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# Tianqi Lithium Corporation
# 天齊鋰業股份有限公司

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

**(Stock Code: 9696)**

## CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS
## THE ACQUISITIONS

### THE ACQUISITIONS

The Board hereby announces that, for the purpose of obtaining Runfeng Mining and the Shaotangou mining rights held by it by acquiring 100% equity interest in Tianqi Xingyu and Runfeng Mining, on 24 November 2026, the Company and its subsidiaries Tianqi Chengdu and Tianqi HK (as the acquirers) entered into the Equity Acquisition Agreement with Tianqi Group, Tianqi Metals & Minerals and Elite Fortune Grace (as the transferors), Runfeng Mining and Tianqi Xingyu (as the target companies), pursuant to which (i) Tianqi HK has agreed to acquire, and Elite Fortune Grace has agreed to sell, the 87.8049% equity interest held by Elite Fortune Grace in Tianqi Xingyu (corresponding to 20.6105% equity interest in Runfeng Mining held by Tianqi Xingyu); (ii) Tianqi Chengdu has agreed to acquire, and Tianqi Group has agreed to sell, the 12.1951% equity interest held by Tianqi Group in Tianqi Xingyu (corresponding to 2.8626% equity interest in Runfeng Mining held by Tianqi Xingyu) and the 70.0899% equity interest directly held by Tianqi Group in Runfeng Mining; and (iii) Tianqi Chengdu has agreed to acquire, and Tianqi Metals & Minerals has agreed to sell, the 6.4370% equity interest held by Tianqi Metals & Minerals in Runfeng Mining (collectively, the "**Equity Acquisition Transaction**"). Through the Equity Acquisition Transaction, Runfeng Mining and Tianqi Xingyu will become wholly-owned subsidiaries of the Company and will be consolidated into the Company's consolidated financial statements. The total consideration for the Equity Acquisition Transaction is RMB6,854,241,300.

In order to obtain the Shangdubu Exploration Rights held by Tianqi Group, on the same date, Yajiang Mining, a subsidiary of the Company (as the purchaser), entered into the Exploration Rights Transfer Agreement with Tianqi Group (as the vendor), pursuant to which Yajiang Mining has agreed to acquire in cash, and Tianqi Group has agreed to sell, the detailed exploration rights for the Shangdubu spodumene and silica mines in Yajiang County, Sichuan Province (the "**Exploration Rights Acquisition Transaction**"), at a consideration of RMB17,276,800 (tax inclusive).

**HONG KONG LISTING RULES IMPLICATIONS**

From the perspective of connected transactions under Chapter 14A of the Hong Kong Listing Rules, as at the date of this announcement, Tianqi Group held approximately 24.30% equity interest in the Company, and is therefore a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Tianqi Metals & Minerals and Runfeng Mining are subsidiaries and associates of Tianqi Group and are also connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Elite Fortune Grace is a wholly-owned company indirectly controlled by Ms. Jiang, a Director, and an associate of Ms. Jiang, Tianqi Xingyu is a subsidiary of Elite Fortune Grace and an associate of Ms. Jiang. Elite Fortune Grace and Tianqi Xingyu are also connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratios (as defined under the Hong Kong Listing Rules, the same below) in respect of the Acquisitions exceed 5%, the Acquisitions are subject to the reporting, announcement, circular (including the opinion of the Independent Financial Adviser) and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

From the perspective of notifiable transactions under Chapter 14 of the Hong Kong Listing Rules, as the highest applicable percentage ratios in respect of the Acquisitions exceed 5% but are less than 25%, the Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Hong Kong Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

**GENERAL**

A circular containing, among others, (i) information on the Acquisitions; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) an opinion letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice of the General Meeting, is expected to be despatched as soon as practicable within 15 business days after the publication of this announcement.

## I. THE ACQUISITIONS

### (I) Principal Terms of the Equity Acquisition Agreement

#### 1. Date

24 November 2026

#### 2. Parties

| | | |
|---|---|---|
| Acquirers | : | The Company, Tianqi HK and Tianqi Chengdu |
| Transferors | : | Tianqi Group, Elite Fortune Grace and Tianqi Metals & Minerals |
| Target companies | : | Runfeng Mining and Tianqi Xingyu |

## 3. Interests to be acquired

100% equity interest in target companies.

## 4. Consideration and payment arrangements

The total consideration for the Equity Acquisition Transaction is RMB6,854,241,300.

The consideration for the Equity Acquisition Transaction shall be paid in the following manner:

(i) Upfront payment: Within 15 business days after the Equity Acquisition Agreement has become effective, each acquirer shall pay an upfront payment to the corresponding transferor in accordance with the following arrangements:

(a) Tianqi HK shall pay a transfer price of RMB417,227,900 to Elite Fortune Grace;

(b) Tianqi Chengdu shall pay a transfer price of RMB248,300,500 to Tianqi Metals & Minerals;

(c) Tianqi Chengdu shall pay a transfer price of RMB1,218,634,400 to Tianqi Group.

Tianqi HK shall pay Elite Fortune Grace an equivalent amount in US dollars as the aforesaid transfer price at the US$/RMB central parity rate published by the State Administration of Foreign Exchange on the date of execution of the Equity Acquisition Agreement.

(ii) Progress payment: Within 20 business days after the transferors have received the upfront payment, the parties shall execute the documents for industrial and commercial registration changes and complete the registration changes as agreed. Within 15 business days after the parties have completed the foregoing matters, each acquirer shall pay a progress payment to the corresponding transferor in accordance with the following arrangements:

(a) Tianqi HK shall pay a transfer price of RMB417,228,000 to Elite Fortune Grace;

(b) Tianqi Chengdu shall pay a transfer price of RMB248,300,500 to Tianqi Metals & Minerals;

(c) Tianqi Chengdu shall pay a transfer price of RMB1,218,634,400 to Tianqi Group.

Tianqi HK shall pay Elite Fortune Grace an equivalent amount in US dollars as the aforesaid transfer price at the US$/RMB central parity rate published by the State Administration of Foreign Exchange on the date of execution of the Equity Acquisition Agreement.

(iii) Final payment: The final payment of the Equity Acquisition Transaction only corresponds to the consideration payable by Tianqi Chengdu for the 40% equity in Runfeng Mining held by Tianqi Group which is RMB3,085,915,600. The final payment shall be paid by Tianqi Chengdu within 15 working days prior to 31 December 2027, subject to deduction of the amounts which the acquirer is entitled to deduct pursuant to the Equity Acquisition Agreement (see "8. Undertakings by Tianqi Group" below).

The consideration under the Equity Acquisition Agreement shall be paid by the Company using its own funds or self-raised funds.

**5. Debt arrangements**

As of 30 June 2026, Tianqi Xingyu was indebted to Tianqi Group in respect of borrowings: the principal amount of the borrowings was RMB887,277,000; interest provisionally calculated up to 30 June 2026 was RMB33,763,116.13; and the aggregate amount of principal and interest was RMB921,040,116.13 (the "**Original Borrowings**"). The calculation of interest on, and the final settlement amount of, the Original Borrowings shall be subject to the loan agreement and the settlement statement entered into between Tianqi Xingyu and Tianqi Group. The Company agrees that, subject to compliance with applicable regulatory requirements, it will advance loans to Tianqi Xingyu within 30 business days after completion of the Equity Acquisition Agreement for the purpose of repaying the Original Borrowings and interest. Upon full repayment of the debt by Tianqi Xingyu to Tianqi Group, Tianqi Group shall issue a document confirming that the debt has been settled in full.

The Transaction Price of Mining Rights Transfer Proceeds payable by Runfeng Mining to the competent authority in connection with application for new mining rights shall be borne by Runfeng Mining in accordance with the laws. Pursuant to the Public Notice on the Valuation Results of the Negotiated Transfer Transaction Price for the Upper Portion (+4,400 m to +4,555 m) within the Plan Scope of the Shaotangou Vein Quartz and Spodumene Mining Right (《關於燒炭溝脈石英、鋰輝石礦採礦權平面範圍內上部(+4,400m~+4,555m)協議出讓成交價評估結果的公示》) released by the Sichuan Provincial Department of Natural Resources on 8 October 2026 and the Valuation Report on Negotiated Transfer Transaction Price for the Mining Rights of Shaotangou Vein Quartz and Spodumene Mine (+4,400m to +4,555m)" of Yajiang Runfeng Mining Limited Liability Company (《雅江縣潤豐礦業有限責任公司燒炭溝脈石英、鋰輝石礦採礦權(+4,400m~+4,555m)協議出讓成交價評估報告》), the mining rights transfer price was determined to be RMB969,131,700. To ensure that the relevant procedures are completed in a timely manner, Runfeng Mining shall prioritize applying for borrowings (the "**New Borrowings**") from financial institutions, with Tianqi Group acting as the guarantor for the New Borrowings, which will be used for payment of the Transaction Price of Mining Rights Transfer Proceeds as finally confirmed or determined by the competent authority, together with the administrative fees directly relating thereto (if any). If the borrowings approved by financial institutions are insufficient, Runfeng Mining may borrow from Tianqi Group (the "**Further Borrowings**").

Following the completion of the Equity Acquisition Transaction, the Company agrees that, subject to compliance with applicable regulatory requirements, it will cooperate in releasing Tianqi Group's guarantee liability for the New Borrowings and changing the Company as the guarantor for the New Borrowings within 30 business days after the completion of the Equity Acquisition Transaction. In the event that Tianqi Group provides the Further Borrowings to Runfeng Mining, the Company agrees that, subject to compliance with applicable regulatory requirements, it will provide a special purpose loan to Runfeng Mining within 30 business days after the completion of the Equity Acquisition Transaction for the purpose of repayment of the Further Borrowings from Runfeng Mining to Tianqi Group and interests thereon. Upon completion of repayment of the Further Borrowings by Runfeng Mining to Tianqi Group, Tianqi Group will issue a debt settlement confirmation document.

## 6. Completion arrangements

Within 7 business days after all the conditions precedent to the completion as agreed under the Equity Acquisition Agreement have been satisfied or the relevant conditions have been waived, the transferors shall submit a completion confirmation to the acquirers. The acquirers shall, within 7 business days after receipt of the completion confirmation, confirm whether the completion conditions have been satisfied. If the acquirers fail to provide confirmation or raise any objection within the prescribed period, the completion conditions shall be deemed to have been confirmed as satisfied. The date on which the acquirers confirm the satisfaction of the completion conditions, or such other date as the parties otherwise agree in writing, shall be the completion date.

The latest completion date shall be 30 June 2027. If any of the conditions precedent remains unsatisfied or unwaived thereafter, the acquirers shall be entitled, at their sole discretion, to:

(i) postpone the completion date to a later date;

(ii) convert such unsatisfied condition precedent into a post-completion undertaking and a condition for the final payment; or

(iii) terminate the Equity Acquisition Agreement in accordance with the terms thereof.

## 7. Allocation of profits and losses during the Transition Period

Any losses caused by the transferors, any undisclosed liabilities and any non-compliant matters arising during the period from the transaction benchmark date (30 June 2026) to the completion date (the "**Transition Period**") shall be borne by the transferors.

## 8. Undertakings by Tianqi Group

As required by the competent natural resources authority, Runfeng Mining is required to apply to the registration authority for issuance/replacement of a new real estate property ownership certificate (mining right) and mining license (the "**New Mining License**") in respect of its Shaotangou mining right due to the expansion of the mining area/alteration of the mining area boundaries and the change in mining elevation. Tianqi Group undertakes that, as the controlling shareholder among existing Shareholders of Runfeng Mining, it shall undertake and procure/cooperate with Runfeng Mining to continue to advance the application for the New Mining License after the completion, and Runfeng Mining shall, no later than the long stop date (30 June 2027), obtain the new real estate property ownership certificate (mining right) and the mining licence issued by the competent natural resources authority. If the progress of the relevant procedures is delayed due to non-subjective reasons of the contracting parties, the long stop date may be appropriately extended upon negotiation between the Company and Tianqi Group.

If Runfeng Mining has not obtained new mining rights as required under the Equity Acquisition Agreement as of the long stop date, the consideration compensation mechanism provided under the Equity Acquisition Agreement shall be triggered, whereby the transferors shall compensate the acquirers preferentially by deducting the compensation amount from the final payment not yet received by Tianqi Group. The consideration compensation amount shall be determined in accordance with the following principles:

(i) with the long stop date as the valuation benchmark date, a specialist valuation institution with securities and futures business qualifications recognised by the parties shall conduct a special valuation of the value of the total shareholders' equity of the target companies and issue a special valuation report;

(ii) the parties shall, within 5 business days after the long stop date, jointly commence the procedures for the selection and engagement of the specialist valuation institution and use their best endeavours to obtain the special valuation report within 30 business days after the specialist valuation institution is engaged; any delay in the valuation caused by the failure of any party to cooperate shall not affect the acquirers' right to continue to reserve final payment and to claim compensation;

(iii) the consideration compensation amount shall be the difference between the appraised value of the total shareholders' equity of the target companies on which the consideration for the Equity Acquisition Transaction was determined (see "II. Basis for Determination of the Consideration for the Acquisitions – (I) Basis for Determination of the Consideration for the Equity Acquisition Transaction" below) and the appraised value of the total shareholders' equity of the target companies as determined in the special valuation report under the circumstances that the New Mining Iicence as provided under the Equity Acquisition Agreement have not been obtained and the relevant core changes have not effected;

(iv) for the avoidance of doubt, the special valuation shall fully reflect the failure to obtain the new mining license, the failure to achieve the relevant elevation expansion, the failure to obtain or effectively exercise the corresponding lithium mining rights and interests, the failure to confirm or utilize the resource reserves,

the failure to increase the production scale, and the resulting development and utilization conditions, construction arrangements, operating period, cash flow projections, capital expenditures, costs and expenses, taxes and fees, and other factors affecting the value;

(v) if the compensation amount is less than the reserved final payment, Tianqi Chengdu shall, within the period of the final payment as agreed under the Equity Acquisition Agreement, pay to Tianqi Group the balance of the reserved final payment after deduction of the compensation amount; if the compensation amount is equal to or higher than the reserved final payment, Tianqi Chengdu shall not be required to pay the reserved final payment, and Tianqi Group shall, within 30 business days after receipt of a written notice from the acquirers, pay to Tianqi Chengdu a cash compensation in respect of the portion in excess of the reserved final payment.

Upon Runfeng Mining obtaining a New Mining License in respect of the Shaotangou mining rights, once the contracting parties confirm in writing that Runfeng Mining has obtained the new mining rights in compliance with the Equity Acquisition Agreement, the consideration compensation obligation stipulated under the Equity Acquisition Agreement shall no longer be triggered with effect from the date of the written confirmation by the contracting parties.

**9. Liabilities for breach**

If the transferors and/or the target companies commit any general breach as provided under the Equity Acquisition Agreement, the acquirers shall be entitled to require the transferors and/or the target companies to rectify such breach within a reasonable period (being not less than 15 business days). If such breach is not rectified upon expiry of such period, the relevant transferors shall pay liquidated damages to the acquirers at the rate of 0.01‰ per day of the transfer consideration received or receivable by them until the date on which such breach is fully rectified.

If the transferors and/or the target companies commit any material breach as provided under the Equity Acquisition Agreement, the acquirers shall be entitled to require the transferors and/or the target companies to take remedial measures within a reasonable period, to suspend payment of any amounts not yet due or payable, to claim damages from the transferors, to terminate the Equity Acquisition Agreement, and/or to pursue any other remedies as provided under applicable laws and regulations and the Equity Acquisition Agreement.

**(II) Principal Terms of the Exploration Rights Transfer Agreement**

**1. Date**

24 November 2026

**2. Parties**

Purchaser : Yajiang Mining
Vendor : Tianqi Group

**3. Interests to be acquired**

The detailed exploration rights for the Shangdubu spodumene and silica mines in Yajiang County, Sichuan Province (the "**Shangdubu Exploration Rights**") held by Tianqi Group.

**4. Consideration and payment arrangements**

The total consideration for the Exploration Rights Acquisition Transaction is RMB17,276,800 (tax inclusive).

Subject to the satisfaction or waiver of all the conditions precedent to the completion (see "5. Completion arrangements" below), the consideration for the Exploration Rights Acquisition Transaction shall be paid by Yajiang Mining to Tianqi Group in cash in a lump sum within 15 business days after the completion date (see "5. Completion arrangements" below).

**5. Completion arrangements**

Within 3 business days after all the conditions precedent to the completion as agreed under the Exploration Rights Transfer Agreement have been satisfied or the relevant conditions have been waived, Tianqi Group shall submit a completion confirmation to Yajiang Mining. Yajiang Mining shall, within 3 business days after receipt of the completion confirmation, confirm whether the completion conditions have been satisfied. If Yajiang Mining fails to provide confirmation or raise any objection within the prescribed period, the completion conditions shall be deemed to have been confirmed as satisfied. The date on which Yajiang Mining confirms the satisfaction of the completion conditions, or such other date as both parties otherwise agree in writing, shall be the completion date.

The latest completion date shall be 30 June 2027. If any of the conditions precedent remains unsatisfied or unwaived thereafter, Yajiang Mining shall be entitled, at its sole discretion, to:

(i) postpone the completion;

(ii) convert such unsatisfied condition precedent into a post-completion undertaking; or

(iii) terminate the Exploration Rights Transfer Agreement in accordance with the terms thereof.

**6. Allocation of profits and losses during the transition period**

Any losses caused by Tianqi Group, any undisclosed liabilities and any non-compliant matters arising during the period from the transaction benchmark date (30 June 2026) to the completion date (the "**Transition Period**") shall be borne by Tianqi Group.

**7. Liabilities for breach**

If Tianqi Group commits any general breach as provided under the Exploration Rights Transfer Agreement, Yajiang Mining shall be entitled to require Tianqi Group to rectify such breach within a reasonable period (being not less than 15 business days). If such breach is not rectified upon expiry of such period, Tianqi Group shall pay liquidated damages to Yajiang Mining at the rate of 0.01% per day of the transfer consideration received or receivable by it until the date on which such breach is fully rectified.

If Tianqi Group commits any material breach as provided under the Exploration Rights Transfer Agreement, Yajiang Mining shall be entitled to require Tianqi Group to take remedial measures within a reasonable period, to claim damages from Tianqi Group, to terminate the Exploration Rights Transfer Agreement, no longer to pay the transfer consideration and/or to pursue any other remedies as provided under applicable laws and regulations and the Exploration Rights Transfer Agreement.

After the date of completion of the registration of the change of the exploration rights, if any material breach as provided under the Exploration Rights Transfer Agreement occurs and results in a material adverse effect, Yajiang Mining shall be entitled to require Tianqi Group to, within a reasonable period designated by Yajiang Mining, complete the relevant renewals, release and discharge any encumbrances, settle outstanding debts, obtain the necessary approvals, complete the relevant change registrations, take other remedial measures and/or compensate for any losses. All expenses and liabilities arising from such remedial actions shall be borne by Tianqi Group. Yajiang Mining shall also be entitled to terminate the agreement, cease payment of the transfer consideration and/or require the refund of any transfer consideration already paid.

## II. BASIS FOR DETERMINATION OF THE CONSIDERATION FOR THE ACQUISITIONS

### (I) Basis for Determination of the Consideration for the Equity Acquisition Transaction

Beijing KYSIN Assets Appraisal Co., Ltd. (北京坤元至誠資產評估有限公司, qualified to engage in securities and futures business) issued the Runfeng Mining Equity Valuation Report and the Tianqi Xingyu Equity Valuation Report, respectively, in respect of the equity interests in Runfeng Mining and Tianqi Xingyu with 30 June 2026 as the valuation benchmark date (the "**Valuation Benchmark Date**"). The asset-based approach was adopted for the valuation of the equity interests in Runfeng Mining and Tianqi Xingyu, while the discounted cash flow method was adopted for the valuation of the Shaotangou mining rights controlled by Runfeng Mining. The appraised values of the equity interests in Runfeng Mining and Tianqi Xingyu were RMB7,714,789,200 and RMB950,352,300, respectively. The consideration for the Equity Acquisition Transaction was finally determined by reference to the appraised values, after arm's length negotiations among the parties, and in accordance with the formula set out below:

(i) Tianqi HK's acquisition of 87.8049% equity interest in Tianqi Xingyu held by Elite Fortune Grace:

Transfer price = Appraised value of equity interest in Tianqi Xingyu × 87.8049%, totalling approximately RMB834,455,900;

(ii) Tianqi Chengdu's acquisition of 12.1951% equity interest in Tianqi Xingyu directly held by Tianqi Group:

Transfer price = Appraised value of equity interest in Tianqi Xingyu × 12.1951%, totalling approximately RMB115,896,400;

(iii) Tianqi Chengdu's acquisition of 6.4370% equity interest in Runfeng Mining directly held by Tianqi Metals & Minerals:

Transfer price = Appraised value of equity interest in Runfeng Mining × 6.4370%, totalling approximately RMB496,601,000;

(iv) Tianqi Chengdu's acquisition of 70.0899% equity interest in Runfeng Mining directly held by Tianqi Group:

Transfer price = Appraised value of equity interest in Runfeng Mining × 70.0899%, totalling approximately RMB5,407,288,000 (if the relevant terms under the Equity Acquisition Agreement are triggered, the actual transfer price shall be deducted by the post-adjustment items based on the Valuation Benchmark Date).

The valuers engaged by the Company hold the qualifications for the valuation of exploration and mining rights and satisfy the independence requirements. For the general information, key input parameters and details of assumptions for the valuation of Runfeng Mining, please refer to Appendix II to this announcement. For the general information, key input parameters and details of assumptions for the valuation of Tianqi Xingyu, please refer to Appendix III to this announcement.

**(II) Basis for Determination of the Consideration for the Exploration Rights Acquisition Transaction**

Beijing KYSIN Assets Appraisal Co., Ltd. issued the Shangdubu Exploration Rights Valuation Report in respect of the Shangdubu Exploration Rights with 30 June 2026 as the valuation benchmark date (the "**Valuation Benchmark Date**"). The exploration cost-effectiveness method was adopted for the valuation of the Shangdubu Exploration Rights, and the appraised value of the Shangdubu Exploration Rights is RMB16,298,900 (exclusive of tax). The consideration for the Exploration Rights Acquisition Transaction was determined by reference to the appraised value after arm's length negotiations among the parties.

As confirmed by all contracting parties, pursuant to Article 17 of the Regulations for the Implementation of the Mineral Resources Law of the People's Republic of China (《中華人民共和國礦產資源法實施條例》): "upon renewal of an exploration right, the exploration area shall be subject to area relinquishment in the proportion prescribed by the competent natural resources department of the State Council. However, exploration areas in which mineral resources have been identified or which satisfy the conditions prescribed by the competent natural resources department of the State Council shall be excluded from the calculation base for the relinquishment area"; the renewal of the exploration license and any reduction to the exploration area occurring after the valuation benchmark date shall not affect the valuation conclusion set out in the Valuation Report or the determination of the transfer consideration.

The valuers engaged by the Company hold the qualifications for valuation of exploration and mining rights and satisfy the independence requirements. For the general information, key input parameters and details of assumptions for the valuation of the Shangdubu Exploration Rights, please refer to Appendix IV to this announcement.

The consideration for the Acquisitions was agreed among the parties following negotiations based on the valuations prepared by an independent third-party valuer, taking into account, among other factors, the mineral resources and reserves covered by the Shaotangou Mining Rights and Shangdubu Exploration Rights, the conditions for development and the capital expenditure required for subsequent construction. The parties of the Equity Acquisition Agreement have also agreed on a specific mechanism for compensating the acquirers in respect of the consideration for the Equity Acquisition Transaction in connection with the application for the new mining license. Under this mechanism, Tianqi Group is responsible for any compensation payable in accordance with the terms of the Equity Acquisition Agreement(see "8. Undertakings by Tianqi Group" above). The parties have further provided for payment of the consideration in instalments, set out conditions precedent to completion and specified liability for breach of the agreement to safeguard the Company's interests. Having regard to the stage of development of the target assets of Acquisitions, the pricing of the Acquisitions and the safeguards described above which help protect the legitimate rights and interests of the Company and its minority Shareholders, the parties agreed, following full negotiations, that no undertaking would be given in respect of annual or cumulative net profit under the Acquisitions.

## III. REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Acquisitions are aimed at actively responding to the national goals of achieving carbon peaking and carbon neutrality, strategic orientation of achieving independent control over the industrial chain and promoting high-quality development of the capital market, as well as seizing market windows and resource integration opportunities in the lithium industry cycle. The Acquisitions focus on the Company's principal business in new energy materials centered on lithium through directly or indirectly acquiring lithium mining rights and exploration rights under Tianqi Group, so as to further expand controlled lithium resource reserves of the Company, enhance the ability of resources self-sufficiency, strengthen cost advantages in upstream resources. Meanwhile, the Acquisitions streamline business boundaries of internal assets within the Group, reduce potential related (connected) transactions and competitive conflicts, continuously improving core competitiveness and resilience against cyclical fluctuations, enhancing overall asset quality and long-term investment value of the Company, and safeguarding fundamental interests of the Company and all Shareholders.

### 1. Aligned with the long-term strategy of "Consolidating the Upstream", significantly expanding the domestic lithium resource reserves

The Acquisitions will further strengthen the Company's upstream lithium resource reserves, aligning with the Company's long-term strategic plan of "Consolidating the Upstream" and enhancing the core competitiveness of the Company. By acquiring Runfeng Mining and the Shaotangou lithium mining rights held by it, as well as Shangdubu Exploration Rights held by Tianqi Group, the Company may achieve a significant rise in domestic lithium resource reserves, which is in line with the Company's long-term strategy of "Consolidating the Upstream "and will lay a solid resource foundation for the Company to compete in the global lithium industry.

2. **Responding to national resource security deployment to ensure independent control over the industrial chain and implementation of carbon peaking and carbon neutrality measures**

With the intensification of global geopolitical conflicts and divisions, strategic value of lithium resources become obvious. The resource integration aligns with domestic green mineral development policies. Global trade protectionism and geopolitical risks have elevated, leading to a significant rise in the uncertainty of Chinese enterprises' overseas lithium resource layout. As the world's largest lithium consumer, China's dependence on lithium resources from abroad remains at a relatively high level. The stability of the supply chain continues to face challenges, and the strategic value of domestic lithium resources has become increasingly prominent. Meanwhile, as the nation has included lithium in the Strategic Green Mineral List, in order to further promote independent control over the industrial chain, the Acquisitions will also respond to the national call, providing stable resource support for national energy transition and contribution to "carbon peaking and carbon neutrality" goals.

3. **The core mining area boasts superior endowment conditions with project scarcity and remarkable reserve value**

The Shaotangou project itself boasts superior resource endowment. Shaotangou is located in Jiajika lithium mineralization area, which is characterized by its large scale, shallow burial depth, excellent resource endowment, and ease of mining and processing. The measured resources of Jiajika have reached 1,887,700 tonnes, with an average grade of approximately 1.30%-1.42%. Shaotangou enjoys 757,700 tonnes of lithium oxide in total. The Company holds the right of preemption, which possesses scarcity value compared to other projects with clearly defined owners.

4. **Collaborative development with adjacent self-owned mines to reduce costs, increase efficiency, and enhance project profitability**

Shaotangou lithium mine is geographically adjacent to self-owned mine of the Company, the Cuola Spodumene Mine in Yajiang, Sichuan, offering advantages for nearby coordinated development and effectively reducing development and production costs. Shaotangou lithium mine and the Cuola Spodumene Mine in Yajiang, Sichuan both belong to the core lithium mining areas of Sichuan Province. The two mines share partial infrastructure, thereby reducing fixed development costs, having the likelihood to significantly lower unit costs for mining, processing, and transportation, effectively cutting production expenses and enhancing the economic viability of the project.

5. **Leveraging the right of preemption to resolve competition with related party at a fair price**

With prior commitment to avoid competition made by Tianqi Group, the Company has the right of preemption and possesses the advantage to secure resources. Shaotangou lithium mine is expected to become commercially viable for mining in the near future. The Company intends to promptly proceed with the Acquisitions to secure resources and resolve the potential competition with related party. The pricing of the Acquisitions is fair, which can effectively safeguard the interests of all Shareholders and enhance the efficiency of asset integration.

Based on the above reasons and benefits, the Directors are of the view that the terms of the Acquisitions are entered into on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole. Ms. Jiang and Mr. Jiang, being Directors who hold positions in Tianqi Group, have abstained from voting on the relevant Board resolution approving the Acquisitions. Save as stated above, no other Directors have a material interest in the Acquisitions and are required to abstain from voting on the relevant Board resolution approving the Acquisitions.

## IV. INFORMATION ON THE PARTIES

### (I) Parties to the Equity Acquisition Agreement

#### 1. Acquirers

(i) Information on the Company

The Company was a limited liability company incorporated in the PRC in 1995 and was subsequently converted into a joint stock limited company. The Company is a lithium-focused new energy material enterprise dually listed on the SZSE and the Hong Kong Stock Exchange. The Company's principal business covers key stages of the lithium industry chain, including the development of hard rock lithium resources, the production and sales of lithium concentrates, and the production and sales of lithium chemical products. Leveraging its global industrial footprint in China, Australia and Chile, the Company provides high-quality, sustainable lithium solutions for various sectors including new energy, energy storage, electronics and industrial scenarios. The Company has established stable and long-term partnerships with major global customers in the power battery, battery materials, new energy vehicle and electronics industries, and occupies a relatively important market position in the lithium industry chain.

(ii) Information on Tianqi HK

Tianqi HK is a limited liability company incorporated in Hong Kong, China in 2015, principally engaged in investment holding and trading businesses, and is a wholly-owned subsidiary of Tianqi Chengdu.

(iii) Information on Tianqi Chengdu

Tianqi Chengdu is a limited liability company incorporated in the PRC in 2014, principally engaged in import and export trading, and is a wholly-owned subsidiary of the Company.

#### 2. Transferors

(i) Information on Tianqi Group

As a member of the single largest group of Shareholders of the Company, Tianqi Group is a limited liability company incorporated in the PRC in 2003, principally engaged in the lithium industry, additive manufacturing, international trade and other sectors. It is held as to 90% and 10% equity interest by Mr. Jiang and Ms. Zhang, respectively, and its ultimate beneficial owner is Mr. Jiang.

(ii) Information on Elite Fortune Grace

Elite Fortune Grace is a private company limited by shares incorporated in Hong Kong, China in 2025, principally engaged in equity investment, business management and consultancy and investment consulting, and its ultimate beneficial owner is Ms. Jiang.

(iii) Information on Tianqi Metals & Minerals

Tianqi Metals & Minerals is a limited liability company incorporated in the PRC in 1998, principally engaged in international trade, which mainly involves the import, sales, and related trading of commodities such as borates, mineral products, and is a wholly-owned subsidiary of Tianqi Group.

**3. Target companies**

(i) Information on Runfeng Mining

Runfeng Mining is a limited liability company established under the PRC laws in 2003, principally engaged in mining, processing and sales of vein quartz ore and lithium ore.

As at the date of this announcement, 70.0899%, 23.4731% and 6.4370% equity interest of Runfeng Mining was held by Tianqi Group, Tianqi Xingyu and Tianqi Metals & Minerals, respectively, of which Tianqi Metals & Minerals is a wholly-owned subsidiary of Tianqi Group.

The following sets out the key consolidated financial information of Runfeng Mining for the financial years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 prepared in accordance with China Accounting Standards for Business Enterprises:

*RMB*

| | | | **Six months ended** |
|---|---|---|---|
| | **2024** | **2025** | **30 June 2026** |
| Total revenue | 0 | 0 | 0 |
| Net profits before tax | 1,791,096.75 | 70,786.73 | 474,022.64 |
| Net profits after tax | -579,699.17 | -1,820,858.58 | -423,520.54 |
| Net assets | 554,374,425.58 | 552,553,567.00 | 552,130,046.46 |

Tianqi Group and its subsidiaries, Tianqi Metals & Minerals and Tianqi Xingyu, collectively hold 100% equity interest of Runfeng Mining at a total acquisition cost of RMB1,822,024,793.85.

(ii) Information on Tianqi Xingyu

Tianqi Xingyu is a limited liability company established under the PRC laws in 2023, principally engaged in corporate management, corporate management consulting and other businesses.

As at the date of this announcement, 87.8049% and 12.1951% equity interest of Tianqi Xingyu was held by Elite Fortune Grace and Tianqi Group, respectively.

The following sets out the key consolidated financial information of Tianqi Xingyu for the financial years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 prepared in accordance with China Accounting Standards for Business Enterprises:

*RMB*

| | **2024** | **2025** | **Six months ended 30 June 2026** |
|---|---|---|---|
| Total revenue | 0 | 0 | 0 |
| Net profits before tax | -801,607.18 | -21,042,573.54 | -14,431,267.48 |
| Net profits after tax | -801,607.18 | -21,042,573.54 | -14,431,267.48 |
| Net assets | 4,198,392.82 | 60,155,819.28 | 45,724,551.80 |

Tianqi Xingyu was established by Tianqi Group with a subscribed registered capital of RMB10 million. Elite Fortune Grace then subscribed an additional registered capital of RMB72 million. Through the aforementioned methods, Tianqi Group and Elite Fortune Grace collectively hold 100% equity interest of Tianqi Xingyu.

(iii) Information on the Shaotangou mining rights

Please refer to Appendix I to this announcement for information on the Shaotangou mining rights.

## (II) Parties to the Exploration Rights Transfer Agreement

### 1. Purchaser

Information on Yajiang Mining

Yajiang Mining is a limited liability company incorporated in the PRC in 2025, principally engaged in non-ferrous metal mineral mining and dressing activities, and is a wholly-owned subsidiary of the Company.

### 2. Vendor

Information on Tianqi Group

Please refer to the section headed "IV. INFORMATION ON THE PARTIES - (I) Parties to the Equity Acquisition Agreement – 2. Transferors" in this announcement.

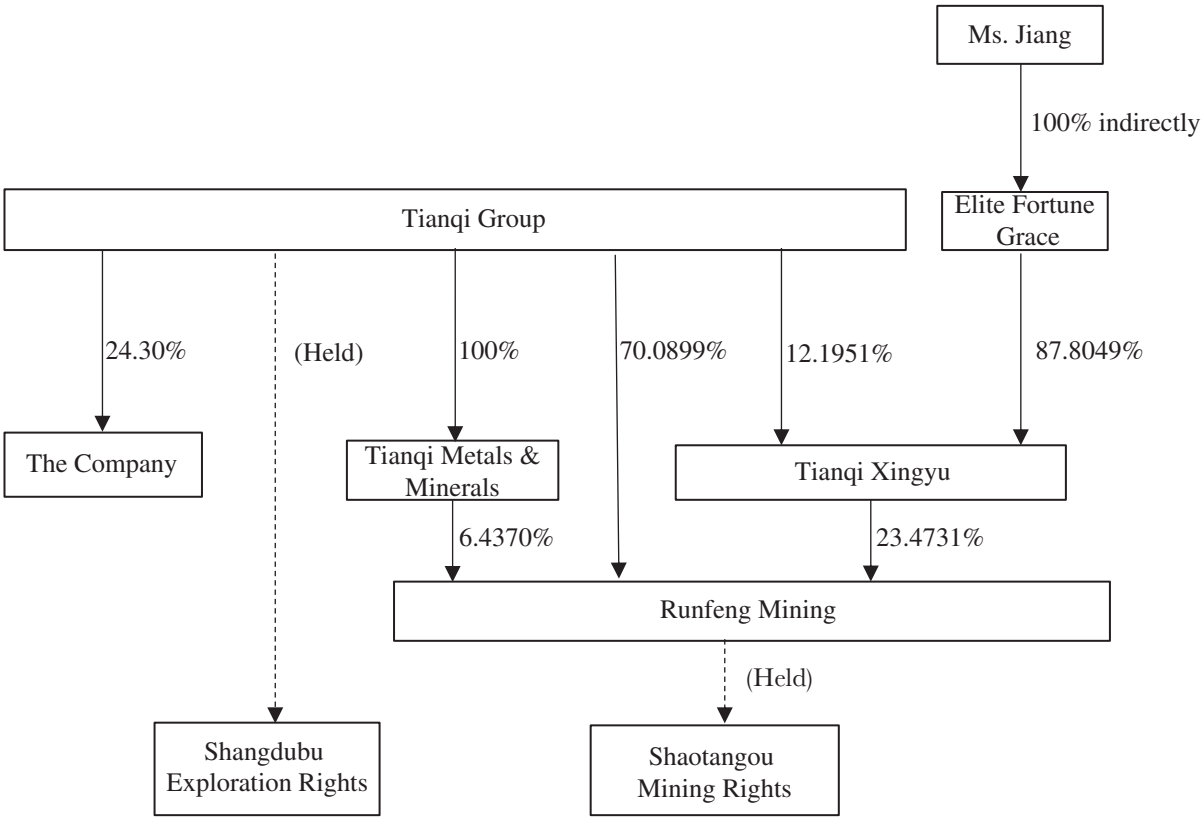
## 3. Information on the Shangdubu Exploration Rights

The total asset value of the Shangdubu Exploration Rights as at 31 December 2025 was RMB16.2989 million. As the Shangdubu spodumene and silica mine in Yajiang County, Sichuan Province underlying the Shangdubu Exploration Rights is currently at the exploration stage and has not yet entered the mining/production stage, the net profits before and after tax and total operating revenue of the Shangdubu Exploration Rights for the financial years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 were RMB0.

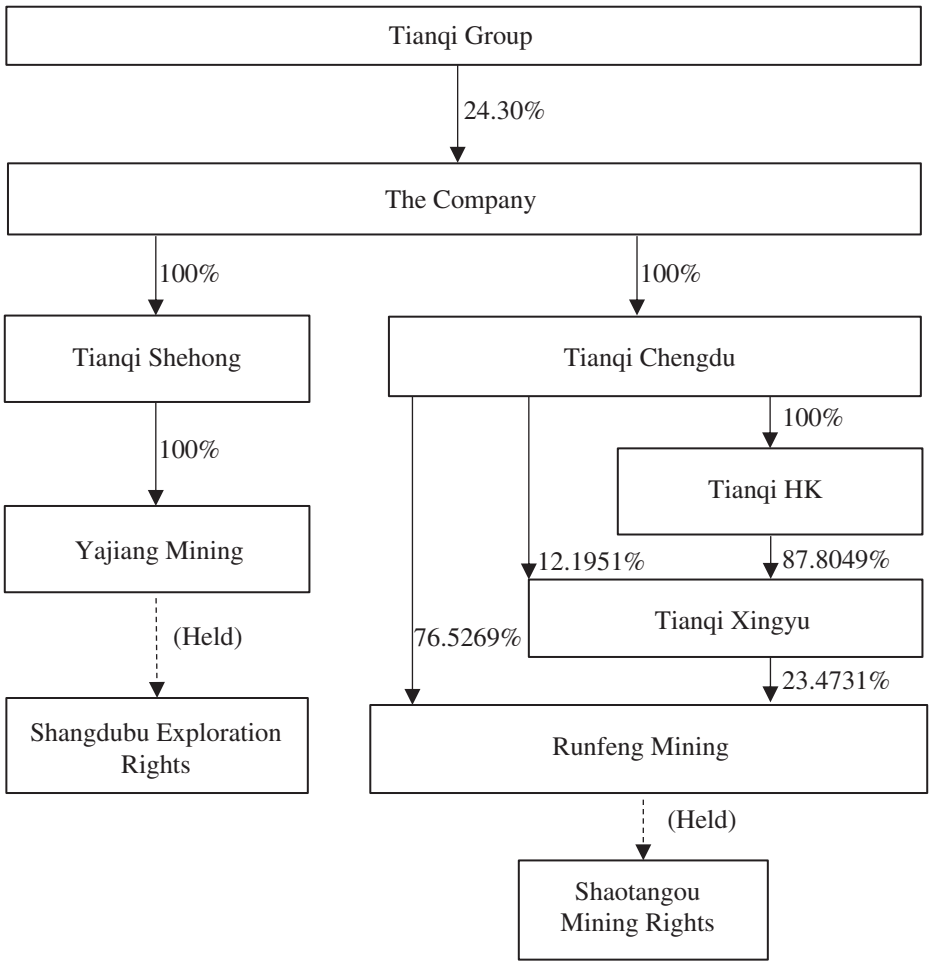
The original acquisition cost of the Shangdubu Exploration Rights was RMB5.405 million (including the initial purchase cost of the exploration rights of RMB5.0 million and transaction costs of RMB0.405 million). Please refer to Appendix I to this announcement for information on the Shangdubu Exploration Rights.

## (III) Simplified Shareholding Structure Chart Before and After the Completion of the Acquisitions

The chart below sets out the simplified shareholding structure as at the date of this announcement:



The chart below sets out the simplified shareholding structure immediately after the completion of the Acquisitions (assuming there are no other changes in the share capital structure of the following entities from the date of this announcement up to the completion date of the Acquisitions):




## V. HONG KONG LISTING RULES IMPLICATIONS

From the perspective of connected transactions under Chapter 14A of the Hong Kong Listing Rules, as at the date of this announcement, Tianqi Group held approximately 24.30% equity interest in the Company, and is therefore a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. Tianqi Metals & Minerals and Runfeng Mining are subsidiaries and associates of Tianqi Group and are also connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Elite Fortune Grace is a wholly-owned company indirectly controlled by Ms. Jiang, a Director, and an associate of Ms. Jiang, Tianqi Xingyu is a subsidiary of Elite Fortune Grace and an associate of Ms. Jiang. Elite Fortune Grace and Tianqi Xingyu are also connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratios in respect of the Acquisitions exceed 5%, the Acquisitions are subject to the reporting, announcement, circular (including the opinion of the Independent Financial Adviser) and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

From the perspective of notifiable transactions under Chapter 14 of the Hong Kong Listing Rules, as the highest applicable percentage ratios in respect of the Acquisitions exceed 5% but are less than 25%, the Acquisitions constitute discloseable transactions of the Company under Chapter 14 of the Hong Kong Listing Rules and are subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

## VI. GENERAL

A circular containing, among others, (i) information on the Acquisitions; (ii) a letter from the Independent Board Committee to the Independent Shareholders of the Company; and (iii) an opinion letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice of the General Meeting, is expected to be despatched as soon as practicable within 15 business days from the date of this announcement.

## VII. RISK WARNINGS

### (I) Risks Relating to the Shaotangou Mining Rights and the Shangdubu Exploration Rights

#### 1. Risks relating to resource reserves and mining scale

The target companies possess the mining right for lithium mineral resources, and their resource volume is estimated and determined based on the results of existing exploration works. Due to the limitations of the exploration works, resource exploration and development cannot be accurately projected, giving rise to the risk of inconsistencies between the estimated and actual resource volume, as well as the actual recoverable reserves. Meanwhile, during the future mining process, if there are significant changes in the geological and technical conditions for mining, or if constrained by the natural conditions of the environment where the mining project is located, there may be a risk of failing to achieve the expected mining scale, which may in turn adversely affect the production and operation of the target companies.

#### 2. Risks relating to administrative approvals and project progress

In the course of advancing the mining project, it is necessary to complete the requisite approval procedures, including obtaining a new mining license, project environmental impact assessment, safety assessment, and extension of the mining right, as well as to obtain necessary licenses and permits such as the safety production license, water drawing permit, and pollutant discharge permit. There are certain administrative approval risks during the process of completing the above procedures and obtaining the licenses and permits, as well as the resultant risk that the project progress may fall short of expectations.

#### 3. Risks relating to production safety and environmental protection

As mining activities will cause varying degrees of damage to the ore bodies and the geological structures of the surrounding rock strata, the possibility of safety accidents arising from mining activities and subsequent production cannot be completely avoided, and the target companies are exposed to production safety risks. Meanwhile, high environmental protection requirements are imposed during the production process. The tightening of national environmental protection standards or the promulgation of more stringent environmental protection policies may affect the target companies' achievement of designed production capacity and their future operations, thereby exposing it to environmental protection risks.

**4. Risks relating to land requisition and relations with surrounding communities**

The mine construction of the Shaotangou and Shangdubu lithium mines will involve land requisition, and the subsequent mining operations will also involve the handling of relations with surrounding residents. The risk of conflicts with surrounding residents arising from factors such as unexpected events cannot be ruled out. If such circumstances arise, they will bring an adverse impact on the mine construction and operations of such lithium mines.

**(II) Risks Relating to the Operations of the Company**

The Acquisitions involve a substantial amount of consideration, and the Company intends to pay such considerations in stages with its self-owned or self-raised funds, which may impose certain pressure on the Company's operating cash flow in the short term. Although the Company has made corresponding arrangements for the payment, there remains a risk that failure to make timely payments in accordance with the agreement may lead to the termination of the Acquisitions. The mineral resources mining industry is characterized by long construction periods and large capital investments. The initial infrastructure investment of the project is relatively high, giving rise to risks of a shortage of funds for mine construction and the project investment amount exceeding expectations. Meanwhile, the price of lithium concentrate is subject to multiple factors such as downstream demand, macroeconomic environment, and industrial policies. A downward trend in the price of lithium concentrate may also have an adverse impact on the future profitability of the target companies.

**(III) Other Risks**

The Acquisitions constitute related party transactions under the rules of the Shenzhen Stock Exchange and connected transactions under the Hong Kong Listing Rules, which are subject to consideration at the Shareholders' meeting of the Company and the fulfillment of the conditions precedent to completion stipulated in the agreements. There are uncertainties as to whether the completion can be successfully achieved and the timing of the completion. The Equity Acquisition Agreement has stipulated the latest completion date, and provided that if the conditions precedent to completion are not fulfilled or waived on schedule, the purchaser shall have the right to elect to extend the completion or change the unfulfilled conditions precedent into post-completion undertakings, which shall serve as the conditions for the final payment (see "(I) Principal Terms of the Equity Acquisition Agreement" above). The Exploration Rights Transfer Agreement has also stipulated the latest completion date, and provided that if the conditions precedent to completion are not fulfilled or waived on schedule, Yajiang Mining shall have the right to elect to extend the completion or change the unfulfilled conditions precedent into post-completion undertakings (see "(II) Principal Terms of the Exploration Rights Transfer Agreement" above).

## VIII. DEFINITIONS

In this announcement, the following words and expressions capitalized herein shall, unless the context otherwise requires, have the following respective meanings:

| | |
|---|---|
| "A Share(s)" | the domestic listed share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the SZSE (stock code: 002466), and traded in RMB |
| "A Shareholder(s)" | the holder(s) of A Share(s) |
| "Acquisitions" | the Equity Acquisition Transaction and the Exploration Rights Acquisition Transaction |
| "Board" or "Board of Directors" | the board of directors of the Company |
| "Company" | Tianqi Lithium Corporation (天齊鋰業股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the SEHK and the A Shares of which are listed on the SZSE |
| "connected person(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "connected transaction(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "Elite Fortune Grace" | Elite Fortune Grace Holding Limited, a private company limited by shares incorporated in Hong Kong, China in 2025, whose ultimate beneficial owner is Ms. Jiang |
| "Equity Acquisition Agreement" | the agreement dated 24 November 2026 in relation to the acquisition of equity interest of Yajiang Runfeng Mining Limited Liability Company and Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. entered into by the Company and its subsidiaries, Tianqi HK and Tianqi Chengdu (as the acquirers), with Elite Fortune Grace, Tianqi Group and Tianqi Metals & Minerals (as the transferors), Runfeng Mining and Tianqi Xingyu (as the target companies) |
| "Exploration Rights Transfer Agreement" | the agreement dated 24 November 2026 in relation to the transfer of the Shangdubu Exploration Rights of Chengdu Tianqi Industrial (Group) Co., Limited entered into between Yajiang Mining, a subsidiary of the Company (as the purchaser), and Tianqi Group (as the vendor) |
| "General Meeting" | the general meeting of the Company to be convened to consider and approve, among other things, the Acquisitions |

| | |
|---|---|
| "Group" | the Company and its subsidiaries |
| "H Share(s)" | the overseas listed share(s) in the ordinary share capital of the Company with a par value of RMB1.00 each, which are listed on the Main Board of the SEHK (stock code: 9696) |
| "H Shareholder(s)" | the holder(s) of H Share(s) |
| "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Independent Board Committee" | the independent committee of the Board, which comprises all Independent Non-executive Directors, established by the Company to advise the Independent Shareholders in respect of the Acquisitions |
| "Independent Financial Adviser" | Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions |
| "Independent Non-executive Director(s)" | the independent non-executive Director(s) of the Company |
| "Independent Shareholder(s)" | the Shareholder(s) of the Company who are independent of the Acquisitions and have no interest in the relevant transactions |
| "Mr. Jiang" | Mr. Jiang Weiping, a Director and a member of the single largest group of Shareholders of the Company, holding 90% equity interest in Tianqi Group |
| "Ms. Jiang" | Ms. Jiang Anqi, a Director |
| "Ms. Zhang" | Ms. Zhang Jing, the spouse of Mr. Jiang and a member of the single largest group of Shareholders of the Company, holding 10% equity interest in Tianqi Group and 4.01% equity interest in the Company |
| "PRC" or "China" | the People's Republic of China |
| "RMB" | the lawful currency of the PRC |

| | |
|---|---|
| "Runfeng Mining" | Yajiang Runfeng Mining Limited Liability Company (雅江縣潤豐礦業有限責任公司), a limited liability company established under the PRC laws in 2003, which was held as to 70.0899% by Tianqi Group, as to 23.4731% by Tianqi Xingyu and as to 6.4370% by Tianqi Metals & Minerals as at the date of this announcement |
| "SEHK" or "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Shareholder(s)" | the holder(s) of shares, including A Shareholder(s) and H Shareholder(s) |
| "subsidiary(ies)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "substantial shareholder(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules |
| "SZSE" | the Shenzhen Stock Exchange |
| "Tianqi Chengdu" | Chengdu Tianqi Lithium Co., Limited (成都天齊鋰業有限公司), a limited liability company incorporated in the PRC in 2014 and a wholly-owned subsidiary of the Company |
| "Tianqi Group" | Chengdu Tianqi Industrial (Group) Co., Limited (成都天齊實業(集團)有限公司), a limited liability company incorporated in the PRC in 2003, which is a member of the single largest group of Shareholders of the Company, and is held as to 90% by Mr. Jiang and as to 10% by Ms. Zhang. At the date of this announcement, Tianqi Group held approximately 24.30% equity interest of the Company |
| "Tianqi HK" | Tianqi Lithium HK Co., Limited, a limited liability company incorporated in Hong Kong, China in 2015 and a wholly-owned subsidiary of Tianqi Chengdu |
| "Tianqi Metals & Minerals" | Chengdu Tianqi Machinery, Metals & Minerals Import & Export Co., Ltd. (成都天齊機械五礦進出口有限責任公司), a limited liability company incorporated in the PRC in 1998 and a wholly-owned subsidiary of Tianqi Group |
| "Tianqi Shehong" | Tianqi Lithium (Shehong) Co., Limited(天齊鋰業(射洪)有限公司), a limited liability company incorporated in the PRC in 2016 and wholly-owned subsidiary of the Company |
| "Tianqi Xingyu" | Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. (成都天齊興宇企業管理有限公司), a limited liability company established under the PRC laws in 2023, which was held as to 87.8049% by Elite Fortune Grace and as to 12.1951% by Tianqi Group as at the date of this announcement |

| | |
|---|---|
| "Transaction Price of Mining Rights Transfer Proceeds" | the fees payable by Runfeng Mining upon the transfer due to its application for new mining rights, in respect of the newly increased resources located outside the elevation range within the horizontal scope of the mining rights, which are included in the Equity Acquisition Transaction, in accordance with the relevant requirements including the Measures for the Collection of Proceeds from the Transfer of Mining Rights (《礦業權出讓收益徵收辦法》) (Cai Zong [2023] No. 10) |
| "US$" | the lawful currency of the United States of America |
| "Yajiang Mining" | Tianqi (Yajiang) Mining Co., Ltd. (天齊(雅江)礦業有限責任公司), a limited liability company incorporated in the PRC in 2025 and wholly-owned subsidiary of the Company |
| "%" | per cent |

By order of the Board
**Tianqi Lithium Corporation**
**Jiang Anqi**
*Chairlady of the Board and Executive Director*

Hong Kong, 24 November 2026

*As at the date of this announcement, the Board comprises Ms. Jiang Anqi, Mr. Jiang Weiping and Mr. Ha, Frank Chun Shing as executive Directors, and Mr. Chau Siu Lun, Ms. Li Yuedong and Mr. Zhang Yanqing as independent non-executive Directors.*

## I. INFORMATION ON SHAOTANGOU MINING RIGHTS

### 1. Basic Information on Shaotangou Mining Rights

| | |
|---|---|
| Mining right holder: | Runfeng Mining |
| Mining license No.: | C5133002009126110049725 |
| Mining minerals: | Lithium ore, vein quartz for glass manufacturing |
| Name of mine: | Shaotangou vein quartz and spodumene mine of Yajiang Runfeng Mining Limited Liability Company |
| Mining method: | Open-pit/underground mining |
| Production scale: | 1,200,000 tonnes per year (50,000 tonnes per year for vein quartz for glass manufacturing, 1,200,000 tonnes per year for lithium ore) |
| Mining area: | 5.6059 square kilometers |
| Validity period: | 29 years, from 24 December 2018 to 23 December 2047 |
| Issuing authority: | Ministry of Natural Resources |

Based on the requirements of the competent authorities, following the expansion of the mining area/alteration of the mining area boundaries and the change in mining elevation, the key items updated in the new Shaotangou mining permit issued/replaced to Runfeng Mining by the competent authorities are as follows:

| | |
|---|---|
| Mining minerals: | Vein quartz ore, lithium ore |
| Mining area: | approximately 5.6059 square kilometers in principle |
| Mining method for lithium ore: | Open-pit + underground mining |
| Mining method for vein quartz for glass manufacturing: | Open-pit mining |

Mining elevation range changed from +4,400m to +3,960m to +4,555m to +3,960m

### 2. Production Conditions for Shaotangou Mining Rights

As of the date of this announcement, the construction of the mine is still under planning. Upon completion of relevant procedures for mine construction and the conclusion of all engineering construction, an application for a safety production license will be submitted after passing the acceptance inspection by the local safety supervision department. Following obtaining the safety production license, a production plan will be formulated in accordance with the mine resource reserves and production capacity.

## II. INFORMATION ON SHANGDUBU EXPLORATION RIGHTS

### 1. Basic Information on Shangdubu Exploration Rights

| | |
|---|---|
| Exploration right holder: | Tianqi Group |
| Exploration license number: | T1000002022055038001022 |
| Exploration project name: | Detailed investigation for Shangdubu spodumene and silica mine in Yajiang County, Sichuan Province |
| Location: | Murong Township, Yajiang County, Sichuan Province |
| Drawing number*: | H47E010021 and H47E011021 |
| Exploration area: | 7.7293 square kilometers (original exploration area of 9.6875 square kilometers) |
| Validity period: | From 18 October 2026 to 17 October 2031 (the exploration license was originally valid from 18 October 2021 to 17 October 2026 and has since been renewed) |
| Issuing authority: | Ministry of Natural Resources |

* *National standard map numbers of a 1:50,000 topographic map sheet used to determine the corresponding location of a mining area, exploration area or mining right.*

### 2. Production Conditions for Assets Related to Shangdubu Exploration Rights

As of the date of this announcement, geological exploration for Shangdubu lithium mine is still ongoing, and its subsequent procedures for conversion of exploration rights to mining rights remain to be carried out. Upon completion of relevant procedures for mine construction and the conclusion of all engineering construction, an application for a safety production license will be submitted after passing the acceptance inspection by the local safety supervision department. Following obtaining the safety production license, a production plan will be formulated in accordance with the mine resource reserves and production capacity.

## I. VALUATION OF RUNFENG MINING

Based on the Runfeng Mining Equity Valuation Report, the market value of the 100% equity of Runfeng Mining was RMB7,714,789,200 as at the Valuation Benchmark Date (i.e. 30 June 2026). The Runfeng Mining Equity Valuation Report is valid for one year from the Valuation Benchmark Date to 29 June 2027. The Runfeng Mining Equity Valuation Report has cited the following materials:

1. KPMG Huazhen LLP (Special General Partnership) has audited the financial statements of the appraised entity as of 30 June 2026, and issued a standard unqualified Audit Report (KPMG Huazhen Shen Zi No. 2629078) on 18 November 2026. As audited, the carrying amounts of the total assets, total liabilities and owners' equity of Yajiang Runfeng Mining Limited Liability Company were RMB727,157,000, RMB175,027,000 and RMB552,130,000, respectively. The valuation has been performed on the basis of the audit, with reference to the information and data set out in the aforesaid Audit Report.

2. As of the Valuation Benchmark Date, one mining right included in the scope of valuation is detailed as follows:

| Name, type (exploration right and mining right) | Method of acquisition | Date of acquisition | Prospection and development stage | Approved production scale | Book value (RMB) |
|---|---|---|---|---|---|
| Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company | Transfer | January 2004 | To be constructed | 1,200,000 tonnes per year | 458,288,777.16 |

For the valuation of the above-mentioned mining right, reference was made to the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) issued by Beijing KYSIN Assets Appraisal Co., Ltd. on 19 November 2026. The report concluded its final valuation using the discounted cash flow method, determining that the aggregate market value of the one mining right within the valuation scope as at the Valuation Benchmark Date (30 June 2026) was RMB7,459,451,500. Given that the valuation scope, the Valuation Benchmark Date and valuation purpose of the said report are identical to those of the current valuation, and following analysis, the aforesaid appraisal report has been adopted by reference in appraising the mining right within the valuation scope without adjustment.

## (I) Valuation Methods

The valuers have prudently analyzed the applicability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach.

The appraised entity is currently primarily engaged in pre-development and project preparation activities in respect of mineral resource projects, and has not yet commenced operations. Since future earnings cannot be reasonably estimated, the income approach is not suitable for the valuation.

In the capital market in the Chinese Mainland, the number of listed companies operating in the same industry as the appraised entity is limited, which cannot satisfy the quantitative requirement for comparable enterprises (cases) under the market approach. Among the listed companies in the same industry, a full comparison has been conducted with the appraised entity and the valuation object across the following dimensions: for listed companies, these include date of establishment, listing date, business scope, enterprise scale, main products, business composition, operating performance indicators, business model, operational lifecycle stage and financial data; for transaction cases, these include transaction purpose, transaction date, transaction circumstances and transaction price. It is concluded that there are very few listed companies that are fundamentally comparable to the appraised entity, which cannot meet the comparability requirement of the market approach for a sufficient number of comparable enterprises. Therefore, the market approach is not suitable for this valuation from both theoretical and practical perspectives.

Given that, as at the Valuation Benchmark Date, Yajiang Runfeng Mining Limited Liability Company had not yet commenced production and operational activities, no off-balance-sheet intangible assets such as customer relationships or goodwill have been established. The Company's financial records have been consolidated since incorporation, with a clear asset structure. The values of the relevant assets can be determined via appropriate valuation methods, and the asset-based approach is capable of reflecting the market value of Yajiang Runfeng Mining Limited Liability Company effectively. Accordingly, only the asset-based approach has been adopted for this valuation.

## (II) Valuation Scope and Differences between Book Value and Appraised Value

### 1. Valuation scope

This valuation covers all the assets and liabilities of Yajiang Runfeng Mining Limited Liability Company as declared by it as at the Valuation Benchmark Date. The financial statements provided by Yajiang Runfeng Mining Limited Liability Company for the purpose of this valuation show the following book values: total assets of RMB727,157,000, total liabilities of RMB175,027,000, and owners' equity of RMB552,130,000.

*Unit: RMB0,000*

| NO. | Name of items | | Book value |
|---|---|---|---|
| **1** | **I.** | **Total current assets** | **25,668.88** |
| 2 | | Cash and bank deposits | 11,213.62 |
| 3 | | Other receivables | 46.50 |
| 4 | | Other current assets | 14,408.76 |
| **5** | **II.** | **Total non-current assets** | **47,046.82** |
| 6 | | Fixed assets | 0.14 |
| 7 | | Intangible assets | 45,828.88 |
| 8 | | Other non-current assets | 1,217.81 |
| **9** | **III.** | **Total assets** | **72,715.70** |
| **10** | **IV.** | **Total current liabilities** | **1,287.84** |
| 11 | | Taxes payable | 91.25 |
| 12 | | Other payables | 43.88 |
| 13 | | Non-current liabilities due within one year | 1,152.70 |
| **14** | **V.** | **Total non-current liabilities** | **16,214.86** |
| 15 | | Long-term payables | 16,214.86 |
| **16** | **VI.** | **Total liabilities** | **17,502.70** |
| **17** | **VII.** | **Net assets (owners' equity)** | **55,213.00** |

The financial data set out in the table above has been audited by KPMG Huazhen LLP (Special General Partnership), which issued a standard unqualified Audit Report (KPMG Huazhen Shen Zi No. 2629078).

## 2. Difference between book value and appraised value

(1) Current assets

Current assets included in the valuation scope comprise cash and bank deposits, other receivables and other current assets. The valuers verified the accounting vouchers and the book values, and adopted the verified book values as the appraised values. The book value of current assets within the scope of this valuation is RMB256,688,800, and the appraised value is RMB256,688,800, with no valuation increment or decrement.

(2) Machinery and equipment

The equipment assets within the valuation scope consist of electronic equipment, among which, one computer and four sets of interphones have been disposed of but not yet written off in the books. The other two computers were purchased a long time ago, are ordinarily maintained, have been idle for a long period and are unable to satisfy normal office requirements. For the one computer and four sets of interphones, the appraised value in the valuation is zero; for the two computers that have been idle and unused for a long period, the appraised value in the valuation is determined by reference to the disposal prices of second-hand equipment, i.e., RMB100 per unit. The book value of the machinery and equipment included in the valuation scope is RMB1,400, and the appraised value is RMB200, representing a decrease in value of RMB1,200. The decrement is attributable to the fact that assets which have already been disposed of have been valued at zero.

(3) Valuation of intangible assets – mining rights

As of the Valuation Benchmark Date, there is only one mining right included within the valuation scope. Details are set out below:

| Name, type (exploration right/mining right) | Method of acquisition | Date of acquisition | Prospection and development stage | Approved production scale | Book value (RMB) |
|---|---|---|---|---|---|
| Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company | Transfer | January 2004 | To be constructed | 1,200,000 tonnes per year | 458,288,777.16 |

For the valuation of the above-mentioned mining right, reference was made to the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) issued by Beijing KYSIN Assets Appraisal Co., Ltd. on 19 November 2026. The geological, technical and economic data for the mining right are essentially complete and reliable, and the exploration and design work has been completed, substantially meeting the requirements for applying the discounted cash flow method. Pursuant to the Interim Measures for the Valuation and Management of Exploration and Mining Rights, the Basic Technical Standards for Valuation of Mineral Rights (CMVS00001-2008) and the Standards for Income Approach Valuation Methods (CMVS12100-2008), the discounted cash flow method was adopted for the valuation. Its calculation formula is as follows:

$$P = \sum_{t=1}^{n} (CI - CO)_t \bullet \frac{1}{(1+i)t}$$

Where, P — appraised value of the mining right;

*CI*— annual cash inflow;

*CO*— annual cash outflow;

*i*— discount rate;

*t*— year serial number(t =1,2,3, ⋯, n);

*n*— valuation calculation period.

The book value of this mining right is RMB458,288,800 and its valuation value is RMB7,459,451,500, representing a valuation increment of RMB7,001,162,700. The main reason for the increment is that the book value of the mining right only represents the historical acquisition cost incurred by Runfeng Mining. Given that such historical cost was incurred at an early date, the book value is relatively low. This valuation adopts the discounted future cash flow method to discount the future income attributable to the mining right, such that the resulting valuation value reflects its market value as at the Valuation Benchmark Date. Such market value is higher than the amortised cost represented by the book value, which gives rise to the valuation increment.

(4) Other non-current assets

Other non-current assets mainly represent upfront exploration expenditures such as engineering costs and administrative expenses incurred by the Company during mining right exploration. Considering that the aforesaid relevant expenses have already been taken into account in the valuation of the intangible asset – mining right, the appraised value of other non-current assets is determined as RMB0.

(5) Long-term payables

Long-term payables represent payable mining right transfer proceeds due after more than one year. For the payable mining right transfer proceeds recognised under long-term payables in respect of the portion for which compensated disposal formalities have been completed, as such liability has already been deducted from the appraised value of intangible assets – mining rights, such liability has therefore been assessed at nil in this valuation.

(6) Valuation of other liabilities

Other assets and liabilities of Runfeng Mining comprise cash and bank deposits, other receivables, other current assets, taxes payable and other payables. On the basis of review and verification, their appraised values are determined by reference to the liability and amounts that the valued entity is actually required to settle upon achievement of the valuation purpose. With respect to the payable mining right transfer proceeds recorded under non-current liabilities due within one year and long-term payables for the portion with completed compensated disposal formalities, such liabilities have been assessed at nil in this valuation, as they have already been deducted from the appraised value of intangible assets – mining rights.

Based on the assessment using the asset-based approach, as of the Valuation Benchmark Date, the total appraised value of assets of Yajiang Runfeng Mining Limited Liability Company amounted to RMB7,716,140,500, representing a valuation change of RMB6,988,983,500, or a change percentage of 961.14%. The total appraised value of liabilities amounted to RMB1,351,300, representing a valuation change of RMB-173,675,700, or a change percentage of -99.23%. The appraised value of 100% equity interests attributable to the shareholders amounted to RMB7,714,789,200, representing a valuation change of RMB7,162,659,200, or a change percentage of 1,297.28%. The main reason for the valuation increment is that the Mining Rights of Shaotangou Vein Quartz and Spodumene Mine owned by Runfeng Mining were acquired in 2004. Given the early acquisition date, the acquisition cost was low, and only its amortized cost is recorded on the books. This valuation adopts the discounted future cash flow method to reflect the discounted value of future income attributable to this mining right. The valuation increment arises from the substantial increase in the market price of lithium resources as compared to that in 2004.

## 3. Important notes

(1) Pursuant to the Report of the Ganzi Prefecture Bureau of Natural Resources and Planning on the Accounting of Transfer Proceeds Payable for the Mining Rights of the Shaotangou Vein Quartz and Spodumene Mine in Yajiang County (Gan Zi Ran Zi Gui [2020] No. 79), the total transfer proceeds payable for the mining rights of the Shaotangou vein quartz and spodumene mine in Yajiang County were calculated as RMB480,247,600, comprising RMB462,162,100 for lithium ore, RMB595,000 for vein quartz, RMB15,907,900 for beryllium, and RMB1,582,600 for niobium-tantalum. The resource quantities corresponding to the aforesaid transfer proceeds are 420,227.5 tonnes of lithium ore, 296,000 tonnes of vein quartz, 16,672 tonnes of beryllium, and 5,827 tonnes of niobium-tantalum (3,924 + 1,903). According to the Mining Rights Transfer Proceeds Payment Contract and the payment receipts provided by the mining rights holder, RMB215,617,700 had been paid as of the Valuation Benchmark Date. The nominal amount of the outstanding balance was RMB264,629,900. The outstanding balance would be paid in 22 installments as contracted, with RMB12,040,000 due by December 20 of each year and a final installment of RMB11,789,900. The Company has recognized the aforementioned outstanding payments as payables and measured them at an amount that reflects the time value of money. As of the Valuation Benchmark Date, the aggregate book balance of such payables was RMB173,675,600, of which RMB11,527,000 was classified under "non-current liabilities due within one year" and RMB162,148,600 under "long-term payables". The book balance of the payables is lower than the nominal amount of the outstanding balance, primarily because the aforesaid unpaid amounts have been measured at their discounted present value. In the valuation of the mining rights, the installments of the mining rights proceeds payable at each payment time point stipulated in the contract have been deducted from the corresponding cash flows. Therefore, the above liabilities were assessed at nil in the valuation. To make full use of the resources adjacent to the Shaotangou mining rights and to expand the scale of production, from January to September 2025, the mining rights holder completed, among other things, the filing of the Shaotangou mineral resource reserves verification report and the review of the development and utilization plan and the "two-in-one" plan. The filed lithium resources comprise cumulative identified (retained) measured + indicated + inferred resources of 66,752,000 tonnes of ore, containing 757,690 tonnes of $Li_2O$, with no associated BeO, and associated $Nb_2O_5$ of 7,428 tonnes and $Ta_2O_5$ of 3,546 tonnes. For the vein quartz ore, cumulative identified (measured + indicated + inferred) resource quantity is 300,000 tonnes of ore, with retained (indicated + inferred) resources of 275,000 tonnes. Among these, the portion outside the elevation range specified in the mining rights certificate from 4,400 m to 4,555 m (with unchanged plan scope) contains 70,651 tonnes of $Li_2O$ as the principal mineral, together with associated $Nb_2O_5$ of 675 tonnes and $Ta_2O_5$ of 315 tonnes. Based on the above work results, the mining rights holder intends to apply for the acquisition, by way of transfer by agreement, of the newly identified mineral resources located above the elevation range specified in the existing mining rights certificate, and, having regard to the overall resource quantity and comprehensive development conditions of the mining area, apply for an increase in production scale from 1,200,000 tonnes per year to 2,600,000 tonnes per year. The mining rights holder is currently processing the administrative procedures for the expansion of the Shaotangou vein quartz and spodumene mining area, the transfer by agreement of the newly identified mineral resources, and the expansion of production capacity.

Pursuant to the Notice of the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration on the Issuance of the Measures for the Collection of Mining Rights Transfer Proceeds (Cai Zong [2023] No. 10), lithium, niobium and tantalum fall within the Catalogue of Mineral Species, and the transfer proceeds shall be paid in two parts: levied by a fixed lump-sum amount and levied annually at the specified yield rate. The part levied by a fixed lump-sum amount is determined at the transfer stage on the basis of the competitive result, whereas the part levied annually at the specified yield rate is paid annually by the mining rights holder after extraction and sale, at a certain percentage of sales revenue (i.e., the transfer yield rate). For the transfer proceeds for the newly identified mineral resources in the valuation of the intangible asset – mining rights, the part levied by a fixed lump-sum amount is determined at RMB969,131,700, being the negotiated transfer price published by the Sichuan Provincial Department of Natural Resources after the Valuation Benchmark Date, and has been deducted from the appraised value of the mining right on a one-off basis; the part levied annually at the specified yield rate is estimated based on the assumed mineral product selling price and production scale, and is included in the operating costs over the projection period. (2) As at the Valuation Benchmark Date, Yajiang Runfeng Mining Limited Liability Company holds the Mining License (License No. C5133002009126110049725) for the Shaotangou vein quartz and spodumene mine, with a licensed production scale of 1,200,000 tonnes per year (50,000 tonnes per year of vein quartz for glass manufacturing and 1,200,000 tonnes per year of lithium ore). According to the Feasibility Study Report, the mine is designed for a production scale of 2,600,000 tonnes per year, comprising 2,600,000 tonnes per year from open-pit mining of the spodumene ore, 1,300,000 tonnes per year from underground mining of the spodumene ore, and 90,000 tonnes per year from underground mining of the vein quartz ore.

At present, the mine remains at the pre-construction stage and has not yet commenced formal production. In light of the objectives set out by Sichuan Province and Ganzi Prefecture in the new round of mineral resources planning, in particular the designation of Jiajika as a provincial key planned development zone for lithium resources, and with a view to accelerating the development of Sichuan's lithium resources, the Shaotangou mine, together with the Cuola, Dechelongba and Kangding Jiajika lithium deposits, has been incorporated into the mineral resources development plans of Ganzi Prefecture and Yajiang County. Against this backdrop, Yajiang Runfeng Mining Limited Liability Company has decided to design and construct the Shaotangou vein quartz and spodumene mines with a production volume of 2,600,000 tonnes per year based on its own resource quantity and comprehensive conditions, to meet the overall layout and development requirements for mineral resources development in the region. As at the date of issuance of this report, the Company is actively processing the procedures for change of the mining right to expand the mining area of the Shaotangou vein quartz and spodumene mine. If production cannot be conducted according to the production timeline, scale, scope, etc. set in the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107), the results of the valuation of the intangible asset-mining rights shall be adjusted. Users of this report are advised to give due attention to this matter.

(2) The Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) cited in the valuation of the intangible asset – mining rights is based on the Reserve Verification Report. The information on the preparation personnel, responsible personnel and legal person qualification certificates is included in the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107). Save as aforesaid, the client has not provided any other similar professional report, and neither the appraisal institution nor the appraisal professionals carrying out this valuation project have obtained, or are aware of the existence of, any other professional report. Should any other similar professional report exist and a valuation conclusion different from that set out in the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) be derived therefrom, this institution shall bear no corresponding liability in accordance with the Asset Appraisal Law.

(3) In determining the recoverable output in this valuation of the intangible asset – mining rights, the treatment of the portions that cannot be mined and the portions that cannot be recovered during the mining process, based on the Feasibility Study Report provided by the mining rights holder, represents a professional judgment made in accordance with the requirements of the appraisal standards; it does not constitute an adjustment to or deduction from the scope of the valuation, nor does it represent any omission from the valuation conclusion. At the same time, with respect to the various design loss and mining loss parameters set out in the Feasibility Study Report the mining rights appraisal industry and the appraisal professionals undertaking this project have no technical means or professional methods to verify their correctness, and such parameters fall within the scope of calculation only.

(4) In determining the recoverable reserves in this valuation of the intangible asset – mining rights, the deduction applied to inferred resources represents a professional judgment made in accordance with the requirements of the appraisal standards based on the degree of reliability of the resources; it does not constitute an adjustment to or deduction from the scope of the valuation, nor does it represent any omission from the valuation conclusion.

(5) Notes on the preferential corporate income tax treatment

According to the Statement on Eligibility for the Preferential 15% Corporate Income Tax Rate provided by the mining rights holder, Yajiang Runfeng Mining Limited Liability Company is an enterprise registered in Sichuan Province engaged in the mining, processing and sales of vein quartz and lithium ore, and its principal business falls within the scope prescribed by the Catalogue of Encouraged Industries in Western China, thereby entitling it to the preferential 15% corporate income tax rate under the Strategy for Large-Scale Development of Western China. As at the Valuation Benchmark Date, the Company has not yet commenced operations and intends to claim the preferential treatment through self-declaration upon the commencement of formal production and operation. This valuation of the intangible asset – mining rights assumes that, from the commencement of the production period, the Company will satisfy the condition that revenue from its encouraged principal business accounts for more than 60% of its total revenue. Accordingly, the tax rate applied is 15% for 2030 and 25% from 2031 onwards. Should this preferential treatment not be available in the future, the valuation conclusion of the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) will need to be adjusted accordingly, and users of this report are advised to give their attention to this matter.

(6) According to the Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01), rubidium within the mining area is difficult to recover and is therefore not utilised in the design. Likewise, effective separation of lithium and beryllium cannot be achieved by physical beneficiation, and beryllium cannot be recovered; beryllium is therefore not utilised in the design. Users of this report are advised to give their attention to this matter.

(7) According to the Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01), in order to recover and utilise as much of the resource as possible, the boundary isolation safety pillar is provisionally assumed to be 40% recovered at the end of underground mining production. Whether the boundary isolation safety pillar is to be recovered, together with the recovery plan and recovery rate, must be subject to rigorous technical demonstration by an authoritative third-party research institution and submitted to the relevant authorities for approval before being determined. Should this portion prove unrecoverable in the future, the valuation conclusion of the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) will need to be adjusted accordingly, and users of this report are advised to give their attention to this matter.

(8) Based on investigations, the Jiajika spodumene mine of Youngy Lithium, a comparable mine adjacent to the Shaotangou spodumene mine in Yajiang County, entered into a benefit-sharing mechanism agreement with the local government in 2019, under which a benefit-sharing contribution is payable annually to the Ganzi Tibetan Autonomous Prefecture at a standard of RMB40 million per year based on the production capacity of the concentrator plant (450,000 tonnes per year). Following enquiries with the client, we understand that the mine may likewise be subject to such an arrangement during its operating period. Accordingly, having referred to the announcements and annual reports

of Youngy Lithium's Jiajika spodumene mine over the years, and by reference to the financial treatment adopted thereby, we have, following comprehensive analysis and based on the principle of prudence, this item adopted and included in administrative expenses in the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107), with the cost standard consistent with that of the Jiajika spodumene mine of Youngy Lithium (accrued on the basis of production capacity), i.e. a unit benefit-sharing payment of RMB88.89 per tonne. Users of this report are advised to give their attention to this matter.

**(III) Key Inputs and Assumptions**

**I) Precondition assumptions**

1. Fair transaction assumption

   Fair transaction assumption assumes that the appraised entity is already in the course of transaction, and the valuers simulate the market for appraisal based on the transaction conditions of the appraised entity and other principles of fairness.

2. Open market assumption

   Open market assumption assumes that the appraised entity is situated in a fully competitive and comprehensive market (regional, national or international market), where the market positions of the parties to the proposed transaction are equal to each other, and each has the ability, opportunity and time to obtain sufficient market information; the transaction behaviors of each party to the transaction are conducted under voluntary, rational and non-compulsory or unrestricted conditions, so that each party to the transaction can make rational judgments on the function, purpose and transaction price of the transaction subject. Under fully competitive market conditions, the exchange value of the transaction subject is subject to market mechanisms and determined by market conditions instead of the transaction price in individual transactions.

3. Going-concern assumption

   The going-concern assumption assumes that the appraised entity (the appraised target and its assets included) will continue to operate according to its current model, scale, frequency, environment, etc. This assumption not only sets down the subsisting status of the appraised entity, but also sets down the market conditions or market environment faced by the appraised entity.

**II) General condition assumptions**

1. It is assumed that the current relevant laws and regulations, industry policies, industrial policies and macroeconomic environment of the country and region (where the appraised entity conducts business) have not changed significantly since the Valuation Benchmark Date, and that there is no material change in the political, economic and social environment in the regions where the parties of the subject transaction are located.

2. It is assumed that the fiscal and monetary policies, as well as the relevant interest rates, exchange rates, tax bases and tax rates, and policy levies, etc., of the regions where the appraised entity conducts business have not undergone major changes.

3. It is assumed that there are no other force majeure and unforeseeable factors which will have a material adverse effect on the continuing operation of the appraised entity.

**III) Special assumptions**

1. It is assumed that based on the existing management method and management level of the appraised entity, its business scope and operation model will remain basically consistent with the current business scope and operation model, and that the future development trend of its business will remain basically consistent with the development trend of the industry as at the Valuation Benchmark Date.

2. It is assumed that the manager of the appraised entity will remain diligent in their duties, and that its management is capable of taking up their responsibilities and performing their duties.

3. It is assumed that the data (basic data, financial data, operating data, etc.) provided by the principal and the appraised entity are true, accurate and complete, and that all relevant material matters have been fully disclosed.

4. It is assumed that the appraised entity fully complies with all relevant laws and regulations currently in force.

**IV) Parameter Inputs**

The asset appraisal professionals verified the book value based on the list of items and related financial information provided by the appraised entity, and the appraised value was determined by the verified book value or the actual liabilities or equity that the appraised entity shall bear or enjoy. The major assets which increased in value in this valuation are the mining rights of the Shaotangou vein quartz and spodumene mine held by the Company. The key parameters selected for the valuation of such mining rights are as follows:

1. Main reference bases: the Verification Report on the Vein Quartz and Spodumene Ore Resources and Reserves in the Shaotangou Mining Area, Yajiang County, Sichuan Province (Sichuan Institute of Comprehensive Geological Survey, November 2024), the Expert Review Opinion on the Mineral Resource Development and Utilization Plan for the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (18 June 2025), the Feasibility Study Report for the Mining and Beneficiation Project of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Project No.: S583KY01) (Changsha Institute of Mining Research Co., Ltd., February 2026), the Announcement of the Department of Natural Resources of Sichuan Province on the Appraisal Result of the Transaction Price for the Transfer by Agreement of the Upper Part (+4,400m~+4,555m) within the Horizontal Extent of the Mining Rights of the Shaotangou Vein Quartz and Spodumene Mine and other materials verified, collected and investigated by the valuers.

2. Retained resources and reserves: Main mineral – spodumene ore: retained measured + indicated + inferred ore tonnage is 66,752,000 tonnes, containing 757,690 tonnes of $Li_2O$ at a grade of 1.14%. In particular, the measured ore tonnage is 16,406,000 tonnes, containing 198,797 tonnes of $Li_2O$ at a grade of 1.21%; the indicated ore tonnage is 32,944,000 tonnes, containing 371,711 tonnes of $Li_2O$ at a grade of 1.13%; and the inferred ore tonnage is 17,402,000 tonnes, containing 187,182.00 tonnes of $Li_2O$ at a grade of 1.08%.

   Tantalum-niobium minerals associated with spodumene ore: retained measured + indicated + inferred ore tonnage is 66,752,000 tonnes, containing 7,428 tonnes of $Nb_2O_5$ at a grade of 0.0111% and 3,546 tonnes of $Ta_2O_5$ at a grade of 0.0053%. In particular, the measured ore tonnage is 16,406,000 tonnes, containing 1,777 tonnes of $Nb_2O_5$ at a grade of 0.0108% and 872 tonnes of $Ta_2O_5$ at a grade of 0.0053%; the indicated ore tonnage is 32,944,000 tonnes, containing 3,690 tonnes of $Nb_2O_5$ at a grade of 0.0112% and 1,716 tonnes of $Ta_2O_5$ at a grade of 0.0052%; and the inferred ore tonnage is 17,402,000 tonnes, with 1,961 tonnes of $Nb_2O_5$ at a grade of 0.0113% and 958 tonnes of $Ta_2O_5$ at a grade of 0.0055%.

3. Resources and reserves utilised in the valuation

   Resources utilised in the valuation = Σ (Resources involved in the valuation × confidence coefficient for the corresponding category)

   According to the Feasibility Study Report, for open-pit mining of spodumene ore, the ore dilution rate is 5.00%, the mining loss rate is 5.00%, and the mining recovery rate is 95%; for underground mining of spodumene ore and vein quartz ore, the ore dilution rate is 10.20%, the mining loss rate is 8.4%, and the mining recovery rate is 91.6%.

Based on the calculation results, recoverable reserves utilised in the valuation of the vein quartz ore (underground mining) are162,000 tonnes.

Recoverable reserves utilised in the valuation of the spodumene ore of the mine: for open-pit mining, the spodumene ore tonnage is 44,193,100 tonnes, containing 511,083.95 tonnes of $Li_2O$ at an average grade of 1.1565%, 4,858.30 tonnes of $Nb_2O_5$ at an average grade of $110\times10^{-6}$ and 2,250.27 tonnes of $Ta_2O_5$ at an average grade of $51\times10^{-6}$;

For underground mining, the spodumene ore tonnage is 9,997,500 tonnes, containing 102,989.40 tonnes of $Li_2O$ at an average grade of 1.0302%, 1,178.89 tonnes of $Nb_2O_5$ at an average grade of $118\times10^{-6}$, and 576.18 tonnes of $Ta_2O_5$ at an average grade of $58\times10^{-6}$.

4. Product plan: The product plan includes spodumene concentrate (containing 5.0% $Li_2O$), tantalum-niobium concentrate (containing 15% $Ta_2O_5$), and vein quartz raw ore.

5. Production scale and mine life:

According to the Mining License for the Shaotangou vein quartz and spodumene mine of Yajiang Runfeng Mining Limited Liability Company (License No.: C5133002009126110049725), the licensed production scale is 1,200,000 tonnes per annum (glass-grade vein quartz: 50,000 tonnes per annum; spodumene ore: 1,200,000 tonnes per annum). According to the Feasibility Study Report, the designed production scale of the mine is 2,600,000 tonnes per annum. In particular, the production scale for open-pit mining of spodumene ore is 2,600,000 tonnes per annum; the production scale for underground mining of spodumene ore is 1,300,000 tonnes per annum; and the production scale for underground mining of vein quartz ore is 90,000 tonnes per annum. As the mine has not yet commenced construction and production, and in light of the objectives of the new round of mineral resources planning of Sichuan Province and Ganzi Prefecture, and in order to accelerate the development of lithium mines in Sichuan, Jiajika mining area has been designated as a key planned construction area for lithium resources in the province, and the development of the mine has been included in the mineral resource development plans of Ganzi Prefecture and Yajiang County. Therefore, based on the resources and relevant conditions, the mine has been designed for a production scale of2,600,000 tonnes per annum.

The mine life used in the calculation for this valuation is 30.5 years (from July 2026 to December 2056), including a 3.5-year construction period for open-pit mining and a 3-year construction period for underground mining.

6. Selling prices and revenue:

For this valuation, the tax-exclusive ex-factory price of the spodumene concentrate of the mine is RMB6,386.48 per tonne; the tax-exclusive price of the tantalum-niobium concentrate (containing 15% $Ta_2O_5$) is RMB206,100 per tonne and, after deducting transportation expenses, the tax-exclusive price is RMB205,872.48 per tonne; and the tax-exclusive selling price of the vein quartz raw ore is taken as RMB150.00 per tonne. In a normal year of operation, revenue from sales of spodumene concentrate is RMB2,918,882,800, revenue from sales of niobium-tantalum concentrate is RMB51,867,500 and revenue from sales of vein quartz ore is RMB13,500,000.

7. Asset investment

On the basis of the fixed asset investment designed under the Feasibility Study Report prepared by a qualified design institute, the total fixed asset investment is RMB2,679,798,500 (inclusive of input VAT), comprising RMB671,505,600 for shaft and roadway works, RMB859,199,000 for buildings and structures, and RMB1,149,093,900 for machinery and equipment. In addition, the land acquisition costs to be invested in the mine are determined to be RMB802,682,600 pursuant to the Feasibility Study Report.

8. Operating costs

Material costs: Costs of purchased materials included in the manufacturing costs for open-pit mining are RMB23.54 per tonne, and those in the beneficiation costs are RMB58.68 per tonne, totalling RMB82.22 per tonne; costs of purchased materials included in the manufacturing costs for underground mining of spodumene ore are RMB80.42 per tonne, and those in the beneficiation costs are RMB58.68 per tonne, totalling RMB139.10 per tonne, both of which are exclusive of tax.

Costs of purchased fuel and power: Costs of purchased fuel and power included in the manufacturing costs for open-pit mining are RMB14.37 per tonne, and those in the beneficiation costs are RMB40.42 per tonne, totalling RMB54.79 per tonne; Costs of purchased fuel and power included in the manufacturing costs for underground mining of spodumene ore are RMB13.97 per tonne, and those in the beneficiation costs are RMB40.64 per tonne, totalling RMB54.61 per tonne.

Salaries and benefits of production personnel: Salaries and benefits of production personnel included in the manufacturing costs for open-pit mining are RMB17.80 per tonne, and those in the beneficiation costs are RMB9.90 per tonne, totalling RMB27.70 per tonne; salaries and benefits of production personnel included in the manufacturing costs for underground mining of spodumene ore are RMB39.60 per tonne, and those in the beneficiation costs are RMB13.86 per tonne, totalling RMB53.46 per tonne.

Repair costs: Repair costs generally include overhaul costs and maintenance costs. In mining rights valuation, repair costs mainly refer to the costs of routine maintenance of fixed assets. According to the Feasibility Study Report, the unit repair cost for open-pit mining is RMB16.08 per tonne, and the unit repair cost for underground mining is RMB17.10 per tonne.

Maintenance costs for simple reproduction: In accordance with the Guiding Opinions on Determination of Mining Rights Evaluation Parameters and the Notice of the Ministry of Finance on No Longer Stipulating the Standard for Maintenance Costs for Simple Reproduction of Metallurgical Mines (Cai Ban Zi [2015] No. 8), in this valuation, the depreciation-related maintenance costs for simple reproduction attributable to open-pit mining formation works and underground mining shaft and roadway works are allocated based on the total mined ore. Accordingly, the depreciation-related maintenance costs for simple reproduction amount to RMB8.65 per tonne for open-pit mining and RMB19.19 per tonne for underground mining.

Depreciation charges: The unit depreciation charge allocated based on the volume of spodumene raw ore amounts to RMB34.63 per tonne during the open-pit mining period and RMB76.85 per tonne during the underground mining period.

Tailings storage fee: Pursuant to the Feasibility Study Report and enquiries made with relevant responsible personnel of the mine, the tailing pond of this project is shared with other projects. The tailings storage fee is calculated at RMB30 per tonne of tailings (exclusive of tax) during the production period of 1~5 years, and RMB23.95 per tonne of tailings (exclusive of tax) from the sixth year of the production period onwards. In addition, a tailings filling rate of 29.48% is taken into account during the underground mining period.

Shared infrastructure fee: Pursuant to the Feasibility Study Report, the co-construction lease fee is calculated at RMB62.39 per tonne of concentrate (exclusive of tax), which is equivalent to RMB10.57 per tonne when converted based on the total output.

Other manufacturing overheads: Pursuant to the Feasibility Study Report, other manufacturing overheads included in the manufacturing costs for open-pit mining amount to RMB3.08 per tonne, and included in the beneficiation costs are RMB4.63 per tonne, totalling RMB7.71 per tonne; the other manufacturing overheads included in the manufacturing costs for underground mining of spodumene ore are RMB7.83 per tonne, and those included in the beneficiation costs are RMB3.91 per tonne, totalling RMB11.74 per tonne.

Administrative expenses: Administrative expenses primarily consist of salaries and welfare expenses of management personnel, various insurance premiums, labor union funds and staff education funds, consulting expenses, office expenses, entertainment expenses, greening fees, and other expenses, of which the land acquisition costs are allocated based on the estimated land acquisition cost of RMB802,682,600; Mining rights transfer proceeds shall be calculated according to the Report of Natural Resources and Planning Bureau of Ganzi Prefecture on the Calculation of Mining Rights Transfer Proceeds from the Shaotangou Vein Quartz and Spodumene Mine in Yajiang County (Gan Ziran Zi Gui [2020] No. 79), and in particular, the mining rights transfer proceeds of the mine shall be paid under rate-based method at a price of RMB16.00 per tonne during the normal production year of open-pit mining, and RMB13.20 per tonne during the normal production year of underground mining; the benefit-sharing payment is set at RMB88.89 per tonne with reference to the amount paid by comparable mines in the surrounding areas of Ganzi Tibetan Autonomous Prefecture; and other expenses shall be determined with reference to the Feasibility Study Report or relevant regulations.

Finance costs: The Valuation Benchmark Date determined in this valuation is 30 June 2026. 70% of working capital is financed through bank loans, with the loan rate set at a rate of 3.0%, being the one-year Loan Prime Rate (LPR) announced on 22 June 2026 by the National Interbank Funding Center authorised by the People's Bank of China, which is the rate published prior to and closest to the Valuation Benchmark Date. As calculated on such basis, the unit finance cost for spodumene ore mining and beneficiation are calculated at RMB1.16 per tonne for open-pit mining and RMB2.32 per tonne for underground mining.

9. Discount rate

According to the Guiding Opinions on Determination of Mining Rights Evaluation Parameters, the discount rate comprises the risk-free rate of return and the risk premium.

The risk-free rate of return, also known as the safe rate of return, is generally determined with reference to the interest rates on treasury bonds issued by the government or bank deposits for the corresponding period. For this valuation, the weighted average annual coupon rate of 2.62% on five-year savings treasury bonds (certificate-type) issued during the five years prior to the Valuation Benchmark Date has been adopted as the risk-free rate of return. Accordingly, the risk-free rate is 2.62%.

Through analysis, the risk premium is determined to be 5.50%, comprising a risk premium of 1% for the exploration and development stage, an industry risk premium of 2%, a financial and operational risk premium of 1.5% and other individual risk premiums of 1%.

Given the foregoing, the discount rate adopted for this valuation is 8.12%.

10. Mining Rights Transfer Proceeds

Pursuant to the Announcement on the Appraisal Result of the Transaction Price for the Transfer by Agreement of the Upper Part (+4,400 m to +4,555 m) within the Horizontal Extent of the Mining Rights of the Shaotangou Vein Quartz and Spodumene Mine issued by the Department of Natural Resources of Sichuan Province on 8 October 2026, the appraisal result of the transaction price for the transfer by agreement of the upper part (+4,400 m to +4,555 m) within the horizontal extent of the mining rights of the Shaotangou vein quartz and spodumene mine is RMB969,131,700. The amount stated in the above announcement has been deducted in a lump sum from the appraised value of the mining rights in this valuation. Based on the above analysis, the carrying amount of the one mining right included in the valuation scope as at the Valuation Benchmark Date, i.e. 30 June 2026 was RMB458,288,800, and its appraised value was RMB7,459,451,500, representing an appreciation of RMB7,001,162,700. The appreciation was mainly attributable to the fact that the carrying amount of the mining right only reflected the Company's historical acquisition cost. Given that such historical acquisition cost was incurred at an earlier date, the carrying amount was relatively low. In this valuation, the discounted future cash flow method was adopted to reflect the future income from the mining right on a discounted basis, and the resulting appraised value represents its market value as at the benchmark date, which is higher than the amortised cost represented by its carrying amount, thereby resulting in the valuation appreciation.

In summary, the carrying amount and appraised value of current assets of Yajiang Runfeng Mining Limited Liability Company as at the Valuation Benchmark Date were both RMB259,838,500, with no appreciation or depreciation. The carrying amount of its intangible assets was RMB458,288,800 and the appraised value was RMB7,459,451,500, representing an appreciation rate of 1,527.67%. The carrying amount of its other non-current assets was RMB12,178,100, the carrying amount of fixed assets was RMB1,400, amounting in aggregate to RMB12,179,500; and the appraised value was RMB1,400, representing a change rate of -100%. The carrying amount of its current liabilities was RMB12,878,400 and the appraised value was RMB1,351,300, representing a change rate of -89.51%. The carrying amount of its non-current liabilities was RMB162,148,600 and the appraised value was RMB0, representing a change rate of -100%.

**(IV) Reasons for and Conclusion of the Valuation**

Given that Yajiang Runfeng Mining Limited Liability Company had not yet commenced any production or business operations as at the Valuation Benchmark Date, and no off-balance-sheet intangible assets such as customer relationships or goodwill would be recognized, the sole adoption of the asset-based approach for the valuation can effectively reflect the value of the company's equity. Under this method, the assets held and liabilities assumed by the company are analyzed on an item-by-item basis, with appropriate valuation methods selected for their valuation, and the appraised values of all assets and liabilities are then aggregated in accordance with the principles of the asset-based approach to arrive at the valuation conclusion.

After examination and verification, the major asset held by Yajiang Runfeng Mining Limited Liability Company, namely, the mining rights of the Shaotangou vein quartz and spodumene mine, is supported by a reserve verification report that has been reviewed and filed, i.e., the Resource and Reserve Verification Report for the Vein Quartz and Lithium Ore in the Shaotangou Mining Area, Yajiang County, Sichuan Province (Sichuan Institute of Comprehensive Geological Survey, November 2024), and the mine development design documentation prepared by a qualified mine design entity, i.e., the Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01) (Changsha Institute of Mining Research Co., Ltd., February 2026).

The valuers determined that the appraised entity has an independent ability to generate profits, with expected benefits and risks that are foreseeable and quantifiable in monetary terms, and a foreseeable duration of expected benefits. As such, it meets the preconditions for applying the income approach. Its resource reserve can be substantially determined based on the Reserve Verification Report, together with its review opinion and the letter confirming its review and filing; its technical and economic parameters can be determined based on the Feasibility Study Report. The geological, technical and economic data for the mining right are essentially complete and reliable, and substantially meet the requirements for applying the discounted cash flow method. Pursuant to the Interim Measures for the Valuation and Management of Exploration and Mining Rights, the Basic Technical Standards for Valuation of Mineral Rights (CMVS00001-2008) and the Standards for Income Approach Valuation Methods (CMVS12100-2008), the discounted cash flow method was adopted for the valuation. This method reflects the discounted value of future benefits of the mining right and constitutes an effective representation of its market value.

Based on the foregoing analysis, the market value of the mining rights of the Shaotangou vein quartz and spodumene mine held by the Company was appraised using the discounted cash flow method; its remaining assets and liabilities were also appraised using appropriate methods following examination and verification. As the Company has not commenced any production or business operations since its incorporation, no unidentifiable intangible assets such as goodwill or customer relationships would be recognized. The asset-based approach effectively reflects the value of Yajiang Runfeng Mining Limited Liability Company's assets and liabilities, and it is therefore reasonable to adopt the appraised results under the asset-based approach as the final valuation conclusion.

As of the Valuation Benchmark Date, the carrying amounts of the total assets, total liabilities and owners' (shareholders) equity of Yajiang Runfeng Mining Limited Liability Company, as submitted for valuation and audited by KPMG Huazhen LLP (Special General Partnership) were RMB727,157,000, RMB175,027,000 and RMB552,130,000, respectively.

Based on the asset-based approach, it is concluded that the market value of the total shareholders' equity of Yajiang Runfeng Mining Limited Liability Company as at the Valuation Benchmark Date is RMB7,714,789,200.

## II. VALUATION OF THE SHAOTANGOU MINING RIGHT

According to the Valuation Report on the Mining Right of the Shaotangou Vein Quartz and Spodumene Mine of Yajiang Runfeng Mining Limited Liability Company (Jing Kun Kuang Ping Bao Zi [2026] No. 107) (the "Shaotangou Mining Right Valuation Report") issued by Beijing KYSIN Assets Appraisal Co., Ltd. on 19 November 2026, the Shaotangou Mining Right Valuation Report ultimately adopted the discounted cash flow method, and took its final result as the appraised value after deducting the transfer proceeds payable in respect of the portion already subject to paid disposal at the earlier stage and the transfer proceeds assessed on a fixed-amount basis for newly identified mineral resources. Accordingly, the aggregate market value of the Shaotangou mining right included within the scope of valuation as at the Valuation Benchmark Date (30 June 2026) was RMB7,459,451,500.

### (I) Valuation Method

Shaotangou vein quartz and spodumene mine of Yajiang Runfeng Mining Limited Liability Company is supported by a reserve verification report that has been reviewed and filed, i.e., Resource and Reserve Verification Report for the Vein Quartz and Lithium Ore in the Shaotangou Mining Area, Yajiang County, Sichuan Province (Sichuan Institute of Comprehensive Geological Survey, November 2024), and the mine development design documentation prepared by a qualified mine design entity, i.e., Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01) (Changsha Institute of Mining Research Co., Ltd., February 2026).

The valuers determined that the appraised entity has an independent ability to generate profits, with expected benefits and risks that are foreseeable and quantifiable in monetary terms, and a foreseeable duration of expected benefits. As such, it meets the preconditions for applying the income approach. Its resource reserve can be substantially determined based on the Reserve Verification Report, together with its review opinion and the letter confirming its review and filing; its technical and economic parameters can be determined based on the Feasibility Study Report. The income-based equity method is applicable to the valuation of mining rights where both the scale of mineral reserves and the scale of mine production are small and where the conditions for applying other income approaches are not met. Based on the foregoing analysis, the income-based equity method was not suitable for adoption in the valuation. In addition, there is a lack of similar comparables (comparable mining rights) in the region, and the conditions for applying the comparable sales method were therefore also not met.

In summary, the valuers believed that the geological, technical and economic data for the mining right are essentially complete and reliable, and substantially meet the requirements for applying the discounted cash flow method. Pursuant to the Interim Measures for the Valuation and Management of Exploration and Mining Rights, the Basic Technical Standards for Valuation of Mineral Rights (CMVS00001-2008) and the Standards for Income Approach Valuation Methods (CMVS12100-2008), the discounted cash flow method was adopted for the valuation. Its calculation formula is as follows:

$$P = \sum_{t=1}^{n} (CI - CO)_t \bullet \frac{1}{(1+i)^t}$$

Where, P — appraised value of the mining right;

*CI*— annual cash inflow;

*CO*— annual cash outflow;

*i*— discount rate;

*t*— year serial number(t =1,2,3, ⋯, n);

*n*— valuation calculation period.

## (II) Scope of Valuation

### 1. Scope of Valuation

The scope of the valuation comprises the mining area specified in the Mining License of the People's Republic of China (License No. C5133002009126110049725) and the mineral resources reserves permitted to be extracted within that area, with the mining elevation stated in the license ranging from +4,400m to +3,960m. An application for the alteration (expansion) of such mining right is currently in progress, under which the horizontal boundary will remain unchanged, and the mining elevation is proposed to be increased from +4,400m to +4,555m. On 18 June 2025, the Mineral Resources Development and Utilization Plan for the Shaotangou Vein Quartz Mine and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (prepared by BGRIMM Technology Group) was approved upon review and publicized. Accordingly, the scope of the valuation also includes the portion with an elevation from +4,555m to +4,400m.

## 2. Important notes

(1) Pursuant to the Report of the Ganzi Prefecture Bureau of Natural Resources and Planning on the Accounting of Transfer Proceeds Payable for the Mining Rights of the Shaotangou Vein Quartz and Spodumene Mine in Yajiang County (Gan Zi Ran Zi Gui [2020] No. 79), the total transfer proceeds payable for the mining rights of the Shaotangou vein quartz and spodumene mine in Yajiang County were calculated as RMB480,247,600, comprising RMB462,162,100 for lithium ore, RMB595,000 for vein quartz, RMB15,907,900 for beryllium, and RMB1,582,600 for niobium-tantalum. The resource quantities corresponding to the aforesaid transfer proceeds are 420,227.5 tonnes of lithium ore, 296,000 tonnes of vein quartz, 16,672 tonnes of beryllium, and 5,827 tonnes of niobium-tantalum (3,924 + 1,903). According to the Mining Rights Transfer Proceeds Payment Contract and the payment receipts provided by the mining rights holder, RMB215,617,700 had been paid as of the Valuation Benchmark Date. The nominal amount of the outstanding balance was RMB264,629,900, payable in 22 installments, with RMB12,040,000 due by December 20 of each year and a final installment of RMB11,789,900. Runfeng Mining has recognized the aforementioned outstanding payments as payables and measured them at an amount that reflects the time value of money. As of the Valuation Benchmark Date, the aggregate book balance of such payables was RMB173,675,600, of which RMB11,527,000 was classified under "non-current liabilities due within one year" and RMB162,148,600 under "long-term payables". The book balance of the payables is lower than the nominal amount of the outstanding balance, primarily because the aforesaid unpaid amounts have been measured at their discounted present value. In this valuation of the mining rights, the installments of the mining rights proceeds payable at each payment time point stipulated in the contract have been deducted from the corresponding cash flows.

To make full use of the resources adjacent to the Shaotangou mining rights and to expand the scale of production, from January to September 2025, the mining rights holder completed, among other things, the filing of the Shaotangou mineral resource reserves verification report and the review of the development and utilization plan and the "two-in-one" plan. The filed lithium resources comprise cumulative identified (retained) measured + indicated + inferred resources of 66,752,000 tonnes of ore, containing 757,690 tonnes of $Li_2O$, with no associated BeO, and associated $Nb2O_5$ of 7,428 tonnes and $Ta_2O_5$ of 3,546 tonnes. For the vein quartz ore, cumulative identified (measured + indicated + inferred) resource quantity is 300,000 tonnes of ore, with retained (indicated + inferred) resources of 275,000 tonnes. Among these, the portion outside the elevation range specified in the mining rights certificate from 4,400 m to 4,555 m (with unchanged plan scope) contains 70,651 tonnes of $Li_2O$ as the principal mineral, together with associated $Nb2O_5$ of 675 tonnes and $Ta_2O_5$ of 315 tonnes. Based on the above work results, the mining rights holder intends to apply for the acquisition, by way of transfer by agreement, of the newly identified mineral resources located above the elevation range specified in the existing mining rights certificate, and, having regard to the overall resource quantity and comprehensive development conditions of the mining area, apply for an increase in production scale from 1,200,000 tonnes per year to 2,600,000 tonnes per year. The mining rights holder is currently processing the administrative procedures for the expansion of the Shaotangou vein quartz and spodumene mining area, the transfer by agreement of the newly identified mineral resources, and the expansion of production capacity.

Pursuant to the Notice of the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration on the Issuance of the Measures for the Collection of Mining Rights Transfer Proceeds (Cai Zong [2023] No. 10), lithium, niobium and tantalum fall within the Catalogue of Mineral Species, and the transfer proceeds shall be paid in two parts: levied by a fixed lump-sum amount and levied annually at the specified yield rate. The part levied by a fixed lump-sum amount is determined at the transfer stage on the basis of the competitive result, whereas the part levied annually at the specified yield rate is paid annually by the mining rights holder after extraction and sale, at a certain percentage of sales revenue (i.e., the transfer yield rate). In the valuation of the transfer proceeds for the newly identified mineral resources, the part levied by a fixed lump-sum amount is determined at RMB969,131,700 (public notice period: from 9 October 2026 to 21 October 2026; the Transfer Agreement is currently being executed), being the negotiated transfer price published by the Sichuan Provincial Department of Natural Resources after the Valuation Benchmark Date, and has been deducted from the appraised value of the mining right on a one-off basis; the part levied annually at the specified yield rate is estimated based on the assumed mineral product selling price and production scale, and is included in the operating costs over the projection period.

(2) As at the Valuation Benchmark Date, Yajiang Runfeng Mining Limited Liability Company holds the Mining License (License No.: C5133002009126110049725) for the Shaotangou vein quartz and spodumene mine, with a licensed production scale of 1,200,000 tonnes per year (50,000 tonnes per year of vein quartz for glass manufacturing and 1,200,000 tonnes per year of lithium ore). According to the Feasibility Study Report, the mine is designed for a production scale of 2,600,000 tonnes per year, comprising 2,600,000 tonnes per year from open-pit mining of the spodumene ore, 1,300,000 tonnes per year from underground mining of the spodumene ore, and 90,000 tonnes per year from underground mining of the vein quartz ore.

At present, the mine remains at the pre-construction stage and has not yet commenced formal production. In light of the objectives set out by Sichuan Province and Ganzi Prefecture in the new round of mineral resources planning, in particular the designation of Jiajika as a provincial key planned development zone for lithium resources, and with a view to accelerating the development of Sichuan's lithium resources, the Shaotangou mine, together with the Cuola, Dechelongba and Kangding Jiajika lithium deposits, has been incorporated into the mineral resources development plans of Ganzi Prefecture and Yajiang County. Against this backdrop, and having regard to its own resource quantity and overall conditions, the mine has determined to proceed with design and construction on the basis of a production scale of 2,600,000 tonnes per year, so as to align with the overall layout and development requirements for mineral resources development in the region. As at the date of issuance of this report, the Company is actively processing the procedures for change of the mining right to expand the mining area of the Shaotangou vein quartz and spodumene mine. This valuation conclusion is premised on the mining rights holder successfully obtaining approval for the expansion of the mining area and achieving a production scale of 2,600,000 tonnes per year. Although the Yajiang County Bureau of Natural Resources and Planning has issued a certificate confirming that there is no substantive obstacle to the change, formal approval remains uncertain, and this valuation does not take into account any impact of denials or delays of the change on the conclusion. Should the scale, timing or scope actually approved differ from those assumed in this report, the valuation conclusion shall be adjusted accordingly. Users of this report are advised to give due attention to this premise risk.

(3) This valuation is based on the Reserve Verification Report, in which information concerning the preparers, responsible persons and legal-person qualification certificates is set out. Save as aforesaid, the client has not provided any other similar professional report, and neither the appraisal institution nor the appraisal professionals carrying out this valuation project have obtained, or are aware of the existence of, any other professional report. Should any other similar professional report exist and a valuation conclusion different from that set out in this report be derived therefrom, this institution shall bear no corresponding liability in accordance with the Asset Appraisal Law.

(4) In determining the recoverable output in this valuation, the treatment of the portions that cannot be mined and the portions that cannot be recovered during the mining process, based on the Feasibility Study Report provided by the mining rights holder, represents a professional judgment made in accordance with the requirements of the appraisal standards; it does not constitute an adjustment to or deduction from the scope of the valuation, nor does it represent any omission from the valuation conclusion. At the same time, with respect to the various design loss and mining loss parameters set out in the Feasibility Study Report, the mining rights appraisal industry and the appraisal professionals undertaking this project have no technical means or professional methods to verify their correctness, and such parameters fall within the scope of calculation only.

(5) In determining the recoverable reserves in this valuation, the deduction applied to inferred resources represents a professional judgment made in accordance with the requirements of the appraisal standards based on the degree of reliability of the resources; it does not constitute an adjustment to or deduction from the scope of the valuation, nor does it represent any omission from the valuation conclusion.

(6) Notes on the preferential corporate income tax treatment

According to the Statement on Eligibility for the Preferential 15% Corporate Income Tax Rate provided by the mining rights holder, Yajiang Runfeng Mining Limited Liability Company is an enterprise registered in Sichuan Province engaged in the mining, processing and sales of vein quartz and lithium ore, and its principal business falls within the scope prescribed by the Catalogue of Encouraged Industries in Western China, thereby entitling it to the preferential 15% corporate income tax rate under the Strategy for Large-Scale Development of Western China. As at the Valuation Benchmark Date, the Company has not yet commenced operations and intends to claim the preferential treatment through self-declaration upon the commencement of formal production and operation. This valuation assumes that, from the commencement of the production period, the Company will satisfy the condition that revenue from its encouraged principal business accounts for more than 60% of its total revenue. Accordingly, the tax rate applied is 15% for 2030 and 25% from 2031 onwards. Should this preferential treatment not be available in the future, the valuation conclusion will need to be adjusted accordingly, and users of this report are advised to give their attention to this matter.

(7) According to the Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01), rubidium within the mining area is difficult to recover and is therefore not utilised in the design. Likewise, effective separation of lithium and beryllium cannot be achieved by physical beneficiation, and beryllium cannot be recovered; beryllium is therefore not utilised in the design. Users of this report are advised to give their attention to this matter.

(8) According to the Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01), in order to recover and utilise as much of the resource as possible, the boundary isolation safety pillar is provisionally assumed to be 40% recovered at the end of underground mining production. Whether the boundary isolation safety pillar is to be recovered, together with the recovery plan and recovery rate, must be subject to rigorous technical demonstration by an authoritative third-party research institution and submitted to the relevant authorities for approval before being determined. Should this portion prove unrecoverable in the future, the valuation conclusion will need to be adjusted accordingly, and users of this report are advised to give their attention to this matter.

(9) Based on investigations, the Jiajika spodumene mine of Youngy Lithium, a comparable mine adjacent to the Shaotangou spodumene mine in Yajiang County, entered into a benefit-sharing mechanism agreement with the local government in 2019, under which a benefit-sharing contribution is payable annually to the Ganzi Tibetan Autonomous Prefecture at a standard of RMB40 million per year based on the production capacity of the concentrator plant (450,000 tonnes per year). Following enquiries with the client, we understand that the mine may likewise be subject to such an arrangement during its operating period. Accordingly, having referred to the announcements and annual reports of Youngy Lithium's Jiajika spodumene mine over the years, and by reference to the financial treatment adopted thereby, we have, following comprehensive analysis and based on the principle of prudence, adopted this item and included it in administrative expenses, with the cost standard consistent with that of the Jiajika spodumene mine of Youngy Lithium (accrued on the basis of production capacity), i.e. a unit benefit-sharing payment of RMB88.89 per tonne. Users of this report are advised to give their attention to this matter.

(10) As the mine is located in an ethnic minority area at a high altitude, and as mining activities have a certain impact on the environment, local environmental protection policies and other factors may also affect the mine's production and operation. There is therefore a risk that mine construction and production may not be completed within the scheduled timeframe, and users of this report are advised to give their attention to this matter.

## (III) Key Input Parameters and Assumptions

### I) Valuation assumptions

1. The resource reserves estimated in the Reserve Verification Report are reliable.

2. The valuation is based on the assumed resource reserves, mining method, production scale, product mix and development technology level, on the basis that the mine is able to operate as a going concern.

3. It is assumed that the mine will successfully obtain a mining license for a production scale of 2,600,000 tonnes per year and will be constructed in accordance with the Feasibility Study Report, and that the mine's production capacity will remain unchanged throughout the future production period, and this valuation does not take into account the effect on the valuation conclusion of uneven production from year to year.

4. Production and sales of mineral products are in balance, that is, all products produced by the mine in the current period are sold in that period.

5. The mine entrusted by the client for valuation is able to maintain sustained and normal operation, standardized management, and safe production, and the mineral resources entrusted for valuation can be continuously and normally mined and utilised.

6. Market supply and demand remain relatively stable, and product prices and relevant national economic policies will not undergo significant change in the short term and will remain stable.

7. The relevant policies, laws and regulations to which the mine is subject remain as currently in effect without material change, and the relevant social, political and economic environment as well as development technology and conditions remain as they currently are without material change.

8. The Company is able to satisfy the conditions applicable to enterprises in encouraged industries under the Strategy for Large-Scale Development of Western China and enjoy the preferential 15% corporate income tax rate in 2030 in accordance with the relevant provisions.

9. No account is taken of the effect on the appraised value of any mortgage, guarantee or other encumbrances or restrictions on property rights that may be assumed in the future, or of any additional price that may be paid by a special counterparty.

10. There is no other material impact arising from force majeure or unforeseeable factors.

11. The relevant materials provided by the mining rights holder on which this valuation report is based are true and reliable.

**II) Basis of valuation:**

1. The Mining License of the People's Republic of China (License No.: C5133002009126110049725) issued by the Ministry of Natural Resources on 23 June 2022;

2. The Mining Rights Transfer Proceeds Payment Contract (Ganzi Prefecture Bureau of Natural Resources and Planning, 25 April 2021);

3. The Report of the Ganzi Prefecture Bureau of Natural Resources and Planning on the Accounting of Transfer Proceeds Payable for the Mining Rights of the Shaotangou Vein Quartz and Spodumene Mine in Yajiang County (Gan Zi Ran Zi Gui [2020] No. 79);

4. The Resource and Reserve Verification Report for the Vein Quartz and Lithium Ore in the Shaotangou Mining Area, Yajiang County, Sichuan Province (Sichuan Institute of Comprehensive Geological Survey, November 2024);

5. The Review Opinion on the Resource and Reserve Verification Report for the Vein Quartz and Lithium Ore in the Shaotangou Mining Area, Yajiang County, Sichuan Province (Zi Ran Zi Kuang Ping Chu Zi [2024] No. 20, Mineral Resource Reserves Review Centre of the Ministry of Natural Resources, 27 December 2024);

6. The Reply Letter on the Filing of the Mineral Resource Reserves Review in respect of the Resource and Reserve Verification Report for the Vein Quartz and Lithium Ore in the Shaotangou Mining Area, Yajiang County, Sichuan Province (Zi Ran Zi Chu Bei Zi [2025] No. 1, Ministry of Natural Resources, 14 January 2025);

7. The Expert Review Opinion on the Mineral Resources Development and Utilization Plan for the Shaotangou Vein Quartz Mine and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (18 June 2025);

8. The Feasibility Study Report on the Mining and Beneficiation Project for the Shaotangou Vein Quartz and Lithium Mine of Yajiang Runfeng Mining Limited Liability Company (Project No. S583KY01) (Changsha Institute of Mining Research Co., Ltd., February 2026);

9. The Announcement of the Sichuan Provincial Department of Natural Resources on the Valuation Results of the Negotiated Transfer Transaction Price for the Upper Portion (+4,400 m to +4,555 m) within the Plan Scope of the Shaotangou Vein Quartz and Spodumene Mining Right.

## III) Key Parameters for Mining Rights Calculation

1. Retained resources and reserves

   According to the Reserve Verification Report and its review opinions, as well as the Feasibility Study Report, recoverable reserves utilised in the valuation of the spodumene ore of the mine: for open-pit mining, the spodumene ore tonnage is 44,193,100 tonnes, containing 511,083.95 tonnes of $Li_2O$ at an average grade of 1.1565%, 4,858.30 tonnes of Nb2O5 at an average grade of $110\times10^{-6}$ and 2,250.27 tonnes of $Ta_2O_5$ at an average grade of $51\times10^{-6}$;

2. For underground mining, the spodumene ore tonnage is 9,997,500 tonnes, containing 102,989.40 tonnes of $Li_2O$ at an average grade of 1.0302%, 1,178.89 tonnes of Nb2O5 at an average grade of $118\times10^{-6}$, and 576.18 tonnes of $Ta_2O_5$ at an average grade of $58\times10^{-6}$.

3. Mine life

   According to the Mining License for the Shaotangou vein quartz and spodumene mine of Yajiang Runfeng Mining Limited Liability Company (License No.: C5133002009126110049725), the licensed production scale is 1,200,000 tonnes per annum (glass-grade vein quartz: 50,000 tonnes per annum; spodumene ore: 1,200,000 tonnes per annum). According to the Feasibility Study Report, the designed production scale of the mine is 2,600,000 tonnes per annum. In particular, the production scale for open-pit mining of spodumene ore is 2,600,000 tonnes per annum; the production scale for underground mining of spodumene ore is 1,300,000 tonnes per annum; and the production scale for underground mining of vein quartz ore is 90,000 tonnes per annum. As the mine has not yet commenced construction and production, and in light of the objectives of the new round of mineral resources planning of Sichuan Province and Ganzi Prefecture, and in order to accelerate the development of lithium mines in Sichuan, the Jiajika mining area has been designated as a key planned construction area for lithium resources in the province, and the development of the mine has been included in the mineral resource development plans of Ganzi Prefecture and Yajiang County. Therefore, based on the resources and relevant conditions, the mine has been designed for a production scale of 2,600,000 tonnes per annum.

4. Prices of mineral products

   For this valuation, the ex-factory price of the spodumene concentrate ($Li_2O$:5%) of the mine is RMB6,386.48 per tonne; the tax-exclusive price of the tantalum-niobium concentrate (containing 15% $Ta_2O_5$) is RMB206,100 per tonne and, after deducting transportation expenses, the tax-exclusive price is RMB205,872.48 per tonne; and the tax-exclusive selling price of the vein quartz raw ore is taken as RMB150.00 per tonne.

5. Estimated investment

   Pursuant to the Feasibility Study Report, the total fixed asset investment as at the Valuation Benchmark Date is RMB2,679,798,500 (inclusive of input VAT), comprising RMB671,505,600 for shaft and roadway works, RMB859,199,000 for buildings and structures, and RMB1,149,093,900 for machinery and equipment. The land acquisition costs to be invested in the mine are estimated to be RMB802,682,600.

6. Costs and expenses

(1) Material costs: Costs of purchased materials included in the manufacturing costs for open-pit mining are RMB23.54 per tonne, and those in the beneficiation costs are RMB58.68 per tonne, totalling RMB82.22 per tonne; costs of purchased materials included in the manufacturing costs for underground mining of spodumene ore are RMB80.42 per tonne, and those in the beneficiation costs are RMB58.68 per tonne, totalling RMB139.10 per tonne, both of which are exclusive of tax.

(2) Costs of purchased fuel and power: Costs of purchased fuel and power included in the manufacturing costs for open-pit mining are RMB14.37 per tonne, and those in the beneficiation costs are RMB40.42 per tonne, totalling RMB54.79 per tonne; Costs of purchased fuel and power included in the manufacturing costs for underground mining of spodumene ore are RMB13.97 per tonne, and those in the beneficiation costs are RMB40.64 per tonne, totalling RMB54.61 per tonne.

(3) Salaries and benefits of production personnel: Salaries and benefits of production personnel included in the manufacturing costs for open-pit mining are RMB17.80 per tonne, and those in the beneficiation costs are RMB9.90 per tonne, totalling RMB27.70 per tonne; salaries and benefits of production personnel included in the manufacturing costs for underground mining of spodumene ore is RMB39.60 per tonne, and those in the beneficiation costs are RMB13.86 per tonne, totalling RMB53.46 per tonne.

(4) Repair costs: Repair costs generally include overhaul costs and maintenance costs. In mining rights valuation, repair costs mainly refer to the costs of routine maintenance of fixed assets. According to the Feasibility Study Report, the unit repair cost for open-pit mining is RMB16.08 per tonne, and the unit repair cost for underground mining is RMB17.10 per tonne.

(5) Maintenance costs for simple reproduction

In accordance with the Guiding Opinions on Determination of Mining Rights Evaluation Parameters and the Notice of the Ministry of Finance on No Longer Stipulating the Standard for Maintenance Costs for Simple Reproduction of Metallurgical Mines (Cai Ban Zi [2015] No. 8), in this valuation, the depreciation-related maintenance costs for simple reproduction attributable to open-pit mining formation works and underground mining shaft and roadway works are allocated based on the total mined ore. Accordingly, the depreciation-related maintenance costs for simple reproduction amount to RMB8.65 per tonne for open-pit mining and RMB19.19 per tonne for underground mining.

(6) Depreciation charges

The unit depreciation charge allocated based on the volume of spodumene raw ore amounts to RMB34.63 per tonne during the open-pit mining period and RMB76.85 per tonne during the underground mining period.

(7) Tailings storage fee

Pursuant to the Feasibility Study Report and enquiries made with relevant responsible personnel of the mine, the tailing pond of this project is shared with other projects. The tailings storage fee is calculated at RMB30 per tonne of tailings (exclusive of tax) during the production period of 1~5 years, and RMB23.95 per tonne of tailings (exclusive of tax) from the sixth year of the production period onwards. In addition, a tailings filling rate of 29.48% is taken into account during the underground mining period.

(8) Shared infrastructure fee

Pursuant to the Feasibility Study Report, the co-construction lease fee is calculated at RMB62.39 per tonne of concentrate (exclusive of tax), which is equivalent to RMB10.57 per tonne when converted based on the total output.

(9) Other manufacturing overheads

Pursuant to the Feasibility Study Report, other manufacturing overheads included in the manufacturing costs for open-pit mining amount to RMB3.08 per tonne, and included in the beneficiation costs are RMB4.63 per tonne, totalling RMB7.71 per tonne; the other manufacturing overheads included in the manufacturing costs for underground mining of spodumene ore are RMB7.83 per tonne, and those included in the beneficiation costs are RMB3.91 per tonne, totalling RMB11.74 per tonne.

7. Administrative expenses

Administrative expenses primarily consist of salaries and welfare expenses of management personnel, various insurance premiums, labor union funds and staff education funds, consulting expenses, office expenses, entertainment expenses, greening fees, and other expenses, of which the land acquisition costs are allocated based on the estimated land acquisition cost of RMB802,682,600; Mining rights transfer proceeds shall be calculated according to the Report of Natural Resources and Planning Bureau of Ganzi Prefecture on the Calculation of Mining Rights Transfer Proceeds from the Shaotangou Vein Quartz and Spodumene Mine in Yajiang County (Gan Ziran Zi Gui [2020] No. 79), and in particular, the mining rights transfer proceeds of the mine shall be paid under rate-based method at a price of RMB16.00 per tonne during the normal production year of open-pit mining, and RMB13.20 per tonne during the normal production year of underground mining; the benefit-sharing payment is set at RMB88.89 per tonne with reference to the amount paid by comparable mines in the surrounding areas of Ganzi Tibetan Autonomous Prefecture; and other expenses shall be determined with reference to the Feasibility Study Report or relevant regulations.

8. Finance costs

The Valuation Benchmark Date determined in this valuation is 30 June 2026. 70% of working capital is financed through bank loans, with the loan rate set at a rate of 3.0%, being the one-year Loan Prime Rate (LPR) announced on 22 June 2026 by the National Interbank Funding Center authorised by the People's Bank of China, which is the rate published prior to and closest to the Valuation Benchmark Date. As calculated on such basis, the unit finance cost for spodumene ore mining and beneficiation is RMB1.16 per tonne for open-pit mining and RMB2.32 per tonne for underground mining.

9. Discount rate

According to the Guiding Opinions on Determination of Mining Rights Evaluation Parameters, the discount rate comprises the risk-free rate of return and the risk premium.

The risk-free rate of return, also known as the safe rate of return, is generally determined with reference to the interest rates on treasury bonds issued by the government or bank deposits for the corresponding period. For this valuation, the weighted average annual coupon rate of 2.62% on five-year savings treasury bonds (certificate-type) issued during the five years prior to the Valuation Benchmark Date has been adopted as the risk-free rate of return. Accordingly, the risk-free rate is 2.62%.

Through analysis, the risk premium is determined to be 5.50%, comprising a risk premium of 1% for the exploration and development stage, an industry risk premium of 2%, a financial and operational risk premium of 1.5% and other individual risk premiums of 1%.

Given the foregoing, the discount rate adopted for this valuation is 8.12%.

10. Mining Rights Transfer Proceeds

Pursuant to the Announcement on the Appraisal Result of the Transaction Price for the Transfer by Agreement of the Upper Part (+4,400 m to +4,555 m) within the Horizontal Extent of the Mining Rights of the Shaotangou Vein Quartz and Spodumene Mine issued by the Department of Natural Resources of Sichuan Province on 8 October 2026, the appraisal result of the transaction price for the transfer by agreement of the upper part (+4,400 m to +4,555 m) within the horizontal extent of the mining rights of the Shaotangou vein quartz and spodumene mine is RMB969,131,700. The amount stated in the above announcement has been deducted in a lump sum from the appraised value of the mining rights in this valuation.

## (IV) Reasons for and Conclusion of the Valuation

The geological data and technical and economic information of the mining right are basically complete and reliable, which substantially satisfy the requirements for valuation using the discounted cash flow method. According to the Interim Measures for the Administration of the Valuation of Exploration Rights and Mining Rights, the Basic Standards for Mining Rights Valuation Techniques (CMVS00001-2008) and the Specifications for Income Approach Valuation Methods (CMVS12100-2008), it is suitable for this valuation to adopt the discounted future cash flow method for calculation. Furthermore, the recent filing of additional mineral reserves in respect of the mining right has been completed, and the mining rights transfer proceeds required to be paid have been publicly announced. There are no other uncertain matters that would affect the valuation conclusion. Therefore, the discounted cash flow method can reasonably reflect the market value of the mining rights.

The valuers determined that the appraised value of the mining rights held by Yajiang Runfeng Mining Limited Liability Company in respect of Shaotangou vein quartz and spodumene mine was RMB7,459,451,500 as of the Valuation Benchmark Date, i.e. 30 June 2026, which was calculated using the discounted cash flow method on the basis of thorough investigation and research of the valuation object and market conditions and on the premise that the production scale of the mine is set at 2,600,000 tonnes per annum in accordance with the Feasibility Study Report.

## VALUATION OF TIANQI XINGYU

Based on the Tianqi Xingyu Equity Valuation Report, the appraised value of Tianqi Xingyu's 100% equity interest was RMB950,352,300 as at the Valuation Benchmark Date (30 June 2026). The Tianqi Xingyu Equity Valuation Report is valid for one year from the Valuation Benchmark Date to 29 June 2027.

KPMG Huazhen LLP (Special General Partnership) has audited the financial statements of the appraised entity as of the Valuation Benchmark Date, being 30 June 2026, and issued a standard unqualified Audit Report (KPMG Huazhen Shen Zi No. 2629079) on 18 November 2026. The valuation report is based on the audit work and incorporates the relevant information and data from the aforementioned Audit Report.

### (I) Valuation Methods

When performing enterprise valuation, asset appraisal professionals shall carefully analyze the applicability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, and appropriately select one or more of these methods for the valuation based on relevant factors such as valuation purpose, subject of valuation, type of value, nature of enterprise, scale of assets, and the sufficiency of valuation information obtained.

At present, the appraised entity mainly performs the functions including holding of the subordinate project company, namely Yajiang Runfeng Mining Limited Liability Company, undertaking of assets, business integration and subsequent management coordination. As it has not yet commenced actual operations and its future income cannot be reasonably estimated, the income approach is not applicable to its valuation.

Based on the market information publicly disclosed by listed companies on the websites of Chinese listed companies and Wind Information and externally audited financial information and other relevant materials, it can be known that there are relatively few listed companies operating within the same industry as the appraised entity in the capital market of the Chinese Mainland, which cannot meet the requirements for the number of comparable companies (or cases) under the market-based valuation. Therefore, the market method is not suitable for this valuation, both from a theoretical and a practical perspective.

Given that, as at the valuation date, Tianqi Xingyu, a company established as a shareholding platform, had not yet commenced production and operational activities, no off-balance-sheet intangible assets such as customer relationships or goodwill have been established. The Company's financial records have been consolidated since incorporation, with a clear asset structure. The values of the relevant assets can be determined via appropriate valuation methods, and the asset-based approach is capable of reflecting the market value of Tianqi Xingyu effectively. Accordingly, only the asset-based approach has been adopted for this valuation.

## (II) Scope of Valuation and Difference between Book Value and Appraised Value

### 1. Scope of valuation:

The scope of this valuation is all assets and liabilities reported by Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. at the Valuation Benchmark Date.

As of the Valuation Benchmark Date, the book value of total assets, total liabilities and owner's (or shareholders') equity reported for valuation by Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. and determined by KPMG Huazhen LLP (Special General Partnership) is RMB977,079,000, RMB931,354,400 and RMB45,724,600, respectively.

### 2. Valuation conclusion

Based on the valuation under the asset-based method, as of the Valuation Benchmark Date, the total assets of Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. were valued at RMB1,881,706,700, representing an appraisal change of RMB904,627,700 or 92.58%. The total liabilities were valued at RMB931,354,400, with no appraisal change. The total shareholders' equity was valued at RMB950,352,300, representing an appraisal change of RMB904,627,700 or 1,978.43%.

The substantial differences between the book value of assets and the valuation conclusion are primarily for the reason that the equity investments are accounted for under the cost method, where their book value reflects the historical investment costs. The assets of the subsidiary are valued in their entirety in this valuation, with the appreciation in value of the subsidiary's mining rights included in the appraised value.

### 3. Important notes

The asset-based method was applied to value the long-term equity investments of the appraised entity in this valuation, where the valuation conclusion from the report titled "Total Shareholders' Equity of Yajiang Runfeng Mining Limited Liability Company Involved in the Proposed Acquisition of Yajiang Runfeng Mining Limited Liability Company's Equity by Tianqi Lithium Corporation" (Jingkun Ping Bao Zi [2026] No. 0816) with the Valuation Benchmark Date being 30 June 2026 issued by our firm on 20 November 2026 was cited. As is cited from the valuation conclusion, the market value of the total shareholders' equity of Yajiang Runfeng Mining Limited Liability Company on the Valuation Benchmark Date was RMB7,714,789,200.

**(III) Key Input Parameters and Assumptions**

**I) Key input parameters:**

(1) Valuation of current assets

Monetary funds

Monetary funds include bank deposits. The valuers have verified the amounts on account by reviewing bank statements and confirmation letters on the benchmark date, where the appraised value is determined based on the verified book value for non-foreign currency account, however, for foreign currency account, the appraised value is calculated by multiplying the book value of foreign currency by the foreign exchange rate on the benchmark date.

Other current assets

For other current assets, this valuation adopts the verified book value as the appraised value.

(2) Valuation of long-term equity investments

The long-term equity investments which this firm is commissioned to value are the non-controlling companies held by Tianqi Xingyu, as of the Valuation Benchmark Date, all the investees were in normal operation. Subject to the ownership of control right by investees, the restrictions on valuation procedures and the valuation information obtained, this valuation is to analyze the applicability of the three basic asset valuation methods, namely income approach, the market approach and the asset-based approach, and choose an appropriate valuation method based on comprehensive assessment and analysis according to the principle matching the purpose of this valuation and type of value.

For a controlled subsidiary within the scope of valuation, the total shareholders' equity of the investee has been valued according to the requirements of the Practicing Standards of Asset Valuation: Business Value. This report cites the valuation conclusion from the Equity Valuation Report on Controlled Subsidiaries (Jingkun Ping Bao Zi [2026] No. 0816) issued by this firm with the Valuation Benchmark Date being 30 June 2026. The total shareholders' equity value of the investee is determined based on the comparative analysis of information materials used and the quantity and quality of information on which parameter estimation is based. Subsequently, the appraised value of the long-term equity investments is calculated based on the shareholding percentage of the parent company in the investee. The estimation formula is as follows:

Appraised value of long-term equity investments=Appraised value of total shareholders' equity of investee×Shareholding percentage

(3) Valuation of liabilities

Subject to a review and verification process, the appraised value of all liabilities is determined based on the liabilities items and their corresponding amounts that the appraised enterprise will actually be required to assume following the realization of the valuation purpose.

Based on the above, as of the Valuation Benchmark Date, both the book value and the appraised value of Chengdu Tianqi Xingyu Enterprise Management Co., Ltd.'s current assets were RMB70,806,500, with no appraisal change. The book value of long-term equity investments was RMB906,272,500, and the appraised value was RMB1,810,900,200, representing an appreciation of 99.82%. Both the book value and the appraised value of liabilities were RMB931,354,400, with no appraisal change.

**II) Assumptions**

Pursuant to the valuation standards, asset appraisal professionals have made necessary analysis, judgement and adjustments to the information provided by the principal or the interested parties by fully analyzing the capital structure, operating conditions, track records and prospects of the appraised entity with reference to the influences of macroeconomic and regional economic factors, the current situation and prospects of the industry where it operates on the value of the appraised entity, and have reasonably made the following valuation assumptions after considering all future possibilities and their impacts.

1. Precondition assumptions

(1) Fair transaction assumption

Fair transaction assumption assumes that the appraised entity is already in the course of transaction, and the valuers simulate the market for appraisal based on the transaction conditions of the appraised entity and other principles of fairness.

(2) Open market assumption

Open market assumption assumes that the appraised entity is situated in a fully competitive and comprehensive market (regional, national or international market), where the market positions of the parties to the proposed transaction are equal to each other, and each has the ability, opportunity and time to obtain sufficient market information; the transaction behaviors of each party to the transaction are conducted under voluntary, rational and non-compulsory or unrestricted conditions, so that each party to the transaction can make rational judgments on the function, purpose and transaction price of the transaction subject. Under fully competitive market conditions, the exchange value of the transaction subject is subject to market mechanisms and determined by market conditions instead of the transaction price in individual transactions.

(3) Going-concern assumption

The going-concern assumption assumes that the appraised entity (the appraised target and its assets included) will continue to operate according to its current model, scale, frequency, environment, etc. This assumption not only sets down the subsisting status of the appraised entity, but also sets down the market conditions or market environment faced by the appraised entity.

2. General condition assumptions

(1) It is assumed that the current relevant laws and regulations, industry policies, industrial policies and macroeconomic environment of the country and region (where the appraised entity conducts business) have not changed significantly since the Valuation Benchmark Date, and that there is no material change in the political, economic and social environment in the regions where the parties of the subject transaction are located.

(2) It is assumed that the fiscal and monetary policies, as well as the relevant interest rates, exchange rates, tax bases and tax rates, and policy levies, etc., of the regions where the appraised entity conducts business have not undergone major changes.

(3) It is assumed that there are no other force majeure and unforeseeable factors which will have a material adverse effect on the continuing operation of the appraised entity.

**(IV) Reasons for and Conclusion of the Valuation**

Given that Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. mainly performs functions including holding the subordinate project company, namely Yajiang Runfeng Mining Limited Liability Company, undertaking of assets, business integration and subsequent management coordination, it has not yet commenced actual operations and production or operating activities, nor has it accumulated any off-balance-sheet intangible assets such as customer relationships or goodwill, the asset-based method was adopted only for the valuation, which can effectively reflect the value of its equity. This valuation method requires the valuers to analyze and adopt appropriate ways to value all assets held and all liabilities assumed by the Company on an item-by-item basis, and then aggregate the appraised value of all assets and liabilities according to the valuation principle of the asset-based approach and reach a valuation conclusion.

Based on the valuation under the asset-based method, as of the Valuation Benchmark Date, the total assets of Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. were valued at RMB1,881,706,700, representing an appraisal change of RMB904,627,700 or 92.58%. The total liabilities were valued at RMB931,354,400, with no appraisal change. The total shareholders' equity was valued at RMB950,352,300, representing an appraisal change of RMB904,627,700 or 1,978.43%. The valuation conclusion is that the market value of the total shareholders' equity of Chengdu Tianqi Xingyu Enterprise Management Co., Ltd. was RMB950,352,300 as at the Valuation Benchmark Date.

## APPENDIX IV: DETAILS OF THE GENERAL INFORMATION, KEY INPUT PARAMETERS AND ASSUMPTIONS IN RESPECT OF THE VALUATION OF THE SHANGDUBU EXPLORATION RIGHTS

### VALUATION OF SHANGDUBU EXPLORATION RIGHTS

Based on the valuation report of Shangdubu Exploration Rights, the appraised value of Shangdubu Exploration Rights on the Valuation Benchmark Date, i.e., 30 June 2026, was RMB16,298,900. The validity period of Shangdubu Exploration Rights Valuation Report is one year, starting from the Valuation Benchmark Date and ending on 29 June 2027.

### (I) VALUATION METHODS

According to the Geological General Exploration Report, The inferred resources of the silica orebody amount to 21.7 thousand tonnes, and the indicated and inferred resources of the lithium orebody contain a total of 144 tonnes of $Li_2O$. The resource quantities of the lithium ore body and silica ore body obtained in the mining area are relatively small, and both cannot meet the minimum mine construction entry conditions for the current mineral resource planning and construction in Ganzi Prefecture. Therefore, the overall exploration degree of the appraised entity based on the current exploration norms is generally regarded as pre-exploration to general exploration, which does not meet the requirements of the detailed exploration work level and cannot be used as the basis for mine development and to predict future profits, and does not meet the conditions for using the income approach method for valuation. The geological and mineral information obtained in the geological work cannot meet the accurate valuation of the expected geological prospects, and does not meet the conditions for judging the geological element value index required by the geological element valuation method. However, the exploration area has mineralization geological conditions and prospecting clues, and has further exploration work value. According to the provisions of the "China Mineral Rights Valuation Standards" and the "Guidance on Mineral Rights Valuation", this valuation is only suitable to adopt the exploration cost utility method, and its calculation formula is:

$$P = C_r \times F = \left[\sum^{n} U_i \times P_i \times (1+\varepsilon)\right] \times F$$

Where, P – appraised value of Exploration Rights;

$C_r$ – replacement cost;

$U_i$ – the physical work volume accomplished through various geological exploration techniques;

$P_i$ – current prices and cost standards corresponding to various geological exploration physical work;

ε – allocation coefficients for indirect expenses such as rock and mineral testing, other geological work (including comprehensive research and report writing) and construction;

F – utility coefficients;

$F = f_1 \times f_2$

$f_1$ – reasonable coefficient of exploration work arrangement;

$f_2$ – weighted average quality coefficient of exploration work;

i – number of each physical workload (i=1,2,3,⋯n);

n – investigation of physical workload items.

## (II) SCOPE OF THE VALUATION

1. Scope of the valuation

The scope of the valuation is the exploration area specified in the Exploration License (License NO: T1000002022055038001022). The registered exploration right holder: Chengdu Tianqi Industrial (Group) Co., Limited; The address of exploration right holder: Building 2, No. 10, Gaopeng East Road, Chengdu Hi-Tech Industrial Development Zone; The exploration project name: Detailed investigation for Shangdubu spodumene and silica mines in Yajiang County, Sichuan Province; Location: Murong Township, Yajiang County, Sichuan Province; drawing number: H47E010021 and H47E011021; The exploration area: 9.6875 square kilometers; The validity period: from 18 October 2021 to 17 October 2026. The mining area is enclosed by six inflection points. The coordinates of the inflection points within the exploration area are listed in the table below.

**Table – The coordinates of the inflection points within the exploration area (China Geodetic Coordinate System 2000)**

| No. | Area No. | Longitude | Latitude |
|---|---|---|---|
| 1 | 1 | 101°12’18.000’’ | 30°21’29.000’’ |
| 2 | 2 | 101°14’02.000’’ | 30°21’29.000’’ |
| 3 | 3 | 101°14’02.000’’ | 30°20’55.000’’ |
| 4 | 4 | 101°14’21.000’’ | 30°20’55.000’’ |
| 5 | 5 | 101°14’21.000’’ | 30°19’48.000’’ |
| 6 | 6 | 101°12’18.000’’ | 30°19’48.000’’ |

The scope of the entrusted valuation is exactly the aforementioned mining area. As of the Valuation Benchmark Date, no other mining rights have been set up within this mining area, and the valuers have also not found any disputes regarding the ownership of mining rights.

2. Important notes

According to the Geological General Exploration Report on the Shangdubu Lithium Spodumene and Silica Ore Area in Yajiang County, Sichuan (Sichuan Bureau of Geology & Mineral Resources No. 108, January 2018), the resource quantities of the lithium ore bodies and silica ore bodies obtained in the mining area are relatively small, failing to meet the minimum mine construction entry conditions. The transition from exploration to production is highly uncertain. Users of the report are advised to pay attention to these matters.

## (III) KEY INPUT PARAMETERS AND ASSUMPTIONS

### I) Key input parameters

This valuation is conducted with the exploration cost-utility method. Its calculation formula is: P=Cr×F (P-appraised value of mining rights, Cr – replacement cost, F-utility coefficient).

1. Calculation of replacement cost

(1) The determination of physical workload

According to the above principle, the valuers have conducted a statistical verification of the work volume carried out within the detailed exploration mining rights area of the Shangdubu Lithium spodumene and silica ore in Yajiang County, Sichuan Province. The following is an explanation of all the relevant effective physical work volumes within the exploration area:

**Table – Statistical Table of Effective Workload for the Current Mineral Exploration Right Valuation**

| Year | Geology Item | Work Type | Unit of Workload | Completion of Workload | Effective Workload |
|---|---|---|---|---|---|
| 2010 | 1:10000 special geology survey | Special geology survey | km² | 12.97 | 0 |
| | 1:2000 geological profile survey | Special geology survey | km | 1.948 | 1.948 |
| | 0~3m trenching | Special geology survey | m³ | 29.31 | 29.31 |
| | 0~1.5m trenching | Special geology survey | m³ | 119.74 | 119.74 |
| | 10×3cm channel sampling | Special geology survey | m | 52 | 52 |
| 2011 | 1:2000 special geology survey | Special geology survey | km² | 3 | 3 |
| | 1:500 geological profile survey | Special geology survey | km | 1.807 | 1.807 |
| 2017 | 1:2000 special geology survey | Special geology survey | km² | 3 | 3 |
| | 1:10000 special geology survey | Special geology survey | km² | 9.97 | 6.97 |
| | 1:5000 special hydrogeological survey | Special geology survey | km² | 3 | 3 |
| | 1:5000 special engineering geological survey | Special geology survey | km² | 3 | 3 |
| | 1:5000 special environmental geological survey | Special geology survey | km² | 3 | 3 |
| | 1:10000 special hydrogeological survey | Special geology survey | km² | 9.97 | 6.97 |
| | 1:10000 special engineering geological survey | Special geology survey | km² | 9.97 | 6.97 |
| | 1:10000 special environmental geological survey | Special geology survey | km² | 9.97 | 6.97 |
| | 20m long-wire induced polarization intermediate gradient survey | geophysical prospecting | km | 7.34 | 7.34 |
| | 0~200m mineral geological leveling drilling | drilling | m | 272.91 | 272.91 |
| | 0~3m trenching | Special geology survey | m³ | 37.43 | 37.43 |
| | 0~1.5m trenching | Special geology survey | m³ | 76.57 | 76.57 |
| | 10×5cm channel sample | Special geology survey | m | 23.3 | 23.3 |
| | core sample | Special geology survey | m | 5.64 | 5.64 |
| | Geological exploration work measurement (profile line measurement) | topographic survey | km | 1.2 | 1.2 |
| | Surveying control point | topographic survey | point | 6 | 6 |
| | Geological exploration work measurement (engineering point measurement) | topographic survey | point | 13 | 13 |

| Year | Geology Item | Work Type | Unit of Workload | Completion of Workload | Effective Workload |
|---|---|---|---|---|---|
| 2022 | 20m apparent resistivity intermediate gradient survey | geophysical prospecting | km | 24.19 | 24.19 |
| | 5m apparent resistivity intermediate gradient survey | geophysical prospecting | km | 0.6 | 0.6 |
| | Controlled source audio magnetotellurics | geophysical prospecting | unit | 48 | 48 |
| | 20m profile layout | geophysical prospecting | km | 24.19 | 24.19 |
| | 5m profile layout | geophysical prospecting | km | 0.6 | 0.6 |
| 2024 | Engineering point measurement | topographic survey | point | 5 | 5 |
| | 0~200m mechanical core drilling | drilling | m | 471.15 | 471.15 |
| | 0~400m mechanical core drilling | drilling | m | 321.2 | 321.2 |
| | 0~500m mechanical core drilling | drilling | m | 451.58 | 451.58 |
| | core sample | Special geology survey | m | 32 | 32 |

(2) Pricing standards for physical workload

The current exploration technical method workload and fee standards refer to the Geological Survey Project Budget Standards (2021) issued by the China Geological Survey in July 2021, with a regional adjustment coefficient of 1.8 applied for the Hengduan Mountains area where the Shangdubu lithium spodumene and silica detailed exploration prospecting right in Yajiang County, Sichuan Province, belongs.

(3) Unit price of physical workload

Taking the four main categories of geological work as examples, the method for determining the unit price of physical workload is described as follows:

①Drilling: Based on the "Geological General Exploration Report" and "Workload Statistics Table", the mineral geological horizontal drilling workload within the 0-200m depth range in the exploration area is 272.91m, with a rock hardness grade of IX. According to the "Geological Survey Project Budget Standard (2021)", the drilling unit price for rock grade IX at a depth of 0-200m is RMB1,797.00/m, and the regional adjustment coefficient is 1.8. After applying the above coefficient adjustment, the regional replacement unit price for borehole depths of 0-100m is RMB3,234.60/m**.**

②Geophysical prospecting: According to the "Workload Statistics Table", the workload of the 20m apparent resistivity intermediate gradient survey within the exploration area is 24.19 km, and the terrain grade is V. According to the "Geological Survey Project Budget Standard (2021)", the unit price for the apparent resistivity intermediate gradient survey with terrain grade V and 20m point spacing is RMB11,439.00/km, and the regional adjustment coefficient is 1.8. After applying the above coefficient adjustment, the regional replacement unit price for the 20m apparent resistivity intermediate gradient survey is RMB20,590.20/km.

③Topographic survey: Based on the "Geological General Exploration Report" and "Workload Statistics Table", there are 6 control point measurements in the exploration area, with a difficulty grade of V. According to the "Geological Survey Project Budget Standard (2021)", the unit price for control point measurement is RMB3,272/point for Difficulty Grade I, RMB3,791/point for Difficulty Grade II, and RMB4,773/point for Difficulty Grade III. Since the budget standard does not provide for Grade IV and Grade V, this valuation follows industry practice by applying a floating 20% to the unit price of Grade III, with a regional adjustment coefficient of 1.8. After applying the above coefficient adjustment, the regional replacement unit price for control point measurement at Difficulty Grade V is RMB10,309.68/point.

④Special geology survey: Based on the "Geological General Exploration Report" and "Workload Statistics Table", the simple survey workload for the 1:2000 special geological survey within the exploration area is 3 km², and the geological complexity level is Grade III. According to the "Geological Survey Project Budget Standard (2021)", the unit price for 1:2000 special geological survey is RMB71,569/km² for a geological complexity level of Grade III. This standard is for positive survey, and the simple survey consists of 77% of the positive survey, while the rough survey consists of 65% of the positive survey. The regional adjustment coefficient is 1.8. After applying the above coefficient adjustment, the regional replacement unit price is RMB99,194.63/km².

(4) Direct replacement costs calculation

After calculation, the total direct replacement cost of the detailed exploration mining rights for the lithium spodumene and silica ore in Shangdubu, Yajiang County, Sichuan Province, as evaluated in this project, amounts to RMB6,883,200.

(5) Indirect costs calculation

According to the China Mineral Valuation Standard (2008 version)(《中國礦業權評估準則》(2008年版)), indirect costs refer to other indirect expenses such as geological work, comprehensive research and report writing, rock and mineral tests, construction, etc. The present value of indirect costs is obtained by multiplying the present value of direct costs by the allocation coefficient. The allocation coefficient for indirect costs is 30%.

Indirect costs = 688.32×30% = RMB2,065,000

(6) Replacement cost

Replacement costs = Direct replacement cost + Indirect costs =6,883,200 + 2,065,000=RMB8,948,200

2. Basic costs calculation

(1) Determination of utility coefficient F

The judgment and analysis of the utility coefficient must abide by the geological objective laws and the economic laws of resources. According to "China Mineral Valuation Standard" (《中國礦業權評估準則》)and "Guidance on Mineral Rights Valuation"(《礦業權評估參數確定指導意見》) (details refer to Table – Reference Table for Mining Right Utility Coefficient Valuation).

**Table – Reference Table for Mining Right Utility Coefficient Valuation**

| Item | Level | Indicator for judgement | Utility coefficient |
|---|---|---|---|
| Rational coefficient of exploration arrangement $f_1$ | 1 | Meet the requirements of the current relevant exploration norms, the exploration technology and method are significantly necessary for the target mineral species, the application effect is good, and the layout is reasonable. | 1.01~2.00 |
| | 2 | Basically, meet the requirements of the relevant exploration norms, the exploration technology and method are generally necessary for the target mineral species, the application effect is general, and the layout is basically reasonable. | 1 |
| | 3 | Don't meet the requirements of the relevant exploration norms, the exploration technology and method are generally necessary for the target mineral species, the application effect is bad, and the layout is significantly duplicated. | 0.01~0.99 |

| Item | Level | Indicator for judgement | Utility coefficient |
|---|---|---|---|
| Weighted average quality coefficient of exploration $f_2$ | 1 | The construction quality is good, the geological purpose is achieved, and the geological and mineral information obtained is abundant and reliable, which is of great significance for the guidance of subsequent exploration work. | 2.00~3.00 |
| | 2 | The construction quality is good, the geological purpose is basically achieved, and the geological and mineral information obtained is relatively more, which is of certain significance for the guidance of subsequent exploration work. | 1.00~1.99 |
| | 3 | The construction quality is general, the geological purpose is basically achieved, and the geological and mineral information obtained is less, which is of minimal significance for the guidance of subsequent exploration work. | 0.50~0.99 |
| | 4 | The construction quality is bad, the geological purpose is not achieved, and the geological and mineral information obtained is less and outdated, which has no meaning for the guidance of subsequent exploration work. | 0.01~0.49 |

① Rational coefficient of exploration arrangement $f_1$

The exploration follows the principles of "point to area, known to unknown, point and area together", and adopts a comprehensive approach and means including geological surveying, topographic surveying and engineering control. According to the size, shape, thickness variation and the degree of structural influence of the main ore bodies, the silica mine is deployed with a basic engineering grid of 50m×50m, and the lithium ore body with an 80m×40m grid. Parallel exploration line profiles are used to set up exploration projects, systematically controlling the ore bodies within the area. Through comprehensive methods such as geology, measurement, sampling analysis and engineering control, the scale and mining technical conditions of the silica and lithium resources within the area are comprehensively evaluated. The distribution form, size, component changes and quality of the ore bodies are basically identified, and the mining technical conditions of the ore bodies are basically clarified. The layout of the exploration projects meets the requirements of the current relevant exploration norms, the exploration technology and method are significantly necessary for the target mineral species, the application effect is good, and the layout is reasonable. The rational coefficient $f_1$ of the exploration work layout is set at 1.50.

②Weighted average quality coefficient of exploration $f_2$

A.Drilling engineering: The opening hole diameters are 95mm and 75mm, while the final hole diameter is 75mm. The diameters of the rock and mineral cores are 89mm and 56mm respectively. These meet the requirements of the exploration for drilling and the quality of rock and mineral cores. The selection of the hole structure and the diameters of the rock and mineral cores is reasonable. The overall recovery rate of rock cores in all drilling holes in the area is 98.91% to 99.65%, and meets the design and specification requirements. After the on-site acceptance organized by Zhongdi Lvkuang (Beijing) Technology Co., Ltd.(中地綠礦(北京)科技有限公司), the quality of all drilling projects in the area has met the specification requirements. In conclusion, the construction quality of drilling projects in the area is good, the geological purpose is basically achieved, and the geological and mineral information obtained is relatively more, which is of certain significance for the guidance of subsequent exploration work. The quality coefficient is set at 1.20.

B.Geological Survey: The 1:2000 geological survey in the exploration area was conducted using the crossing method supplemented by the tracing method. The mapping route was perpendicular to the strata and the main structural lines. For pegmatite veins and important geological boundaries, they were traced along the direction of the boundaries. The main geological boundaries, structures, ore bodies, and mineralization bodies all had geological points for control, and the density of the geological points met the specification requirements. The geological content observation was meticulous, and detailed records were made for special geological phenomena and sketches or photos were taken. The collected data was complete, and the work grade met the specification requirements, improving the geological research level of the mining area. 1:10000 geological survey was mainly conducted using the crossing method, and the observation points could effectively control geological boundaries, structures and ore bodies. The exploration line profiles were measured using RKZ, and geological personnel and surveyors jointly marked special terrain, landforms, and the boundaries of the ore body top and bottom. The comprehensive profile fully reflected the geological boundaries, exploration engineering, and the delineation relationship of the ore bodies. The hydrological, engineering, and environmental geological surveys were carried out simultaneously, and the technical conditions for mining the deposit were basically identified. The quality of all geological measurement meet the requirements of the current relevant exploration norms. The construction quality is good, the geological purpose is comprehensively achieved, and the geological information obtained is extensive, which is of great significance for the guidance of subsequent exploration work. The quality coefficient is set at 1.30.

C.Geophysical survey: In the exploration area, various tasks such as resistivity profile measurements, acoustic electromagnetic sounding (AMT) measurements, and property acquisition were completed. The quality of the plane positions and elevation of the measurement points in the surveying work met the specification requirements; the proportion of measurement points and errors in the resistivity profile measurement met the specification requirements; the acoustic electromagnetic sounding adopted the "two same and two different" inspection observation method, and the number and quality of the quality inspection points met the specification requirements; the property specimens were collected at all main geological units and ore-forming key areas, and the inspection proportion and errors met the specification requirements. The quality inspection results met the specification requirements. The results of the resistivity profile measurement divided 5 anomaly zones, with sufficient basis for the division and accurate nature judgment. The results of the acoustic electromagnetic method initially revealed the deep extension of the key high-resistance anomalies in the area, and confirmed the deep extension situation of the known 28th vein on the surface. The construction quality and methods meet the requirements of the relevant exploration norms, the differences obtained are accurate and reliable, the geological purpose is basically achieved, and the geological and mineral information obtained is relatively more, which is of certain significance for the guidance of subsequent exploration work. The quality coefficient is set at 1.20.

D.Indirect fees: The sampling method for the exploration work is standardized. The processing and reduction of the samples comply with the requirements of the specification. The sample analysis and testing are carried out in accordance with the "Specification of Testing Quality Management for Geological Laboratories" (DZ/T0130-2006). The pass rates of internal and external inspections all meet the requirements of the specification. The quality of sample collection, processing and analysis testing is reliable. The geological purpose of various exploration is basically achieved, and the geological information obtained is relatively more, which is of certain meaning for the guidance of subsequent exploration work. The quality coefficient is set at 1.20.

The quality coefficient $f_2$ obtained after the weighted average of the above various coefficients by the evaluators is: 1.22.

③Utility coefficient F: According to the formula stipulated in the "China Mineral Valuation Standard": $F = f_1 \times f_2 = 1.50 \times 1.22 = 1.82$.

(2) Basic costs calculation

According to the aforementioned technical approach and calculation formula, the basic cost is calculated as the "utility value" obtained after the adjustment of replacement cost with the utility coefficient which is as follows:

894.82×1.82 = RMB16,298,900

## (IV) REASON FOR AND CONCLUSION OF THE VALUATION

Given that the resources quantities of lithium ore bodies and silica ore bodies obtained in this mining rights area are relatively small, both cannot meet the minimum mine construction entry conditions for the current mineral resource planning and construction in Ganzi Prefecture. Therefore, the overall exploration degree of the appraised entity based on the current exploration norms is generally regarded as pre-exploration to general exploration, which does not meet the requirements of the detailed exploration work level and does not meet the conditions for using the income approach method for valuation. However, the exploration area has mineralization geological conditions and prospecting clues, and has further exploration work value. According to the provisions of the China Mineral Rights Valuation Standards and the Guidance on Mineral Rights Valuation, the valuation of this project has been determined only suitable to adopt the exploration cost-utility method. The effective working volume of exploration in each year of the historical mining rights was verified, and it was corrected based on the corresponding utility coefficients. The appraisal results can effectively reflect the cost-utility of the mining rights on the benchmark date, and thus it is reasonable to determine that these appraisal results are the market value of the mining rights.

Based on thorough investigation and research of the appraised entity and market conditions, the valuers selected appropriate appraisal methods and parameters following a scientific appraisal procedure and, after careful estimation, determined that the detailed exploration mining rights of the lithium spodumene and silica ore in Shangdubu, Yajiang County, Sichuan Province have an appraised value of RMB16,298,900 on the Valuation Benchmark Date of 30 June 2026.