# Independent Technical Report on the Gaoloushan Construction Aggregate Project, Anhui Province, China

Gaoloushan Construction Aggregate, Huaibei, Anhui, China
Huaibei GreenGold Industry Investment Co., Ltd.*

SRK Consulting (Hong Kong) Ltd ▪ HGG001 ▪ August 2024

srk consulting

**Independent Technical Report on the Gaoloushan Construction Aggregate Project, Anhui Province, China**

Gaoloushan Construction Aggregate, Huaibei, Anhui, China

**Prepared for:**
Huaibei GreenGold Industry Investment Co., Ltd.*
4/F, Shuangchuang Service Center,
No. 3 Taobo Road, Song Tuan Town,
Lieshan District
Huaibei City, Anhui Province
China

**Prepared by:**
SRK Consulting (Hong Kong) Ltd.
Suite 1818, 18th Floor, V Heun Building
138 Queen's Road Central, Central
Hong Kong

+852 2520 2522

www.srk.com

**Lead Author:** Dr. (Gavin) Heung Ngai Chan **Initials:** GC
**Reviewer:** Dr. Michael Cunningham **Initials:** MC

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**Cover Image:**
Open pit aerial view

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## USEFUL DEFINITIONS

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

| Term | Meaning |
|---|---|
| ACR/ASR | Alkali silica reactivity/alkali carbonate reactivity<br><br>Records the presence of minerals that may react with alkali materials present in cement mixes and cause swelling and consequent structural damage |
| bedding | The surface that separates one layer from another in sedimentary rocks |
| bulk density | Property of mineral components, defined by the weight of an object or material divided by its volume, including the volume of its pore spaces |
| calcite | Calcium carbonate minerals |
| Cambrian | Time period 540-485 million years ago |
| CNGM | China National Geological Exploration Center of Building Materials Industry |
| compressive strength | The capacity of a material or structure to withstand loads tending to reduce size, measured by plotting applied force against deformation in a testing machine. It is the maximum compressive stress that can be applied to a material, such as a rock, under given conditions, before failure occurs |
| diorite | A coarse-grained igneous rock, intruded as a magma into pre-existing rock units where it solidifies to form a solid mass |
| dolomite | A sedimentary carbonate rock and a mineral, both composed of calcium magnesium carbonate $CaMg(CO_3)_2$ found in crystals, commercially referred to as marble |
| drill core | A solid, cylindrical sample of rock produced by an annular drill bit, generally rotatively driven but sometimes cut by percussive methods (drill core is extracted from a drill hole) |

| Term | Meaning |
|---|---|
| drill hole | A hole drilled in the ground by a drill rig, usually for exploratory purposes to obtain geological information and to allow sampling of rock material |
| Early Palaeozoic | Time period comprising Cambrian and Ordovician |
| ECGE | East China Metallurgical Institute of Geology and Exploration |
| EIA | environmental impact assessment, a comprehensive analysis of the environmental consequences of a mining project |
| EPCM | Engineering, Procurement, Construction and Management |
| EPMP | Environmental Protection and Management Plan |
| exploration | Activities undertaken to prove the location, volume and quality of a deposit |
| fault | A fracture or fracture zone in rock along which movement has occurred |
| feed ore | Mined rock delivered to the processing plant |
| flexural strength | A mechanical parameter for brittle material, defined as a material's ability to resist deformation under load |
| fold | A bend or flexure in a rock unit or series of rock units that has been caused by crustal movements |
| formation | A body of rock having a consistent set of characteristics (lithology) that distinguish it from adjacent bodies of rock |
| FS | feasibility study on the Phase II development, prepared by Hanchen International Engineering Design Group Co., Ltd. |
| $g/cm^3$ | grams per cubic centimetre |
| GIS | Geographic Information System |

| Term | Meaning |
|---|---|
| GPS | Global Positioning System: a global navigation satellite system that provides location, velocity and time synchronisation |
| hauling | The drawing or conveying of the product of the mine from the working places to the bottom of the hoisting shaft, or slope |
| IFC | International Finance Corporation/World Bank |
| JGMD | Jiangsu Mineral Geology Design and Research Institute |
| joint | A fracture in rock which has no displacement |
| JORC Code | *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC), December 2012 |
| Jurassic | Time period 200-145 million years ago |
| k | thousand |
| karst | A type of topography that is formed on limestone, gypsum, and other rocks by dissolution, and that is characterised by sinkholes, caves and underground drainage |
| kg | kilograms |
| km | kilometres |
| $km^2$ | square kilometres |
| kV | kiloVolts |
| kVA | kiloVolt-Amperes |
| kW | kiloWatts |

| Term | Meaning |
|---|---|
| limestone | Rocks of sedimentary origin that primarily are composed of calcium carbonate without or with limited magnesium |
| log | The record of, or the process of recording, events or the type and characteristics of the rock penetrated in drilling a borehole, as evidenced by the cuttings, core recovered, or information obtained from electric, sonic or radioactivity devices |
| LoM | Life of Mine |
| m | metres |
| M | million |
| $m^3$ | cubic metres |
| magmatic | Pertaining to, or derived from, magma |
| metamorphic rock | A rock formed by transformation of existing rocks subject to elevated heat and pressure |
| Measured Resource(s) | part of the Mineral Resource(s) for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. A Measured Resource has a higher level of confidence than that applying to either an Indicated Resource or an Inferred Mineral Resource |
| Mineral Resource | Concentration or occurrence of material of intrinsic economic interest on or inside the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Resources are sub-divided into categories of Inferred, Indicated and Measured in order of increasing geological confidence |
| masl | metres above sea level |

| Term | Meaning |
|---|---|
| mm | millimetres |
| Modifying Factors | Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors |
| MPa | megaPascals |
| Mt | million tonnes |
| Mtpa | million tonnes per annum |
| nameplate capacity | The maximum processing plant capacity, the intended full-load sustained output |
| OHS | Occupational Health and Safety |
| Oolite | A nearly spherical rock ~2 mm particle formed by concentric deposition around a nucleus; oolitic describes a rock formed from oolites |
| open pit | Mining of a deposit from a pit open to the surface and usually carried out by stripping of overburden materials (equivalent to a quarry) |
| Ordovician | A time period 485-445 million years ago, follows after Cambrian |
| Ore Reserve | The economically mineable part of a measured and/or indicated mineral resource(s), which include(s) diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified |
| overburden | refers to a mixture of weathered rocks and soils generated during the mining process |

| Term | Meaning |
|---|---|
| plant availability | an index indicating the percentage of planned production time in which a machine actually produced |
| PD | Preliminary Design of the Gaoloushan Expansion Project, prepared by Hebei Building Materials Industry Design and Research Institute Co., Ltd. |
| Probable Ore Reserve(s) | the economically mineable part of Indicated Resource(s) within the pit. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve |
| Proved Ore Reserve(s) | the economically mineable parts of the Measured Resources, which include diluting materials and allowances of losses. A Proved Ore Reserve implies a high degree of confidence in the modifying factors |
| phyllite | A type of foliated metamorphic rock created from slate that has fine-grained mica |
| Quaternary | Most recent time period 2.6 million years ago to the present |
| RMB | Chinese Yuan, Chinese currency |
| RoM | Run of Mine, ore coming out of a mine prior to processing |
| scalpings | Material remaining after aggregate products have been removed |
| sedimentary rock | A rock formed from the accumulation and consolidation of sediment, usually in layered deposits and which may consist of rock fragments of various sizes, remains or products of animals or plants, products of chemical action or of evaporation, or mixtures of these |
| shale | A fine-grained sedimentary rock, formed from mud that is a mix of clay and silt |
| sill | A tabular sheet intrusion of molten rock (magma) that has intruded between older layers of sedimentary rock, a sill does not cut across the pre-existing formations |

| Term | Meaning |
|---|---|
| specific gravity | The ratio of its mass to the mass of an equal volume of water |
| SRK | SRK Consulting (Hong Kong) Limited |
| stratigraphy | The study of sedimentary rock units, including their geographic extent, age, classification, characteristics and formation |
| strike | Direction of line formed by intersection of a rock surface with a horizontal plane. Strike is always perpendicular to direction of dip |
| stripping ratio | The ratio of the volume of waste material required to be handled in order to extract some volume of ore |
| t | tonnes |
| vein | Sheet-like body of minerals formed by fracture filling or replacement of lost rock |
| waste | The part of an ore deposit that is too low in grade to be of economic value at the time of mining, but which may be stored separately for possible treatment later |
| water absorption | The amount of water that a material can absorb under controlled conditions |
| weathering | Response of materials once in equilibrium within Earth's crust to new conditions at or near contact with water, air, or living matter |
| wireframe | A skeletal three-dimensional model in which only lines and vertices are represented, a preliminary stage used in preparing a full three-dimensional model |
| WRD | waste rock dump |
| WSCP | Water and Soil Conservation Plan |

## EXECUTIVE SUMMARY

SRK Consulting (Hong Kong) Limited ("**SRK**"), an associate company of SRK Global Limited has been commissioned by Huaibei GreenGold Industry Investment Co., Ltd.* ("**GreenGold**" or the "**Company**") to prepare an Independent Technical Report ("**ITR**" or the "**Report**") on its Gaoloushan construction aggregate project (the "**Project**").

The Project, located in Huaibei City, Anhui Province of the People's Republic of China ("**PRC**"), includes an operating quarry and a processing plant. The Project has been successfully producing limestone construction aggregates since 2018. The original Phase I Mining Licence with an approved production capacity of 3.5 Mtpa was replaced by the Phase II Mining Licence, which covers a larger area (0.8777 $km^2$) and increases production capacity to 8.0 Mtpa. Construction of the Phase II development was completed at the end of June 2024. Trial production is currently in progress, with commercial production expected in the fourth quarter of 2024. This Report will be included in a Circular relating to a major and connected transaction in relation to capital injection and deemed disposal of equity interest in Tongming Mining.

In 2022, GreenGold commissioned SRK to prepare an ITR on the Project in connection with its listing on the Hong Kong Stock Exchange ("**HKEx**"). Following this, SRK was retained as the independent technical consultant to update the Mineral Resources and Ore Reserves of the Project. The current ITR is primarily drawn from the 2022 ITR, the subsequent updates to the Mineral Resources and Ore Reserves and a recent site visit by SRK in April 2024.

The scope of work for this Report includes review and reporting on the following technical aspects:

- Geology and aggregate quality;
- Mineral Resources;
- Mining and Ore Reserves;
- Processing;
- Capital and operating costs;
- Environmental, permits and social impacts; and
- Risk assessment.

### Work programme

SRK has reviewed information provided by GreenGold, including the preliminary design ("**PD**"), drilling information, test reports and various other documents. SRK conducted site visits to the Project site in May, June and November 2021 as well as April 2024. This Report documents the results of SRK's review and assessment of the Project.

**Geology**

The Project area forms part of the Suzhou–Xuzhou fold and thrust belt of the southern margin of the North China Block. The regional stratigraphy consists of Early Palaeozoic limestone, dolomite and shale, underlain by older Proterozoic limestone, sandstone and phyllite. These rocks were later intruded by Jurassic granodiorite and diorite, forming sills between the sedimentary layers. A small subvertical 10 cm-wide fault zone, infilled with calcite veins, strikes southeast through the Project area.

In the Project area, the beds dip between 10° and 30° to the southeast. The target Cambrian limestone and dolomite sequence includes the oldest Zhangxia Formation (consists of oolitic limestone) with an average thickness of approximately 221 m, the Gushan Formation (consists of dolomitic and oolitic limestone) with an average thickness of approximately 61 m and the youngest Changshan Formation (consists of dolomite and limestone) with an average thickness of approximately 66 m. Together, these three formations form Domain 1 (being D1 Limestone), which has a maximum thickness of 348 m. The oldest, Zhangxia Formation, is intruded by a diorite sill with a maximum thickness of 75 m. The sill comprises Domain 2 (being D2 Diorite). It outcrops in the western portion of the Project.

The Project area has been mapped at a 1:2,000 scale in 2020 and 2021, building on earlier mapping at 1:200,000 and 1:50,000 scales. Seven drill holes for a total of 1,108 m were drilled in the 2020 and 2021 drilling programmes. The mapping and surface sampling programme has indicated that the limestones and dolomites are outcropping bedrock and have a minimal and localised weathering profile to 0.2 m, while the diorite weathering profile has an average thickness of 12.5 m.

Samples taken from the drill cores and exposed surfaces were subjected to testing to determine bulk density, wet compressive strength (water saturated), crushing index, alkali aggregate reactivity and robustness. The samples were cut to the specified size and tested. The results indicate that the quality of the limestone is suitable for use as an aggregate in accordance with the Technical Requirements for Geological Prospecting of Building Stones in Anhui Province (安徽省建築石料用礦地質勘查技術要求) (the "**Anhui Province Standard**") in a range of concrete, asphalt concrete and cement-stabilised macadam products. The diorite has failed to meet the alkali silica reactivity criteria and is not considered suitable for concrete products containing Portland cement, although it is still considered suitable for railway ballast, non-cement containing roadbase, and other applications.

There has been no exploration or additional drilling since the drilling programme in 2021.

**Mineral Resources**

SRK conducted geological modelling based on the latest topographic survey, geological mapping and the results of the 2020 and 2021 drilling programmes. Two units have been modelled: the D1 Limestone and D2 Diorite.

SRK is of the opinion that there is sufficient confidence in the continuity and aggregate quality of the D1 Limestone and D2 Diorite domains to classify them as Indicated Mineral Resources under the guidelines of the JORC Code within the Mining Licence area. A small proportion on the edge of the resource is classified as an Inferred Mineral Resource. No significant faults or karst cavities that may affect geological continuity were observed. The construction aggregate Mineral Resource estimated by SRK in accordance with the guidelines of the JORC Code (2012) as at 30 June 2024 is presented in Table ES-1.

**Table ES-1: Gaoloushan Construction Aggregate Project Mineral Resource statement as at 30 June 2024**

| Domain | Mineral Resource Category | Volume *('000 $m^3$)* | Tonnes *(kt)* |
|---|---|---|---|
| **D1 Limestone** | Indicated | 58,400 | 157,600 |
| | Inferred | 1,600 | 4,300 |
| | Total | 60,000 | 162,000 |
| **D2 Diorite** | Indicated | 5,700 | 14,800 |
| | Inferred | 400 | 1,100 |
| | Total | 6,100 | 15,900 |
| **TOTAL** | Indicated | 64,000 | 172,500 |
| | Inferred | 2,000 | 5,400 |
| | Total | 66,000 | 177,800 |

*Source: SRK*

*Note:* Both D1 Limestone and D2 Diorite domains are considered generally suitable for the production of construction aggregates with different potential applications; bulk density used: 2.70 $t/m^3$ for D1, and 2.62 $t/m^3$ for D2. Rounding, as required by reporting guidelines, may result in apparent summation differences between tonnes, grade and contained mineral content. Where these differences occur, SRK does not consider them to be material.

**Mining**

The quarry is an open pit operation that employs a conventional quarrying method, including drilling, blasting, loading and hauling. The quarry operation is designed to meet the processing plant's requirements, which are determined by its rated capacity and market demand.

The previous Phase I Mining Licence, which permitted production of up to 3.5 Mtpa was replaced on 30 June 2021 by a new Phase II Mining Licence, effective until June 2027. The Phase II Mining Licence covers a larger area and allows for a production capacity of up to 8.0 Mtpa. The construction of the Phase II development was completed at the end of June 2024.

SRK has reviewed the PD for the Phase II development and considered the level of accuracy of the Modifying Factors described in the PD, supported by data from the Phase I operation, is similar to a feasibility study ("FS"), prepared in accordance with the JORC Code guidelines. SRK conducted an open pit optimisation, mine design and production schedule for the Phase II operation based on the Modifying Factors described in the PD and the SRK's 2022 Mineral Resource Model. The operation has been following the PD without material changes. The remaining life of the mine ("LoM") is 16 years, with a ramp-up period from July 2024 to 2030 in response to the predicted market growth. From 2031, the quarry will operate at full capacity of 8.0 Mtpa. The LoM is ended in March 2041, coinciding with the expiration of the Mining License of Phase II operation.

It is SRK's opinion that the chosen quarrying method is appropriate and the selected mining equipment is reasonable. The quarrying operation is technically feasible and have a low risk of failing to meet the processing plant's demand.

**Ore Reserve**

The construction aggregate Ore Reserve estimate prepared by SRK in accordance with the guidelines considerations of the JORC Code as at 30 June 2024 is presented in Table ES-2. Based on the Modifying Factors, final pit design, the LoM plan from the pit to the processing plant and allowances for mining losses, SRK has classified the economically mineable part of the Indicated D1 Limestone Resource within the pit as Probable Ore Reserve. No D2 Diorite has been declared as Ore Reserve.

**Table ES-2: Gaoloushan Construction Aggregate Project Ore Reserve statement as at 30 June 2024**

| Domain | Ore Reserve Category | Volume *('000 $m^3$)* | Tonnes *(kt)* |
|---|---|---|---|
| D1 Limestone | Probable | 45,300 | 122,300 |

*Note:* Ore Reserve is inclusive of Mineral Resource; a 2% mining loss is factored.

**Processing**

The current Phase I Processing Plant has a designed nameplate production capacity of 1,300 t/h (3.6 Mtpa) and has been operating successfully since June 2018. The construction of the Phase II Processing Plant was completed at the end of June 2024 with a production capacity of 2,500 t/h (8.0 Mtpa). The Phase II Processing Plant commenced trial production in July 2024 and is targeted to begin commercial production in the fourth quarter of 2024. The process flowsheets of Phase I includes a two-stage closed-circuit crushing process with pre-screening, while the Phase II processing flowsheet is similar, but with one more stage of screening. The Phase I Plant is targeted to be decommissioned by the end of 2026. Mined ore is crushed and screened, and the construction aggregate products comprise four sizes of fractions (0-5 mm, 5-15 mm, 15-25 mm and 25-31.5 mm) and scalpings. The additional screening process in the Phase II Processing Plant produces two types of products: primary screening and final screening products. The latter is considered as a premium product as less fines or silts are included. The conventional aggregate production process equipment configuration are considered appropriate and reasonable. SRK considers the forecast production targets are achievable.

**Environmental, Social and Permits**

The operational licences and permits for the current operation obtained by GreenGold comprise a business licence, work safety licence, site discharge permit and a mining licence. The environmental impact assessment and water and soil conservation plan have been prepared and associated approvals have been granted.

The Phase II Mining Licence covering a larger area and an enabling expanded production capacity of 8.0 Mtpa (Phase II) was granted on 1 July 2024 and valid until 30 June 2027. The environmental impact assessment and water and soil conservation plan for Phase II have been prepared and associated approvals have been granted.

**Capital and operating costs**

The forecast capital cost for the Phase II development was RMB306.8 million, including land acquisition, new mining equipment procurement, haul road construction, drainage infrastructure, mining platform construction, and the installation of a digital mine management system. Additional costs included detailed design and construction administration.

As of June 30, 2024, the actual capital cost incurred for the Phase II development amounted to RMB299.7 million. The remaining capital expenditure of RMB12.3 million is scheduled for settlement in the second half of 2024. This will bring the total development capital cost for Phase II to RMB312.1 million.

The close alignment between the forecast and actual capital costs demonstrates a high degree of accuracy in the initial cost projections for the Phase II development and good budget control by the Company. The Phase II mining licence fee represents a major component of the capital cost, amounting to RMB1,367.7 million. An initial installment of RMB683.9 million was made in 2021. Three installments of RMB136.8 million were paid in 2022, 2023 and

January-June 2024 respectively. The remaining two installments, each totaling RMB136.8 million will be paid in 2025 and 2026 respectively. An allowance (RMB19.5 million) of the replacement of existing mining fleet replacement between 2027 and 2029 has been budgeted. An additional 1.5% annual operating cost has also been allocated as the sustaining capital. The Phase II development is now complete. The forecast capital cost primarily consists of sustaining capital, which is necessary for ongoing operations. SRK has reviewed the breakdown of the forecast capital cost and considered that sufficient capital has been allocated to support the continued operation of the project.

Over the period of 2021-June 2024, annual cash operating cost spanned RMB/t 23.5 in 2021 and RMB/t 19.0 in 2022 and RMB/t 19.2 in 2023. The cash operating unit was RMB/t 22.4 in the period of January-June 2024. Between July 2024 and 2030 (when the Project reaches its target production capacity of 8.0 Mtpa), the average operating unit cash cost is forecast at RMB/t 17.8, with a minimum of RMB/t 16.1 and a maximum of RMB/t 18.5. The Phase II processing flowsheet, while larger, builds upon the successful Phase I design, incorporating larger equipment and additional vibrating screens. This optimised design results in a more efficient operation, leading to a further reduction in the average operating cash cost. In SRK's opinion, the forecast operating costs used for the LoM model are reasonable.

**Conclusion**

The Phase I Gaoloushan Mine and Phase I Processing Plant have been operating successfully in the past few years and producing limestone construction aggregates for various uses. The Phase I Mining Licence has been replaced by the Phase II Mining Licence that covers a larger area and enables a higher approved production capacity of 8.0 Mtpa to be achieved. Construction of Phase II development was completed at the end of June 2024. Trial production is currently underway and commercial production is targeted to begin in the fourth quarter of 2024.

Exploration to date and historical operation show that the quality of the limestone is suitable for the local construction aggregate market. The open pit mining method and the conventional crushing and screening process are commonly used in the construction quarrying industry. SRK considers that the current operation has been running effectively and the Phase II development is technically and economically viable.

# 1 INTRODUCTION

## 1.1 Background

SRK Consulting (Hong Kong) Limited ("**SRK**"), an associate company of SRK Global Limited has been commissioned by Huaibei GreenGold Industry Investment Co., Ltd.* ("**GreenGold**" or the "**Company**") to prepare an Independent Technical Report ("**ITR**" or the "**Report**") on its Gaoloushan construction aggregate project (the "**Project**").

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## 1.2 Scope of work

The scope of work for this Report includes review and reporting on the following technical aspects:

- Geology and aggregate quality;
- Mineral Resources;
- Mining and Ore Reserves;
- Processing;
- Capital and operating costs;
- Environmental, permits and social impacts; and
- Risk assessment.

### 1.3 Reporting Standard

This Report is to be prepared in accordance with the Rules Governing The Listing of Securities on the HKEx, which permits reporting in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**").

In addition, the Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment under the guidelines of the VALMIN Code (2015).

The authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN Code and JORC Codes.

For the avoidance of doubt, this Report has been prepared according to:

- the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)

- the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

All references to currency in this Report are expressed in terms of Chinese Yuan Renminbi ("**RMB**"). No escalation has been applied to either the historical or planned costs as presented in this Report. Accordingly, historical costs are nominal, and planned costs are in terms of 2024 RMB. All years are calendar years (01 January to 31 December). The projection of all coordinates relies on the SGS 2000/Gauss Kruger projection, Central Median 107/Zone 39 datum unless otherwise specified.

### 1.4 Reliance on SRK

This Report has been prepared by a multidisciplinary team, comprising consultants and associates from various offices. Their roles, responsibilities and involvement in the ITR are listed in Table 1-1. The lead office for this Report is SRK Consulting (Hong Kong) Limited, with its registered address being Suite 1818, 18th Floor, V Heun Building, 138 Queen's Road Central, Central, Hong Kong.

**Table 1-1: SRK team members and responsibility**

| Consultant/Associate | Role | Office | Date of site visit |
|---|---|---|---|
| Dr. (Gavin) Heung Ngai Chan | Project Management; Report Compilation; Geology and Resource Review; Economic Viability Review Competent Person on Mineral Resource and assuming overall responsibility | SRK Hong Kong | 25-26 November 2021 |
| Dr. (Tony) Shuangli Tang | Geology and Resource Review; Competent Person on Mineral Resource | SRK Hong Kong | 1–2 April 2024 |
| Falong Hu | Mining and Ore Reserves Review, Competent Person on Ore Reserve | SRK China | 25–27 May 2021, 1–2 April 2024 |
| Nan Xue | Environment, Permits and Social Review | SRK China | 24–25 June 2021 |
| Lanliang Niu | Processing Review | SRK China | 24–25 June 2021 |
| Dr. Michael Cunningham | Overall Peer Review | SRK Australasia | No site visit |

## 1.5 Project team expertise

***Dr. (Gavin) Heung Ngai Chan, General Manager (Hong Kong) and Principal Consultant (Project Evaluation), PhD, FAIG***

Gavin has over 19 years of academic and commercial experience in geosciences and has worked on numerous deposit styles including construction materials, dimension stones, chromite, gold, sediment-hosted Cu-Co, hard-rock lithium, iron ore, uranium, molybdenum, phosphate, and manganese. Gavin has previously worked in Africa, Asia, Europe and Australia. His expertise lies in geological mapping, geological modelling, resource estimation, geological due diligence, valuation, fatal flaw and project analysis.

***Dr. (Tony) Shuangli Tang, Senior Consultant (Geology), PhD, MAusIMM, MAIG***

Tony is an experienced geologist in the field of exploration, geological modelling, resource estimation, project assessment, and valuation. With over 8 years of experience, he has worked across a diverse range of commodities, including gold, copper, graphite, fluorspar, tin, tungsten, bauxite, construction aggregates, coal and petroleum. His expertise spans projects located in Asia, Africa and South America. Tony is proficient in several 3D modelling software packages, including Leapfrog Edge and Datamine Studio RM, with capabilities in 3D geological interpretation, geostatistical analysis, and geological modelling for resource estimation. Tony is also a registered mining right appraiser in China and has extensive experience in valuation review.

***Falong Hu, Principal Consultant (Mining) BEng, FAusIMM***

Falong worked as mining engineer and mine planner in two different international mining companies. He has over 14 years of experience and is familiar with underground and open pit mines' production systems and mine design, scheduling and cost estimates, long-hole blasting and production operation, rock mechanics, ventilation, and back-fill. As a consulting engineer, he accumulated extensive active experience in nearly 100 projects including due diligence review and audit, mine project evaluation and valuation, scoping/pre-feasibility/ feasibility studies, mining optimisation, and competent person reporting on public financial market. His experience relates to minerals including gold, silver, lead, zinc, copper, iron, bauxite, laterite-nickel, sylvine, phosphate and graphite, as well as quartzite, marble, and construction aggregate in China and other parts of Asia, America, Africa and Oceania. He is a modeller on both technical and economic matters and is also proficient in digital modelling by using Geovia Suits, Datamine and Deswik Suits. Falong holds a Bachelor's degree in Mining Engineering from Central South University.

***Lanliang Niu, Principal Consultant (Processing), B.Eng. MAusIMM, MCAMRA***

Lanliang has over 30 years' experience in processing testing and studies, production management and technical consultancy service. Lanliang is actively involved with the new development and application of processing technologies, facilities and reagents and has received two national awards for his achievements in this area. Since joining SRK, he has been involved in hundreds of independent technical review projects for fundraising and acquisition and has accumulated profound experience on technical reviews of mining projects.

***Nan Xue, Principal Consultant (Environmental) MSc, MAusIMM***

Nan holds a master's degree in environmental science from Nankai University, in Tianjin. He has twelve years' experience in environmental impact assessment, environmental planning, environmental management, and environmental due diligence. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC as well as in the environmental planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculation, and impact predictions. He also has an acute understanding of equator principles and international finance corporation environmental and social performance standards. After joining SRK, Nan has been involved in a number of IPO and due diligence projects in China, Laos, Russia, Mongolia, Philippines, Indonesia, Kazakhstan, Kyrgyzstan, South Africa, DRC, Ecuador, Chile and Ghana; the clients include the Fuguiniao Mining, Zijin Mining, Hanking Mining, Future Bright Mining, CNMC, China Gold, Shandong Gold.

***Michael Cunningham, Principal Consultant (Geology), BSc Hons (Geoscience), PhD (Geology), MAusIMM, MAIG, MGSA, FGSL, MMGEI***

Michael (Mike) has over 20 years' experience as a geologist. His post-doctoral research involved evaluation and modelling of active oceanic slope processes and related hazards. Mike has worked in the Irish and British civil services. He has consulted on projects in Australia and overseas (Indonesia, Laos, Sri Lanka, Kyrgyzstan, Mongolia, Tanzania, Congo, Liberia and Malaysia), and on a variety of commodities including gold, iron, graphite, lead, zinc, antimony and coal. His expertise covers 3D modelling of vein, epithermal and banded iron formation (BIF) styles of mineralisation, drill targeting, modelling, Mineral Resource estimation, and modelling and evaluation of Exploration Targets. Mike has also been involved in preparation of Independent Geologists Reports (IGRs), due diligence and valuation studies, and is a well accomplished project manager.

### 1.6 Effective date and publication date

The Effective Date of this Report is 30 June 2024.

The Publication Date of this Report 16 August 2024.

As informed by the Company, as at the publication date of this Report, there has been no material change since the effective date. This includes, inter alia, no material changes to the Mineral Resource and Ore Reserve estimates of the Project.

### 1.7 Work programme

The work programme of this commission included:

- Review of the supplied information;
- Site visits by SRK consultants in May, June and November 2021 and April 2024;
- Updates of Mineral Resources and Ore Reserves; and
- Preparation of this Report.

### 1.8 Corporate capability

SRK is an independent, international group providing specialised consultancy services. Among SRK's clients are many of the world's mining companies, exploration companies, financial institutions, Engineering Procurement and Construction Management ("**EPCM**") and construction firms, and government bodies.

Formed in Johannesburg in 1974, the SRK Group now employs some 1,700 staff internationally in over 45 permanent offices in 20 countries on six continents. A broad range of internationally recognised associate consultants complements the core staff.

SRK's independence is ensured by the fact that it is strictly a consultancy organisation, with ownership by staff. SRK does not hold equity in any projects or companies. This permits SRK's consultants to provide clients with conflict-free and objective support on crucial issues.

## 1.9 HKEx public reports

SRK has prepared many public reports for the HKEx. Selected examples are listed in Table 1-2.

**Table 1-2: Public reports prepared by SRK for disclosure on the HKEx**

| Company | Year | Nature |
|---|---|---|
| Zijin Gold Mining | 2004 | Listing on HKEx |
| Lingbao Gold | 2005 | Listing on HKEx |
| China Coal Energy Company | 2006 | Listing on HKEx |
| Sino Gold Mining Limited | 2007 | Dual Listing on HKEx |
| Xinjiang Xinxin Mining Industry | 2007 | Listing on HKEx |
| United Company RUSAL | 2010 | Listing on HKEx |
| Citic Dameng Holdings | 2011 | Listing on HKEx |
| China Hanking Holdings | 2011 | Listing on HKEx |
| China Nonferrous Metal Mining | 2012 | Listing on HKEx |
| Wise Goal Enterprises | 2013 | Very Substantial Acquisition |
| Future Bright Mining | 2014 | Listing on HKEx |
| Agritrade Resources | 2015 | Very Substantial Acquisition |
| Feishang Non-metals | 2015 | Listing on HKEx |
| China Unienergy | 2016 | Listing on HKEx |
| China Mining Resources | 2016 | Major transaction |
| Heaven-Sent Gold Group | 2019 | Listing on HKEx |
| Pizu Group | 2020 | Major transaction |
| China Graphite Group Limited | 2022 | Listing on HKEx |
| Huaibei GreenGold Industry Investment | 2023 | Listing on HKEx |
| Persistence Resources | 2024 | Listing on HKEx |

*Source: SRK compilation*

## 1.10 Statement of SRK independence

Neither SRK nor any of the project team members of this Report have any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK has no prior association with GreenGold with regard to the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

SRK's fee for completing this Report is based on a fixed price contract. The payment of that professional fee is not contingent upon the outcome of this Report.

### 1.11 Legal matters

SRK has not been engaged to comment on any legal matters.

SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK's understanding of the current tenure situation is set out in Section 3.2 of this Report.

### 1.12 Warranties

GreenGold has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

### 1.13 Indemnities

GreenGold has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by GreenGold or to GreenGold not providing material information

- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

### 1.14 Reliance on other experts

SRK has not performed an independent verification of the mining licence and land titles. SRK did not verify the legality of any underlying agreements that may exist concerning the permits, commercial agreements with third parties or sales contracts.

### 1.15 Sources of information

This technical report is based on information made available to SRK by GreenGold, Hanchen International Engineering Design Group Co., Ltd. ("**Hanchen**"), Hebei Building Materials Industry Design and Research Institute Co., Ltd., The 325th Geological Team of Bureau of Geology and Mineral Resources of Anhui Province ("**Team 325**"), and on information collected during the site visit.

### 1.16 Consents

SRK consents to this Report being included, in full, in GreenGold's Circular in relation to a major and connected transaction in relation to capital injection and deemed disposal of equity interest in Tongming Mining, in the form and context in which the technical assessment is provided, and not for any other purpose.

### 1.17 Practitioner consents

The information in this Report that relates to Mineral Resource is based on information complied by Dr. (Tony) Shuangli Tang and Dr. (Gavin) Heung Ngai Chan. Dr. Tang is a Member and Dr. Chan is a Fellow of the Australasian Institute of Geoscientist ("**AIG**") respectively, and both are full-time employees of SRK Consulting (Hong Kong) Limited. Dr. Tang and Dr. Chan have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Dr. Tang and Dr. Chan consent to the inclusion in the Report of the Mineral Resources in the form and context which it appears. Dr. Chan also takes the overall responsibility of this Report.

The information in this Report that relates to Ore Reserves is based on information compiled by Falong Hu, a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM). He is a full-time employee of SRK Consulting (China) Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Falong Hu consents to the inclusion in the Report of the Ore Reserves in the form and context which it appears.

### 1.18 Stock Exchange requirements

Dr. (Gavin) Heung Ngai Chan meets the requirements of Competent Person, as set out in Chapter 18 of the Listing Rules. Dr. (Gavin) Heung Ngai Chan:

- Is a Fellow of good standing of AIG;

- has more than five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken by the issuer and its subsidiaries;

- is independent of the issuer applying all the tests in section 18.21 and 18.22 of the Listing Rules;

- does not have any economic or beneficial interest (present or contingent) in any of the reported assets;

- has not received a fee dependent on the findings of this ITR;

- is not officer, employee of a proposed officer for the issuer or any group, holding or associated company of the issuer; and

- takes overall responsibility for the ITR.

**1.19 Limitations**

SRK, after due enquiry and subject to the limitations of this Report hereunder, confirms the following:

- The input, handling, computation, and output of the geological data and Mineral Resource and Ore Reserve information has been conducted professionally and accurately and to the high standards commonly expected within the Geoscience profession.

- In conducting this assessment, SRK has assessed and addressed all activities and technical matters that might reasonably be considered to be relevant and material to such an assessment conducted to internationally accepted standards. Based on observations, interviews with appropriate staff and a review of available documentation, SRK is, after reasonable enquiry, satisfied that there are no outstanding relevant material issues other than those indicated in this Report. However, it is impossible to dismiss absolutely the possibility that parts of the site or adjacent properties may give rise to additional issues.

- The conclusions presented in this Report are professional opinions based solely upon SRK's interpretations of the documentation received, interviews and conversations with personnel knowledgeable about the site, and other available information, as referenced in this Report. These conclusions are intended exclusively for the purposes stated herein.

For these reasons, prospective readers should make their own assumptions and their own assessments of the subject matter of this Report. Opinions presented in this Report apply to the site's conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions cannot necessarily apply to conditions and features that may arise after the effective date of this Report, about which SRK has had no prior knowledge, nor had the opportunity to evaluate. Certain amounts and percentage figures included in this

Report have been subject to rounding adjustments. As a result, any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

## 2 CONSTRUCTION AGGREGATE

Construction aggregate is hard granular material that is suitable for use either on its own or with the addition of cement, lime or bituminous binder in the construction industry. Natural aggregate is aggregate derived from mineral and rock sources that has been subject to nothing more than physical processes such as crushing and sizing. The shape, texture and angularity among other physical and chemical characteristics of the aggregate have an impact on the strength and durability of its own or the composite material. Important applications of construction aggregate include ready-mixed concrete, asphalt/bitumen concrete (commonly referred to as asphalt or bitumen), railway ballast, cement-stabilised macadam, concrete products, mortar, drainage courses and bulk fill.

Construction aggregates are generally divided into coarse aggregate, which is usually greater than 5 mm in size (sometimes 4.5 mm), and fine aggregate which is less than or equal to 5 mm (or 4.5 mm) in size.

### 2.1 Coarse aggregate

Coarse aggregate includes natural gravel and crushed aggregates 5 mm (or 4.5 mm) or larger in size. A wide range of relatively hard rock types are used, such as basalt, dolerite, granite, diorite, limestone, sandstone, and crushed recycled materials.

### 2.2 Fine aggregate

Fine aggregate is natural sand and/or fine crushed rock. Crushed rock, up to 5 mm in size. is sometimes referred to as manufactured sand or artificial sand.

### 2.3 Size fractions

The crushed limestone from the Project are manufactured in the following size fractions and their major uses are:

| | |
|---|---|
| • 0-5 mm sand (fine aggregate) products washed | road base course or manufactured sand feed |
| • 5-15 mm crushed rock products | asphalt concrete |
| • 15-25 mm crushed rock products | concrete aggregate |
| • 25-31.5 mm crushed rock products | concrete aggregate |
| • Scalping, soil and fines removed during screening | road base course or low grade building materials |

SRK understands that overburden, including a mixture of weathered rocks and soils is also saleable and its major use is road sub-base course.

## 3 PROJECT DESCRIPTION

### 3.1 Location and accessibility

The Project, comprising a quarry and a processing plant, is located in approximately 18 km southeast of city centre of Huaibei City, Anhui Province of PRC. The Project is centred at geographical coordinates of longitude 116.9393° E, latitude 33.8562° N (Figure 3-1). The Project has been in operation successfully since 2018, with a permitted production capacity of 3.5 Mtpa (Phase I). The original Phase I Mining Licence with an approved production capacity of 3.5 Mtpa was replaced by the Phase II Mining Licence, which covers a larger area and increases the permitted production capacity to 8.0 Mtpa. The construction of the Phase II development was completed at the end of June 2024 and trial production commenced in July 2024. Commercial production is targeted to commence in the fourth quarter of 2024.

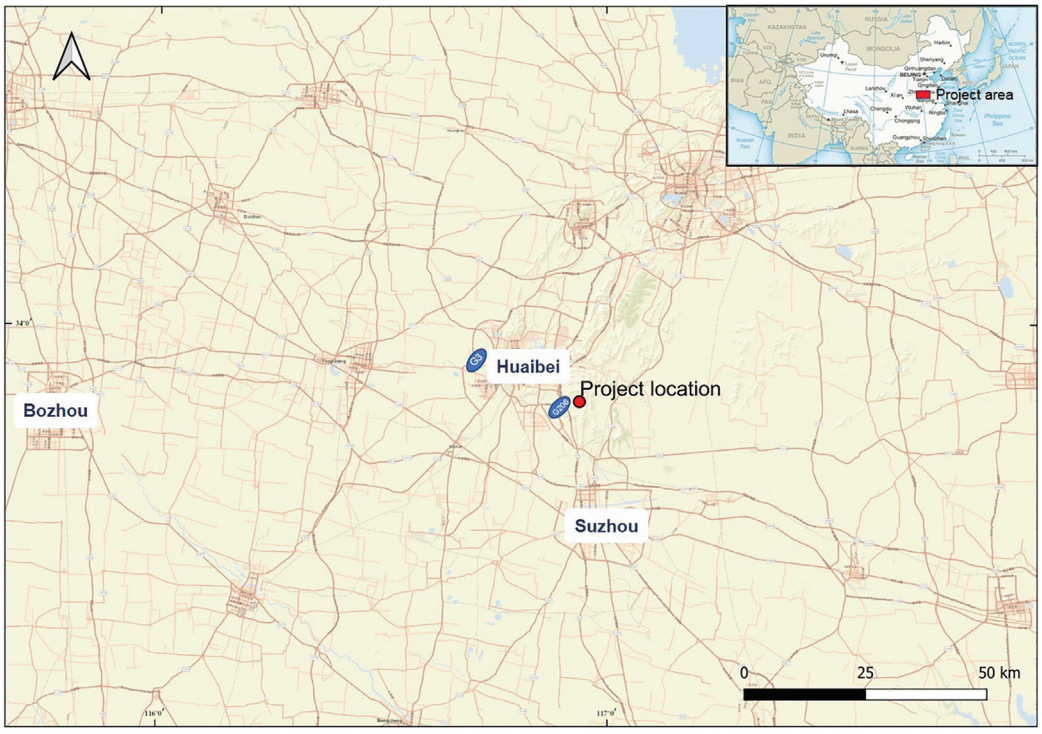
Huaibei City is a prefecture-level city in northern Anhui Province, which borders Suzhou to the southeast and Bozhou to the west (Table 3-1, Figure 3-1 and Figure 3-2).

**Table 3-1: Surrounding major cities in Anhui Province**

| City | Population *(million)* | Transport Distance from quarry *(km)* | 2023 Nominal GDP *(billion RMB)* |
|---|---|---|---|
| Huaibei | 1.94 | 23 | 136.6 |
| Bozhou | 4.90 | 158 | 221.6 |
| Suzhou | 5.26 | 31 | 229.2 |

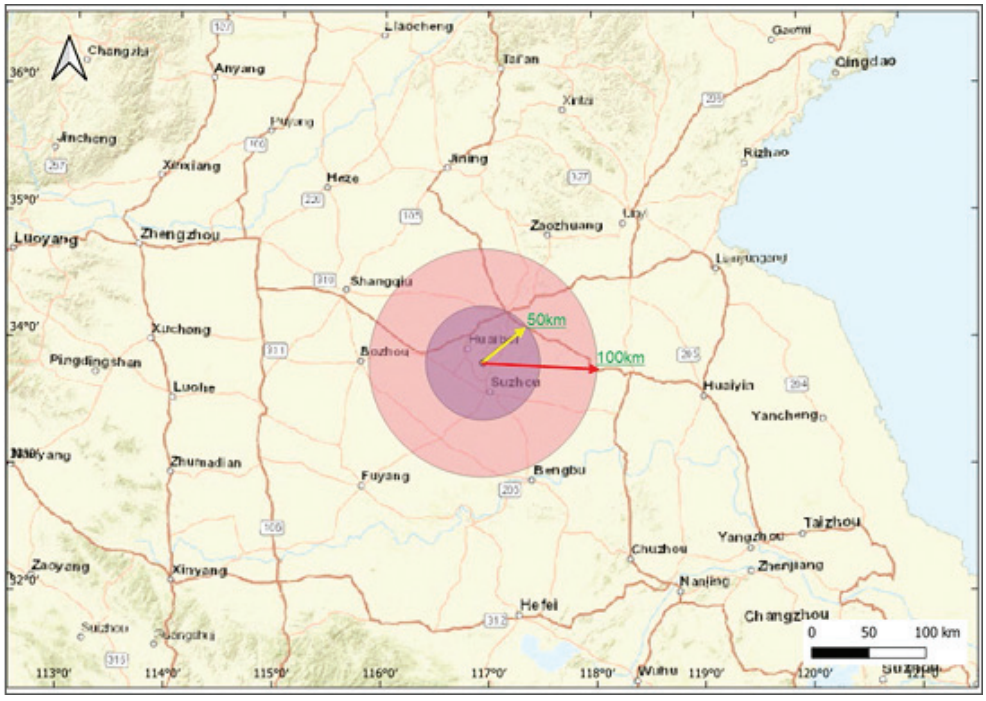
*Source: CIC, Anhui Province the 7th censuses*

**Figure 3-1: Project location**




*Source: SRK, ESRI maps*

**Figure 3-2: Surrounding major cities**




*Source: SRK, ESRI maps*

## 3.2 Mining licence

The Mining Licence for the Project is held by Huaibei Tongming Mining Company Limited (Tongming). Sixty-seven percent of the shares of Tongming is currently owned by GreenGold and the rest is owned by Anhui Leiming Blasting Engineering Company Limited (Leiming).

The Phase II mining licence (C3406000202106716015218 2) replaced the Phase I Mining Licence and was granted to Tongming on 30 June 2021. It was renewed on 1 July 2024 and is valid until 30 June 2027. The new Mining Licence covers a larger area, measuring 0.8777 $km^2$ laterally and extending vertically from 50 to 216 metres above sea level (m ASL). The approved annual production capacity has also been increased from 3.5 Mtpa to 8.0 Mtpa. The details of the Phase II mining licence are tabulated in Table 3-2 and Table 3-3. The licence boundaries are shown in Figure 3-3.

Pursuant to the "Notice on the Listing and Assignment of Limestone Mines for Building Stones in Gaoloushan Mining Area, Lieshan District, Huaibei City, Anhui Province"《安徽省淮北市烈山區高樓山礦區建築石料用灰岩礦採礦權掛牌出讓公告》issued by the Natural Resources and Planning Bureau of Huaibei City on 24 November 2020 and the Transfer of Mining Rights Agreement dated 21 January 2021, Tongming has obtained the mining rights at the acquisition price of RMB1,367.7 million in respect of Phase II Gaoloushan Mine for a period of 19.7 years or approximately until 30 March 2041. SRK understands that after acquiring the mining rights, the holder must obtain a mining license (採礦許可證) before starting any mining activities. To secure this license, the rights holder must submit an application to the appropriate governing authority.

**Table 3-2: Mining licence details**

| **Mining Licence No.** | **C3406002021067160152182** |
|---|---|
| Owner of Mining Licence | Huaibei Tongming Mining Company Limited |
| Name of Mine | Gaoloushan aggregate mine |
| Mining Method | Open pit |
| Production Capacity | 8.0 Mtpa |
| Area of Mine | 0.8777 $km^2$ |
| Mining Elevations | 216~50 m asl |
| Period of Validity | 1 July 2024 to 30 June 2027 |

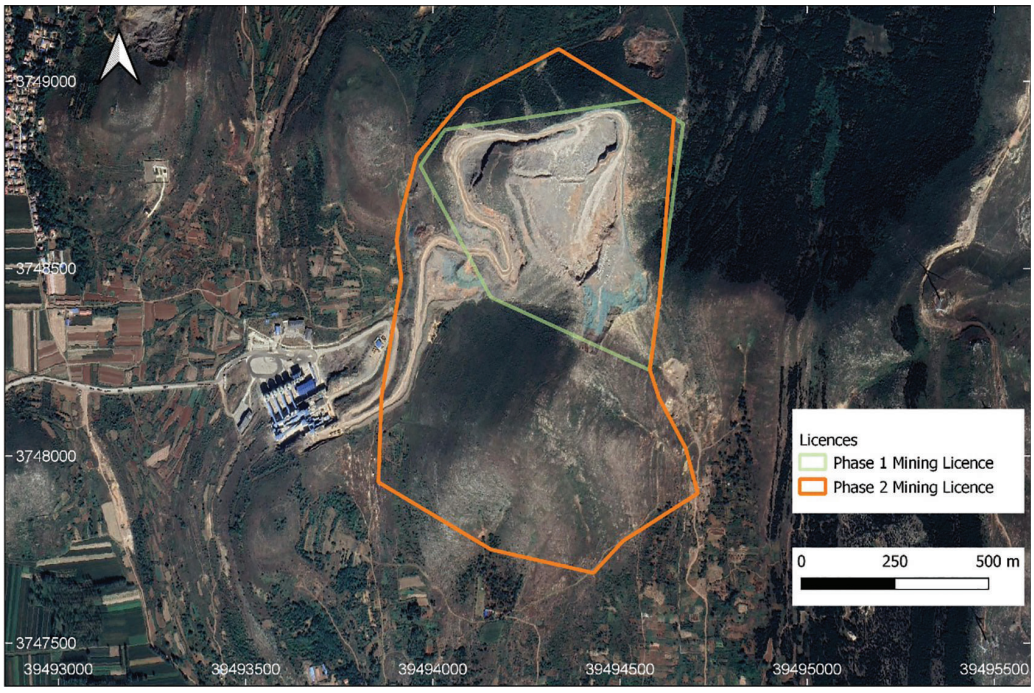
*Source: Mining Licence, compiled by SRK*

**Table 3-3: Mining licence coordinates**

| **Vertex** | **Northing** | **Easting** |
|---|---|---|
| 1 | 3748021.20 | 39494675.31 |
| 2 | 3748155.79 | 39494603.99 |
| 3 | 3748229.76 | 39494579.73 |
| 4 | 3748413.02 | 39494604.37 |
| 5 | 3748901.85 | 39494643.93 |
| 6 | 3749086.18 | 39494335.92 |
| 7 | 3748956.26 | 39494086.06 |
| 8 | 3748800.61 | 39493956.50 |
| 9 | 3748630.65 | 39493911.39 |
| 10 | 3748575.74 | 39493902.95 |
| 11 | 3748475.70 | 39493915.71 |
| 12 | 3748158.11 | 39493862.84 |
| 13 | 3747929.98 | 39493854.54 |
| 14 | 3747750.28 | 39494154.92 |
| 15 | 3747687.49 | 39494428.89 |
| 16 | 3747772.42 | 39494507.53 |
| 17 | 3747900.27 | 39494707.72 |

*Source: Mining Licence, compiled by SRK*

**Figure 3-3: Mining licence boundary**

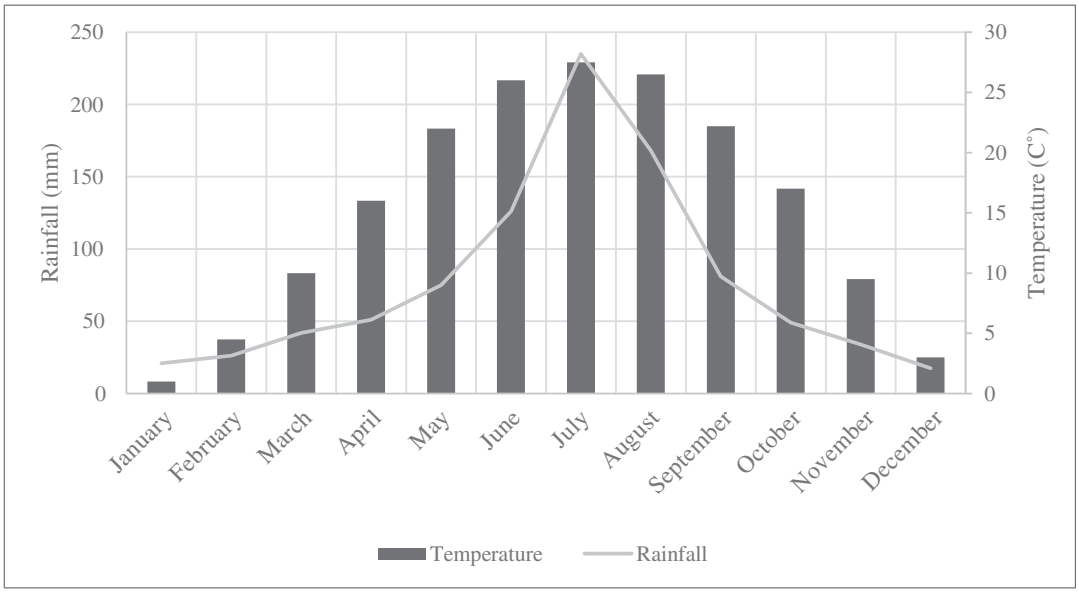



*Source: SRK, Google satellite image (acquired in September 2019)*

## 3.3 Climate, physiography and infrastructure

The city of Huaibei is the neighbouring city close to the Project area, which has a monsoon- influenced humid subtropical climate, with temperatures, ranging from -3.6°C to 31.5°C and an average temperature of 15.4°C. The annual precipitation is 912 mm, mainly concentrated in summer between June and August. The driest month is December. The winter extends from December to late February. Climatic conditions are not extreme and mining operations are continuous throughout the year (Figure 3-4).

**Figure 3-4: Huaibei climate showing average monthly temperature and precipitation**




*Source: www.climate-data.org (accessed on 12 August 2024)*

The Project area is in north–south-trending limestone hills, rising approximately 200–300 m above the surrounding plain. The elevations within the Project area vary between 30 and 247 m asl. The slopes within the Project area are gentle and range from 6° to 25°. The land use in the area is predominantly agricultural, industrial and mining practices.

**Figure 3-5: Overview of the project area, looking southwest**

*Source: SRK site visit, April 2024.*

There is a ready pool of labour in the area, which can provide sufficient for the project development. The Project area is also located in a well-developed area, providing infrastructural support to the quarry and processing plant operation.

### 3.4 History

In July 2016, an exploration programme was conducted over the area, including geological mapping and resource estimation by Wanyuan.

In December 2016, mining rights were obtained by way of public tender from Department of Land and Resources of Huaibei City.

In 2016, Tongling Chemical Group Chemical Research and Design Institute Co. Ltd. was commissioned to undertake a feasibility study on the Project.

In February 2017, the Phase I mining licence, covering an area of 0.336 $km^2$ with an approved annual production capacity of 3.5 Mtpa was granted.

In January 2018, trial production commenced.

In June 2018, commercial production commenced.

In June 2020, Land and Resource Bureau of Huaibei commissioned East China Metallurgical Institute of Geology and Exploration (ECGE) to carry out a detailed exploration beyond the current mining licence area. The objective of the exploration programme was to investigate the construction resource in the proximity of the current mining licence area.

In January 2021, a mining rights, covering the previous mining licence area and its vicinity, covering a total of 0.8777 $km^2$ and an approved annual production capacity of 8.0 Mt was granted by way of public tender. Pursuant to the Mining Rights Transfer Agreement dated 21 January 2021 entered between the National Resources and Planning Bureau of Huaibei City and Huaibei Mining Company Limited (TongMing Mining), the mining rights is granted for a period of 19.7 years from the date of obtaining the relevant mining licence. SRK understands that after acquiring the mining rights, the holder must obtain a mining license (採礦許可證) before starting any mining activities. To secure this license, the rights holder must submit an application to the appropriate governing authority.

In May 2021, Hanchen completed a feasibility study of the Phase II development with a designed annual production capacity of 8.0 Mtpa ("**FS**").

In June 2021, the Phase II mining licence was granted.

In April 2022, Hebei Building Materials Industry Design and Research Institute Co., Ltd. prepared the next level program of technical study, a preliminary design of the Gaoloushan Expansion Project (Phase II) with a designed annual production capacity of 8.0 Mtpa ("**PD**").

In June 2022, a engineering-procurement-construction (EPC) consortium was awarded for the construction of the Phase II development.

In June 2024, construction of the Phase II development was completed and trial production began.

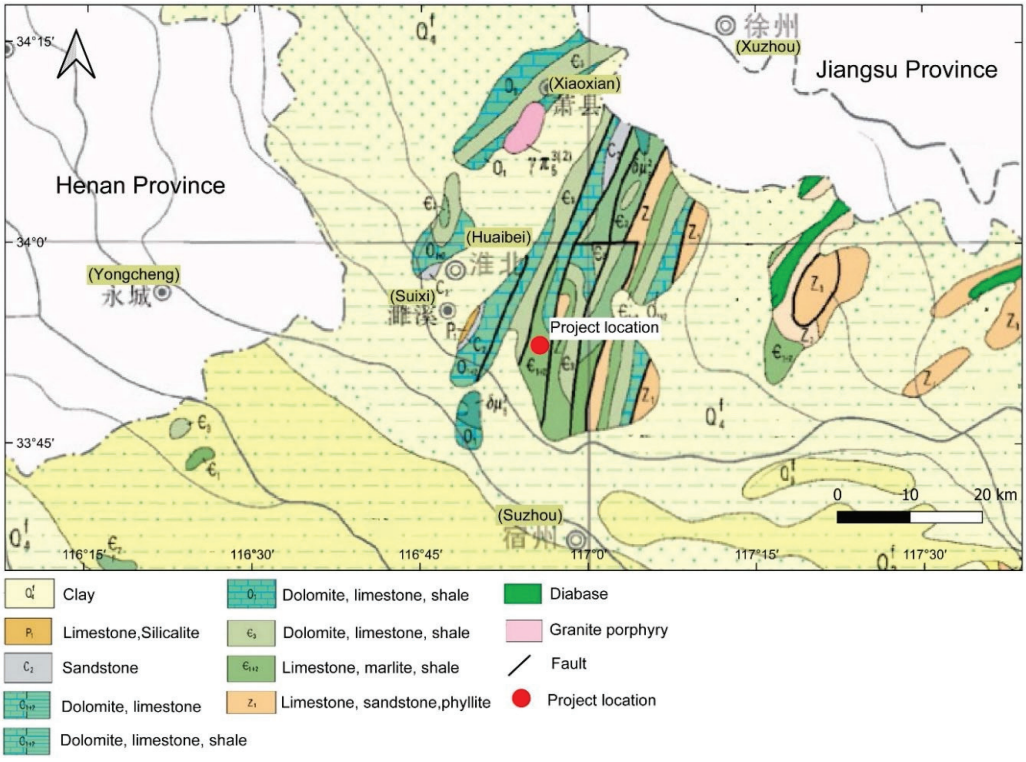
In July 2024, the mining licence was renewed and valid until June 2027.

## 4 GEOLOGICAL SETTING

### 4.1 Regional geology

The Project area forms part of the Suzhou–Xuzhou fold and thrust belt of the southern margin of the North China Block (Figure 4-1). The regional stratigraphy is represented by the Middle-Lower Ordovician and Cambrian limestone, dolomite and shale, underlain by Proterozoic limestone, sandstone and phyllite. The stratigraphy is further cut by Jurassic granodiorite and diorite. These intrusive rocks tend to occur as sills and are concordant to the stratigraphy. Structurally, regional fault systems tend to trend north-northeast.

**Figure 4-1: Regional geological map**




*Source: Anhui Geological Map (2002)*

## 4.2 Local geology

The Project area and its vicinity is underlain by a series of conformable Cambrian sedimentary succession, dipping gently (10°--30°) towards southeast (110°-120°), from old to young (Figure 4-2):

- The Xuzhuang Formation, consists of sandstone, limestone and shale, with an average of thickness of approximately 146 m.

- The Zhangxia Formation comprises oolitic limestone, dipping at 115° with an average thickness of approximately 221 m.

- The Gushan Formation is composed of dolomitic and oolitic limestone, with an average thickness of 61 m.

- The Changshan Formation consists of dolomite and limestone, with an average thickness of approximately 66 m.

- The Fengshan Formation consists of two members. The Lower Member is composed of argillaceous dolomite, and dolomite limestone with an average thickness of 66 m. The Upper Member comprises intercalated dolomitic limestone and argillaceous limestone with an average thickness of 130 m.

A diorite sill with a maximum thickness of 75 m cuts the Zhangxia Formation rocks. The sill can be traced from the western to the northeastern part of the licence area for up to 1,000 m. Drilling has revealed that the sill has extended along the beds of the Zhangxia Formation, but appears to diminish towards the east.

Physical and chemical tests of samples taken from the surface and drill holes together with the successful operation in the past few years have demonstrated that all the limestone within the licence area is suitable for use as construction aggregates, whereas exploration data to date show that the diorite can also be used as construction aggregate, but is restricted to certain applications, such as rail ballast or road base (Figure 4-2 and Figure 4-3). Two domains have been defined as follows:

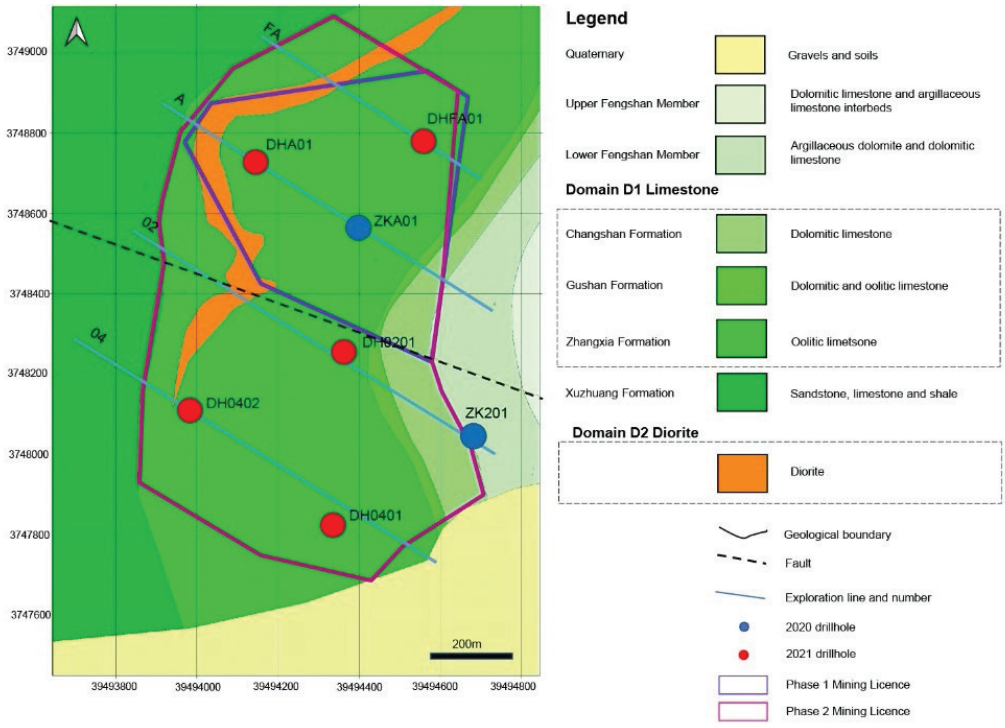
- D1 Limestone, limestones from the Cambrian Zhangxia, Gushan and Changshan Formations.

- D2 Diorite, diorite sill, cutting the Zhangxia Formation.

Quaternary sediments have covered the southeastern part of the licence area and are scattered on slopes and low-lying areas.

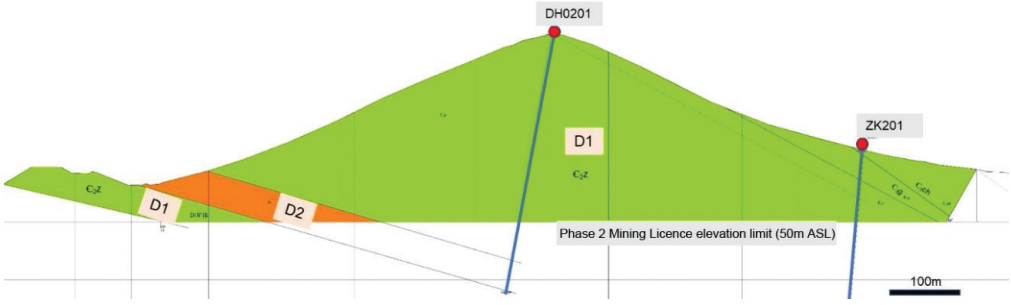
A minor subvertical fault, striking to the southeast, has bisected the Project area. Field observation showed that the fault zone is approximately 10 cm wide and is commonly filled by calcite veins.

**Figure 4-2: Simplified geological map of the Project area**




*Source: modified after Team 325 (2021)*

**Figure 4-3: Cross section of exploration Line 02**




*Source: modified after Team 325 (2021)*

## 4.3 Previous exploration

Since the 1970s, regional exploration and prospecting work, including regional geological mapping campaigns at scales of 1:200,000 and 1:50,000, have been conducted. In July 2016, an assessment of potential construction aggregate resource was conducted by Wanyuan. In 2018 and 2019, annual resource reports were compiled by Wanyuan.

In June 2020, Land and Resource Bureau of Huaibei engaged East China Metallurgical Institute of Geology and Exploration (ECGE) to carry out an exploration (the 2020 exploration programme) over the entire current project area and its vicinity to ascertain the potential resource beyond the current licence boundary. The work programme included a topography survey, geological mapping, hydrogeological, geotechnical and environmental investigations, and two drill holes with a total length of 393.5 m (Figure 4-2).

In 2021, SRK was commissioned by GreenGold to review the previous exploration work. A resource definition sampling programme (the 2021 exploration programme), comprising surface mapping, sampling and drilling was recommended. The surface sampling and drilling were focussed on validating the previous exploration work and improving confidence in the geological model, as well as obtaining data of adequate quality to define a Mineral Resource in accordance with the JORC Code (2012). GreenGold accepted the recommendations, including five drill holes (714.6 m) and engaged Team 325 to perform the programme.

There has been no exploration or additional drilling since the drilling programme in 2021.

The following section describes the results of the 2020 and 2021 exploration programmes.

## 4.4 Exploration results

### *4.4.1 Geological mapping*

Geological mapping was conducted at a 1:2,000 scale initially by ECGE in June 2020 and revised by Team 325 in May 2021.

### *4.4.2 Survey*

A topographic survey at a scale of 1:2,000 was conducted by real-time kinematic GPS. The same method was employed to survey drill hole, trench and sample locations. All surveying was completed on CSGS 2000/Gauss Kruger projection, Central Median 107/Zone 39 datum.

### *4.4.3 Drilling and sampling*

Given the simple stratigraphy, exploration lines were laid at a 300 m spacing. The orientation of the exploration lines was south-southeast at 120°. Two drill holes were drilled nominally along each exploration line (Table 4-1 and Figure 4-2).

In the 2020 and 2021 exploration programmes, all drill holes were initially drilled using 110 mm diameter diamond drill core, which was subsequently reduced to 77 mm core, after passing through the shallow surface weathered zone. All holes were inclined holes with azimuth of 300° and dipping angles of 80-85°. A downhole survey was taken every 50 m. The average core recovery of the seven holes is around 95%.

Test samples for physical properties were routinely collected. The sampling frequency was one set of samples for compressive strength and bulk density measurements every 20 m and one sample every 40 m for water absorption.

After reviewing the drilling information and inspection on the drill cores during the site visit, SRK considers that the drilling quality is suitable for Mineral Resource estimation purposes (Table 4-1, Figure 4-4).

**Table 4-1: Drill hole details**

| Year | Hole ID | Easting | Northing | Elevation *(RL m)* | Depth *(m)* | Team |
|---|---|---|---|---|---|---|
| 2020 | ZKA01 | 39494407 | 3748530 | 195 | 178.3 | ECGE |
| 2020 | ZK201 | 39494681 | 3748018 | 78 | 215.2 | ECGE |
| 2021 | DHFA01 | 39494557 | 3748787 | 190 | 234.9 | 325 |
| 2021 | DHA02 | 39494103 | 3748707 | 147 | 76.2 | 325 |
| 2021 | DH0402 | 39493973 | 3748131 | 106 | 59.9 | 325 |
| 2021 | DH0201 | 39494373 | 3748249 | 210 | 225.5 | 325 |
| 2021 | DH0401 | 39494318 | 3747818 | 94 | 118.1 | 325 |

**Figure 4-4: Resource definition drilling**

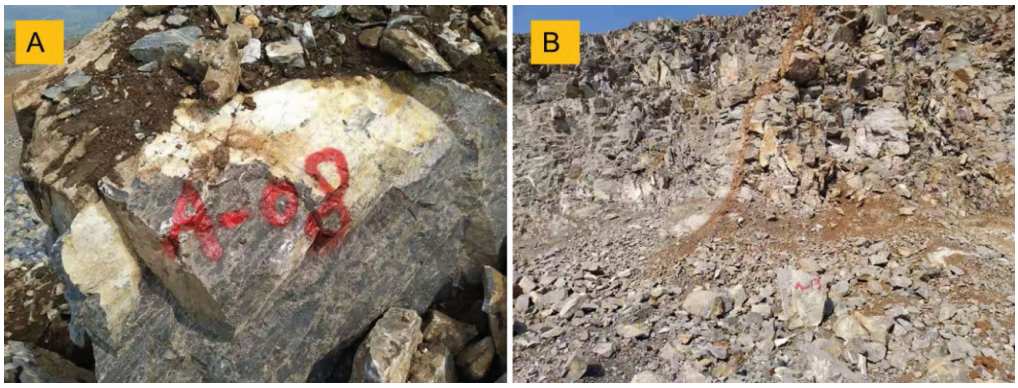

*Source: Team 325, May 2021*

*Note:* A: DHA02 drilling was underway: B: DHA02 drill cores, showing the limestone cores (each row is approximately 1 metre long).

### *4.4.4 Surface sampling*

In the 2020 and 2021 exploration programmes, physical properties test samples were collected from the fresh surface rocks along the exploration line every 20 m to 100 m, depending on the orientations between the exploration line and bedding (Figure 4-6).

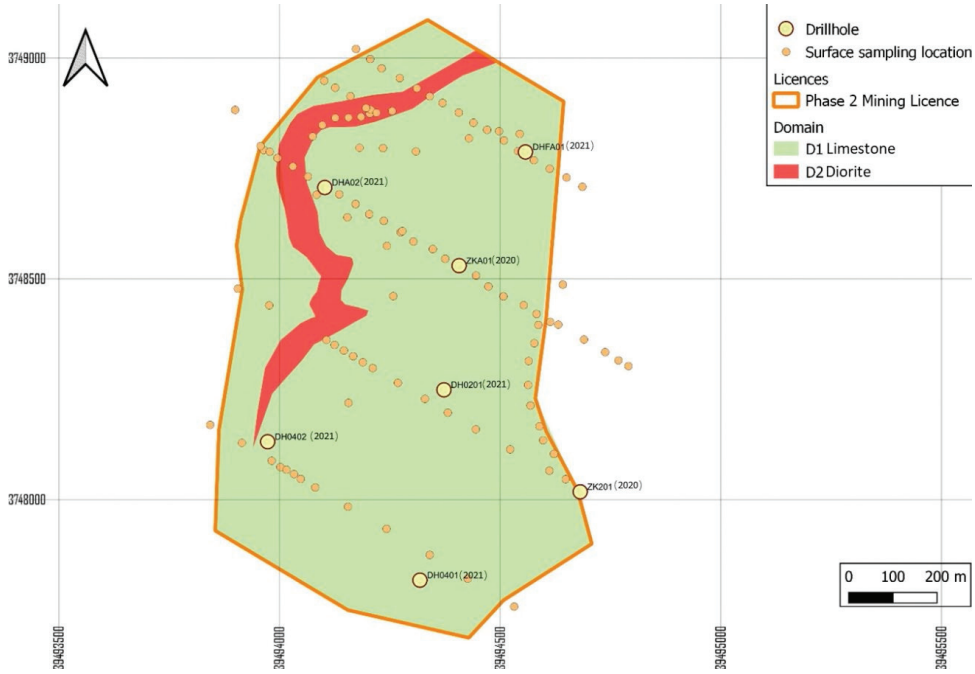
**Figure 4-5: Surface sampling**




*Source: Team 325, May 2021*

*Note:* A: Surface sample; B: Surface sampling line.

**Figure 4-6: Surface sampling along the exploration lines**




*Source: modified after Team 325 (2021)*

#### *4.4.5 Weathering and karst*

Geological mapping, drilling and surface field investigations have revealed that most of Project area is exposed bedrock. In Domain D1, the weathering zone is scattered in some localised areas, with thickness ranging from 0.1 m to 0.2 m. In Domain D2, diorite tends to develop a deeper weathered zone, with an average thickness of 12.5 m. The weathered zone is marked by weathered rocks, filled with orange soils.

Karst is a type of landscape that forms on limestone, gypsum and other rocks as a result of localised dissolution of the rock mass, and is characterised by a variety of large- and small-scale features such as dolines, caves, underground drainage, flutes, runnels and enlarged joints. The above karst features are not present in the Project area. However, minor cavity dissolution was observed in the drill holes. The volume of the dissolution of each drill hole has been estimated, with an average of 1.31% (Table 4-2).

**Table 4-2: Cavity dissolution statistics**

| Hole_ID | Collar elevation *(m)* | Total depth *(m)* | Estimated volume *(%)* |
|---|---|---|---|
| ZK201 | 78.0 | 215.2 | 1.60 |
| ZKA01 | 195.0 | 178.2 | 0.04 |
| DHFA01 | 189.0 | 234.9 | 1.57 |
| DHA02 | 147.2 | 76.2 | 1.80 |
| DH0201 | 210.0 | 225.5 | 1.37 |
| DH0402 | 105.6 | 59.9 | 1.80 |
| DH0401 | 93.7 | 118.1 | 0.97 |
| | **Average** | 1.31 | |

*Source: ECC (2020) and Team 325 (2021)*

#### *4.4.6 Construction materials testing*

Consumers such as concrete manufacturers and construction companies require aggregates that are consistent in quality and meet specific requirements for strength, durability and safety. The specifications set by the biggest consumers (concrete manufacturers) are usually the most stringent and thus are the most important when assessing the quality of an aggregate resource. A range of construction materials properties tests were undertaken to provide information on the quality of the stone and its suitability for various commercial applications.

In the 2020 exploration programme, tests were performed at the laboratory of Anhui Branch of China National Geological Exploration Centre of Building Materials Industry (CNGM laboratory), an independent accredited laboratory located in Hefei, Anhui Province.

In the 2021 exploration programme, laboratory tests were carried out at the laboratory of Jiangsu Mineral Geology Design and Research Institute (JMGD laboratory), an independent accredited laboratory located in Xuzhou, Jiangsu Province. In the 2020 exploration programme, samples taken from drill cores and the surface were subjected to tests for bulk density, wet compressive strength (water saturated), crush index and robustness. The samples were cut to the specified size and tested according to procedures set in the Chinese National Standard of Pebble and Crushed Stone for Construction (GB/T 14685-2011).

In the 2021 exploration programme, additional construction materials properties tests were performed as required under the latest Anhui provincial standard, namely "Technical Requirements for Geological Prospecting of Building Stones in Anhui Province, China (Natural Resources Bureau of Anhui Province, 2020)". The additional properties tests consist of water absorption, soundness, alkali silica reactivity and radioactivity. The samples were prepared and tested according to the same Chinese National Standard procedures as in 2020 (GB/T 14685-2011).

**Table 4-3: Construction materials properties tests**

| Laboratory | Item | No. of Samples | | Sample size |
|---|---|---|---|---|
| | | Surface | Drill core | |
| CNGM (2020) | Bulk density | 45 | 66 | Surface sample: 50 mm × 50 mm × 50 mm |
| | Wet compressive strength (Water saturated) | 234 | 124 | Drill core sample: Φ50 mm * 50 mm |
| | Crushing index | 2 | | Particle size 1-3 cm, 45 kg/sample |
| | Robustness | | | |
| JMGD (2021) | Bulk density | 34 | 12 | Φ 50 mm * 50 mm |
| | Wet compressive strength (Water saturated | 102 | 36 | |
| | Water absorption | 34 | 6 | |
| | Crushing index | 7 | 3 | Particle size 1-3 cm, 20 kg/sample |
| | Soundness | 7 | 3 | |
| | Alkali silica reactivity/alkali carbonate reactivity | – | 10 | D1: Φ9 ± 1 mm × 35 ± 5 mm, 10 kg/sample<br>D2: Powder, 10 kg/sample |
| | Radioactivity | – | 6 | Powder, 1 kg/sample |

*Source: SRK compilation, GB/T 14685-2011, ECC (2020) and Team 325 (2021)*

*Note:* Φ represents sample core diameter.

The tests carried out on the samples are described below.

*Bulk density*

Bulk density measures the unit weight of the stone. Density varies significantly among different rock types because of differences in mineralogy and porosity. The objective of bulk density testing is to indicate the strength or quality of the material. The bulk density test also provides information on different domains for the Mineral Resource estimation.

*Wet (water saturated) compressive strength*

When the aggregate is immersed in water, the strength of rock can be reduced. The wet compressive strength is the maximum compressive load that a water saturated rock can withstand without crushing or deforming. It is a major factor in measuring the ability of rock to carry loads in building materials and other applications and is thus required by architects and engineers.

*Water absorption*

Water absorption is a measure of the amount of water that an aggregate can absorb into its pore structure. Pores that absorb water are also referred to as "water permeable voids". Water absorption can be used as an indicator of aggregate durability and resistance to staining and salt attack.

*Crushing index*

The aggregate crushing test evaluates the resistance of aggregates against a gradually applied load. It is expressed as a percentage by weight of the crushed (or finer) material obtained when the test aggregates are subject to a specified load under standardised conditions. The test is used to evaluate the crushing strength of rock in processing and construction.

*Soundness*

Soundness tests aim to determine aggregate's resistance to disintegration by weathering. The tests involve repeatedly submerging aggregate samples in a saturated solution of sodium sulphate, then drying and weighing them. The final result is expressed as a weighted average weight percentage loss for each sample.

*Alkali aggregate reactivity*

This test includes two type methods, which are Alkali Carbonate Reactivity (ACR) and Alkali Silica Reactivity (ASR). ACR is used for samples collected from the D1 limestone domain, and is not suitable for the siliceous aggregate, while ASR

is used for samples from the D2 diorite domain, which is not suitable for the carbonate aggregate. The test provides a means of detecting the potential of an aggregate intended for use in concrete for undergoing alkali-silica reaction resulting in potentially internal expansion.

*Radioactivity*

Some rocks have naturally high levels of radioactivity. China has specified requirements for natural building materials, particularly indoor areas. The test measures the amount of radionuclides in the rocks and their potential use restrictions.

*Sulphate content*

High sulphate content in aggregates can adversely influence the setting process of concrete leading to expansion, cracking, loss of strength and possibly disintegration. The test measures the sulphate content of the rocks.

### *4.4.7 Local aggregate quality requirements*

It is common for construction material consumers, especially highway authorities, to specify according to provincial rather than national standard specifications. The provincial standards are usually identical or very similar to national standards, but sometimes there may be variations that reflect locally available materials or conditions.

SRK understands that the transport distance for the aggregate is generally within 100-150 km. The aggregate should meet the demand of the local market and the provincial standard. The Anhui Provincial Standard of Technical Requirements for Geological Prospecting of Building Stones (Natural Resources Bureau of Anhui Province, 2020) (Anhui Provincial Standard, 2020) states that this standard is applicable to construction aggregate projects, located within Anhui Province. The requirements of Anhui Provincial Standard are depicted in Table 4-4 and Table 4-5. A comparison with the national standard (GB/T 14685 – 2011 – Pebble and crushed stone for construction) shows that the Anhui Provincial Standard does not differ from the national standard.

**Table 4-4: Wet compressive strength requirements for construction aggregates by rock type**

| Item | Index Sedimentary rock | Metamorphic rock | Magmatic rock |
|---|---|---|---|
| Wet compressive strength (MPa) | ≥30 | ≥60 | ≥80 |

*Source: Anhui Provincial Standard (2020)*

**Table 4-5: Quality requirements for construction aggregates for use in concrete**

| Item | Index | | |
|---|---|---|---|
| | Class 1 | Class 2 | Class 3 |
| Bulk density ($g/cm^3$) | ≥2.60 | ≥2.60 | ≥2.60 |
| Water absorption (%) | ≤1.0 | ≤2.0 | ≤2.0 |
| Soundness (% loss) | <5 | <8 | <12 |
| Crushing index (% fines) | ≤10 | ≤20 | ≤30 |
| $SO_3$ (%) | ≤0.5 | ≤1.0 | ≤1.0 |
| Alkali reactivity | | <0.10% | |

*Source: Anhui Provincial Standard (2020)*

*Note:* Class 1 is suitable for concrete with strength class greater than C60; Class 2 is suitable for concrete with strength class from C30 to C60 and anti-freezing and impermeability requirements; Class 3 is suitable for concrete with strength class less than C30. C30-C60 represent different types of high-strength and high-performance concretes.

The Anhui Provincial Standard for radioactivity adheres to the national standard "GB 6566-2010 Limit of Radionuclide in Building Materials". Construction aggregates are divided into three categories according to their radioactivity levels, with restrictions on the application for which they may be used if they exceed certain values (Table 4-6).

**Table 4-6: Radioactivity requirements for construction aggregates**

| Class | Values | Restrictions |
|---|---|---|
| Class A | IRa≤1.0 and Iγ≤1.3 | No restrictions |
| Class B | IRa≤1.3 and Iγ≤1.9 | Cannot be used for houses, flats, hospitals, schools, and other commercial buildings |
| Class C | IRa≤2.8 | Can only be used on building exteriors |

*Source: GB 6566-2010 Limit of Radionuclide in Building Materials*

*Note:* IRa is internal exposure index and Iγ is the external exposure index.

### *4.4.8 Results*

Table 4-7 shows the physical properties test results from the 2020 and 2021 exploration campaigns.

**Table 4-7: Physical properties results**

| Domain | Statistics | Bulk density ($g/cm^3$) | Wet compressive strength (MPa) | Water absorption (%) | Crushing index (%) | Soundness (%) | Alkali reactivity (%) |
|---|---|---|---|---|---|---|---|
| D1 Limestone | Number of samples | 140 | 434 | 35 | 7 | 7 | 6 |
| | Minimum | 2.51 | 18.0 | 0.14 | 8.20 | 0.00 | 0.028 |
| | Maximum | 2.82 | 179.6 | 1.65 | 11.00 | 6.00 | 0.065 |
| | Mean | 2.70 | 65.2 | 0.57 | 9.53 | 2.00 | 0.040 |
| | Standard deviation | 0.04 | 27.3 | 0.39 | 0.94 | 1.70 | 0.017 |
| D2 Diorite | Number of samples | 17 | 62 | 5 | 3 | 3 | 4 |
| | Minimum | 2.49 | 17.2 | 0.54 | 7.20 | 1.00 | 0.135 |
| | Maximum | 2.68 | 154.2 | 2.25 | 28.6 | 2.00 | 0.310 |
| | Mean | 2.62 | 82.2 | 1.42 | 17.80 | 1.67 | 0.227 |
| | Standard deviation | 0.06 | 28.9 | 0.61 | 8.74 | 0.47 | 0.084 |

*Source: ECC (2020) and Team 325 (2021)*

*Bulk density*

The bulk densities of the 140 limestone samples tested range from 2.51 $g/cm^3$ to 2.82 $g/cm^3$ with a mean of 2.70 $g/cm^3$. Only two samples were slightly below the specified limit of 2.60 $g/cm^3$. The values obtained are typical for limestone and dolomitic rocks. and the samples tested are considered satisfactory for use as concrete aggregate.

The diorite is slightly less dense than the limestone, with the 17 samples tested ranging from 2.49 $g/cm^3$ to 2.68 $g/cm^3$ with a mean of 2.62 $g/cm^3$ and slightly higher variability than the limestone. While the mean value falls within the required value of $\geq$2.6 $g/cm^3$, the bulk density of the diorite is a little lower than would normally be expected for a fresh volcanic rock. The bulk density of this diorite is considered suitable for most applications such as railway ballast, asphalt concrete, road sub-base and landscaping.

*Wet (water saturated) compressive strength*

The wet compressive strength of the 434 limestone samples tested varied from 18.0 MPa to 179.6 MPa with a mean of 65.2 MPa. The mean value is well within the standard specified requirement of greater than or equal to 30 MPa for sedimentary rocks. While a very small number of samples (13) , representing 3 % of the samples analysed were below the specification, the overall results indicate that limestone aggregate produced from this quarry is likely to be satisfactory overall.

The wet compressive strength of the 62 diorite samples ranges from 17.2 MPa to 154.2 MPa, averaging 82.2 MPa. While the mean strength meets the requirements of the provincial code, the test results are relatively low and variable for a magmatic rock such as diorite. This material is still significantly stronger than the limestone and may be suitable for applications such as railway ballast, asphalt concrete, road sub-base and landscaping.

*Water absorption*

The mean water absorptions for the limestone and diorite samples are 0.57% and 1.42% respectively. The set limit for Class 1 aggregate is less than 1.0% while the limits for Classes 2 and 3 aggregates are less than 2.0%.

The water absorption of the limestone is generally suitable for concrete aggregates, but a small proportion may be unsuitable for high-strength concrete (C60 or above).

The water absorption of the diorite samples is considered not suitable for Class 1 aggregate but is generally suitable for Classes 2 and 3 aggregates.

*Crushing index*

The crushing index of the seven limestone samples ranged from 8.2 to 11.0 with a mean of 9.53. One of the samples taken in 2020 is above the maximum value of 10 for Class 1 aggregate. The results overall are acceptable for all three classes of aggregate.

Three diorite samples were tested for crushing index. All three samples meet the requirements for Class 3 aggregate but only one meets the requirements for Class 1 aggregate.

*Soundness*

Seven limestone samples were tested for soundness. All samples met the required value for Class 2–3 aggregate while one sample exceeded the maximum allowed value of 5% loss for Class 1 aggregate. Overall the limestone is considered suitable for use in all three classes of aggregate.

Only three samples of diorite were tested for soundness. All samples were well within the specifications for Classes C1 to C3 aggregate.

*Alkali aggregate reactivity*

Six limestone samples and four diorite samples were tested for alkali aggregate reactivity. The results have indicated that the limestone samples have met the requirements of the Anhui Provincial Standard.

The alkali silica reactivity (ASR) results for the four diorite samples indicate that two samples clearly do not meet the requirements of the Anhui building stone specifications and two samples have marginal results. This means that the diorite samples have the potential to react with Portland cement and therefore be unsuitable for use in ready-mixed concrete.

The alkali silica reactivity should not affect the use of the diorite aggregate in applications that do not involve Portland cement, for example railway ballast, landscaping, road sub-base etc., as long as the other specifications for those applications are met.

*Radioactivity*

Three samples were taken from each of the domains for the radioactivity test. The test results (Table 4-8) show that the radioactivity levels of these samples are very low and are classified as Class A, with no restrictions on their use.

**Table 4-8: Radioactivity analysis results**

| Sample_ID | Domain | $^{226}Ra$ | $^{232}Th$ | $^{40}K$ | $I_{Ra}$ | $I_r$ |
|---|---|---|---|---|---|---|
| DHFA01-FS01 | D1 Limestone | 2.8 | 1.9 | 11.6 | 0.0 | 0.0 |
| DHA02-FS01 | D1 Limestone | 4.9 | 1.3 | 21.0 | 0.0 | 0.0 |
| DH0402-FS01 | D1 Limestone | 1.5 | 2.5 | 30.0 | 0.0 | 0.0 |
| DHFA01-FS02 | D2 Diorite | 11.1 | 12.6 | 569.8 | 0.1 | 0.2 |
| DHA02-FS02 | D2 Diorite | 11.2 | 11.1 | 487.0 | 0.1 | 0.2 |
| DH0402-FS02 | D2 Diorite | 14.5 | 11.0 | 494.2 | 0.1 | 0.2 |

*Source: ECC (2020) and Team 325 (2021)*

*Sulphate content*

A total of 10 samples were analysed to determine their chemical compositions. The samples were crushed, sub-sampled and assayed by X-ray fluorescence (XRF) for major elements (CaO, MgO, $K_2O$, $Na_2O$, $SiO_2$, $Al_2O_3$, $Fe_2O_3$, FeO, $SO_3$, Cl), and Loss on Ignition (LOI).

The assay results indicate that rocks from domains D1 and D2 contain very low levels of $SO_3$ (less than 0.5%, Table 4-9) and their sulphate content is suitable for all types of concrete (Table 4-5).

**Table 4-9: Chemical analyses**

| Sample_ID | Domain | CaO (%) | MgO (%) | $K_2O$ (%) | $Na_2O$ (%) | $SiO_2$ (%) | $Al_2O_3$ (%) | $Fe_2O_3$ (%) | FeO (%) | $SO_3$ (%) | $P_2O_5$ (%) | Cl (%) | $TiO_2$ (%) | LOI (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DHFA01-H1 | D1 | 47.06 | 6.55 | 0.05 | 0.02 | 0.68 | 0.17 | 0.10 | 0.08 | 0.04 | 0.01 | 0.04 | 0.01 | 44.83 |
| DHFA01-H3 | D1 | 48.88 | 3.70 | 0.30 | 0.03 | 2.36 | 0.84 | 0.42 | 0.14 | 0.03 | 0.01 | 0.03 | 0.03 | 42.46 |
| DHA02-H2 | D1 | 50.36 | 4.16 | 0.09 | 0.01 | 0.56 | 0.24 | 0.37 | 0.14 | 0.03 | 0.02 | 0.04 | 0.01 | 43.95 |
| DH0402-H1 | D1 | 50.64 | 3.50 | 0.12 | 0.01 | 1.27 | 0.44 | 0.40 | 0.18 | 0.16 | 0.02 | 0.03 | 0.14 | 43.30 |
| DH0201-H1 | D1 | 31.03 | 17.13 | 0.17 | 0.04 | 1.24 | 0.44 | 0.46 | 0.08 | 0.02 | 0.05 | 0.07 | 0.02 | 45.90 |
| DH0201-H2 | D1 | 46.72 | 6.32 | 0.05 | 0.02 | 0.49 | 0.19 | 0.18 | 0.08 | 0.05 | 0.01 | 0.04 | 0.00 | 44.72 |
| DHFA01-H2 | D2 | 8.18 | 4.40 | 2.63 | 3.52 | 55.05 | 13.73 | 5.34 | 3.56 | 0.14 | 0.19 | 0.01 | 0.43 | 6.22 |
| DHA02-H1 | D2 | 4.85 | 5.20 | 2.93 | 4.17 | 59.24 | 14.28 | 6.38 | 3.88 | 0.01 | 0.21 | 0.01 | 0.61 | 1.36 |
| DH0201-H3 | D2 | 6.56 | 4.44 | 2.95 | 3.49 | 57.65 | 14.62 | 5.80 | 3.73 | 0.09 | 0.21 | 0.01 | 0.58 | 4.06 |
| DH0201-H4 | D2 | 6.83 | 3.70 | 3.15 | 3.86 | 57.71 | 14.34 | 6.05 | 3.77 | 0.04 | 0.21 | 0.02 | 0.56 | 3.63 |

*Source: ECC (2020) and Team 325 (2021)*

### *4.4.9 SRK comments on the project aggregate quality*

An appropriate series of tests was carried out to determine the suitability of the rocks in Domains 1 and 2 for use as construction aggregate. The samples were tested and accessed according to the Anhui Provincial Standard, which is similar to the national standard. These tests are considered generally being used in the local market.

The results of the testing indicate that the limestone test results meet the requirements of the Anhui Provincial Standard for at least Classes 2 and 3 aggregates and generally Class 1 aggregate. In some cases, a small proportion of samples are outside the requirements. Careful mining and quality control should be undertaken to ensure consistent quality of products.

The test results indicate that the diorite is less dense and has higher water absorption and crushing index than the limestone. It also has a relatively low compressive strength for a magmatic rock. The alkali aggregate reactivity test results indicate that there is considerable doubt about its suitability for use as concrete aggregate, which is the most important product of the Project. While it may not be suitable for concrete, it may be suitable for lower specification applications, such as railway ballast, asphalt concrete, road sub-base and landscaping.

It is noted that in some cases, aggregates that do not meet national or regional concrete aggregate specifications are still used in certain applications. Any variations to the accepted qualities should be based on satisfactory local experience of materials and performance.

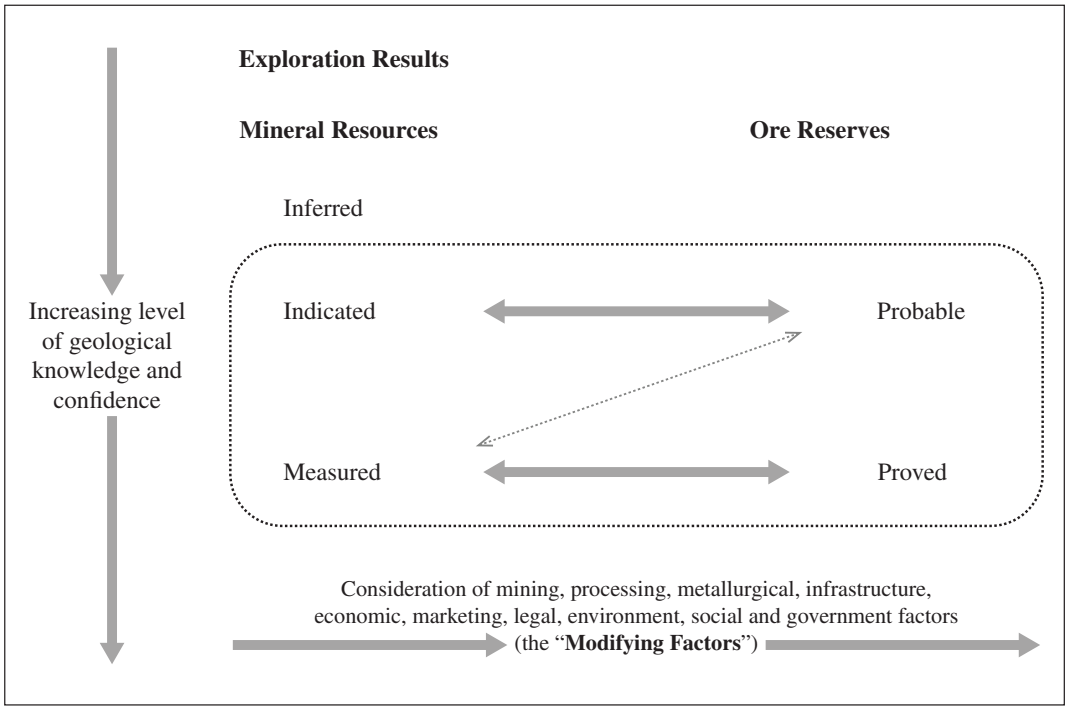
## 5 MINERAL RESOURCES ESTIMATION

### 5.1 Introduction

SRK is satisfied with the exploration work completed 2020 and 2021, which included diamond drilling, surface sampling, topographical survey and geological mapping. The sampling and laboratory analytical procedures are considered appropriate. The quality of the data obtained is considered to meet the requirements of construction aggregates in Anhui Province standard, and also be in accordance with the JORC Code (2012).

The JORC Code (2012) states that, "*A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction*". Mineral Resources are classified as Inferred, Indicated and Measured according to increasing degrees of geological confidence (Figure 5-1).

**Figure 5-1: General relationship between exploration results, Mineral Resources and Ore Reserves**




*Source: JORC Code, 2012.*

## 5.2 Database compilation and validation

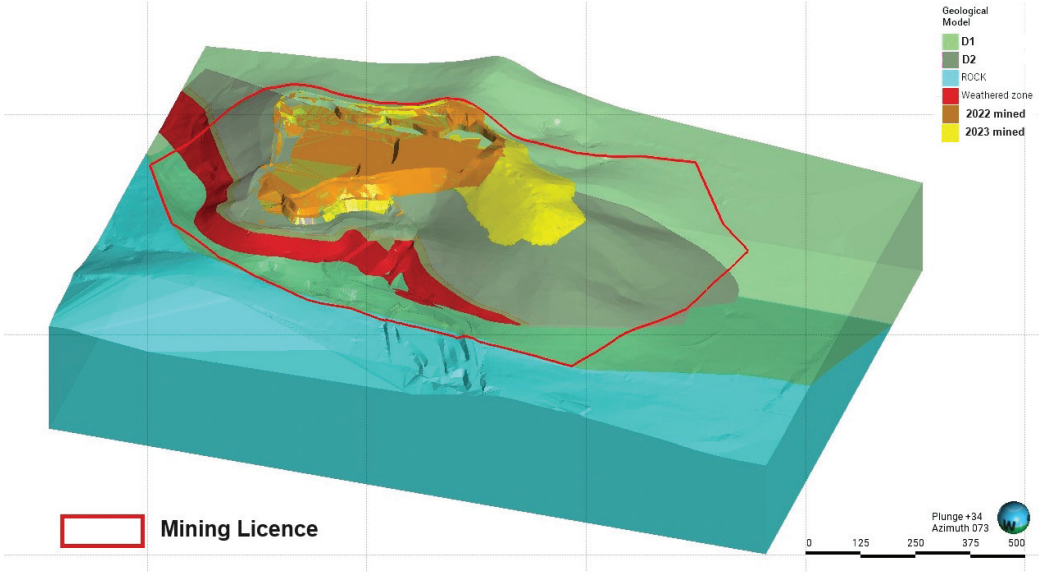
Geological maps, cross sections, drill hole geological logging, laboratory test results and topographic map were provided in *MapGIS*, a Chinese GIS software package, and Excel spreadsheet format. SRK digitised and compiled the provided data into a database that was further viewed and validated in *Leapfrog*, a 3D modelling software package.

## 5.3 Geological modelling

SRK constructed three-dimensional (3D) wireframe models based on topographic maps at 1:2,000 scale, drill hole and the geological map at a scale of 1:2,000, using *Leapfrog* software. The modelling procedures included import of the compiled drill hole database, together with the geological and topographic maps, into *Leapfrog*. Wireframes were constructed from the drill hole data and stratigraphic contacts from mapping. Figure 5-2 is a snapshot (oblique view) of the Leapfrog model. Three units have been modelled, from the top to bottom: D1 Limestone, D2 Diorite and the Xuzhuang Formation sandstone, a minor sandstone unit which is not the target construction materials unit, occurs at the bottom of the stratigraphic succession.

In addition, a weathering surface has been modelled, based on the drill hole logging results. The surface weathering zone mainly includes gravels and soils. The weathered zone in Domain D1 is scattered within individual local areas with a very shallow thickness of 0.10 m to 0.20 m, while in Domain D2, diorite tends to develop a deeper weathered zone, with an average thickness of 12.5 m.

**Figure 5-2: Oblique view of geological model**




*Source: SRK*

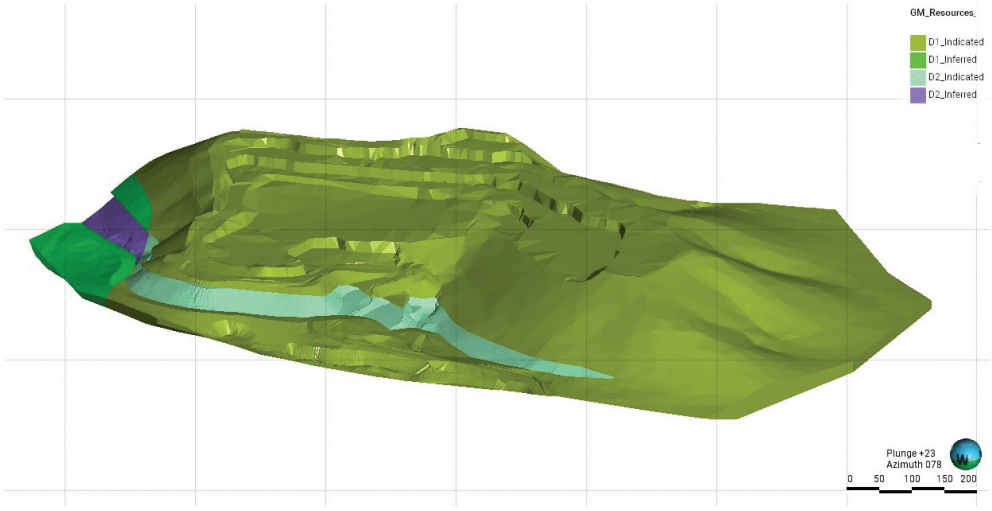
## 5.4 Mineral Resource classification

For this aggregate Project, Resource classification reflects the degree of confidence in the geological continuity, sample density, data quality, surface mapping and drilling spacing. The strata are generally dipping to the southeast with a gentle angle of around 20°. There were no significant faults and karst caves observed except a minor fault (10 cm wide), bisecting the Project area during the surface mapping and drilling exploration that may affect the geological continuity.

SRK is of the opinion that there is sufficient confidence in the continuity and aggregate quality of the Domains D1 and D2 to classify Indicated Mineral Resources with a buffer of 250 m for drill hole and surface sampling positions. A relatively small area with a lower confidence in the continuity of the data has been classified as Inferred Mineral Resource. No Measured Mineral Resource has been defined as insufficient drill hole and surface sampling to support higher degree of geological confidence.

Figure 5-3 provides a snapshot from the Leapfrog model showing the distribution of the Indicated and Inferred Mineral Resources for the Project.

**Figure 5-3: Mineral Resource classification**




*Source: SRK*

## 5.5 SRK's Mineral Resource Statement

The Mineral Resource has been limited to the area within the Phase II Mining Licence. The latest topography of the Project area as at 31 December 2023 was used to clip the defined aggregate Mineral Resources to reflect the resources extracted from the current pit. Production from 1 January 2024 to 30 June 2024 has been depleted from the Mineral Resource estimate.

Table 5-1 presents the construction aggregate Mineral Resource estimated by SRK as at 30 June 2024.

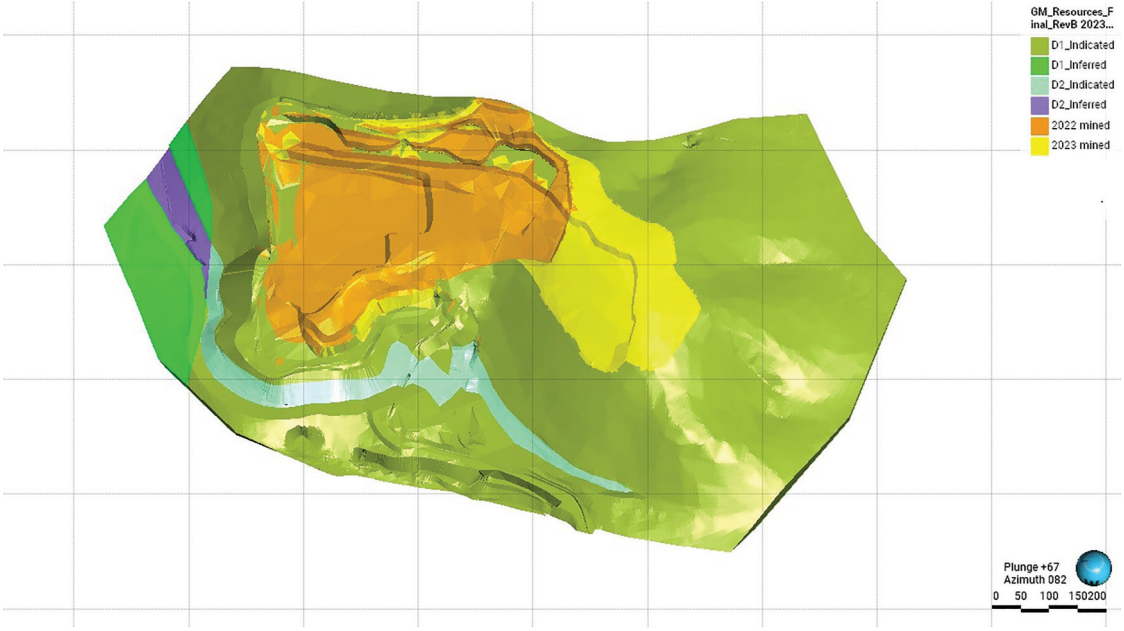
**Table 5-1: Gaoloushan construction aggregate Project – Mineral Resource statement as at 30 June 2024**

| Domain | Mineral Resource Category | Volume *('000 $m^3$)* | Tonnes *(kt)* |
|---|---|---|---|
| **D1 Limestone** | Indicated | 58,400 | 157,600 |
| | Inferred | 1,600 | 4,300 |
| | Total | 60,000 | 162,000 |
| **D2 Diorite** | Indicated | 5,700 | 14,800 |
| | Inferred | 400 | 1,100 |
| | Total | 6,100 | 15,900 |
| **TOTAL** | Indicated | 64,000 | 172,500 |
| | Inferred | 2,000 | 5,400 |
| | Total | 66,000 | 177,800 |

*Source: SRK*

*Note:* Both D1 Limestone and D2 Diorite domains are considered generally suitable for the production of construction aggregates with different potential applications; bulk density used: 2.70 $t/m^3$ for D1, and 2.62 $t/m^3$ for D2.

**Figure 5-4: Model depletion**




*Source: SRK*

### *5.5.1 Reconciliation*

SRK has reviewed the production records from GreenGold and conducted a reconciliation analysis. This analysis compared the actual produced aggregates to the model depletion for two periods: 1. from July 2021 to November 2022, and 2. from December 2022 to December 2023, respectively (Figure 5-4). The period between December 2023 and June 2024 was not compared due to the lack of topography survey at the end of June 2024.

The updated resources model indicated a total of depletion of 10,100 kt, which was compared to the 10,088 kt of aggregate materials produced according to the records. This resulted in a difference of only 0.1% (Table 5-2). The reconciliation results demonstrated that a satisfactory consistency between the model depletion and the actual production.

**Table 5-2 2022 and 2023 Reconciliation statistics**

| | **Model depletion** | | **Actual products** | | |
|---|---|---|---|---|---|
| **Period** | **Volume** | **Tonnes** | **Tonnes** | **Difference** | |
| | *('000 $m^3$)* | *(kt)* | *(kt)* | *(kt)* | *%* |
| **Jul 2021 to Nov 2022** | 2,129 | 5,749 | 5,867 | 117 | 2% |
| **Dec 2022 to Dec 2023** | 1,612 | 4,351 | 4,221 | -130 | -3% |
| **Total** | 3,741 | 10,100 | 10,088 | -12 | -0.10% |

*Source: SRK*

*Note:* Both D1 Limestone and D2 Diorite domains are considered marketable with different potential applications; bulk density used: 2.70 g/$cm^3$ for D1, and 2.62 g/$cm^3$ for D2.

## 6 MINING

### 6.1 Introduction

The existing quarry is a conventional open pit operation. The quarry operation aims to meet processing plant requirements, which are driven by its rated capacity and market demand.

The Phase I Mining licence that permitted production of up to 3.5 Mtpa has been replaced by the Phase II mining licence. The new Mining Licence is larger in size and has an expanded permitted production capacity of up to 8.0 Mtpa.

A Preliminary Design (PD) on the Phase II development was completed by Hebei Building Materials Industry Design and Research Institute Co., Ltd., a qualified and independent consultancy. The level of accuracy of the Modifying Factors, supported by the Phase I operational statistics and described in the PD, is considered by SRK to be similar to a feasibility study ("**FS**"), prepared in accordance with the JORC Code (2012). The Company plans to gradually ramp up from 2022 to 2030. From 2031, the quarry will operate at its full capacity of 8.0 Mtpa to match the same production capacity of the processing plant.

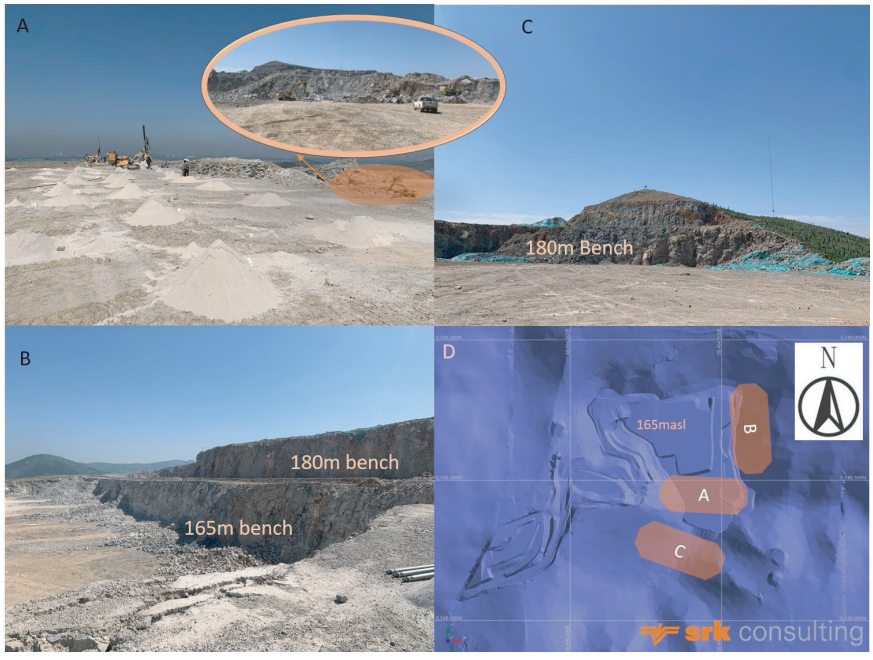
## 6.2 Current operation

Overburden mining commenced in mid-2017 and first ore was mined in the fourth quarter of the same year. Successful operation has continued since 2017 and supplied ore for the processing plant. From 2020 to 2024, annual production was 4.2 Mt, 4.0 Mt, 3.8 Mt, and 3.9 Mt, respectively, in response to the market demand. This production history has given GreenGold with a solid understanding of the mining conditions and operability of the pit as well as the processing plant's response to the ore. The current operation experience also builds a solid foundation for the Phase II development.

At the time of the site inspection in April 2024, the mining area was mainly on 150m asl bench, but had also reached the 135m asl bench. The 165m asl and 180m asl benches were still being operated to form the final slope, according to the designed pit. The mining method and equipment were the same as those observed during the 2021 site visit. Additional equipment purchases are in progress through the bidding process. The new excavators and trucks will be the same models as the existing ones, facilitating easier maintenance.

Loading and clearance were also on going. On the 180 m asl level, drilling was being conducted by the contractor (Figure 6-1). To date, a total of approximately 2,570 m long haul roads have been constructed and connected to the Phase I and Phase II Processing Plant. The roads have an average gradient of 5% and their widths are approximately 11m (Figure 6-2).

**Figure 6-1: Quarry conditions**




*Source: SRK site visit, May 2021*

*Notes:*

A: Drilling and loading by the contractor; insert showing ore loading;

B: benches at 165 m asl and 180 m asl levels;

C: 180 m asl bench;

D: location map, showing the existing pit.

**Figure 6-2: Quarry current conditions**


*Source: SRK site visit, April 2024*

*Notes:*

A: Aerial view of the whole quarry area;

B: Benches at 180m, 165m and 150m asl levels

### 6.3 Mining method and equipment

A conventional open pit mining method has been employed for the Phase I operation, comprising drilling, blasting, loading and haulage. The mining sequence is from top to bottom and two benches operate simultaneously.

Drilling and blasting are handled by a professional contractor, Leiming Blasting. The contractor is responsible for drilling, hole survey, explosive transportation, charging, stemming and blasting. The acceptable lump size is 1,000 mm. Any oversize ore is further broken down by hydraulic hammers at the work face. No explosive magazine is on site (Figure 6-1).

Leiming Blasting currently holds two down-the hole hammer (DTH) drill rigs, with mobile air compressors, and one new Epic DTH drill rig is on stand-by. The dimensions of the blast holes are 150 mm wide and 17.5 m deep. The blast holes are arranged in rectangular or quincunx patterns, with spacing of 4.5-6 m and a burden of 4-4.5 m.

GreenGold is responsible for loading and haulage to the processing plant. Loading is carried out by three 3.2 $m^3$ hydraulic excavators and two front-end loaders. Loaded ores are hauled to the processing plant by 14 x 55 t articulated haulage truck. Other key mining equipment owned by GreenGold includes a watering truck and a road roller.

Mining occurs according to the demand from the processing plant. No stockpile is on site.

The same mining method is employed for the Phase II operation, utilising a total of 28 x 55 t articulated haulage trucks, 7 excavators and 4 front-end loaders. The current Phase I mining fleet is scheduled to be replaced every 10 years. A historical coal ash dump is located within the blast buffer zone of the northern margin of the pit. A small portion of ore (0.4%) is therefore to be mined by the mechanical excavation method rather than the drill-and-blast method.

During the April 2024 site inspection, the existing mining fleet was identical to 2021. One flexible rental excavator was on site as a standby unit. The planned equipment is being procured through a bidding process.

The drilling will also be conducted by Leiming Blasting. Currently, the operation blasts once every three days. During the site inspection, SRK was informed that Leiming Blasting has the flexibility to deploy additional drill rigs or charging crews based on the Company's demand.

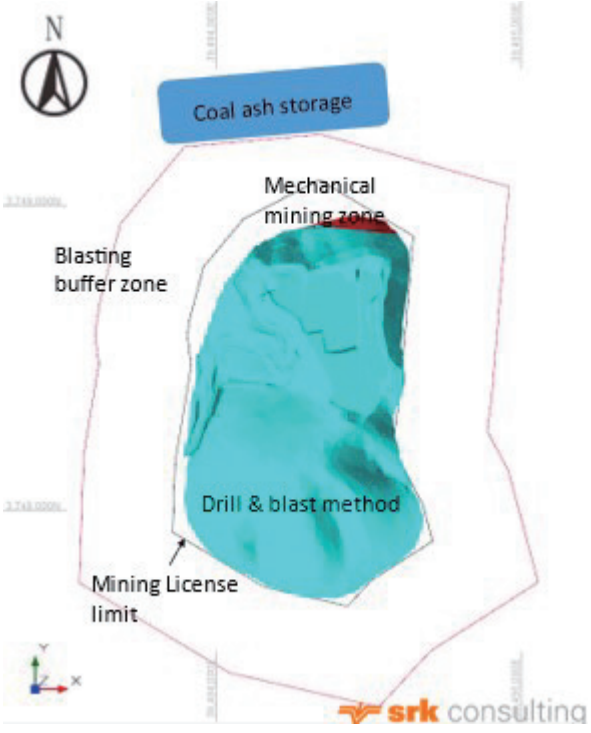
**Table 6-1: Existing and proposed mining fleet**

| Equipment | Model | Capacity | Existing | Planned | Total |
|---|---|---|---|---|---|
| Articulated haulage truck | TL875C | 55 t | 14 | 14 | 28 |
| Excavator | Cat 349 D2/LOVOL 480 ED ZSE00969 | 3.2 $m^3$ | 3 | 4 | 7 |
| Front-end loader | L955F | 3.0 $m^3$ | 2 | 2 | 4 |
| Road roller | XS223JE | 22 t | 1 | 1 | 2 |
| Watering truck | | 10 $m^3$ | 1 | 2 | 3 |

*Source: PD and GreenGold*

Due to a retired coal ash storage facility from a nearby power plant located within the 300-metre blasting buffer zone, part of the north pit will use a mechanical rock-breaking method instead of drilling and blasting. One planned excavator equipped with a rock breaker (hammer) and one planned loader will be employed for this additional work in this zone. (Figure 6-3).

**Figure 6-3: Drill & blast and mechanical mining zones**




*Source: SRK.*

It is SRK's opinion that the selected conventional open pit mining method is appropriate and is considered a low-risk solution. The existing and planned mining equipment is reasonable for the 8.0 Mtpa production capacity.

Mechanical mining typically results in higher costs and lower productivity compared to the drill-and-blast method. However, the material extracted using the mechanical mining method represents only a very small portion (0.43%) of the total material. The Company may consider whether to mine this zone in the future.

### 6.4 Optimisation

Open pit optimisation presents a range of nested open pit shells representing increasing product price or Revenue Factor (RF) to guide the selection of the optimal open pit shell that best suits the owner's business objectives. A RF = 1.0 is the theoretical optimum pit shell on which to base open pit designs. In 2021, SRK used the Lerchs-Grossman 3D algorithm in Whittle software (LG 3D) for the optimisation process. SRK reviewed the pit design and optimisation inputs, and there were no material changes against the pit design.

### 6.5 Detailed mine design

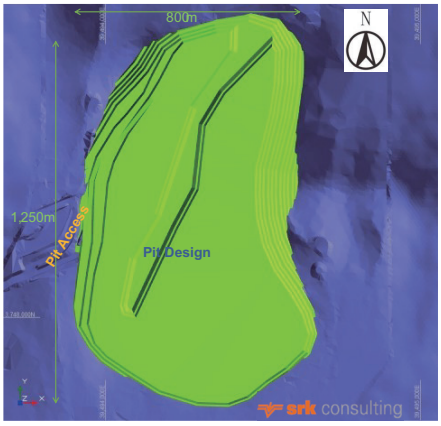
The detailed mine design was carried out using the selected LG 3D open pit shell as a guide. The proposed open pit design includes the practical geometry required in the quarry, including open pit access and haulage ramp to all open pit benches, open pit slope design, benching configurations in Table 6-2. The plan view of the open pit design is presented in Figure 6-4, while a comparison between the open pit design and LG 3D shell is shown in Figure 6-5. The open pit design indicates that above 80 m asl, the mining operation will result in the removal of the hill. Below 80 m asl, the operation will be an open pit excavation. The open pit access is at 80 m asl on the east pit edge. There are no material changes against the pit optimisation or design.

**Table 6-2: Detailed open pit design parameters**

| Item | Unit | Parameter |
|---|---|---|
| Bench height | m | 15 |
| BFA | ° | 65 |
| Safety berm | m | 5 |
| Catch berm | m | 8 |
| Minimum bench width | m | 60 |
| Ramp width | m | 14 |
| Road gradient | % | 9 |
| OSA | ° | 50 |

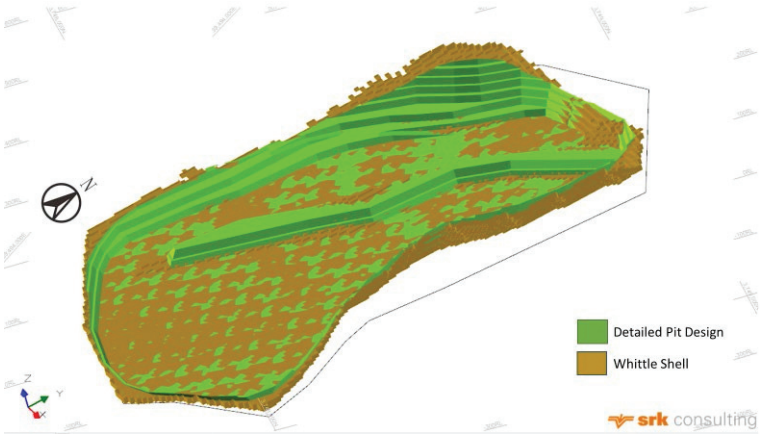
*Source: PD, compiled by SRK*

**Figure 6-4: Plan view of open pit design**




*Source: SRK*

**Figure 6-5: Isometric view of open pit design and Whittle optimisation**




*Source: SRK*

SRK has reviewed the latest topographic survey as of 31 December 2023 along with the production records. The reconciliation statistics are presented in Table 5-2.

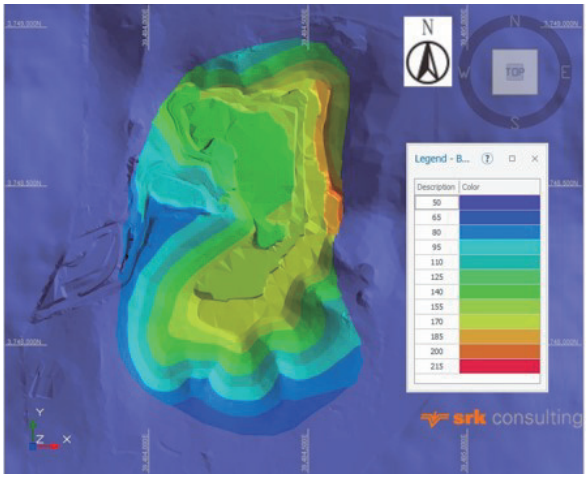
The Mineral Resources and waste materials within the open pit design on each beach are presented in Table 6-3. The mine design of the current mining operation is shown in Figure 6-6.

**Table 6-3: Materials Interval within the open pit design as of December 2023**

| Bench name | Toe Elevation *(m ASL)* | Crest Elevation *(m ASL)* | Indicated D1 Resource *(kt)* | Indicated D2 Resource *(kt)* | Inferred D1 Resource *(kt)* | Inferred D2 Resource *(kt)* | Overburden/ Waste *(kt)* |
|---|---|---|---|---|---|---|---|
| B195 | 195 | above | 112 | – | – | – | 2 |
| B180 | 180 | 195 | 820 | – | – | – | 3 |
| B165 | 165 | 180 | 4,303 | – | – | – | 8 |
| B150 | 150 | 165 | 9,068 | – | – | – | 10 |
| B135 | 135 | 150 | 14,558 | 23 | – | – | 73 |
| B120 | 120 | 135 | 16,675 | 547 | 15 | – | 211 |
| B105 | 105 | 120 | 17,886 | 1,520 | 129 | 4 | 481 |
| B90 | 90 | 105 | 19,738 | 2,278 | 62 | 202 | 673 |
| B75 | 75 | 90 | 21,284 | 3,554 | 69 | 154 | 311 |
| B60 | 60 | 75 | 20,399 | 2,357 | 74 | 26 | 27 |
| B50 | 50 | 60 | 12,654 | 352 | 17 | – | 13 |
| **Total** | | | 137,496 | 10,630 | 366 | 386 | 1,812 |

*Source: SRK*

**Figure 6-6: Benches interval and current operation (December 2023)**




*Source: SRK*

## 6.6 Mine scheduling

In 2021, SRK re-scheduled the production based on the parameters and mining sequence proposed in the PD against Mineral Resources estimated by SRK and open pit design, and the project goal proposed by the Company, which plans to achieve the target production capacity of 8.0 Mtpa by 2031.

The mining operation has generally agreed with the schedule for the past 3 years. The mining sequence is downwards bench by bench, with two or three work benches operating simultaneously. The minimum lag distance between two benches is 50 m, and the minimum mining width is 60 m. The existing haul road within the quarry will remain at the inception of the Phase II development. SRK has divided the designed pit into four zones for the mine scheduling (Figure 6-7):

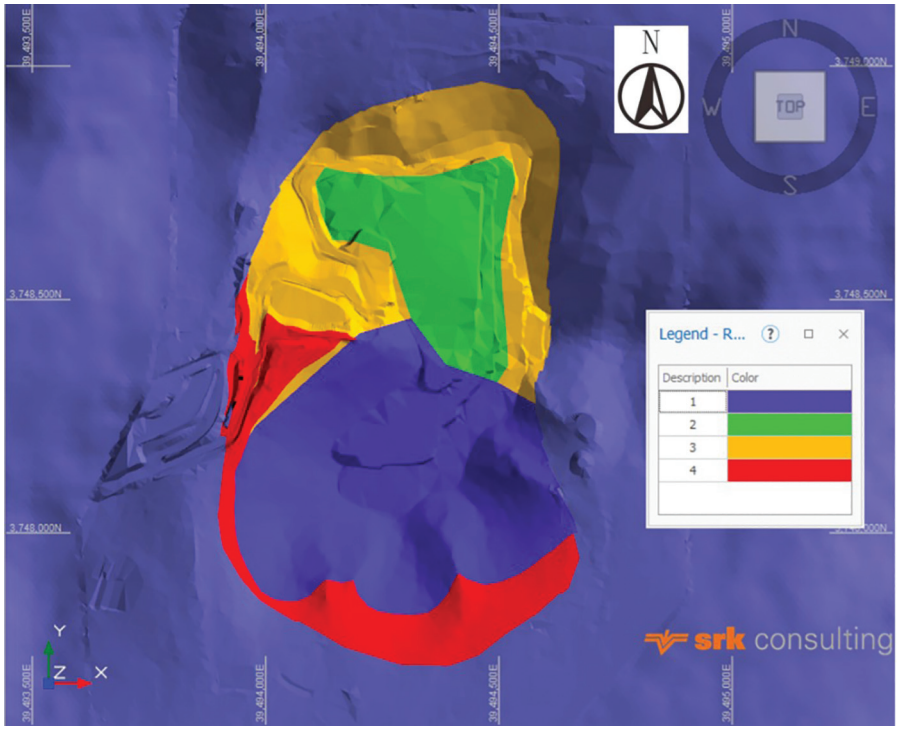
**Zone 1**: Adjoining to the existing Phase I pit. This zone is selected as the initial mining area. The designed bottom elevation of 90 m asl.

**Zone 2**: Existing Phase I pit. The existing pit will operate in conjunction with Zone 1. To achieve this, the current work face in Zone 1 will advance into Zone 2. The bottom of this zone is the same as Zone 1, i.e. 90 m asl.

**Zone 3**: Enclosure of the existing haul road. This zone is to preserve this existing haul zone. Mining will advance to this zone when the materials within Zones 1 and 2 are extracted. The bottom of this zone as the same as zone 1 and 2.

**Zone 4**: Below Zone 1, 2 and 3. This zone will form a horizontal platform and become a pit. A new downhill haul road will be developed. The bottom of this pit is 50 m asl.

**Figure 6-7: Mine schedule development (December 2023)**



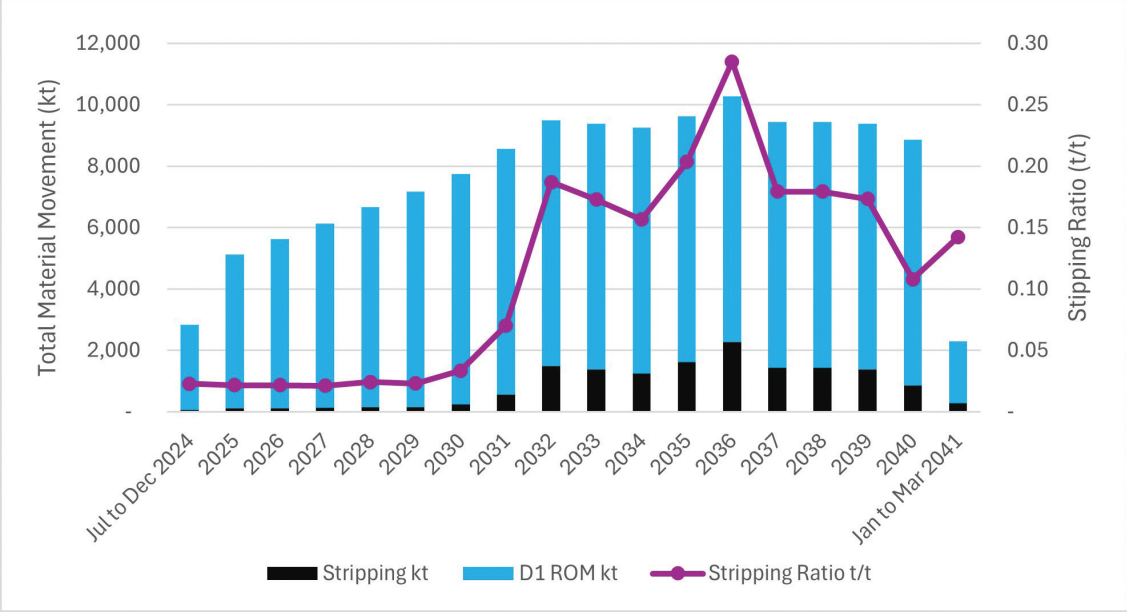

*Source: SRK*

SRK scheduled the production based on the sequence of development of these four zones, the defined D1 Limestone Mineral Resources and the Company production targets, which plans to achieve the target production capacity of 8.0 Mt by 2031. All D1 Limestone Inferred Mineral Resource and D2 Diorite Indicated and Inferred Mineral Resources are treated as waste.

The annual life-of-mine (LoM) open pit mining schedule for the quarry is presented in Table 6-4 and Figure 6-8. The LoM is approximately 16 years and the stripping ratio is 0.12.

It should be noted that the LoM is ended by March 2041, coinciding with the expiration of the mining license. At that time, approximately 10.7 million tonnes of Indicated Resource will remain in the pit for exploitation.

**Figure 6-8: Production schedule over LoM**




*Note:* Planned operation for 3 months in 2041.

*Source: SRK*

**Table 6-4: Production schedule**

| Year | Run-of-Mine *(kt)* | Stripping *(kt)* | Total Material Movement *(kt)* | Stripping Ratio *(t/t)* |
|---|---|---|---|---|
| LoM Total | 122,274 | 14,985 | 137,259 | 0.12 |
| Jul to Dec 2024 | 2,767 | 63 | 2,830 | 0.02 |
| 2025 | 5,007 | 108 | 5,115 | 0.02 |
| 2026 | 5,501 | 118 | 5,619 | 0.02 |
| 2027 | 6,000 | 127 | 6,127 | 0.02 |
| 2028 | 6,500 | 156 | 6,656 | 0.02 |
| 2029 | 7,000 | 160 | 7,160 | 0.02 |
| 2030 | 7,500 | 251 | 7,751 | 0.03 |
| 2031 | 8,000 | 562 | 8,562 | 0.07 |
| 2032 | 8,000 | 1,495 | 9,495 | 0.19 |
| 2033 | 8,000 | 1,382 | 9,382 | 0.17 |
| 2034 | 8,000 | 1,253 | 9,253 | 0.16 |
| 2035 | 8,000 | 1,628 | 9,628 | 0.20 |
| 2036 | 8,000 | 2,281 | 10,281 | 0.29 |
| 2037 | 8,000 | 1,433 | 9,433 | 0.18 |
| 2038 | 8,000 | 1,433 | 9,433 | 0.18 |
| 2039 | 8,000 | 1,386 | 9,386 | 0.17 |
| 2040 | 8,000 | 863 | 8,863 | 0.11 |
| Jan to Mar 2041 | 1,999 | 284 | 2,283 | 0.14 |

*Note:* Planned operation for 3 months in 2041.

*Source: SRK*

## 7 ORE RESERVE

The definition of Ore Reserves in accordance with the JORC Code (2012) is as follows:

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

The conversion from Mineral Resources to Ore Reserves is presented in Figure 5-1.

The definition of economically mineable ore is based on the results of open pit optimisation. Open pit optimisation was used to identify the optimum economic open pit shape based on the highest projected cash flow.

### 7.1 Modifying factors

The following modifying factors were used by SRK to determine the Ore Reserve:

- Optimal pit shell: included the Mineral Resources within the economic pit limits.
- Open pit design: the conversion factor for the Ore Reserve between the optimised open pit shell and the practical mine design has been accounted for in this parameter.
- Topographic survey as at December 2023 was provided to SRK for review. The reconciliation of survey data against the production records resulting in a variation of 0.1%.
- Mining loss: a 2% mining loss rate was adopted, which is consistent with the operational records.
- The diorite has certain potential applications, but its marketability remains uncertain. No diorite has therefore been included in the Ore Reserve.
- The scope of the mining rights. The mining rights of the Phase II area is valid until 30 March 2041 (see Section 3.2). Indicated Resources within the pit that are scheduled to be mined beyond the expiration of the mining license were not converted to Ore Reserves.

### 7.2 Ore Reserve estimates

The estimated Ore Reserve based on the considerations of Mineral Resources and Modifying Factors is summarised in Table 7-1.

**Table 7-1: Ore Reserve estimation**

| **Description** | **Tonnage** *(kt)* |
|---|---|
| Indicated Mineral Resources (D1 Limestone only) | 169,395 |
| Indicated Resource in optimal pit shell | 154,126 |
| Indicated Resource in designed pit (2021 end of July survey) | 147,801 |
| Indicated Resource in designed pit (2023 end of December survey) | 137,496 |
| Allowance for dilution | – |
| Mining Ore Loss | -2,750 |
| Mine Inventory | 134,746 |
| Mine plan up to the validity of the mining rights | -10,740 |
| Ore Reserve as at 30 June 2024 | 122,274 |

*Source: SRK*

### 7.3 Ore Reserve statement

The construction aggregate Ore Reserve estimate in accordance with the JORC Code (2012) by SRK as at 30 June 2024 is presented in Table 7-2. This is based on the considerations of Modifying Factors, including the topographic survey as at 31 December 2023, the PD, the LoM plan from the pit to the processing plant final pit design and allowances for losses. The economically mineable part of the Indicated Mineral Resource within the pit has been classified as Probable Reserve. The Ore Reserve figures have been depleted to account for mining up to the 30 June 2024.

**Table 7-2: Gaoloushan Construction Aggregate Project Ore Reserve statement as at 30 June 2024**

| Domain | Reserve Category | Volume *('000 $m^3$)* | Tonnes *(kt)* |
|---|---|---|---|
| D1 | Probable | 45,300 | 122,300 |

*Note:*

Ore Reserve is inclusive of Mineral Resource; a 2% mining loss is factored.

## 8 PROCESSING

### 8.1 Introduction

The current Phase I processing plant with a nameplate capacity of 3.6 Mt has been in operation successfully since 2017. A range of fine and coarse crushed aggregates: 0–5 mm, 5–15 mm, 15–25 mm and 25–31.5 mm, as well as scalpings are produced.

A feasibility study (FS) incorporating the construction of a new plant with a nameplate capacity of 8.0 Mtpa was completed in May 2021. The next level program of technical study, a preliminary design (PD) was completed in April 2022. The construction of the Phase II processing plant was completed at the end of June 2024. Trial production commenced in July 2024. Commercial production targeted to commence in the fourth quarter of 2024. The current Phase I processing plant and the new Phase II processing plant are shown in Figure 8-1.

**Figure 8-1: Existing and proposed approximate location of the Phase II processing plant, looking east**


*Source: SRK site visit, April 2024*

## 8.2 Process flowsheet

The process flowsheet of the Phase I operation adopts a two-stage closed circuit process with pre-screening, and the Phase II flowsheet proposes a similar process, but with an additional stage of screening. A summary flowsheet of Phase II is provided in Figure 8-2 and described below.

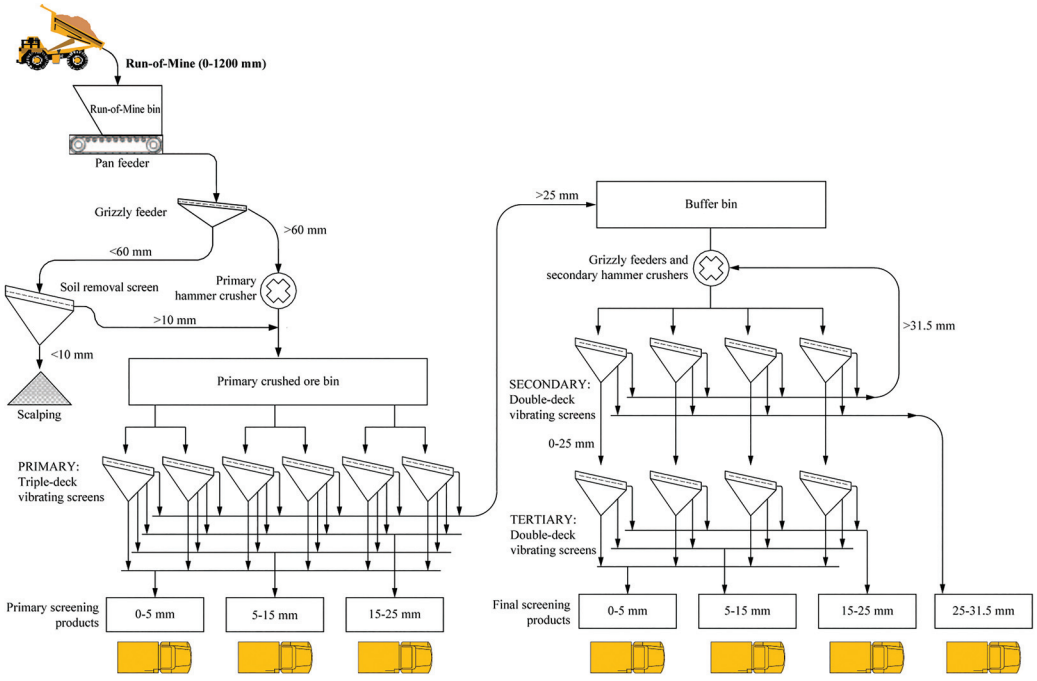
Mined ore is hauled and tipped into the Run-of-Mine (ROM) bin. From there, the material is fed and screened by a pan feeder and a grizzly feeder. The oversize (>60 mm) is fed into a hammer crusher for primary crushing, while the undersize is screened for scalping by a vibrating screen (10 mm). The scalpings are stockpiled for future sale. The material removed by scalping is combined with the material after the primary crushing, and is transported by a belt conveyor to the primary screening workshop (Figure 8-3).

The material is fed into six sets of circular primary vibrating screens, and is divided into four sizes of fractions: 0–5 mm, 5–15 mm, 15-25 mm and >25 mm as the primary screening products. The >25 mm fraction is transported to the secondary screening workshop and is fed into a hammer crusher for secondary crushing. The material is then fed into four sets of secondary circular vibrating screens. The 25–31.5 mm fraction is conveyed to the respective product silos for storage. The >31.5 mm fraction will return to the secondary hammer crusher.

The 0–25 mm fraction is fed into four tertiary vibrating screens and is divided into three fractions, 0–5 mm, 5–15 mm and 15–25 mm. The screened fractions known as final screening products are then stored in their respective silos. The final screening products are considered as premium products as less fines or silts are included. Aggregate products are released to customers' trucks through the silo bottom slide gates (Figure 8-4).

In SRK's opinion, the conventional construction aggregate processing flowsheet is reasonable and is appropriate for processing the ores from the quarry over the LoM.

**Figure 8-2: Phase II processing flowsheet**




*Source: PD modified by SRK*

**Figure 8-3: Phase I processing plant**


*Source: SRK site visit, June 2021*

*Notes:*

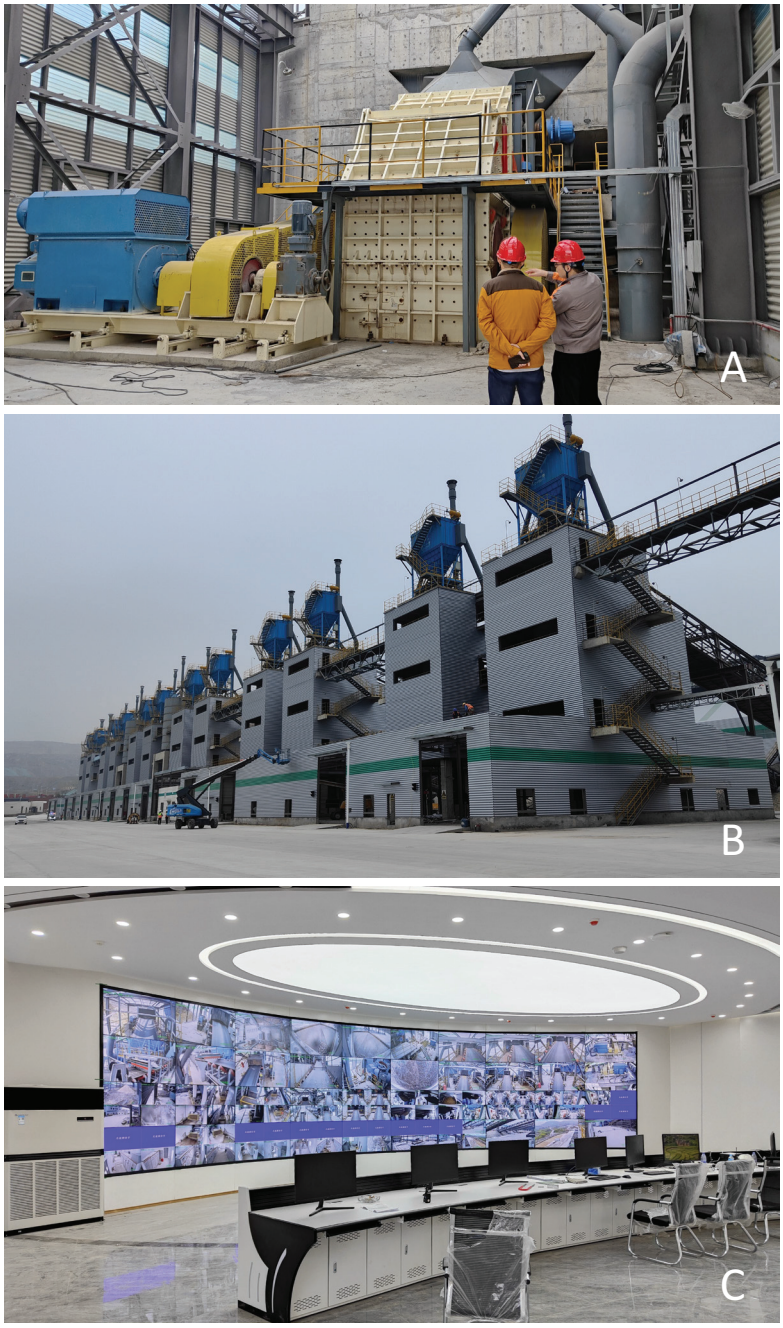
A: Primary hammer crusher

B: Secondary hammer crusher

C: Scalping vibrating screen

D: Stage 1 vibrating screens

**Figure 8-4: Phase II processing plant**




*Source: SRK site visit, April 2024*

*Notes:*

A: Secondary hammer crusher

B: Silos

C: Control centre

### *8.2.1 Processing equipment*

The current processing plant is located approximately 100 m to the west of the current mining licence boundary. The recently completed Phase II processing plant is located to the immediate west of the current processing plant.

The Phase II production plant facilities are the same as for Phase I, including ROM bin, primary crushing workshop, secondary crushing workshop, scalping removal workshop, scalping shed, primary screening workshop, secondary screening workshop, tertiary screening workshop, final product silos and dust removal system. Other infrastructure comprises water supply and electrical supply.

The key equipment in the Phase I processing plant is currently in good condition and is shown in Table 8-1, and the main equipment of the Phase II processing plant is shown in Table 8-2.

**Table 8-1: Key Phase I processing plant equipment**

| No. | Type | Model | Motor Power *(kW)* | Quantity |
|---|---|---|---|---|
| 1 | Grizzly feeder | JSZD6026 | 12 | 1 |
| 2 | Primary hammer crusher | JSPCD2226 | 800 | 1 |
| 3 | Secondary hammer crusher | JSPCD1616 | 220 | 1 |
| 4 | Scalping removal vibrating screen | JSYZ1870 | 22 | 1 |
| 5 | Primary vibrating screen | JSYZ3280 | 45 | 4 |
| 6 | Secondary vibrating screen | JSYZ2680 | 37 | 1 |
| 7 | Silo | 10,000 t | | 4 |

*Source: GreenGold*

**Table 8-2: Key Phase II processing plant equipment**

| No. | Type | Motor Power | Quantity |
|---|---|---|---|
| 1 | Pan feeder | 220kW | 1 |
| 2 | Grizzly feeder | 60kW | 1 |
| 3 | Primary hammer crusher | 1,250kW | 1 |
| 4 | Secondary hammer crusher | 800kW | 2 |
| 5 | Primary rotary vibrating screen | 110kW | 6 |
| 6 | Secondary rotary vibrating screen | 90kW | 4 |
| 7 | Scalping removal screen | 110kW | 1 |
| 8 | Tertiary rotary vibrating screen | 90kW | 4 |
| 9 | Silo | 20,000t | 7 |

*Source: PD*

## 8.3 Plant operating status

### *8.3.1 Historical production*

The current processing plant is claimed to have a designed capacity of 3.6 Mtpa, estimated based on 250 working days, 11 working hours per day and 1,300 t/h hourly processing throughput capacity.

The operation has a history of regular production with a two 8-hour shifts per day and the remaining time is for regular maintenance. The sales statistics and product size fractions are presented in Table 8-3 and Table 8-4.

**Table 8-3: Historical sales statistics**

| Products (kt) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Jan-June 2024 |
|---|---|---|---|---|---|---|---|
| Sandpowder (0–5mm) | 985 | 969 | 1,255 | 1,103 | 1,327 | 1,151 | 348 |
| Construction aggregate (5–15mm) | 793 | 835 | 1,191 | 982 | 1,123 | 947 | 306 |
| Construction aggregate (15–25mm) | 1,200 | 1,093 | 1,353 | 936 | 1,222 | 1,033 | 355 |
| Construction aggregate (25–31.5mm) | 506 | 310 | 314 | 359 | 386 | 518 | 252 |
| Scalping | 23 | 33 | 96 | 41 | 43 | 134 | 430 |
| **Total** | 3,508 | 3,239 | 4,209 | 3,422 | 4,101 | 3,783 | 1,691 |
| Others | 77 | 60 | 79 | 79 | 105 | 118 | 41 |

*Note: mixture of weathered rocks and soil*

*Source: GreenGold*

**Table 8-4: Product size fractions**

| Proportion (%) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Jan-June 2024 | Average |
|---|---|---|---|---|---|---|---|---|
| Sandpowder (0–5mm) | 28.1 | 29.9 | 29.8 | 32.2 | 32.4 | 30.4 | 20.6 | 29.3 |
| Construction aggregate (5–15mm) | 22.6 | 25.8 | 28.3 | 28.7 | 27.4 | 25.0 | 18.1 | 25.3 |
| Construction aggregate (15–25mm) | 34.2 | 33.7 | 32.1 | 27.3 | 29.8 | 27.3 | 21.0 | 29.5 |
| Construction aggregate (25–31.5mm) | 14.4 | 9.6 | 7.5 | 10.5 | 9.4 | 13.7 | 14.9 | 11.5 |
| Scalping | 0.7 | 1.0 | 2.3 | 1.2 | 1.0 | 3.6 | 25.4 | 4.4 |

*Source: GreenGold*

### *8.3.2 Forecast production*

The proposed Phase II processing plant has a designed nameplate capacity of 8.0 Mtpa. The hourly processing capacity is 2,500 t/h, and the designed operating conditions are 13 hours per day and 250 working days per year.

The Phase II processing plant construction completed in the end end of June and trial production commenced in July 2024. Commercial production is targeted to commence in the fourth quarter of 2024.

Currently, trial production has begun at the Phase II processing plant while production is continuing at the Phase I processing plant. The production targets of Phase II processing plant will gradually increase at a rate of 0.5 Mt per year from 2024 and finally reach the target annual production capacity of 8.0 Mt by 2031. The Phase I processing plant will contribute 3.5 Mt annually of the production targets respectively target until it is targeted to be fully decommissioned by 2026. The modest growth of the production target corresponds to the forecast market demand (Table 8-5).

In SRK's opinion, the production targets are achievable given the consistent throughput hourly capacity of the Phase I processing plant. The development of the Phase II processing plant supports the progressive increase of production targets from 4.5 Mt in 2024 to 8.0 Mt in 2031.

**Table 8-5: Production Target**

| Production target (Mtpa) | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031-2040 | 2041 |
|---|---|---|---|---|---|---|---|---|---|
| Phase I | 3.5 | 3.5 | 3.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Phase II | 1.0 | 1.5 | 2.0 | 6.0 | 6.5 | 7.0 | 7.5 | 8.0 | 2.0 |
| Total | 4.5 | 5.0 | 5.5 | 6.0 | 6.5 | 7.0 | 7.5 | 8.0 | 2.0 |

*Source: GreenGold*

The target product size fractions are shown in Table 8-6. SRK considers that the proposed processing flowsheet of Phase II Processing Plant is appropriate and the proportion of products of various specifications is in line with the historical operation statistics and can be adjusted by changing the size of the screen to fit the market demand.

**Table 8-6: Target product size fractions and quantity**

| Products | Proportion | Quantity *(Mt)* |
|---|---|---|
| Sand powder (0–5 mm) | 30.00% | 2.4 |
| Construction aggregate (5–15 mm) | 25.50% | 2.04 |
| Construction aggregate (15–25 mm) | 33.00% | 2.64 |
| Construction aggregate (25–31.5 mm) | 10.00% | 0.8 |
| Scalping | 1.50% | 0.12 |
| Total | 100.00% | 8 |

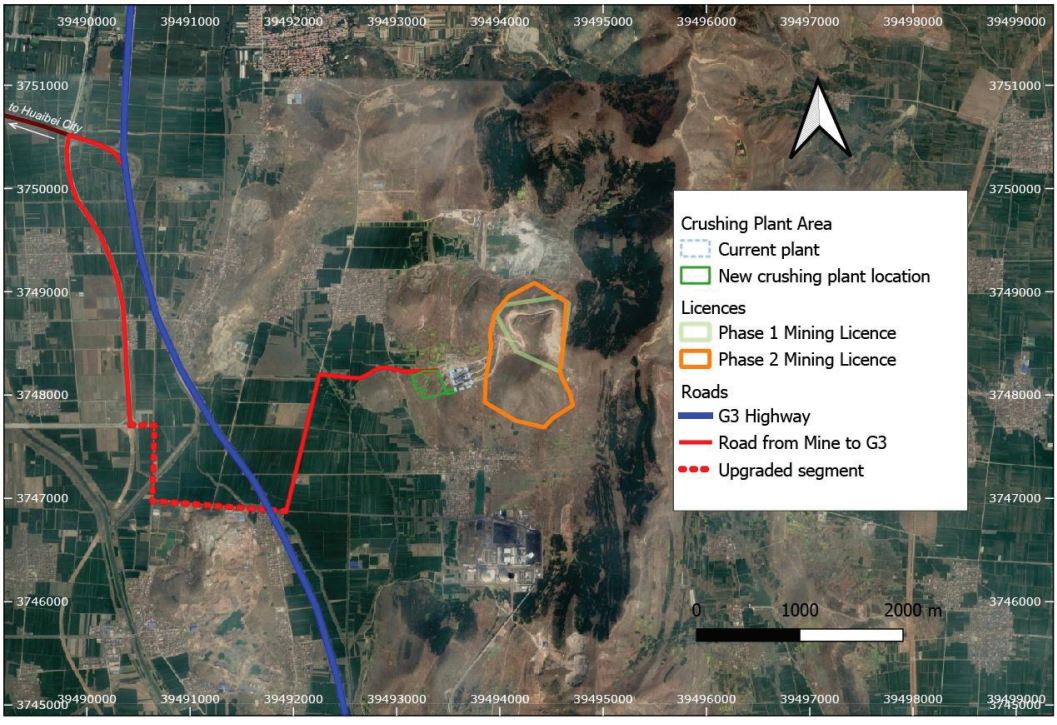
*Source: GreenGold*

# 9 PROJECT INFRASTRUCTURE

## 9.1 Project layout

The Project is currently fully developed and includes administration, mining, processing, dormitory, canteen and workshops. The sites have reticulated power and water. The Phase II development was constructed on the basis of the current set-up. The Phase II processing plant is located to the immediate west of the Phase I processing plant, covering an area of approximately 114,703 $m^2$ and requires approximately 103,703 $m^2$ of newly acquired land. The general layout is shown in Figure 9-1.

**Figure 9-1: Current and proposed Phase II development project layout**




*Source: GreenGold, Google satellite imagery, SRK compilation*

### 9.2 Roads

The Project area is easily accessible from Huaibei City centre via a series of paved roads for approximately 23 km (Figure 3-2 and Figure 9-1).

Access to Suzhou in the south and Xuzhou in the north is via the G3 highway and other all-weather roads. The Project area and the nearest G3 highway entrance is via a series of public paved roads for approximately 9 km. Part of this connecting road, measuring approximately 2 km was upgraded in 2021. The road network is appropriate for the Company's growth plan.

In the Project area, a total of approximately 2,570 m long haul roads have been constructed to date, connecting the pit to the Processing Plant. The roads have an average gradient of 5% and their widths are approximately 11m. The haul road system will continue expand as the Project progress.

### 9.3 Power supply

The Project's current power supply is via a 10 km-long 10 kV line with a nearby substation. The incoming station is equipped with a 3,150 kVA transformer, providing electricity to the Phase I processing plant, the quarry and other facilities. The electric power requirement of the quarry is minimal, and its main use is for the dewatering pump. Two 10kV substations have been built to supply electricity to the Phase II processing plant. The estimated annual power usage is 3,063,000 kWh. The power supply is considered reliable for the current operation and the designed power supply infrastructure is considered to have sufficient capacity to support the development plan.

### 9.4 Water supply

The water for production is limited to drilling, dust control, landscaping, firefighting and vehicle washing. Such water is sourced from the Huaibei City recycled water system through a 2.5 km-long 160 mm drainage pipe. A 300 $m^3$ storage tank has been installed on site and a 800 $m^3$ new storage tank and a pumping station will be constructed and connected to the current recycled water system. The Phase I domestic water supply is via a well equipped with a pump and a back-up pump. The drained water is stored in a settlement pond with a capacity of 200 $m^3$. The estimated daily domestic water use for Phase II is 5.0 $m^3$ and production water use is 316 $m^3$ respectively. A new pumping station has been established to support the Phase II production water use. SRK considers the water supply system is reasonable and the water supply to be adequate for the Phase I and II operations.

### 9.5 Diesel supply

Diesel is mainly used in the mining fleet and canteen. Diesel prices are at a discount to the prices published by the Chinese National Development and Reform Commission. Diesel is purchased and supplied by a local supplier through a long-term supply contract. The fuel is delivered to the Project site on an as-and-when-needed basis.

SRK considers the existing diesel supply logistics to be adequate to support the current operation and the development plans.

### 9.6 Maintenance

Regular repair and maintenance of processing and mining equipment are carried out by the in- house technicians. Major repairs can be conducted by off-site contractors.

### 9.7 Quality control setup

No product quality control or laboratory is built on site. The product quality is tested by customers according to the sales contracts.

### 9.8 Site buildings and mine services

The site buildings consist of a 4-storey administration office, a 2-storey dormitory, canteen, toilet and weighing station, covering a total of 4,547.94 $m^2$ gross floor area.

The plant buildings and mine services infrastructure comprise electric vehicle charging station, air compressor room, cooling pond, settling pond, waste facility, pumping room, electricity control room, weighing area and vehicle wash-down facility.

### 9.9 Waste rocks

No waste dumps are designed. The waste rocks, comprising a mixture of weathered materials and soil from the weathering profile are usually temporarily stockpiled and are sold by auction regularly.

### 9.10 Explosive Magazine

No explosive magazine is built on site. The blasting materials are managed and handled by Leiming Blasting.

## 10 MARKETS AND PRICES

### 10.1 Contracts

The limestone extracted from the Gaoloushan mine is usually mined and crushed according to customer orders hence there is limited product storage on site. All products are prepaid and picked up at the processing plant.

SRK has viewed ten major sales agreements for crushed limestone products dated March 2019 to May 2024. They included agreements for purchase of aggregates for civil engineering, construction materials, trading, and logistics companies. The terms of the contracts are similar and often constitute a supply agreement that does not include price.

The agreements are summarised in Table 10-1.

**Table 10-1: Summary of ten major sales contracts**

| Buyer/s | Location | Date | Expiry | Specifications/ Price (RMB/t) | Quantity | Comments |
|---|---|---|---|---|---|---|
| civil engineering, construction materials, trading, and logistics | Huaibei City and Suzhou City | March 2019-May 2024 | Not stated | Not stated/Market prices – private contract | Not stated | Daily supply according to pickup plan |

*Source: GreenGold SRK compilation*

### 10.2 Prices

All limestone products from the mine are sold through direct negotiation with consumers commonly using set prices that vary frequently according to demand. Prices are generally not stated in contracts unless they are for short periods. The prices discussed here are mine gate prices, not including freight. The cost of freight means that most consumers will buy aggregate from producers as close as possible to their operations.

Average prices for products from the mine from 2021 to June 2024 are presented in Table 10-2. The prices achieved have dropped from 2021 to June 2024.

**Table 10-2: Sales prices for aggregate products from the Project**

| Products | 2019 Average selling price *RMB/t* | 2020 Average selling price *RMB/t* | 2021 Average selling price *RMB/t* | 2022 Average selling price *RMB/t* | 2023 Average selling price *RMB/t* | Jan-June 2024 Average selling price *RMB/t* |
|---|---|---|---|---|---|---|
| Sandpowder (0-5mm) | 83 | 73 | 61 | 60 | 44 | 43 |
| Construction aggregate (5-15mm) | 107 | 93 | 80 | 80 | 65 | 57 |
| Construction aggregate (15-25mm) | 111 | 100 | 87 | 86 | 73 | 67 |
| Construction aggregate (25-31.5mm) | 109 | 95 | 81 | 82 | 69 | 67 |
| Scalping | 54 | 47 | 39 | 39 | 34 | 40 |
| Others | 22 | 21 | 19 | 17 | 18 | 22 |

*Source: GreenGold*

*Note:* Others refer to mixture of weathered rocks and soil

### *10.2.1 Forecast prices*

The Company provided SRK with a price forecast. The forecast indicates a modest price increase in 2025, followed by a slight decline in 2026, and remain nearly stable until 2029 (Table 10-3). SRK considers the forecast is reasonable and is consistent with the China macro-economy forecast. The forecast does not include a long term price. SRK has assumed that the price remains the same from 2029.

**Table 10-3: Forecast prices (RMB) for limestone from the Project**

| | Oct-Dec 2025 | 2026 | 2027 | 2028 | 2029 | Long Term Price |
|---|---|---|---|---|---|---|
| Sand powder (0-5 mm) | 54 | 49 | 50 | 51 | 50 | 50 |
| Construction aggregate (5-15 mm) | 69 | 65 | 64 | 66 | 65 | 65 |
| Construction aggregate (15-25 mm) | 78 | 74 | 73 | 75 | 74 | 74 |
| Construction aggregate (25-31.5 mm) | 74 | 71 | 70 | 72 | 71 | 71 |
| Scalping | 43 | 45 | 42 | 43 | 43 | 43 |
| Others | 15 | 15 | 15 | 15 | 15 | 15 |

*Source: GreenGold*

*Note:* Others refer to overburden and waste generated during the mining process.

## 11 ENVIRONMENTAL, SOCIAL AND PERMITS

### 11.1 Operational licences and permits

The previous Phase I mining licence, which permitted production of up to 3.5 Mtpa, was replaced by a Phase II mining licence on 30 June 2021 that covers a larger area and allows the production capacity of up to 8.0 Mtpa. The Company is currently transitioning from the Phase I to Phase II developments. The construction of the Phase II related mine roads and drainage was completed at the end of June 2024. Trial production of the Phase II processing plant commenced in July 2024. Commercial production is expected to start in the fourth quarter of 2024.

As there are significant changes to the production capacity of the operation, the current Phase I operational licences and permits have been renewed as the Phase II development progresses. These licences and permits include, but are not limited to, Work Safety Licence, Water Use Permit, Site Discharge Permit and Land/Forest Use Permit.

This chapter presents a review of the current relevant operational licences and permits and the status of application of various licences and permits of the Phase II operation.

The operational licences and permits currently being held by GreenGold are listed below:

- Business Licence (No. 91340600MA2MUW7Y4B) – issued to Huaibei Tongming Mining Company Limited by the Market Supervision Bureau of Xiangshan District, Huaibei City on 10 July 2024.

- Mining Licence (C3406002021067160152182) – issued to Huaibei Tongming Mining Company Limited by the Land Resources Bureau of Huaibei City. The Mining Licence is valid from 1 July 2024 to 30 June 2027. The permitted mining method is open pit mining. The production scale and area are 8.0 Mtpa and 0.8777 $km^2$, respectively.

- Work Safety Licence (No. [2024]Y056) – issued to Huaibei Tongming Mining Company Limited by Anhui Province Emergency Management Department on 15 May 2024. The Work Safety Licence is valid from 8 June 2024 to 7 June 2027.

- Site Discharge Permit (No. 91340600MA2MUW74B001W) – issued to Huaibei Tongming Mining Company Limited by the Ecological Environmental Bureau of Huaibei City on 29 August 2023 and is valid until 23 November 2028.

- Two Water Use Permits (No. C340604G2021-0009 and No. C340604S2021-0010) were issued to Huaibei Tongming Mining Company Limited by the Huaibei City Water Bureau on 27 October 2021. Both permits are valid until 26 October 2026. One permit states that the approved source of supply is groundwater with an annual allocation of 35,000 $m^3$, and another permit states the approved source of supply is surface water with an annual allocation of 245,000 $m^3$.

- Land Use Permit (No. Wan(2022)0030582) was issued to Huaibei Tongming Mining Company Limited on 28 December 2022. The Permit is valid until 21 December 2072. The land use type is industrial use and the area is 103,703.34 $m^2$.

**11.2 Environmental and Social Review Process, Scope and Standards**

The process for the verification of the environmental compliance and conformance of the Project comprised a review and inspection of the Project's environmental management performance against:

- Chinese national environmental regulatory requirements; and

- Equator Principles (World Bank/International Finance Corporation "(IFC)" environmental and social standards and guidelines) and Internationally Recognised Environmental Management Practices.

The methodology applied for this environmental review of the Project consisted of a combination of documentation review, site visit, and interviews with Company technical representatives. The site visit for the environmental review was undertaken from 24 to 25 June 2021.

### 11.3 Status of Environmental Approvals

The basis of environmental policy in China is contained in the 2004 Constitution of the PRC. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organises and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the Minerals Resources Law of the People's Republic of China (1996) and the Environmental Protection Law of the PRC (2014):

- Environmental Impact Assessment (EIA) Law (2016).
- Law on the Prevention & Control of Atmospheric Pollution (2015).
- Law on the Prevention & Control of Noise Pollution (1996).
- Law on the Prevention & Control of Water Pollution (2017).
- Law on the Prevention & Control of Environmental Pollution by Solid Waste (2016).
- Forestry Law (1998).
- Water Law (2016).
- Land Administration Law (2004).
- Protection of Wildlife Law (2016).
- Regulations on the Administration of Construction Project Environmental Protection (2017).

In accordance with Chinese legislation, the Project has been subjected to a comprehensive Environmental Impact Assessment (EIA) to assess the environmental impacts of the proposed development on the human and natural environment prior to the commencement of mining operations.

The Company has provided SRK with an EIA report for the Phase I operation that was produced by Anhui Tongji Environmental Technology Company Limited. The EIA report for the Phase I operation was approved by Huaibei City Environmental Protection Bureau on 13 March 2017. The opinion of Environmental Final Checking and Acceptance for the 3.5 Mtpa Project was issued on 15 July 2018. SRK has also been provided the EIA report for the Phase II operation which was compiled by Anhui Shuanghong Engineering Consulting Company Limited in March 2022. The EIA report for the Phase II operation was approved by Huaibei City Lieshan District Ecological and Environmental Bureau on 19 April 2022.

The Water and Soil Conservation Plan (WSCP) for the Phase I operation was produced by Xuancheng Jianghe Water Engineering Design and Consulting Company Limited in January, 2017. The WSCP approval for the Phase I operation was issued by Huaibei City Water Bureau on 16 February 2017. The Phase II WSCP was prepared by Anhui Diyan Ecological Technology Company Limited in December 2021. The Phase II WSCP approval was issued by Huaibei City Lieshan District Agriculture and Water Bureau on 21 December 2021.

## 11.4 Environmental Conformance and Compliance

SRK has reviewed the Phase I and Phase II EIA reports and considered that such report have been prepared in accordance with the relevant Chinese laws and regulations. SRK has conducted an environmental site visit to the Project area and checked against recognised international industry environmental management standards, guidelines, and practices.

SRK observed that the Project area was being developed and/or operated in accordance with the Project's environmental management and approval conditions.

## 11.5 Key environmental and social aspects

In the following sections, SRK provides comments on the Project's proposed environmental management measures.

### *11.5.1 Site ecological assessment*

The landform and topography in the Project area are commonly changed by mining activities, waste rock dumps, haulage roads, office buildings and dormitories, and other infrastructure. The development of the Project may also result in an impact on or loss of flora and fauna habitats. If effective measures are not taken to manage and rehabilitate the disturbed areas, the surrounding land may be polluted and the land utilisation function will be changed, causing an increase in land desertification, water loss and soil erosion.

The EIA reports for the Project included an ecological baseline study, which revealed that there was basically no vegetation cover within the evaluation area, but only a few herbaceous plants and shrubs. Due to the significant previous human activities in and around this area, the habitat has changed considerably and many animals have been disturbed and migrated to other places. No rare and endangered animal species were seen in this area. The Project's EIAs have also proposed that ecological protection measures should be taken in order to reduce and manage the potential impacts.

### *11.5.2 Waste rock management*

According to the Phase II PD, the waste rock will be sold as products and there is no waste rock dump (WRD) on site. The PD proposes that the stripped covered soils should be stored temporarily for rehabilitation. The EIA reports state that the waste rock is partially backfilled in the historical illegal mined-out area and partially stored in the

temporary WRD for future environmental treatment after the mine's closure. At the time of the site visit in June and December 2021, SRK observed that there was no WRD but only some stripped soil was piled up on site. The Company stated that the waste rock generated by mining activities are sold regularly, which is consistent with the sales records.

One potential risk to the environment from waste rock is acid rock drainage (ARD), which is created when reducing sulphide minerals are exposed to air, precipitation and bacteria and, through an oxidation reaction, produce sulphuric acid during mining, transportation, processing, waste rock discharge, and tailings storage. ARD has the potential to introduce acidity and dissolved metals into water, which can be harmful to surface and groundwater. The EIA report for the Phase I operation states that the waste rock from the Project belongs to Class 1 general industrial solid waste. Furthermore, no evidence was observed during the site visit of any leaching or acid rock drainage impacts.

***11.5.3 Water Management***

The Project area is located on the northern slope of Gaolou Mountain in Song Tuan Town, Lieshan District, Huaibei City, which is part of the Huaihe River basin with a relatively developed surface water body. The Jigou River and Zhahe River are located to the west of the Project area, both flowing southward and feeding into the Sui River. The Jigou River is located about 2.8 km west of the Project area and flows from northwest to southeast. It was artificially excavated and eventually flows into the Sui River. The Jigou River is a seasonal river and has a width of approximately 30m. The Zhahe River is located at about 5km west of the mine site and flows from northwest to southeast.

The current water for mining, processing and production of the Phase I operation is provided by the Water Plant of Huaibei Lingyun Electric Power Industry Corporation. The domestic water consumption is pumped by a self-provided well. According to the Phase II PD, the water for production and vehicle washing is provided by the municipal water treatment plant. The groundwater will be used as a source of domestic water.

The potential negative impact of the Project on surface water and groundwater is mainly due to the arbitrary discharge of untreated production and domestic wastewater. In addition, mining activities may also cause changes to groundwater levels. The main wastewater pollution sources of the Project include run-off from the quarry and processing plant, sewage from the maintenance workshop, and domestic sewage.

The Phase II PD states that the open pit drains will be installed and run-off will be drained to settling ponds to manage potential water pollution risk before being discharged into the nearby rivers. The wastewater from the processing plant will be treated by the settling pond, before being re-used for production. Domestic sewage is treated and discharged or re-used for greening.

The EIA reports for the Project propose the following management measures:

- Construct drains and settling sedimentation ponds for the open pit and industrial site, for reuse or discharge;

- Collect WRD leachate and rainwater from the mine site, for sedimentation and reuse or discharge;

- Collect the wastewater from the washing of transportation vehicles, for sedimentation and re-use; and

- Collect domestic sewage and re-use it for agricultural irrigation and as fertiliser.

During the site visit, SRK inspected the settling ponds that were constructed in the industrial site and on the haul road. SRK believes that the measures recommended in the EIA reports and the PD are reasonable. In addition, SRK recommends that quality monitoring be undertaken of the groundwater and surface water resources within the Project area (including upstream and downstream of the Project area), and also any site water discharges.

#### *11.5.4 Dust and Noise Emissions*

The dust emission sources for the Project are mainly from mining, loading and unloading, crushing and movement of vehicles, and mobile equipment. The Phase II PD and EIA reports for the Project proposes the measures to reduce the impact of fugitive dust, including water spraying, dust collector installation, workshop sealing, road maintenance, greening, vehicle speed limits, etc. During the site visit, SRK observed that dust collectors were installed for the crushers and the industrial site was sprinkled by water truck.

The main sources of noise emissions for the Project are from drilling, explosions, excavators, air compressors, loaders, crushers, vibrating screens and vehicles. The Phase II PD and EIA reports for the Project propose noise management measures including enclosure of highly noisy equipment, selection of low noise equipment, layout optimisation, greening, etc.

#### *11.5.5 Hazardous Materials Management*

Hazardous materials have the characteristics of being corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, and pose a potential risk to human and/or environmental health. Hazardous materials will be generated mainly during a mining project's construction and, mining, and include hydrocarbons (i.e. fuels, waste oils, and lubricants), chemical and oil containers, batteries, medical waste, and paint. The hazardous materials for the Project mainly comprise fuels and waste oils. During the site visit, SRK noted a temporary hazardous waste storage room next to the maintenance workshop.

SRK recommends that the Company should collect the waste oil generated by the Project and hand it over to a qualified contractor for disposal. SRK also recommends that the collected waste oil and fuel storage should adopt measures such as hardening the ground and setting up secondary containment facilities to reduce the risk of pollution caused by leakage.

*11.5.6 Occupational Health and Safety*

A well-developed and comprehensive safety management system comprises site inductions, site policies, safe work procedures, training, risk/hazard management (including signage), use of personal protective equipment (PPE), emergency response processes, incident/accident reporting, an onsite first aid/medical centre, designated safety responsibilities for site personnel and regular safety meetings.

SRK has reviewed the Safety Assessment Reports as provided by the Company and is of the opinion that the reports cover items that are generally in line with recognised Chinese industry practices and Chinese safety regulations. SRK notes that the measures proposed by the safety assessment reports could be the basis for operational OHS management systems and procedures.

SRK has had no sight of historical occupational health and safety (OHS) records for the Phase I operation as part of this review. SRK recommends that the Company should maintain a safety record and develop incident analysis reports for the mitigation of possible future injuries. The proposed reports analysed the cause of injuries and identify measures to prevent reoccurrence, which is in line with internationally recognised OHS accident monitoring practice.

*11.5.7 Site Closure Planning and Rehabilitation*

The Chinese national requirements for rehabilitation and mine closure are covered by Article 21 of the Mineral Resources Law of the PRC (1996), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China (2006), the Mine Site Geological Environment Protection Regulations (1 May 2009), and the Land Rehabilitation Regulation (2011) issued by the State Council. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a site closure report, and submit a site closure application for assessment and approval.

According to the Chinese legal requirements, a Geological Environment Protection and Land Reclamation Plan is required for the Project's development. In addition, a mine geological environment treatment and restoration fund account should be established by the mine.

The Geological Environment Protection and Treatment Plan for the Phase I operation was produced by Xuzhou Wanyuan Geological and Mineral Research Company Limited in January, 2017.

Such plan has been updated and incorporated into the Geological Environment Protection and Land Reclamation Plan, covering both the Phase I and Phase II development. The new Plan was compiled by Anhui Province Geological and Mineral Exploration Bureau 325 Brigade and approved by the National Resources and Planning Bureau of Huaibei City in June, 2021. The total static investment of geological environment protection and land reclamation for the Project is RMB19,832,600, and the total dynamic investment is RMB23,973,800. According to the Plan, the amount of annual deposit is RMB1,195,000.

*11.5.8* ***Social aspects***

The Project is located in Lieshan District, Huaibei City, Anhui Province. The general surrounding land of the Project comprises mainly forest and wasteland.

The main administrative body for the Project is the Anhui Provincial Government, with some delegation of environmental regulation to the city of Huaibei and Lieshan District. According to the provided documentation and Company statement, SRK has not had sight of any historical or current non-compliance notices and or other documented regulatory directives in relation to the development of the Project. The Company states that there are no natural reserves or significant cultural heritage sites within or surrounding the Project area; and the EIA reports also do not report any natural reserves or protected cultural heritage sites in this area.

The EIA report for the Phase I operation states that most of the surveyed public support the construction and implementation of this project, and there is no opposition. SRK also recommends the conducting of detailed analysis on the concerns of stakeholders, and design and implement a public consultation and disclosure plan to ensure that local communities continue to participate in project construction and operation.

## 11.6 Conclusion

SRK has reviewed the EIAs, operational licences and permits and considered the EIAs was prepared in accordance with the relevant Chinese laws and regulations.

The Company has already completed and obtained the required permits and licences for the Phase II development.

## 12 CAPITAL AND OPERATING COSTS

### 12.1 Capital cost

In the period of 2021-June 2024, a total of RMB1,693.7 million capital cost has been incurred (Table 12-1). The forecast capital cost projections from July 2024 to 2030 are presented in Table 12-1. These capital cost projections prepared by GreenGold are based on the EPC contract, the mining licence agreement and forecast prepared by the Company.

The forecast capital cost for the Phase II development was RMB306.8 million, including land acquisition, new mining equipment procurement, haul road construction, drainage infrastructure, mining platform construction, and the installation of a digital mine management system. Additional costs included detailed design and construction administration.

As of June 30, 2024, the actual capital cost incurred for the Phase II development amounted to RMB299.7 million. The remaining capital expenditure of RMB12.3 million is scheduled for settlement in the second half of 2024. This will bring the total development capital cost for Phase II to RMB312.1 million.

The close alignment between the forecast and actual capital costs demonstrates a high degree of accuracy in the initial cost projections for the Phase II development.

The Phase II mining licence fee represents the major component of the capital cost, amounting to a total of RMB1,367.7 million. In the first quarter of 2021, an initial payment of RMB683.9 million was already made. Three installments of RMB136.8 million were paid in 2022, 2023 and January-June 2024 respectively. The remaining two installments, each totaling RMB136.8 million will be paid in 2025 and 2026 in accordance with the mining licence agreement.

Sustaining capital for the Project has included two components. The existing mining fleet is scheduled to be replaced between 2027 and 2029, and an allowance of RMB19.5 million (RMB 15.9 million in 2027 and RMB3.6 million in 2029) has been made. The processing plant equipment and other equipment will require ongoing replacement and refurbishment over the LoM. An additional 1.5% annual operating cost has also been budgeted as the sustaining capital. In the period of July 2024-2030, the sustaining capital amounts to RMB34.5 million.

The Phase II construction is now complete. The forecast capital cost primarily consists of sustaining capital, which is necessary for ongoing operations. SRK has reviewed the breakdown of the forecast capital cost and considered that sufficient capital has been allocated to support the continued operation of the project.

**Table 12-1 Actual and forecast capital costs (RMB million)**

| | 2021 | 2022 | 2023 | Jan-June 2024 | July-Dec 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Land acquisition fee | – | 33.8 | – | – | – | – | – | – | – | – | – |
| Development Capital | – | 107.5 | 134.8 | 23.7 | 12.3 | – | 4.8 | – | 4.4 | – | 2.3 |
| Subtotal | – | 141.3 | 134.8 | 23.7 | 12.3 | – | 4.8 | – | 4.4 | – | 2.3 |
| Mining Licence Fee | 683.9 | 136.8 | 136.8 | 136.8 | 0.0 | 136.8 | 136.8 | – | – | – | – |
| Sustaining | – | – | – | – | 0.7 | 1.4 | 1.5 | 17.5 | 1.8 | 5.5 | – |
| Total | 683.9 | 419.4 | 406.3 | 184.1 | 25.4 | 138.2 | 147.8 | 17.5 | 10.5 | 5.5 | 4.6 |

*Source: GreenGold*

## 12.2 Operating cost

### *12.2.1 Historical operating cost*

The historical operating cost profile for the period 2021 to June 2024 is presented in Table 12-2 and Figure 12-1. Over this period, annual cash operating cost spanned RMB/t 23.5 in 2021, RMB/t 19.0 in 2022 and RMB/t 19.2 in 2023. The cash operating unit cost was RMB/t 22.4 in the period of January-June 2024.

The key cost components comprise blasting, royalty and government charges and employment. The Project is an owner-operated operation except the drilling and blasting is handled by the contractor, Leiming. The contractor is responsible for drilling, hole survey, explosive transportation, charging, stemming and charging and breaking the rocks to a minimum size of 1,000 mm. Employment includes salaries and benefits for the mining and processing labours. The royalty and government charges include resource tax, city maintenance and construction levy, education levy, stamp duty, environmental tax and property tax. Other costs include diesel for the mining fleet and other vehicles, environmental and safety, water and electricity and consumables.

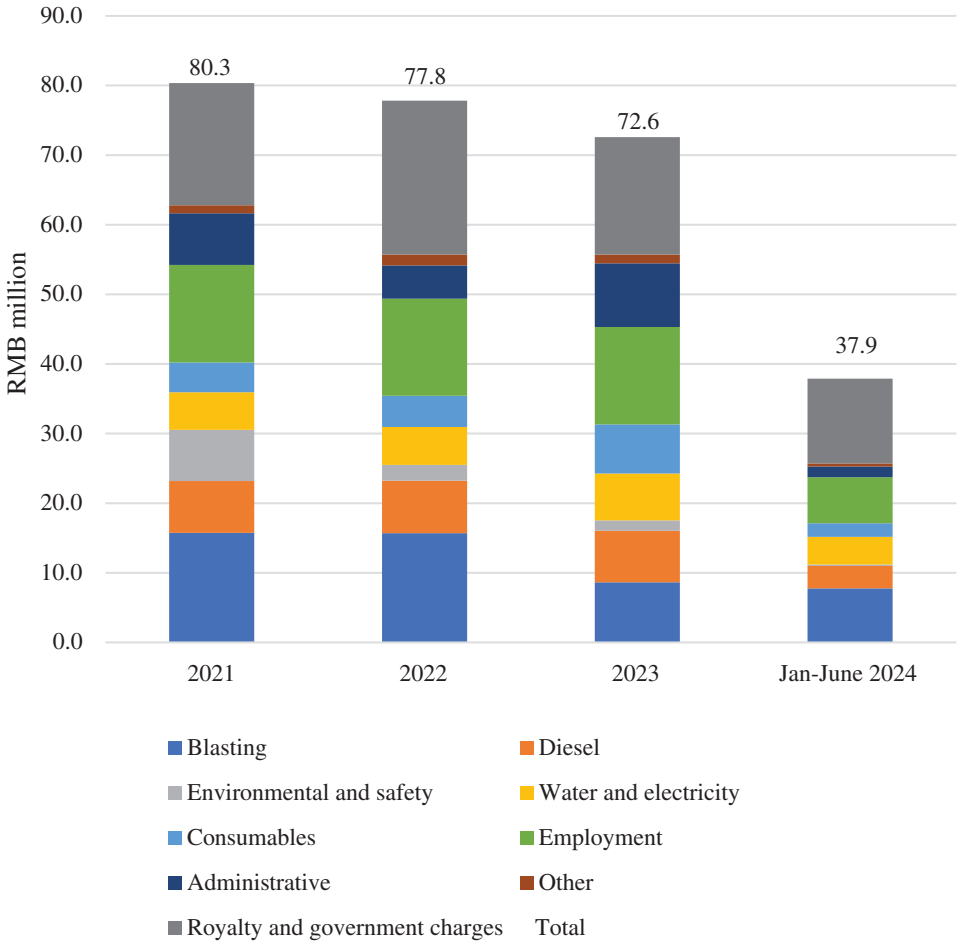
**Table 12-2 Historical cash operating cost (2021 to June 2024)**

| Cash operating cost | | 2021 | 2022 | 2023 | Jan-June 2024 |
|---|---|---|---|---|---|
| Blasting | RMB million | 15.8 | 15.7 | 8.6 | 7.8 |
| Diesel | RMB million | 7.4 | 7.5 | 7.4 | 3.2 |
| Environmental and safety | RMB million | 7.3 | 2.3 | 1.5 | 0.2 |
| Water and electricity | RMB million | 5.4 | 5.4 | 6.7 | 4.0 |
| Consumables | RMB million | 4.3 | 4.5 | 7.0 | 1.9 |
| Employment | RMB million | 14.0 | 14.0 | 14.0 | 6.6 |
| Administrative | RMB million | 7.4 | 4.8 | 9.1 | 1.5 |
| Other | RMB million | 1.1 | 1.6 | 1.3 | 0.4 |

| Cash operating cost | | 2021 | 2022 | 2023 | Jan-June 2024 |
|---|---|---|---|---|---|
| Royalty and government charges | RMB million | 17.6 | 22.1 | 16.9 | 12.2 |
| Total | RMB million | 80.3 | 77.8 | 72.6 | 37.9 |
| **Operating cash unit cost** | RMB/t | 23.5 | 19.0 | 19.2 | 22.4 |

*Source: GreenGold*

**Figure 12-1 Historical cash operating cost (2021 to June 2024)**




*Source: SRK analysis*

*12.2.2 Forecast operating cost*

The forecast operating cost between July 2024 and 2031 are tabulated in Table 12-3. The forecast provided by GreenGold is based on:

- contracts between GreenGold and contractors and suppliers;
- actual operating costs between 2021 and June 2024;
- royalty and government charges; and
- PD.

Between July 2024 and 2030 (when the Project reaches its target production capacity of 8.0 Mtpa), the average operating unit cash cost is forecast at RMB/t 17.8, with a minimum of RMB/t 16.1 and a maximum of RMB/t 18.5. The operating unit cash cost will gradually lower when the production gradually ramps up (Table 12-3).

In SRK's opinion, the Project is a simple and conventional operation and the forecast operating costs used for the LoM model are reasonable and are supported by historical costs. The forecast cash operating cost is in the same order of magnitude of projects of similar scales. The Phase II processing flowsheet, while larger, builds upon the successful Phase I design, incorporating larger equipment and additional vibrating screens. This optimised design results in a more efficient operation, leading to a further reduction in the average operating cash cost.

**Table 12-3 Forecast operating cost**

| Production Profile | Unit | July-Dec 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|
| Limestone | Mt | 2.8 | 5.0 | 5.5 | 6.0 | 6.5 | 7.0 | 7.5 |
| Waste | Mt | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 |
| Total materials moved | Mt | 2.9 | 5.1 | 5.6 | 6.1 | 6.7 | 7.2 | 7.8 |
| **Cash operating cost** | | | | | | | | |
| Blasting | RMB million | 13.0 | 23.5 | 25.8 | 28.2 | 30.8 | 33.2 | 35.8 |
| Diesel | RMB million | 4.4 | 7.9 | 8.9 | 9.7 | 10.6 | 11.4 | 12.3 |
| Environmental and safety | RMB million | 0.7 | 1.3 | 1.5 | 1.6 | 1.7 | 1.9 | 2.0 |
| Water and electricity | RMB million | 2.0 | 3.6 | 4.0 | 4.4 | 4.7 | 5.1 | 5.5 |
| Consumables | RMB million | 3.2 | 5.8 | 6.4 | 7.0 | 7.6 | 8.2 | 8.8 |
| Transportation of workforce | RMB million | – | – | – | – | – | – | – |
| Employment cost | RMB million | 4.3 | 18.1 | 19.2 | 20.2 | 21.2 | 22.2 | 23.1 |
| Product marketing and transport | RMB million | – | – | – | – | – | – | – |
| Administrative | RMB million | 2.5 | 4.0 | 4.0 | 4.4 | 4.4 | 4.7 | 5.1 |

| Production Profile | Unit | July-Dec 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|
| Other | RMB million | 0.3 | 1.4 | 1.5 | 1.6 | 1.6 | 1.7 | 1.8 |
| Royalty and government charges | RMB million | 10.8 | 21.4 | 22.1 | 23.8 | 26.4 | 28.1 | 30.1 |
| Contingency allowances | RMB million | – | – | – | – | – | – | – |
| Total | RMB million | 41.3 | 87.1 | 99.3 | 100.7 | 109.5 | 116.9 | 124.9 |
| Operating cash unit cost | RMB/t | 16.1 | 18.5 | 18.1 | 17.9 | 18.0 | 17.8 | 17.8 |

*Source: GreenGold*

### 12.3 Economic analysis

An analysis of the economic viability of the Project has been conducted. The analysis is based on the capital and operating costs, the production schedule (Table 6-4 and Table 8-5) presented in this Report. A base case scenario of the Project from 30 June 2024 to the end of the LoM was constructed. It is important to note that the purpose of the analysis is only to demonstrate the economic viability of the Project. The derived net present values (NPVs) do not indicate the fair market values or the profitability of the Project. In the base case analysis, the forecast sale price (Table 10-3) and a discount rate of 10% were used. The discount rate used in the base case analysis was based on the considerations of the real, risk free, long-term interest rate (2.15% for the ten year PRC Government Bond Rate), mining project risk (2% to 4%) and country risk (2% to 4%).

The analysis shows that the after-tax (25% corporate income tax) NPV at a discount rate of 10%, returned a positive NPV as of 30 June 2024. Any finance costs or company debt have not been taken into account in this analysis. The breakeven analysis shows that the NPV will become zero when the weighted average sales price of all products reach RMB/t 13.9. The estimated payback period is 6.8 year.

A post-tax sensitivity analysis has also been undertaken with respect to the capital and operating costs and sales revenue (Table 12-4, Table 12-5 and Table 12-6). The analysis shows that:

- A 1% increase in operating cost will result in a negative 0.40% change in NPV.
- A 1% increase in capital cost will result in a negative 0.13% change in NPV.
- A 1% increase in sales price will result in a positive 1.31% change in NPV.

The NPV of the post-tax cash flows for the Project at different discount rates in RMB are set out in Table 12-7.

The economic analysis of the Project together with the sensitivity analysis have demonstrated that the Project is economically viable and justified the reporting of Ore Reserves determined in Section 7. At the forecast production rates, it will take approximately 16 years to exhaust the Reserves.

**Table 12-4: Post-tax NPV twin-sensitivity analysis (capital cost vs operating cost) RMB million**

| | | Operating cost sensitivity | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **25%** | **20%** | **15%** | **10%** | **5%** | **0%** | **-5%** | **-10%** | **-15%** | **-20%** | **-25%** |
| Capital cost sensitivity | 25% | 1,976 | 2,022 | 2,068 | 2,113 | 2,159 | 2,205 | 2,251 | 2,296 | 2,342 | 2,388 | 2,434 |
| | 20% | 1,991 | 2,037 | 2,083 | 2,129 | 2,174 | 2,220 | 2,266 | 2,311 | 2,357 | 2,403 | 2,449 |
| | 15% | 2,007 | 2,052 | 2,098 | 2,144 | 2,189 | 2,235 | 2,281 | 2,326 | 2,372 | 2,418 | 2,463 |
| | 10% | 2,022 | 2,068 | 2,113 | 2,159 | 2,204 | 2,250 | 2,296 | 2,341 | 2,387 | 2,433 | 2,478 |
| | 5% | 2,037 | 2,083 | 2,128 | 2,174 | 2,219 | 2,265 | 2,311 | 2,356 | 2,402 | 2,447 | 2,493 |
| | 0% | 2,052 | 2,098 | 2,143 | 2,189 | 2,235 | 2,280 | 2,326 | 2,371 | 2,417 | 2,462 | 2,508 |
| | -5% | 2,068 | 2,113 | 2,159 | 2,204 | 2,250 | 2,295 | 2,341 | 2,386 | 2,432 | 2,477 | 2,523 |
| | -10% | 2,083 | 2,128 | 2,174 | 2,219 | 2,265 | 2,310 | 2,356 | 2,401 | 2,447 | 2,492 | 2,537 |
| | -15% | 2,098 | 2,143 | 2,189 | 2,234 | 2,280 | 2,325 | 2,371 | 2,416 | 2,461 | 2,507 | 2,552 |
| | -20% | 2,113 | 2,159 | 2,204 | 2,249 | 2,295 | 2,340 | 2,386 | 2,431 | 2,476 | 2,522 | 2,567 |
| | -25% | 2,128 | 2,174 | 2,219 | 2,265 | 2,310 | 2,355 | 2,401 | 2,446 | 2,491 | 2,537 | 2,582 |

*Source: SRK analysis*

**Table 12-5: Post-tax NPV twin-sensitivity analysis (operating cost vs sales price) RMB million**

| | | Sales price sensitivity | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **25%** | **20%** | **15%** | **10%** | **5%** | **0%** | **-5%** | **-10%** | **-15%** | **-20%** | **-25%** |
| Operating cost sensitivity | 25% | 2,790 | 2,643 | 2,495 | 2,347 | 2,200 | 2,052 | 1,905 | 1,757 | 1,610 | 1,462 | 1,315 |
| | 20% | 2,838 | 2,690 | 2,542 | 2,394 | 2,246 | 2,098 | 1,950 | 1,802 | 1,654 | 1,506 | 1,358 |
| | 15% | 2,886 | 2,738 | 2,589 | 2,440 | 2,292 | 2,143 | 1,995 | 1,846 | 1,698 | 1,549 | 1,401 |
| | 10% | 2,934 | 2,785 | 2,636 | 2,487 | 2,338 | 2,189 | 2,040 | 1,891 | 1,742 | 1,593 | 1,444 |
| | 5% | 2,982 | 2,833 | 2,683 | 2,534 | 2,384 | 2,235 | 2,085 | 1,936 | 1,786 | 1,637 | 1,487 |
| | 0% | 3,030 | 2,880 | 2,730 | 2,580 | 2,430 | 2,280 | 2,130 | 1,980 | 1,830 | 1,680 | 1,530 |
| | -5% | 3,078 | 2,927 | 2,777 | 2,627 | 2,476 | 2,326 | 2,175 | 2,025 | 1,874 | 1,724 | 1,573 |
| | -10% | 3,126 | 2,975 | 2,824 | 2,673 | 2,522 | 2,371 | 2,220 | 2,069 | 1,918 | 1,767 | 1,616 |
| | -15% | 3,174 | 3,022 | 2,871 | 2,720 | 2,568 | 2,417 | 2,265 | 2,114 | 1,962 | 1,811 | 1,660 |
| | -20% | 3,222 | 3,070 | 2,918 | 2,766 | 2,614 | 2,462 | 2,310 | 2,158 | 2,007 | 1,855 | 1,703 |
| | -25% | 3,270 | 3,117 | 2,965 | 2,813 | 2,660 | 2,508 | 2,355 | 2,203 | 2,051 | 1,898 | 1,746 |

*Source: SRK analysis*

**Table 12-6: Post-tax NPV twin-sensitivity analysis (capital cost vs sales price) RMB million**

| | | Sales price sensitivity | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **25%** | **20%** | **15%** | **10%** | **5%** | **0%** | **-5%** | **-10%** | **-15%** | **-20%** | **-25%** |
| Capital cost sensitivity | 25% | 2,955 | 2,805 | 2,655 | 2,505 | 2,355 | 2,205 | 2,055 | 1,905 | 1,755 | 1,605 | 1,455 |
| | 20% | 2,970 | 2,820 | 2,670 | 2,520 | 2,370 | 2,220 | 2,070 | 1,920 | 1,770 | 1,620 | 1,470 |
| | 15% | 2,985 | 2,835 | 2,685 | 2,535 | 2,385 | 2,235 | 2,085 | 1,935 | 1,785 | 1,635 | 1,485 |
| | 10% | 3,000 | 2,850 | 2,700 | 2,550 | 2,400 | 2,250 | 2,100 | 1,950 | 1,800 | 1,650 | 1,500 |
| | 5% | 3,015 | 2,865 | 2,715 | 2,565 | 2,415 | 2,265 | 2,115 | 1,965 | 1,815 | 1,665 | 1,515 |
| | 0% | 3,030 | 2,880 | 2,730 | 2,580 | 2,430 | 2,280 | 2,130 | 1,980 | 1,830 | 1,680 | 1,530 |
| | -5% | 3,045 | 2,895 | 2,745 | 2,595 | 2,445 | 2,295 | 2,145 | 1,995 | 1,845 | 1,695 | 1,545 |
| | -10% | 3,060 | 2,910 | 2,760 | 2,610 | 2,460 | 2,310 | 2,160 | 2,010 | 1,860 | 1,710 | 1,560 |
| | -15% | 3,075 | 2,925 | 2,775 | 2,625 | 2,475 | 2,325 | 2,175 | 2,025 | 1,875 | 1,725 | 1,575 |
| | -20% | 3,090 | 2,940 | 2,790 | 2,640 | 2,490 | 2,340 | 2,190 | 2,040 | 1,890 | 1,740 | 1,590 |
| | -25% | 3,105 | 2,955 | 2,805 | 2,655 | 2,505 | 2,355 | 2,205 | 2,055 | 1,905 | 1,755 | 1,605 |

*Source: SRK analysis*

**Table 12-7: Post-tax NPV sensitivity at different discount rates**

| **Discount rate** | **RMB million** |
|---|---|
| 4.0% | 3,541 |
| 6.0% | 3,031 |
| 8.0% | 2,617 |
| 10% | 2,280 |
| 12.0% | 2,003 |
| 14.0% | 1,772 |
| 16.0% | 1,580 |

*Source: SRK analysis*

## 13 RISK ASSESSMENT

SRK has undertaken a risk assessment and provided a qualitative assessment of the likelihood and consequence of each specific risk identified for the Project.

Risk has been classified from major to minor:

- Major risk: the factor poses an immediate danger of a failure which, if uncorrected, will have a material effect (>15% to 20%) on the project cashflow and performance and could potentially lead to project failure

- Moderate risk: the factor, if uncorrected, could have a significant effect (10% to 15%) on the project cashflow and performance unless mitigated by some corrective action

- Minor risk: the factor, if uncorrected, will have little or no effect (<10%) on project cashflow and performance.

In addition to the risk factor, the likelihood of risk must also be considered. Likelihood of occurrence within a 7-year timeframe can be considered as:

- likely: will probably occur
- possible: may occur
- unlikely: unlikely to occur.

The degree or consequence of a risk and its likelihood are combined in an overall risk assessment as presented in Table 13-1. The risk assessment including a risk rating is presented in Table 13-2.

**Table 13-1: Risk assessment rating**

| | Consequence | | |
|---|---|---|---|
| **Likelihood** | **Minor** | **Moderate** | **Major** |
| Likely | Medium | High | High |
| Possible | Low | Medium | High |
| Unlikely | Low | Low | Medium |

**Table 13-2: Risk assessment**

| Risk | Description | Control Recommendations | Likelihood | Consequence | Rating |
|---|---|---|---|---|---|
| Geological structure | Geological continuity is disrupted by structural or rock quality issues | Production in-fill drilling to maximise yields | Unlikely | Moderate | Low |
| Physical Properties | Physical properties are poorer than anticipated resulting in lower prices | Production drilling to identify quality variations. Increased production quality control | Possible | Moderate | Medium |
| Weathering and karst | More weathering and karstic voids resulting in lower yield or lower-quality product | Identify markets for lower quality products | Unlikely | Minor | Low |
| Mine plan | Failure to meet production targets | Ensure adequate planning and supervision to ensure maximum efficiency, identify and address issues that may cause production delays | Unlikely | Moderate | Low |

| Risk | Description | Control Recommendations | Likelihood | Consequence | Rating |
|---|---|---|---|---|---|
| Skilled labours | Shortage of mining personnel resulting in failure to meet production targets | Ensure miners and operators are adequately trained and remunerated | Unlikely | Minor | Low |
| Equipment utilisation | Inadequate utilisation and availability of equipment causing reduction in production capacity | Ensure regular and timely maintenance and staff training | Possible | Minor | Low |
| Water management | Pollution of surface and/or groundwater | Develop a comprehensive water monitoring programme and prevention of wastewater leakage | Unlikely | Moderate | Low |
| Dust and noise management | Dust and noise generated by the quarry have a negative impact on the local community | Develop a monitoring system and management programme as proposed in the EIA | Unlikely | Moderate | Low |
| Environmental approvals | Failure to obtain the required approvals | Prepare and submit relevant environmental approval applications and timely communication with relevant government authorities | Possible | Moderate | Medium |
| Land disturbance, site rehabilitation and closure requirements | Lead to soil erosion and impact on the ecological and botanical systems | Survey and record the operational areas of land prior to quarrying and progressively rehabilitation as the Project progresses | Possible | Minor | Low |
| OHS procedures | Greater potential for injury due to substandard OHS procedures<br>Loss of productivity | Ensure staff are adequately trained<br>Implement site hazard audit and monitoring programme. Identification of major hazards and implementation of risk controls | Likely | Minor | Medium |
| Capital and operating costs | Higher capital and operating costs, resulting in poor financial performance | Secure long-term contracts with contractors and confirm advanced procurement orders with suppliers | Possible | Moderate | Medium |
| Processing equipment efficiency | Lower throughput and performance | Regular maintenance and repair | Unlikely | Minor | Low |

| Risk | Description | Control Recommendations | Likelihood | Consequence | Rating |
|---|---|---|---|---|---|
| Failure to produce the planned size fractions | Unable to meet target size fractions, resulting in lower revenue | Stringent process monitoring | Unlikely | Minor | Low |
| Product quality | Lower quality product produced, reducing profit margins | Extraction, process monitoring and flowsheet optimisation | Possible | Moderate | Medium |
| Sales and pricing | Forecast sales not achieved at expected prices, reducing cashflow | Modify production volume; actively seek new customers and establish long-term contracts | Possible | Moderate | Medium |
| Increased competition or reduced demand due to fluctuations in construction industry | Competition and possible reduction of price and sales volume leading to reduced cashflow | Market and prices be monitored to ensure the prices received are maximised | Possible | Moderate | Medium |
| Transport cost | Transport cost is borne by buyers, but increase in transport cost will reduce interest from potential buyers to purchase products from the Company, which in turn will result in a reduction in profit | Continue to seek additional markets. Monitor transport options | Possible | Moderate | Medium |

## 14 CONCLUSION

GreenGold's Gaoloushan quarry and processing plant have been producing limestone construction aggregate for the local road base course, concrete, asphalt concrete and cement-stabilised macadam markets since 2018. The previous mining licence has been replaced by a larger licence that allows production to increase from 3.5 Mtpa to 8 Mtpa with the Phase II processing plant with matching capacity. The LoM is estimated at about 16 years.

Geological investigations and physical testing of surface and core samples have indicated that the limestone and diorite are generally suitable for the production of construction aggregate for various uses. There is sufficient confidence in the continuity and aggregate quality of the limestone and diorite to estimate Indicated and Inferred Mineral Resources of the limestone and diorite.

SRK considers the mining methods to be mature mining technology commonly used in open pit mining practices. They are technically reasonable and feasible. The proposed production schedule is considered reasonable and adequate to meet the needs of the processing plant.

The economically mineable parts of the Indicated D1 Limestone Resources within the open pit design and the limits of Phase II Mining Licence, including allowances of losses, are classified as Probable Ore Reserves.

The major risks to a profitable project is a drop in demand or increased market competition driving sales prices down. Project development risks have been significantly reduced by the production to date. Other identified risks are rated as low to medium, and are considered by SRK as manageable.

On the basis of this investigation, SRK considers that the Gaoloushan Construction Aggregate Project is technically and economically viable.

**CLOSURE**

This report, Independent Technical Report on the Gaoloushan Construction Aggregate Project, Anhui Province, China, was prepared by


Dr. (Gavin) Heung Ngai Chan
Principal Consultant, Project Evaluation

and reviewed by


Dr. Michael Cunningham
Principal Consultant, Geology

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

## REFERENCES

Hanchen International Engineering Design Group Co., Ltd. (Hanchen), 2021, Feasibility Study on the Gaoloushan Construction Aggregate Project.

Hebei Building Materials Industry Design and Research Institute Co., Ltd., 2022. Preliminary Design of the Gaoloushan Expansion Project.

The 325th Geological Team of Bureau of Geology and Mineral Resources of Anhui Province, Geological and Mineral Resource Report on the Gaoloushan Project.

# APPENDIX A JORC (2012) TABLE 1

**SECTION 1: SAMPLING TECHNIQUES AND DATA**

| Criteria | Commentary |
|---|---|
| Sampling techniques | • Two phases of exploration programmes were completed within the current mining licence area March 2020 and May 2021, respectively.<br>• The deposit was explored by seven inclined diamond drill holes and surface samples along the exploration lines. The exploration line spacing was 300 m. Along each exploration line, two drill holes were drilled, and surface samples were collected every 20–100 m based on the orientations between the exploration lines and bedding.<br>• The collars were measured by RTK GPS.<br>• Core samples were routinely collected.<br>• Samples were cut to the specific sizes for physical tests, namely bulk density, water absorption, wet compressive strength (water saturated), soundness, crushing index, alkali silica reactivity and radioactivity and whole-rock chemical analysis. |
| Drilling techniques | • All 7 drill holes were diamond holes.<br>• All drill holes were initially drilled in HQ size (110 mm) and reduced to NQ (77 mm) size after passing through the surface weathering zone.<br>• Hole depths ranged from 59.94 m to 234.88 m. |
| Drill sample recovery | • The average core recovery was approximately 95%. |
| Logging | • Recovery, lithology, texture, colour and RQD were logged. |
| Sub-sampling techniques and sample preparation | • The core and surface samples were cut to specific sizes according to different physical and chemical test specifications.<br>• Physical properties samples taken from the drill holes and surface for bulk density, water absorption, compressive strength (water saturated), soundness and crushing index tests, as well as geochemical analysis, alkali silica reactivity and radioactivity analyses.<br>• No certified reference materials or blanks were inserted in the sample batches for whole rock chemical analysis.<br>• Sampling protocols were implemented according to National Standard of Pebble and Crushed Stone for Construction (GB/T 14685-2011), and the local provincial standard of Technical Requirements for Geological Prospecting of Building Stones in Anhui Province (2020). |

| Criteria | Commentary |
|---|---|
| Quality of assay data and laboratory tests | • In the 2020 exploration programme, physical properties tests were performed at the laboratory of Anhui Branch of China National Geological Exploration Centre of Building Materials Industry (CNGM laboratory), located in Hefei, Anhui Province), an independent and accredited laboratory.<br>• In the 2021 exploration programme, laboratory tests were carried out at the laboratory of Jiangsu Mineral Geology Design and Research Institute (JMGD laboratory), an independent and accredited laboratory, located in Xuzhou, Jiangsu Province.<br>• The physical properties tests were conducted according the Chinese standard (GB/T 14685-2011)<br>• The analytical technique for whole rock chemical analysis was by X-ray fluorescence.<br>• No certified reference materials or blanks were inserted in the sample batches for whole rock chemical analysis. Blanks were not required for physical tests. The chemical analyses did not require any references or blanks for dimension stone purposes except those used for internal laboratory quality control. |
| Verification of sampling and assaying | • SRK reviewed the previous exploration work and recommended an exploration programme, with the objectives of validating the previous exploration work and improving confidence in the geological model, as well as obtaining data of adequate quality to define a Mineral Resource in accordance with the JORC Code.<br>• SRK monitored the drilling progress by real-time communication with geologists of Team 325.<br>• In May 2021, a SRK consultant visited the site and checked the drill hole collars, surface sample locations and drill cores.<br>• The geology and physical properties of the deposit was validated via verification drilling and surface sampling. |
| Location of data points | • Drill hole collars, surface sample locations and topographic survey were surveyed by the RTK method.<br>• The topography was surveyed at a 1:2,000 scale.<br>– Datum: CSGS 2000<br>– Projection: 2000/Gauss Kruger projection, Central Median 107/Zone 39 datum<br>– Height datum: 1985 national elevation datum (China). |

| Criteria | Commentary |
|---|---|
| Data spacing and distribution | • The nominal exploration line spacing was 300 m.<br>• Along each exploration line, two drill holes were drilled nominally; surface samples were collected every 20–100 m.<br>• Sufficient geological continuity to support the definition of Mineral Resources in accordance to the JORC Code. |
| Orientation of data in relation to geological structure | • All drill holes were inclined holes and the downhole survey was conducted every 50 m. |
| Sample security | • During the 2020 and 2021 exploration programmes, the samples were collected, labelled and dispatched to the laboratories by the local geologists.<br>• The remaining drill cores were stored onsite and kept in labelled trays. |
| Audits or reviews | • A review of the historical sampling techniques and data was carried out by SRK when the initial Mineral Resource was declared in 2022. |

## SECTION 2: REPORTING OF EXPLORATION RESULTS

| Criteria | Commentary |
|---|---|
| Mineral tenement and land tenure status | • The mining rights covering an area of 0.8777 $km^2$ is valid until 30 March 2041. |
| Exploration done by other parties | • In June 2020, Land and Resource Bureau of Huaibei requested East-China Metallurgical Institute of Geology and Exploration (ECGE) carry out a detailed exploration over the entire current project area to identify resources available for further production.<br>• In May 2021, the 325th Geological Team of Bureau of Geology and Mineral Resources of Anhui Province (Team 325) was commissioned by GreenGold to perform a resource definition programme, designed by SRK. The objectives of the programme were to validate the previous exploration work, improve confidence in the geological model and obtain data of adequate quality to define a Mineral Resource in accordance with the JORC Code. |
| Geology | • The Project area and its vicinity is underlain by a series of conformable Cambrian sedimentary sequences, dominated by limestone, dipping gently (10–30°) towards southeast (110°–120°).<br>• The limestone is cut by a diorite sill with a maximum thickness of 75 m.<br>• Physical and chemical tests of samples taken from the surface and drill holes together with the successful operation in the past few years have demonstrated that all the limestone and diorite within the licence area is generally suitable for use as construction aggregates except the diorite cannot be used for concrete products. Two domains have been defined: D1 Limestone and D2 Diorite. |
| Drill hole Information | • A total of 7 diamond drill holes were drilled, totalling 1108.01 m. The details of these drill holes are presented in this Report. |

| Criteria | Commentary |
|---|---|
| Data aggregation methods | • Weighting averaging techniques were not applied.<br>• Metal equivalent values are not applicable to construction aggregate projects. |
| Relationship between mineralisation on widths and intercept lengths | • The inclined drilling has adequately intersected and tested Domains D1 and D2.<br>• The surface sampling across the mineralisation is considered adequate. |
| Diagrams | • Appropriate maps and sections were viewed, and reported in this Report. |
| Balanced reporting | • Reporting is fully representative of the data. |
| Other substantive exploration data | • Karst rate statistics was estimated by drill hole logs. |
| Further work | • No further work is planned as at 30 June 2024. |

## SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES

| Criteria | Commentary |
|---|---|
| Database integrity | • Drill cores were logged on paper and later entered into Excel spreadsheets. Data transfer was electronic via cloud storage.<br>• The data were compiled in an electronic database.<br>• Validation cheques were carried out using Leapfrog 3D modelling software to identify potential overlapping entries. |
| Site visits | • Falong Hu undertook site visits in May 2021 and April 2024. Dr Gavin Chan visited the site in November 2021. Dr Tony Tang had a site visit in April 2024 together with Falong Hu.<br>• During the visit, notes and photos were taken of the Project site, outcrops, drill and surface sampling sites, open it quarry, benches, Phase I and Phase II processing plants were inspected. Discussions held with the geologists of Team 325, and the senior manager and mining engineers of GreenGold. |
| Geological interpretation | • The degree of confidence in the geological interpretation is considered good.<br>• Geological mapping and drill core logging results were used to define stratigraphic and intrusion boundaries.<br>• Aggregate Domain D1 of limestone units and Domain D2 of diorite were modelled according to the drill hole logs, surface investigation and surface mapping.<br>• A weathered surface has also been modelled. |
| Dimensions | • The dimension of aggregate resources is of 1,300 m (length) × 750 m (width) × 120 m (height).<br>• All resources have been restricted to the mining licence surficial extent and elevation limits. |
| Estimation and modelling techniques | • Volumetric models were created by Leapfrog, a 3D modelling software, using geological mapping and drilling results. The modelling procedures include import of the compiled drill hole database, and geological and topographic maps into Leapfrog. Wireframes were constructed from the drill hole data and geological mapping. |

| Criteria | Commentary |
|---|---|
| | • A surface corresponding to the weathered/fresh interface of Domain D2 was also modelled based on its logged position in the drill cores and interpretation.<br>• No block model was created.<br>• No selective mining units were assumed.<br>• Correlation between variables is not applicable to a construction aggregate project.<br>• Grade capping is not applicable to construction aggregate units.<br>• No geostatistical analysis was undertaken as it is not applicable to construction aggregate units.<br>• The karst rate was estimated based on the drilling logs.<br>• The 2023 Mineral Resource update was based on the 2021 Mineral Resource and confined by the 31 December 2023 topography. The 30 June 2024 Mineral Resource update has been based on the 2023 Mineral Resource and production between 1 January 2024 and 30 June 2024 has been depleted from the Mineral Resource. |
| Moisture | • The resource is reported as a tonnage, hence the moisture content is not relevant to the resource estimate. |
| Cut-off parameters | • Cut-off parameters are not applicable to construction aggregate. |
| Mining factors or assumptions | • Traditional open pit method is used in the current mining operation. |
| Metallurgical factors or assumptions | • Not applicable to aggregate project. |
| Environmental factors or assumptions | • The EIA report for the Phase I operation was approved by Huaibei City Environmental Protection Bureau on 13 March 2017. The EIA report for the Phase II operation was approved by Huaibei City Lieshan District Ecological and Environmental Bureau on 19 April 2022. |
| Bulk density | • The bulk density is of 2.79 $t/m^3$ in Domain D1, and bulk density is of 2.62$t/m^3$ in Domain D2. |
| Classification | • The resource classification is based on the degree of confidence in the geological continuity, data quality and spatial distribution of the data. |

| Criteria | Commentary |
| --- | --- |
| | • The Indicated Mineral Resource classification is based on good degree of confidence in the geological continuity, aggregate quality, drill hole and surface data, and within a buffer of 250 m for drill hole and surface sampling positions.<br>• The materials in the weathered zone have been removed from the resource model.<br>• The Mineral Resource Estimate appropriately reflects the view of the Competent Person. |
| Audits or reviews | • The Mineral Resource estimates have been subject to SRK internal peer review. |
| Discussion of relative accuracy/confidence | • The Competent Person's opinion of relative accuracy and confidence in the Mineral Resource estimate is adequately expressed by the classification categories applied.<br>• The Mineral Resource statement relates to global volumetric estimates. |

## SECTION 4: ESTIMATION AND REPORTING OF ORE RESERVES

| Criteria | Commentary |
|---|---|
| Resource estimate for conversion to Ore Reserves | • The aggregate Ore Reserves estimate was based on the Mineral Resource models developed by the SRK team. Inferred Resources are excluded.<br>• The aggregate Ore Reserves are reported inclusive of Mineral Resources.<br>• The Ore Reserve estimate is derived from open pit optimisation, pit design and mining loss assumptions. |
| Site visits | • SRK consultants visited the site in May, June, November 2021 and April 2024. |
| Study Status | • Operational statistics from 2017 to June 2024 were provided to SRK.<br>• An PD on the Phase II (8.0 Mtpa) completed in April 2022.<br>• SRK considers the PD is similar to a FS level study in accordance with the JORC Code |
| Cut-off parameters | • No cut-off was applied to Mineral Resource or Ore Reserve estimates as all ores are saleable. |
| Mining factors or assumptions | • Conventional open pit mining method is employed, including drilling, blasting, loading and haulage.<br>• Conversion of Resources to Reserves is based on pit optimisation which considers Indicated Resources only (there is no Measured Resource for this Mine).<br>• There is no pit optimization updated since last review in 2022. The main inputs for pit optimisation in 2022 were:<br>– Mining cost is RMB10.40 per tonne of total material moved;<br>– Processing cost is RMB3.90 per tonne of feed ore<br>– General and administration cost is RMB1.40 per tonne of feed ore<br>– Royalties and tax are RMB5.90 per tonne of feed ore<br>– Mining loss is 2%<br>– Weighted average products sales price is RMB103.5 per tonne<br>– The overall slope angle is 50 degrees. |

| Criteria | Commentary |
|---|---|
| | • The pit design developed base on the optimisation shell as the revenue factor 1.0:<br>– Bench height is 15 m<br>– Bench face angle is 65 degrees<br>– Safety berm is 5 m wide<br>– Catch berm is 8 m wide, on catch in every two safety berms<br>– The ramp is 14 m wide for dual-lane<br>– The road gradient is 9%<br>– The overall stope is less than 50 degree.<br>• The LoM is scheduled to be 16 years, with peak total material movement of about 10.7 Mtpa, considering the following:<br>– The LoM plan is developed based on the schedule strategy proposed by the PD, which is mining from top downwards with 2 benches operated simultaneously.<br>– The existing roads of Phase I are also be utilised as proposed by the Company, therefore, mining regions are separated for operation transition from Phase I to Phase II and preservation of the existing roads.<br>– The mining ramp-up period is from 2022 to 2030, and full capacity is forecast to be reached in 2031.<br>– The life of mine will be ended in March 2041, due to the Mining Rights expire then. |
| Metallurgical factors or assumptions | • Not applicable for aggregate project |
| Environmental | • The EIA report for the Phase I operation was approved by Huaibei City Environmental Protection Bureau on 13 March 2017. The EIA report for the Phase II operation was approved by Huaibei City Lieshan District Ecological and Environmental Bureau on 19 April 2022. |
| Infrastructure | • Connected to the local grid.<br>• Domestic water is supplied by a well, while production water is sourced from a water treatment plan. |
| Costs | • The actual capital cost forecast for the Phase II development is expected to be RMB312.1 million |
| Revenue factors | • Revenue forecasts are based on sales of five main products as well as the overburden and waste.<br>• All sales prices are the mine gate prices. |

| Criteria | Commentary |
|---|---|
| Market assessment | • An independent Market Study has been prepared, demonstrating the potential market.<br>• Previous sales records also demonstrate the marketability of the products |
| Economic | • The actual and forecast capital and operating costs were provided by GreenGold and reviewed by SRK as reasonable.<br>• An economic viability analysis shows that post tax (25% corporate tax) at a discount rate of 10% returned a positive NPV, suggesting the Ore Reserves defined is economically viable. |
| Social | • The general surrounding land use is mainly farmland. The nearest residents live beyond the applied licence boundaries. |
| Other | • The Project has been in operation for more than 6 years.<br>• A risk assessment is included in this Report. |
| Classification | • The Probable Ore Reserves were based on Indicated Resources. The classification is further supported by the PD, production records and other data provided by GreenGold. No Proven Ore Reserve has been declared. Most quarry operators do not publicly disclose their Mineral Resource and Ore Reserves estimates which is in contrast to most major metal producers. As quarries are seeking only to extract the rock (rather than the inherent minerals therewithin), the quantification of the volume and tonnages available for future extraction is less difficult to estimate and not subject to the same degree of uncertainty as for metal producers. As such, the use of the JORC classifications is less important to quarry operations relative to metal producers. There has been no industry norm as to whether the lack of Measured Resources or Proven Ore Reserves is a common practice or not. |
| Audits or reviews | • No external audits of the Ore Reserve have been undertaken. SRK has completed an internal audit review as part of the Ore Reserve derivation process. |
| Discussion of relative accuracy/confidence | • All mining estimates are based on current operation conditions or PD.<br>• There are no unforeseen Modifying Factors at the time of this statement that will have material impact on the Ore Reserve estimate. |