VALUATION REPORT

THE CHAPTER 18 VALUE OF

"XINJIANG RUOQIANG COUNTY KARCHAR FLUORSPAR PROJECT"

Clients	**:**	**Xinjiang Xinxin Mining Industry Co., Ltd.**
		Xinjiang Non-ferrous Metal Industry (Group) Ltd.
Ref. No.	**:**	**CON101514383BV-1**
Report Date	**:**	**24 March 2025**

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Company Licence No.: C-030171

24 March 2025

The Board of Directors

Xinjiang Xinxin Mining Industry Co., Ltd.,
No. 501, Fusion South Road, Cooperation Zone,
Economic and Technological Development Zone,
Urumqi, Xinjiang,
P.R. China

Xinjiang Non-ferrous Metal Industry (Group) Ltd.
No. 636, North Youhao Road,
Urumqi, Xinjiang

Dear Sirs,

INDEPENDENT VALUATION ON THE CHAPTER 18 VALUE OF "XINJIANG RUOQIANG COUNTY KARCHAR FLUORSPAR PROJECT"

Introduction

In accordance with the instructions from Xinjiang Xinxin Mining Industry Co., Ltd. (the "**Company**") and Xinjiang Non-ferrous Metal Industry (Group) Ltd., Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**") has undertaken a valuation exercise which requires us to express an independent opinion on the Market Value of "Xinjiang Ruoqiang County Karchar Fluorspar Project" (the "**Project**") owned by Xinjiang Huaou Mining Co., Ltd. (the "**Target Company**") as of October 31, 2024 (the "**Valuation Date**") under the guidance of Chapter 18 of the Hong Kong Listing Rules ("**Chapter 18**"). The report which follows is dated 24 March 2025 (the "**Report Date**"). The purpose of this valuation is for the Clients' internal reference and inclusion in its public disclosure.

This report has been prepared in accordance with the guidelines set by the Australian Code for public reporting of Technical Assessments and Valuations of Mineral Assets 2015 Edition (the "**VALMIN Code**"), prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists with the participation of the Australian Securities and Investment Commission (ASIC), the Australian Securities Exchange (ASX), or of other relevant securities exchanges.

The valuation was carried out on a Market Value basis. The Market Value is defined as *"the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion*".

Under the definition of Market Value, a willing buyer acting knowledgeably, prudently and without compulsion shall take into consideration of the potential economic benefit from Inferred Resources. It is considered the value obtained through strict adherence to Chapter 18 does not align with the established definition of Market Value. In particular, Chapter 18.30 (3) states that: "Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted". As such, we have performed the valuation of the Project excluding the Inferred Resources under the Market Value basis, which we referred to as the "**Chapter 18 Value**".

The valuation contains calculations and forecasts based on data provided by the Company as well as those contained in the report titled "Independent Technical Report on Xinjiang Karchar Fluorspar Project" (the "**Technical Report**") dated 24 March 2025, prepared by SRK Consulting (Hong Kong) Limited (the "**Technical Expert**"). The Technical Report outlines the Project including review of technical aspects of Geology and Mineral Resource, Mining and Ore Reserve, Mining Assessment, Beneficiation and processing, Environmental and social aspects, Market study, Capital costs and operating costs.

SRK Consulting (Hong Kong) Limited is an associate company of the international group holding company, SRK Global Limited (the SRK Group). SRK is an independent, international consultancy providing focused advice and solutions to clients, mainly in the earth and water resource industries, and offers services from exploration to mine closure for mining projects.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and consideration of various factors that are relevant to the operation of the Project and the Target Company. Considerations of various risks and uncertainties that have potential impact on the business have also been made.

The valuation date is on 31 October 2024 and this report has been prepared on the basis of information available up to that date unless as specifically stated in the text. This report may contain information, such as third-party industry analysis, which has become available since that date. The opinions expressed herein are given in good faith and we believe that any assumptions or interpretations made by it are reasonable.

While every effort has been made to ensure the accuracy of this report, we take no responsibility if the conclusions of this report are based on incomplete or misleading data. No opinion has been expressed on matters that require legal or other specialized expertise or knowledge beyond what is customarily employed by valuers. The conclusions assume continuation of prudent management over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

JLL has undertaken the valuation of the Project based on a discounted cash flow method under the income approach as primary valuation methodology.

Based on the results of our investigations and analysis outlined in the report which follows, we are of the opinion that the Chapter 18 Value of the Project as at the Valuation Date is in the range of **RMB1,455 million to RMB2,321 million with the preferred value being RMB1,991 million.**

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Johannes Francois Erasmus	**Simon M.K. Chan**
Principal Consultant	Executive Director

A. Scope

The purpose of this valuation is to express an independent opinion, in accordance with Chapter 18 of the Hong Kong Listing Rules ("Chapter 18"), on the Market Value of "Xinjiang Ruoqiang County Karchar Fluorspar Project" (the "**Project**") located in the Bayingolin Mongolian Autonomous Prefecture, Xinjiang Uygur Autonomous Region (Figure 1) owned by Xinjiang Huaou Mining Co., Ltd. (the "**Target Company**") as of October 31, 2024 (the "**Valuation Date**"). The report that follows is dated 24 March 2025 (the "**Report Date**"). The purpose of this valuation is for the Company's internal reference and inclusion in its public disclosure.

B. Basis of Value

The valuation was carried out on a Market Value basis. The Market Value is defined as *"the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion*".

Under the definition of Market Value, a willing buyer acting knowledgeably, prudently and without compulsion shall take into consideration of the potential economic benefit from Inferred Resources. It is considered the value obtained through strict adherence to Chapter 18 does not align with the established definition of Market Value. In particular, Chapter 18.30 (3) states that: "Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted". As such, we have performed the valuation of the Project excluding the Inferred Resources under the Market Value basis, which we referred to as the "**Chapter 18 Value**".

C. Basis of Opinion

We have conducted our valuation in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2015 Edition (the "VALMIN Code"), prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists with the participation of the Australian Securities and Investment Commission (ASIC), the Australian Securities Exchange (ASX), or of other relevant securities exchanges.

In order to form an opinion on the Chapter 18 Value of the Project and the Target Company, it is vital to make assumptions of certain future events, e.g. economic and market factors. We have taken all reasonable care in examining those assumptions made to ensure that they are appropriate to the case. These assumptions are based on the technical knowledge and experience of the Target Company. The valuation procedures employed include the review of physical and economic conditions of the Target Company, and an assessment of the key assumptions, estimates, and representations made by the proprietor or the operator of the Project. All matters essential to the proper understanding of the valuation will be disclosed in the valuation report.

The following factors form an integral part of our basis of opinion:

- Assumptions on the market conditions and the subject assets that are considered to be fair and reasonable;
- Financial performance that shows a consistent trend of the operation;
- Consideration and analysis on the micro and macro economy affecting the subject assets;
- Analysis on tactical planning, management and synergy of the subject assets;
- Analytical review of the subject assets; and
- Assessment of the leverage and liquidity of the subject assets.

We planned and performed our valuation so as to obtain all the information that we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We have not undertaken due diligence of the legal status of the Project.

Unless otherwise indicated, all financial figures quoted in this Valuation Report refer to Chinese Yuan Renminbi ("RMB"). The values stated in this Valuation Report do not include any allowance for the costs of negotiating any sale.

D. Independence Declaration

JLL confirms that to the best of our knowledge and belief, we are independent of the Clients, the Target Company and the Project, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

E. Statement of Competence

This report is prepared by Johannes Francois Erasmus and Simon Chan.

Johannes Francois Erasmus has over 40 years of experience in the global resources industry. His qualifications and professional associations include registered Professional Geologist (PGeo) in Canada and a Professional Natural Scientist (Pr.Sci.Nat) in South Africa. He obtained a BSc degree in Geology from the University of South Africa, a Graduate Diploma in Mining Engineering as well as a master's degree in Mineral Economics from the University of the Witwatersrand in South Africa. Mr. Erasmus is experienced in providing mineral expert services of Feasibility and Pre-feasibility studies, Risk analysis of mining projects, Managing license evaluation and acquisition, Evaluation of investment opportunities, Corporate advisory services, Valuation of Mineral Projects to VALMIN standards, Competent Evaluator Reports (Chapter 18) and Competent Person Reports (NI43-101 and JORC) for Hong Kong and other international Stock Exchanges. These qualifications require him to be subjected to enforceable code of ethics, therefore we deem Mr. Erasmus to be suitably qualified to produce public reports as cited in the JORC code. He has experience with fluorite mining and other mineral asset valuation over an extensive period and thus meets the criteria of a Competent Person under the VALMIN Code. He fulfills VALMIN's standard for competence and his acceptance for the overall responsibility of the report, allows him an Expert status under the "Expert and Specialists" section of the VALMIN Code.

Simon Chan has extensive work experience in accounting, auditing, valuation and corporate advisory services and now oversees the business valuation department of JLL. He has extensive valuation experience in mineral assets, mining rights and corresponding project investments and has provided a wide range of valuations services to numerous listing companies in Mainland China, Hong Kong, Singapore and the United States since 2007. He is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) as well as a fellow of the Royal Institute of Chartered Surveyors (RICS), Hong Kong Institute of Certified Public Accountants ("HKICPA") and CPA Australia. His extensive experience means he fulfills the requirement to be a "Securities Expert" under the definition of "VALMIN Practitioners" set out in the VALMIN Code.

F. Source of Information

In conducting our valuation of the Chapter 18 Value of the Project, we have reviewed information from several sources, including, but not limited to:

- Information on the Project including, but not limited to, presentations, prepared documentation, exploration data, mine planning, legal, marketing and financial data;
- The Technical Report prepared by the Technical Expert;
- Market Study on the Chinese fluorspar market prepared by Shanghai Metals Market (SMM);
- Preliminary Design (Substitute Feasibility Study) of the Karchar Fluorspar Mine in Ruoqiang County, Xinjiang', prepared by China ENFI Engineering Technology Co., Ltd. ("China ENFI");
- Site inspection on 18-21 April 2023 (Ms. Xinyue Dong & Ms. Runzhu Guo) together with the expert technical witnesses of the SRK team Interviews of management and employees of the Company and the Target Company; and
- Prior industry knowledge and continuing industry research.

A large amount of paper-based and digital data was provided to us. The data covered the exploration program, laboratory analysis of rock samples, geology, mine operational planning and procedures, financial budgets including forecast sales and revenue, operating and capital expenditure, expenses and income, land ownership, environmental management planning, tax, legal and regulatory matters. We reviewed the Technical Report and believed that it is consistent with industry practice in terms of methodology and completeness. We also believe that, within the normal constraints of financial modeling of future events, the assumptions have properly been considered as to forecast operational performance, revenues and costs are reasonable. All requests to the Target Company for information and clarification were answered to our satisfaction and within a reasonable time. The staff members of the Target Company and the Company were made available for interviews as requested and were cooperative and forthcoming. We have no reason to believe that the information provided to us is inaccurate or incomplete.

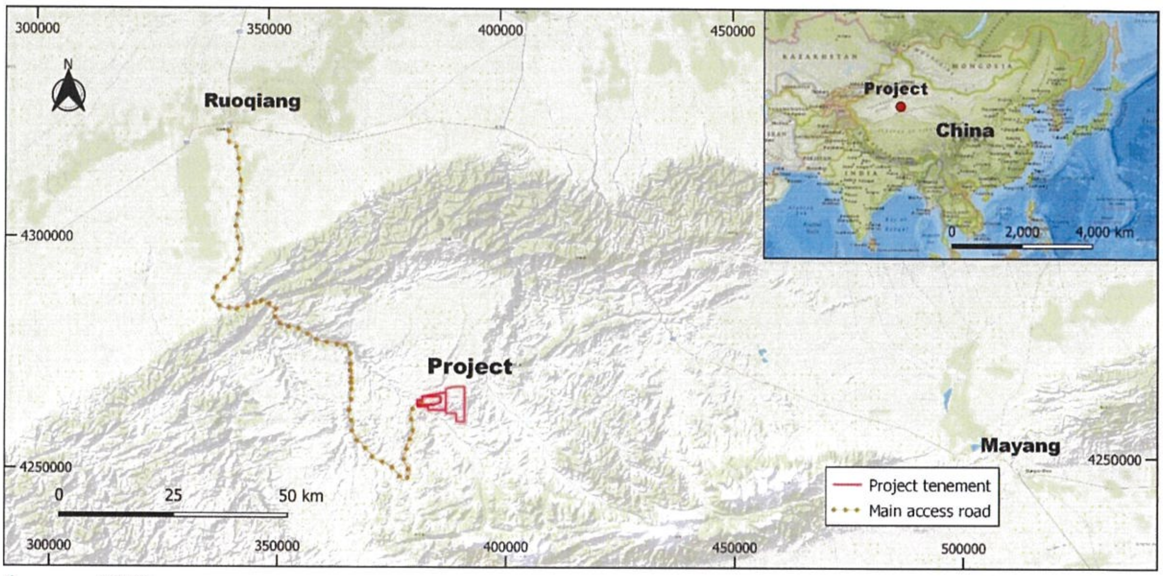
G. Background of the Target Company and the Project

The Project is held by the Target Company, Xinjiang Huaou Mining Co., Ltd., which was established in 2007. The Target Company mainly engaged in mining investment, mineral resource exploration investment, and mineral product sales. Since its establishment, the company has conducted multiple exploration works and obtained the following mining right licenses and exploration licenses for the Project.

Table 1: Licences of the Target Company

Mining licence No.	C6500002023066210155378
Mining right holder	Xinjiang Huaou Mining Co., Ltd.
Project name	Xinjiang Ruoqiang County Karchar Fluorspar Mine
Commodity type	Fluorspar
Mining Method	Underground mining
Mining Capacity	1,200,000 tpa
Area	7.763 km^2
Elevation range	From 3203 to 2354 m asl
Validity	From June 27, 2023 to June 27, 2038
Exploration licence No.	T6500002008106010017299
Exploration right holder	Xinjiang Huaou Mining Co., Ltd.
Project name	Xinjiang Ruoqiang County Karchar Southwest Fluorspar Mine Exploration
Area	17.63 km^2
Validity	From June 15, 2021, to June 15, 2026
Exploration licence No.	T6500002008073010011214
Exploration right holder	Xinjiang Huaou Mining Co., Ltd.
Project name	Xinjiang Ruoqiang County Karchar West Copper-Gold Mine Exploration
Area	25.9 km^2
Validity	From August 9, 2021, to August 9, 2026

The mining area is located to the southeast of Ruoqiang County, Xinjiang, with a straight-line distance of about 73.50 km, and to the west of Huatugou Town, Mangya City, Qinghai, with a straight-line distance of about 195.60 km. The administrative area is under the jurisdiction of Ruoqiang County, Bayingoleng Mongol Autonomous Prefecture, Xinjiang. The travel distance Ruoqiang County to the mining area is 484km, and from Mangya City to the mining area is 261km. The mining license was granted for the well-explored Karchar fluorspar mine. The two exploration licenses are situated along an east-west trend, adjacent to each other, with the western exploration license overlapping the mining license.



Source: SRK

Figure 1: Location of the Project

H. Technical Report

We have been provided with a report produced by SRK Consulting (Hong Kong) Limited titled "Independent Technical Report on Xinjiang Karchar Fluorspar Project" dated 24 March 2025.

We regard the Technical Report as being very thorough and complete, and adopted the estimation of the reserve provided for the fields. We note further that the bulk of the operating and other cost estimates are based on the experience of the technical expert, and we consider the cost and capital expenditure forecasts are sound.

The Technical Expert also presents a good review of the mine and operational plans. Based on our own observations of the mine fields and our review of the relevant documentation and discussions with the staff, we agree with the Target Company that the mine and operational plans appear reasonable and complete.

In regard to some matters, such as the discount rate used in the Net Present Value ("NPV") calculation, we have adopted a different value from the Technical Expert, which are further discussed in Section O below.

I. Site Inspection

Site inspection of the site areas has been undertaken on 18-21 April 2023, we have also sought the assistance from the Target Company's employees for picture record of those site area around the Valuation Date for us to understand the latest conditions of the site areas. Together with the expert technical witnesses of the SRK team, the provided photographs, interviews with the technical personnel of the company and JLL's own site visit, we are satisfied with the operational data provided by the company.

J. Encumbrances

We questioned the directors of the Company about the existence of any encumbrances on the Project that were not in the public domain. We have no reason to believe that we have not been provided with all relevant information that might be reasonably considered to influence the economic value of the Project.

K. Existing Exploration and Operational Readiness

According to the Technical Report, the Target Company has carried out multiple exploration programs and evaluation work. In June 2023, the Target Company commissioned China ENFI to conduct Preliminary Design (Substitute Feasibility Study) for mining, mineral processing, tailings facilities, and other mining engineering projects. Construction at the project site commenced in March 2024. By December 2024, the major mining projects, processing plant facilities, substations and living camps are under construction. Remaining projects, such as the tailings storage facility, water supply station, and backfill station, have not yet commenced construction. The Target Company plans to complete the processing plant and ancillary facilities by the end of June 2025 to start commissioning. Simultaneously, mining projects construction will be proceeded and completed by the end of March 2026.

L. Valuation Approach

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

We have adopted the discounted cash flow method of the Income Approach in this exercise, it is an estimation of the NPV of the forecast free cash flow produced by the Project since the Valuation Date. Other valuation methodologies such as the market approach were considered, however, the approach's reliability is potentially compromised by numerous, often undisclosed factors that may have influenced comparable market transactions, thereby introducing a significant element of subjectivity. On the other hand, the cost approach is inappropriate for the valuation as it does not directly incorporate information about the economic benefits contributed by the Project. Both methodologies are less preferred comparing to the Discounted Cash Flow method given a LOM plan has been developed. Considering the reserves, mining and processing recoveries, and capital and operating costs are well defined in the Technical Report, it is generally accepted that the Discounted Cash Flow ("DCF") method is the most relevant and appropriate valuation method.

In accordance with the requirements of the VALMIN Code and Chapter 18, the Chapter 18 Value of the Project has been determined within a range of values, and a preferred value, has been calculated.

This report is compliant with the requirements of the VALMIN Code (2015). The fundamental objective of the VALMIN Code is the protection of investors. With this objective in mind, we have conducted the valuation in the following way:

- where there has been a choice of a simple and a complex method of estimating a financial factor and there is no material difference between the methods in the resulting accuracy of, or confidence about, the factor amount, the simple method has been used; and
- where there is a material uncertainty regarding the quantum of an amount or parameter, we have been as conservative as possible to be consistent with our intent to provide a reasonable estimate of the Chapter 18 Value of the Project.

Income Approach

Whereas a Market Approach is more common in valuing projects before the exploration stage has begun, the Project in which exploration has advanced to a degree where there is a reserve definition and a feasible development plan, a more appropriate approach to valuation is usually to estimate the NPV of the project – an approach known as the Discounted Cash Flow ("DCF") method.

We make the following observations on the efficacy of the NPV valuation method:

- it is necessarily based on many assumptions including future operating performance, revenue and costs and the reader must remember that it is intended to provide guidance and not an exact number;
- it is sensitive to changes in the discount rate to a certain extent;
- many of the calculations in the financial model were made on an accrual basis while the determination of free cash flow must necessarily be made on a cash basis;
- it assumes constant risk over the life time of the project; and
- it does not allow for management's ability to change the cost structure or scale of the project in response to changed operating or market conditions.

M. Assumptions

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions in determining the market value of the Subject have been made:

- Other than enquiring with the Company, the Target Company and the Company's legal advisor, we have neither conducted a full legal audit of the status of the various tenements nor formally reviewed all material factors affecting the tenements. Basic examination of the provided documents has not identified any evidence of issues with the operation rights related to the Project. According to the Company, all relevant taxes and fees for the mining rights, which were due before the Valuation Date, have been paid for. The Target Company, which holds the Project, has been duly established and validly existing, and has obtained the necessary governmental authorizations, approvals, permits, licenses or certificates required to perform its business. The Project appears to be in good standing with current, valid licenses and approvals, and with no identified outstanding commitments as at the Valuation Date. The valuation assumes that the Project's legal standing in ownership, permits, regulatory approvals, and operation rights remain valid, legally compliant, and free of any liens, encumbrances, disputes, or risks.
- In order to realize the growth potential of the business and maintain a competitive edge, additional manpower, equipment and facilities are necessary to be employed. For the valuation exercise, we have assumed that all proposed facilities and systems will work properly and will be sufficient for future expansion.
- We assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.
- We have assumed all the information provided to us to be reliable and legitimate. We have relied to a considerable extent on such information in arriving at our opinion of value.
- We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic condition which may adversely affect the business of the Target Company.
- Operational and contractual terms bound by the contracts and agreements entered into by the Target Company will be honored.
- Competitive advantages and disadvantages of the Target Company will not change significantly during the period under consideration.

N. Project Valuation Assumption

Reserve and mining schedule

According to the Technical Report, the Mineral Resource estimates as at 31 October 2024 for the Mine are listed below, only Measured and Indicated Resources were considered under Chapter 18.

Table 2: Mineral Resource

Mineral Resource Category	Tonnage (kt)	Grade (%)	CaF2 (kt)
Indicated	35,480	33.24	11,795
Inferred	26,455	32.56	8,614
Total	**61,936**	**32.95**	**20,409**

With reference to the Technical Report, JORC code states that an Ore Reserves are the economically mineable part of Measured and/or Indicated Mineral Resources, including losses and dilution that may occur due to mine design and during mining operation. Ore Reserves are typically defined at a reference point, which for the Technical Report is considered to be the mineable materials as received at the RoM bin. As of 31 October 2024, Probable Ore Reserves of 24.8 Mt at an average grade of 28.6% CaF_2 for 7.1 Mt of contained CaF_2 are estimated to reside within the mining licence area. These Ore Reserves are classified in the Probable category as there is no Measured Mineral Resource. According to the Technical Report, ore recovery rate is assumed to be 80% for the full mine life of the Karchar Fluorspar Mine.

Table 3: Ore Reserves Statement for Karchar Fluorspar Mine as at 31 October 2024

Reserve Category	Tonnage (kt)	Grade (%)	CaF_2 (kt)
Probable	24,787	28.6	7,094
Total	**24,787**	**28.6**	**7,094**

In considering the mining and processing capacity as that has been suggested by the Technical Report, together with the valid period and extension of the mining license, we have adopted the following production schedule in the valuation.

Table 4: Production schedule

Year	RoM Tonnes (t)	RoM Metal (t)	RoM Grade (%)
2025	154,668	45,300	29.3
2026	797,184	224,652	28.2
2027	1,200,365	333,727	27.8
2028	1,204,041	333,363	27.7
2029	1,200,235	338,056	28.2
2030	1,203,191	355,559	29.6
2031	1,207,997	366,740	30.4
2032	1,201,689	343,706	28.6
2033	1,209,258	342,506	28.3
2034	1,197,734	339,579	28.4
2035	1,206,639	345,447	28.6
2036	1,197,179	342,973	28.6
2037	1,200,246	354,367	29.5
2038	1,198,647	350,661	29.3
2039	1,202,192	341,011	28.4
2040	1,202,334	345,457	28.7
2041	1,201,542	339,529	28.3
2042	1,201,327	337,679	28.1
2043	1,198,976	351,466	29.3
2044	1,205,011	346,696	28.8
2045	1,198,898	327,682	27.3
2046	981,669	283,553	28.9

Year	RoM Tonnes (t)	RoM Metal (t)	RoM Grade (%)
2047	15,992	3,942	24.7
Total	**24,787,013**	**7,093,649**	**28.6**

Unit price of Fluorspar

As of the Valuation Date, the Project is not in operation and no actual prices are quoted, in addition, we are given to understand no long-term supply contracts has been executed. The valuation of the Project has been undertaken based on price estimates by Shanghai Metals Market (SMM), an independent market research company, which has prepared a market study on the Chinese fluorspar market (SMM, 2024). SMM forecasts that the fluorspar market will continue to grow, driven by strong demand and constrained supply. The projected real unit prices of 97% fluorite wet powder (approximately 10% moisture content) from 2025 to 2027 are estimated to be 3,553, 3,661, and 3,758 RMB/ton respectively, including tax of 13%, prices after 2027 are assumed to be constant.

Capital Expenditure

According to the Technical Report, the capital expenditure ("Capex") schedules of the Project are as follow:

Table 5: Overall capital expenditure schedule

Item	Development Engineering (RMB'000)	Machinery equipment (RMB'000)	Total (RMB'000)
2024 (Nov – Dec)	314,799	189,587	504,386
2025	344,763	207,633	552,395
2026	190,358	114,643	305,001
2027	88,072	53,041	141,113
2030	6,241	3,759	10,000
2031	19,647	11,833	31,480
2032	6,241	3,759	10,000
2035	30,763	18,527	49,290
2036	41,067	24,733	65,800
2037	30,763	18,527	49,290
2038	30,763	18,527	49,290
2040	40,119	24,161	64,280
2045	9,643	5,807	15,450
Total	**1,153,239**	**694,535**	**1,847,775**

The Capex in the Technical Report covered capital costs for development, budgeted expenditures for contingency, and a sustaining capital budget including equipment replacements, overhauls, and other expenses throughout the mine's lifespan. We considered that the capital expenditure ("Capex") suggested in the Technical Report to be reasonable at the time of preparation.

Operating Costs

Operating costs include mining operating costs and processing operating costs, comprises mainly of purchase of raw and auxiliary material, purchase of power and fuel, wages & salaries expense, safety production cost, mining outsourcing costs, selling expenses, administration expense (including mine geological environment governance and restoration fund & mineral royalty), depreciation and amortization, repair charge and other expenses.

Table 6: Unit Operating Cost

Items	Unit cost (RMB/t)
Purchase of raw and auxiliary material	64.38
Purchase of power and fuel	30.97
Wages & salaries expense	39.17
Safety production cost	9.82
Mining outsourcing costs	93.77
Selling expenses	5.87
Other expenses	9.74

Table 7: Management Expense

Items	Management Expense (RMB million/annum)
Executive compensation	6.25
Experimental design fee	5.00
Exploration expenses	4.00
Business entertainment expenses	3.50
Other management expenses	9.97

The mine geological environment governance and restoration fund equals to revenue multiplied by 70% multiplied by mineral coefficient and multiplied by mining method coefficient. The mineral coefficient for this Project is 1%, and the underground mining coefficient is 0.3.

The mineral royalty fee is assumed to be 2.4% of the mining revenue and is included in the administration expense.

The depreciation method used is straight-line, with an asset lifespan of 10-25 years and a salvage value of 5%. In addition to projected depreciation from the forecast capital expenditures, there are also depreciations from existing plants & machinery and land.

Additional Tax

Additional tax comprises urban maintenance and construction tax, education tax surcharges, local education tax surcharges, which is 5%, 3% and 2% of Value Added Tax ("VAT") respectively, and resource tax amounting to 3% of revenue.

Income Tax Expense

The Project shall be subject to China income tax rate of 25% throughout the projection period.

O. Discount Rate

In applying the discounted cash flow method, it is necessary to determine an appropriate discount rate for the assets under review. The discount rate represents an estimate of the rate of return required by a third party investor for an investment of this type. The rate of return expected from an investment by an investor relates to perceived risk. Risk factors relevant in our selection of an appropriate discount rate include:

1. Interest rate risk, which measures variability of returns, caused by changes in the general level of interest rates;
2. Purchasing power risk, which measures loss of purchasing power over time due to inflation;
3. Liquidity risk, which measures the ease with which an instrument can be sold at the prevailing market price;
4. Market risk, which measures the effects of the general market on the price behavior of securities; and
5. Business risk, which measures the uncertainty inherent in projections of operating income.

Consideration of risk, burden of management, degree of liquidity, and other factors affect the rate of return acceptable to a given investor in a specific investment. An adjustment for risk is an increment added to a base or safe rate to compensate for the extent of risk believed to be involved in the investment. The appropriate discount rate for the valuation exercise is the weighted average cost of capital.

Cost of Equity

The appropriate rate of return for valuing the Project is the return on equity. We have adopted the Build-Up Model to estimate the cost of equity. The Build-Up Model is an additive model commonly used for calculating the cost of equity capital, which involves summing the building blocks of specific risk components of the assets or business. These risk factors, when combined, represent the overall return anticipated by an investor from acquiring a specific business. The Build-Up Model is widely accepted in the investment and financial analysis communities for the purpose of estimating a company's required return on equity capital.

The equation of Build-Up Model is shown as follows:

Cost of Equity or Required Return on Equity (r_e)	=	Risk Free Rate
	+	Long Term Equity risk premium
	+	Industry risk premium
	+	Size Premium
	+	Specific Risk Premium

The return on equity required of a company represents the total rate of return investors expect to earn, through a combination of dividends and capital appreciation, as a reward for risk taking.

Weighted Average Cost of Capital

The concept of Weighted Average Cost of Capital ("**WACC**") is to incorporate the different costs of capital for all sources of the Subject's capital and weight by their proportionate share of total capital to determine the Project's overall cost of capital.

The equation of WACC is shown as follows:

WACC = Percentage of equity financing × Required Return on Equity
+ Percentage of debt financing × Required Return on Debt × (1-Corporate tax rate)

Parameters for WACC

Table 8: Parameters for WACC

Parameter	As of 31 October 2024	Remark	Source
Risk-free Rate	2.14%	Based on 10-year China Sovereign Curve	Bloomberg
Long Term Equity risk premium	4.98%	China Equity Risk Premium	Prof. Damodaran estimate
Industry premium	1.36%	Metals and Mining (GICS 151040)	Kroll Cost of Capital Navigator
Size Premium	2.91%	Based on size of the Project	Kroll Cost of Capital Navigator
Company-specific Risk Premium	3.00%	Forecast and operational risk (uncertainty)	
Cost of Equity	14.39%	Calculated according to the equation of CAPM as stated above	
Cost of Debt	3.60%	China Loan Prime Rate	People's Bank of China
Cost of Debt (tax adjusted)	2.70%		
WACC (Nominal)	12.91%		
Inflation Rate	2.00%	China Long Term Inflation Rate	International Monetary Fund
WACC (Real)	10.70%		

P. Discounted Cash Flow Valuation for the Project

The free cash flow model has been applied in this valuation to calculate the NPV of the Project. Having determined this as the Chapter 18 Value, this same value can be used as a preferred value within a sensitivity analysis.

Sensitivity analyses was performed using several values for fluorspar prices and discount rate. **Table 9** below shows the effect on NPV by varying the price and the discount rate while using the base case production costs. The price variation is calculated based on the cumulative annual growth rate of the historical price provide by SMM.

Table 9: NPV in RMB thousands – fluorspar price varied with the discount rate

		Discount rate				
		-1.0%	**-0.5%**	**0.0%**	**0.5%**	**1.0%**
Real fluorspar price (Note below)	**1**	1,395,381	1,296,066	1,202,610	1,114,596	1,031,641
	2	1,778,416	1,664,019	1,556,354	1,454,942	1,359,344
	3	2,250,537	2,117,066	1,991,438	1,873,092	1,761,518
	4	2,462,852	2,320,724	2,186,943	2,060,914	1,942,092
	5	2,603,740	2,455,898	2,316,735	2,185,633	2,062,025

Note:

1. Based on unit price of RMB3,190/ton in 2023 from SMM report, assuming no change in unit price over the projection period
2. Based on unit price of RMB3,440/ton in 2024 from SMM report, assuming no change in unit price over the projection period
3. Base case, referencing SMM price forecast from year 2025 to 2027, at CAGR of 2.23%
4. CAGR of 4.30% from year 2025 to 2027, calculated based on historical real unit price between 2019-2023 from SMM report
5. CAGR of 5.14% from year 2025 to 2027, calculated based on historical real unit price between 2018-2023 from SMM report

The cells of **Table 9** that are shaded light grey contain the range of values that JLL believes are the most likely to contain a Chapter 18 Value for the Project. The cells of **Table 9** that are shaded dark grey are included to assist the reader in drawing their own conclusion as to the value of the project. The reader is cautioned to remember that it is not possible to forecast future performance of the project or other economic factors with certainty and that it is prudent to consider a sufficient range of variation in the relevant factors. From the tables above, we are of the opinion that the Chapter 18 Value of the Project as at the Valuation Date is ranged from RMB1,455 million to RMB2,321 million with the preferred value being RMB1,991 million.

Q. Risk Factor

The Technical Report includes a comprehensive review of the Project's risks and we agree with the conclusions of the Technical Expert in regard to those risks. We include some additional commentary on general risk factors for the sake of prudence. The mining industry is a high risk business where earnings can be highly volatile. Many risks directly related to the mining operation can be minimised by good planning and management practices. However, there are a number of risks that fall outside of the control of the mine operators. For each of the risks detailed below, we have provided a subjective assessment of the consequences of the risk on the overall Project operation and the likelihood of such risks occurring.

Financing risk

Due to the size of the project and the length of the development phase, the project would require large amount of investment and financing. The development of the project would largely be depending on securing the cash flow. Failure to fund the development of the Project may result in considerable delays. Alternatively, any requirements to source outside funding may necessitate more detailed and costly feasibility studies. As of the report date, the Target Company has not yet reached a final investment decision and thus there is uncertainty in the timing and cost of the Project. *Major risk, depending on management decision, could possibly occur*

Transportation risk

The project involves construction of infrastructures through areas with lack of water supplies, electricity provision, or highways for transportation. The construction could be affected by the available resources and could extend the construction period. *Moderate risk, unlikely to occur.*

Environmental impact risk

In addition to business and mining licenses, other environment-related operating permits are necessary for project construction and production under relevant Chinese laws and regulations. There are no environmental aspects foreseen that would prevent the development of the Project. *Low risk, likely to occur.*

Occupational Health and Safety risk

The Technical Report mentioned multiple safety measures for the Project, however, there remains a risk of severe injury to workers or others. Such incidents could potentially result in legal liabilities under both occupational health and safety legislation and common law principles. *Low risk, likely to occur.*

Technology/ equipment risk

The Project relies on simple technology, well understood and proven technology and mining practices. We believe that the Target Company and its workforce are very familiar with the equipment and mining methodology. The achievability of the development plan may highly depend on the technical performance of the equipment. *Moderate risk, unlikely to occur.*

Technical Personnel and Contractors

The Project faces potential risks from contractors, including technical staff, who may not meet performance expectations, as well as from possible equipment failures, these factors could hinder the Project's planned exploration and mining operations. The Project might encounter difficulties in securing all the necessary personnel and equipment required to execute its proposed exploration and mining activities within the planned budget constraints. *Moderate risk, unlikely to occur.*

Industry/regional/global economic weakening

The Project's performance can be directly or indirectly affected by characteristics and changing forces of supply and demand for the contributing inputs and / or the produced goods and services associated with the Project. These forces work to impact the magnitude of the gap between inflows and outflows regarding the Subject and thus its value. Variations in the degree of competition or in barriers to entry are key drivers of changes to supply whilst consumption preferences, income levels or the availability of substitutes are key drivers of changes to demand. Macroeconomic circumstances including inflation, interest rate fluctuations and existing and forecast levels of growth in the broader economy may also impact customer sentiment, leading to reduction in demand for fluorspar, potentially harming the

Project's financial performance and growth prospects. *Moderate risk, could possibly occur, underscores the need for a well-managed business.*

Operation risk

The Target Company faces the same operational risks as every mining company: bad weather, machinery failure, wall collapse, rising prices etc. The experience of the Target Company in the mining business will help them reduce the likely impact of any of these occurrences. *Moderate risk, unlikely to occur.*

Resources / Reserves Risk

Estimation of resources / reserves is not an exact science and relies on sufficient quality data and a good understanding of the controls for the estimator to make an accurate assessment of the resources / reserves. It is common for mining operations to return values of tonnages and / or grades for mining units that are significantly different to the resource / reserves estimation for the particular blocks – sometimes higher, sometimes lower. The inherent risks can be highly significant for deposits of narrow, high grade mineralization or where the economic minerals are erratically distributed. It is also worth noting that the economic viability of a Mineral Resource or Reserve is dynamic and subject to continuous reassessment. Market fluctuations and changes in operational parameters can alter the profitability of extracting specific ore blocks. *Moderate risk, likely to occur.*

Realization of Forecast and Projection

This valuation is premised in part on the financial information and/or projections provided by the management of the Company or as contained in the Technical Report. The quantity of reserves, volatility in fluorspar prices, mining schedule and plan, current and projected operating costs and the projected capital expenditure requirements are key elements that can materially affect the Chapter 18 Value of the Project. Since the projections are subject to a number of assumptions (including but not limited to the projected capital and operating expenditure being sufficient, fluorspar prices being relatively stable, the absence of adverse changes in the existing political, legal and economic conditions at the time), and involve known and unknown risks as well as uncertainties, there is no assurance that the projections will materialise as predicted. In the event that material variances between the projected parameters and the actual parameters occur, the Chapter 18 Value of the subject assets may differ significantly from that set out in this report. *Moderate risk, likely to occur.*

Forecast Prices

The valuation of the Project has relied on forecast fluorspar prices. Future fluorspar prices may differ markedly from the forecasts and could drastically affect the profitability of the operations. Fluorspar prices can be influenced by numerous factors outside of the control of mine operators, such as world supply and demand, forward selling activities, natural disasters disrupting supplies, macro-economic conditions and political issues. Over the life of the mine, it is likely that the mine plan will change in order to accommodate changes in fluorspar prices in order to maintain or maximize profitability. *High risk, very likely to occur.*

R. Valuation Comments

The valuation of an interest in an asset requires consideration of all relevant factors affecting the operation of the business and its ability to generate future investment returns. The factors considered in the valuation included, but were not limited to, the following:

- the nature of the business;
- the financial condition of the business and the economic outlook in general;
- the operational contracts and agreements in relation to the business;
- the projected operating results; and
- the financial and business risk of the mining operation including the continuity of income and the projected future results.

The conclusion of the value is based on accepted valuation procedures and practices promulgated in the VALMIN Code that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company.

S. Opinion of Value

Based on the results of our investigations and analysis outlined in the report, we are of the opinion that the Chapter 18 Value of the Project as at the Valuation Date is in the range from **RMB1,455 million to RMB2,321 million with the preferred value being RMB1,991 million**.

T. Limiting Conditions

This report and opinion of value are subject to our Limiting Conditions as included in Exhibit A of this report.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Johannes Francois Erasmus	**Simon M.K. Chan**
Principal Consultant	Executive Director

Exhibit A – Limiting Conditions

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data related to the Target Company, provided to us by the Company and the Target Company and/or their representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We declare that we have taken all reasonable care to ensure that all such information has been presented in a professional manner and we believe, on reasonable grounds, that the information is true, complete as to material details, and not misleading. However, the responsibility for arriving at conclusions based on the Chapter 18 Value provided in this valuation report rests solely with the Clients and our reports were only used as part of the Clients' analysis in reaching their own conclusion of value.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and company's ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable and reliable, and we have undertaken necessary verification procedures with our best endeavor. However, we make no representation as to the accuracy or completeness of such information obtained.

4. The management of the Clients have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers.

7. The use of and/or the reliance of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all expenses.

8. Our conclusions assume continuation of prudent management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no

responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results forecasted by the Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This report has been prepared for inclusion in the Circular of the Company in connection with the acquisition of the Target Company. Our consent to the disclosure of the report in connection with the acquisition is solely for the purpose of providing information to potential investors or any interested party.

11. The calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the reference date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation if such investigation is beyond the scope of normal scenario analysis work.

13. The Clients agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental consultants or auditors, and we take no responsibility for any actual or potential environmental liabilities that may exist although we have considered environmental liabilities as a risk factor in the valuation. We do not conduct or provide environmental assessments and have not performed one for the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company. We have assumed the accuracy and reasonableness of the information provided after exercising all due care in reviewing such information. We have relied to a considerable extent on such information in arriving at our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. Actual transactions involving the subject assets / business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

17. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of values represents the consideration based on information furnished by the Target Company and other sources.

18. The Company has been provided with drafts of our report for correction of any factual errors, comments as to confidentiality issues, errors of fact or misinterpretation, substantive disagreements on the assumptions that JLL has adopted, and notation of any material omissions. The views, statements, opinions and conclusions expressed by JLL are based on the assumption that all data provided to it by the Company are complete, factual and correct to the best of their knowledge. The Target Company has separately represented in writing that to the best of its knowledge, they have provided JLL with all material information relevant to their operations and projects described in this report. This report and the conclusion in it are effective at Valuation Date. Those conclusions may change in the future with changes in relevant metal prices, exploration and other technical developments in regard to the projects and the market for mineral properties.

19. The financial projects (if any) made in this report are not meant to be profit forecasts and are purely used for the purpose of preparing the values arrived herein.

Exhibit B – Valuers' Biography

Johannes Francois Erasmus
Principal Consultant

Qualifications and Professional Memberships
BSc
Graduate Diploma Engineering (Mining)
MSc Mineral Economics
Professional Geoscientist (P.Geo), Canada
Professional Natural Scientist (Pr.Sci.Nat), South Africa

Experience

Mr. Erasmus has more than 40 years diversified industry experience, including exploration, developing projects through feasibility to production and operational mining throughout the world. The last 20 years he has operated as an independent mining and mineral economic consultant, financial analyst and valuator, primarily to corporate clients including Mining Companies and Mining Project Investors. Mr. Erasmus is experienced in providing mineral expert services, including mining license evaluation and acquisition, Corporate advisory services, Valuation of Mineral Projects to VALMIN standards, Competent Evaluator Reports (Chapter 18) and Competent Person Reports (NI43-101 and JORC) for Hong Kong and other international Stock Exchanges. In addition, Mr. Erasmus has published and presented papers at Mining Conferences and at the United Nations. Papers he published include Black Empowerment in the South African Mining Industry Colloquium (March 2003), Mineral Rights and Property Valuation at the International Platinum Conference – Sun City (2006).

Simon M.K. Chan

Executive Director, Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Qualifications and Professional Memberships

B. Commerce, FCPA, FCPA (Aust.), RICS, CVA, ICVS and Member of AusIMM

Experience

Simon has extensive work experience in valuation and corporate advisory industries. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in China, Hong Kong, Singapore and the United States. The valuation services provided include firm valuation, equity valuation, mining rights and mineral assets valuation, purchase price allocation, intangible asset identification and valuation (e.g. trademark, customer base, patent, etc.), biological asset valuation, current asset and liability valuation, goodwill and other asset impairment evaluation, convertible bond valuation, employee share option valuation and other financial instrument valuation. Simon has participated in certain large scale IPOs of State-owned and privately-owned enterprises in China. He has successfully assisted various multinational companies invested in China and has provided different extent of valuable due diligence services for these companies.

Exhibit C – Valuers' Professional Declaration

The following valuers certify, to the best of their knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.
- The reported analyses, opinions, and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Committee and VALMIN Code.
- Each of Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Johannes Francois Erasmus, the qualified person producing the Independent Valuation Report, has confirmed that it/he has reviewed the information contained in the Circular which relates to the Independent Valuation Report and further confirmed that the information presented therein is accurate, balanced, complete and not inconsistent with the Independent Valuation Report.
- The under mentioned persons provided professional assistance in the compilation of this report.

Johannes Francois Erasmus
Principal Consultant
BSc Geology
Graduate Diploma Engineering (Mining)
MSc Mineral Economics,
Professional Natural Scientist (Geological Science)
Reg. No. 400099/03
Member of the Geological Society of South Africa

Simon M. K. Chan
Executive Director
FCPA, FCPA (Aust.),
RICS, CVA, ICVS
Member of AusIMM

Valuer's Declaration II:

I, Johannes Francois Erasmus, hereby confirm that:

1. I have carried out the assignment for Jones Lang LaSalle Corporate Appraisal and Advisory, located at:

   7/F, One Taikoo Place
   979 King's Road
   Quarry Bay, Hong Kong
   Tel: (852) 2846 5000
   Fax: (852) 2169 6001

2. I graduated with Bachelor of Science (BSc) in Geology from the University of South Africa (1981) Followed a Graduate Diploma Engineering (Mining) and a Master's degree in Mineral Economics from the University of the Witwatersrand, South Africa.

3. I am a registered Professional Geologist (P.Geo) in Canada, and a Registered Natural Scientist (Pr.Sci.Nat) in South Africa. I am a Member of Geological Society in South Africa.

4. I have read the definition of "qualified person" set out in the proposed HK listing rules for mineral, fluorspar companies and certify that I fulfill the requirement to be a "qualified person" for the purpose of the said rules.

5. I have over 40 years' experience in the resources industry and during the last 20 years I have undertaken projects and fluorspar assets evaluations and valuation assignments on over 10 fluorspar related projects. Nine of these projects have occurred during the last 5 years and include assignments in Mongolia and South Africa.

6. I am the primary author responsible for the preparation and compilation of this valuation report.

7. I have neither present nor prospective interests in the fluorspar assets, the Target Company, the Company or the values reported herein.

8. I am not aware of any material fact or material change with respect to the subject matter of the valuation report that is not reflected in the valuation report.

9. I have read the definition of "Expert and Specialist" set out in the VALMIN Code (2015) and certify, by reason of my education, affiliation with a professional association and past relevant work experience, that I fulfill the requirements to be an "Expert" for the purpose of the VALMIN Code (2015).

10. This report has been prepared in accordance with the guidelines set by the VALMIN Code (2015) established by the VALMIN Committee in Australia.

Johannes Francois Erasmus

I, Simon M. K. Chan, hereby certify that:

1. I have read the definition of "Expert and Specialist" set out in the VALMIN Code and certify, by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements to be a "Specialist" for the purpose of the VALMIN Code.

2. I am responsible for the review of this valuation report.

3. I have read the VALMIN Code and the valuation report has been prepared in accordance with the VALMIN Code.

4. I am a certified public accountant in Hong Kong (HKICPA) and Australia (CPA (Aust)), and I am also a member of the AusIMM. I have extensive work experience in valuation and corporate advisory industry.

5. I am not aware of any material fact or material change with respect to the subject matter of the report that is not reflected in the report, that a failure to disclose would make the report misleading.

6. I am independent of the Target Company and the Company, in compliance with Clause 24 of the VALMIN Code.

7. The valuation report is prepared within Jones Lang LaSalle with registered address at 7/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

Simon M.K. Chan

Exhibit D – Equity Value for the Target Company

After deriving the Chapter 18 Value of the Project, we included the following other assets and liabilities of the Target Company to arrive at the equity value of 51% equity interest of the Target Company.

	RMB'000
PV of FCFF (Chapter 18 Value of Project)	**1,991,438**
Add:	
Cash and cash equivalents	204,281
Other accounts receivable	8,284
Other current assets	7,037
Deferred-tax assets	2,342
Less:	
Accounts Payable	(27,884)
Payable to employees	(895)
Taxes payable	(52)
Other payables	(8,430)
Other liabilities	(23,015)
100% equity value of the Target Company	**2,153,106**
51% equity value of the Target Company	**1,098,084**
51% equity value of the Target Company (Rounded)	**1,098,000**

Exhibit E – Glossary

NI43-101	A national instrument for the Standards of Disclosure for Mineral Projects within Canada. The Instrument is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada.
JORC Code	A code of professional conduct developed by the Joint Ore Reserves Committee which sets the minimum standards for public reporting of Exploration Results, Mineral Resources and Ore Reserves in Australia and New Zealand and which has been adopted by and included in the listing rules of the Australian Stock Exchange and the New Zealand Stock Exchange.
VALMIN Code	A code of professional conduct that establishes standards of best practice for the technical assessment and valuation of mineral and petroleum assets and securities by geologists involved in the preparation of Independent Expert's Reports. The VALMIN Code was developed by a joint committee of The AusIMM, AIG and MICA (now the Consultants Society of The AusIMM), in consultation with the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector. The Code is binding on all members of The AusIMM and AIG.