huaixiang (Hubert) Li	Senior Consultant (Geology)	Geology and Mineral Resource Review
Yonggang Wu	Principal Consultant (Mining)	Mining, Ore Reserve Estimation, Economic Analysis
Xiangfeng Yang	Senior Consultant (Processing)	Processing and Metallurgical Review
Nan Xue	Principal Consultant (Environment)	Environment, Social, and Permitting
Qiong (Amy) Wu	Senior BD and Project Coordinator	Project Coordination and Translation
Dr. Anson Xu	Corporate Consultant (Geology)	Internal Peer Review and Quality Control
Dr Yonglian Sun	Corporate Consultant (Mining)	Internal Peer Review and Quality Control

Yiefei Jia, *PhD, FAusIMM (CP Geo)*, is a Corporate Consultant (Geology and Project Evaluation) with over 25 years' experience in a combination of exploration, resource estimation, mineral deposit evaluation, and the delivery of multidisciplinary technical assessment reports. He is highly experienced in the management of exploration and resource estimation of precious metals (Au, Ag, and PGE), alkali and base metals (Li, K, Pb, Zn, Cu, V and Ni), black metals (Fe and Mn) 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 a dozen of due diligence projects with technical reports for mergers and acquisitions, financing and exchange listings, such as the Stock Exchange of Hong Kong Limited.

Huaixiang (Hubert) Li, *MEng, MAIG,* is a Senior Consultant (geology) with SRK China. He graduated from the China University of Geosciences (Beijing) and used to work in a geological exploration company for more than 6 years and gained lots of experiences and expertise in geological and Mineral Resources exploration. As a consulting geologist, he has participated a number of metal mineral projects, including exploration design review, data verification, due diligence reviews and Mineral Resource estimation. He is familiar with the principles and methods for metal ore deposits prospecting and exploration including lithium, gold, silver, PGE, REE, copper, lead, zinc, molybdenum, bauxite, etc. He is proficient in geological modelling, Mineral Resources estimation, data processing and GIS/RS application.

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

Xiangfeng Yang, MEng; *MAusIMM, Chinese Certified Constructor (Mining Engineering and Mechanical and Electrical Engineering), Registered Cost Engineer, Chinese Certified Mineral Right Value*, is a senior consultant (processing) at SRK China. She graduated from Wuhan University of Technology in 2010. During her undergraduate and master's studies, she systematically learned the relevant knowledge of non-ferrous metal ore and non-metal ore separation process and mineral processing plant design. She has been engaged in feasibility research, preliminary design and construction drawing design at Bluestar Lehigh Engineering Institute and NMS. She has published several journal papers and utility models and has led and participated in many medium and large phosphate mines, potassium salt, sulphide ore and other processing projects. She has rich experience in the design of processing programs such as salt and sulphide ore and has rich experience in the selection of mineral processing equipment, bidding and procurement, the design of mineral processing technology plans, as well as the configuration of processing workshops.

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

Dr Anshun (Anson) Xu, *PhD (Geology), FAusIMM*, is a Corporate Consultant (Geology) who specialises in the exploration of mineral deposits, and evaluation of mining projects. He has more than 30 years' experience in exploration and development of various types of mineral deposits including Cu-Ni sulphide deposits related to ultra-basic rocks, tungsten and tin deposits, diamond deposits and especially deep expertise in various types of gold deposits, including veins, fracture-breccia zones, alteration, and Carlin deposits. He was responsible for the Mineral Resource estimations of several diamond deposits and for reviews of Mineral Resource estimations of several

gold deposits. He recently completed several due diligence jobs for clients from both China and overseas including technical review projects such as Canadian National Instrument (NI)43-101 reports and HKEX initial public offering (IPO) technical reports.

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

2.8 Warranties

GT Gold 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 Compliance Statement

The information in this report that relates to Mineral Resources/Ore Reserves is based on information compiled by Dr. Yiefei Jia, a Competent Person who is a Fellow of AusIMM and a Chartered Professional in Geology (CP Geo), Mr Huaixiang (Hubert) Li, a Competent Person who is a Member of AIG, and Mr Yonggang Wu, a Competent Person who is a Member of the AusIMM. All are full-time employees of SRK.

This Report is a Competent Person's Report in line with the Listing Rules of the HKEX.

Dr. Yiefei Jia, Mr Huaixiang (Hubert) Li and Mr Yonggang Wu have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the *JORC Code*".

Dr. Yiefei Jia, Mr Huaixiang (Hubert) Li and Mr Yonggang Wu consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Peer review and quality control of the Report were conducted by Dr. Anson Xu, *FAusIMM*, a Corporate Consultant (Geology and Mineral Resources) and Dr Yonglian Sun, *FAusIMM, FIEAust*, a Corporate Consultant (Mining).

2.10 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 GT Gold or GT Gold's employees or in regard to the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. SRK is independent of GT Gold applying all of the tests in 18A.21 and 18A.22 of the Listing Rules of the Exchange and HKEX.

2.11 Consent

SRK consents to this Report being included, in full, in documents that GT Gold proposes to submit to the HKEX and/ or disclosure to the public markets, 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.

2.12 Forward Looking Statement

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

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

3 Operational Licences and Permits

This section summarises key operational licences and permits. SRK relies on the information provided by the Company, and SRK does not intend to undertake a legal due diligence review since such work is outside the scope of technical review.

3.1 Business Licence

The business licence details for the Bubugao Project are presented in Table 3-1.

Table 3-1: Business Licence

Project/Company	Bubugao Mining
Business Licence No.	9161092368158790XX
Issued To	Ningshan Bubugao Mining Company Ltd.
Issued By	Ningshan County Administration Approval Bureau
Issue Date	22 September, 2022
Expiry Date	No disply
Licenced Business Activities	Detailed exploration of gold deposits, gold mining, and sales of mineral products.

Source: Bubugao Mining.

3.2 Mining Licence

The mining licence details for the Bubugao Project are presented in Table 3-2. A copy of the original mining licence is provided in Appendix B.

Table 3-2: Summary of Mining Licence

Project	Fengfu Donggou Gold Mine (Donggou Section)
Mining Licence No.	C6100002016114110143362
Issued To	Ningshan Bubugao Mining Company Ltd.
Issued By	Shaanxi Province Land and Resources Bureau
Issue Date	23 November, 2016
Expiry Date	23 November, 2021
Area (km^2)	1.0368
Mining Type	Underground Mining
Production Rate (ktpa)	150

Source: Bubugao Mining.

SRK noted that the mining licence listed in the above table has already expired. However, Bubugao Mining informed SRK that the licence renewal process is currently underway. SRK also reviewed a notice of receipt issued in December 2024 by the Shaanxi Provincial Government Service Center, acknowledging the submission of Bubugao Mining's application materials for the renewal of its mining rights.

3.3 Safety Production Permit

The details of the safety production permit are presented in Table 3-3.

Table 3-3: Safety Production Permit

Project	Jincheng Mining Gulougou TSF
Safety Production Permit No.	FM[2025] 0265
Issued To	Ningshan County Jincheng Mining Company Ltd.
Issued By	Shaanxi Province Emergency Management Bureau
Licenced Activity	TSF Operation
Issue Date	20 February, 2025
Expiry Date	12 September, 2027

Source: Jincheng Mining.

No safety production permit for the mine site of the Project has been sighted as part of this review.

3.4 Water Extraction Permit

As per the Water Law of the People's Republic of China and the Regulations on Water Extraction Permits, any unit directly drawing water resources from rivers, lakes, or underground must apply to the water administration department or the relevant river basin management agency for a Water Extraction Permit and pay water resource fees to obtain the water extraction rights. For construction projects requiring water extraction, the applicant should commission a qualified agency to prepare a Water Resource Argumentation Report for the Project. No water extraction permit for the Project has been sighted as part of this review.

3.5 Pollutant Discharge Permit

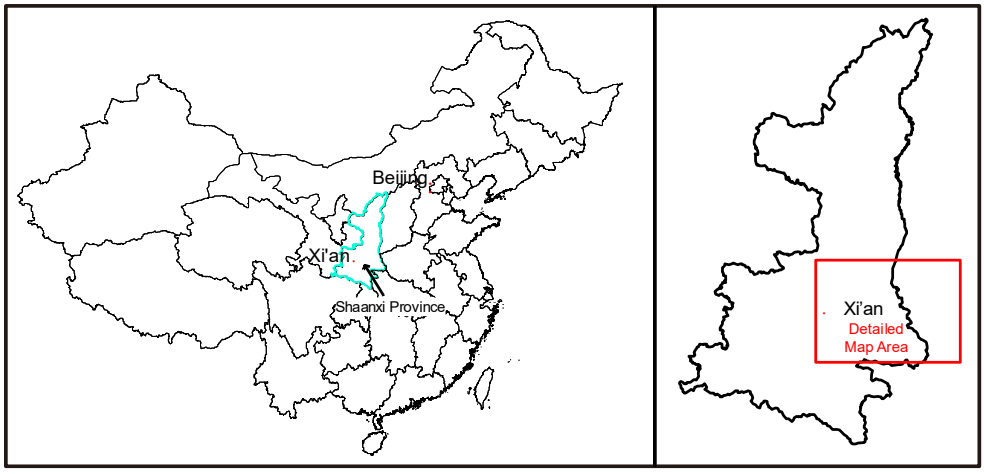
According to the Regulations on the Administration of Pollutant Discharge Permits and the Measures for the Administration of Pollutant Discharge Permits, pollutant discharge units must apply for a Pollutant Discharge Permit from the approval authority before starting production facilities or engaging in actual pollutant discharge activities. Applications for the Pollutant Discharge Permit can be submitted through the National Pollutant Discharge Permit Management Information Platform or by mail. The Pollutant Discharge Permit is valid for five years. No pollutant discharge permit has been sighted as part of this review.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Location and Accessibility

The Bubugao Project is located about 65 km northeast of Ningshan County, approximately 40 km south of Xi'an, the capital of Shaanxi Province, China (Figure 4-1 and Figure 4-2). Administratively, it is under the jurisdiction of Wutai Village in Fengfu Town of Ningshan County, Ankang City. The Project area starts from the west at the hillside west of Meihua Village in Fengfu Town, extending east to Shuangmiaozigou, north to Pengjiagou, and south to Donggou. The area is approximately 2km long from east to west and 1.7km wide from north to south, with a total area of 2.172 km². Geographical coordinates of the Project area are limited to the area between 108°50′57″ to 108°51′47″ East longitude and 33°41′06″ to 33°42′00″ North latitude.

Figure 4-1: Map of Shaanxi Province, China

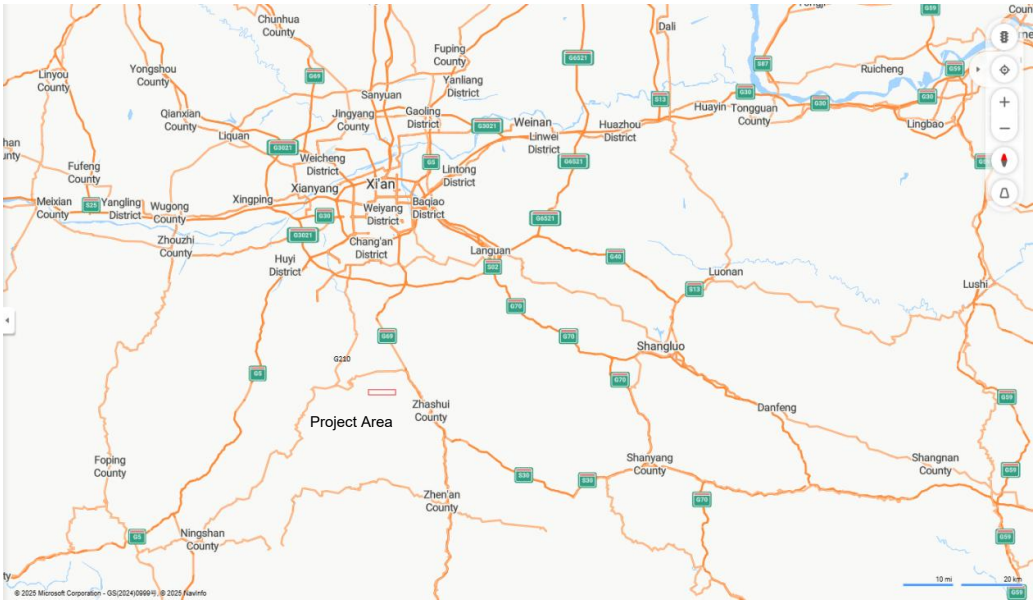


Sources: SRK

Access to the Project is relatively easy. In the northwest of the property area, there is a county-level cement road from Fengfu Town to Guanghuojie Town connecting the National Highway (G210) with a transport distance of about 37 km. In the east, there is a county-level road that connects from Fengfu Town via Zhen'an County's Dongchuan Town to Yangpan Town in Zhashui County, linking to the Baotou - Maoming Expressway (G65), with a transport distance of about 80 km. Within the Project area, there is a 3 km gravel road connecting to the county-level road, making transportation quite convenient.

Xi'an is an important city in central and western China and Xi'an airport is a major airport in China as well. Most cities in China, including Beijing and Hong Kong, have daily flights and/ or high-speed trains to and from Xi'an. There is a grade 3 concrete-paved road with a distance of 116 km from Xi'an to Ningshan.

Figure 4-2: Location Map of the Project Area



4.2 Climate

The climate of the Project area is classified as a continental warm temperate mountain monsoon climate, with an average annual temperature of 12.4 degrees Celsius ("**°C**"). The extreme maximum temperature is about 36.2°C, while the extreme minimum temperature is -20°C. The average annual precipitation is 899 millimetres ("**mm**"), with abundant rainfall mostly concentrated in the summer and autumn seasons. Heavy rainstorms are common in summer. The freezing period lasts from November to March of the following year.

4.3 Physiography

The Project is located in the Qinling Mountains physiographic region, with an elevation ranging from 1,260 metres ("**m**") to 1,640m. The area has an incision depth of 380m and slopes ranging from 25 degrees ("**°**") to 45°, characterised as a low to mid-mountain landform. The overall terrain of the Project area is higher in the middle and lower in the north and south, with the lowest point located in the northern Pengjia Gully at an elevation of 1,260m above sea level ("**asl**"). The orebody outcrops at elevations between 1,360m and 1,490m.

4.4 Local Economy and Infrastructure

The Bubugao Project area has a well-developed water system and abundant water resources. It belongs to the Xichuan River system, a tributary of the Xun River in the upper reaches of the Han River, which is part of the Yangtze River basin. The main water systems within the Project area include Pengjiagou and Donggou, both of which are perennial streams.

The mine area is entirely located within a reforestation zone, with sparse human habitation. However, in the nearby areas of the Xichuan River and Dapinggou, where the terrain is relatively flat, the

population is denser, with a total of over 1,000 people, all of Han ethnicity. The area has an abundant labour force.

The local economy is primarily based on subsistence agriculture and forestry. Vegetation is well-developed, with most areas covered by forests, consisting of a mixed broadleaf and coniferous forest belt, predominantly ecological forests. Along the sides of the water systems, there are small areas of foothill slopes available for cultivation, producing limited amounts of crops such as corn, soybeans, and potatoes. The region is economically underdeveloped and classified as a national-level poverty-stricken county.

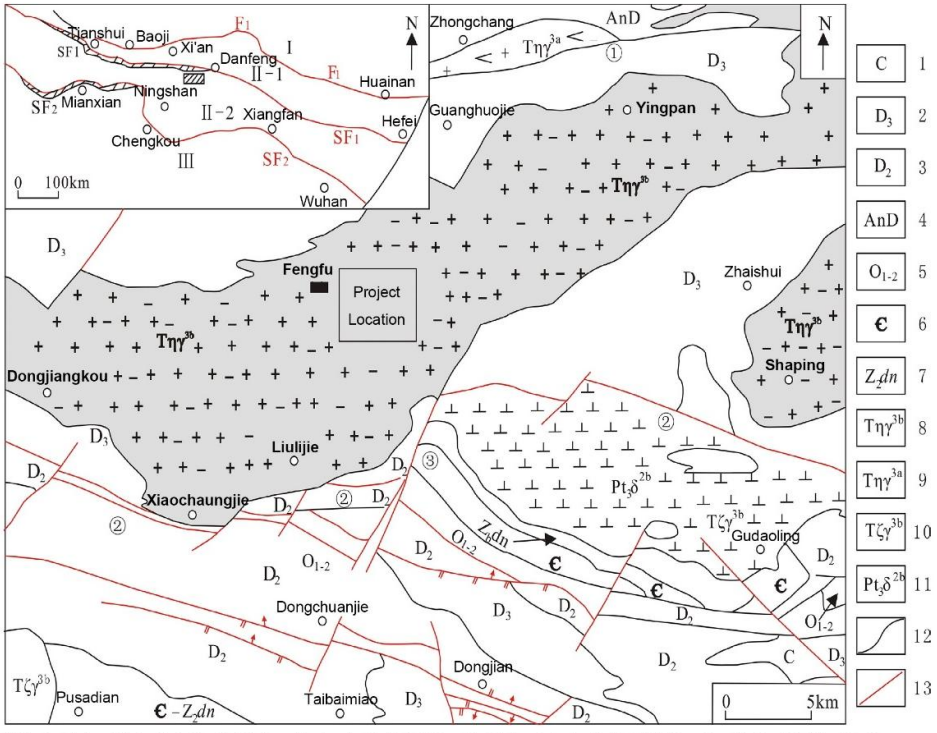
5 Geology and Exploration

5.1 Regional Geology

As shown in Figure 5-1, the Donggou Mine is located in the hinterland of the Qinling Mountains in Shaanxi Province. Regionally, it lies within the Central Qinling Tectonic Belt, between the Tangzang–Shangnan Fault to the north and the Fengzhen–Shanyang Fault to the south.

The exposed lithologies in the northern part of the Tangzang–Shangnan Fault, within the Shangdan Tectonic Belt, are dominated by hornblende–plagioclase gneiss, interlayered with biotite gneiss and hornblende gneiss, and the rocks are strongly mylonitized. Between the Tangzang–Shangnan and Fengzhen–Shanyang faults of the Central Qinling Tectonic Belt, the exposed strata consist mainly of Middle–Late Devonian flysch-like terrigenous clastic sequences. In the southern part of the Fengzhen–Shanyang Fault, the succession is dominated by Middle–Late marine Devonian and Early Carboniferous clastic rocks and carbonates. South of the Mihunzhen pluton, in the Caijiazhuang–Shiwengzi area, a minor amount of Upper Sinian to Lower–Middle Ordovician carbonate strata—chiefly limestone, dolomitic limestone, and dolostone—conformably overlies the greyish-green crystal tuff basement of the Lower Sinian Yaolinghe Group.

Figure 5-1: Regional Geology



I:North China Plate; II-1:North Qinling Tectonic Belt; II-2:South Qinling Tectonic Belt;III:Yangtze Plate; F1:The Northern boundary Fault of the Qinling Mountains; SF1:Shangdan Tectonic Belt; SF2:Minor structural zone; ① Tangzang - Shangnan Fault; ② Shanyang - Fengzhen Fault; ③ Huanghualing Fault; 1:Carboniferous series; 2:Upper mud basin system; 3:Middle Devonian System; 4:Anterior devonian system; 5:Middle and Lower Ordovician; 6:Cambrian Series; 7:Upper Zhen Dan Tong Lantern Shadow Group; 8:Fine-grained black cloud amphibole diorite from the Triassic period; 9:Triassic coarse-grained porphyritic and porphyritic black cloud amphibole diorite; 10:Triassic porphyritic potassium feldspar granites and dichloric granites; 11:Neoproterozoic fine-grained diorite; 12:Geological boundaries; 13: Fault

Sources: modified from Chen Baoyun et al., 2017

The regional faults are dominated by the nearly east–west-trending Tangzang–Shangnan Fault (Shangdan Fault) and the Shanyang–Fengzhen Fault. The Central Qinling Tectonic Belt, sandwiched between these two major faults, records the Hercynian (Variscan) bedding-parallel shear–detachment–glide structures, Indosinian compressional structures, and transtensional shear strike-slip structures.

Hercynian bedding-parallel shear–detachment–glide structures are chiefly developed within the Liuling Group, where bedding-parallel recumbent folds of various scales are widespread, accompanied by dense bedding-parallel axial-plane cleavage (S1) and ductile shear-related folds.

The Indosinian compressional structures are subordinate to the regional deep-seated faults (the Shangdan and Fengzhen faults) and are arranged parallel or subparallel to them, for example the Shagoujie–Huanghualing Fault and the Xiaochuanjie–Gudaoling Fault. Fault-zone widths are on the order of 50–100 m, with attitudes of strike 360°–030° and dip 50°–80°. Within the fault cores, mylonitized meta–quartz sandstone and fault breccia are common. These are brittle–ductile faults characterised by south-verging, high-angle reverse/thrust motion.

Yanshanian shear strike-slip structures within the Dongjiangkou superunit comprise a series of NE–NNE-trending strike-slip faults, striking 010°–045° (and 190°–225°) and dipping to the northwest at angles greater than 70°. Individual faults are 5 km to several tens of kilometers long, with shear zones a few meters wide. Kinematics indicate left-lateral strike-slip motion, and this fault set is commonly expressed as negative relief (linear valleys) in the landscape.

Magmatic activity in the region is intense and dominated by intrusive rocks. The more extensive intrusions comprise Indosinian biotite–hornblende monzogranite and Jinningian fine-grained diorite. The former is exemplified by bodies emplaced within the Dongjiangkou superunit between the Tangzang–Shangnan and Shanyang–Fengzhen faults, whereas the latter is represented by the Mihunzhen pluton south of the Shanyang–Fengzhen Fault. Within the pluton, late-stage dioritic dikes and mafic microgranular enclaves are well developed. The principal dike rocks in the area include metamorphosed gabbro dikes, diorite dikes, granite dikes, aplite dikes, pegmatite dikes, and quartz veins.

5.2 Property Geology

5.2.1 Stratigraphy

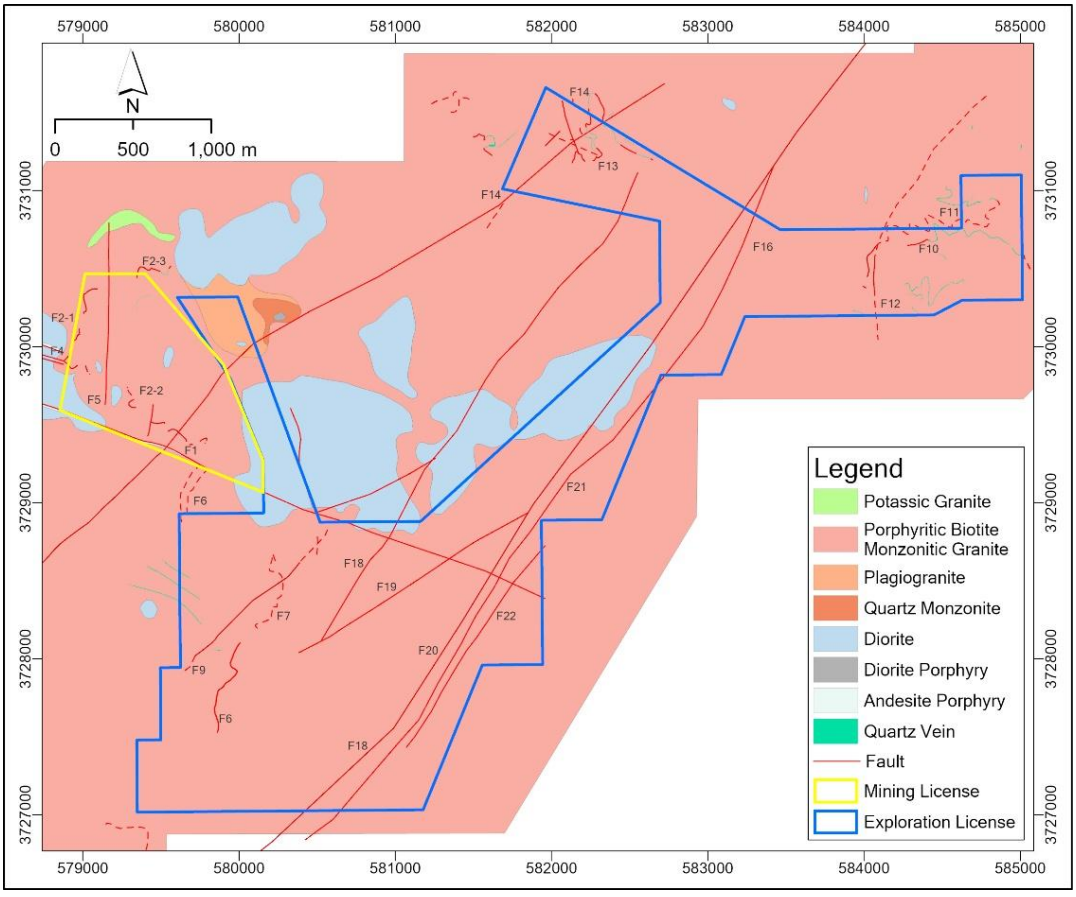
Only the Quaternary alluvial–proluvial and residual–colluvial deposits are exposed within the exploration area. The alluvial–proluvial deposits occur in modern river valleys and gullies, consist mainly of sand and rounded pebbles–cobbles, and are 0.5–10 m thick. The residual–colluvial deposits are dominated by weathered, disintegrated granitic detritus and gravel, with subordinate sandy soil, are widely distributed on hillslopes, and are 0.1–3 m thick.

5.2.2 Structure

Structures in the area comprise brittle faults, joint sets, and hypabyssal intrusive structures. Faults related to mineralisation are chiefly annular and radial features around a concealed pipe-like intrusive body; gold is mainly hosted in irregular, annular, gently dipping faults. By strike, the main sets are WNW–ESE, NW–SE, N–S, NNE–SSW, and NNW–SSE.

The NNW–SSE structures control the emplacement of andesite porphyry and act as ore-conduit structures (e.g., F1). The N–S faults are mostly post-ore and disruptive to orebodies, with offsets of 1–20 m (typically 3–10 m) and are classified as ore-breaking structures (e.g., F5). The principal ore-hosting structures are NW–SE-trending (e.g., F2, F3, F6, F7, F8, F10, F11, F13, F14, F15), as detailed in Figure 5-2.

Figure 5-2: Property Geology



Sources: Modified after Shaanxi Mining Development Industry & Trade Co., Ltd., 2021.

Faults

F1 Fault is located in the northwest part of the mining area, extending along the Donggou–Shuangmiaozigou section on the north slope of the Donggou valley. It strikes 210° and dips 87°, matching the trend of the Donggou valley. The fault zone extends for over 1,400 meters and is about 25 meters wide. Its northern margin forms a steep fault scarp, while negative topography is evident within the fault zone itself. Within the upper reaches of Donggou, the fault zone hosts vein-like diorite porphyry intrusions and local andesitic crypto-explosive breccia. To the west, the fault flanks connect with diorite bodies; to the east, the andesite porphyry in the fault zone becomes silicified and altered by chlorite, with minor gold mineralisation locally observed. Later tectonic activity has fractured the diorite porphyry dikes within the fault and produced abundant fault breccia. Westward, the F1 Fault links up with the Meihuazhuang diorite (porphyry) intrusion.

F2 Fault is located south of the main ridge between Pengjiagou and Donggou. It strikes NW–SE, dipping northeast at approximately 25°, with a length of about 1.8 km. The fault is a compressive strike-slip reverse fault, extending southeast to Miaogouwan and northwest where diorite is emplaced. The fault zone is 5–20 m wide, containing fault breccia and gouge. Alterations within the zone include pyritization–sericitization, sericitization, chloritization, and kaolinitization. Mineralised quartz veins are exposed along the fault, which serves as the main ore-controlling structure for gold deposits in the area.

F3 Fault is located between Donggou and Shibangou along the western boundary of the mining area, with a strike of 90° and a dip of 22°. The fault zone is 1–10 m wide and extends for over 650 m. Rocks within the zone are highly fractured and display sericitization and limonitization. Gold-bearing quartz veins are exposed along the fault, indicating strong potential as an ore-controlling structure for gold mineralisation.

F4 Fault lies on the eastern slope above Meihuazhuang in the western sector of the mine, situated along the margin of a concealed pipe-like intrusive body. It strikes 196°, dips 78°, and is characterised by a series of closely spaced cleavage zones, 10–25 cm apart. The fault zone is approximately 25 m wide and 300 m long.

F5 Fault strikes 271° and dips 80°, with a width of about 3 m and a length over 1,000 m. It consists of fractured, chloritized monzogranite and is classified as a normal fault. F5 offsets the F2 ore-bearing fault by approximately 60 m vertically and is the principal ore-disrupting structure in the area.

F6 Fault is situated in the Miaogou area, striking 100°–130° and dipping 23°–28°. It is exposed at the surface for about 1,300 m, with its northwest end gradually linking to the F2 fault zone, likely as a southeastward extension of F2. The fault zone is 5–15 m wide and contains intensely fractured rocks with sericitization, chloritization, and kaolinitization alteration. Gold-bearing quartz veins are found in both the northern and southern segments, making F6 the main ore-controlling structure for the Domain Au6 and Domain Au5 gold mineralised bodies in the area.

F7 Fault is located in the Miaogou–Zhuyuanzai area, about 150 m east of the F6 fault zone on an upslope. It strikes 110°–120° and dips 15°–20°. The fault zone extends from the eastern slope of Miaogou, passes beneath the bamboo grove near the western slope of Gaochuan River, and creates an approximately 430 m × 430 m square-shaped ring structure at the surface. Alteration features within the fault zone include sericitization and chloritization, with gold-bearing quartz veins exposed. F7 controls the Au7 gold mineralised body.

F8 Fault is found on the western slope of Dadiangou in the southwestern part of the mining area, with an attitude of 290°∠84°. The fault zone is about 1,000 m long and 8 m wide, consisting of highly fractured rocks with pervasive sericitization and kaolinitization. Quartz veins intermittently outcrop along the fault zone, with local gold mineralisation.

F9 Fault is in the Miaogou area, trending 260°–294° and dipping 57°–75°. It is 30–80 cm wide and extends ~2,000 m at the surface, with a straight fault plane. The fault contains white tungsten-bearing pegmatitic quartz–potassium feldspar veins, 5–30 cm thick. F9 is an important ore-controlling fault for white tungsten.

F10 Fault is on the northern slope of Shiyaogou in the eastern part of the mining area, striking 57° and dipping 35°. The fault zone is about 700 m long and 8 m wide at the surface, consisting of

fractured rocks with limonitization, sericitization, and chloritization. Gold-bearing quartz veins are distributed within the fault, making it a major ore-controlling structure for gold.

Joint sets

Syn-magmatic joints are widely developed in the exploration area, characterised by gently dipping, parallel fractures within the monzogranite intrusion. These joints typically range from several meters to several tens of meters in length and formed as the magma cooled and solidified.

After consolidation, later tectonic compression at depth could further displace and extend these joints, eventually developing into compressive–torsional faults with gentle dips, several kilometres in length and 0.5–25 m in width. These faults provided important channels and space for ore-bearing hydrothermal fluids.

Other joints are also well developed, with three main sets identified by strike and dip:

- Strike 30°, dip 85°
- Strike 280–300°, dip 65–80°
- Strike 260°, dip 75°

Most joints in the area are steeply dipping. The joints with strikes of 280–300°/dip 65–80° and 260°/dip 75° are associated with tungsten mineralisation, and small tungsten veins controlled by these joints are found in the central Shiyaogou area and the upper reaches of Shuangmiaozigou.

5.2.3 Igneous Rocks

The exposed rocks in the Project area are mainly intermediate to felsic intrusive rocks, emplaced during the Middle Hercynian and Indosinian periods. Based on intrusive timing, the magmatic rocks are divided into three stages:

- Early Stage: Grey biotite–hornblende monzogranite accompanied by deep-sourced mafic enclaves (gabbro–diorite series).
- Middle Stage: Dark grey diorite (including porphyry and pegmatite), andesite porphyry, andesitic crypto-explosive breccia, as well as neutral subvolcanic rocks emplaced from deep sources. Assimilation and contamination with country rock produced quartz monzonite and plagiogranite series.
- Late Stage: K-feldspar granite and felsic vein rocks.

These intrusions likely represent magmatic activity from multiple stages and diverse sources.

Early Stage

This rock type is widely exposed across the exploration area and is the dominant lithology of the Dongjiangkou superunit, typically forming large plutonic bodies. It is distinguished by its pale grey to grey colour, medium- to coarse-grained granitic texture, and frequent occurrence of ovoid mafic enclaves (gabbro-diorite), ranging from a few centimetres to several meters in diameter.

The main minerals are plagioclase (andesine–oligoclase), K-feldspar (microcline), quartz, biotite, and hornblende, with accessory zircon and apatite. Common alteration includes sericitization and

epidotization of plagioclase, and hornblende locally retrogrades to biotite. The mafic enclaves likely represent remnants of mantle-derived magma, incorporated during large-scale granite magmatism. Overall, these features reflect multi-stage magmatic processes and interaction between mantle and crustal materials during intrusion.

Middle Stage

Donggou Diorite Intrusion is located in the lower reaches of Donggou and has an irregular triangular outcrop covering about 0.3 km², with noticeable zonation. The central and western parts consist of pegmatitic (coarse-grained) diorite, while the northern, eastern, and southern margins are composed of medium- to fine-grained diorite. The centre features a crypto-explosive breccia pipe, and andesite porphyry is exposed in the northeast. The pegmatitic diorite is grey black to grey green in colour, with coarse to pegmatitic gabbroic texture and massive structure. Main minerals include hornblende (55%), plagioclase (30%), biotite (10%), and epidote (<5%), with quartz content less than 2%. Accessory minerals are magnetite (2%) and minor titanite. Hornblende crystals are large, short-prismatic, showing pseudomorphs after pyroxene and lack preferred orientation. Fine-grained pale green epidote and plagioclase fill interstices between hornblende crystals. In the northern part of the body, an approximately east–west trending cleavage zone (F4 fault) transects the intrusion, about 25 m wide, with cleavage planes spaced 15–25 cm apart. Individual cleavage surfaces have 1–5 cm thick zones of sericitic alteration.

Pengjiagou Diorite Intrusion is situated in the middle reaches of Pengjiagou, forming an irregular, NE–SW-trending long axis. The rocks are mostly medium- and fine-grained diorite, showing weak zoning, with a fine-grained equigranular center and locally porphyritic margins. At the contact zone with the monzogranite, quartz monzonite and plagiogranite occur.

Dayuchang–Youzhagou Diorite Intrusion, located between Dayuchang and Youzhagou in the Miaogou mining sector, also displays an irregular, NE–SW-trending long axis outcrop. Exposed area is about 0.6 km²; geophysical data indicate a magnetic anomaly, with the body becoming buried northward beneath the surface and extending for approximately 1.5 km. Some zonation is present, with medium- to coarse-grained diorite at the center and fine-grained diorite at the margins. The rocks contain hornblende (45%), plagioclase (50%), biotite (5%), and less than 3% quartz, with accessory minerals below 1%. Texture is subhedral to euhedral granular, typically porphyritic and massive.

Shuangmiaozigou Diorite Intrusion is exposed on the ridge between Shuangmiaozigou, Donggou, and upstream Pengjiagou, forming a roughly square outcrop of close to 1 km². The overall shape is “mushroom-like”, with the upper part extending outward like an umbrella, a central depression, and a southwest “tongue-shaped” nearly horizontal offshoot that is mostly buried and appears to connect with the Donggou intrusion.

Andesite porphyry is exposed in multiple locations within the area, mainly as dikes. The rock is grey black with distinctive white spots. It is fine-grained with a porphyritic texture and interwoven structure, displaying vesicular and amygdaloidal features in a massive form. Amygdales are commonly filled with quartz, feldspar (fluorite), and biotite. Major minerals are plagioclase (40%), hornblende (20%), biotite (15%), chlorite (12%), quartz (5%), and volcanic glass (<3%). Accessory minerals include magnetite (3–5%), zeolite (fluorite) (<1%), and trace zircon. This rock type represents a transitional facies between hypabyssal diorite porphyry and effusive andesite. It shows weak propylitization and, in the Dadiangou area, features pyrite, galena mineralisation, and low-grade gold mineralisation.

Andesitic crypto-explosive Breccia has two exposures in the area, located within the F1 fault zone and inside the Donggou diorite intrusion, occurring as small stocks. The rock is grey-green, fine-grained with porphyritic and interwoven textures, and displays breccia structure. Both the clasts and matrix are composed of fine-grained diorite; clasts are angular and range from 3 to 40 mm in size. Main minerals include plagioclase (about 50%), hornblende (about 45%), minor biotite (about 5%), and quartz (<2%). Accessory minerals (apatite, magnetite) are present in small amounts. The rock also exhibits weak propylitization.

Late Stage

K-feldspar Granite is mainly found in the northwest part of the exploration area around Pengjiagou, with minor exposures in the Chenjiagou sector. The rock is flesh-red in colour, with a medium- to coarse-grained granitic texture and massive structure. Mineral grains are 2–5 mm in size. Main minerals are K-feldspar (30–40%), plagioclase (25–35%), quartz (20–35%), and muscovite (2–5%). Molybdenite mineralisation is locally observed in fractures.

Granite Aplite occurs sporadically in the area as dikes 1–5 m wide and less than 50 m long, often within structural fracture zones, intruding porphyritic monzogranite. Dikes are nearly vertical and trend NE or NW. The rock is flesh-red to grey, with main minerals of quartz (>60%), K-feldspar (30%), minor plagioclase, and minor muscovite. Scattered limonite spots and minor metallic sulphides are sometimes present.

Granite Pegmatite forms dikes 0.2–0.8 m wide and 50–1500 m long, typically emplaced along fracture zones and intruding porphyritic monzogranite. Dikes are nearly vertical and trend NE or NW. The rock is flesh-red to grey, dominated by quartz (>60%), K-feldspar (30%), with minor plagioclase and muscovite.

5.2.4 Metamorphism and Alteration

Wall rock alteration in the area is generally weak. Based on the mineral assemblage and occurrence, the dominant alteration type is silicification–sericitization, mainly characterised by secondary quartz, sericite, and K-feldspar. Alteration zones are mostly banded or vein-like, typically 3–15 m wide, and up to about 30 m in maximum width.

Silicification is the most widespread and ore-related alteration in the deposit. As a result of silicification, the SiO_2 content in the rocks generally exceeds 70%. Silicification occurs in two main styles:

- As irregular, granular aggregates replacing the host rock, forming sericite rock or sericitized granite porphyry.
- As fillings along fractures and joints, forming fine veinlets or stockwork veins, often accompanied by pyrite and other metal sulphides.

Sericitization is extensively developed within the deposit, commonly associated with other alteration types. Manifestations include:

Sericite forming aggregates of fine scaly flakes replacing plagioclase.

In more intense cases, all silicate minerals except quartz are completely replaced by sericite.

Pyritization is widespread though typically low in abundance. Pyrite usually forms euhedral cubic crystals, most commonly as disseminated spots in the rocks. Intense silicification and small quartz veins are often flanked by dense disseminated and veinlet pyrite aggregates; pyrite is the principal gold carrier in the area.

Potassic and Sodic Alteration primarily manifest as potassic replacement of plagioclase, producing K-feldspar. Sodic alteration involves albite replacing plagioclase to form albite.

Fluoritization: Fluorite forms irregular grains filling amygdules in andesite porphyry, or along feldspar cleavage cracks by replacement, typically occurring in sericitized rocks.

Silicification and pyritization are directly associated with gold mineralisation. Pyrite is the main carrier of gold in the district and serves as a key alteration indicator for gold exploration.

5.3 Mineralised Body Geology

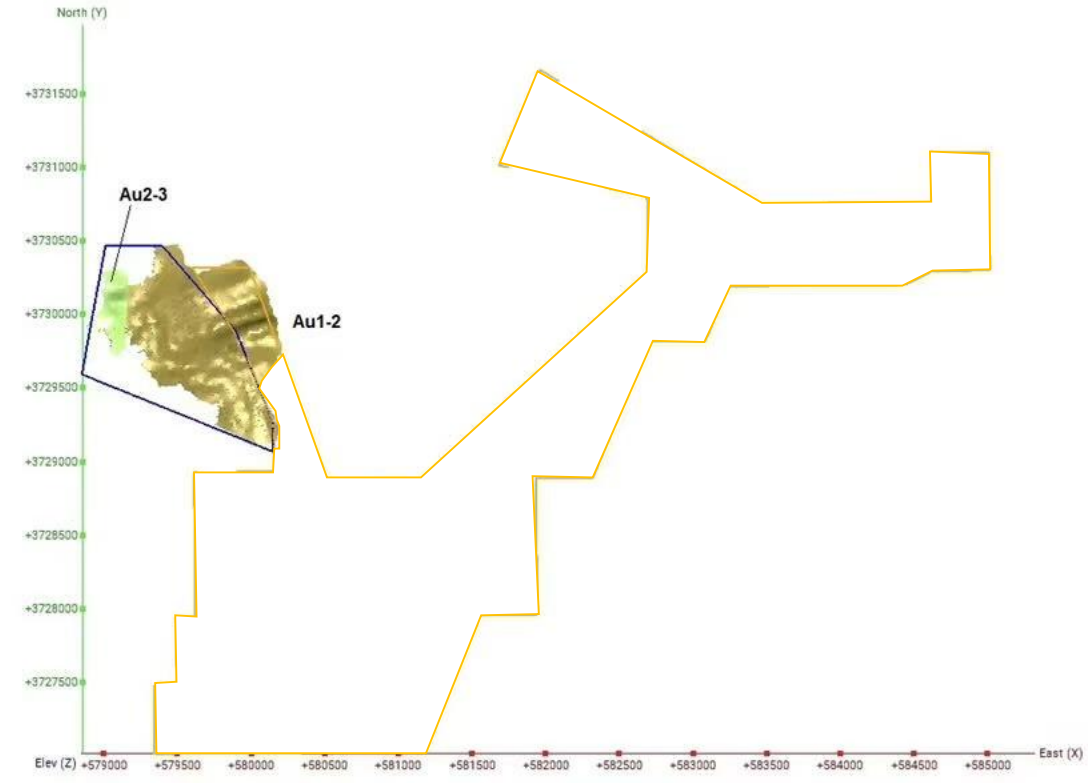
5.3.1 Controls on Mineralised Bodies

The mineralised bodies within the Project area are primarily controlled by compressive-torsional, gently dipping faults. Later-stage mineralising hydrothermal fluids filled these fault zones, forming vein-type, lenticular, and layered quartz vein gold mineralised bodies. The main types of mineralised veins include quartz veins and altered, brecciated quartz veins. The lengths of these veins are generally less than those of the structural zones that control them, and their occurrences are consistent with the attitude of these structures.

A number of mineralised bodies have been identified within the mining area. In this phase of work, two gold mineralised bodies have been delineated at the Donggou Mine (see Figure 5-3).

▪

Figure 5-3: Mineralised Body Distribution Map



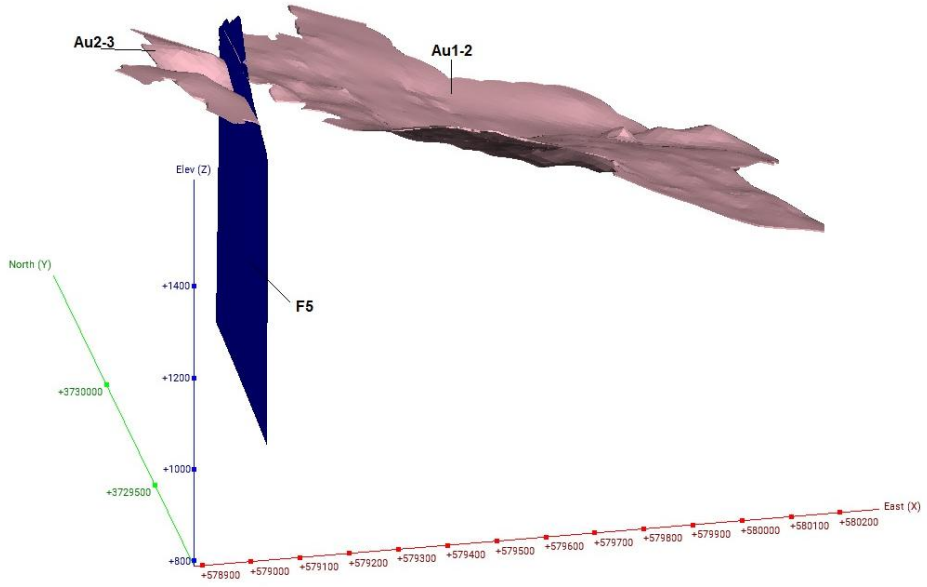
Sources: SRK

The main characteristics of these mineralised bodies are described below:

Domain Au1-2

The Domain Au1-2 is the principal gold mineralised body within the mining area. It is situated on the footwall (eastern side) of the north-south trending F5 fault (Figure 5-4). These mineralised bodies occur as veins, dipping eastwards at an angle of 18°–20° from the northern slope of Donggou, extending beneath the watershed ridge between Pengjiagou and Donggou. Surface exposures are observed along the line of adit portals PD3 and PD1 on the northern slope of the ridge.

Figure 5-4: Map Showing the Relationship between Domains Au1-2 and Au2-3 and Fault F5



Sources: SRK

The hanging wall and footwall host rocks are both medium- to coarse-grained biotite-hornblende monzogranite. The boundaries between the mineralised bodies and the altered host rocks of the hanging and footwall are indistinct and are delineated based on geochemical assay results.

At surface, the mineralised bodies are exposed between exploration lines #A16 and #A71, with a strike length of 1,370 m, and an elevation range of 1,517 m asl to 1,375 m asl. The body is constrained by 31 trenches, 13 levels of along the strike drifts, 204 crosscut drifts, and 97 drillholes.

Subsurface, the mineralised body occurs between exploration lines #A56 and #A87, with a total length of 1,780 m and an exploration-controlled length of 1,700 m. They extend vertically from 1,480 m asl down to 1,140 m asl, achieving an apparent down-dip extension of 980 m and a true vertical depth of 338 m. The bodies are continuous both along strike and dip, typically displaying irregular vein- and lens-like geometries, and generally form a north-south trending "S" shape in plan. Attitude measurements range from azimuth 5°–102° with dips of 11°–25°. The northern sections dip east, the central parts dip northeast, and the southern parts dip east-northeast, with an average dip angle of 17°.

There is significant variation in the morphology along strike and down dip, with features such as swelling, pinching, bifurcation, and local disappearance and reappearance. The thickness of individual mineralised bodies observed in workings ranges from 0.65 m to 7.46 m, with an average thickness of 3.57 m and a coefficient of variation for thickness of 33%, indicative of a relatively stable orebody. Individual sample gold grades typically range from 1.87 g/t to 6.02 g/t, with a maximum observed value of 88.16 g/t, and a coefficient of variation for Au grade of 36%.

5.3.2 Mineralogical Characteristics

The principal host rock associated with the mineralised bodies in this area is medium-grained, porphyritic monzogranite, which exhibits strong sericitization. The boundaries between the

mineralised bodies and the host rock are indistinct and must be defined by geochemical assay results.

The waste interlayers within the mineralised bodies are predominantly composed of pyritised sericite-rock, with occasional occurrences of potassium feldspar–chlorite–altered granite. These interlayers typically occur as flattened, lenticular bodies with thicknesses ranging from 0.6 to 20 m. In most cases, the gold grades in the interlayers exceed 0.1 g/t.

The ore minerals are dominated by pyrite and limonite, with minor galena, chalcopyrite, and argentiferous gold minerals. The gangue minerals are mainly quartz, sericite (white mica), and dolomite, along with subordinate potassium feldspar and chlorite.

The ore textures include pseudomorphic automorphic granular texture, pseudomorphic cataclastic texture, inclusion texture, recrystallisation texture, and xenomorphic interstitial texture. The ore structures are disseminated structure, banded structure, and honeycomb structure.

Based on multi-element geochemical analyses, the principal recoverable mineral in this gold deposit is gold, with silver and sulphur. Other elements have no comprehensive utilization value. Ore samples assayed returned average contents of Ag, Cu, Pb, Zn and S were 42.7 g/t, 0.034%, 0.12%, 0.053% and 1.4%, respectively. The harmful elements arsenic (“As”) was assayed of 0.021%.

6 Exploration

6.1 Exploration History

This region is located at the conjunction of the eastern and western Qinling Orogenic Belts. From 1958 to 2000, the state carried out public-benefit fundamental geological surveys in the area. Previous regional geological work mainly includes 1:200,000 scale regional geological mapping, 1:50,000 scale geological mapping, 1:200,000 scale regional geochemical surveys, and 1:250,000 scale geological mapping revisions.

6.1.1 General Exploration Campaign

The general exploration campaign was carried out between December 2007 and May 2011 by Shaanxi Chenlong Hot Spring Development Company and Shaanxi Mining Development Industry & Trade Company. The main exploration activities included trenching, tunnelling, drilling, and geological mapping.

6.1.2 Detailed Exploration Campaign

The detailed exploration campaign was conducted from May 2011 to May 2017 by Shaanxi Mining Development Industry & Trade Company. The main exploration works included 6,200 m³ of trenching, 5,580 m of tunnelling, and 8,660 m of drilling. Engineering exposure and delineation were carried out on the mineralised bodies in the Miaogou, Dadiangou, Shenjiagou, Shiyaogou, Chenjiagou, and Fengzigou zones.

6.1.3 Advanced Exploration Campaign I

The advanced exploration campaign I was conducted by Shaanxi Mining Development Industry & Trade Company from May 2017 to May 2019. Three drillholes (MZK27-11, MZK15-27, and MZK19-27) were drilled, with a total drilling depth of 411 m.

6.1.4 Advanced Exploration Campaign II

This advanced exploration campaign II was conducted from May 2019 to December 31, 2021, by Shaanxi Mining Development Industry & Trade Company. The main activities included trenching, tunnelling, and drilling.

Table 6-1: Exploration Works in the Project Area

Project Name	Unit	Total
1:2,000 Topographic and Geological Reconnaissance Survey	km²	2.2
1:2,000 Topographic and Geological Survey	km²	8.5
1:10,000 Topographic and Geological Reconnaissance Survey	km²	2.2
1:10,000 Topographic and Geological Survey	km²	8.5
1:10,000 Hydrogeological, Engineering Geological, and Environmental Geological Reconnaissance Survey	km²	2.2
1:2,000 Hydrogeological, Engineering Geological, and Environmental Geological Survey	km²	8.5

1:1,000 Geological Cross-section Survey	km	12
1:500 Geological Cross-section Survey	km	0.3
1:1,000 Exploration Line Cross-section Survey	km	41.39
Trench Exploration	m³/count	5,198.13/ 152
Drilling	m/hole	35,307.06/ 164
Tunnelling exploration (Along-vein Adit)	m	16,991
Tunnelling exploration (Cross-vein Adit)	m	12,454
Inclined Shaft	m	629
Engineering Survey Stations	point	405
Gold Assay Samples	sample	10,176
Ore Spectrum (Full Analysis) Samples	sample	8
Rock Geochemistry (Full Analysis) Samples	sample	6
Ore Composite Analysis Samples	sample	45
Density Samples	sample	53
Rare Earth & Trace Element Samples	sample	6
Water Chemistry Samples	sample	6
Rock Mechanics Samples	sample	5
Fluid Inclusion Microthermometry Samples	sample	16

6.2 Trenching and Tunnelling Exploration

Trenches are generally oriented perpendicular to the strike of the mineralised alteration zone, and construction of trench works exposes fresh bedrock throughout. The trench bottoms are approximately 0.8 to 1 m wide, with depths ranging from 0.5 to 3 m. Logging is conducted using the single wall plus bottom exposure method, at a scale of 1:100. Overall, the works have achieved the objectives of delineating mineralised alteration zones and mineralised bodies, as well as collecting relevant samples. The trenching quality meets the requirements for sampling and geological logging.

The cross-section dimensions of the adits are 2.0 m × 1.8 m, with a gradient less than 5‰. Tunnel logging is conducted by unrolling from the roof downwards and along both sidewalls, at a scale of 1:100. During sketching, all geological bodies greater than 0.2 m are represented. The main recorded items include mineralisation and alteration, rock and ore textures, structures, mineral composition, boundaries between mineralised body and host rock, contact relationships, and attitudes. Sampling locations are established along the adit midline, and channel sampling is employed.

6.3 Drilling Exploration

Core recovery rates were consistently above 90%, with recovery rates of 95% in mineralised alteration zones and over 98% for mineralised bodies. Both hanging wall and footwall zones achieved recovery rates in excess of 96%. The original drill shift reports were fully recorded, with accurate and reliable data, properly arranged and labelled cores, and meticulous numbering. Drillhole deviation measurements showed dip angle errors within 1°–3° and azimuth errors within 2°–5°, all within permissible limits and compliant with geological standards. Hydrological observations and hole sealing were conducted according to specifications, with sealing performed using No. 325 cement at a water–cement ratio of 2:1, pumped from the bottom upwards via drill rig mud pump, and a cement post marker installed at the collar. The hole sealing quality met the required standards.

Measured against the six key drilling quality indicators, all drillholes met the qualifying standards, and the overall project quality complied with geological requirements.

6.4 Sampling, Sample Preparation and Analyses

6.4.1 Sampling

Channel samples were collected from trenches and underground tunnelling, taken continuously and perpendicular to the strike of the mineralised body, extending across the entire mineralised zone. The channel section dimensions were 10 cm × 5 cm, with individual sample lengths generally ranging from 0.3 to 1 m, with a few up to 1.5 m in length. Prior to sampling, the surface was levelled and cleaned, and canvas was used as a liner to prevent contamination or sample loss. After sampling, samples were bagged, labelled, and weighed. The sampling quality met relevant standards and design requirements.

Drill core samples for basic analysis were collected using the half-core mechanical splitting method, with sampling intervals determined by lithology and alteration boundaries. Continuous sampling was conducted within mineralised zones. The typical sample length was around 1.0 m, with a maximum length of 2.0 m and a minimum length of 0.4 m.

6.4.2 Sample Preparation and Analyses

Sample preparation involved four sequential procedures: stepwise crushing, sieving, mixing, and splitting (riffling). The sample splitting was carried out according to the formula $Q = k\,d^2$, where the value of k was set to 1.5. The grain size of analytical samples was generally between -160 mesh and -200 mesh. The total sample loss during the crushing process did not exceed 5%, and the splitting error was kept within 3%.

Samples from the general exploration campaign were analysed by the Analysis and Testing Centre of the 211 Brigade, Shaanxi Nuclear Industry Geological Bureau, a metrology-certified laboratory (Certification No. 2009270278E). Samples from the detailed and advanced exploration campaigns were analysed by the Xi'an Mineral Resources Supervision and Testing Centre of the Ministry of Land and Resources (Certification No. MA150016042593) and the Testing Centre of Xi'an Tianzhou Mining Technology Development Co., Ltd. (Certification No. MA2011270415Z), both of which are metrology-certified institutions.

The Atomic Absorption Spectrometry ("AAS") method was used for gold assays.

6.4.3 Specific Gravity Data

A total of six mineralised bodies has been identified across the entire deposit, except for Domain Au5, all mineralised bodies have more than 30 density samples, with an overall total of 446 samples. The statistical results for samples from each mineralised body are presented below in Table 6-2.

Table 6-2: Summary of the Density Samples

Mineralised Body	Samples	Average Density (t/m^3)	Average Au of Samples (g/t)	Average Au of Mineralised Body (g/t)
Au1-2	66	2.65	4.54	3.73

Au2-3	35	2.65	3.42	3.09
Au6	56	2.65	4.83	3.82
Au7	35	2.65	3.81	3.62
Au9	61	2.65	4.72	3.91
Au5	13	2.65	4.02	3.46

There is no correlation between density, gold grade, and ore type. The average gold grade of each mineralised body is generally consistent with the average gold grade of the samples, indicating the representativeness of the density sampling, with the number of samples for each mineralised body all exceeding 30. SRK has used the mean density value of 2.65 g/cm³ in the Mineral Resource estimation.

6.5 Quality Assurance and Quality Control Programs

6.5.1 General Exploration Campaign

Internal lab checks were conducted by the original lab. Geologists selected samples from the duplicates. A total of 72 samples were selected for internal lab check quality control, representing a sampling rate of 12%, with a 100% pass rate.

External lab checks were performed by selecting samples from those passing internal quality control and were tested by the Xi'an Institute of Geology and Mineral Resources Testing Centre. 34 external lab check samples were selected for external assays, representing a sampling rate of 5.6%. For samples with gold grades above 1 g/t, 262 samples were analysed, and 14 external assay samples were selected, equivalent to a sampling rate of 41.67%, which meets standard regulatory requirements.

Among the external assay samples, there were 2 gold samples exceeding the allowable deviation, resulting in a pass rate of 94.12%.

6.5.2 Detailed and Advanced Exploration Campaign

Internal lab checks were conducted by the original lab, with geological personnel selecting samples from the duplicates. A total of 87 samples were selected for internal quality control, representing a sampling rate of 14.6%, with a 100% pass rate.

External assay samples were tested by the Northwest Mineral Resources Supervision and Testing Centre of the Ministry of Land and Resources (Laboratory and Testing Centre of the Xi'an Geological Survey Centre), with 35 external samples selected, giving a sampling rate of 5.9%. Among the external assay samples, 2 gold samples exceeded the allowable deviation, resulting in a pass rate of 94.29%.

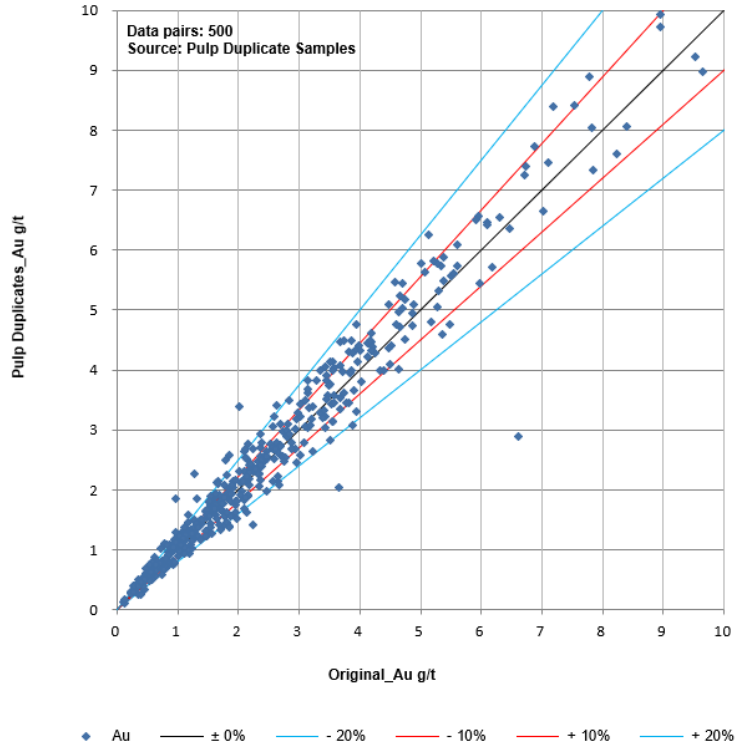
6.6 Bubugao Data Verification

In 2021, Bubugao collected 500 pulp duplicate samples and sent them to the No. 712 Brigade of Northwest Nonferrous Geological Exploration Bureau. As showed in Table 6-3 and Figure 6-1, the comparison of assay results between the original samples and check samples showed that the relative differences between them are mostly within 20%, with about 14% exceeded 20%.

Table 6-3: Summary of Bubugao Sample Duplicate Performance

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Au	500	268	54%	160	32%	72	14%

Figure 6-1: Bubugau Sample Duplicate Performance



Sources: SRK

6.7 SRK Data Verification

6.7.1 Site Visit

SRK conducted a site inspection to the Project site from 5 to 7 August 2025, and the following verification procedures were done:

- Site inspection of the Project area by SRK personnel Hubert Li, Yongang Wu, Xiangfeng Yang, Nan Xue and Amy Wu;
- Meeting with Bubugao Mining representatives;
- Discussions with geologists who were involved in the geological exploration campaign in 2021;

- Visit the drill core store;
- Check of the historical exploration work;
- Visit the Domain Au1-2 mineralised body;
- Visit the plant and tailings reservoir; and
- Select the checking samples.

SRK inspected the tunnel (PD1) and the channel sampling, as detailed in Figure 6-2 and Figure 6-3.

Figure 6-2: Portal of the Adit PD1



Source: SRK

Figure 6-3: Tunnel Channel Sampling



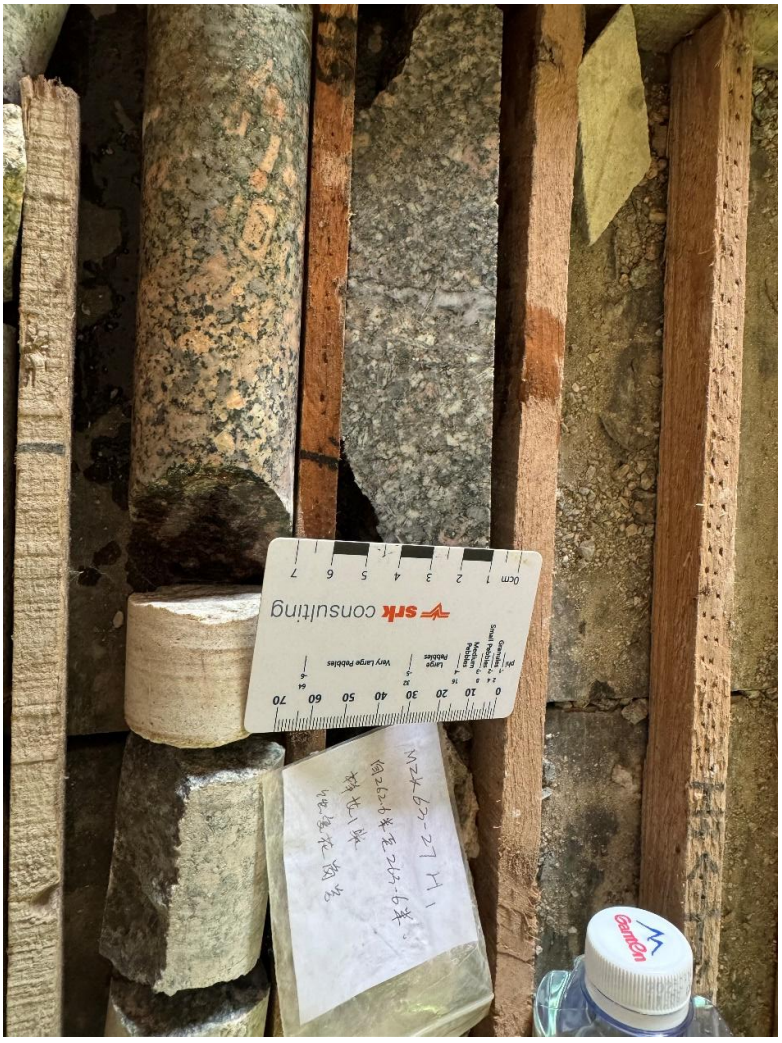
Sources: SRK

SRK inspected the drill core store, as detailed in Figure 6-4.

Figure 6-4: Drill Core Store and Core Sampling



Source: SRK



Sources: SRK

The visited Domain Au1-2 mineralised body is showed in Figure 6-5.

Figure 6-5: Domain Au1-2



Sources: SRK

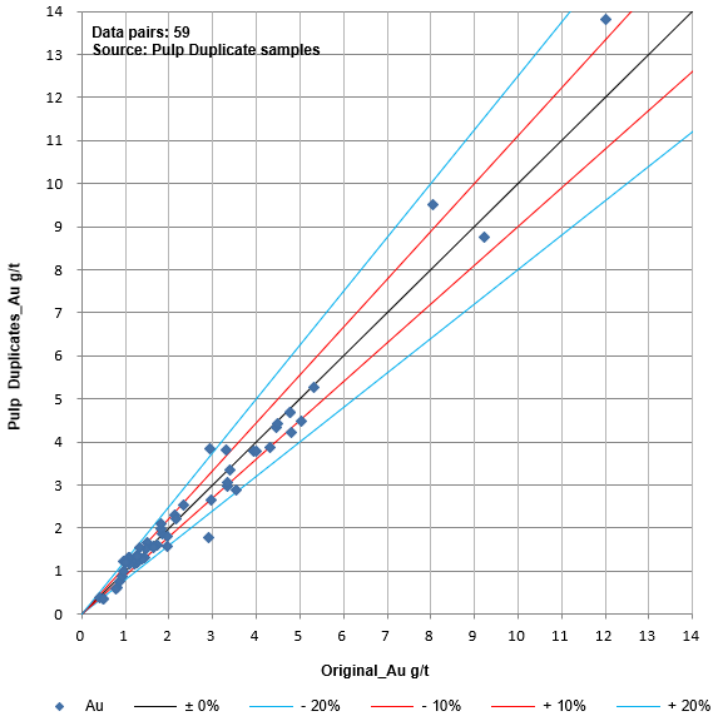
6.7.2 Data Verification

A total of 59 pulp duplicate samples were collected by SRK during the site visit and sent to be re-assayed at the Analysis and Testing Centre of Xianyang Nuclear Industry 203 Research Institute. As shown in Table 6-4 and Figure 6-6, the comparison of assay results between the original samples and SRK check samples shows that the relative differences between them are mostly within 20%, with about 17% exceeding 20% relative difference. It is acceptable considering this type of gold mineralisation. SRK therefore believes that the assay results for the original samples are reliable. The original database is acceptable for the Mineral Resource estimate.

Table 6-4: Summary of SRK Sample Duplicate Performance

Element	Data Pairs Count	Relative Difference					
		<10%		10% - 20%		> 20%	
Au	59	33	56%	16	27%	10	17%

Figure 6-6: SRK Sample Duplicate Performance



Sources: SRK

6.8 SRK's Comments

Overall, SRK is satisfied with the quality and result of the sample preparation and assay conducted by related analytical laboratories. The analytical procedures are consistent with generally accepted industry practices and the primary sample results are therefore suitably reliable for use in Mineral Resource estimation.

7 Mineral Resource Estimates

7.1 Introduction

The Mineral Resource Statement presented herein represents Mineral Resource estimation prepared for the Bubugao Project in accordance with the *JORC Code* guidelines.

The effective date of the Mineral Resource statement is 31 December 2025.

This section describes the Mineral Resource estimation methodology and summarises the key assumptions considered by SRK. In the opinion of SRK, the Mineral Resource estimation reported herein is a reasonable representation of the global gold Mineral Resources found in the Bubugao Project at the current level of sampling. The Mineral Resources are reported in accordance with the *JORC Code* guidelines. The Mineral Resources are not Ore Reserves and there is no certainty that all or any part of the Mineral Resource will be converted into Ore Reserve.

The database used to estimate the Bubugao Project Mineral Resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for gold mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

The solid models were prepared in Leapfrog Geo 2025.2 ("**Leapfrog Geo**") software and the Inverse Distance Weighting interpolation ("**IDW**") estimation techniques using Leapfrog Edge 2025.2 ("**Leapfrog Edge**") 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 Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Construction of wireframe models for the boundaries of the gold mineralisation;
- Definition of Mineral Resource domains;
- Data conditioning (compositing and capping) for statistical analysis;
- Block modelling and grade interpolation;
- Mineral Resource classification and validation;
- Assessment of "reasonable prospects for eventual economic extraction" ("**RPEEE**") and selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource statement.

7.3 Resource Database

SRK was provided with geological exploration reports and maps, database, QAQC data, specific gravity ("**SG**") data, etc. The coordinate system is CGCS2000. SRK undertook a thorough review for

the database, followed by various verification procedures, and verified that the database was acceptable for a Mineral Resource estimation.

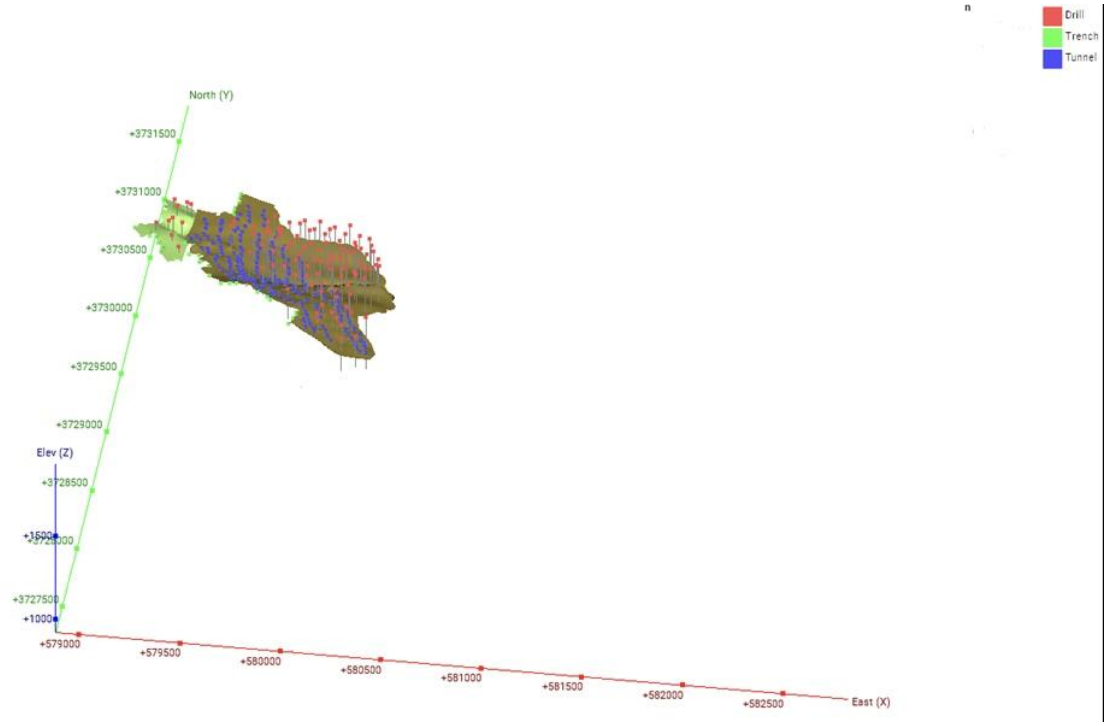
Based on the data, SRK constructed a Mineral Resource database, composed of borehole collar, survey, lithology, assay, and SG data. Table 7-1 summaries the database covering the entire Project area, as detailed in Figure 7-1.

Table 7-1: Mineral Resource Database Statistics

Type	Counts	Length(m)	Assay Samples
DD Holes	160	34,140.98	1,338
Trenches	77	1,117	529
Tunnels	513	11,176.1	5,877
Total	750	46,434.08	7,744

Source: Bubugao Mining

Figure 7-1: The Map Showing Drillholes, Trenches and Tunnels



Sources: SRK

7.4 Solid Body Modelling

SRK was provided with section maps of all mineralised domains. SRK has interpreted the solid models according to the maps provided.

The mineralisation is dominated by Au. The mineralised domains were interpretated by the samples collected based on an Au cut-off grade of 1.0g/t. A total of 2 mineralised domains were interpreted, as shown in Figure 7-1.

7.5 Specific Gravity

As discussed in section 6.4.3, SRK has used the mean density value of 2.65 g/cm³ in the Mineral Resource estimation.

7.6 Compositing

Prior to the statistical analysis, the samples were generally combined. The length of each sample was basically equivalent. The basic statistics of geological sampling length of original samples are carried out by SRK, as shown in Table 7-2.

Table 7-2: Summary Statistics of Sample Length

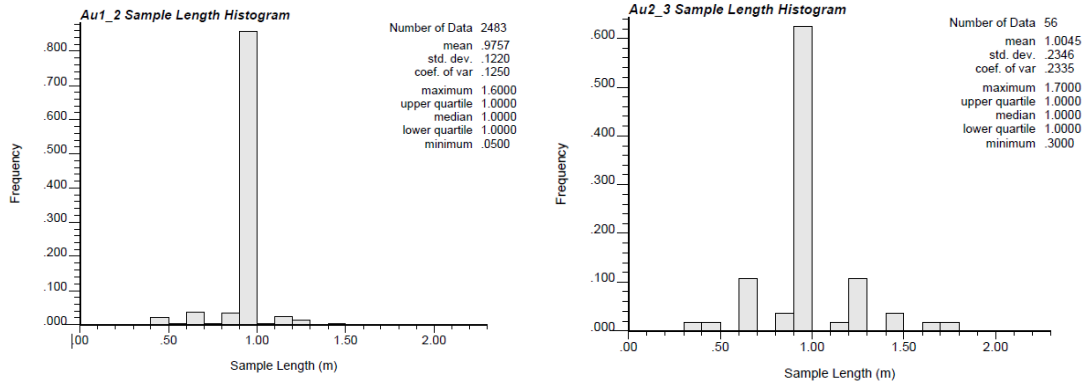
Domain	Samples	Min. (m)	Max. (m)	Mean (m)	Median (m)	SD	Kurtosis	Skewness
Au1-2	2,483	0.05	1.60	0.98	1.00	0.12	11.29	-2.37
Au2-3	56	0.30	1.70	1.00	1.00	0.24	2.55	0.20

Source: SRK

The database of the Bubugao Project indicates that most of the sample intervals are 1 m, and a 1 m interval composite length was selected for compositing. All raw samples were composited to 1 m downhole lengths, with a minimum of 0.75 m for each composite sample. A 1 m interval composite length was applied by SRK for subsequent statistic and grade interpolation.

The distributions of sample lengths of each domain are shown in Figure 7-2.

Figure 7-2: Histograms of Sample Length of Mineralised Domains



Sources: SRK

Table 7-3 lists the summarised statistics of composites against raw samples for the mineralised domains. No material errors were found.

Table 7-3: Summary Statistic of Composites against Raws of Mineralised Domains

Domain	Type	Samples	Min. (m)	Max. (m)	Mean (m)	SD	COV
Au1-2	Composite	2,476	0.1	18	3.76	1.9	0.51

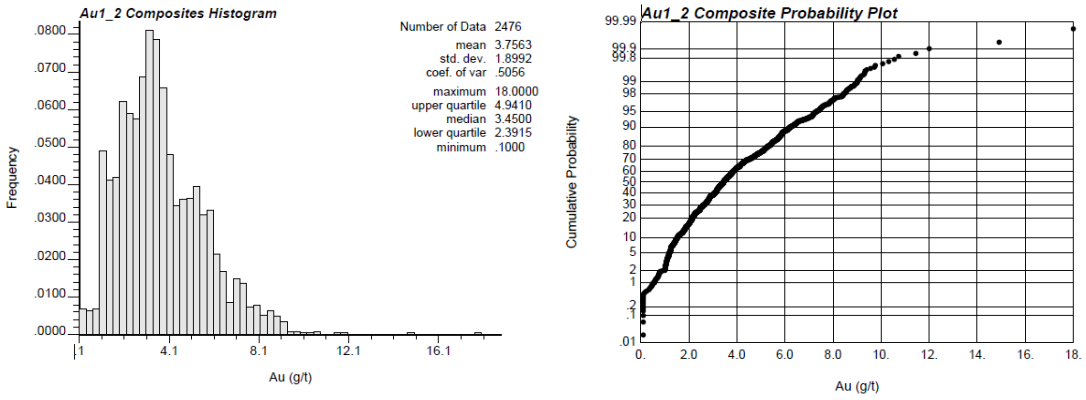
	Raw	2,483	0.1	18	3.76	1.93	0.51
	Difference (%)	-0.28%	0.00%	0.00%	0.00%	-1.77%	-1.77%
Au2-3	Composite	58	0.1	7.45	2.92	1.48	0.51
	Raw	56	0.1	7.69	2.99	1.57	0.53
	Difference (%)	3.57%	0.00%	-3.12%	-2.57%	-6.26%	-3.78%

Source: SRK

7.7 Evaluation of Outliers

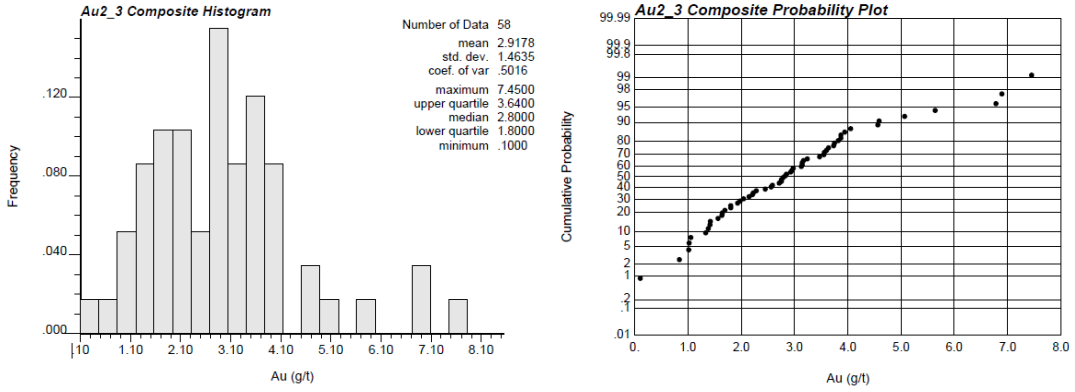
The composite grade distributions of each domain were examined via histograms and cumulative probability plots to determine if capping was required and if so at what level. Figure 7-3 and Figure 7-4 show the histogram and cumulative probability curve of the composite gold for the mineralised domains.

Figure 7-3: Au Histogram and Cumulative Probability Curve of Au1-2



Sources: SRK

Figure 7-4: Au Histogram and Cumulative Probability Curve of Au2-3



Sources: SRK

The composite samples statistics are listed in Table 7-3 and are shown in Figure 7-3 and Figure 7-4, indicating that three domains' grades are defined as outlier value samples. Table 7-4 contains the outlier value details.

Table 7-4: Capping Values Statistics of Each Domain

Domain	Assay Cap Au (g/t)	Number of Replaced Samples	Capped Ratio (%)	Au Mean (g/t) Before Capping	Au Mean (g/t) After Capping	Difference (%)
Au1-2	10	8	0.32	3.76	3.75	0.27

Source: SRK

7.8 Block Model and Grade Estimation

For the Bubugao Project, a block size of 10 m easting by 10 m northing by 2 m elevation was used. The block model used the same coordinate system as that was used in data collection. A summary of the block model specifications is listed in Table 7-5. The attributes and descriptions are presented in Table 7-6.

Table 7-5: Block Model Specifications of Donggou Deposit

Deposit	Coords	Min	Max	Block Size (m)	Sub Block Size (m)	Rotation
Donggou	N	3726910	3731710	10	5	0
	E	578834	582734	10	5	0
	Z	900	1600	2	1	0

Source: SRK

Table 7-6: Attributes and Descriptions of Donggou Deposit

Attribute	Description
domain	Au1-2, Au2-3
au_gpt_capped	Gold grade, capped
category	Mea, Ind, Inf
sg	Specific gravity
licence	ML, PL

Source: SRK

The IDW^2 method was used for grade estimation via Leapfrog in the block model. The parameters of the searching ellipsoid were manually optimised, and the parameters are summarised in Table 7-7 and Table 7-8. According to the general dipping trend, different dip angles were adopted. The domain, category, SG and boundary attribute were assigned directly using the solid models.

Table 7-7: Search Parameters Used in Donggou Deposit

Domain	Bearing	Plunge	Dip	major/semi-major	major/minor
Au1-2	Variable Orientation			1	10
Au2-3	Variable Orientation			1	10

Table 7-8: Distance and Samples Used in Donggou Deposit

Domain	Pass	Search distance (m)	Min Samples	Max Samples
Au2-3	1	80	6	24
	2	160	2	24
Au1-2	1	40	6	24
	2	80	6	24
	3	160	5	24

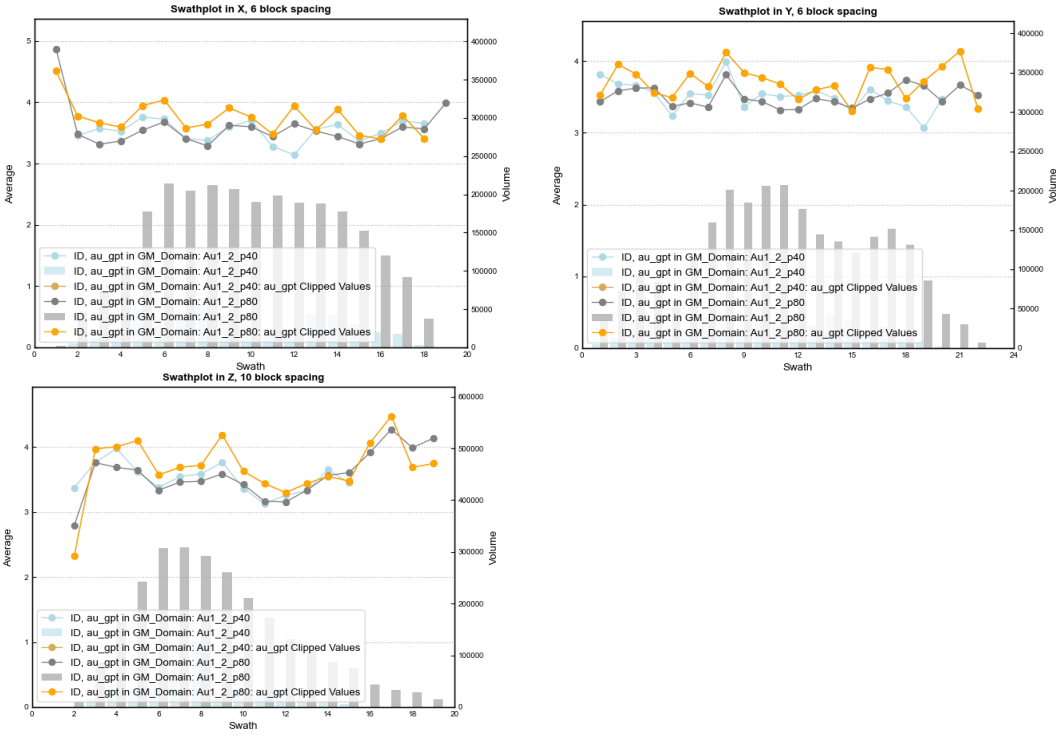
7.9 Model Validation and Sensitivity

Model validation is a common approach in determining whether grade estimation has performed as expected. SRK has undertaken a through validation of the resultant interpolated model, including visual inspection, and swath plot validation as well.

Visual inspection provides a validation of the interpolated block model on a local block scale, using visual assessments of sample grades versus estimated block grades.

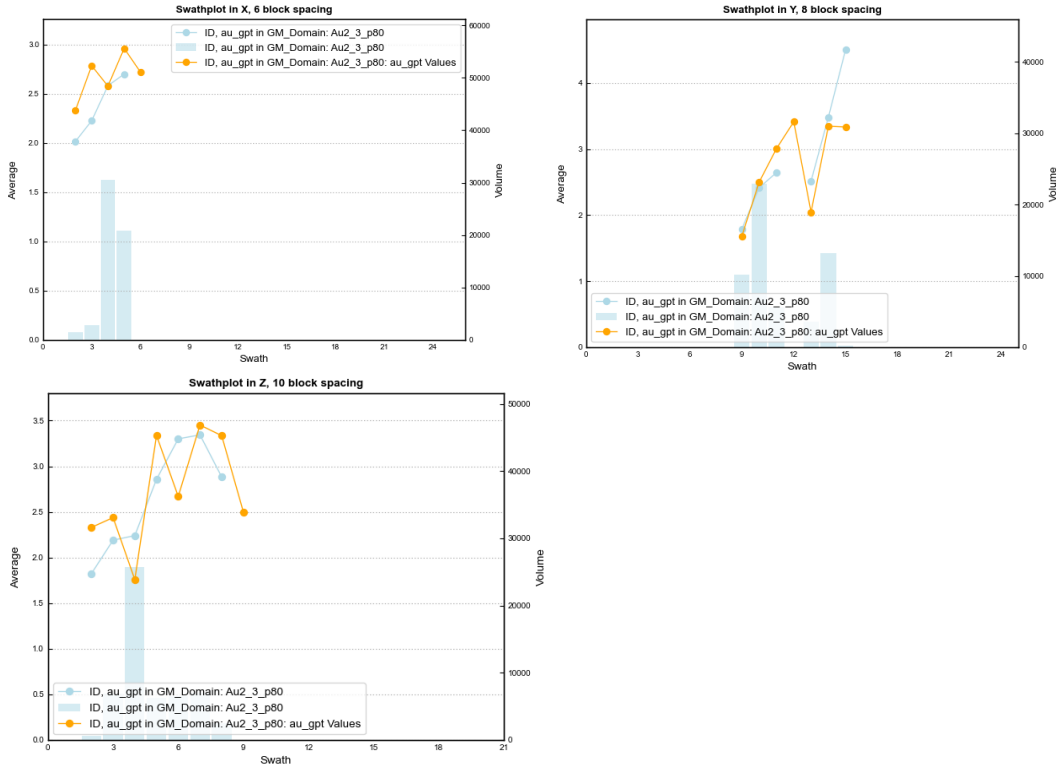
The details of swath plot validation for each domain can be seen in Figure 7-5 and Figure 7-6. These data indicate that the block models interpreted by SRK are reliable.

Figure 7-5: Au Swath Plot of Domain Au1-2



Sources: SRK

Figure 7-6: Au Swath Plot of Domain Au2-3



Sources: SRK

7.10 Mineral Resource Classification

Block model quantities and grade estimates for the Bubugao Project were classified according to the *JORC Code* by Mr. Huaixiang (Hubert) Li (a Member of AIG, No.8667), under the supervision of Yiefei Jia, PhD, a Corporate Consultant and a Fellow of the AusIMM (No. 230607) and a chartered professional in geology (CP Geo). They are acting as Competent Persons for the purpose of *JORC Code*.

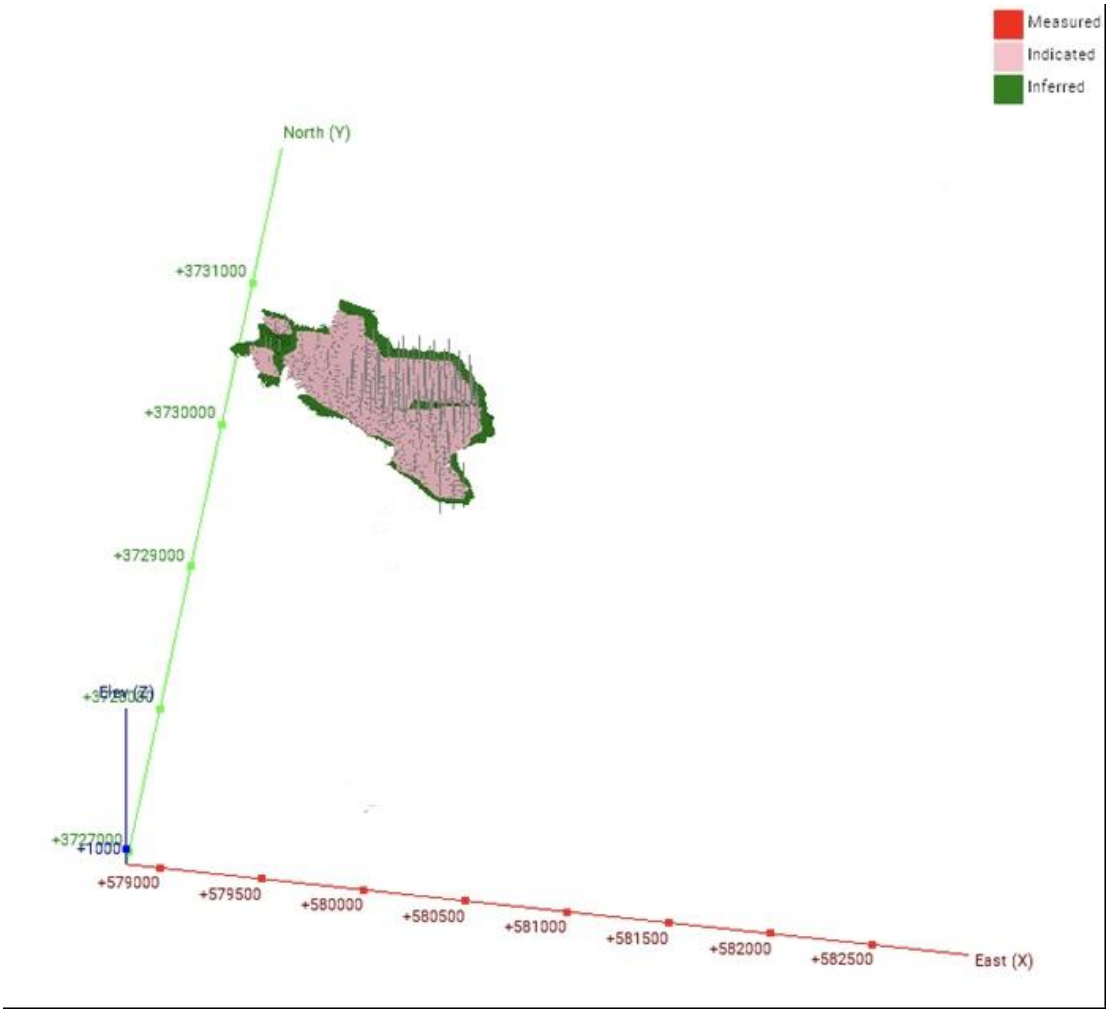
Mineral Resource classification is typically a subjective concept. Industry best practices suggest that Mineral Resource classification should consider both the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates,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

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

Generally, for mineralisation exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, 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*.

For the Bubugao Project, the Mineral Resource at the space of 40m (strike) × 40m (dip) is defined as Measured Mineral Resource, the Mineral Resource at the space of 80m (strike) × 80m (dip) is defined as Indicated Mineral Resource and the Mineral Resource at the space of 160m (strike) × 160m (dip) and greater is defined as Inferred Mineral Resource. Figure 7-7 shows the Mineral Resource category classification of the Bubugao Project.

Figure 7-7: Mineral Resource Category Distribution of Bubugao Project



Sources: SRK

7.11 Mineral Resource Statement

The JORC Code (2012 Edition) defines a Mineral Resource as:

"*a concentration or occurrence of material of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories*".

"All reports of Mineral Resources must satisfy the requirements that there are reasonable prospects for eventual economic extraction (i.e. more likely than not), regardless of the classification of Mineral Resource.

Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Mineral Resource…"

The RPEEE requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, SRK considers that major portions of the Bubugao Project are amenable for underground mining.

The conceptual parameters used to estimate the cut-off grade for the Bubugao Project are summarised in Table 7-9.

Table 7-9: Assumptions Considered for the Bubugao Project

Parameter	Value	Unit
Gold Price	3320	US$ per ounce
Exchange Rate	7.1	$US/$CNY
Mining Cost	200	$CNY/t
Processing Cost	110	$CNY/t
General and Administrative	180	$CNY/t
Mining Dilution	10	Percent
Mining Loss	15	Percent
Gold Process & Metallurgy Recovery	91	Percent
In Situ Cut-Off-Grade	0.93	grams per tonne

Notes:

[1] The price refers to the long-term prediction published by Consensus Market Forecasts in August 2025.

SRK considers that the blocks with a cut-off grade of 1.0 g/t Au or higher show "reasonable prospects for eventual economic extraction" from an underground mine for the Bubugao Project can be reported as a Mineral Resource.

As of 31 December 2025 and at a cut-off grade of 1.0 g/t Au, the Bubugao Project is estimated to contain 1,955 thousand tonnes ("kt") of Measured Mineral Resources with an average grade of 3.83 g/t Au, 10,474 kt of Indicated Mineral Resources with an average grade of 3.57 g/t Au, and 4,021 kt of Inferred Mineral Resources with an average grade of 3.59 g/t Au (see Table 7-10).

Table 7-10: Mineral Resource Statement for the Bubugao Project, SRK Consulting China Limited, 31 December 2025 [1, 2, 3]

Domain	Category	Tonnage (kt)	Grade (g/t)	Au Metal (kg)	Au Metal (koz)
Au1-2	Measured	/	/	/	

	Indicated	5,979	3.48	20,818	648
	Measured + Indicated	***5,979***	***3.48***	***20,818***	***648***
	Inferred	597	3.51	2,099	65
Au2-3	Measured	/	/	/	/
	Indicated	320	2.84	911	28
	Measured + Indicated	***320***	***2.84***	***911***	***28***
	Inferred	564	2.89	1,630	51
Total	**Measured**	**/**	**/**	**/**	**/**
	Indicated	**10,474**	**3.45**	**21,728**	**699**
	Measured + Indicated	**12,429**	**3.45**	**21,728**	**699**
	Inferred	**4,021**	**3.21**	**3,729**	**120**
Grand Total		**16,450**	**3.41**	**25,457**	**818**

Notes:

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

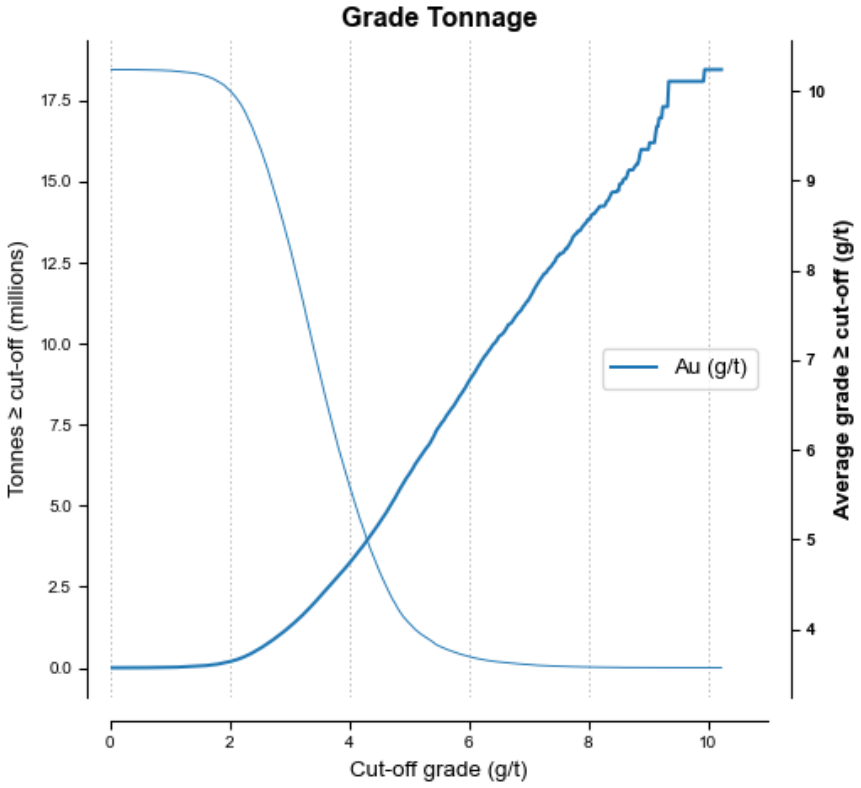
[2] The information in this report which relates to Mineral Resource is based on information compiled by Hubert Li and Dr Yiefei Jia who are both full time employees of SRK Consulting China Ltd. Mr Li is a Member of AIG (No.8667) and Dr Jia a Fellow of the AusIMM (No. 230607) and a chartered professional in geology (CP Geo). Both have sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", the *JORC Code*. Mr Li and Dr Jia consent to the reporting of this information in the form and context in which it appears.

[3] Underground Mineral Resources are reported at a cut-off grade is 1.0 g/t Au.

7.12 Grade Sensitivity Analysis

The Mineral Resources of the Bubugao Project are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the global model quantities and grade estimates are reported at various cut-off grades. The reader is cautioned that the figures presented here 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 7-8 presents this sensitivity as grade tonnage curves.

Figure 7-8: Grade Tonnage Curves Bubugao Project



Sources: SRK

7.13 Exploration Potential and Recommendations

The known mineralisation veins at the Bubugao Project are all gold-bearing quartz veins/veinlets and/or alteration type deposits. During onsite observations, SRK identified the bounding shape of mineralised veins in exploration-level tunnels at the Project. This shape is commonly known as “pinch-and swell” in veins and is caused by flexures of the fault plane enabling portions of the faults to widen (“swell”) or narrow (“pinch”) with movement along the faults.

Based on SRK’s inspection on the mineralisation veins during the site visit, SRK believes there is potential to expand and upgrade the current Mineral Resources within the deposit, as the current mineralised veins and occurrences are not completely closed off both along the strike and at depth, based on the mineralisation exposed on the exploration level tunnels and drillholes. SRK recommends a further detailed tunnelling exploration with channel sampling at various levels and in-fill holes to be performed not only to expand the Mineral Resource tonnage but also to upgrade the Mineral Resource categories.

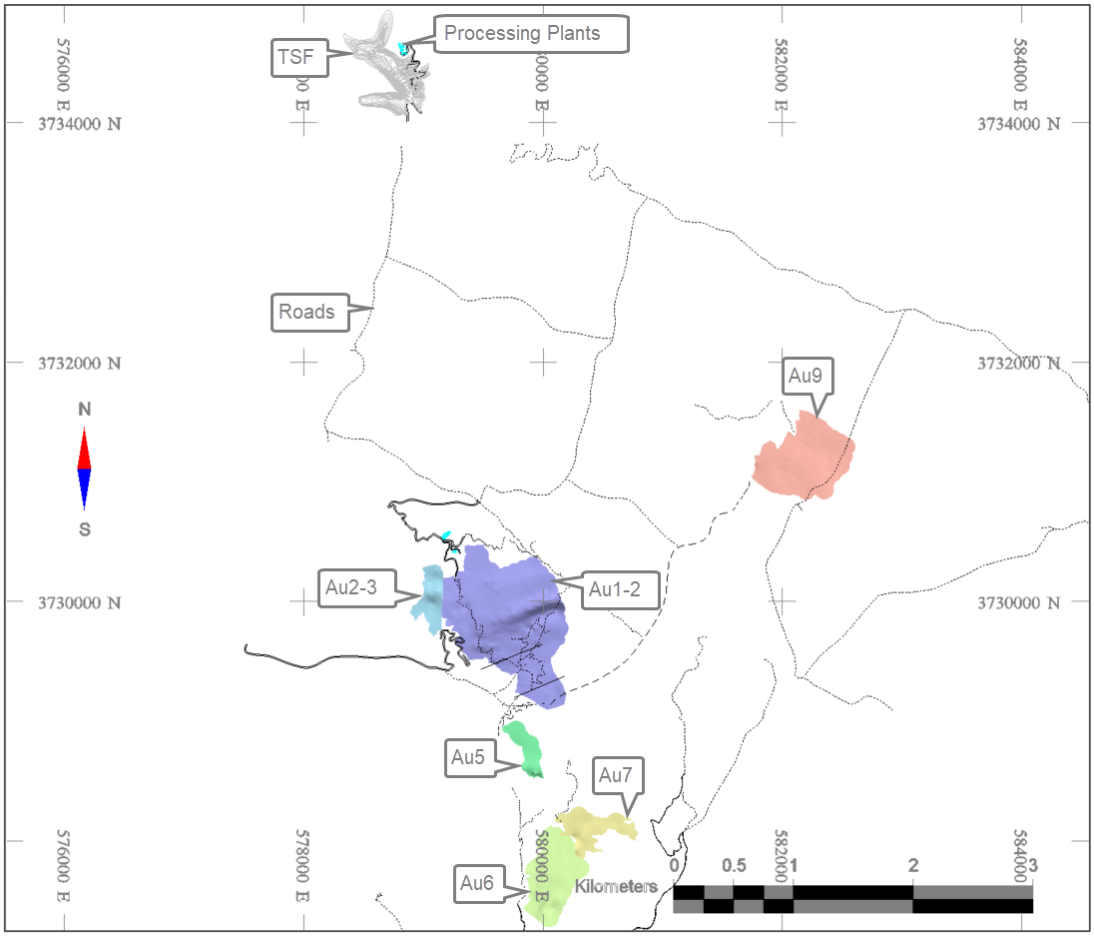
SRK also recommends that Bubugao Mining to conduct a QA/QC process for future exploration work, including infill drilling, sampling, sample preparation, analysis, internal and external lab check, and insertion of control samples (i.e. blank, standard and duplicate samples).

8 Ore Reserve Estimates

8.1 Introduction

Bubugao Mining holds an expired mining licence and a valid exploration licence at the Effective Date. Two processing plants, the #1 Plant with a run-of-mine ("**RoM**") throughput of 1,000 t/d and the #2 Plant with a throughput of 500 t/d, and one tailings storage facility ("**TSF**"), namely Gulougou TSF, which are owned by Ningshan County Jincheng Mining Company Limited ("**Jincheng Mining**"), were situated about 5 km to the north of mineralised zone Au 1-2. SRK was orally informed that the ore produced from the Bubugao Mining's properties will be sold to the processing plants of Jincheng Mining to produce gold concentrates. The locations of mineralised zones, processing plants and tailing storage facilities are shown in Figure 8-1.

Figure 8-1: Properties' Location of Bubugao Mining and Jincheng Mining



Sources: SRK

At the time of this reporting, SRK estimated Mineral Resources in accordance with the *JORC Code*, which are different with those based on by the existing technical studies. Considering that Bubugao Project is an operational underground gold mine (but it is currently in a state of shutdown), SRK

estimated Ore Reserves based on the analysis of existing facilities and data, available technical studies and SRK's experience on the other gold mines in China.

8.2 Technical Studies

8.2.1 Bubugao Mining

Donggou Mine is an underground mining project, with some existing facilities and exploration tunnels that can be utilised for the future exploitation and mining operation. Technical studies available to SRK are listed below:

- The Development and Utilisation Plan of Mineral Resources of Donggou Gold Mine in Fengfu Town for Ningshan County Bubugao Mining Company Ltd., which was prepared by Shaanxi Metallurgical Design and Research Institute Co., Ltd. ("**SMDRI**") and dated in January 2015, hereinafter it was referred to as the ***DUP 2015***;
- The Development and Utilisation Plan of Mineral Resources of Donggou Gold Mine in Fengfu Town, Ningshan County (supplementary), which was prepared by SMDRI and dated in September 2016, hereinafter it was referred to as the ***Supplementary for DUP 2015***; and
- The *Feasibility Study Report on the Construction Project of Donggou Gold Mine in Fengfu Town (600 ktpa) for Ningshan County Bubugao Mining Company Ltd.*, which was prepared by Shaanxi Lvrun Environmental Engineering Research Institute Company Limited and dated in August 2025, hereinafter referred to as the ***FSR 2025.***

The difference between the *DUP 2015* and its supplementary and the *Feasibility Study Report 2025* is that the top elevation of planned mining area was changed from 1,517 m asl to 1,500 m asl due to environmental protection of Qinling Mountains. The key assumptions in the *DUP 2015,* the *Supplementary for DUP 2015* and the *Feasibility Study Report 2025* are summarised below:

- The mineralised zones named Au1-2 and Au2-3 were proposed to be exploited as an underground mine, with a mining capacity of 150 thousand tonnes per annum ("**ktpa**" or "**kt/a**") of ore. Exploitation of mineralised zones other than Au1-2 and Au2-3 is not considered in the *DUP 2015* and *Supplementary for DUP 2015*.
- Two independent adit development systems were proposed to access the two mineralised zones. The room and pillar mining method was proposed to extract ore from the two mineralised zones. The mining recovery is assumed to be 85%. The mining dilution is assumed to be 10%.
- The ore was proposed to be sold to the processing plant owned by Jincheng Mining. The processing recovery rate is about 91%. The gold grade in gold concentrates is about 85 grams per tonne ("**g/t**").
- The initial capital expenditures ("**Capex**") were estimated to be about Renminbi ("**RMB**") 105.8 million to construct the Donggou Mine. The operating expenses ("**Opex**") were estimated to about RMB 234 per tonne ("**/t**") of RoM.
- The Mineable Resources in Chinese standard are shown in Table 8-1. The materials can support about 7 years of operation.

Table 8-1: Mineable Resources in Chinese Standard, as of 31 December 2025

Mineralised Zone	Category	Mineable Tonnage (kt)	Au Grade (g/t)	Au Metal (kg)
Au1-2	332 [1]	265.8	3.70	982.72
Au1-2	333 [2]	628.1	3.63	2,279.33
Au1-2	332+333 [3]	893.8	3.65	3,262.04
Au2-3	332 [1]	19.4	3.35	65.15
Au2-3	333 [2]	6.9	3.66	25.32
Au2-3	332+333 [3]	26.4	3.43	90.47
Sub-total	332 [1]	285.2	3.66	1,047.87
Sub-total	333 [2]	635.0	3.63	2,304.64
Total	332+333 [3]	920.2	3.64	3,352.51

Sources: *Supplementary for DUP 2015*

Notes:

[1] The category 332 is a classification of Mineral Resource defined in the *Classifications for Mineral Resources and Mineral Reserves (GB/T 17766-1999)*, which is a Chinese Standard used in China from 2000 to 2019. The category 332 is similar to the Indicated Mineral Resource in *JORC Code*.

[2] The category 333 is a classification of Mineral Resources defined in the *Classifications for Mineral Resources and Mineral Reserves (GB/T 17766-1999)*, which is a Chinese Standard used in China from 2000 to 2019. The category 333 is similar to the Inferred Mineral Resource in *JORC Code*.

[3] Combination of categories 332 and 333.

Just the exploitation of Au1-2 and Au2-3 were studied in the *DUP 2015* and *Supplementary for DUP 2015*. Comparison between the layout of existing tunnels and proposed tunnels in the two studies indicates that the two studies are no longer useful to guide future mining access design.

The *FSR 2025* summarised the data and information available to date. It modified the ore mining capacity from that proposed in the *DUP 2015* to 600 ktpa, with nothing else changed. Overall, the *FSR 2025* is just given the name of feasibility study, however, both the quality and content are not in line with a commonly accepted feasibility study. It is considered to meet the standard of a pre-feasibility study.

There is no technical study yet on the exploitation of other mineralised zones (Au5, Au6, Au7 and Au9) in the exploration licence area.

8.2.2 Jincheng Mining

Construction of the #1 Plant was suspended after the year 2013. Initial construction of Gulougou TSF was finished in 2013. Construction of #2 Plant is almost finished in 2024. The technical studies available are shown below:

- The *Feasibility Study Report on the Gulougou Tailings Storage Facilities for Ningshan County Jincheng Mining Company Limited*, which was prepared by Henan Province Metallurgical Planning and Design Institute Company Limited ("**HMPDI**") and dated in May 2010, hereinafter it was referred to as the ***FSR on Gulougou TSF 2010***.
- The Construction of Copper Polymetallic Ore Processing Plant and Tailings Storage Facilities for Ningshan County Jincheng Mining Company Limited (Supplementary), which was prepared by Hanzhong City Environmental Engineering Planning and Design Institute ("**HCEEPDI**") and dated on 25 June 2016, hereinafter it was referred to as the ***CCPOP&TSF 2016***.

- The Design Description of the Processing Plant Construction Project of Ningshan County Jincheng Mining Company Limited, which was prepared by Jincheng Mining and dated in August 2025, hereinafter it was referred to as the ***DDPP 2025***.

The proposed final products of processing plants include copper concentrates, lead concentrates, and tungsten concentrates. At the time of this reporting, SRK was informed that the final product will be modified to gold concentrates, and that the two processing plants will no longer be used for processing of ores from other mines. To produce gold concentrates, a modification to the processing plants is necessary.

The combined processing throughput of #1 and #2 Plants is deemed to be 2,000 tpd by the technicians of Bubugao Mining and Jincheng Mining. Therefore, the processing throughput of 600 ktpa of ore in the *FSR 2025* was assumed for the future operation by the technicians of Bubugao Mining and Jincheng Mining. After review of available data and information, SRK considered the combined processing throughput of existing two processing plants is 1,500 tpd (or equivalent to 450 ktpa). To expand the processing throughput from 1,500 tpd to 2,000 tpd, modification to the existing two processing plants or construction of the third process plant is necessary.

8.3 Cut-off Grade

Only the gold grade was interpolated in the Mineral Resource model. There is no need to calculate an equivalent grade to define economic materials.

Assumptions to calculate cut-off grade are shown in Table 8-2. The calculated cut-off grade was rounded up to 1.0 g/t gold (calculated CoG is 0.99 g/t Au) at the Effective Date.

The cut-off grade shown in Table 8-2 was calculated by SRK based on assumptions derived from the available data and information. These assumptions were true at the time of calculation, but may change over time, so various cut-off grades can be produced. Sensitivity analysis of gold cut-off grade is shown in Figure 8-2, indicating that the cut-off grade is mostly sensitive to the base price of gold and processing recovery rate.

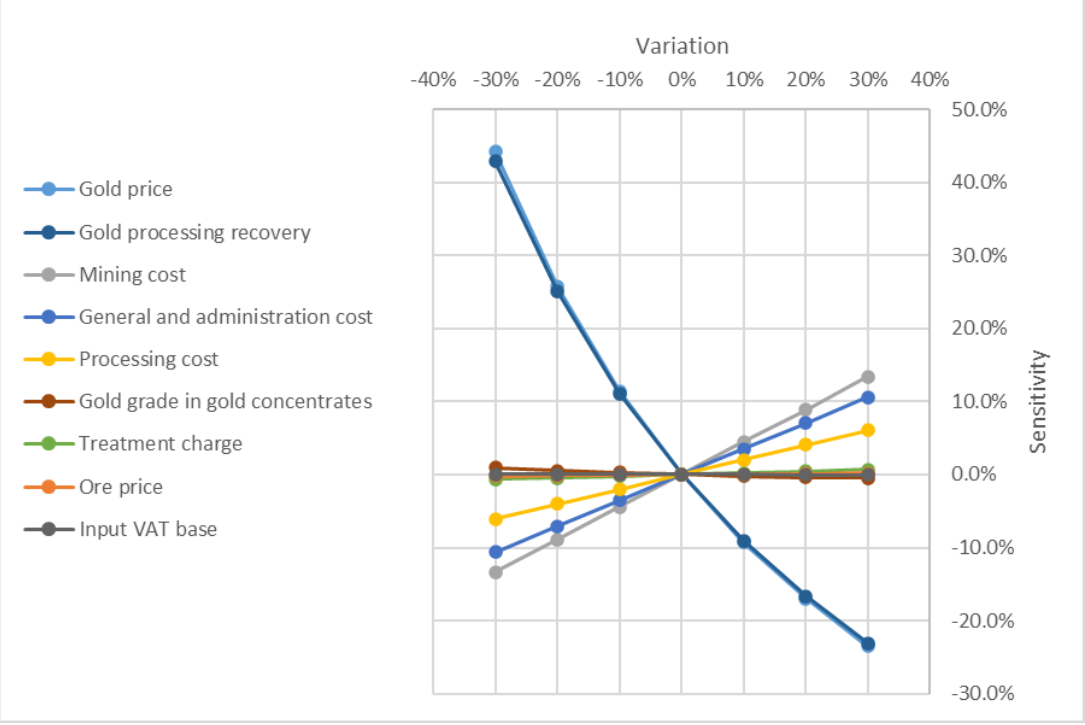
Table 8-2: Assumptions on Calculation of Cut-off Grade

Item	Unit	Value
Gold price	USD/oz gold	2,550
Exchange rate	RMB/USD	7.00
Gold price	USD/g	574
Gold payable rate	%	95.0
Ore price	RMB/t ore	230
Mining cost	RMB/t ore	199
Processing cost	RMB/t ore	92
General and administration cost	RMB/t ore	160
Treatment charge	RMB/t dry gold concentrates	1,000
Mineral Resource tax	% revenue	3.5
Royalties for the transferring of property licence	% revenue	2.3
Gold processing recovery	%	91

Item	Unit	Value
Gold grade in gold concentrates	g/t	85
Value-added tax rate	%	13
Urban maintenance and construction tax	% VAT	5
Education surcharge	% VAT	5
Input VAT base	RMB/t ore	36.95
Cut-off grade	g/t	0.99

Sources: SRK

Figure 8-2: Sensitivity Analysis of Cut-off Grade



Sources: SRK

8.4 Ore Reserve Model

The latest Mineral Resource model ("**MRM**") was completed by SRK in August 2025. The MRM is a global estimate of gold minerals for the gold mineralised zones interpreted with a cut-off grade of gold at 1.0 g/t. The Mineral Resources are reported inclusive of the Ore Reserves.

The block size was regularised to 5 m × 5 m × 1 m in axis X, Y and Z to facilitate Ore Reserve estimate. Description of key fields in the Ore Reserve model ("**ORM**") is shown in Table 8-3.

Table 8-3: Description of Key Fields in the Ore Reserve Model

Field	Unit	Description
CAT		1 for Measured, 2 for Indicated, 3 for Inferred, 4 for unknown, 5 for wall rocks
AU	g/t	gold grade
ZONE		12 for Au1-2, 23 for Au2-3, 50 for Au5, 60 for Au6, 70 for Au7, 90 for Au9.
SG	t/m^3	2.65

Sources: SRK

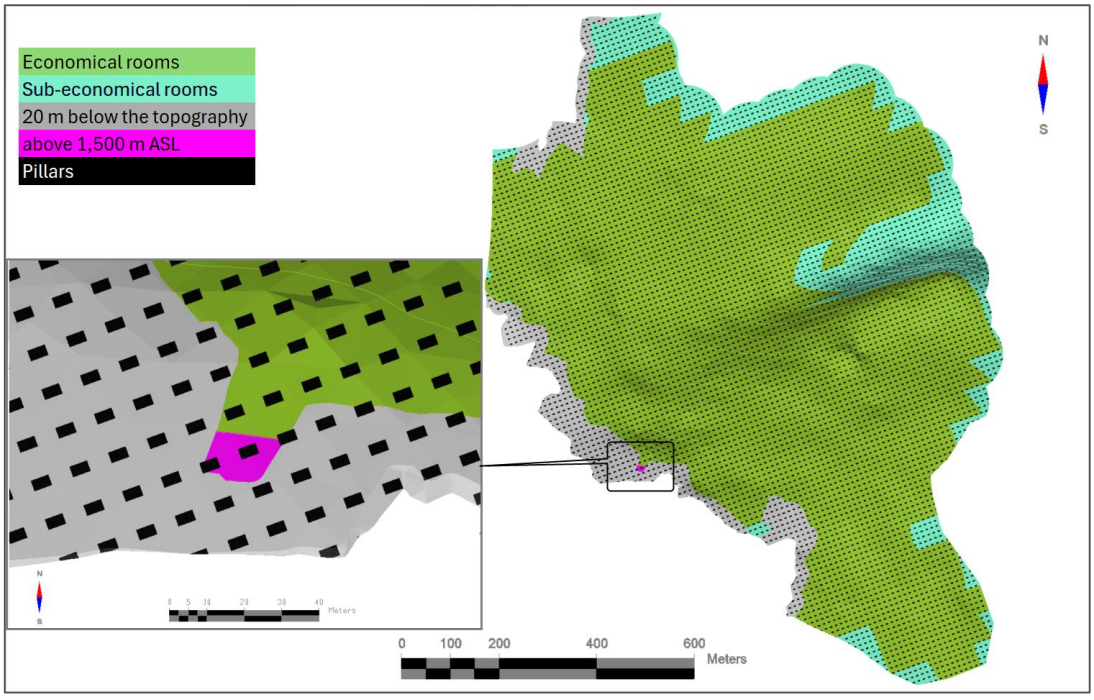
8.5 Mineable Analysis

Mineable parts of Mineral Resources were delineated based on the steps below:

- A total of six domains were interpreted when estimating the Mineral Resources. Each of these mineralised zones was reported inclusive of Measured and Indicated Mineral Resources. Just parts of the mineralised zones Au1-2 and Au2-3 were covered in the old mining licence and mined in history. Therefore, just the Au1-2 and Au2-3 were selected to estimate Ore Reserves at the Effective Date.
- Rooms and pillars mining was adopted to extract ore. Room is 8 m wide by 6 m long. Pillar is 3 m wide by 5 m long. Pillars were treated as mining loss and excluded from the Ore Reserve estimate. An example of room and pillar mining is shown in Figure 8-3.
- The Mineral Resources occurred 20 m below the topography or above 1,500 m asl were excluded from the Ore Reserve estimate due to safety and environmental protection reasons. An example of these two losses is shown in Figure 8-3.
- The mining stope is set to 55 m long at levels, consisting of 5 rooms and 5 pillars along the strike direction of mineralised zone. The existing tunnels have the vertical spaces varied between 10 m and 35 m. The proposed vertical space between tunnel levels is 20 m or 25 m. Based on the level spacing distance and stope length, the mining stopes were modelled for each mineralised zone.
- Statistics of volume, tonnage and gold grade for each mining stope were reported in a spreadsheet. Just the Mineral Resources of Measured and Indicated categories were treated as ore, while the Inferred Mineral Resource and wall rocks were treated as diluted waste materials with a zero grade.
- The cut-off grade is 1.0 g/t gold. The minimum mining thickness is 2 m. The wall rock dilution thickness is 0.6 m. Each mining stope was estimated with a feed grade. Those mining stopes with a feed grade greater than the cut-off grade were included into Ore Reserves.
- The spreadsheet was summarised to report Ore Reserves. The mineable materials in the mining stopes are shown in Table 8-4.

It should be noted that the combined tonnages of Inferred Mineral Resources and waste materials account for about 22.7% of total tonnage of mineable materials in Table 8-4. These Inferred Mineral Resources and waste materials must be mined during the ore extraction process, and shall be fed to processing plant as run-of-mine ore. At the reference point of processing plant, the Inferred Mineral Resources and waste rocks are parts of Ore Reserves.

Figure 8-3: Pattern of Rooms and Pillars (Au1-2 for example)



Sources: SRK

Table 8-4: Mineable Materials as of 31 December 2025

Domain	Category	Tonnage (kt)	Au Grade (g/t)	Au Metal (kg)
Au1-2	Measured	-	-	-
	Indicated	3,196	3.54	11,328
	Inferred	102	3.61	367
	Waste rocks	805	-	-
Au2-3	Measured	-	-	-
	Indicated	158	2.92	462
	Inferred	25	2.75	68
	Waste rocks	55	-	-
Total	Measured	4,340	2.82	12,225

Sources: SRK

8.6 Mining Loss and Dilution

The Ore Reserve was estimated by considering the following mining loss and dilution:

- Loss 1: all the materials in mineralised zones Au5, Au6, Au7 and Au9.
- Loss 2: all the mineralised materials located 20 m below the topography, or above 1500 m asl, or pillars.
- Loss 3: mineralised materials in sub-economic stopes or outside of expired mining licence.

- Dilution 1: the mineralised materials outside of expired mining licence and exploration licence.
- Dilution 2: the Inferred Mineral Resource material and wall rocks inside the mining stopes.

A summary of loss and dilution are shown in Table 8-5.

Table 8-5: Summary of Mining Loss and Dilution

Group	Material	Tonnage (kt)	Grade Au (g/t)	Metal Au (kg)
Mineral Resource	Measured	1,950	3.83	7,490
Mineral Resource	Indicated	10,470	3.57	37,360
Mineral Resource	Total	12,420	3.61	44,850
Loss 1	Measured	1,960	3.83	7,505
Loss 1	Indicated	2,734	3.77	10,316
Loss 1	Total	4,694	3.80	17,821
Loss 2	Measured	-	-	-
Loss 2	Indicated	2,173	3.43	7,451
Loss 2	Total	2,173	3.43	7,451
Loss 3	Measured	-	-	-
Loss 3	Indicated	2,346	3.50	8,217
Loss 3	Total	2,346	3.50	8,217
Dilution 1	Measured	10	1.43	15
Dilution 1	Indicated	137	3.03	414
Dilution 1	Total	147	2.92	428
Dilution 2	Inferred [1]	126	3.44	435
Dilution 2	Waste rocks	860	-	-
Dilution 2	Total	986	0.44	435
Mining inventory	Measured	-	-	-
Mining inventory	Indicated	3,354	3.52	11,790
Mining inventory	Inferred [1]	126	3.44	435
Mining inventory	Waste rocks	860	-	-
Mining inventory	Total	4,340	2.82	12,225

Sources: SRK

Notes:

[1] The grade was set to zero when estimating Ore Reserves to consider the intrinsic geological confidence level of Inferred Mineral Resources, which is lower than those of Measured and Indicated Mineral Resources, and the guidelines of the *JORC Code*.

8.7 Ore Reserves Classification

All of mined Measured and Indicated Mineral Resources shown in Table 8-4, as well as those Inferred Mineral Resources and waste rocks that must be mined during mining process, were classified as Probable Ore Reserves due to lacking study at the level of pre-feasibility study or feasibility study.

8.8 Ore Reserve Statement

The Ore Reserve statement is shown in Table 8-6.

Table 8-6: Ore Reserve Statement for the Bubugao Project as of 31 December 2025 by SRK Consulting China Ltd [1, 2, 3, 4, 5, 6, 7]

Mineralised Zone	Category	Cut-off Grade (g/t Au)	Ore Tonnage (kt)	Au Grade (g/t)	Au Metal (kg)	Au Metal (koz)
Au1-2	Probable	1.0	4,100	2.76	11,300	364
Au2-3	Probable	1.0	238	1.94	462	15
Total	Probable	1.0	4,340	2.72	11,800	379

Sources: SRK

Notes:

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

[2] Number was rounded to the third significant figure to reflect the uncertainties in estimate.

[3] Total tonnage and gold metal may not add or calculated due to rounding discrepancies.

[4] Mining dilution rate, including waste rocks and Inferred Mineral Resources, is 22.7%. Mining loss rate is 27.1%.

[5] The Ore Reserves are included in the Mineral Resources. They should not be added to the Mineral Resources.

[6] Mineralised Zones Au1-2 and Au2-3 are mostly within the Fengfu Donggou mining licence area, but the mining licence has already expired, and the licence renewal process is currently underway (see Appendix B). The estimated Ore Reserves are based on the assumption that Bubugao can obtain the extended mining licence.

8.9 Relative Accuracy and Confidence

Relative accuracy and confidence were carried out by randomly changing the cut-off grade, minimum mining thickness and waste rock dilution thickness. The bottom and top values of these factors are shown in Table 8-7.

Table 8-7: Some Factors Related to the Accuracy of Ore Reserves

Factor	Unit	Bottom Value	Top Value
Cut-off grade [1]	g/t Au	0.5	2.0
Minimum mining thickness [2]	m	1.0	3.0
Wall rock dilution thickness [3]	m	0.2	1.0

Sources: SRK

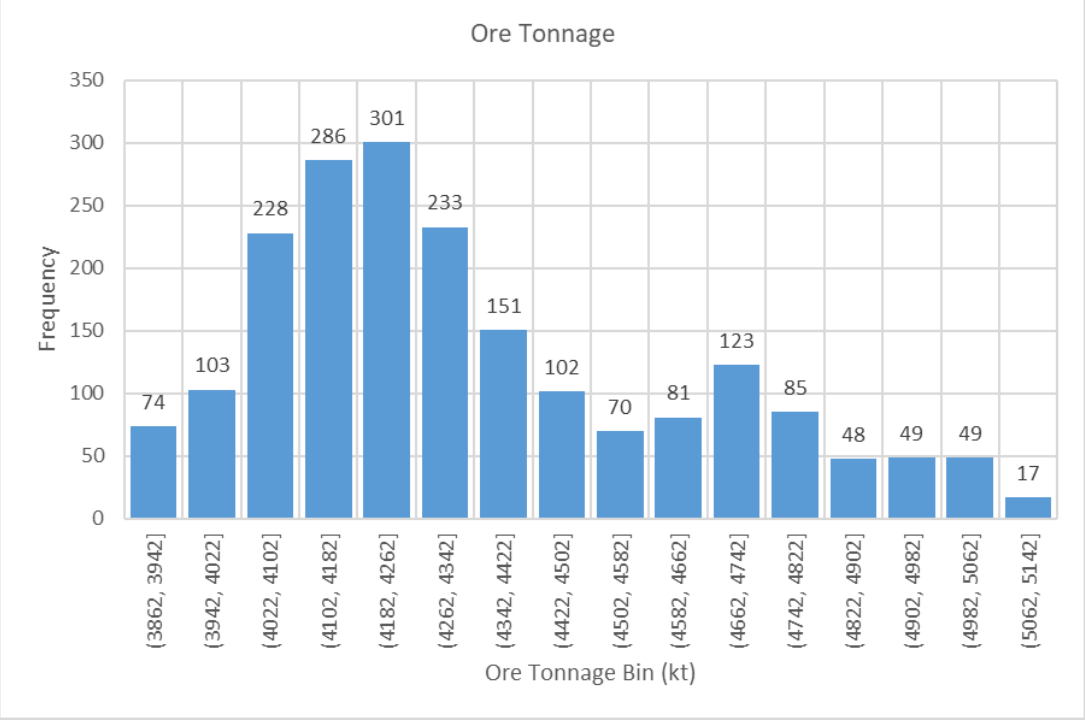
A total of 2,000 random values were generated for each of the three factors using the random function embedded in the Excel software. Each combination of these three factors, namely a random experiment in mathematics, can produce a group of values representing the possible Ore Reserves. The 2,000 experiments are summarised in Table 8-8 and Figure 8-4. The experiments indicated that the 95% confidence interval ("**CI**") of ore tonnage, gold metals and gold grade lie between 4,330 kt and 4,355 kt, between 11,719 kg and 11,745 kg, and between 2.70 g/t and 2.71 g/t, respectively.

Table 8-8: Summary of Mathematically Random Experiments on Ore Reserves

Item	Ore Tonnage	Au Metal	Au Grade
Number of experiments	2,000	2,000	2,000
Minimum	3,902 kt	10,997 kg	2.40 g/t
Maximum	5,095 kt	12,227 kg	2.92 g/t
Mean	4,343 kt	11,732 kg	2.71 g/t
Standard deviation	288.77	287.32	0.12 g/t
25% quartile	4,122 kt	11,632 kg	2.64 g/t
Median quartile	4,270 kt	11,666 kg	2.72 g/t
75% quartile	4,529 kt	11,960 kg	2.80 g/t
Significance level	5%	5%	5%
Confidence in normal distribution	13 kt	13 kg	0.01 g/t
Lower limit of 95% confidence interval	4,330 kt	11,719 kg	2.70 g/t
Upper limit of 95% confidence interval	4,355 kt	11,745 kg	2.71 g/t

Sources: SRK

Figure 8-4: Histogram of Ore Tonnage's Frequency



Sources: SRK

Comparison between the Ore Reserves in Table 8-6 and 95% CI in Table 8-8 indicate that the Ore Reserves lie inside of 95% CI, with a difference below 1% for either the ore tonnage or the gold grade.

In other words, it can be said that the relative accuracy of Ore Reserve estimate is no less than 99% comparing with the 95% CI.

8.10 Previous Ore Reserve Estimate

The *JORC Code* compliant Ore Reserve estimate is never carried out in history for the Bubugao Project.

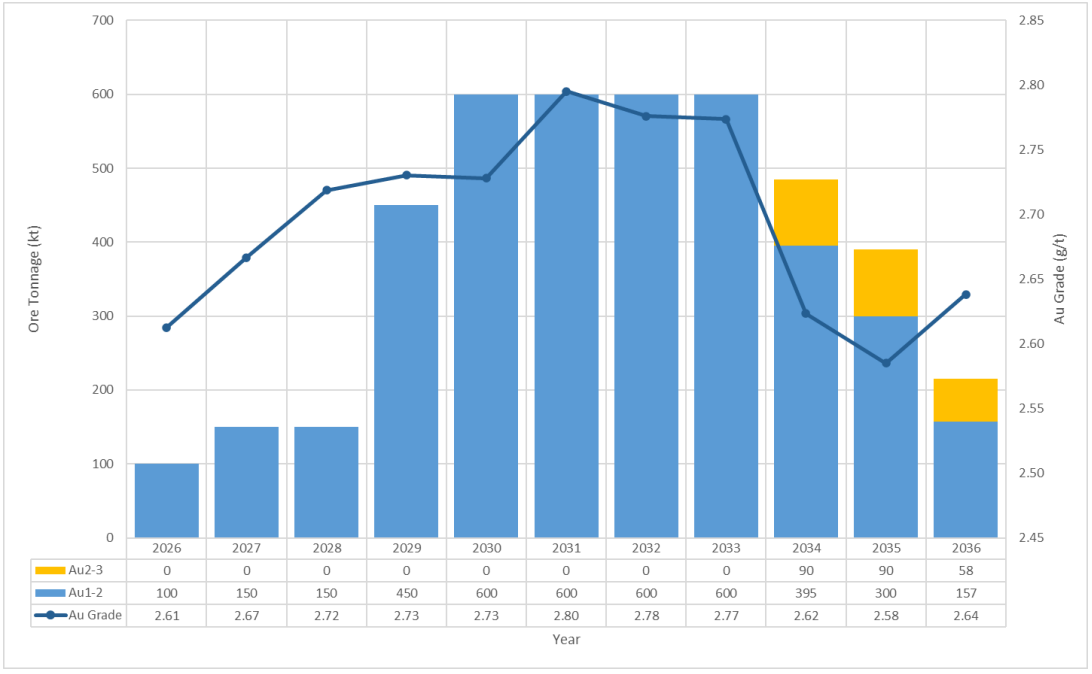
8.11 Mine Production Plan

The Bubugao Mining has planned to expand the ore mining capacity from the 150 ktpa to the 600 ktpa after three years operation. The mining operation is expected to restart in April 2026. The mine will operate 300 days per annum, 3 shifts per day, 8 hours per shift.

The mining sequence of mineralised zones are from Au1-2 to Au2-3. The mining schedule is shown in Figure 8-5 and Figure 8-6. The processing schedule is shown in Figure 8-7.

The life of mine ("**LoM**") is about 11 years, including four years ramp-up period, four years full production period, and three years ramp-down period.

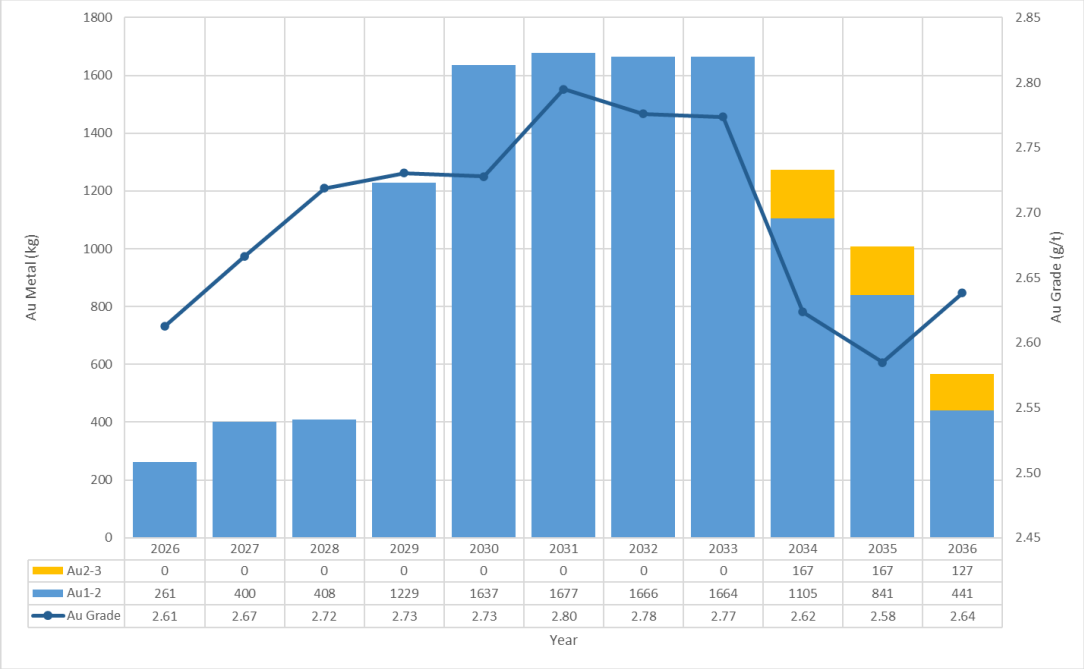
Figure 8-5: Mining Schedule in Ore Tonnage



	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Au2-3	0	0	0	0	0	0	0	0	90	90	58
Au1-2	100	150	150	450	600	600	600	600	395	300	157
Au Grade	2.61	2.67	2.72	2.73	2.73	2.80	2.78	2.77	2.62	2.58	2.64

Sources: SRK

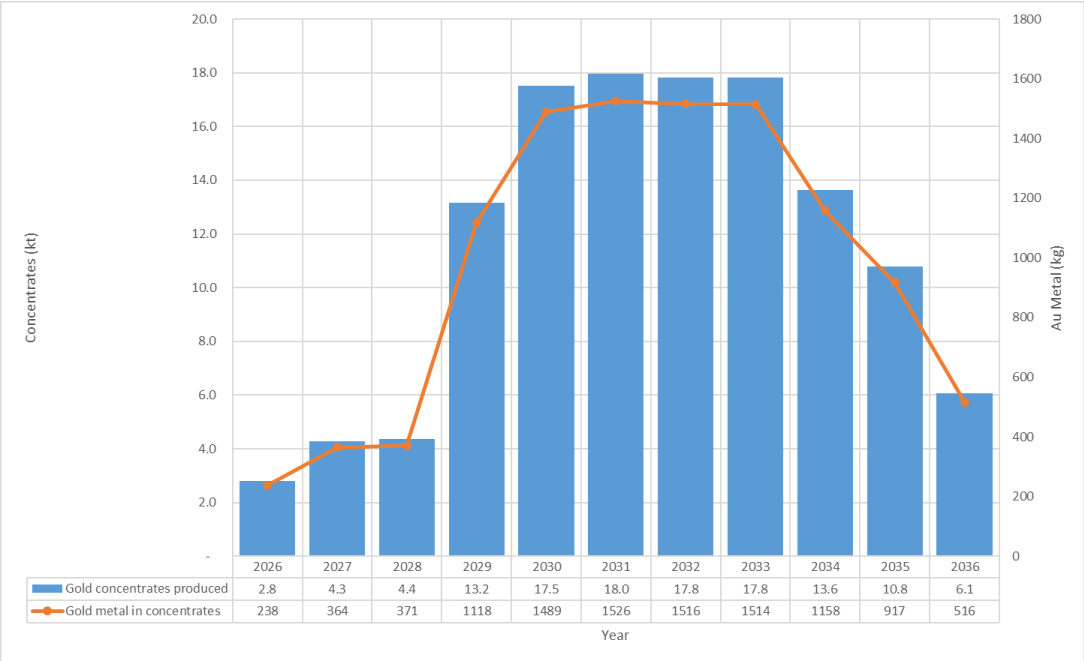
Figure 8-6: Mining Schedule in Gold Metal



	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Au2-3	0	0	0	0	0	0	0	0	167	167	127
Au1-2	261	400	408	1229	1637	1677	1666	1664	1105	841	441
Au Grade	2.61	2.67	2.72	2.73	2.73	2.80	2.78	2.77	2.62	2.58	2.64

Sources: SRK

Figure 8-7: Processing Schedule



	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Gold concentrates produced	2.8	4.3	4.4	13.2	17.5	18.0	17.8	17.8	13.6	10.8	6.1
Gold metal in concentrates	238	364	371	1118	1489	1526	1516	1514	1158	917	516

Sources: SRK

8.12 Conclusions and Recommendations

SRK estimated Ore Reserves based on the analysis of existing facilities and data, available technical studies and SRK's experience on the other gold mines in China.

The *FSR 2025* summarised the data and information available to date. It simply modified the ore mining capacity from that proposed in the *DUP 2015* to 600 ktpa. Overall, the *FSR 2025* is just given the name of feasibility study, however, both the quality and content are not in line with a commonly accepted feasibility study.

Part of Au1-2 that is located outside of the old mining licence area, the Au6 and Au9 have been explored with many tunnels in history. These existing tunnels are positive factors to exploit these Mineral Resources in the future. It has the potential that parts of these Mineral Resources are converted to Ore Reserves if a technical study at either preliminary feasibility study or feasibility study being available.

A pre-feasibility or feasibility level technical study is essential for SRK to estimate Ore Reserves for a new or materially changed mine in accordance with the *JORC Code*. There is just a mine plan in place to demonstrate the prospects of Bubugao Mine, which is usually relevant to an operating mine to estimate Ore Reserves. SRK considered it would be better for the GT Gold to prepare a technical study at least at the pre-feasibility level to guide its future operation.

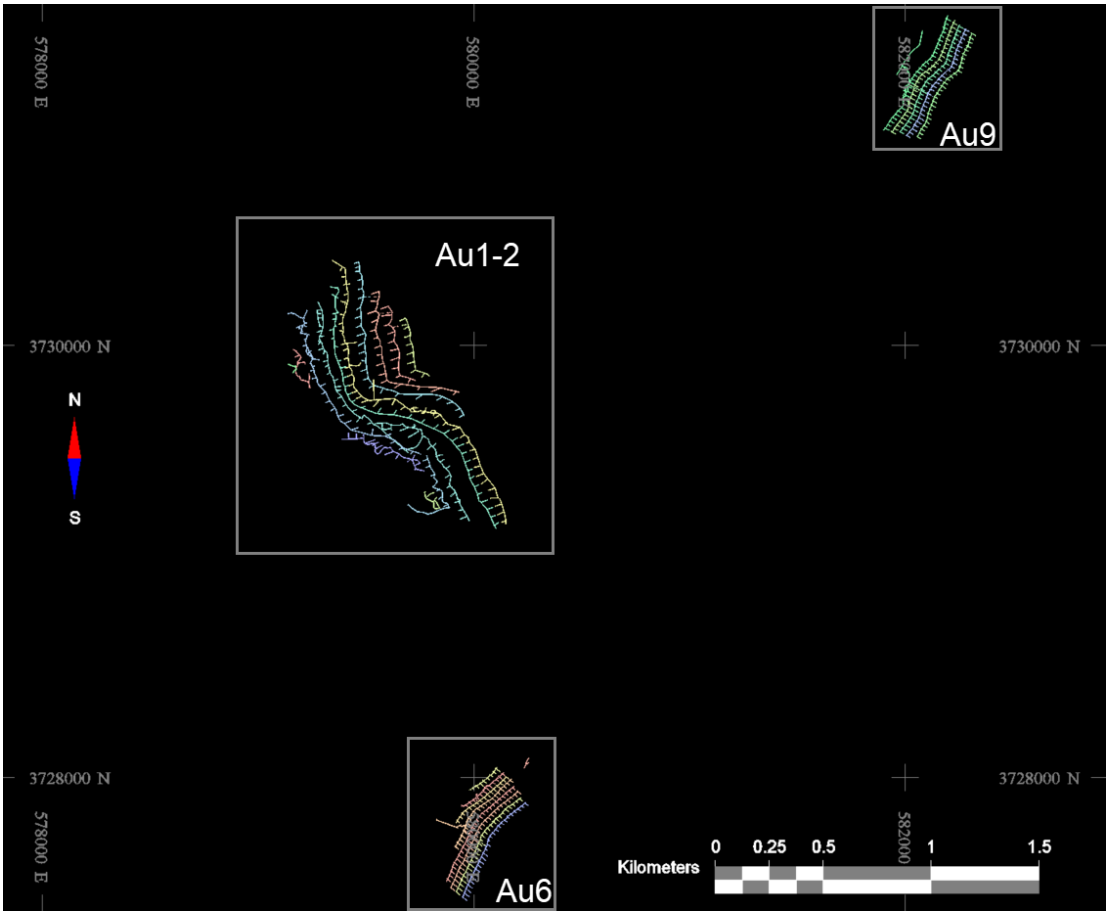
9 Mining Assessment

9.1 Mine Operating History and Current Status

Bubugao Mining was incorporated on 30 December 2008. The *DUP 2015* and its supplementary (see Section 8.2) were prepared by SMDRI and dated in January 2015 and September 2016, respectively. A *Feasibility Study Report* was prepared by Shaanxi Lvrun Environmental Engineering Research Institute Co., Ltd in August 2025. Bubugao Project is an operational gold project, but it is currently in a state of shutdown.

Donggou Mine is an underground gold mine, with some existing facilities and exploration tunnels that can be utilised for the future exploitation and mining operation. Main facilities in place include two buildings for working and living, about 30 to 35 km long tunnels at mineralised zones Au1-2, Au6 and Au9, a yard for explosive and detonator magazines, and mine roads. The top view of existing tunnels is shown in Figure 9-1.

Figure 9-1: Top View of Existing Tunnels



Sources: SRK

9.2 Hydrogeology

The water erosion basis is located at 1,265 m asl.

Groundwater was found in the fissures of massive rock and the pores of scattered unconsolidated rocks. It is mainly recharged with precipitation. Monzonitic granite is the main water bearing formation in the mine area.

The maximum inflow rate of groundwater is estimated to be 542.7 cubic metres ("**m^3**") per day("**/d**").

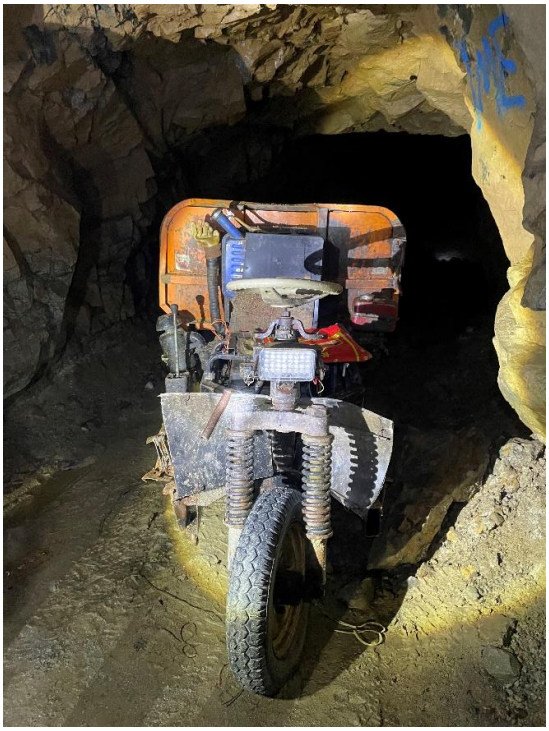
Overall, the groundwater condition is straightforward.

9.3 Geotechnical Conditions

Monzonitic granite is the wall rock. The rock quality designation ("**RQD**") ranges from 80% to 95% for the hanging wall and foot wall and 55% to 70% for the alteration zone, respectively. The uniaxial compressive strength ("**UCS**") ranges from 47.26 mega pascals ("**MPa**") to 102.24 MPa for the hanging wall and footwall and 57.22 MPa for the alteration zone, respectively.

Overall, the geotechnical condition is straightforward.

Figure 9-2: On-site Motor Tricycle



Sources: SRK, 6 August 2025

9.4 Development System

The purpose of development system is to provide accesses from surface to the mineralised zone to extract materials, as well as to provide ways for transport of rocks, ventilation, drainage, and so on. Usually, a development system consists of tunnels and chambers for running and installation of equipment.

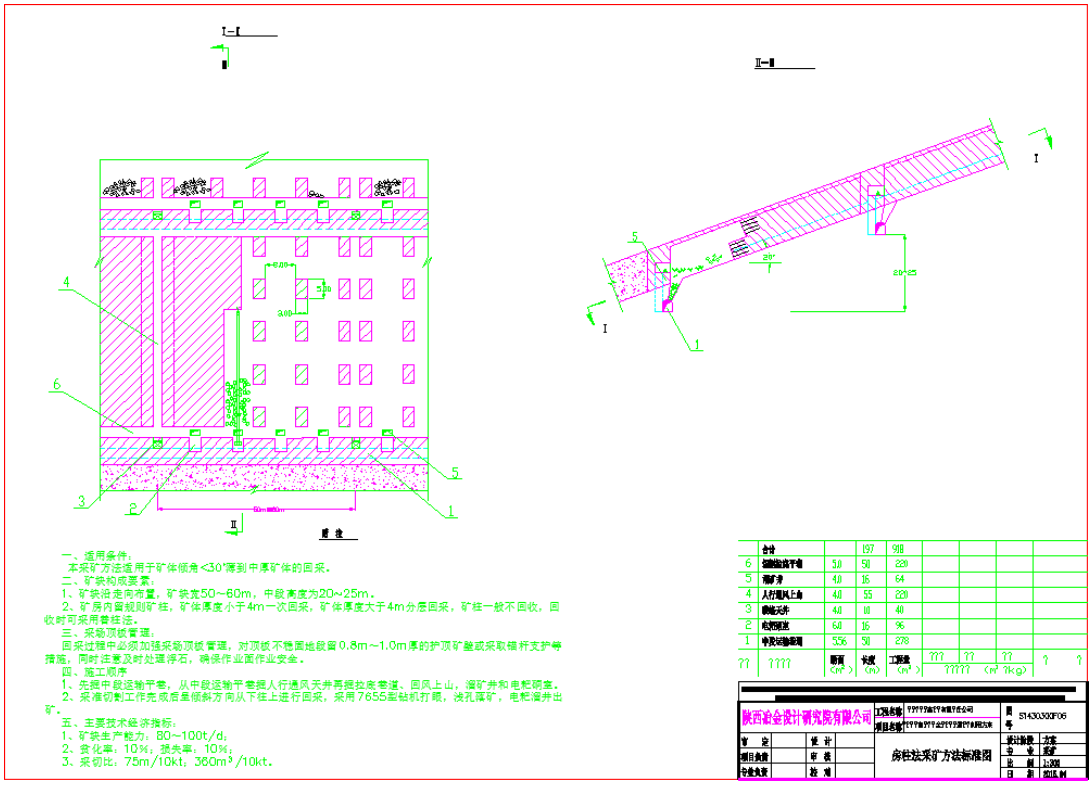
According to the *DUP 2015, Supplementary for DUP 2015* and Feasibility Study Report 2025, the mineralised zones are suitable to be developed in the hybrid of adit and inclined shaft. The level spacing distance varied between 20 to 25 m in vertical direction.

The ore is transported to ore bin with motor tricycle (Figure 9-2) inside tunnels on site, then transferred to the processing plant via truck with a loading capacity of 10 t on the surface. SRK considered the motor tricycle is suitable for exploration purpose, and large size trucks should be procured to transport ore inside the tunnels to support commercial exploitation of mineralised zones.

9.5 Mining Methodology

The room and pillar stoping method was proposed in the *DUP 2015* and the *Feasibility Study 2025*. The schematic drawing is shown in Figure 9-3. The pillar is 3.0 wide by 5 m long. The room is 8.0 m wide by 6.0 long. The stope is set along the strike direction of mineralised zone in 50 to 60 m interval.

Figure 9-3: Schematic Drawing of Room and Pillar Mining



Sources: *DUP 2015*

The room less than 4.0 m thick is mined in one cut, otherwise more cuts will be mined. The pillars are usually not recovered to avoid collapse of hanging wall. In the case of hanging wall is not stable, 0.8 m to 1.0 m thick ore layer is left unmined to support it. As an alternative, anchors may also be used for supporting of hanging wall in the case of unstable.

The stope development includes a level haulage way in the footwall, a service raise, a bin for electric winch, an access raise for workers and ventilation, four to five ore passes, and an undercut slot. The exploitation started from driving the level haulage way. The access raise is driven overhand from the shoulder of level haulage way to the room. Once entered into the room, an undercut slot is driven to open the working spaces for the next driven of service raise, ore passes and bins for electric winch. The drill rig 7655 is supposed to drill blastholes to fill explosives. After blasting, the materials are moved to the ore passes with electric winch.

The proposed stope mining capacity is about 80 to 100 tpd. The proposed mining recovery rate and dilution rate are respectively 90% and 10%. It was estimated that 75 m long tunnels (or equivalent to 360 cubic metres rocks) shall be mined to produce 10 kt of ore.

SRK considered the room and pillar mining is a technically feasible method to exploit Mineral Resources.

9.6 Mining Services

9.6.1 Water Supply

The water is usually used for dust suppression when drilling into rock. There is no preliminary study on the water supply.

9.6.2 Power Supply

A power supply contract numbered SGSNAKNSYXGY23002439 was sighted by SRK. The contract was signed between State Grid Ningshan Electric Power Company Limited and Bubugao Mining on 15 March 2024. The contract is valid till the 14 March 2029, then it can be automatically renewed each five years unless an objection is raised by any party. Based on the contract, Bubugao Mining was provided with electricity of 10 kilovolts ("**kV**"), three-phase alternating current system and 50 hertz via the 200 kilovolt-ampere ("**kVA**") transformer installed at the single power receiving point. In the peak loading period, the power factor should be no less than 0.95, while the reactive power should be no less than 60 kilovolt-ampere reactive ("**kVar**").

SRK understood that the available power supply is used for supporting of historical exploration campaigns. It's a good start for the future power supply, but additional power supply demand should be studied before commencement of commercial mining operation.

9.6.3 Explosive Magazine

The existing explosive magazine shown in Figure 9-4 is situated near the north of mineralised zone Au1-2. It was visited by SRK on 6 August 2025. The main facilities include two magazines for explosives and one magazine for detonators. Maximum storage capacity of explosives is 10 t, while that of detonators is 100,000 pieces.

SRK considered the existing explosive magazines are capable of supporting a mining capacity of 600 ktpa of ore for the mineralised zones Au1-2 and Au2-3. Additional explosive magazines in other locations may be needed when transferring mining to other mineralised zones due to the road issues related to the key protected area of Qinling Mountains, which may lead to the crossing over the Qinling Mountains unfeasible.

Figure 9-4: The Existing Explosive Magazine



Sources: SRK, 6 August 2025

9.6.4 Water Drainage

There is no preliminary study on the water drainage designs. SRK considered the water drainage for the adits is simple, which can drain groundwater inflows outside of mine easily, but the drainage study on the tunnels with no portal on the surface should be carried out before transferring mining to deep areas.

9.6.5 Ventilation

There is no preliminary study on the ventilation designs. SRK considered the ventilation for the adits with two portals is simple, which can draw in fresh air and discharge exhausted air with the air pressure caused by the temperature difference of air inside and outside of underground mine, but the ventilation study on the tunnels with one portal or no portal on the surface should be carried out before transferring mining to deep areas.

9.6.6 Compressed Air

There is no preliminary study on the compressed air supply. SRK considered the preliminary study should be carried out before the mining started.

9.7 Mining Equipment

The main existing mining equipment is shown in Table 9-1. There is no preliminary study on the machinery requirement to support the ore mining capacity of 600 ktpa. SRK considered the existing equipment may be used for the future operation, but additional equipment must be procured.

Table 9-1: Mainly Existing Mining Equipment

Equipment	Model	Quantity
Scraper winch	2JP-15	20
Scraper winch	2JP-30	1
Mucking loader	YLT-70	1
Jackleg drill	YT-28	20
Screw compressor	CT55A-70 (9 m^3 / 7kg)	2
Screw compressor	CT110A-7 (20 m^3 / 7kg)	1
Screw compressor	LGCY-12/12	1
Hydraulic excavator	SYY135C	1
Hydraulic excavator	SYY235C	2
Dump truck	LZT3110K2E3A95	3
Front end loader	LG855B	3
Front end loader	LG833	1

Sources: Bubugao Mining

10 Ore Processing Assessment

10.1 Overview

The Project includes two processing plants with a total designed capacity of 1,500 tpd. The #1 Plant was constructed in 2013 with a designed capacity of 1,000 tpd, while the #2 Plant was constructed in 2024 with a designed capacity of 500 tpd. During the site visit, SRK has learned that these two plants are currently in a state of shutdown. The designed process is flotation, aimed at recovering gold, with the final product being gold concentrate.

In August 2025, a feasibility study was conducted for the Project to expand production capacity to 2,000 tpd (600,000 tpa). SRK considers the level of detail in the metallurgical section of the study to be insufficient and recommends including a description of the current state of the 1,000 tpd processing plant, as well as an assessment of equipment for each process stage. This would help determine the additional equipment and investment required for the expansion.

The Gulougou TSF was built in 2013, with a total dam height of 58 m and a designed storage capacity of 1.61 million cubic meters (Mm^3). In February 2025, the TSF was granted the safety production licence.

SRK's assessment on the processing is based on the test reports and designed documents, as well as information collected during site visit and discussions with technical team of the client.

10.2 Metallurgical Test

In June 2012, Xi'an Tianzhou Mining Technology Development Co., Ltd ("**Tianzhou**") was commissioned by Bubugao Mining to conduct beneficiation test studies on the gold ore from Donggou Mine. The purpose of the test was to provide an economically viable and technically feasible process flow for the development and utilisation of the gold mine. The tests included process mineralogy studies, ore grindability tests, and various process flow tests.

In 2015, supplementary grinding fineness tests were conducted on the same batch of ore samples to improve gold and silver recovery rates.

A summary of all the test work results is given below.

10.2.1 Process Mineralogy

The tested ore samples were collected from 10 sampling points and subjected to process mineralogy studies, including chemical element analysis, gold phase analysis, mineral composition analysis, and particle size distribution analysis etc. The results are summarised in Table 10-1, Table 10-2 and Table 10-3 respectively.

Table 10-1: Chemical Poly-element Analysis Results

Element	Au*	Ag*	Cu	Pb	Zn	S	As	TFe	CaO
Content (%)	3.01	42.7	0.034	0.12	0.053	1.4	0.021	3.56	1.28
Element	**Na_2O**	**MgO**	**Al_2O_3**	**SiO_2**	**K_2O**	**TC**	**Co**	**Ni**	**Sb**

Content (%)	0.42	1.43	13.93	64.35	3，14	0.21	0.002	0.002	0.19

Source: Beneficiation Test Research Report on Donggou Mine Gold Ore, Tianzhou, June 2012.
Note: The unit marked with * is g/t.

Table 10-2: Gold Phase Analysis Results

Phase	Content (g/t)	Percentage （%）
Exposed /Partially exposed gold	2.13	78.16
Sulfide - enfolded gold	0.2	7.34
Carbonate - enfolded gold	0.05	1.65
Hematite - enfolded gold	0.18	6.61
Silicate - enfolded gold	0.17	6.24
Total	2.73	100.00

Table 10-3: Mineral Composition Analysis Results

Mineral	**Quartz**	**Muscovite**	**Iron Carbonate**	**Potassium Feldspar**
Content（%）	57.7	23.7	2.6	5.9
Mineral	**Limonite**	**Pyrite**	**Galena**	**/**
Content（%）	1.0	9.0	0.1	/

The main conclusions of the process mineralogy study are summarised as follows:

- The test sample contains 3.01 g/t of gold and 42.7 g/t of silver. The primary recoverable mineral is gold, with silver as a secondary recoverable associated mineral. Other components have no comprehensive utilization value.
- Gold exists in the form of electrum within the ore. The associated minerals of gold include pyrite, while the primary oxidized alteration mineral is limonite. The occurrence of electrum is relatively complex: part of it exists as inclusions within pyrite, part as fissure electrum in rock fractures, quartz fractures, and limonite fractures, and part as exposed electrum due to oxidation. The gold content in electrum within pyrite fractures and inclusions is relatively high.
- The dissociation of electrum is relatively high. Apart from a few inclusions of electrum within pyrite, most of the electrum is easily dissociated. Fissure electrum and exposed electrum have a loose relationship with the matrix minerals, making them relatively easy to dissociate.
- The gold deposit is classified as a low-sulphide gold ore. The primary ore minerals are electrum, limonite, pyrite, and galena, with electrum being the main target mineral for beneficiation. The main gangue minerals include quartz, muscovite, and potassium feldspar. Limonite content is approximately 1%, and the degree of oxidation of the ore is relatively low.

10.2.2 Comminution Test

A simple relative grindability test was conducted on the ore samples. The standard ore used for comparison was the Yangjiazhangzi Dabeiling molybdenum ore. Both the tested ore and the standard ore were ground to -200 mesh at 70%. The relative grindability coefficient was calculated as $K=T_0/T$ =0.89, indicating that the tested ore is harder to grind compared to the Yangjiazhangzi Dabeiling molybdenum ore.

10.2.3 Metallurgical Test and Results

Flotation Test

Optimization tests of flotation conditions are conducted on the composite sample, while open circuit and closed-circuit tests are conducted under the optimal conditions. The closed-circuit test adopted a flotation process of one roughing, two scavenging and two cleaning, with the results shown in Table 10-4. The gold concentrate with a gold grade of 85.20 g/t and a silver grade of 1,252 g/t was obtained, achieving a gold recovery rate of 91.89% and a silver recovery rate of 94.55%.

Table 10-4: Flotation Closed-circuit Test Results

Product	Yield（%）	Grade (g/t)		Recovery（%）	
		Au	Ag	Au	Ag
Gold concentrate	3.23	85.20	1,252	91.89	94.55
Tailings	96.77	0.25	2.41	8.11	5.45
RoM	100.00	3.00	42.80	100.00	100.00

Source: Beneficiation Test Research Report on Donggou Mine Gold Ore, Tianzhou, June 2012.
Note: The grinding fineness is -200 mesh accounting for 70% (P_{70}=74 μm).

In 2015, a grinding fineness verification test was conducted. When the grinding fineness reached -200 mesh at 80% (P_{80}=74 μm), the gold concentrate with a gold grade of 83.15 g/t and a silver grade of 1,124 g/t was obtained, achieving a gold recovery rate of 94.68% and a silver recovery rate of 95.68%.

Generally, when the grinding fineness reaches -200 mesh at 80%, a two-stage grinding process is typically required. However, the existing processing plant is equipped with only a single stage grinding process. It is recommended to conduct a techno-economic comparative analysis of the grinding process in the future to select a grinding scheme that is both technically and economically feasible.

Cyanide Leaching Test

Cyanide leaching tests were conducted to evaluate the effects of grinding fineness, sodium cyanide dosage, leaching pulp concentration, and leaching time. The optimal leaching process parameters are as follows:

- Grinding fineness: P_{90}=74 μm;
- Limestone dosage: 2,000 g/t;
- Sodium cyanide dosage: 2,000 g/t

- The leaching concentration is 45%; and
- Leaching time is 24 hours.

Under the above conditions, the gold and silver leaching rates were 93% and 59%, respectively. The grades of gold and silver in the leaching residue were 0.21 g/t and 17.42 g/t, respectively.

Knelson Gravity Test

Gravity separation is usually adopted to recover dissociated gold in advance to avoid gold accumulation in the grinding circuit and to avoid loss of coarse gold in subsequent cyaniding tailings due to incomplete cyaniding. The optimal gravity process parameters are as follows:

- Grinding fineness is -200 mesh accounting for 48% (P_{48}=74 μm);
- Fluidized water flow: 3.5 L/min;
- Gravity value: 60 G/S; and
- Feed concentration: 30%.

Under above conditions, the Knelson gravity test results are shown in Table 10-5. It can be seen that Knelson gravity process can obtain gold concentrate with a gold grade of 26.12 g/t and a recovery rate of 37.9%.

SRK has noted that the gold grade of the test sample is only 0.95 g/t, which is lower than the average gold grade of the deposit. The test sample lacks representativeness, and it is recommended to conduct gravity separation test studies again with newly collected representative samples.

Table 10-5: Knelson Gravity Test Result

Product	Yield	Au Grade	Au Recovery
	(%)	(g/t)	(%)
Gravity concentrates 1	0.74	19.37	14.74
Gravity concentrates 2	0.65	33.80	23.16
Combined concentrate	1.39	26.12	37.90
Tailings	98.61	0.60	62.10
RoM	100.00	0.95	100.00

Source: Beneficiation Test Research Report on Donggou Mine Gold Ore, Tianzhou, June 2012.

Based on the above various technology test results, both the flotation method and the all-slime cyanidation method can achieve relatively favourable results. However, considering that sodium cyanide is a highly toxic chemical with potential risks to worker health and the ecological environment, it is ultimately recommended that Donggou Mine should adopt the flotation process.

In actual production, there are many uncertainties, and the recovery rate is generally lower than the test indicators. It is recommended to use a gold recovery rate of 91% and silver recovery rate of 94% for Mineral Resource and Ore Reserve estimation.

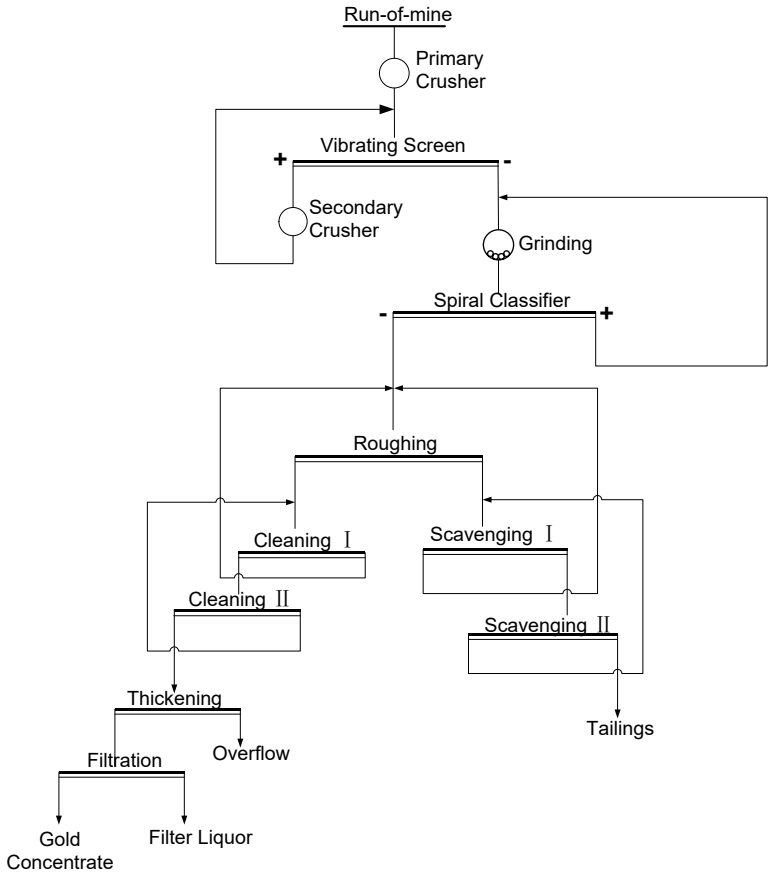
10.3 Process Flowsheet

From site visit and historical data, SRK has learned that #1 Plant was originally designed to process copper-lead-tungsten polymetallic ore from other mines. The main process includes three-stage closed-circuit crushing, one-stage closed-circuit grinding, and flotation. In the future, it will be used to process gold ore from the Donggou Mine.

Before commissioning, it is recommended to engage a design institute to redesign the beneficiation process and technical parameters specifically for gold ore from Donggou Mine. Additionally, the main equipment should be re-analysed, and the entire processing plant should be upgraded and renovated to meet the requirements for processing gold ore from this Project.

The #2 Plant adopts the single flotation process for gold recovery, which is mature and simple. The flowsheet is shown in Figure 10-1, and specified as follows:

Figure 10-1: Process Flowsheet of #2 Plant



Source: SRK

Crushing

A two-stage closed-circuit crushing process is adopted, with a jaw crusher used for coarse crushing and a cone crusher used for fine crushing. The feed size of ROM is less than 400 mm, and the final crushed product is less than 12 mm, which is suitable for the grinding process.

Grinding and Classification

The grinding circuit adopts one-stage closed-circuit process by using one belt conveyor evenly feeding into a MQG 2436 ball mill and a FLG 2400 spiral classifier to achieve a fineness of 70% passing -200 meshes (P_{70}=74 μm).

Flotation

The ore slurry (classifier undersize) flows into a GBJ 2000×2000 mm agitator and is then fed into the flotation cells. The flotation process consists of one roughing stage, two scavenging stages, and two cleaning stages to produce gold concentrate. The flotation tailings are gravity-fed to the tailings storage facility ("**TSF**") for disposal.

Dehydration

The flotation of gold concentrate undergoes a two-stage dewatering process. First, the concentrate slurry is fed into a thickener for initial dewatering and then transferred to an outward filtering drum filter for further dewatering, reducing the moisture content of the concentrate.

10.4 Main Facilities and Equipment

SRK conducted a site visit to #1 Plant and #2 Plant from August 5th to 7th, with overview photo provided in Figure 10-2. The main production facilities consist of crushing and screening workshop, grinding and flotation workshop, concentrate dewatering section, and auxiliary production section etc. Up to now, #1 Plant has been in operation for over 12 years and most of the major equipment is in good condition. However, the steel structure of the thickeners and some pipelines show significant corrosion. It is recommended to conduct systematic maintenance and servicing before resuming production.

Figure 10-2: Overview Photo of the Processing Plant



Source: Site visit

The main equipment of the two processing plants includes the crusher and screen, ball mill and classifier, flotation cells and thickeners etc., which are summarised in Table 10-6, and it does not include belt conveyors, slurry pumps, and other auxiliary equipment.

Table 10-6: Main Equipment of the Processing Plants

Equipment	Specifications	Quantity
#1 Plant		
Jaw Crusher	C100	1
Cone Crusher	GP100S	1
Cone Crusher	GP300	1
Vibrating Screen	2YKRH2460	1
Ball Mill	GMGH 3245	1
Classifier	ZFC3000	1
Flotation Cell	XCF/BSK16	26
Flotation Cell	BF8	9
Flotation Cell	BF2.8	13
Flotation Cell	BF1.2	3
Stirring Tank	2000*2000	5
Stirring Tank	BJW2000	1
Stirring Tank	BJW1500	4
Stirring Tank	BJW3000	2

Stirring Tank	BJ2000	3
Thickener	NZSG12	2
Filter Press		2
#2 Plant		
Jaw Crusher	PE500×750	1
Cone Crusher	φ900×800	1
Vibrating Screen		1
Ball Mill	MQG2436	1
Classifier	FLG-2400	1
Pulp Stirring Tank	GBJ-2000	1
Flotation Cell	XCF-4	8
Flotation Cell	KYF-4	8
Flotation Cell	BF2.8	13
Flotation Cell	BF1.2	3
Reagent Stirring Tank	RJW-1000	1
Reagent Stirring Tank	RJW-750	1

Source: Project data

10.5 Historical Production Index

During the site visit, SRK noted that two processing plants and certain camp facilities had been constructed at the Project site. One of the processing plants showed signs of past production; however, on inspection underground, no mined-out stopes or previously extracted ore bodies were observed. SRK considers that the processing plant may have carried out trial production using by-product ore generated during the exploration process. Therefore, there are no historical records. SRK has learned that both these two processing plants have been in a state of shutdown for the past three years.

10.6 Tailings Storage Facilities

The Gulougou TSF is located in Wutai Village, Fengfu Town, approximately 0.5 km to the southwest of the processing plants. The initial dam is a compacted rockfill dam with a height of 25 m. The subsequent dam construction adopts the upstream method, with total dam height of 58 m. The total storage capacity is 161.04×10^4 m^3, equal to effective capacity of 128.83×10^4 m^3, which is a Class 4 TSF in China. At present, about 10×10^4 m^3 of tailings have been piled up, and the remaining storage capacity is about 118.83×10^4 m^3. The currently designed storage capacity is insufficient to meet the tailings storage requirements over the LoM, and further expansion or new TSF construction are necessary in the future. In February 2025, the TSF was granted a safety production licence. The current situation of the TSF is shown in Figure 10-3.

Based on the chemical composition of the sample, the tailings have a high silica content and do not contain other deleterious elements. It may be possible to use the tailings for producing hollow bricks, non-fired bricks, or as raw materials for construction and ceramics. It is recommended to further strengthen the feasibility study on the comprehensive utilisation of tailings in the future.

Figure 10-3: Gulougou TSF



TSF



Initial Dam and Return Water Pond

Source: SRK site visit on 6 August 2025.

11 Workforce Assessment

11.1 Workforce Numbers

According to the *DUP 2015*, the total workforce numbers were 129 personnel (including 56 mining contractors). Details of the workforce numbers are presented in Table 11-1. SRK considers that the workforce numbers are adequate to meet the 150 ktpa production capacity, and that additional workforces are required to produce at 600 ktpa ore capacity.

Table 11-1: Workforce Numbers for the Bubugao Project

Department	Workforce Number
Management and Technical Department	**18**
General Manger (GM)	1
Deputy GM	2
Chief Geologist/Engineer	1
Mine manager	1
Office Director	1
Safety and Environmental Protection	3
Geologist and Engineer	6
Financial and Others	3
Mining Department	**56**
Ore and Waste Hauling	11
Draft and Stope Drilling	16
Explosives Charging and Blasting	4
Tunnel Support and Equipment Maintenance	11
Blasting Equipment Management	2
Material Transportation	6
Power Distribution and Fan Rooms	6
Processing Department	**46**
Ore Processing Workshop: Crushing	6
Belt Conveyor	6
Screening	3
Ball milling	6
Flotation	6
Sand Pump and Crane	4
Auxiliary Workshop: Water Resource Pump Station	3
Purification and Wastewater Treatment	3
Power Distribution and Maintenance	9
Tailings Storage Facilities	**3**
Maintenance and Patrol	3
Logistics Service Department	**6**
Total	**129**

Source: Development and Utilization Plan (2015)

11.2 Assessment of Workforce

SRK have been informed that all staff and employees will sign work contracts as required by labor law and labor contract law of China. The employer will also provide endowment, medical, work injury, unemployment, and pension insurance, plus housing accumulation funds, for employees. SRK is also informed that staff and contractors have a relatively low turnover rate of about 5%.

12 Project Infrastructure

12.1 Access

The Bubugao Project is located about 65 km northeast of Ningshan County, approximately 40 km south of Xi'an City, the capital of Shaanxi Province, China.

Access to the Project is relatively easy. In the northwest of the property area, there is a county-level cement road from Fengfu Town to Guanghuojie Town that connects the National Highway (G210) with a transport distance of about 37 km. In the east, there is a county-level road that connects from Fengfu Town via Zhen'an County's Dongchuan Town to Yangpan Town in Zhashui County, linking to the Baotou - Maoming Expressway (G65), with a transport distance of about 80 km. Within the Project area, there is a 3 km gravel road connecting to the county-level road, making transportation quite convenient.

Xi'an is an important city in central and western China and Xi'an airport is a major airport in China as well. Most cities in China, including Beijing and Hong Kong, have daily flights and/ or high-speed trains to and from Xi'an. There is a grade 3 concrete-paved road with a distance of 116 km from Xi'an to Ningshan.

12.2 Water Supply

The fresh water sourced from surface water in the Gulougou Valley, at the downstream of TSF. Two horizontal multi-stage centrifugal pumps 125D-25×7, each with a water head of 120 m, a flowrate of 108 m^3/h and a rated power of 75kW, are installed to pump water to the elevated clean water tank in #1 Plant via the seamless steel pipe in 125 mm diameter. The water is then distributed to each water point by gravity.

The water recycle pool and pump station were also constructed at the downstream of TSF to collect tailings clarified water. Two horizontal multi-stage centrifugal pumps 100D-16, each with a wate head of 158 m, a flowrate of 54 m3/h and a rated power of 37 kW, are installed to pump the clarified water to the elevated water tank in #1 Plant via the welded steel pipe in 100 mm diameter.

12.3 Power Supply

There are two dedicated power transmission lines ("**PTLs**") to supply Bubugao Project with electricity, which are describe below:

- The first PTL sourced from the #120 pole on the Gaohe River Branch Circuit of Huang-Dong Line. The power receiving point at Miaogaou Valley is supplied with 10 kilovolts ("kV") power in 520 kilovolt-Ampere ("kVA") capacity by Dongchuan Power Supply Bureau. Three transformers are installed at the power receiving point, including the first one at #1 Miaogou Valley with a capacity of 200 capacity, the second one at #5 portal of #2 Miaogou Valley with a capacity of 160 kVA, and the third one at #2 portal of #3 Miaogou Valley with a capacity of 160 kVA. All the three transformers work independently.

- The second circuit of PTL sourced from the 35 kV Guanghuo Street Substation of Ningshan County Guanghuo Street Power Supply Bureau. The power is transformed to 10 kV to supply the mining section Donggou Valley of Bubugao Mine and processing plants with power via the dedicated 112 Fengfu circuit. The photo of substation is shown in Figure 12-1.

Figure 12-1: State Grid Fengfu 35 kV Mobile Substation



Sources: SRK, 6 August 2025

12.4 Office and Accommodation Buildings

Regarding the Bubugao Mining, the following constructions in process are on site:

- a general office building and an accommodation building near to the Fengfu County Government;
- an office and accommodation building near to the portal of adit PD1;
- two buildings for workforces at Pengjiagou Valley;
- an accommodation building for workforces at Shenjiagou Valley; and
- an accommodation building at Miaogou Valley.

Regarding the Jincheng Mining, the constructions in process on site include an office and accommodation building and two laboratory buildings.

SRK considered these facilities once construction completed, they can start operation in 600 ktpa of ore capacity.

13 Environmental Studies, Permitting, Social or Community Impact

13.1 Environmental and Social Review Objective

The objective of this CPR is to identify and/ or verify the existing and potential Environmental, Permitting, and Social or Community liabilities and risks, and assess any associated proposed remediation measures for the Bubugao Project. The Bubugao Project is comprised of Donggou Mine, #1 Plant, #2 Plant and Gulougou TSF.

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 Bubugao 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 recognised 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 between 5 August and 7 August 2025.

13.3 Status of Environmental Approvals

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 (2019) and the Environmental Protection Law of the People's Republic of China (2014):

- Environmental Impact Assessment ("**EIA**") Law (2018).
- Law on Prevention & Control of Atmospheric Pollution (2018).
- Law on Prevention & Control of Noise Pollution (2021).
- Law on Prevention & Control of Water Pollution (2017).
- Law on Prevention & Control Environmental Pollution by Solid Waste (2020).
- Forestry Law (2021).
- Water Law (2016).
- Land Administration Law (2019).
- Protection of Wildlife Law (2023).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

The EIA Law of the People's Republic of China and the Regulations on the Administration of Environmental Protection for Construction Projects require that projects with potentially significant environmental impacts prepare an EIA Report, which must comprehensively evaluate the pollution generated by the Project and its impact on the environment. Before construction begins, the construction unit must submit the EIA Report or EIA 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 Table 13-1.

Table 13-1: EIA Reports and Approvals

Project	Produced By	Production date	Approved By	Approval date
Donggou Mine (0.015Mtpa)	Taiyuan Heqing Environmental Engineering Design Co., Ltd	May 2016	Shaanxi Province Environmental Protection Bureau	16 August 2016
Processing Plant (1000 tpd) and Gulougou TSF Construction Project	Hanzhong Environmental Engineering Design Insitute	April 2014	Shaanxi Province Environmental Protection Bureau	16 August 2016

Under the Soil and Water Conservation Law of the People's Republic of China, construction projects in mountainous areas, hilly areas, desertified areas, and other regions prone to soil erosion, as identified in soil and water conservation planning, must prepare a Water and Soil Conservation Plan ("**WSCP**"). The company provided SRK with the WSCP reports and approvals for the Project, with specific details outlined in Table 13-2.

Table 13-2: WSCP Reports and Approvals

Project	Produced By	Production date	Approved By	Approval date
Donggou Mine (0.015Mtpa)	Shaanxi Lvya Ecological Engineering Ltd	April 2015	Shaanxi Province Water and Soil Conservation Bureau	28 April 2015
#1 Plant (1,000 tpd) and Gulougou TSF Construction Project	Shaanxi Lvya Ecological Engineering Ltd	July 2013	Ankang City Water Bureau	12 July 2013

SRK reviewed above EIA reports and WSCP reports and concluded that the EIA and WSCP basically cover the main production facilities including mining site, processing plant (1,000 tpd) and tailings storage facility. However, no EIA report and approval for #2 Plant (500 tpd) have been sighted as part of this review. SRK considers that Jincheng Mining should prepare the EIA reports and WSCP reports in accordance with relevant Chinese legal requirements and obtained corresponding government approvals.

13.4 Flora and Fauna

The EIA for the Bubugao Project conducted a field survey of the ecological environment in the assessment area in May 2015. The area is located in the mountainous region on the southern slope

of the Qinling Mountains, where vegetation is mainly of temperate origin, with a flora that is ancient, complex, and transitional in nature. Vegetation near the Project site is dominated by deciduous broad-leaved and hard broad-leaved forests, with communities of mixed herbaceous and climbing plants, and a vegetation coverage rate of over 80%. The vegetation in the region is mainly composed of oak-type hard broad-leaved species, while other species include pines, firs, cypresses, and soft broad-leaved trees. Farmland vegetation is sporadically distributed in riverbanks and valley areas, primarily cultivating economic crops such as wheat, corn, and soybeans. The assessment area has a high vegetation coverage, and no nationally or locally protected wild plants or ancient and famous trees were found. The Project does not involve nature reserves, scenic spots, or other ecologically sensitive areas.

The wild animals with relatively large populations in the area include the South China hare, wild boar, hog badger, and brown rat, as well as species such as the leopard cat and Reeves's muntjac. Due to frequent human development activities, the assessment area has been significantly affected by long-term human disturbance, resulting in substantial changes to wildlife habitats. At present, both the diversity and abundance of wild animals have greatly declined, with large wild animals having retreated far from the area. Most animals are now domesticated, while only a small number of highly adaptable medium- and small-sized wild species remain. In farmland areas, rodents, snakes, and frogs are most common, with bird populations still relatively abundant. No nationally or Shaanxi Province–protected wild animal species were found. It should be noted that, according to the Shaanxi Province Qinling Ecological Environment Protection Regulations, areas of the Qinling Mountains located between elevations of 1,500 meters and 200 meters are designated as key protection zones. All major surface facilities of the Project—such as the industrial site, ventilation shaft area, waste rock dump, processing plant, tailings storage facility, haul roads, and living quarters—are situated below 1,500 meters.

The development of Bubugao Project may also result in impacts to or loss of flora and fauna habitat. If effective measures are not taken to manage and rehabilitate the disturbed areas, the surrounding land can become polluted and the land utilisation function will be changed, causing an increase in land desertification, water loss and soil erosion. The EIA concludes that construction activities will damage surface vegetation within the disturbed area, primarily affecting shrubland and not involving farmland or any rare or protected plant species. Although the destruction of surface vegetation during construction will have adverse ecological impacts, these effects will be confined to the construction site and its immediate surroundings, resulting in only minor overall impact on the regional ecosystem. After construction, measures such as off-site planting, compensation, and vegetation restoration can effectively offset the effects of land disturbance on the original vegetation. The EIA also concludes that project disturbances will cause some damage to wildlife activity and habitat areas, forcing animals to move elsewhere. However, because many animals are highly mobile and similar habitats are widely distributed near the Project area, the Project's development will not have a significant impact on wildlife species diversity or population numbers and will not lead to a reduction in biodiversity.

13.5 Water Management

The drainage system of the mine site is well developed, and water resources are abundant, forming part of the Xichuan River system, a tributary of the Xun River in the upper Han River basin of the Yangtze River system. The main perennial streams within the mining area are Pengjiagou and

Donggou. The Xichuan River flows from north to south, about 100 m west of the Donggou ore section. Donggou flows east to west, and Pengjiagou flows from southeast to northwest, both joining the Xichuan River. Donggou and Pengjiagou originate within the Donggou ore section and have total lengths of about 2,600 m and 3,100 m respectively, with lengths of approximately 1,200 m and 1,600 m inside the ore section itself. According to the Detailed Geological Exploration Report of the Donggou Ore Section of the Fengfu Donggou Gold Mine in Ningshan County, Shaanxi Province, the flow of Pengjiagou is about 1.0 L/s during the dry season and about 15 L/s during the wet season, while Donggou has a flow of about 0.8 L/s in the dry season and about 15 L/s in the wet season. The rivers near the tailings storage facility are Gulougou and Jiazigou. Gulougou has perennial flow and is approximately 4 km long. About 260 meters downstream of the tailings dam is Wutaigou, into which the flow from Gulougou discharges. Wutaigou has a total length of 19 km and flows into the Xichuan River.

Domestic water in the mining area is sourced locally from Pengjiagou stream, while process water is obtained from mine inflow and stream water in the gullies. Fresh makeup water for the processing plant is also sourced from nearby streams. The main wastewater from the Project includes mine dewatering water, leachate from the waste rock dump, mineral processing wastewater, tailings storage facility wastewater, site washing wastewater, and domestic wastewater. The EIA requires that sedimentation tanks be installed at the entrances of all main horizontal adits. The treated water is to be fully reused in the drilling operations, and any surplus is to be returned to the mine's water recycling pond. During the site visit, both the mining areas and the processing plant were not in operation. SRK observed that water discharged from the adit passed through a simple sedimentation tank before flowing along the mountain gully into a nearby stream.

The Project's processing wastewater mainly consists of flotation wastewater and site washing wastewater. The wastewater generated from the Jincheng Mining's mineral processing process is also subjected to a closed-loop circulation system and is not discharged externally. Wastewater from mineral processing and site washing is concentrated in the thickening tank before being discharged into the tailings storage facility for sedimentation treatment. The concentrated water and water in the tailings storage facility are recycled for use in mineral processing. The EIA requires that domestic sewage be collected and treated through sedimentation before being used for landscaping, dust suppression, and similar purposes. The EIA also recommends setting up a seepage collection pond downstream of the waste rock dump's sediment dam. The leachate collected is to be treated through sedimentation and then reused for road sprinkling, with no external discharge.

According to water quality monitoring data from mine dewatering water collected on 26 April 2015, by Qingdao Jingcheng Testing Technology Co., Ltd., the nine monitored indicators—including pH, permanganate index, total hardness, nitrite nitrogen, Pb, As, Cr^{6+}, Cd, and Hg—were all well below the Class I standards specified in Table 4 of the Integrated Wastewater Discharge Standard (GB 8978-1996) and also below the Class II surface water quality standards in the Environmental Quality Standards for Surface Water (GB 3838-2002). SRK recommends that the Jincheng Mining regularly monitor the surface and groundwater quality in the areas surrounding the mining site and tailings storage facility to stay updated on water quality conditions and reduce the risk of water environment pollution.

13.6 Waste Rock and Tailings Management

The EIA notes that construction waste rock generated by the Project is partially used for backfilling abandoned exploration adits, leveling industrial sites, constructing waste rock dumps ("WRD"), and

building in-situ structures such as protective slopes, retaining walls, and drainage channels, while the remainder is transported to waste rock dumps for proper disposal. Stripped topsoil is temporarily stored at the WRDs with intercepting and drainage facilities in place, to be later used for covering and greening the waste rock surfaces. All waste rock generated during the production phase is transported to the designated WRDs. The design includes one waste rock dump each for the Pengjiagou and Donggou tributaries. The EIA also requires the installation of a leachate collection pond to collect waste rock seepage water. During the site visit, SRK observed that previously generated waste rock, aside from being used for site leveling, was mainly deposited in gullies outside the adit entrances.

The project's tailings are discharged into the already constructed Gulougou tailings storage facility ("TSF"). This facility is a valley-type TSF consisting of an initial rockfill dam, a flood discharge system, dam monitoring installations, a tailings delivery system, and a tailings return-water system. During the site visit, SRK observed that all of these facilities had been completed.

No waste rock geochemical/acid rock drainage ("ARD") assessment has been sighted as part of this review. During the EIA process, the Project commissioned Qingdao Jingcheng Testing Technology Co., Ltd. to conduct toxicity leaching tests on the waste rock. The results showed that all indicators of the waste rock leachate were well below the relevant standards specified in the Identification Standard for Hazardous Wastes – Corrosivity Identification (GB 5085.1-2007) and the Identification Standard for Hazardous Wastes – Leaching Toxicity Identification (GB 5085.3-2007), and were also below the Class I standards in Table 4 of the Integrated Wastewater Discharge Standard (GB 8978-1996). Therefore, the waste rock from this mining area is classified as Category I general industrial solid waste under the Pollution Control Standard for the Storage and Disposal Site of General Industrial Solid Waste (GB 18599-2001). During the time of this site visit, SRK did not observe any evidence of ARD or contaminant leaching from the existing waste rock dumps.

13.7 Dust and Noise Emissions

The fugitive dust emission sources for the Bubugao Project are mainly from the stockpiles (ore and waste rock), loading and unloading, crashing, TSF and movement of vehicles and mobile equipment. Dust management measures for the mine site and processing plant proposed in the EIA reports report mainly comprise water sprinkling of ore transportation, haul roads and industrial sites and using dust remover for the processing. During the time of the site visit, there were no observations of dust emissions from these sources.

The main sources of noise emissions for the Bubugao 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 EIA reports for the Project proposes the following noise management measures:

- Use of low-noise equipment;
- Regular vehicle maintenance;
- Speed limit of vehicles; and
- Enclosures for noisy equipment.

It is SRK's opinion that the noise prevention measures mentioned in the EIA reports are feasible. SRK observed that the processing equipment was mostly installed in enclosed rooms. During the time of this site visit, SRK did not note any obvious noise emissions in the open areas of the mine

site and processing plant. Considering that the nearest residential area is quite far away from the mine site and processing plant, SRK is of the opinion that the impact of dust and noise from the mining and processing on the surrounding residents is negligible.

13.8 Hazardous Substances Management

Hazardous materials have the characteristics of corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which pose a potential risk to human and/or environmental health. The hazardous materials will be generated mainly by the Project's construction, mining, and processing operations and include of hydrocarbons (i.e. diesels, waste oils, and lubricants) and oil containers, explosives, processing reagents, etc. The leaks, spills or other types of accidental releases of hazardous materials may have negative impact on soils and groundwater resources near the mine site.

There is an explosives magazine on site. During the site visit, SRK observed that the explosive magazine is well-protected and equipped with safety measures such as fire protection and online monitoring. The main hazardous wastes generated by the Bubugao Project include used processing reagent bags, waste oil and waste oil drums. The EIA report requires Bubugao Mining to provide a temporary hazardous-waste storage facility. The facility must be designed and constructed strictly in accordance with the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001). Hazardous waste must be collected centrally and handed over to licenced units for treatment and disposal. Outdoor piling is strictly prohibited to prevent overflow with rainwater and subsequent water pollution incidents. SRK also recommends that the processing reagents be stored with secondary containment which is in line with the recognised international industry management practices.

13.9 Occupational Health and Safety

A well developed and comprehensive safety management system comprises site inductions, site policies, safe work procedures, training, risk/hazard management (including signage), use of personal protective equipment ("PPE"), emergency response process, incident/accident reporting, an onsite first aid/medical centre, designated safety responsibilities for site personnel, regular safety meetings and a work permit/tagging system.

SRK has reviewed safety operating procedures and safety design for the Project and is of the opinion that the documents cover items that are generally in line with recognised Chinese industry practices and Chinese safety regulations. During the site visit of processing plant, SRK observed that safety signs were in place, safety provisions and rules were also displayed within the work areas, guard railings were installed on all gantries. SRK recommends Bubugao conduct safety record and develop incident analysis reports for the possible injuries in future. The proposed reports analysed the cause of injuries and identified measures to prevent a recurrence, which are in line with international recognized OHS accident monitoring practice.

13.10 Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under Article 21 of the Mineral Resources Law of People's Republic of China (2023), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), and the Land Rehabilitation Regulation (2011) issued by the State Council. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a

geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by the company.

SRK has sighted the latest geological environmental protection and land reclamation plan for the Donggou Mine which was produced by Shaanxi Zhongkan Environmental Geology Research Center Co., Ltd. in June 2025. This plan conducts a current status assessment and a predictive assessment of the geological environmental impacts and land damage within the mining project area and its area of influence. Based on these assessments, it divides the mining project area into zones for geological environment protection and restoration, delineates land reclamation areas and defines the scope of reclamation responsibilities. According to the construction plan and its impact and degree of disturbance on the geological environment and land resources, it schedules the necessary geological environment protection works, land reclamation works, and monitoring measures in phases, and estimates the associated project costs. The total static investment for mine geological environment protection and land reclamation in this plan is RMB 10.3131 million, of which an estimated RMB 0.7191 million is allocated for mine geological environment treatment works, and an estimated RMB 9.594 million is allocated for land reclamation works.

13.11 Social Aspects

The Bubugao Project is located about 65 km northeast of Ning Shan County town and falls under the administrative jurisdiction of Fengfu Town, Ningshan County, Ankang City, Shaanxi Province. Fengfu Town has no large or medium-sized enterprises, and the local economy is underdeveloped. The general surrounding land use mainly comprises forest with some agriculture. The general regional area is mainly populated with Han Chinese. There are no documented significant cultural heritage sites, within or surrounding the Project area.

The nearest residential area is about 1.5 kilometers from the mine site. During the Environmental Impact Assessment process, a public participation process was carried out. No public feedback of any kind was received during the two public announcement periods. A total of 100 public survey questionnaires were distributed; among the respondents, 84 % expressed support for the Project, 16 % were indifferent, and none expressed opposition. Bubugao informed SRK that the current Project development does not involve the relocation or resettlement of villagers. It is recommended that Bubugao actively engage with nearby stakeholders throughout the development process to foster mutual understanding and trust. Regular communication—such as community meetings, transparent disclosure of environmental and safety measures, and prompt responses to concerns—can help address potential issues early. In addition, providing targeted community support, such as funding local infrastructure improvements, education, or healthcare initiatives, can demonstrate the company’s commitment to shared benefits and strengthen long-term social trust and cooperation.

14 Capital Expenditures and Operating Costs

14.1 Sunk Capital Expenditures

SRK was provided with balance sheets of Bubugao Mining and Jincheng Mining. The sunk capital expenditures ("**Capex**") as of 31 December 2025 are summarised in Table 14-1. The net value of sunk Capex is about RMB 116.7 million.

Table 14-1: Summary of Sunk Capex as of 30 June 2025 (Unit: RMB million)

Item	Bubugao Mining	Bubugao Mining Zhen'an Subsidiary	Jincheng Mining	Total
Original fixed assets	8.3	0.2	18.6	27.2
Accumulated depreciation	1.6	0.0	1.6	3.2
Net Value				-
Fixed assets	6.2	0.2	17.0	23.5
Construction in process	4.5	0.3	22.0	26.8
Intangible assets	0.0	-	-	0.0
Long-term prepaid expenses	56.7	3.2	6.6	66.5
Total net value	67.4	3.7	45.6	116.7

Sources: Bubugao Mining and Jincheng Mining
Notes: Values are in nominal terms.

After review of the balance sheets of each company from May 2014 to June 2024, SRK noted that the original fixed values of fixed assets and net values changed little, which means that the Capex after May 2014 are not included in the balance sheet. The material changes after May 2013 known to SRK include the four exploration campaigns carried out between May 2013 and 31 December 2021, and construction of #2 Plant in 2024. SRK considered it would be better for the GT Gold to commission an accounting firm to audit the financial status of Bubugao Project as of 31 December 2025.

The sunk Capex was used for calculation of depreciation and amortisation ("**DA**") in economic analysis to deduct the taxable income. SRK assumed a 10-year straight-line depreciation for the fixed assets with zero residual values, and a 5-years straight-line amortisation for the intangible and other assets. The DA calculation of sunk Capex is shown in Table 14-2.

Table 14-2: DA Calculation of Sunk Capex (Unit: RMB million)

Item	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Depreciation	53.9	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Amortisation	66.5	13.3	13.3	13.3	13.3	13.3	-	-	-	-	-
Total	120.4	18.7	18.7	18.7	18.7	18.7	5.4	5.4	5.4	5.4	5.4

Sources: SRK
Notes: Values are in nominal terms.

14.2 Non-current Liabilities

The non-current liabilities are zero in the reviewed balance sheets from May 2014 to June 2025. At the time of this reporting, SRK considered that the expenditures spent at least on the exploration campaigns after May 2014 and construction of #2 Plant in 2024 should be treated as the non-current liabilities, as well as other unknown items.

SRK made rough estimates of non-current liabilities on the Bubugao Mine and the #2 Plant based on experiences. The results are shown in Table 14-3. The total non-current liabilities are about RMB 155.6 million.

Table 14-3: Estimate of Non-current Liabilities as of 30 June 2025

Item	Length (m) [1]	Price (RMB/m) [2]	Expenditure (RMB million)	Remarks
Bubugao Mine				
Borehole	35,307	600	21.2	
Tunnel	30,074	4,000	120.3	
Contingency [3]			42.4	30%
Total Capex			183.9	
Expenditures in balance sheet as of 31 December 2025			67.4	
Non-current liabilities			116.5	
Jincheng Mining				
#2 Plant [4]			30.1	0.6
Contingency [3]			9.0	30%
Total Capex			39.1	
Total				
Non-current liabilities [5]			155.6	

Sources: SRK

Notes:

[1] Borehole and tunnel lengths are sourced from the *Advanced Exploration Report on the Donggou Gold Deposit, Fengfu Town, Ningshan County, Shaanxi Province, China*, which was prepared by Shaanxi Mining Development Industry & Trade Co., Ltd., and dated in December 2021.

[2] The prices are sourced from SRK's experience.

[3] Contingency rate was set to 30% of known Capex to make allowances for unknown items.

[4] The net value of existing #1 Plant is about RMB 45.6 million. The Capex on the #2 Plant was estimated using what is commonly referred to as the six-tenth rule.

[5] Values are in nominal terms.

SRK assumed that the liabilities shall be paid evenly in the next three years from 2026 to 2028 with no interests. Payment plan of non-current liabilities is shown in Table 14-4.

Table 14-4: Payment Plan of Non-current Liabilities (Unit: RMB million)

Year	Total	2026	2027	2028
Non-current liabilities	155.6	51.9	51.9	51.9

Sources: SRK

Notes: Values are in nominal terms.

14.3 Expansion Expenditures

To produce in a processing throughput of 2,000 tpd or 600 ktpa, two estimates of initial Capex were carried out by the technicians of Bubugao Project, but with neither technical design nor details of capital works. Estimates were summarised in Table 14-5.

Table 14-5: Expansion Capex Estimates

Item	Unit	Estimate 1	Estimate 2
Mineralised zones to be exploited		Au1-2, Au2-3	Au1-2, Au2-3, Au5, Au6, Au7, and Au9
Processing throughput	tpd	2,000 (or 600 ktpa)	2,000 (or 600 ktpa)
Fixed Assets			
Civil engineering	RMB million	63.8	/
Machinery	RMB million	31.0	/
Installation	RMB million	8.2	/
Tools and instruments	RMB million	0.2	/
Sub-total		103.2	1,130
Other Assets	**RMB million**	**20.0**	**465**
Environmental Restoration and Governance	**RMB million**	**6.8**	**-**
Total	**RMB million**	**130.0**	**1,594.5**

Sources: Bubugao Mining and Jincheng Mining
Notes: Values are in nominal terms.

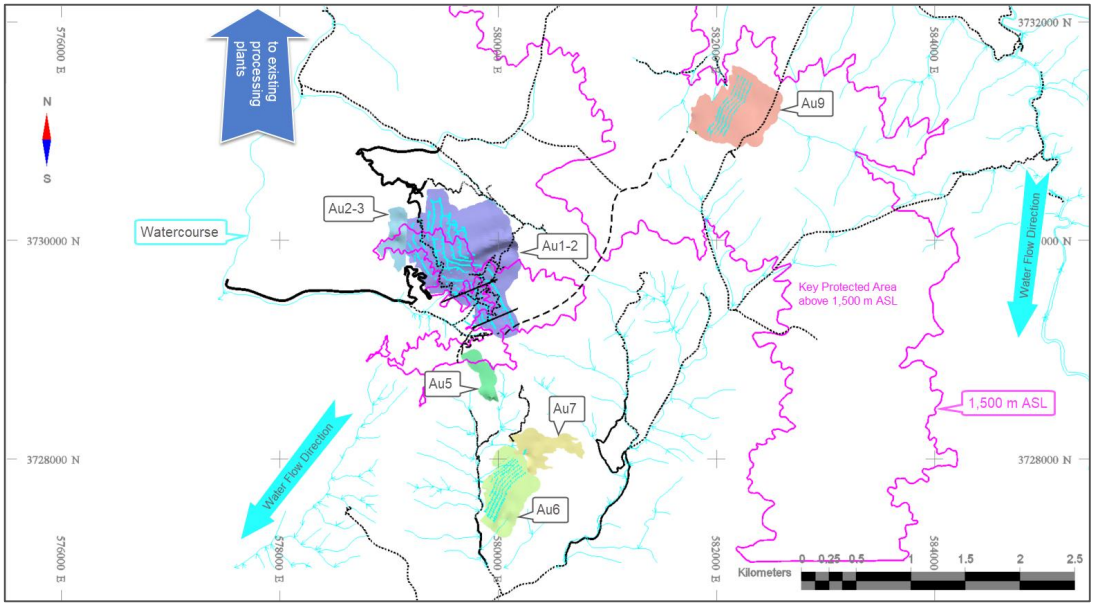
The expansion Capex will be invested to the following capital works:

- Mining system, including machinery for exploration, shafts and level tunnels, electric power supply, heat supply, control of noise, dust and wastes, and mining support facilities like explosive magazines, offices, warehouses, general houses, and so on.
- Processing system, including workshops for primary, secondary and third crushers, belt conveyor corridor, transportation transfer station, finished goods warehouse, grinding warehouse, primary processing workshop, thickener pool, electric power supply for flotation plant and living area, heat supply, control of noise, dust and wastes, and processing support facilities;
- Public facilities, including other electric power supply and communication system that serve the water source substation, power supply instrument in workshops, cables in plant, road lighting and others, and the water supply system that consists of water well, water transfer pipe, pump station house, pools, water treatment facilities, wastewater treatment facilities, plant pipes and others;
- Living welfare facilities, including mining offices, accommodations, canteen, general house, clubs, and so on;
- TSF, including electric supply and distribution, earthwork and dam construction, stone masonry, anti-seepage treatment, drainage well and tunnels, water resource protection, and so on;
- General layout and transportation, including earthwork in plant area, roads in plant, retaining wall and slope protection, and vehicle; and

- Off-site facilities, including road, electric power supply, site clearance, site restoration and grading, site covering with soil, site reclamation and replanting, and so on.

After review of the two estimates prepared by the technicians of Bubugao Project, SRK considered the Estimate 1 in Table 14-5 is reasonable to construct a mine project to exploit the Au1-2 and Au2-3 with a designing processing throughput of 600 ktpa, while the Estimate 2 is able to construct three mine projects with each has a processing throughput of 600 ktpa, based on the experience of SRK. Nevertheless, SRK considered the Estimate 2 is possible to happen due to protection of Qinling Mountains. To protect the Qinling Mountains, the region lies between 2,000 m asl and 1,500 m asl is classified as the key protected area. Regarding the Bubugao Project, the location of key protected area is shown in Figure 14-1. The effect of the key protected area on the development of the Bubugao Mining is related to how to transport ore to the existing processing plant for the mineralised zones Au5, Au6, Au7 and Au9. Due to the separation of key protected areas to the mineralised zones, the limited area of available topography map, and lacking technical study on exploitation of these mineralised zones, SRK considered construction of additional processing plants and TSFs may be an alternative to support operations on these mineralised zones.

Figure 14-1: Key Protected Area of Qinling Mountains at Bubugao Project Area



Sources: SRK

Table 14-6: DA Calculation of Expansion Capex (Unit: RMB million)

Item	Total	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Depreciation	103.2	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Amortisation	26.8	5.4	5.4	5.4	5.4	5.4	-	-	-	-	-
Total	130.0	15.7	15.7	15.7	10.3	10.3	10.3	105.4	105.4	95.1	95.1

Sources: SRK

Notes: Values are in nominal terms.

At the time of this reporting, SRK considered the Estimate 1 in Table 14-5 should be in spent in year 2029 to expand mining capacities at mineralised zones Au1-2 and Au2-3. After several years operation, additional Capex, namely the Estimate 2 in in Table 14-5, should be spent to exploit other mineralised zones.

SRK assumed a 10-years straight-line DA for the expansion Capex with zero residual values. The DA calculation of expansion Capex is shown in Table 14-6.

14.4 Sustaining Expenditures

Sustaining expenditures are not estimated by the technicians of Bubugao Project.

Sustaining Capex is usually used for the extension of existing tunnels/ development year by year to access the Mineral Resources to be mined, and for the replacement of equipment that cannot be used. Industrial practices suggests that the sustaining Capex is usually 3% to 5% of original value of fixed assets. At the Effective Date, SRK assumed that sustaining Capex is 4% of original value of fixed assets. The sustaining Capex plan proposed by SRK is summarised in Table 14-7. The total sustaining Capex is about RMB33.8 million over the LoM.

Table 14-7: Investment Plan of Sustaining Capex (Unit: RMB million)

Item	Total	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sustaining Capex	33.8	2.2	2.2	2.2	2.2	6.3	6.3	6.3	6.3	-	-	-

Sources: SRK.
Notes: Values are in real terms.

14.5 Historical Operating Costs

It's not applicable as commercial operating is not yet started.

14.6 Operating Cost Forecasts

SRK was provided with operating cost ("**Opex**") forecasts prepared by the technicians of Bubugao Project. Summary of Opex forecasts is shown in Table 14-8. It should be noted that the DA and financial costs are not included in the Opex.

The Opex forecasts in Table 14-8 are reasonable based on SRK's experience, except for that the gold concentrates treatment charge and non-income taxes are not included. At the time of this reporting, SRK added following expenses to the Opex forecasts:

- Gold concentrates treatment charge: RMB 1,000 per dry tonne of gold concentrates;
- Mineral Resources tax: 3.5% of sales revenue;
- Royalties for the transferring of mining property: 2.3% of sales revenue;
- Value-added tax ("**VAT**"): 13% of sales revenue;
- Urban maintenance and construction tax ("**UMCT**"): 5% of VAT; and
- Education surcharge: 5% of VAT.

Table 14-8: Opex Forecasts of 600 ktpa Processing Throughput (Unit: RMB/t RoM)

Item	Mining	Processing	General and Administration	Total
Consumables	28.45	19.33	-	47.78
Fuel and electricity	8.50	9.49	-	17.99
Workforce employment	98.57	42.10	-	140.67
Maintenance	20.00	7.95	-	27.95
Personal protection equipment	12.80	8.80	-	21.60
Other manufacturing overheads	30.85	4.18	-	35.03
Transportation	-	-	40.00	40.00
Production safety	-	-	15.00	15.00
Selling	-	-	30.00	30.00
Administration	-	-	70.00	70.00
Environmental reclamation and governance	-	-	5.00	5.00
Total	199.17	91.85	160.00	451.02

Sources: Bubugao Mining and Jincheng Mining

Notes: Values are in real terms.

The LoM Opex forecasts are shown in Table 14-9 to Table 14-10. The LoM average Opex is about RMB546.6 per tonne of RoM.

Table 14-9: Annual Opex Forecasts from 2026 to 2036 (Unit: RMB million)

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Consumables	4.8	7.2	7.2	21.5	28.7	28.7	28.7	28.7	23.2	18.6	10.3
Fuel and electricity	1.8	2.7	2.7	8.1	10.8	10.8	10.8	10.8	8.7	7.0	3.9
Workforce employment	14.1	21.1	21.1	63.3	84.4	84.4	84.4	84.4	68.2	54.9	30.3
Maintenance	2.8	4.2	4.2	12.6	16.8	16.8	16.8	16.8	13.6	10.9	6.0
Labour protection	2.2	3.2	3.2	9.7	13.0	13.0	13.0	13.0	10.5	8.4	4.6
Other manufacture overheads	3.5	5.3	5.3	15.8	21.0	21.0	21.0	21.0	17.0	13.7	7.5
Transportation	4.0	6.0	6.0	18.0	24.0	24.0	24.0	24.0	19.4	15.6	8.6
Production safety	1.5	2.3	2.3	6.8	9.0	9.0	9.0	9.0	7.3	5.9	3.2
Selling	3.0	4.5	4.5	13.5	18.0	18.0	18.0	18.0	14.6	11.7	6.5
Administration	7.0	10.5	10.5	31.5	42.0	42.0	42.0	42.0	34.0	27.3	15.1
Environmental reclamation	0.5	0.8	0.8	2.3	3.0	3.0	3.0	3.0	2.4	2.0	1.1
Urban maintenance and construction tax	0.1	0.2	0.2	0.6	0.8	0.8	0.8	0.8	0.6	0.5	0.3
Education surcharge	0.1	0.2	0.2	0.6	0.8	0.8	0.8	0.8	0.6	0.5	0.3
Mineral Resource tax	5.8	8.7	8.3	24.6	27.8	28.5	28.3	28.3	21.6	17.1	9.6
Royalties for the transferring of property licence	3.8	5.7	5.4	16.2	18.3	18.7	18.6	18.6	14.2	11.3	6.3
Opex total	56.3	84.5	83.8	250.9	326.2	327.3	327.0	327.0	262.3	210.5	116.4

Sources: SRK

Notes: Values are in real terms.

Table 14-10: Unit Opex Forecasts from 2026 to 2036 (Unit: RMB/t RoM)

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Consumables	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8	47.8
Fuel and electricity	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Workforce employment	140.7	140.7	140.7	140.7	140.7	140.7	140.7	140.7	140.7	140.7	140.7
Maintenance	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Labour protection	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6
Other manufacture overheads	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Transportation	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Production safety	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Selling	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Administration	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
Environmental reclamation	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Urban maintenance and construction tax	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Education surcharge	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Mineral Resource tax	57.9	58.2	55.3	54.8	46.3	47.5	47.2	47.1	44.6	43.9	44.8
Royalties for the transferring of property licence	38.1	38.2	36.3	36.0	30.5	31.2	31.0	31.0	29.3	28.9	29.5
Opex total	562.8	563.3	558.5	557.6	543.7	545.6	545.0	545.0	540.7	539.6	541.2

Sources: SRK

Notes: Values are in real terms.

14.7 Historical Working Capital

Working capitals from 2022 to the first half of 2025 ("**1H2025**") are shown in Table 14-11. Overall, the working capital changed little in the past three and half years, as the commercial operation is not yet started.

Table 14-11: Working Capitals in Years from 2022 to 1H2025 (Unit: RMB million)

Year	2022	2023	2024	1H2025
Current Asset	47.0	46.8	46.7	46.7
Current Liability	21.9	21.9	21.9	21.9
Working Capital [1, 2]	25.1	24.9	24.8	24.8

Sources: Bubugao Mining and Jincheng Mining

Notes:

[1] Working capital equals to current asset minus current liability.

[2] Values are in real terms.

14.8 Working Capital Forecasts

Working capital over the LoM was estimate by SRK based on the turnover ratio assumptions shown in Table 14-12. Working capital forecasts are shown in Table 14-13.

Table 14-12: Turnover to Estimate Working Capital

Item	Turnover Ratio per annum	Remarks
Consumables	52	Current assets
Fuel and electricity	52	Current assets
Goods in process	52	Current assets
Finished goods	52	Current assets
Account receivable	12	Current assets
Cash	12	Current assets
Account payable	12	Current liabilities

Sources: SRK

Table 14-13: Working Capital Forecasts from 2026 to 2036 (Unit: RMB million)

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Current Assets											
Consumables	0.1	0.1	0.1	0.4	0.6	0.6	0.6	0.6	0.4	0.4	0.2
Fuel and electricity	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Goods in process	0.6	0.8	0.8	2.5	3.4	3.4	3.4	3.4	2.7	2.2	1.2
Finished goods	1.1	1.6	1.6	4.8	6.3	6.3	6.3	6.3	5.0	4.0	2.2
Account receivable	13.8	20.8	19.7	58.7	66.2	67.8	67.4	67.3	51.5	40.8	23.0
Cash	3.9	5.9	5.8	17.4	22.5	22.6	22.6	22.6	18.1	14.5	8.0
Sub-total	19.5	29.3	28.2	84.0	99.1	100.8	100.3	100.3	77.9	62.0	34.7
Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Account payable	0.5	0.8	0.8	2.5	3.3	3.3	3.3	3.3	2.7	2.1	1.2
Working Capital	18.9	28.5	27.4	81.5	95.8	97.6	97.1	97.0	75.3	59.9	33.5

Sources: SRK

Notes: Values are in real terms.

15 Market Studies and Contracts

15.1 Products and Buyers

The final product of Bubugao Mining is proposed to be ore that is sold to the processing plant owned by Jincheng Mining.

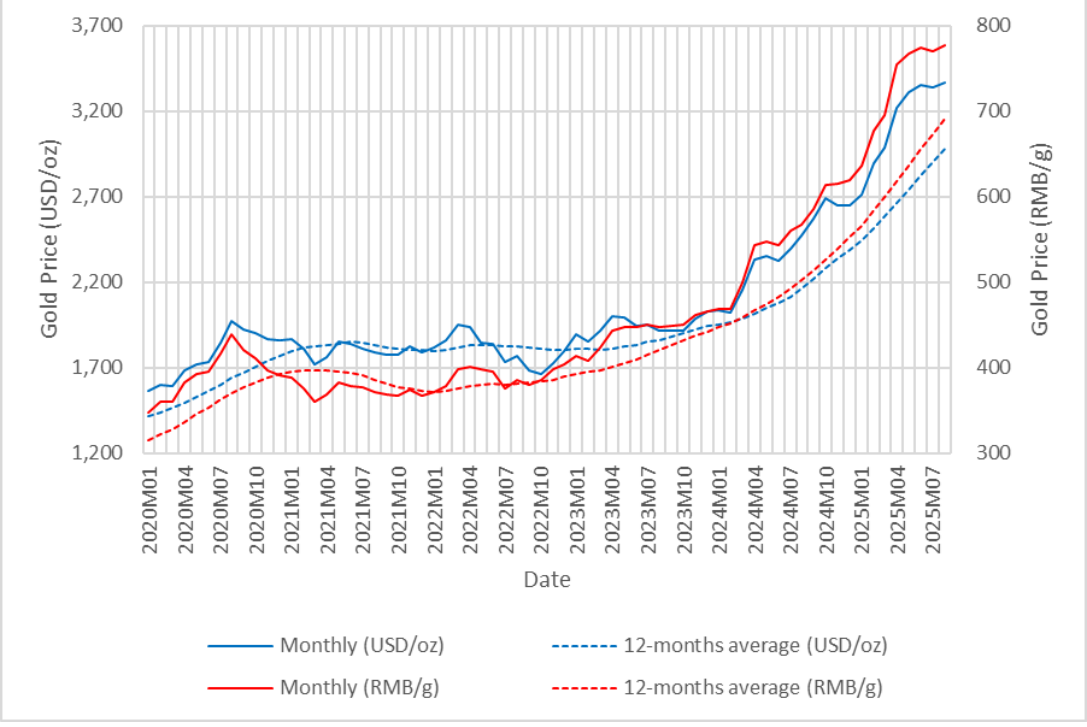
The final products of processing plants owned by Jincheng Mining were proposed to be copper concentrates, lead concentrates and tungsten concentrates. Both Bubugao Mining and Jincheng Mining have the intention to integrate the development of two companies. It's necessary for the Jincheng Mining to modify the processing plants to produce gold concentrates.

The commercial operation is not yet started, so no production record is available to date.

15.2 Historical Prices

The World Bank monthly gold price data since January 2020, London afternoon fixing, average of daily rates, were used by SRK to draw the trend line shown in Figure 15-1. Summary statistics of gold prices is shown in Table 15-1. Overall, the gold price shows an increase trend in the past five and eight months.

Figure 15-1: Gold Price Trend in History



Sources: SRK analysis of the World Bank Commodity Price Data (The Pink Sheet).
Notes: Gold price in nominal US$.

Table 15-1: Summary Statistics of Gold Price

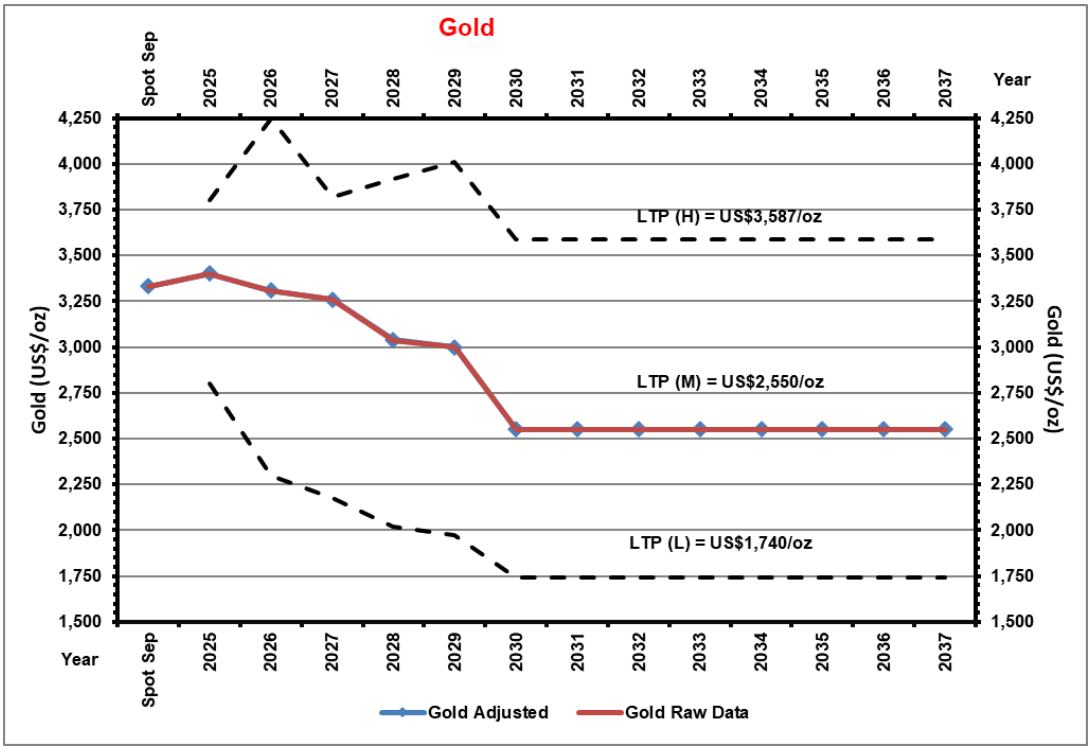
Item	Unit	Monthly	12-months Average	Exchange Rate (RMB/USD)
January 2022 to August 2025				
Minimum	US$/oz	1,664	1,795	6.34
Maximum	US$/oz	3,368	2,978	7.30
Mean	US$/oz	2,244	2,073	7.04
Median	US$/oz	1,996	1,913	7.17
Standard deviation		508	342	0.27
Variance		258,352	116,712	0.08
January 2020 to August 2025				
Minimum	US$/oz	1,561	1,415	6.34
Maximum	US$/oz	3,368	2,978	7.30
Mean	US$/oz	2,082	1,943	6.91
Median	US$/oz	1,907	1,830	7.01
Standard deviation		468	338	0.32
Variance		218,930	114,044	0.10

Sources: SRK analysis of the World Bank Commodity Price Data (The Pink Sheet).
Notes: Gold price in nominal US$.

15.3 Price Forecast

The gold price forecast of Consensus Market Forecast ("**CMF**") published in August 2025 is shown in Figure 15-2 and Table 15-2. Overall, the middle level forecasts of CMF show a decrease trend in the next five years, then stable at about 2,550 US$/oz.

Figure 15-2: Gold Price Forecasts of CMF



Sources: CMF forecasts in June 2025

Notes: Gold price in real US$.

Table 15-2: Gold Price Forecasts of CMF

Price Level	Unit	2025	2026	2027	2028	2029	Post-2029
High	US$/oz	3,800	4,250	3,821	3,915	4,012	3,587
Middle	US$/oz	3,400	3,310	3,260	3,040	3,000	2,550
Low	US$/oz	2,800	2,300	2,175	2,023	1,975	1,740
High	RMB/g	855.2	956.5	860.0	881.2	902.9	807.3
Middle	RMB/g	765.2	744.9	733.7	684.2	675.2	573.9
Low	RMB/g	630.2	517.6	489.5	455.2	444.5	391.6

Sources: CMF forecasts in August 2025

Notes: Gold price in real US$. USD 1.00 equivalents to RMB 7. 00. 1 oz equivalents to 31.1035 g.

15.4 Ore Sales Contract

A sale contract signed between Bubugao Mining and Jincheng Mining on 3 December 2013 was sighted by SRK. The contract is valid from 1 January 2014 to 30 December 2019. Based on the contract, Bubugao Mining should sell 1,000 tpd of ore to Jincheng Mining. The price of ore is not shown in the sighted sales contract. The contract is never fulfilled.

SRK considered the contract is not useful for the future selling of ores to processing plant. At the time of this reporting, the mining cost in Table 14-8 is about RMB 199 /t of ore. A 15% premium was added to the mining costs as ore price by SRK at the time of this reporting.

15.5 Ore Treatment Contract

A treatment contract signed between Jincheng Mining and Shaanxi Hubang Mining Company Limited (locally referred to as the 陕西互邦矿业有限公司) on 9 March 2016 was sighted by SRK. Based on the contract, Jincheng Mining should be supplied with about 8,000 wet metric tonnes ("**wmt**") of ore containing greater than 0.2% copper, 2.9 g/t gold and 25 g/t silver. The treatment charge is RMB 145 per dry metric tonne ("**dmt**") of ore. Jincheng Mining ensured that the processing recoveries are greater than 75% for copper, 90% for gold and 92% for silver. The period of validity is not shown in the sighted contract.

A treatment contract signed between Jincheng Mining and Zhen'an County Huawei Mining Development Company Limited (locally referred to as the 镇安县华威矿业开发有限公司) was sighted by SRK. Based on the contract, Jincheng Mining should be supplied with about 8,000 wmt of ore that contains greater than 0.5% copper, 0.3 g/t gold, 10 g/t silver and 0.7% tungsten. The treatment charge is RMB 220 dmt of ore. Jincheng Mining ensured that the processing recoveries are greater than 86% for copper, 80% for gold, 75% for silver and 92% for tungsten. Neither the sign date nor the period of validity is shown in the sighted contract.

Regarding the Bubugao Project, SRK assumed that the gold ore from the Bubugao Mining will be sold to Jincheng Mining to produce gold concentrates, then sold gold concentrates to a smelter. Therefore, the ore treatment contract is useless for this report.

15.6 Gold Concentrates Sales Contract

Jincheng Mining and Tongguan County Huineng Nonferrous Technology Company Limited (the "**Huineng**") have the intention to sale and buy the gold concentrates between these two companies. At the time of this reporting, SRK assumed that the price of gold concentrates is RMB 1,000 /t, with a gold payable rate of 95%.

16 Economic Analysis

16.1 Principal Assumptions

Assumptions to conduct economic analysis are shown below:

- The base date is assumed to be 31 December 2025. All the assumptions are subject to conditions obtained at the base date.
- The discounted cash flow method ("**DCF**") is selected as the foundation of economic analysis. A commonly used discount rate of 9% is proposed in China to calculate the present values.
- The LoM schedules are shown in Section 8.11.
- The price of ore and gold concentrates are described in sections 15.4 and 15.6. The base price of gold is shown in Section 15.3.
- The sunk Capex and its DA are described in Section 14.1.
- The non-current liabilities are described in Section 14.2.
- The expansion Capex and its DA are described in Section 14.3.
- The investment plan of sustaining Capex is described in Section 0.
- The LoM operating costs are described in Section 14.6.
- The working capital is shown in Section 14.8.
- The taxes applied to the economic analysis are shown in Table 8-2. The corporate income tax ("**CIT**") rate is 25%.
- Neither ore nor final product is stockpiled in each production year.

16.2 Net Cash Flow

The net cash flow ("**NCF**") model is shown in Table 16-1.

Table 16-1: Calculation of Cash Flow from 2026 to 2036 (Unit: RMB million)

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cash Inflow											
Ore sold revenue	23.0	34.5	34.5	103.5	138.0	138.0	138.0	138.0	111.6	89.7	49.5
Gold concentrates revenue	165.4	249.4	236.8	704.0	794.5	814.1	808.5	807.8	617.8	489.4	275.5
Salvage of fixed assets	-	-	-	-	-	-	-	-	-	-	20.6
Salvage of working capital	-	-	-	-	-	-	-	-	-	-	33.5
Total	188.4	283.9	271.3	807.5	932.5	952.1	946.5	945.8	729.4	579.1	379.1
Cash Outflow											
Ore buying cost	23.0	34.5	34.5	103.5	138.0	138.0	138.0	138.0	111.6	89.7	49.5

Item	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Opex	56.3	84.5	83.8	250.9	326.2	327.3	327.0	327.0	262.3	210.5	116.4
CIT	22.6	36.6	33.8	105.1	109.1	116.9	115.7	115.6	85.5	66.4	37.7
Non-current liabilities	51.9	51.9	51.9	-	-	-	-	-	-	-	-
Expansion Capex	-	-	-	130.0	-	-	-	-	-	-	-
Sustaining Capex	2.2	2.2	2.2	2.2	6.3	6.3	6.3	6.3	-	-	-
Working capital	(5.9)	9.6	(1.1)	54.1	14.3	1.7	(0.5)	(0.1)	(21.7)	(15.4)	(26.3)
Mine closure and reclamation	-	-	-	-	-	-	-	-	-	-	54.2
Total	150.1	219.2	204.9	645.9	593.9	590.3	586.5	586.8	437.7	351.2	231.4
NCF	38.4	64.7	66.4	161.6	338.6	361.8	360.0	359.0	291.7	227.9	147.8

Sources: SRK

16.3 Net Present Value Result

The net present values ("**NPVs**") at various discount rates are shown in Table 16-2, which provide an indication that it is economically viable for the Bubugao Project to report Ore Reserves.

Table 16-2: NPVs at Various Discount Rates

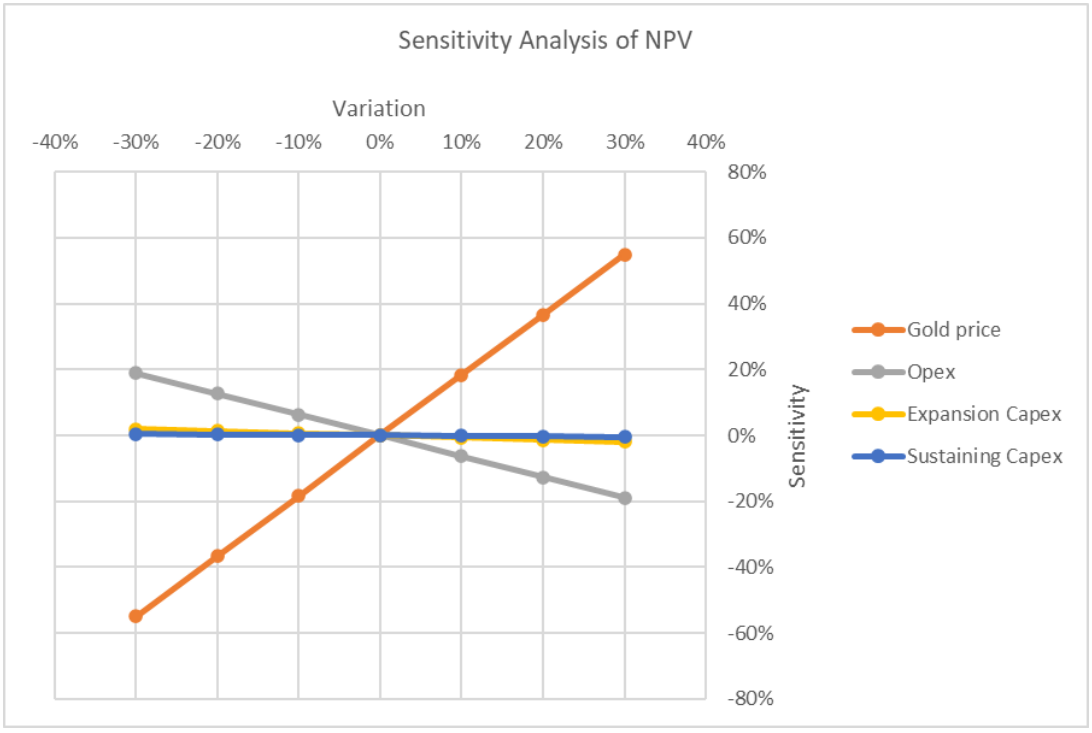
Discount Rate (%)	NPV (RMB million)	Remarks
5	1,734	
6	1,628	
7	1,530	
8	1,439	
9	1,356	base case
10	1,278	
11	1,206	
12	1,140	
13	1,078	
14	1,020	
15	966	
16	916	
17	870	
18	826	
19	785	
20	747	

Sources: SRK

16.4 Sensitivity Analysis

Parameters selected for sensitivity analysis of NPV include gold price, Opex, expansion Capex and sustaining Capex. The results are shown in Figure 16-1. The sensitivity analysis provides an indication that the NPV is most sensitive to the gold price.

Figure 16-1: Sensitivity Analysis of NPV (discount rate is 9%)



Sources: SRK

16.5 Relative Accuracy and Confidence

Relative accuracy and confidence were carried out by randomly changing 30% of the gold price, Opex and expansion Capex.

A total of 2,000 random values were generated for each of the three factors using the random function embedded in the Excel software. Each combination of these three factors, namely a random experiment in mathematics, can produce an NPV. The 2,000 experiments are summarised in Table 16-3 and Figure 16-2. The experiments indicated that the 95% CI of NPV lies between RMB 1,317 million and RMB 1,360 million.

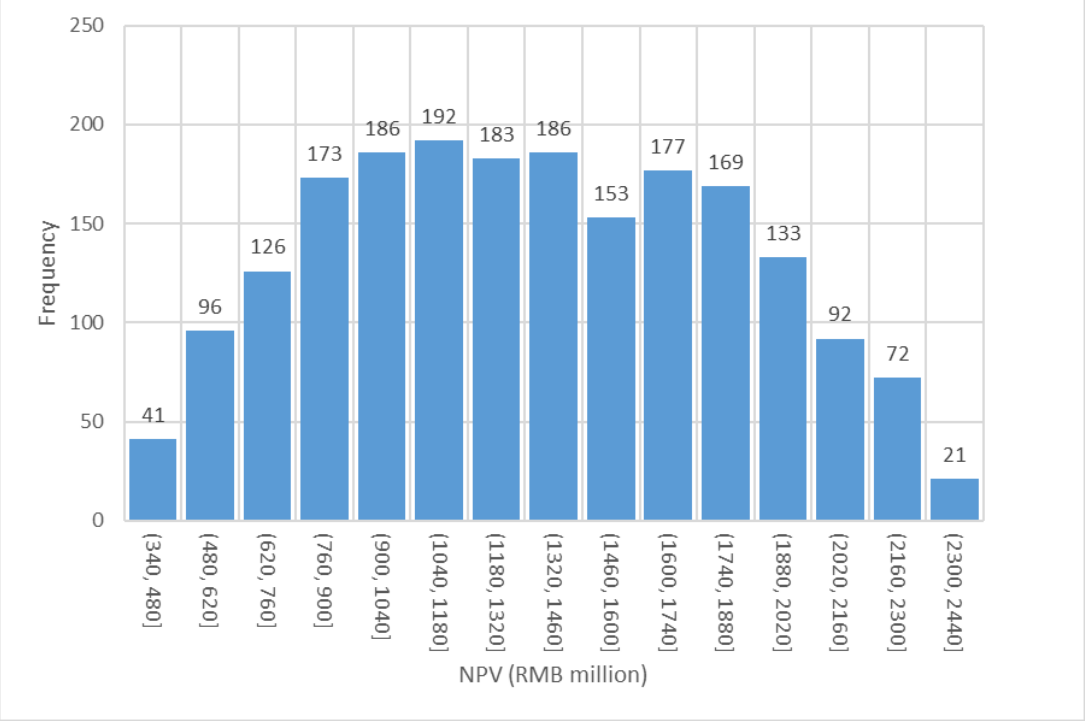
Table 16-3: Summary of Mathematically Random Experiments on NPV

Item	Unit	Value
Number of experiments		2,000
Minimum	RMB million	343
Maximum	RMB million	2,436

Item	Unit	Value
Mean	RMB million	1,339
Standard deviation	RMB million	485
25% quartile	RMB million	949
Median quartile	RMB million	1,321
75% quartile	RMB million	1,732
Significance level	%	5
Confidence in normal distribution	RMB million	21
Lower limit of 95% confidence interval	RMB million	1,317
Upper limit of 95% confidence interval	RMB million	1,360

Sources: SRK

Figure 16-2: Histogram of NPV's Frequency



Sources: SRK

Comparison between the base case NPV in Table 16-2 and 95% CI in Table 16-3 indicates that the NPV lies inside of 95% CI. The NPV difference between the base case and 2,000 experiments average is about 1.3%.

16.6 Conclusions and Recommendations

A summary of economic analysis is shown in Table 16-4. The positive NPVs indicate that the Bubugao Project is economically viable.

Table 16-4: Summary of Overall Economics

Item	Unit	Value	Remarks
Production capacity	ktpa ore	600	
Life of mine	years	11	
Ore			
Tonnage	kt	4,340	
Gold metal	koz	379	11,800 kg
Gold grade	g/t	2.72	
Gold Processing			
Gold processing recovery rate	%	91.0	
Gold grade in concentrates	g/t	85.0	
Gold concentrates tonnage	kt	126	
Gold metal in concentrates	koz	345	10,700 kg
Payable gold	koz	328	10,200 kg
Economic Analysis			
Long-term gold price	US$/oz	2,550	RMB 574 /g
Sales revenue of gold concentrates	RMB million	5,963	
Opex	RMB million	2,372	
Opex	RMB/oz payable gold	7,239	RMB 233 /g payable gold
Sunk Capex	RMB million	117	as of 31 December 2025
Non-current liabilities	RMB million	156	
Expansion Capex	RMB million	130	
Sustaining Capex	RMB million	34	
Mine closure and reclamation	RMB million	54	
NPV	RMB million	1,356	Discount rate is 9.0%

Sources: SRK

Risk Assessment regarding the Gold Mine

The following are the potential risks that the Competent Person believes may impact the economic or safety potential for the mining operations of the Target Group:

17 Risk Assessment

SRK completed a risk assessment of the specific risks identified for the Bubugao Project in relation to their likelihood of occurrence within the LoM and consequence in accordance with the Listing Rules of the HKEX.

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

SRK considered various technical aspects which may affect the feasibility and future cash flow of the Bubugao Project. SRK's final Risk Assessment is presented in Table 17-1.

Table 17-1: Risk Assessment for Bubugao Project

Risk Source/Issue	Likelihood	Consequence	Risk
Geology, Mineral Resource & Ore Reserves			
Lack of Significant Mineral Resources	Unlikely	Minor	Low
Lack of Significant Ore Reserves	Unlikely	Minor	Low
Unexpected Groundwater Ingress	Possible	Moderate	Medium
Significant Unexpected Geological Faulting	Unlikely	Moderate	Low
Mining			
Significant Production Shortfalls	Unlikely	Minor	Low
Pumping System Adequacy	Unlikely	Minor	Low
Significant Geological Structure	Unlikely	Minor	Low
Excessive Surface Subsidence	Possible	Major	Moderate
Poor Underground Condition	Unlikely	Minor	Low
Poor Mine Plan	Possible	Moderate	Moderate
Poor Road Transportation/Safety	Possible	Moderate	Moderate
Ore Processing and Metallurgy			
Lower Throughput	Possible	Moderate	Medium
Lower Recovery	Possible	Moderate	Medium
Higher Production Cost	Possible	Moderate	Medium
Low Plant Reliability	Unlikely	Moderate	Low
Environmental and Social			
Environmental Approval and Permit	Possible	Moderate	Medium
Impact on Flora and Fauna	Possible	Minor	Low
Poor Water Management	Possible	Moderate	Medium
Poor Tailings Management	Unlikely	Moderate	Low
Social Aspects	Unlikely	Moderate	Low
Capital and Operating Costs			
Project Timing Delay	Possible	Moderate	Moderate
Capital Cost Increases	Unlikely	Minor	Low
Capital Costs- Ongoing	Unlikely	Minor	Low

Sources: SRK

In the risk assessment, various risk issues have been assessed for Likelihood, Consequence, and Overall Rating. SRK has used a matrix as described below.

The Likelihood of a risk is considered within a certain time frame, e.g., five years, as:

Likely: will probably occur;

Possible: may occur; or

Unlikely: unlikely to occur.

The Consequence of a risk is classified as:

Major: the factor poses an immediate danger to the Bugugao Project that, if uncorrected, will have a material effect on the Bugugao Project cash flow and performance and could lead a project failure;

Moderate: the factor, if uncorrected, will have a significant effect on the Bugugao Project cash flow and performance; or

Minor: the factor, if uncorrected, will have little or no effect on the Bugugao Project cash flow and performance.

The overall risk assessment combines the Likelihood and Consequence of a risk and be classified as Low (unlikely and possible minor risks, and unlikely moderate risk), Medium (likely minor, possible moderate, and unlikely major risks) and High (likely moderate and major risks, and possible major risks).

18 Conclusions and Recommendations

18.1 Geology and Mineral Resources

The known mineralisation veins at the Bubugao Project are all gold-bearing quartz veins/veinlets and/or alteration type deposits. Site observations by SRK identified the bounding shape of mineralised veins in exploration-level tunnels at the Project. This shape is commonly known as “pinch-and swell” in veins and is caused by flexures of the fault plane enabling portions of the faults to widen (“swell”) or narrow (“pinch”) with movement along the faults.

Based on SRK’s inspection on the mineralisation veins during the site visit, SRK believes there is potential to expand and upgrade the current resources within the deposit, as the current mineralised veins and occurrences are not completely closed off both along the strike and at depth, based on the mineralisation exposed on the exploration level tunnels and drillholes. SRK recommends a further detailed tunnelling exploration with channel sampling at different levels and in-fill holes to be performed not only to expand the Mineral Resource tonnage but also to upgrade the Mineral Resource categories.

SRK also recommends that the company conduct a QA/QC process for future exploration work, including infill drilling, sampling, sample preparation, analysis, internal and external lab check, and insertion of control samples (i.e. blank, standard and duplicate samples).

18.2 Mining and Ore Reserves

SRK estimated Ore Reserves based on the analysis of existing facilities and data, available technical studies and SRK’s experience on the other gold mines in China.

The *FSR 2025* summarised the data and information available to date. It modified the ore mining capacity from that proposed in the *DUP 2015* to 600 ktpa. Overall, the *FSR 2025* is given the name of feasibility study, however, both the quality and content are not in line with a commonly accepted feasibility study. It is considered to meet the standard of a pre-feasibility study.

SRK considered If Bubugao intends to further increase its mining capacity and, for that purpose, needs to change the mine development method (for example, to a vertical shaft plus ramp), a new and at least a pre-feasibility study report will be required.

18.3 Mineral Processing

The main ore minerals consist of electrum, limonite, pyrite, and galena, while the primary gangue minerals include quartz, siderite, muscovite, and potassium feldspar. Gold is the primary recoverable mineral, with silver serving as a secondary recoverable associated mineral.

The 2012 test results indicate that the ore is relatively easy to process. Flotation achieved a gold recovery rate of 91.89%, while cyanide leaching tests achieved a gold leaching rate of 93%. The sample used for the Nelson gravity separation test lacked representativeness, and SRK recommends conducting new tests with freshly representative samples to reevaluate gravity-flotation and gravity-leaching process flowsheet.

The #1 Plant was originally designed for polymetallic ore beneficiation. Before processing gold ore from Donggou Mine, it is recommended to engage relevant institutions to reexamine the specifications of major equipment, especially the grinding mill, and to upgrade and renovate the entire processing plant prior to commissioning.

The Gulou TSF was granted the safety production licence in February 2025 and is ready for operation. However, its designed storage capacity of 1.61 Mm^3 is insufficient to meet the tailings storage requirements over the life-of-mine. It is recommended to conduct a feasibility study on the comprehensive utilisation of tailings to reduce the volume of tailings stored.

18.4 Environmental Studies, Permitting, Social or Community Impact

The Project's two EIA reports essentially cover the main production facilities, including the mining area, processing plant, and tailings storage facility. However, #2 Plant (500 tpd) is not included within the scope of those two EIA studies.

The Project area is well covered with vegetation, and no wild plants under national or local protection, nor any ancient or notable trees, were identified. No wild animal species protected at the national level or by Shaanxi Province were found in this area. The project is not located within nature reserves, scenic areas, or other ecologically sensitive zones.

During the site visit, neither the mining areas nor the processing plant were operating. SRK noted that water discharged from the adit passed through a basic sedimentation tank before flowing down the mountain gully into a nearby stream. Wastewater from Bubugao's mineral processing operations is treated in a closed-loop circulation system and is not released externally. The Gulougou TSF is a valley-type structure comprising an initial rockfill dam, a flood discharge system, dam monitoring equipment, a tailings delivery system, and a return-water system. The explosives magazine is well secured and outfitted with safety measures, including fire protection and online monitoring.

SRK recommends that Bubugao conduct regular surface and groundwater quality monitoring around the mining site and the tailings storage facility to keep track of water conditions and minimise the risk of environmental pollution. SRK also recommends the installation of a leachate collection pond to capture seepage from the waste rock. In addition, as the Project progresses, environmental permits and related approvals should be applied for in a timely manner to ensure compliance.

18.5 Economic Analysis

The DCF method is selected as the foundation of economic analysis. The estimated NPV for the Bubugao Project is RMB 1,356 million at a discount rate of 9%. The base date is set on 31 December 2025. The positive NPV indicates the Bubugao Project is economically viable.

Closure

This report, “Competent Person’s Report on the Bubugao Mining’s Gold Project in Ningshan County, Shaanxi Province, the People’s Republic of China” was prepared by



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

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Appendix A 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.*	• The deposit belongs to gold-bearing quartz veins formed along structures within metamorphosed rocks. • All exploration lines are generally perpendicular to the strike of the mineralised bodies (or veins). According to the data provided to SRK, the mineralised veins were sampled from diamond drilling cores, surface trenches and underground adits/tunnels. • Mineralised intersections and hangingwall and footwalls were sampled. Mineralisation and waste can be easily distinguished. Most of the sample interval is about 0.3 to 1m. • Drill core and channel samples can meet the requirement of Chinese standards indicated by the data of the Chinese Reports provided by the Company. • The channelling samples were collected from surface trenches and underground adits at a channelling section of 10cm wide by 5cm deep and the sample length is generally 0.3~1m. The channel samples were all perpendicular of the direction of the gold mineralised veins. • The drill cores were split longitudinally by a core splitter. The sample lengths were generally around 0.4 to 1m.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All drill holes were diamond core holes. Drill bits are NQ size. • No data shows core orientation was taken.
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*	• Core recovery rates were consistently above 90%, with recovery rates of 95% in mineralised alteration zones and over 98% for mineralised bodies. Both hanging wall and footwall zones achieved recovery rates more than 96%.

Criteria	JORC Code explanation	Commentary
	have occurred due to preferential loss/gain of fine/coarse material.	• There is no apparent relationship between core recovery rate and ore grade, and the core recovery rate may have limited impact on mineral grades.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All smples were logged and recorded with lithology, rock formation, stratigraphy, and/or structural features. • The entire length of each drill hole was logged. • 7,744 samples from drilling and channels were used in this Mineral Resource estimate.
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.*	• Samples were taken and sent to the laboratories belonging to the Brigades that conducted the exploration campaigns. • The sampling information during the exploration indicated acceptable for this style of mineralisation. • Quality control samples were comprised of internal checks and external checks.
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.*	• Sample Preparation: Samples were prepared to coarse, medium and fine grains, and split in sequence, finally to the grain of -160 mesh to -200mesh for assay. • Samples from the general exploration campaign were analysed by the Analysis and Testing Center of the 211 Brigade, Shaanxi Nuclear Industry Geological Bureau. • Samples from the detailed and advanced exploration campaigns were analysed by the Xi'an Mineral Resources Supervision and Testing Center of the Ministry of Land and Resources and the Testing Center of Xi'an Tianzhou Mining Technology Development Co., Ltd. • The Atomic Absorption Spectrometry ("AAS") method was used for gold assays. • The internal and external lab checks.
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.*	• An independent verification sampling program was proposed by the Competent Person for the Project based on all documents and data provided to SRK. • With the assistance of the client's personnel, SRK has taken a total of pulp duplicate and sent them to be re-assayed at the Analysis and Testing Center of Nuclear Industry 203 Research Institute. • Overall, in SRK's opinion the sampling preparation, security, and analytical

Criteria	JORC Code explanation	Commentary
		procedures used by the contractors are consistent with generally accepted industry practices and are therefore adequate.
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.*	• The coordinate system of the projection used was CGCS2000.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The current samples from drill holes and channels from surface trenches and underground adits are on nominal 20-80m x 40-80 m grid intensively. • The data spatial distribution and geological continuity were sufficient to allow the Mineral Resource Estimation and classification under the *JORC Code* guidelines. • Sample compositing has been applied during the estimate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Exploration lines were perpendicular to the strike of the mineralisation. • Most of the intervals from drill holes and channels from trenches and underground adits are generally perpendicular to the gold-bearing veins.
Sample security	• *The measures taken to ensure sample security.*	• Information provided by the company shows that the sample security meets the Chinese standards
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Site visit has been performed by SRK personnel. • A review of sampling techniques and other relevant data provide by the Company suggest that the data collected was reliable for Mineral Resource estimation.

Section 2 Reporting of Exploration Results

(Criterial 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.*	• One mining licence and one prospection license are currently held by Bubugao Mining. • The mining licence is out of date and waiting re-new permit.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Systematic exploration activities were conducted in this area from 2007 to 2021 by different geological brigades. Lots of gold veins were discovered during the period.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralised bodies within the Project area are primarily controlled by compressive-torsional, gently dipping faults. Later-stage mineralising hydrothermal fluids filled these fault zones, forming vein-type, lenticular, and layered quartz vein gold mineralised bodies. The main types of mineralised veins include quartz veins and altered, brecciated quartz veins. The lengths of these veins are generally less than those of the structural zones that control them, and their occurrences are consistent with the attitude of these structures. • A number of mineralised bodies have been identified within the mining area. In this phase of work, six gold mineralised bodies have been delineated. Based on the surface exposure of these mineralised bodies, as showed in Figure 5-2, the project can be divided into three zones: • Donggou Zone: Two gold mineralised bodies (Domain Au1-2 and Au2-3). • Miaogou Zone: Three gold mineralised bodies (Domain Au5, Au6, and Au7). • Shenjiagou Zone: One gold mineralised body (Domain Au9).

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Based on the data, SRK constructed a mineral resource database, composed of borehole collar, survey, lithology, assay, and SG data. Table 7-1 summaries the database covering the entire project area and as detailed in Figure 7-1.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The main mineraliseation outlier value samples have been capped. • All raw samples were composited to 1 m downhole lengths. • No metal-equivalence approaches were applied.
Relationship between	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with*	• The mineralised bodies were modelled according to the sample interceptions. • Considering the type of deposit and style of

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	*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').*	mineralisation, the sampling is considered to be unbiased in its representation of reported material for estimation purposes.
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.*	• Exploration results are being reported as such there are no materials diagrams to be included in this table.
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 avoiding misleading reporting of Exploration Results.*	• No other exploration results are relevant for reporting.
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 other 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.*	• Infill and step-out drilling is recommended by SRK for the Project.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• SRK performed a verification program on the exploration data and on-site. • The original exploration data was verified and compiled by SRK. • Validation procedures include cross checking between borehole collars and logging, between borehole collars and topography data, and between logging and interpretation geological maps and cross sections of exploration lines.
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 Competent Persons visited the Project 5-7 August 2025. Data verification program performed by SRK during the site visit.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological interpretation was based on lithological, assay, and structure and geotechnical information provided by the Company. • Drilling and channelling interceptions provided general confidence of the interpretation of mineralised bodies. • SRK choose an underground assumption as the mining licence. Usually, not all but portions can be potentially mined as by underground mining. • The extrapolation distance and direction, to some extent, is subjective and alternative. Other choices of these two values will generate different volume and shape of wireframe models. • Oxidized Mineral Resource was not estimated for the oxidation is not developed in this area.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• A total of 6 domains were modelled for mineralised Zones Au1-2, Au2-3, Au5, Au6, Au7 and Au9. • Detailed characteristics of these gold-bearing veins/bodies are described in section 5.3.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The Mineral Resource estimation presented in SRK's report was completed using Leapfrog (V 2025.2) software. • The key assumptions are detailed in the report. • Prior to modelling and estimation, the database was verified by SRK. • Wireframes of mineralised zones were modelled according to the interpretation made based on lithological, assay, and structure and geotechnical information. • SRK has chosen 1.0m as composite length • No oxide resources were interpreted and estimated as oxidation is not developed in this area and no oxide assay carried out. • Block grades were estimated using IDW. • In theory, a small size of support will generate a higher block variance, but to keep the global mean unchanged. The block models for the Bubugao Project were produced with dimensions of 10m x 10m x 2m along the X (east), Y (north), and Z (elevation) axes for cell block, 5m x 5m x 1m for sub-block. • Visual validation of block grades against drillhole grades and global statistical validation of the mean composite grades versus block estimates have been applied.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• No moisture was measured for the moisture affect is slight for this project, therefore the tonnages were estimated on a dry basis.

Criteria	JORC Code explanation	Commentary

Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A cut-off grade of 1.0g/t Au has been applied for the Mineral Resource estimation with assumptions as below:
		  • Gold metal price: US$ 3320 per gram of gold.
		  • Mining cost: CNY200 per tonne of ore.
		  • Processing cost: CNY110 per tonne of ore.
		  • Administrative cost: CNY180 per tonne of ore.
		  • Mining dilution: 10%.
		  • Mining loss:15%.
		  • Gold process recovery: 91%.
		• The parameters assumed by SRK are used to test for "reasonable prospects for eventual economic extraction". In SRK's opinion a cut-off grade of 1.0g/t Au is suitable to be applied for the Mineral Resource reporting for Bubugao Project.

Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• It is considered underground method is reasonable to exploit the Project.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Tianzhou has conducted test research on the gold ore samples from Donggou Mine in 2012 and indicated that the ore is relatively easy to process. Flotation achieved a gold recovery rate of 91.89%, while cyanide leaching tests achieved a gold leaching rate of 93%. • It is recommended to use a gold recovery rate of 91% and silver recovery rate of 94% for resource estimation. • Flotation process is designed to recover gold. The product is gold concentrate, and the gold grade is around 85 g/t. • Details are presented in sections 10.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions*	• Two EIA reports cover the main production facilities including the mine site, #1 Plant and Gulougou TSF. SRK considers that these EIA reports are prepared in accordance with relevant Chinese legal requirements and obtained corresponding government approvals. However, no EIA report and approval for the #2 Plant has been sighted as part of this review.

Criteria	JORC Code explanation	Commentary
	made.	
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.*	• A total of six mineralised bodies has been identified across the entire deposit, except for Domain Au5, all mineralised bodies have more than 30 density samples, with an overall total of 446 samples. • SRK has used the mean density value of 2.65 g/cm³ in the Mineral Resource estimation.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Measured Mineral Resources are classified where tunnel exploration spacing at 40m (strike) by 40m (down-dip), the Mineral Resources are mainly controlled by underground channel samples. • Indicated Mineral Resources are classified where tunnel exploration spacing at 80m (strike) by 80m (down-dip), the mineralisation is mainly controlled by underground channel samples. • Inferred Mineral Resources are classified where tunnel exploration spacing at or greater than 160m (strike) by 160m (down-dip).
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Peer reviews of this CPR have been performed within SRK internally. • SRK is not aware of any other audits or reviews that have been undertaken to the Mineral Resource estimation.
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.*	• Mineral Resources were reported in relation to the global estimate.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section)

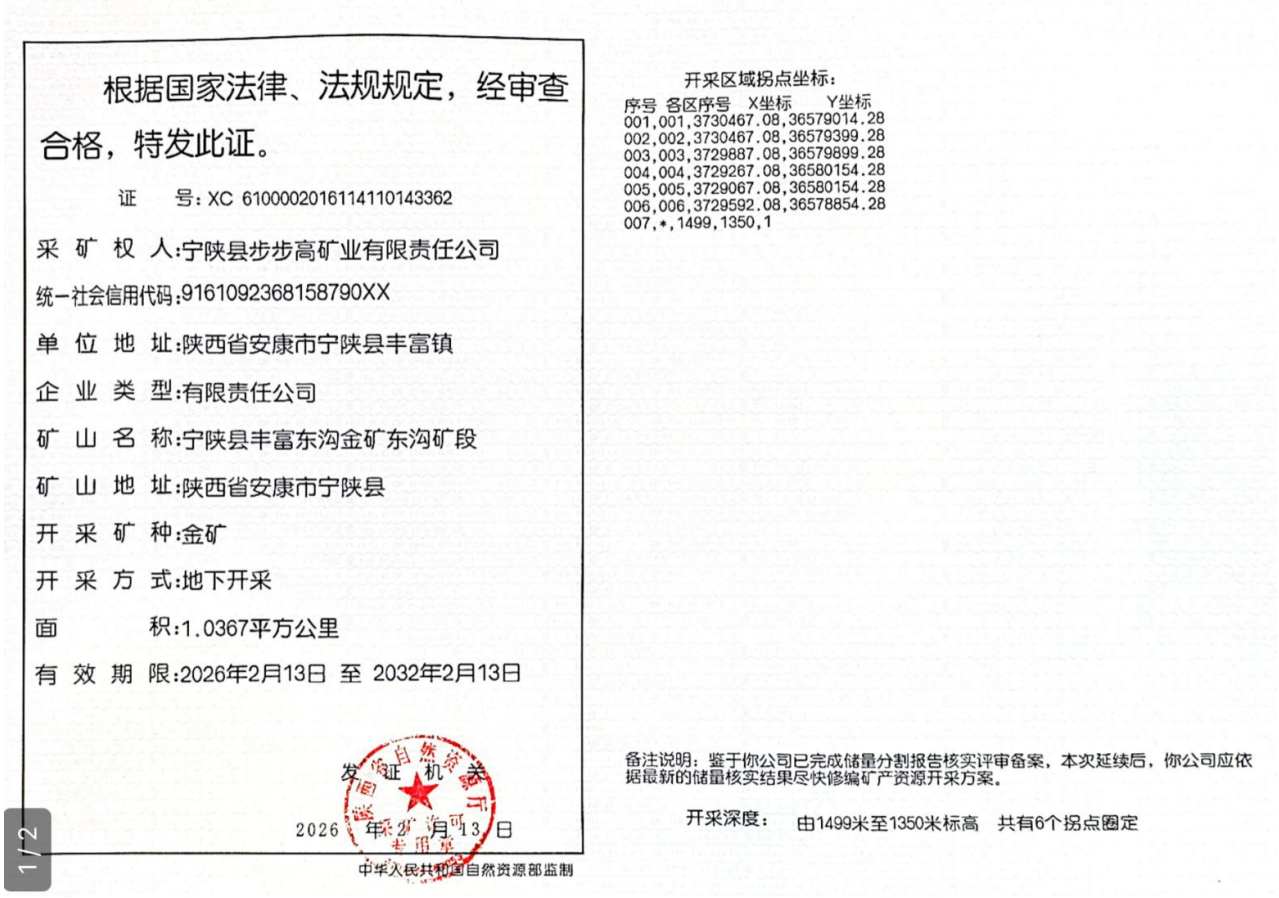
Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• Section 8.4. • Mineral Resources are reported inclusive of the Ore Reserves.
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.*	• Site visits have been undertaken. • SRK visited an adit and communicated with technicians onsite. Some data and information were collected.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• Section 8.2.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Section 8.3
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Sections 8.5 and Section 9.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.*	• Tianzhou has conducted test research on the gold ore samples from Donggou Mine in 2012 and indicated that the ore is relatively easy to process. Flotation achieved a gold recovery rate of 91.89%, while cyanide leaching tests

Criteria	JORC Code explanation	Commentary
	• *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	achieved a gold leaching rate of 93%. • Flotation process is designed to recover gold. The product is gold concentrate, and the gold grade is around 85 g/t. • It is recommended to use a gold recovery rate of 91% and silver recovery rate of 94% for ore reserve estimation. • Details are presented in Section 10.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• SRK observed that previously generated waste rock, aside from being used for site leveling, was mainly deposited in gullies outside the adit entrances. • The project's tailings are discharged into the already constructed Gulougou TSF. This facility is a valley-type TSF consisting of an initial rockfill dam, a flood discharge system, dam monitoring installations, a tailings delivery system, and a tailings return-water system. • Leaching toxicity tests on the waste rock was conducted. According to the test results, the waste rock from this mining area is classified as Category I general industrial solid waste.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.*	• Section 9.6
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 derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Section 14.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Section 15.3 and 15.6

Criteria	JORC Code explanation	Commentary
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.*	• Section 15
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.*	• Section 16.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• No public feedback of any kind was received during the two public announcement periods. A total of 100 public survey questionnaires were distributed; among the respondents, 84 % expressed support for the Project, 16 % were indifferent, and none expressed opposition.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• Risk analysis was included in the CPR (see Section 17.
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).*	• Section 8.7
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• Peer reviews of this CPR have been performed within SRK internally.

Criteria	JORC Code explanation	Commentary
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.*	• Section 8.9 and Section 16.5.

Appendix B Fengfu Donggou Mine Mining Licence



根据国家法律、法规规定，经审查合格，特发此证。

证　号：XC 6100002016114110143362

采 矿 权 人：宁陕县步步高矿业有限责任公司

统一社会信用代码：9161092368158790XX

单 位 地 址：陕西省安康市宁陕县丰富镇

企 业 类 型：有限责任公司

矿 山 名 称：宁陕县丰富东沟金矿东沟矿段

矿 山 地 址：陕西省安康市宁陕县

开 采 矿 种：金矿

开 采 方 式：地下开采

面　　积：1.0367平方公里

有 效 期 限：2026年2月13日 至 2032年2月13日

发证机关

2026年2月13日

中华人民共和国自然资源部监制

开采区域拐点坐标：

序号	各区序号	X坐标	Y坐标
001	001	3730467.08	36579014.28
002	002	3730467.08	36579399.28
003	003	3729887.08	36579899.28
004	004	3729267.08	36580154.28
005	005	3729067.08	36580154.28
006	006	3729592.08	36578854.28
007	*	1499	1350

备注说明：鉴于你公司已完成储量分割报告核实评审备案，本次延续后，你公司应依据最新的储量核实结果尽快修编矿产资源开采方案。

开采深度：　由1499米至1350米标高　共有6个拐点圈定

1/2

Appendix C Qualification and Certificate of Dr Jia

Dr Yiefei Jia, as a Principal Geologist, Practice Leader and Corporate Consultant (Geology and Project Evaluation), has been working with SRK Consulting since 2007. Before that, he worked with Australian National University as a postdoctoral fellow (June 2002-May 2004) and subsequently worked with the Commonwealth Scientific and Industrial Research Organization (CSIRO, Mining and Exploration Division) as a research fellow (June 2004-May 2006), and work Silvercorp Metals Inc. and New Pacific Metals Corp. (June 2006-August 2007) as a chief Geologist and project manager. He is a Fellow of Australasian Institute of Mining and Metallurgy (No. 230607) and a Chartered Professional in Geology (CP Geo), having over 25 years' experience in a combination of exploration, resource estimation, mineral deposit evaluation, and the delivery of multidisciplinary technical assessment reports.

Dr Jia obtained his bachelor's and master's degrees in Geology (1987 and 1990, respectively) from Jilin University in China, where he engaged in university teaching and scientific research work, He later obtained his PhD in Geology (2001) from the University of Saskatchewan in Canada, and was awarded a postdoctoral fellowship (2001) by the Natural Sciences and Engineering Research Council of Canada (NSERC).

Below are Dr Jia's certificates:

AusIMM

This is to certify that

Yiefei Jia

was accredited as a

Chartered Professional

of the Australasian Institute of Mining and Metallurgy in the discipline of Geology on the 13th of September 2018. Member number: 230607

PRESIDENT

Date

18/09/2018

CHIEF EXECUTIVE OFFICER

THE AUSTRALASIAN INSTITUTE OF MINING & METALLURGY INCORPORATED BY ROYAL CHARTER 1955 FOUNDED 1893

AusIMM
THE MINERALS INSTITUTE

THIS IS TO CERTIFY THAT

Yiefei Jia

WAS ELECTED TO THE GRADE OF

Fellow (FAusIMM)

OF THE AUSTRALASIAN INSTITUTE OF
MINING & METALLURGY ON THE

14 January 2013



PRESIDENT

CHIEF EXECUTIVE OFFICER

MEMBER NO: 230607

*The following is the text of a valuation report, prepared for the purpose of incorporation in this circular dated 5 June 2026, received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with their valuation of 100% equity interest of ChangSheng United Investment Limited (the "**Target Group**") as at 28 February 2026 (the "**Date of Valuation**").*

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5 June 2026

The Board of Directors
GT Gold Holdings Limited
Room A-B, 8th Floor,
Centre Mark II,
305-313 Queen's Road Central,
Sheung Wan, Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions from GT Gold Holdings Limited (the "**Company**"), Ravia Global Appraisal Advisory Limited ("**Ravia**" or "**we**") is engaged to perform a valuation of 100% equity interest of ChangSheng United Investment Limited and its subsidiaries (the "**Target Group**") as at 28 February 2026 (the "**Date of Valuation**").

This report states the purpose of valuation, basis of valuation, scope of work, limitations in scope of work, sources of information, overview of the Target Group, overview of the industry, valuation methodology, adopted approach for the valuation of the Target Group, major assumptions, limiting conditions, remarks and opinion of value.

This report is prepared in conformance with the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 Edition (the "**VALMIN Code (2015)**"), prepared by the VALMIN Committee. The VALMIN Code (2015) provides a set of fundamental principles, mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of the valuation of mineral assets.

1. PURPOSE OF VALUATION

The purpose of this valuation is to express an independent opinion on the market value of 100% equity interest of the Target Group as at the Date of Valuation. This report is prepared solely for the use of the directors and management of the Company. In addition, Ravia acknowledges that this report may be made available to the Company for public documentation purpose and used as reference on the Company's circular dated 5 June 2026 (the "**Circular**").

We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown. If others choose to rely in any way on the contents of this report they do so entirely at their own risk.

2. BASIS OF VALUATION

Our valuation has been based on market value, which is defined by International Valuation Standards established by the International Valuation Standards Council as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

3. SCOPE OF WORK

Our valuation opinion is based on the assumptions stated herein and the information provided by the management of the Company, the management of the Target Group and/or their representative(s) (collectively, the "**Management**"). In the course of our valuation work, we have conducted the following processes to evaluate the reasonableness of the adopted basis and assumptions provided:

- Discussed with the Management in relation to the background, development, operations, financial performance and other relevant information of the Target Group;
- Reviewed relevant financial information, operational information and other relevant data concerning the Target Group;
- Reviewed and discussed with the Management on the business development concerning the Target Group provided to us by the Management;
- Performed market research in relation to the economic outlook in general and the specific economic environment and market elements affecting the business, industry and market, and obtained relevant statistical figures from public available sources;
- Examined relevant basis and assumptions of both the financial and operational information of the Target Group, which were provided by the Management;
- Prepared a valuation model to derive the market value of the Target Group; and

- Presented all relevant information on the purpose of valuation, basis of valuation, scope of work, limitations in scope of work, sources of information, overview of the Target Group, overview of the industry, valuation methodology, adopted approach for the valuation of the Target Group, major assumptions, limiting conditions, remarks and opinion of value in this report.

We have no reason to believe that any material facts have been withheld from us. However, we do not warrant that our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

4. LIMITATIONS IN SCOPE OF WORK

In the course of our valuation work, our scope of work for the purpose of the valuation are subject to the following limitations:

- In performing our services, we have relied on the accuracy of information provided by the Management with regards to the Target Group's financial information and business affairs as well as the outlook for the business. The procedures and enquiries undertaken by us in preparing this report do not include any verification work, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based;

- Information furnished by others, upon which all or portions of this report are based, is believed to be reliable. However, we did not independently verify the information and no warranty is given as to the accuracy of such information;

- The result of our work is dependent on the financial performance of the Target Group. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibility for the achievement of predicted results;

- Our analysis is limited to a desktop assessment on the Target Group, which relied on information provided by the Management. We are not required to perform physical inspection, site visits and verify the legal titles of the assets held by the Target Group;

- We have considered published market data and other public information, where appropriate, for which we are not responsible for their content and accuracy. Such information is obtained from publicly available sources and industry reports; and

- Our work has been conducted based on the information available as at the Date of Valuation and any subsequent information after the date of this report is not required to reflect in our work.

5. SOURCES OF INFORMATION

For the purpose of our valuation, we have been provided with the information in respect of the Target Group prepared by the Management. The valuation required the consideration of all relevant factors including, but not limited to, the following:

- Overall business descriptions and operations of the Target Group;
- The financial and operational information in respect of the Target Group;
- The competent person's report on Bubugao Mining's Donggou Gold Mine, Shaanxi Province, the People's Republic of China dated as at 5 February 2026 (the "**CPR**") prepared by SRK Consulting (China) Limited (the "**SRK**");
- The economic outlook in general and the specific economic environment and market elements affecting the Target Group, industry and market; and
- Other reliable public data sources available from the market.

We have also conducted research from public sources to assess the reasonableness and fairness of information provided. We have assumed the accuracy of information provided and relied to a considerable extent on such information in arriving at our opinion.

6. OVERVIEW OF THE TARGET GROUP

The ChangSheng United Investment Limited is an investment holding company incorporated in the BVI with limited liability. It holds 80% of the issued share capital of Shangshan International Asset Management Limited which in turn indirectly holds the entire equity interest of Ningshan Jincheng Mining Co., Ltd and Ningshan County Bubugao Mining Co., Ltd (collectively, the "**Project Companies**").

The Target Group is engaged in the exploration and mining of gold and related minerals. The Project Companies hold the Mining License and the Exploration License is under renewal in respect of a gold mine located in the Ningshan County in Shaanxi Province of China (the "**Gold Mine**").

Other than the Project Companies, none of the subsidiaries of the Target Group have conducted any business activities since its incorporation nor have any other material assets as at the Date of Valuation.

7. SITE INSPECTION

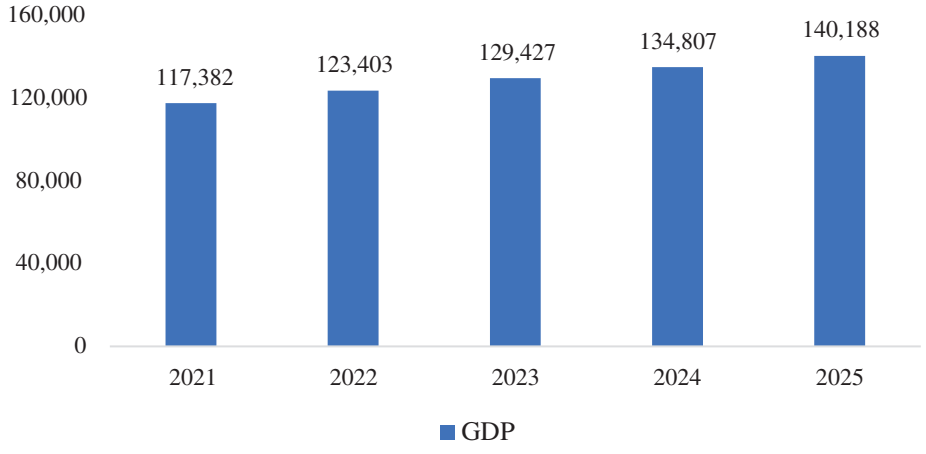
A site visit to the Gold Mine and meetings with the Management were conducted on 13 April 2026.

8. OVERVIEW OF THE INDUSTRY

8.1. China Economy

According to the National Bureau of Statistics of China, the gross domestic product (the "**GDP**") of China in 2025 was RMB140,187.9 billion. The value added of the primary, secondary, and tertiary industries amounted to RMB9,334.7 billion, RMB49,965.3 billion, and RMB80,887.9 billion, respectively. In 2024, the GDP of China was around RMB134,807 billion, representing a year-over-year ("**YoY**") growth rate of 4.0% compare to 2025 and the GDP in China has kept increasing in the past 5 years.

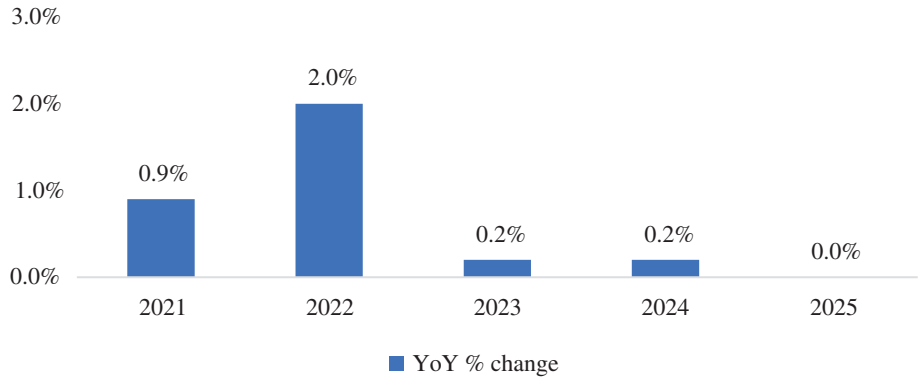
China Gross Domestic Product, 2021 to 2025 (RMB in billion)



Source: National Bureau of Statistics of China

In 2025, the consumer price index ("**CPI**") in China maintained the same level as that of the previous year. By commodity categories, the price for food, tobacco, and alcohol declined by 0.7% and the price for transportation and communication declined by 2.6%. While the price for clothing rose by 1.5% and prices for education, culture, and recreation rose by 0.8%. For the full year of 2024, the CPI increased by 0.2% compared with 2023, which is the same as 2023.

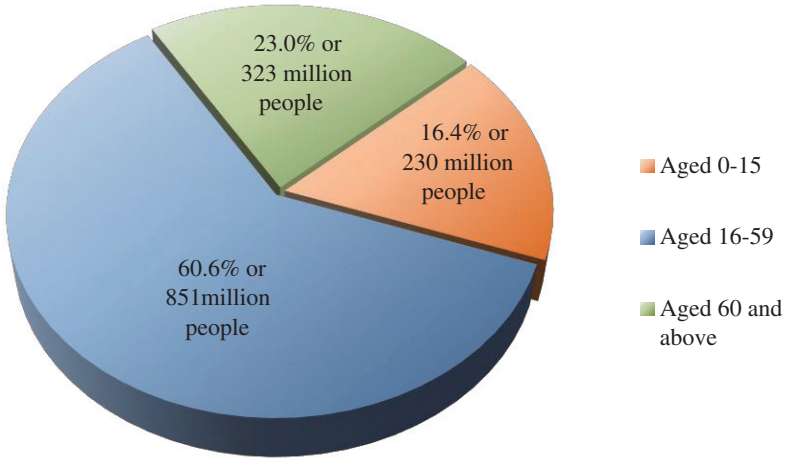
China Consumer Price Index, 2021-2025



Source: National Bureau of Statistics of China

As of the end of 2025, China's population was around 1.4 billion, reflecting a decrease of around 3.39 million from the previous year. The urban population reached around 953.8 million, accounting for around 67.9% of the total, according to the National Bureau of Statistics of China. In terms of age groups, around 60.6% of the population in China aged between 16-59, around 23.0% of the population aged 60 or above, and around 16.4% of the population aged 0-15.

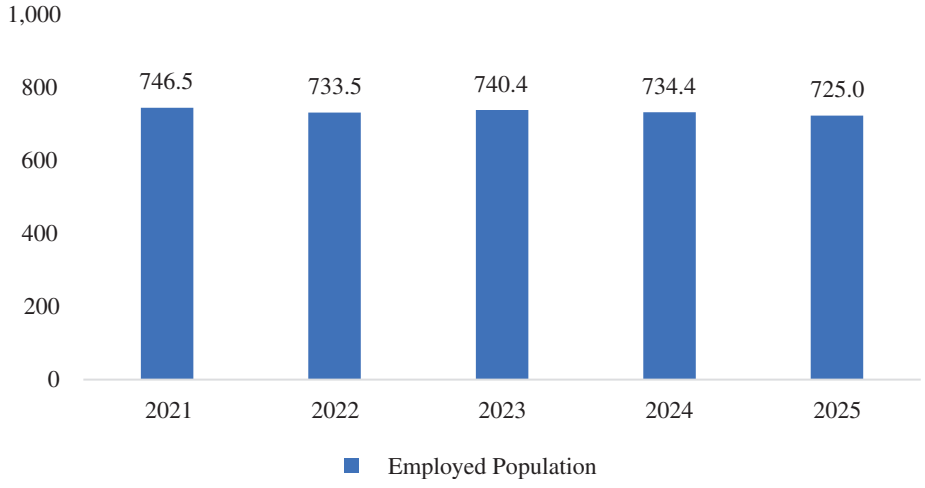
Population Age Composition in China, 2025



Source: National Bureau of Statistics of China

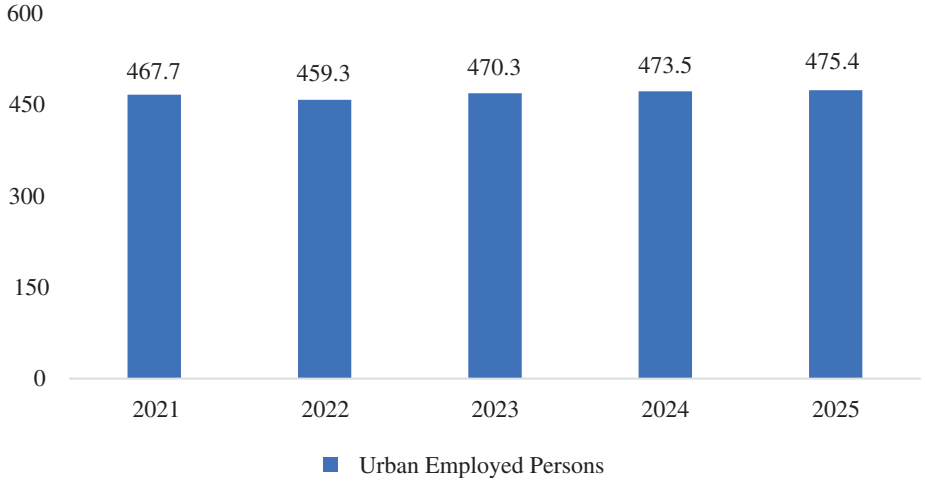
In 2025, the total employed population was about 725.0 million, with urban employment accounting for 475.4 million people, which is around 65.6% of the total employed population. The number of employed population of China decreased from around 746.5 million to around 725.0 million from 2021 to 2025, indicating the compound annual growth rate (the "**CAGR**") was around -0.58%. The CAGR of the number of urban employees from 2021 to 2025 was around 0.32%.

Employed population of China, 2021-2025 (million)



Source: National Bureau of Statistics of China

Urban Employed Persons, 2021-2025 (million)



Source: National Bureau of Statistics of China

In 2025, the total value of imports and exports reached about RMB45,469 billion, indicating approximately 3.8% YoY growth. The value of imports increased from around RMB18,392 billion in 2024 to around RMB18,480 billion in 2025, and the value of exports rose from around RMB25,455 billion in 2024 to around RMB26,989 billion in 2025. The trade surplus expanded by roughly 20.5%, to RMB around 8,510 billion in 2025.

Total Value of Imports and Exports of Goods 2021-2025
(RMB in billion)



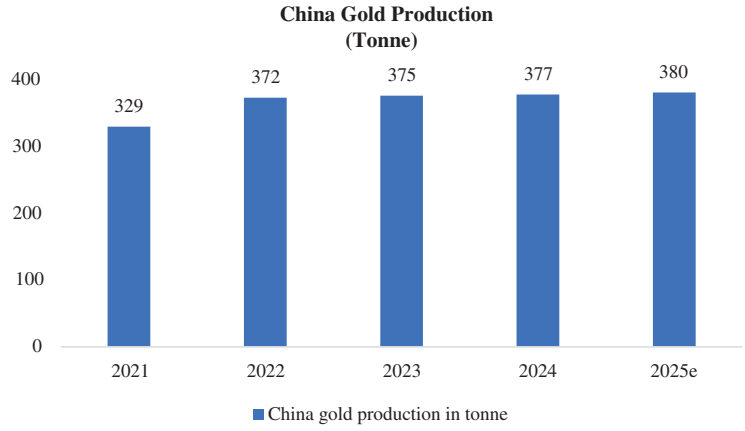
Source: National Bureau of Statistics of China

8.2. Gold Mining Industry in China

According to Market Research Future analysis, the gold mining market in China is characterized by a complex interplay of domestic demand, regulatory frameworks, and environmental considerations. As the world's largest consumer of gold, China plays a pivotal role in shaping market dynamics. The government has implemented various policies aimed at promoting sustainable mining practices while ensuring the sector's growth. This dual focus on environmental stewardship and economic development appears to influence investment decisions and operational strategies within the industry. Furthermore, the increasing interest in gold as a hedge against economic uncertainty may drive demand, suggesting a potentially robust future for the market.

In recent years, the gold mining market has witnessed advancements in technology and exploration techniques, which may enhance efficiency and reduce costs according to Market Research Future. The integration of innovative methods could lead to improved extraction rates and lower environmental impact. Additionally, the market seems to be adapting to changing consumer preferences, with a growing emphasis on ethically sourced gold. This trend indicates a shift towards transparency and sustainability, which may resonate with both domestic and international buyers. Overall, the outlook for the gold mining market appears promising, with various factors contributing to its evolution and resilience.

According to Market Research Future, stricter environmental regulations have influenced operations, prompting companies to adopt greener mining practices. The continued focus on innovation and sustainable mining, along with increasing investments from domestic and international firms, positions the China Gold Mining Market for significant future growth.



Source: CEIC Data and U.S. Geological Survey, Mineral Commodity Summaries

9. VALUATION METHODOLOGY

Conventional valuation approaches include market approach, income approach, cost approach and asset-based approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing the Target Group that are similar in nature.

9.1. Market Approach

The market approach measures the value of an asset through an analysis of recent sales or offerings of comparable assets. Sales and offering prices are adjusted for differences in location, time of sale, utility, and the terms and conditions of sale between the asset being appraised and the comparable assets.

9.2. Income Approach

The income approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition.

9.3. Cost Approach

The cost approach measures the value of an asset by the cost to reproduce or replace it with another of like utility. To the extent that the asset being valued provides less utility than a new asset, the reproduction or replacement cost would be adjusted to reflect appropriate physical deterioration, functional and economic obsolescence.

10. ADOPTED APPROACH FOR THE VALUATION OF THE TARGET GROUP

Among the abovementioned valuation approaches, the selection of the valuation approach in valuing the Target Group is based on, among other criteria, the quantity and quality of the information provided, accessibility to available data, availability of relevant market transactions, uniqueness of the Target Group's business operations and nature of the industry is participating, professional judgment and technical expertise.

The cost approach was considered inappropriate as the replication cost may not represent the value of the Target Group. The market approach was not adopted because it cannot account for the characteristics of the mining plans, production schedules and cost structures concerning the Gold Mine. The income approach was adopted as the Gold Mine's mining plans, production schedules and cost structures are well-defined within the CPR. This provides an accurate reflection of the Gold Mine's value by the future production profile, estimated capital requirements and operational costs. Under the income approach, the Discounted Cash Flow ("**DCF**") method is adopted.

10.1. The DCF Method

The DCF methods begins with an estimation of the annual cash flows, which a market participant acquirer would expect the asset to generate over a discrete projection period. The expected debt-free cash flow for each year is determined as follows:

$$FCF = EBIT\ (1 - T) + Dep - InvCapex - InvNWC$$

Where:

FCF	=	*free cash flow*
EBIT	=	*earnings before interest and tax*
T	=	*tax rate*
Dep	=	*non-cash items*
InvCapex	=	*investment in capital expenditure*
InvNWC	=	*investment in net working capital*

The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows. The present values of the estimated cash flows are then added to the present value equivalent of the residual value of the asset (if any) at the end of the discrete projection period to arrive at an estimate of the value of the specific asset.

The present value of the expected free cash flow is calculated as follows:

$$PVFCF = FCF_1/(1 + r)^1 + FCF_2/(1 + r)^2 + \ldots + FCF_n/(1 + r)^n$$

Where:

PVFCF = *present value of free cash flows*

FCF = *free cash flow*

r = *discount rate*

n = *time interval (year) of projections*

10.2. Comparable Companies

In the valuation, the adopted parameters are determined with reference to the information in respect of publicly listed companies that are considered to be comparable to Target Group (the "**Comparable Companies**"). Since no company is exactly alike as the Target Group, a set of the Comparable Companies is selected when valuing the Target Group. In order to determine the Comparable Companies appropriately, we have considered the following perspectives in the selection criteria from public available sources as follows:

- The Comparable Companies are principally engaged in gold mining;
- The principal activities are located in China; and
- Listing in a major stock exchange and has traded actively for a reasonable period with sufficiency of information such as financial and operational information accessible from the market.

Based on the above mentioned selection criteria, an exhaustive list of Comparable Companies is identified. Details of the Comparable Companies are listed as follows:

Company Name	Ticker	Business Description
GT Gold Holdings Limited	8299 HK	GT Gold Holdings Limited operates as a mining company. It focuses on gold exploration, mining, and mineral processing in China.
Sichuan Gold Company Limited	001337 CH	Sichuan Gold Company Limited offers precious metal mining services. It mines and sells gold concentrate, alloy gold.
Majestic Gold Corp	MJS CN	Majestic Gold Corp is a gold exploration and development company with a portfolio of projects in gold belts throughout China.
Tongguan Gold Group Limited	340 HK	Tongguan Gold Group Limited operates as a gold mining company. It provides gold exploration, mining, processing, sales, and other services.
Lingbao Gold Group Company Limited	3330 HK	Lingbao Gold Group Company Limited operates as a mining company. It explores, mines, smelts, refines, and processes gold bullion, silver, copper products, and sulfuric acid.
Zhaojin Mining Industry Company Limited	1818 HK	Zhaojin Mining Industry Company Limited offers exploration and mining services. It mines and processes gold products.
Shandong Humon Smelting Company Limited	002237 CH	Shandong Humon Smelting Company Limited is mainly engaged in mining, concentration and smelting of gold.

10.3 Discount Rate

In order to estimate the value of the Target Group and perform an overall reasonability assessment, it is required to determine the appropriate discount rate for the Target Group.

As such, we have adopted the weighted average cost of capital ("WACC") as a basic discount rate for the Target Group. WACC represents the weighted average return attributable to all of the operating assets of the Target Group. WACC is computed using the formula below:

$$WACC = W_e \times R_e + W_d \times R_d \times (1 - T_c)$$

Where:

R_e = *Cost of equity*

R_d = *Cost of debt*

W_e = *Weight of equity value to enterprise value*

W_d = *Weight of debt value to enterprise value*

T_c = *Corporate tax rate*

As a component of WACC, the cost of equity is determined using Capital Asset Pricing Model ("CAPM"). CAPM calculates a required return based on a risk measurement. It describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate additional risk associated.

In the valuation, CAPM is modified to reflect the size premium associated with the Target Group. The cost of equity under the modified CAPM is computed using the formula below:

$$R_e = R_f + \beta \times MRP + RP_s$$

Where:

R_e = *Cost of equity*

R_f = *Risk-free rate*

β = *Beta coefficient*

MRP = *Market risk premium*

RP_s = *Size premium*

Risk-free rate

R_f The risk-free rate (R_f) represents the time value of money. It is the theoretical rate of return of an investment with no risk of financial loss. The yield rate of bonds issued by a government or agency where the risks of default are so low as to be negligible are commonly applied as the risk-free rate.

The yield rate of the 10-year Government Bond of China was 1.81% as at the Date of Valuation. It was adopted as the risk-free rate.

Beta coefficient

β The beta coefficient *(β)* measures the risk of an asset relative to the overall market. It reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets, including economic growth rates, interest rates, exchange rates and inflation rates.

In the valuation, as the Target Group is not listing in any major stock exchange or be marketable in any over-the-counter market, it is not possible to determine its beta coefficient directly. Instead, the beta coefficient for the Target Group was determined as the median of the betas of the Comparable Companies, with adjustment for differences in corporate tax rates and leverage compositions.

The adjusted betas of the Comparable Companies, which measure their risks relative to the market, were derived from the corresponding raw betas, modified by the assumption that a security's beta moves toward the market average over time with the following generally accepted formula:

Adjusted Beta = (1/3) + (2/3) x Raw Beta

The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the Target Group and the Comparable Companies. The unlevered beta removes the effects of the use of leverage on the capital structure of a firm. Removing the debt component allows an investor to compare the base level of risk between various companies.

The unlevered beta was computed using the following formula:

$$\beta_{unlevered} = \beta_{levered}/(1 + (1 - T_c) \times (D/E))$$

Where:

$\beta_{unlevered}$ = *Unlevered beta*

$\beta_{levered}$ = *Levered beta*

T_c = *Corporate tax rate*

D/E = *Debt-to-equity ratio*

The median of the unlevered betas of the Comparable Companies was then being relevered based on the specific corporate tax rate and the expected debt-to-equity ratio applied to the Target Group.

The relevered beta was computed using the following formula:

$$\beta_{relevered} = \beta_{unlevered} \times (1 + (1 - T_c) \times (D/E))$$

Where:

$\beta_{relevered}$ = *Relevered beta*

$\beta_{unlevered}$ = *Unlevered beta*

T_c = *Corporate tax rate*

D/E = *Debt-to-equity ratio*

As a result, the beta coefficient was calculated as 0.62.

Market risk premium

MRP The market risk premium (MRP) is the implied risk premium expected from the market using forecasted growth rates, earnings, dividends, payout ratios and current values. It represents the additional return required by an investor as compensation for investing in equities rather than a risk-free instrument.

The market risk premium of China as at the Date of Valuation was computed using the market risk premium of the United States with reference to "2025 Cost of Capital Navigator" by Kroll, LLC. and the country risk premium of China with reference to "Country Default Spreads and Risk Premiums" published by Aswath Damodaran in January 2026.

Size premium

By considering the size of the Target Group, a size premium of 4.47% was adopted with reference to "2025 Cost of Capital Navigator" by Kroll, LLC. with the date source as at 31 December 2024.

Cost of equity

The cost of equity was determined using the CAPM.

Cost of debt

The cost of debt of 3.5% was determined by the prime rate of China.

After-tax cost of debt

Since the interest paid on debts are tax-deductible expense for a company, the cost of the company of obtaining debt funds is less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt was calculated by multiplying one minus the China corporate tax rate of 25% by the cost of debt. The after-tax cost of debt adopted was 2.63%.

Weight of debt

The weight of debt was determined by the median of the weights of debt of the Comparable Companies, assuming that the weight of debt of the Target Group moves toward that of the median of the Comparable Companies over time. The weight of debt was adopted as 5.96%.

Weight of equity

The weight of equity was determined by the median of the weights of equity of the Comparable Companies, or calculated as one minus the weight of debt of the Target Group. The weight of equity was adopted as 94.04%.

Accounting for the above, the adopted WACC as at the Date of Valuation is 10.25%.

10.4. Projected Free Cash Flow

We have performed our valuation based on the projected cash flow which highly rely on the CPR. The projected cash flow and calculation can be found in Appendix C of this report.

Gold Resources and Reserves

According to the CPR, the gold resources and reserves are estimated as follows:

	Thousand Tonnes
Goal Resources	
Indicated Resources	6,299
Inferred Resources	1,161
Goal Reserves	
Probable Reserves	4,340

Production Schedule

The estimated production schedule, gold payable rate of 95% and processing recovery rate of 91% were determined by the CPR as follows:

	2026	2027	2028	2029	2030	2031
Ore Production (tonnes)	100,000	150,000	150,000	150,000	600,000	600,000
Payable Gold Metal (gram)	225,852	345,785	352,565	1,062,191	1,414,966	1,449,780

	2032	2033	2034	2035	2036
Ore Production (tonnes)	600,000	600,000	485,130	390,000	215,118
Payable Gold Metal (gram)	1,439,854	1,438,673	1,100,282	871,506	490,648

Gold Price and Revenue

The forecasted prices of gold are determined with reference to "Consensus price forecasts – Gold, silver prices surge to new highs" published by S&P Global Market Intelligence, "Fitch Ratings Raises Most Near-Term Metals and Mining Price Assumptions" published by Fitch Ratings and "Commodity Markets Outlook" published by World Bank Group as follows:

	2026	2027	2028	2029	2030+
Forecasted Gold Price (RMB per gram)	825	739	654	632	608

The revenue of the Target Group is calculated according to the forecasted gold price, production schedule above and the treatment charge for gold concentrates estimated by the SRK in the CPR.

Operating Cost

The operating cost including but not limited to mining cost, processing costs, general and administrative costs and urban maintenance and construction tax etc. All operating costs are aligned with the CPR and adjusted for inflation.

Capital Expenditure

The capital expenditure includes expansion capital expenditure estimated by the SRK in the CPR and maintaining capital expenditures.

Working Capital

As no mining activities at the Gold Mine were undertaken, the change in working capital was estimated with reference to the median of Comparable Companies' turnover days in inventories, account receivables and account payables.

10.5. Discount for Lack of Marketability ("DLOM")

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell. Compared to similar interest in public companies, ownership interest in privately held company is not readily marketable. Therefore, the value of a share in a privately held company is usually less than that in a publicly held company. The lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability.

According to "Control Premium and Discount for Lack of Marketability Study 2025 – Issue 4", published by Moore. The data used in this publication has been extracted from the HKEX website. The adopted DLOM in the valuation is 20.4% representing the median value derived from trailing 12-months market data.

11. MAJOR ASSUMPTIONS

In conducting our valuation work, certain major assumptions are adopted in order to sufficiently support our opinion of value. In addition, our valuation analyses are also subject to specific representations and certain principal assumptions that Management considers necessary and appropriate for adoption in our valuation analyses are stated as follows:

- The information provided and the representations made by the Management with regard to the Target Group's financial and business affairs are accurate and reliable;
- The Target Group will continue to operate as a going concern and has sufficient liquidity and maximize the efficiency of the operation of Target Group;
- The Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Target Group operates or intends to operate would be officially obtained and renewable upon expiry with de minimis expenses;
- There will be sufficient supply of technical staff in the industry in which the Target Group operates or intends to operate, and the Target Group will retain competent management, key personnel and technical staff to support their ongoing operations and developments;
- There will be no major changes in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

- There will be no major changes in the political, legal, economic or market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group;

- There will be no material changes in the relevant interest rates and exchange rates that would impact the Target Group's business; and

- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the Target Group as at the Date of Valuation.

In case actual events do not accord with one or more of the above assumptions, the resulting value of the Target Group may vary substantially from the figure as set out in this report.

12. LIMITING CONDITIONS

The valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

We have relied on information provided by the Management to a considerable extent in arriving at our opinion of value. We have not verified the accuracy of the information provided and have assumed that the aforesaid information is accurate. We have not conducted any further investigations concerning whether all data have been provided to us and we have no reason to believe that any material data have been withheld from us.

We would particularly point out that our valuation is based on the information made available to us, such as the market data and the Target Group's information made by the Company are true and accurate.

Our opinion of value is derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.

This report is for the exclusive use of the party to whom it is addressed and for the specific purpose stated in Section 1 – Purpose of Valuation, neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

13. REMARKS

Unless otherwise stated, all monetary amount stated in this valuation report are in Renminbi (RMB).

14. SENSITIVITY ANALYSIS

The sensitivity analysis for the change in WACC and forecasted gold price that impact the market value of 100% equity interest of the Target Group are tabulated as follows:

	PERCENTAGE CHANGE IN FORECASTED GOLD PRICE			
ABSOLUTE CHANGE IN WACC	RMB (million)	-1%	0%	1%
	1%	1,035	1,058	1,081
	0%	984	1,006	1,028
	-1%	936	957	978

15. OPINION OF VALUE

Based on the investigation and analysis stated above, our scope of work, limitations in scope of work, information available, the assumptions adopted and the valuation method employed, the market value of 100% equity interest in ChangSheng United Investment Limited and its subsidiaries (i.e., the Target Group) as at 28 February 2026 (i.e., the Date of Valuation), in our opinion, is reasonably stated as follows:

	Range of Value	**Preferred Value**
	RMB	*RMB*
Market Value of the Target Group	940,000,000 to 1,100,000,000	1,000,000,000

We hereby confirm that we have neither present nor prospective interests in the Company, the Target Group or the value reported herein.

Yours faithfully,
For and on behalf of
Ravia Global Appraisal Advisory Limited

Elvis C.F. Ng	**Dr. C.S. Kong**
CFA, FRM, MAusIMM	BSc, MSc, DSc, CGeol, FGS,
Director	MAusIMM(CP),
	HKCPG
	Consultant

Note: Mr. C.S. Kong takes the role of the competent evaluator under Chapter 18A of the GEM Listing Rules for this valuation.

APPENDIX A – QUALIFICATION OF THE VALUATION TEAM MEMEBRS

Mr. Elvis C. F. Ng, is a holder of Chartered Financial Analyst and a Certified Financial Risk Manager. He has over fifteen years' experience in business valuation, transaction advisory and corporate consultancy in the Asia Pacific Region including Hong Kong, China and Australia, as well as in European, American, Middle-east and African countries.

Dr. C.S. Kong, holds a Bachelor of Science in Geology from National Taiwan University, a Master of Science in Applied Geosciences from the University of Hong Kong, and a Doctor of Science in Mineralogy, Petrology, and Mineral Deposit Geology from the China University of Geosciences. He is a Chartered Geologist and Geotechnical Engineer, a member of the Australasian Institute of Mining and Metallurgy (CP), and serves on the Geological Society of Hong Kong. With over thirty years' of geological experience in Hong Kong and Overseas, especially in geological engineering and project management particularly in the mineral deposit and mining fields. He possesses extensive experience and knowledge in technical valuation projects, applying the VALMIN Code and cost-based methods. Dr. Kong currently serves as Director of China Railway Geotechnical Engineering Co. Ltd. and Director (Resources) of K & C International Ltd.

APPENDIX B– VALUER'S DECLARATION

I, Dr. C. S. Kong, hereby confirm that:

- I have carried out the assignment for Ravia Global Appraisal Advisory Limited, located at:

  17/F, 83 WanChai Road
  Wan Chai, Hong Kong
  Tel: (852) 2811 1876
  Fax: (852) 3007 8501

- I graduated with Bachelor of Science in Geology from National Taiwan University, a Master of Science in Applied Geosciences from the University of Hong Kong, and a Doctor of Science in Mineralogy, Petrology, and Mineral Deposit Geology from the China University of Geosciences.

- I am a member of the Australasian Institute of Mining and Metallurgy (Chartered Professional).

- I understood the definition "Specialist" as set out in the VALMIN Code (2015). My past relevant experience, qualifications and my affiliation with professional associations have fulfilled the requirements to be a "Specialist" for the purpose of the valuation report.

- I have studied the revised Chapter 18A of the GEM Listing Rules and understood the definition "Competent Evaluator". My past relevant experience, qualifications and my affiliation with professional associations have fulfilled the requirements to be a "Competent Evaluator" as set out in the GEM Listing Rules for the purpose of the valuation report.

- I have over thirty years' of geological experience in Hong Kong and Overseas, especially in geological engineering and project management, particularly in the mineral deposit and mining fields. I have extensive experience and knowledge in technical valuation projects, applying the VALMIN Code and cost-based methods.

- I am the primary author responsible for the preparation and compilation of the valuation report.

- I have neither present nor prospective interests in the Company, the Target Group or the value reported herein.

- I am not aware of any material fact or material change with respect to the subject matter of the valuation report that is not reflected in the valuation report.

- This report has been prepared in accordance with the guidelines set by the VALMIN Code (2015) established by the VALMIN Committee in Australia.

I, Elvis C. F. Ng, hereby certify that:

- I understood the definition "Specialist" as set out in the VALMIN Code (2015). My past relevant experience, qualifications and my affiliation with professional associations have fulfilled the requirements to be a "Specialist" for the purpose of the valuation report.

- I am responsible for the review of this valuation report.

- I have read the VALMIN Code (2015) and the valuation report has been prepared in accordance with the VALMIN Code (2015).

- I am a holder of Chartered Financial Analyst, Certified Financial Risk Manager and member of the Australasian Institute of Mining and Metallurgy. I have over fifteen years' experience in business valuation, transaction advisory and corporate consultancy in the Asia Pacific Region including Hong Kong, China and Australia, as well as in European, American, Middle-east and African countries.

- I am not aware of any material fact or material change with respect to the subject matter of the valuation report that is not reflected in the valuation report.

- I am independent of the Company and the Target Group in compliance with the VALMIN Code (2015).

APPENDIX C – DCF SUMMARY OF THE TARGET GROUP AS AT 28 FEBRUARY 2026

Period Start	**1.3.2026**	**1.1.2027**	**1.1.2028**	**1.1.2029**	**1.1.2030**
Period End	**31.12.2026**	**31.12.2027**	**31.12.2028**	**31.12.2029**	**31.12.2036**
RMB in million					
Revenue	184	251	226	658	4,885
Mining Cost	(20)	(31)	(31)	(95)	(774)
Processing Cost	(9)	(14)	(14)	(44)	(357)
General and Administration Cost	(16)	(25)	(25)	(76)	(622)
Non-Income Taxes for Mining	(2)	(2)	(2)	(8)	(62)
Non-Income Taxes for Processing	(11)	(15)	(14)	(40)	(315)
Payable Exploration Expenses	(53)	(53)	(54)	–	–
Mine Closure and Reclamation	–	–	–	–	(147)
Depreciation	(10)	(11)	(11)	(28)	(248)
Tax	(16)	(25)	(19)	(92)	(598)
Net Profit After Tax	**47**	**75**	**56**	**276**	**1,762**
Add: Depreciation	10	11	11	28	248
Minus: Change in Working Capital	19	9	–	55	(83)
Minus: Capital Expenditure	2	2	2	140	174
Free Cash Flow	**37**	**75**	**65**	**108**	**1,918**
Present Value of Free Cash Flows	**35**	**66**	**51**	**78**	**1,011**
Sum of Present Value of Free Cash Flow	1,241				
Minus: Total Debts and Borrowings	–				
Add: Net Non-Operating Assets	23				
Market value before DLOM	1,264				
Minus: DLOM	258				
Market value (rounded)	**1,000**				

Note: Figures may not sum up due to rounding adjustments.

The following is the text of a report, received from the Company's independent reporting accountants, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Circular.

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF 100% EQUITY INTEREST OF CHANGSHENG UNITED INVESTMENT LIMITED AND ITS SUBSIDIARIES

To the Directors of GT Gold Holdings Limited

We have completed our assurance engagement to report on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the business valuation (the "**Valuation**") dated 5 June 2025 prepared by Ravia Global Appraisal Advisory Limited in respect of the 100% equity interest in Changsheng United Investment Limited (the "**Target Company**") as at 31 March 2026 is based. For the purpose of the Valuation and this report, the "Target Group" refers to the Target Company together with its subsidiaries which became subsidiaries of the Target Company as of 24 March 2026. The Valuation is set out in the Circular of GT Gold Holdings Limited (the "**Company**") 5 June 2025 (the "**Circular**") in connection with the proposed acquisition of the Target Group. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out on pages 12 to 14 of the Circular (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by paragraph 29(2) of Appendix D1B of the GEM Listing Rules, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the Assumptions.

Because the Valuation relates to the discounted estimated future cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. The discounted future estimated cash flows have been prepared for the purpose of the Valuation as disclosed in the Circular, and may not be suitable for other purposes. Accordingly, we have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future estimated cash flows has been properly compiled in all material respects in accordance with the Assumptions made by the directors of the Company.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Hong Kong
5 June 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in shares and underlying shares

Save as disclosed below, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the GEM Listing Rules; or (iv) to be disclosed under the Takeovers Code.

Name of Directors	Nature of interest	Number of ordinary shares of the Company interested	Number of underlying ordinary shares of the Company	Approximate percentage of shareholding
Dr. Li Dahong	Beneficial owner	–	23,948,516 *(Note 1)*	0.32%
Ms. Ma Xiaona	Beneficial owner	–	20,954,950 *(Note 1)*	0.28%
Mr. Cheung Wai Hung	Beneficial owner	–	2,993,564 *(Note 1)*	0.04%

Name of Directors	Nature of interest	Number of ordinary shares of the Company interested	Number of underlying ordinary shares of the Company	Approximate percentage of shareholding
Mr. Guo Wei	Beneficial owner	–	2,993,564 *(Note 1)*	0.04%
Mr. Lam Albert Man Sum	Beneficial owner	–	2,993,564 *(Note 1)*	0.04%
		–	53,884,158	0.73%

Note:

1. Such interest was in the form of Options which granted on 31 August 2023.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial shareholders' interests and short positions in shares and underlying shares

As at the Latest Practicable Date, so far as any Directors are aware, the interest or short positions owned by the following parties (other than the Directors or chief executives of the Company) in the Shares, underlying Shares or debentures of the Company which are required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any member of the Group were as follows:

Long Positions in Shares and Underlying Shares of the Company

Name	Capacity	Number and class of securities		Approximate % of the issued Shares
		Shares	Underlying Shares	
Mr. Ma	Beneficial owner	3,429,354,894	–	40.50%
	Interest of spouse	779,613,860 *(Note 1)*	–	9.21%
Ms. Zhao	Beneficial Owner	779,613,860	–	9.21%
	Interest of spouse	3,429,354,894 *(Note 1)*	–	40.50%

Notes:

1. Mr. Ma is the spouse of Ms. Zhao Yuebing. Mr. Ma and Ms. Zhao is accordingly deemed to be interested in the Shares beneficially owned by each other under the SFO.

Saved as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the issued voting shares of any member of the Group; or to be disclosed under the Takeovers Code.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) had entered into or proposed to enter into any service contracts with the Company or any subsidiary or associated company of the Company which (a) (including continuous and fixed term contracts) had been entered into or amended within 6 months before the commencement of the Relevant Period; (b) are continuous contracts with a notice period of 12 months or more; (c) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (d) is not determinable by the Company within one (1) year without payment of any compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN CONTRACT, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, none of the member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualifications
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants
SRK Consulting (China) Limited	Competent Persons under Chapter 18A of the GEM Listing Rules
Ravia Global Appraisal Advisory Limited	Independent valuer under Chapter 18A of the GEM Listing Rules

Each of the above experts has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, each of above experts did not have any interest, either directly or indirectly, in any assets which have been since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

The following contract (not being contracts in the ordinary course of business) has been entered into by the members of the Group within the two years immediately preceding the date of the announcement of the Company dated 30 March 2026 and are or may be material:

(i) the Agreement;

(ii) placing agreement dated 22 September 2025 in relation to the placing of 1,038,600,000 Shares at the price of HK$0.275 per Share

9. MISCELLANEOUS

(a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The principal place of business of the Company in Hong Kong is Room A-B, 8th Floor Centre Mark II, 305-313 Queen's Road Central, Sheung Wan, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

(d) The Compliance Officer of the Company is Ms. Ma Xiaona, executive Director.

(e) The company secretary of the Company is Ms. Lee Eva, who is a practising solicitor in Hong Kong.

(f) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

10. AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises all independent non-executive Directors, namely Mr. Guo Wei ("**Mr. Guo**"), Mr. Lam Albert Man Sum ("**Mr. Lam**") and Mr. Cheung Wai Hung ("**Mr. Cheung**"). Mr. Lam is the chairman of the Audit Committee.

The primary duties of the Audit Committee include, but are not limited to, the following: (a) to independent review and supervise the financial reporting process and internal control systems; (b) to ensure good communications among Directors and the Company's auditor; (c) to recommend the appointment of external auditor on an annual basis and approval of the audit fees; (d) to assist the Board in oversight of the independence, qualifications, performance and compensation of the independent accountant; (e) to review interim and annual results announcements as well as the financial statements prior to their approval by the Board; and (f) to provide advice on audit report, accounting policies and comments to all Directors.

Further details of the members of the Audit Committee are as follows:

Mr. Guo

Mr. Guo, aged 71, was appointed as an independent non-executive Director on 28 April 2016. He is also the chairman of the nomination committee and remuneration committee and a member of the audit committee of the Company. Mr. Guo graduated from Beijing Institute of Economic Research, majoring in Chinese Language and Literature (undergraduate) in 1999. Since 2004, he has been served as the chairman of the board of 浙江瑞豐投資有限公司 (Zhejiang Ruifeng Investment Company Limited*). He worked in the 浙江省郵電勘察設計院 (Survey and Design Institute of Post and Telecommunications in Zhejiang Province*) from 1977 to 1987. He worked in the Zhejiang Provincial Government Office in Guangzhou and 大東南集團公司 (Grand Southeast Group Corporation*) from 1988 to 1994. He worked as the general manager of 杭州南王國際大酒店 (Hangzhou Nanwang International Hotel*) and the chairman of the board of 杭州五雲投資公司 (Hangzhou Wuyun Investment Company*) from 1995 to 2004. Mr. Guo has been engaged in management for more than 30 years, including 20 years as the head of enterprises, during which he gains extensive management experience and strong coordination ability.

Mr. Lam

Mr. Lam, aged 70, joined the Company as an independent non-executive Director on 8 December 2017. He is also the chairman of the audit committee of the Company, a member of the nomination committee and remuneration committee of the Company. He is a member of the Institute of Chartered Accountants in England & Wales, Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, the Hong Kong Securities Institute, Society of Chinese Accountants & Auditors, Australia • New Zealand Institute of Chartered Accountants, Taxation Institute of Hong Kong and Certified Tax Adviser. Mr. Lam holds a Bachelor Degree in Arts (Economics) from the University of Manchester, the United Kingdom. Mr. Lam was an independent non-executive director of Macrolink Capital Holdings Limited (formerly known as Junefield Department Store Group Limited) (Stock Code: 758) from 24 September 2004 to 19 March 2024. He was an independent non-executive director of OCI International Holdings Limited (Stock Code: 329) from 28 April 2010 to 7 May 2018. Mr. Lam currently is a partner of Grand Thornton Hong Kong Limited. Mr. Lam had been head of department in Southwest Securities International Securities Limited (Stock Exchange Stock Code: 812). He was the former director and Chief Executive Officer and is the shareholder of Jonten Hopkins CPA Limited (the merger of former Aoba CPA Limited*（青葉會計師事務所）and Albert Lam & Co. CPA). Mr. Lam was also the Managing Partner and Founder of Albert Lam & Co. CPA.

Mr. Cheung

Mr. Cheung, aged 45, joined the Company as an independent non-executive Director on 27 August 2018. He is also a member of the audit committee of the Company. He is a chartered tax adviser of the Taxation Institute of Hong Kong, a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Cheung graduated from The Hong Kong Polytechnic University with an honours degree in bachelor of arts in accountancy. He worked in Jonten Hopkins CPA Limited from July 2004 to March 2014 and his last position was audit manager. He is currently appointed as the chief financial officer of Wai Chi Holdings Company Limited (Stock Code: 1305). Mr. Cheung was appointed as an independent non-executive director of Ye Xing Group Holdings Limited (Stock Code: 1941) on 17 February 2020.

11. DOCUMENTS ON DISPLAY

The following documents will be posted on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.gt-gold.com) for at least 14 days from the date of this circular:

(i) a copy of the Agreement;

(ii) the accountants' reports on financial information of each member of the Target Group, the text of which is set out in Appendix II to this circular;

(iii) the report on unaudited pro forma financial information of the Enlarged Group, full text of which is set out in Appendix IV to this circular;

(iv) summary of the valuation report on the Target Group, full text of which is set out in Appendix VI;

(v) the Competent Person's Report, full text of which are set out in Appendix V; and

(vi) the letters of consent set out in the section "Consents and Qualifications of Experts" of this Appendix.