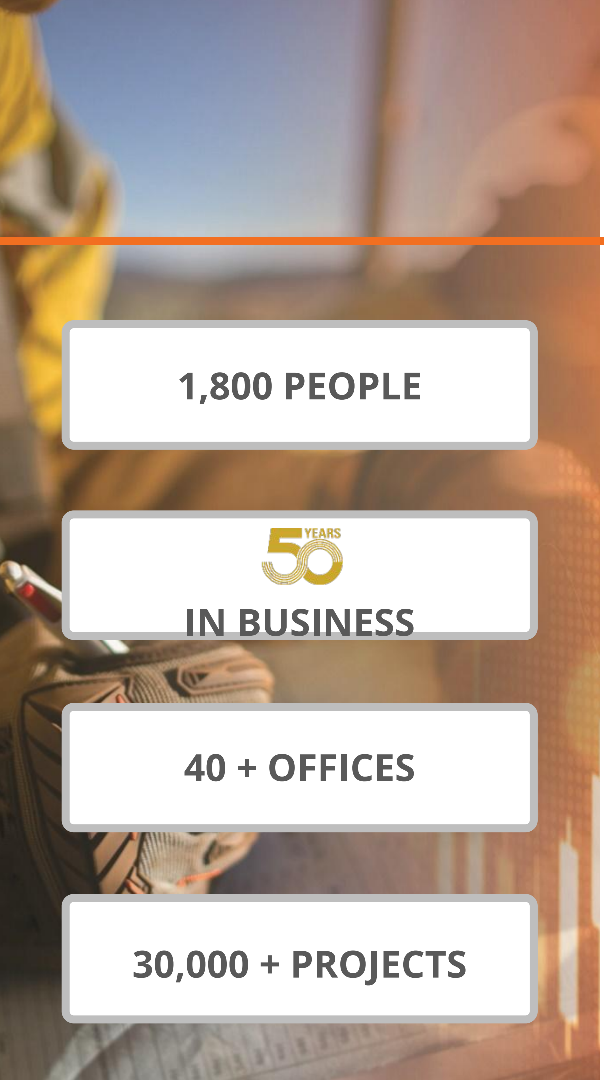

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East–West Divide in the Valuation of Mineral Assets

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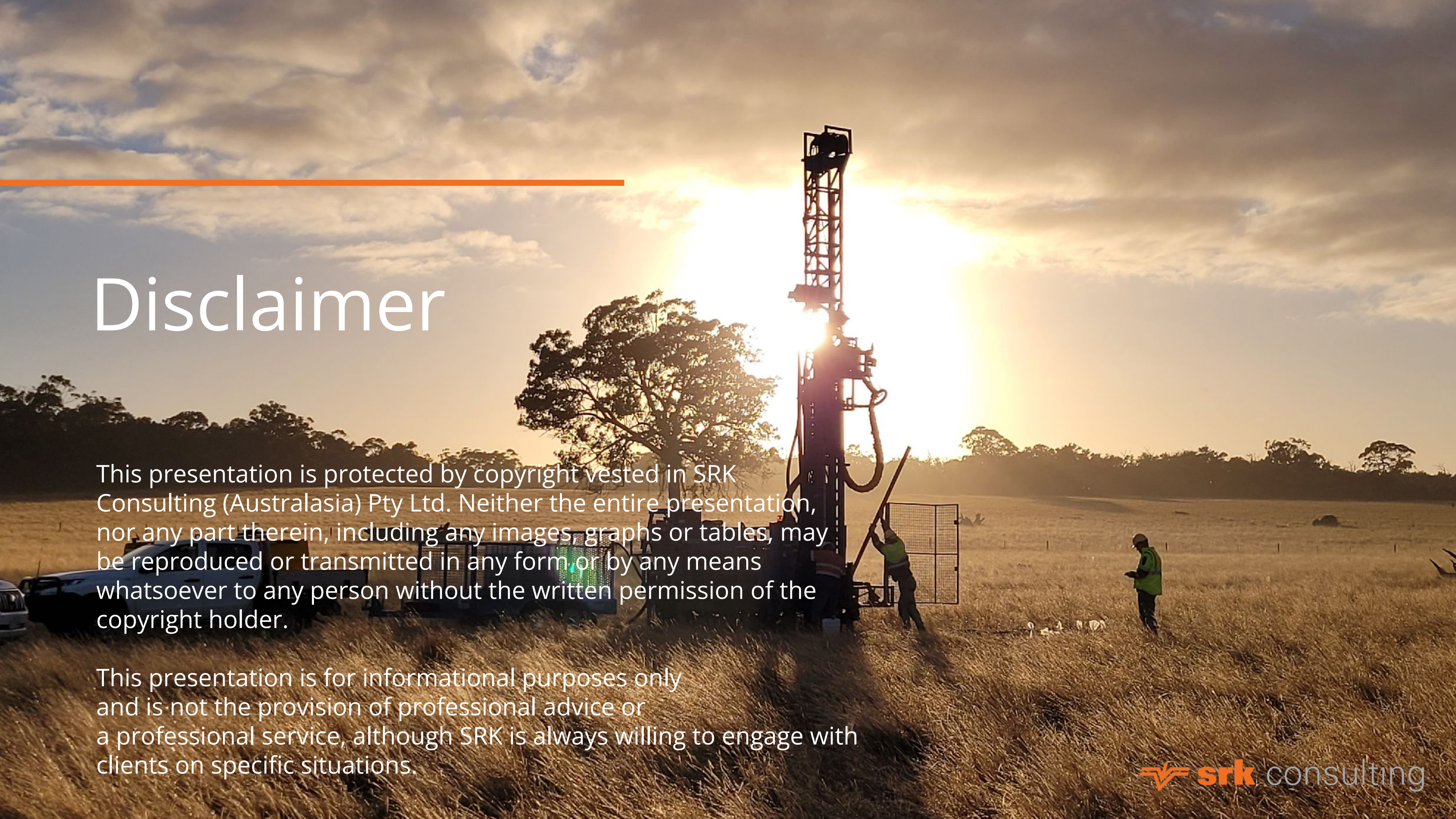

Disclaimer

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Thesis

In acquiring mineral assets around the world, the investment community is cognisant of perceived variances in different regions.

It is evident that transactions relating to mineral assets in China often show a variance in the price paid for similar assets in many Western countries.

This presentation sets out several potential reasons for this pricing variance, with a focus on the Australian and Chinese markets.

Content

- Gold market
- Reporting codes
- Valuation codes
- Impact on valuations
- Comparative Transaction analysis
- Peer Group Trading analysis
- Conclusions
- Questions

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Gold market

- Chosen the gold market to compare the East–West divide:
  - Gold is a fungible commodity
  - China and Australia are the largest and third largest producers
  - However, variations in mineralisation styles, mining and processing.
- Despite some complexities, the gold market provides the best commodity for this analysis regarding the East–West valuation divide.

Mineral reporting codes

Chinese reporting code

- GB/T 17766-2020 Similar terminologies for Resource and Reserve classifications as JORC
- GB/T 13908-2020 prescriptive and rule based
- Mandated quantifiable criteria:
  - Qualified institution – not individual CP
  - Minimum sampling point spacing for each commodity
  - Fixed formulas for cut-off grade
  - Technical review by the Ministry of Natural Resources
  - Mining licence requires development plan to be submitted
- 5 August 2025 announced a new modification (to

Australian reporting code

- JORC Code
- Guiding framework:
  - Individual CP
  - Not prescriptive on the criteria for estimation
  - Only economically viable Resources reported as Reserves
  - Professional judgement of the CP.

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Mineral reporting code

Example:

- Beidong orogenic gold project in China .
- Class II and drill spacing is set at 60m by 60m for Indicated Resources and 80m by 120m for Inferred Resources.
- JORC-based approach, the total reported resource tonnage is higher than under the Chinese system.
- JORC, fewer tonnes are classified as Measured and Indicated compared

Geological complexity	Measured	Indicated	Inferred
Class I (simple)	• Drill spacing within 80 m	• Drill spacing 80-160 m • Volumes limited to material directly between drill holes	• Drill spacing greater than 160 m • Can include material 80–160 m beyond the last sampling point
Class II (medium)	• Drill spacing within 40 m	• Drill spacing 40-80m • Volumes limited to material directly between drill holes	• Drill spacing greater than 80 m • Can include material 40–80 m beyond the last sampling point
Class III (complex)	• Drill spacing within 20 m	• Drill spacing 20-40m • Volumes limited to material directly between drill holes	• Drill spacing greater than 40 m • Can include material 20–40 m beyond the last sampling point

Source: Chinese standard GB/T 17766-2020 and DZ/T 0205-2020.

Mineral reporting code

Evidence shows:

- The Chinese code returns less tonnage but more Measured and Indicated material.
- In Australia, the code returns more tonnage but less Measured and Indicated material.
- The Australian code focuses on the quality or confidence of the estimate.

Valuation reporting codes

Australian reporting code

- VALMIN Code
  - Member of AusIMM
  - Individual CP
  - Not prescriptive on valuation methods
  - Professional judgement of CP
  - Valuation based on JORC Code
  - Purpose is to inform the market, promoting transparency
  - Market-based approach to valuation

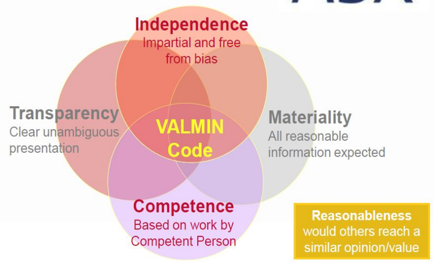
Chinese reporting code

- Chinese Mineral Valuation Standard (CMVS):
  - Valuation based on GB/T 17766-2020
  - Appraisers licensed by the Ministry of Natural Resources (MNR)
  - Working for an MNR-registered appraisal institution
  - Must comply with rigid national standards and technical guidelines
  - Purpose is for regulatory compliance and approval
  - Cost-based and intended to standardise the income approach to valuation

Stock exchange requirements

Australia ASX / Hong Kong HKEx

- JORC and VALMIN codes
- Emphasise market transparency and global investor needs

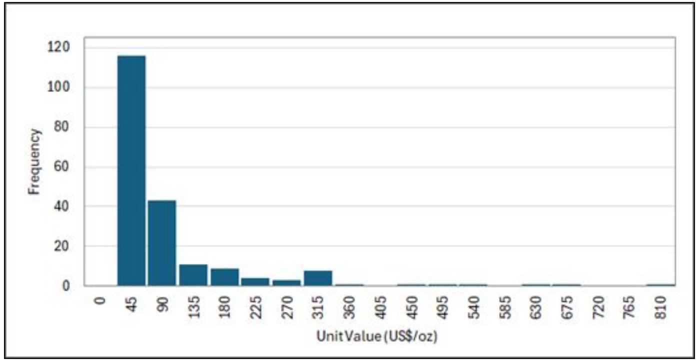


Shanghai SSE / Shenzen SZSE

- State reporting standards
- SZSE prioritises state oversight and standardisation for domestic assets

Market valuation approach

Statistic	China only		Australia only		Australia and China	
	Raw resource multiple (US$/oz)	Resource multiple (US$/oz)	Raw resource multiple (US$/oz)	Normalised resource multiple (US$/oz)	Raw resource multiple (US$/oz)	Normalised resource multiple (US$/oz)
All transactions						
Count	5	5	196	196	201	201
Minimum	21.05	49.6	0.02	0.02	0.02	0.02
Average	64.37	154.17	33.71	70.69	34.47	72.77
Median	75.08	124.32	14.06	31.42	14.74	33.62
Maximum	105.65	286.43	387.57	775.53	387.57	775.53
Percentile 5%	21.95	51.51	0.54	1.36	0.56	1.43
Percentile 25%	25.52	59.16	3.74	8.2	3.84	9.06
Percentile 75%	94.54	251.32	34.96	74.34	35.51	77.77
Percentile 95%	103.42	279.41	135.7	293.85	130.25	293.58



Transaction analysis:

- Between 2015 and 2025:
  - 201 transactions
  - 196 involved Australian assets and 5 related to assets in China.
- Disparity in the number of transactions between jurisdictions reflects the opaque nature of transaction disclosure in China.
- Normalised to the August 2025 average US dollar gold price of US$3,368/oz.

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Market valuation approach

Transaction analysis: Advanced exploration

- Australian average at US$54.81/oz
- China average at US$129.88/oz .

Statistic	China only		Australia only		Australia and China	
	Raw resource multiple (US$/oz)	Resource multiple (US$/oz)	Raw resource multiple (US$/oz)	Normalised resource multiple (US$/oz)	Raw resource multiple (US$/oz)	Normalised resource multiple (US$/oz)
Projects in advanced exploration to development stage						
Count	4	4	166	166	170	170
Minimum	21.05	49.6	0.02	0.02	0.02	0.02
Average	56.83	129.88	25.18	53.01	25.93	54.81
Median	50.3	91.74	11.79	24.88	12.81	26.6
Maximum	105.65	286.43	387.57	775.53	387.57	775.53
Percentile 5%	21.72	51.04	0.43	0.82	0.44	0.91
Percentile 25%	24.4	56.77	2.96	7.35	3.1	7.74
Percentile 75%	82.72	164.85	26.95	59.71	27.29	60.04
Percentile 95%	101.06	262.11	100.75	188.38	103.91	196.28

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Market valuation approach

Transaction analysis: Advanced exploration

- Chinese advanced exploration projects did transact at a premium:
  - Australian average at US$54.81/oz
  - China average at US$129.88/oz
- Chinese dataset is small and therefore the results are not conclusive.

Market valuation approach

Transaction analysis: Producers

- Australian average at US$214.86/oz
- China average at US$251.32/oz .

	China only		Australia only		Australia and China	
Statistic	Raw resource multiple (US$/oz)	Resource multiple (US$/oz)	Raw resource multiple (US$/oz)	Normalised resource multiple (US$/oz)	Raw resource multiple (US$/oz)	Normalised resource multiple (US$/oz)
Operating mines						
Count	1	1	19	19	20	20
Minimum	94.54	251.32	3.84	10.78	3.84	10.78
Average	94.54	251.32	110.67	235.86	109.86	236.63
Median	94.54	251.32	96.14	214.86	95.34	224.91
Maximum	94.54	251.32	320.92	642.15	320.92	642.15
Percentile 5%	94.54	251.32	31.81	49.58	33.36	51.74
Percentile 25%	94.54	251.32	53.11	115.16	54.87	129.64
Percentile 75%	94.54	251.32	139.81	294.06	134.23	293.8
Percentile 95%	94.54	251.32	302.41	594.09	301.39	591.42

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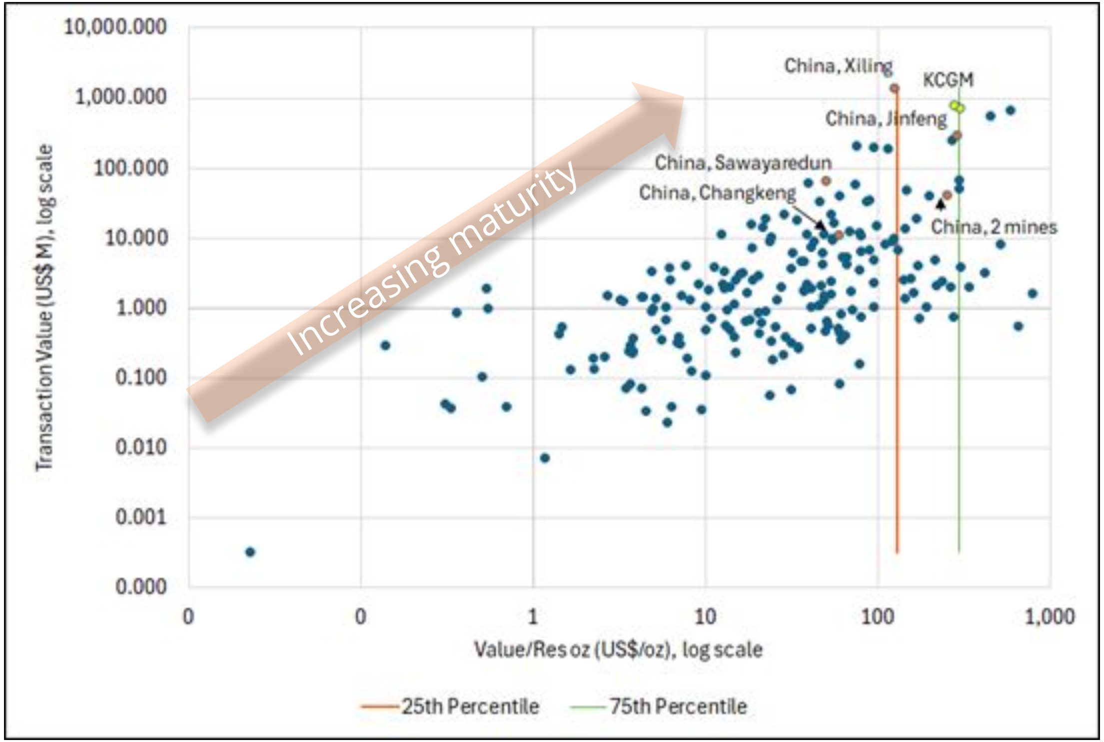
Market valuation approach



Transaction analysis:

Producers

- China Mining Resources Group Ltd acquired two gold mines from Fung Wai Enterprises Ltd
  - implied multiple US$251/oz.
- Purchase of Kalgoorlie Consolidated Gold Mine via two separate transactions by Saracen Mineral Holdings Ltd and Northern Star
  - implied multiples of US$295/oz and US$272/oz, respectively.
- Chinese gold mines transactions fall between the 25th US$129.64/oz and 75th US$293.80/oz percentiles of the

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Market valuation approach

Fundamental difference between Markets:

- State-owned enterprises: China National Gold Group Corporation
- State hold some equity in public companies:
  - Zijin Mining Group Co Ltd (Zijin),
  - Shandong Gold Mining Co Ltd (Shandong),
  - Zhongjin Gold Corp Ltd (Zhongjin),
  - Chifeng Jilong Gold Mining Co Ltd (Chifeng),
  - Lingbao Gold Group Co Ltd (Lingbao) and
  - Zhaojin Mining Industry Co Ltd (Zhaojin).
- In Australia, there are no state-run gold exploration and mining companies. All companies are listed enterprises that are largely publicly funded and listed on the ASX.

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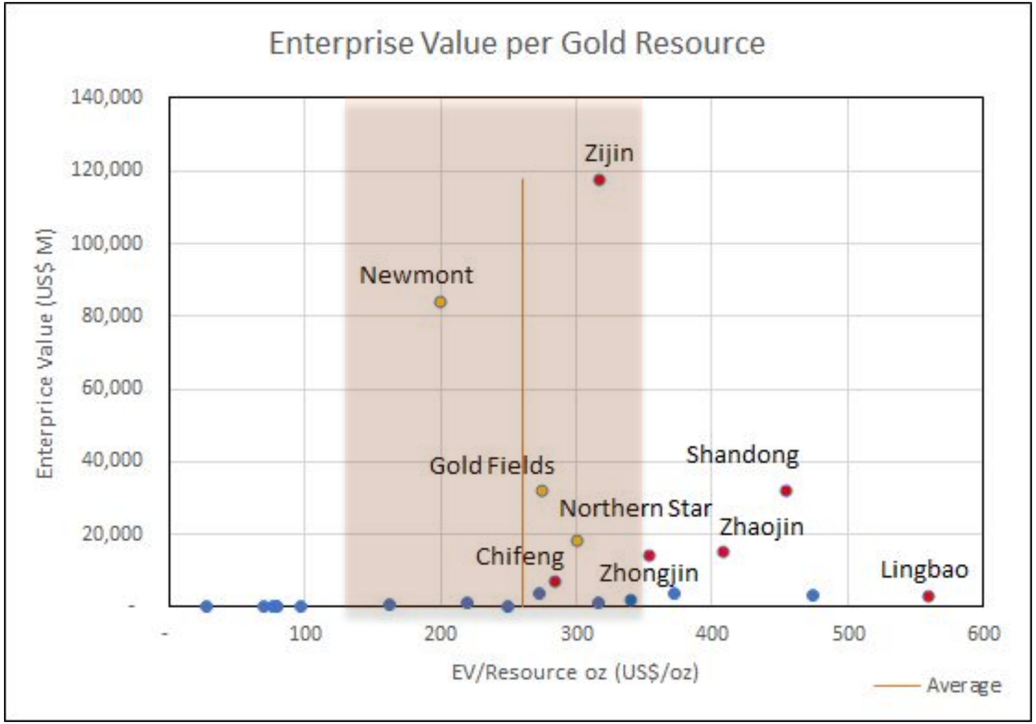
Market valuation approach

Statistic	EV/resource oz	EV/production oz	EV/EBITDA
Count	23	16	15
1st quartile	129.6	10 584.7	10.2
Average	260.2	14 674.3	13.9
Median	273.8	13 609.0	12.1
3rd quartile	346.6	18 269.8	15.9

Peer group analysis:

- All listed on the ASX, HKEx and SHEX
- Study assessed 23 companies focused on gold exploration and production
- Total of 17 Australian
- Six listed companies adequately represent China as public companies with sufficient information
  - Shandong
  - Zijin
  - Zhongjin
  - Chifeng
  - Zhaojin
  - Lingbao

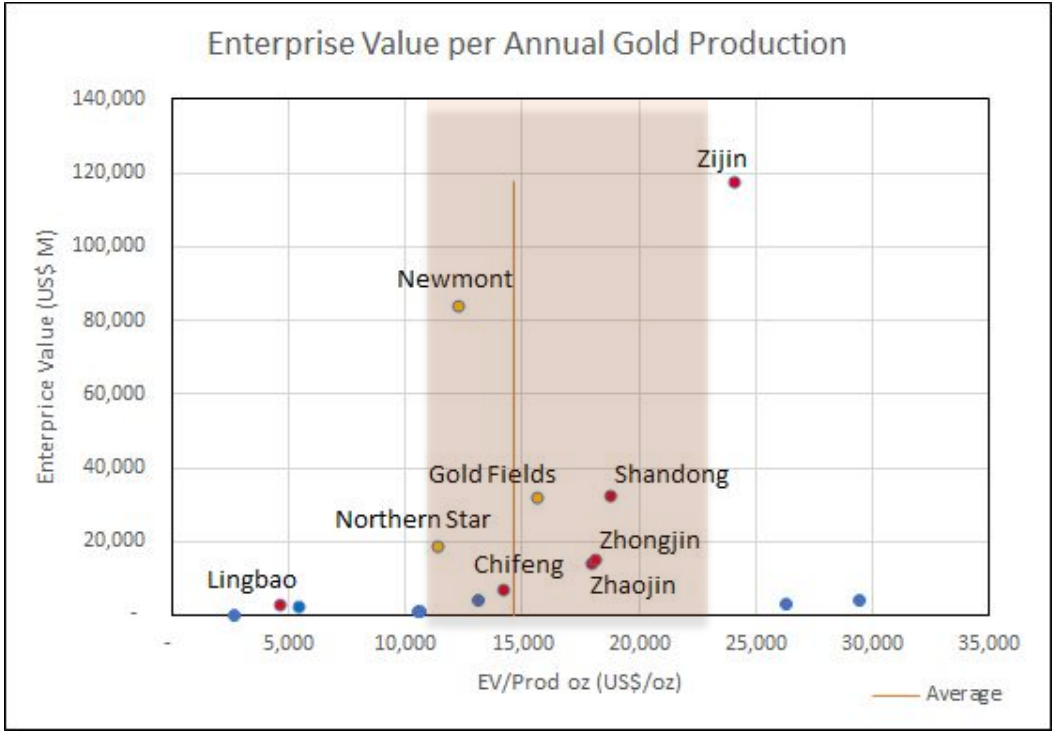
Market valuation approach



Peer group analysis:

- Benchmarked Australian gold companies:
  - Newmont,
  - Gold Fields
  - Northern Star.
- Observation – all Chinese companies lie above the median and average of the dataset.

Market valuation approach



Peer group analysis:

- Zijin value multiple EV/production oz lies at the top end of the range.
- Zijin and Shandong are valued at a premium to the broader market.
- Chinese companies are all more vertically integrated and diversified than Australian gold-only focused companies.

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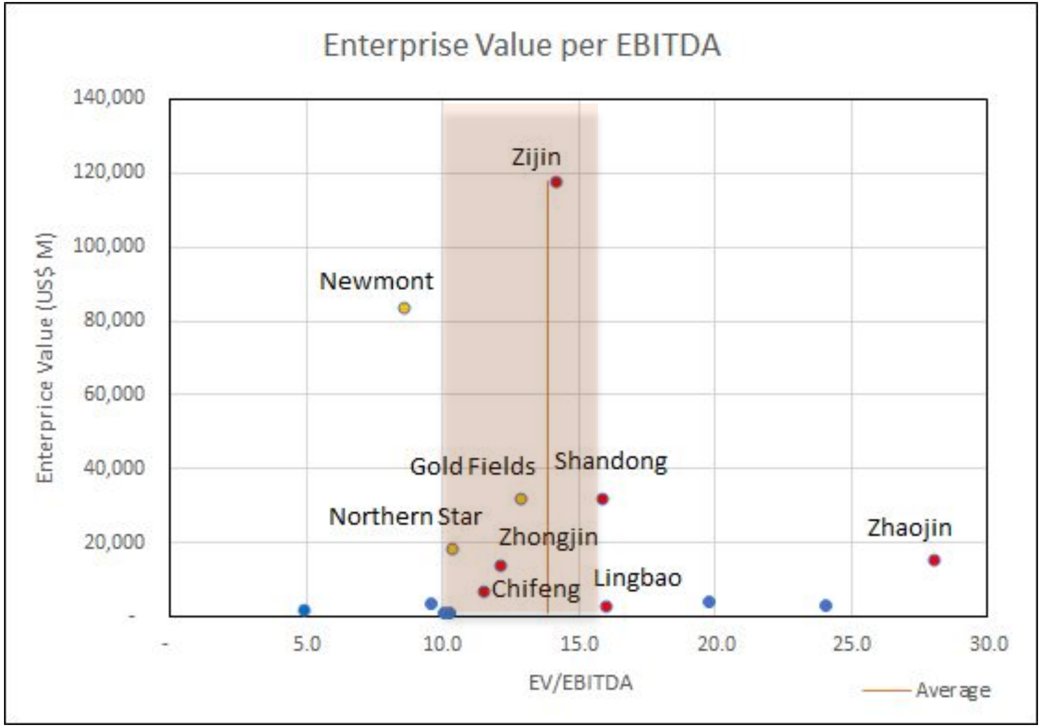
Market valuation approach



Peer group analysis:

- Using EV / EBITDA, the positions of most comparative companies are clustered around the mean and median of 13.9 and 12.1, respectively.
- Exceptions are Newmont and Zhaojin, which form the low and high of the comparative group, respectively.

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Conclusions

- Clear differences in reporting codes:
  - China is prescriptive: for domestic regulatory control and state resource management.
  - Guiding framework: emphasise international market disclosure and investor confidence
  - Australian Resource code focused on quality / confidence
- Listed companies
  - China largely government owned but also public ownership
  - Australia all publicly owned

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Conclusions continued

- Impact on valuations profound:
  - Australia prioritising market-based assumptions and expert risk assessment
  - Chinese valuations are bound by standardised approaches and assumptions.
- Remains unclear whether Chinese operating gold companies transact at a premium compared to similar companies in Australia.
- However, advanced exploration assets in China indicate that they transact at a premium to their counter parts in Australia.

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Discussion

Thank You

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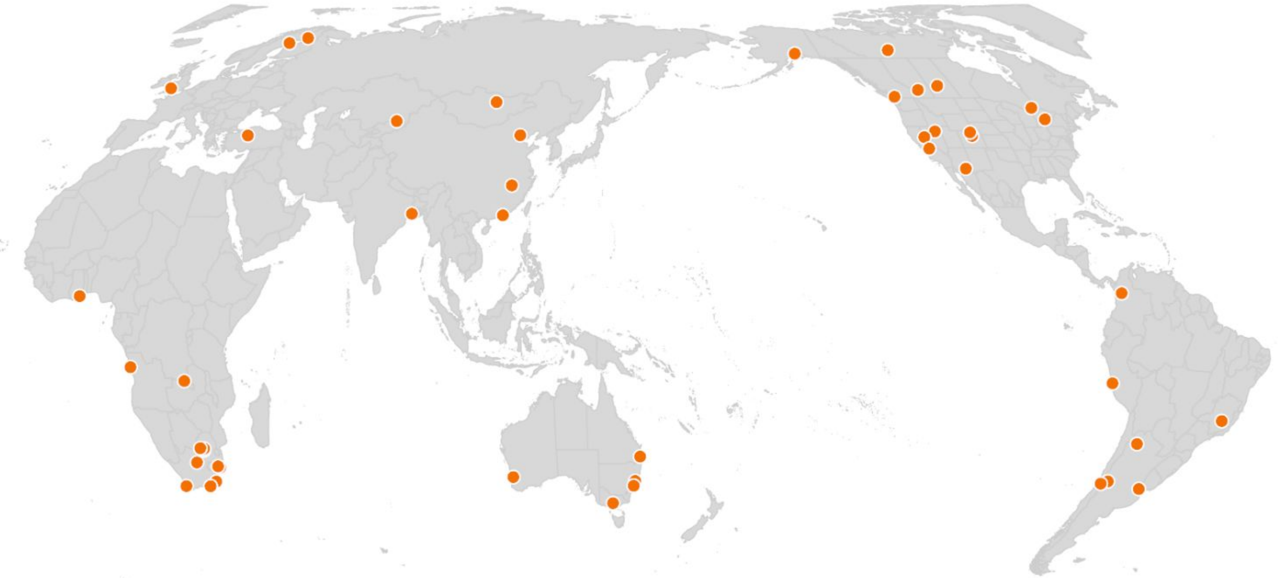

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