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NORTH MINING SHARES COMPANY LIMITED
北方礦業股份有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

UPDATE ON MEASURES TO ADDRESS DISCLAIMER OF OPINION IN 2024 ANNUAL REPORT

Reference is made to the Annual Report, in which the Company's auditors expressed a disclaimer of opinion relating to the Company's ability to continue as a going concern and the announcement of the Company dated 30 June 2025 in relation to update on measures to address disclaimer of opinion in 2024 annual report (the "**Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the Announcement.

Pursuant to the requirements under the Listing Rules, including paragraph 2 of Appendix D2 and Code Provision D1.4 of Appendix C1, the Company is required to provide a true and fair view of its financial position and present clear, balanced, and understandable disclosures. The disclaimer of opinion issued by the auditors indicates that they were unable to obtain sufficient audit evidence to determine whether the financial statements were free from material misstatement.

To address this matter, the Company previously disclosed in the Annual Report (pages 47 to 48) its plans and measures to tackle the going concern issue. In compliance with the request from The Stock Exchange of Hong Kong Limited, the Company hereby provides a second update on the progress made since 1 January 2025:

Key Actions Taken to Address the Going Concern Issue:

1. Performance of Mining Operation

Reference is made to the interim report 2025 of the Company for the six months ended 30 June 2025, published on 26 September 2025. During the six months ended 30 June 2025, the Mining Operation further recorded revenue of approximately HK$514.73 million and segment profit of approximately HK$172.42 million.

After the six months ended 30 June 2025 to mid of September 2025, the Mining Operation further recorded revenue over approximately HK$90 million. As this result, we forecast that the revenue of Mining Operation is expected to reach approximately HK$800 million for the year 2025. This reflects the operational viability of the Group's mining assets and their potential to deliver sustained income over time.

This robust result reflects the Group's ongoing commitment to operational efficiency, resource optimisation, and cost management across the Mining Operation. The significant improvement in profitability is also attributed to stable commodity prices and increased production output during the period.

The Group has begun allocating the revenue generated from the Mining Operation toward the priority repayment of debts directly associated with it. To date, a portion of these proceeds has been used to settle short-term liabilities and reduce creditor exposure, thereby improving the Group's financial stability.

The Group remains committed to executing its turnaround strategy and enhancing shareholder value through operational efficiency, prudent financial management, and a disciplined approach to capital deployment.

2. Equity Financing:

Reference is made to the announcements dated 25 July 2025, 6 August 2025 and 18 August 2025 in relation to the subscriptions of new shares under general mandate.

On 25 July 2025, the Company entered into the six separate subscription agreements (the "**Subscription Agreements**") with six subscribers, pursuant to which the Company has conditionally agreed to issue, and the subscribers have conditionally agreed to subscribe for, the subscription shares comprising an aggregate of 2,490,500,000 new Shares at the subscription price of HK$0.03 per subscription share.

On 18 August 2025, the Company announced that all the conditions precedent set out in the Subscription Agreements had been fulfilled and the completion of the subscriptions took place on 18 August 2025. The net proceeds from the subscriptions, after deducting professional fees and other related expenses, amounted to approximately HK$74,700,000 (at approximately of HK$0.03 per subscription share), which is intended by the Company to utilize for (i) the settlement of bank loans and other borrowings under the current liabilities of the Group; and (ii) general working capital of the Group.

3. Cost Reduction Measures:

Internal cost-saving initiatives have been implemented since early 2024, including the optimization of operational processes and reduction in administrative expenses. The Group's administrative expenses for the year ended 31 December 2024 had decreased 17.81% compared with 2023.

Reference is made to the interim report 2025 of the Company for the six months ended 30 June 2025, published on 26 September 2025. The non-operational expenses for the six months ended 30 June 2025 was approximately HK$3.79 million, representing a decrease of approximately 14.96% over the same period in 2024.

The Board believes that relevant cost control needs to be gradual and cannot reduce any necessary expenses in one fell swoop. All departments of the Group still follow the policies to reduce expenses.

The Company remains committed to implementing its remedial plans and will continue to monitor progress closely. It will publish quarterly updates on or before the end of each 3-month period following this announcement until the disclaimer of opinion is resolved.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
NORTH MINING SHARES COMPANY LIMITED
Yang Ying Min
Chairman

Hong Kong, 30 September 2025

As at the date of this announcement, the Board of the Company comprises Mr. Yang Ying Min, Mr. Qian Yi Dong, Mr. Huang Zhidan, Mr. Shen Jian and Ms. Qian Si Qun as Executive Directors; and Mr. Shek Man Ho, Mr. Shen Ming Jie and Mr. Feng Jia Wei as Independent Non-executive Directors.