China Graphite Group Limited
中国石墨集团有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2237)

VOLUNTARY ANNOUNCEMENT
MINERAL RESOURCE ESTIMATION UPDATE

The board (the "**Board**") of directors (the "**Director(s)**") of China Graphite Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that the Group has completed an updated mineral resource estimation for our graphite mine located approximately 28 km northwest of Luobei County in Heilongjiang Province, the mining rights of which was obtained by the Group in 2019 (the "**Beishan Mine**") in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (the "**JORC Code**").

Reference is made to the annual report of the Company for the year ended 31 December 2023 (the "**2023 Annual Report**"). During the year of 2023, the Group had formulated a reserve expansion plan and exploration drilling works in Beishan Mine for resources at depth conducted. A total of 25 drillholes with an aggregated length of approximately 6,700 meters and drilling depth ranging from approximately 120 to 410 metres had been conducted. According to the mineral resources estimation report (the "**Resources Report**") dated 2 October 2024 prepared by SRK Consulting (Hong Kong) Limited ("**SRK**"), an independent third party mining consultancy, the total of the measured, indicated and inferred graphite mineral resources above 150 metres above sea level ("**masl**") was approximately 12,205 kiloton ("**kt**") as at 30 April 2024 as compared to 12,363 kt as at 31 December 2023, and the total graphite mineral resources below 150 masl increased significantly from 29,329 kt as at 31 December 2023 to 54,898 kt as at 30 April 2024.

MINERAL RESOURCE STATEMENT

Table 1 below shows the updated graphite mineral resources estimate for Beishan Mine above 150 masl as at 30 April 2024.

Table 1: Graphite Mineral Resource Statement above 150 masl as at 30 April 2024

Mineral	Mineral Resource Category	Tonnage (kt)	Total graphitic carbon ("TGC") (%)	Graphite (kt)
Graphite	Measured	3,107	10.41	323
	Indicated	7,653	11.25	861
	Inferred	1,445	11.05	160
Total		**12,205**	**11.01**	**1,344**

Source: SRK

Notes:

- The Mineral Resource estimates are reported on an in situ basis at a 3.5% TGC cut-off.
- Bulk density: Domain V1: 2.71 t/m^3; Domain V2: 2.74 t/m^3; Domain V3: 2.67 t/m^3; Domain V4: 2.70 t/m^3; Domain V5–1: 2.73 t/m^3; Domain V5–2: 2.70 t/m^3; Domain V6: 2.70 t/m^3.
- Tonnages are reported in metric units, grades are reported in percentage of graphite.
- Tonnages and grades are rounded appropriately. 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.

Table 2 below shows the updated marble mineral resources estimate for Beishan Mine above 150 masl as at 30 April 2024.

Table 2: Marble Mineral Resource Statement above 150 masl as of 30 April 2024

Mineral	Mineral Resource Category	Tonnage (kt)	Calcium oxide ("CaO") (%)	CaO (kt)
Marble	Indicated	2,301	49.29	1,134
	Inferred	554	48.56	269
Total		**2,854**	**49.15**	**1,403**

Source: SRK

Notes:

- The mineral resources are reported on an in situ basis at a 45% CaO cut-off.
- Bulk density: 2.71 t/m^3.
- Tonnages are reported in metric units, grades are reported in percentage of CaO.
- Tonnages and grades are rounded appropriately. 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.

Table 3 below shows the updated graphite mineral resources estimate for Beishan Mine below 150 masl as at 30 April 2024.

Table 3: Graphite Mineral Resource Statement below 150 masl as at 30 April 2024

Mineral	Mineral Resource Category	Tonnage (kt)	TGC (%)	Graphite (kt)
Graphite	Measured	9,715	12.40	1,204
	Indicated	25,305	12.04	3,046
	Inferred	19,878	12.29	2,443
Total		**54,898**	**12.19**	**6,693**

Notes:

- The mineral resources are reported on an in-situ basis at a 3.5% TGC cut-off.
- Bulk density: Domain V1: 2.71 t/m^3; Domain V2: 2.74 t/m^3; Domain V3: 2.67 t/m^3; Domain V4: 2.70 t/m^3; Domain V5-1: 2.73 t/m^3; Domain V5-2: 2.70 t/m^3; Domain V6: 2.70 t/m^3.
- Tonnages are reported in metric units, grades are reported in percentage of graphite.
- Tonnages and grades are rounded appropriately. 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.

Table 4 below shows the updated marble mineral resources estimate for Beishan Mine below 150 masl as at 30 April 2024.

Table 4: Marble Mineral Resource Statement below the approved mining licence elevation limits as of 30 April 2024

Mineral	Mineral Resource Category	Tonnage (kt)	CaO (%)	CaO (kt)
Marble	Indicated	1,001	48.42	484
	Inferred	2,513	48.38	1,216
Total		**3,514**	**48.39**	**1,700**

Source: SRK

Notes:

- The mineral resources are reported on an in situ basis at a 45% CaO cut-off.
- Bulk density: 2.71 t/m^3.
- Tonnages are reported in metric units, grades are reported in percentage of CaO.
- Tonnages and grades are rounded appropriately. 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.

The Board believes that the abundance of high-grade graphite resources of the Beishan Mine will continue to support our future business operation.

KEY ASSUMPTIONS AND JORC CODE REQUIREMENTS

The mineral resources have been classified in accordance with the guidelines set out in the JORC Code.

The full mineral resource estimate for the Beishan Mine is tabulated in Table 1 to Table 4 above.

Material Information for the Mineral Resources, including a summary of material information and the Assessment and Reporting Criteria in accordance with JORC Code requirements, is included in this announcement (including the Appendix A to this announcement).

MINERAL RESOURCES ESTIMATES

Summary of material information

A summary of material information contained in Appendix A is provided below:

Geology and geological interpretation: The graphite mineralisation of Beishan is of flake type, with flake size primarily ranging from fine to medium, hosted by a sequence of graphite schists with a moderate dip to the north. The by-products of the open pit mining are deposits of marble that are situated between the graphite mineralised domains. We interpreted the Graphite mineralised domains based on the threshold of 3.5% TGC as well as the lithological logging record. We interpreted the marble domains based on the CaO threshold of 45% as well as the lithological logging record. A total of six graphite mineralised domains were interpreted and nine marble domains were modelled.

Exploration: There are three systematic exploration phases, in 2015, project of Beishan Mine was explored by Harbin Ruifa Mineral Exploration Co., Ltd ("**Ruifa**") and a total of 36 diamond holes were drilled with a total length of 5,387.53 m. In 2020, the verification program was also carried out by Ruifa and supervised by SRK with a total of 11 infill diamond holes drilled with a total length of 1,647 m. In 2023, the infill drilling program was also carried out by Ruifa and supervised by SRK with a total of 25 infill diamond holes drilled with a total length of 6,694 m. All available drilling trenching information has been incorporated into the geological database used in support of the Mineral Resource estimates.

Drilling techniques, sampling, sub-sampling techniques and sample preparation: The 2015, 2020 and 2023 drill holes were drilled using NQ diamond drilling rigs with a single core barrel inside the drilling rods to take the drill core. The recovered core diameter is 47.6 mm. The main source of information supporting the mineral resource updates is the drilling and trenching in 2015, 2020 and 2023. Downhole surveys were measured every 50 m, and trench surveys were measured at every interval. Surface mineralisation was determined by trenches. The channel sampling method was used for the trench sampling, at nominal intervals of approximately 2 m. Drill core sampling intervals were approximately 2 m. The lengths of samples were generally 2 m, with a minimum length of 0.55 m and a maximum length of 3.5 m. There are no samples which cross lithological and mineralisation boundaries. Mineralised cores were equally halved along the core axis using an electric rock saw. One half of the core was collected for assay while the other half was preserved in the core tray for future inspection. All exploration campaigns of 2015, 2020 and 2023, the laboratory of the No.6 Geological Survey Institute (6^{th} Laboratory) undertook basic analysis for the TGC and marble chemical contents for CaO, magnesium oxide ("**MgO**") and free silicon dioxide ("**SiO_2**"). The sampling preparation before testing was as follows:

— The samples were dried at 60°C and crushed to 100 mesh (149 μm using a jaw crusher and a disc mill, and then divided into two splits by a riffle splitter.

— One of the splits was ground into 200 mesh (74 μm, and a 0.05 g pulp sample was used for TGC analysis.

— Approximately 500 g of the remaining splits was taken and preserved as duplicates.

Quality Assurance and Quality Control (QA/QC): In 2015, 6th laboratory used laboratory duplicates and inter-laboratory check procedures to carry out the QA/QC procedure, which met the Chinese Industry standard practice. In 2020, the control samples including certified reference materials (CRMs), blanks and duplicates, were inserted into the sample batches at a frequency of one in every 25 samples. In 2023, the control samples, including the CRMs, blanks and duplicates, were inserted into the sample batches at a frequency of one in every 25 samples. No material issues were found with the analysis for the QA/QC procedures for the 2015, 2020 and 2023 exploration programs.

Estimation and modelling techniques: The by-products are marble domains interleaving with the graphite domains. The marble blocks mined during mining development were transported by local construction materials companies for sale. The Mineral Resource estimate was carried out using Leapfrog software. Graphite mineralised domains and marble domains were created as follows:

— Graphite domains were defined by a threshold of 3.5% TGC based on the lithological record.

— Marble domains were defined by CaO ≥45% as well as lithological logging.

Samples were composited to 2 m within the domains. The remaining intervals that were not composited to 2.0 m were distributed evenly among composited samples within the same domain. Top-capping was used for composites in all domains except Domain V2. Directional variogram modelling was performed within the plane of domain orientation. The IDW method was used to interpolate the TGC in Domain V2, and CaO, MgO and SiO_2 in the marble domains due to there being insufficient data to create meaningful variograms. The TGC was estimated by Ordinary Kriging ("**OK**") method in the five graphite domains — V1, V3, V4, V5 and V6. Block estimation was conducted using Leapfrog software. SRK produced the parent block model with dimensions of 20 m × 20 m × 5 m (Easting by Northing by elevation — RL) and sub-block dimension of 2.5 m × 2.5 m × 2.5 m (Easting by Northing by RL) to better align with the domain features. No rotation to fit the wireframes was applied. The search distances were derived from the variogram ranges and/or drilling density spacing. Block model validation was conducted by visual comparisons between intervals and grade estimates, statistical comparison between block and composite grades, and by swath plots along major axes showing comparisons between mean composite and mean block grades. No modelling of selective mining units was undertaken. The mineral resource estimate was initially reported on 31 December 2021. The mineral resource was updated as of 31 December 2022 by depleting the historical production. The 2024 Mineral Resource estimate is an update of the 2022 Mineral Resource and incorporates data from a recent infill drilling program (2023) in addition to the 2022 estimation databases.

Cut-off parameters: Based on actual production practice, a cut-off grade of 3.5% TGC is used for estimation. A top-capping grade has been used for each graphite domain as follows:

— Domain V1, 20% TGC

— Domain V2, no capping

— Domain V3, 19% TGC

— Domain V4, 21% TGC

— Domain V5–1, 22% TGC

— Domain V5–2, 21% TGC

— Domain V6, 22% TGC.

Classification: Classification is based on data quality and quantity (including drill hole spacing), geological complexity and grade continuity and grade interpolation. For the measured mineral resources classification criteria, blocks are estimated by the OK method with a slope of regression greater than 0.9 generally received a measured classification. However, due to a lack of samples to create a meaningful variogram, Domain V2 was estimated by the Inverse Distance Weighted ("**IDW**") method. As a result, blocks within Domain V2 received indicated or inferred classifications. For the indicated mineral resources classification criteria, blocks are estimated by the OK method with a slope of regression greater than 0.6 and lower than 0.9 received an Indicated classification. Blocks within Domain V2 estimated by the IDW method and having an average sample distance less than 80m were classified as indicated. For the inferred mineral resources classification criteria, blocks are estimated by the OK method with a slope of regression lower than 0.6 received an inferred classification. Similarly, blocks within Domain V2 estimated by the IDW method with an average sample distance greater than 80 m were classified as Inferred. The result appropriately reflects the Competent Person's view of the deposit.

Mining and metallurgical factors or assumptions: A 2.0 m minimum ore thickness was used. No other mining factors were applied to the mineral resource estimation process**.** Metallurgical factors were indirectly integrated by defining TGC cut-off grades. No other metallurgical factors were directly or indirectly applied in the mineral resource estimation.

Comparison of mineral resources:

Below tables compared the graphite and marble Mineral Resource as at 30 April 2024 to that as at 31 December 2023. The result is shown in Table 5 and Table 6:

Table 5: Mineral Resource comparison between 31 December 2023 and 30 April 2024

Mineral Resource reporting date and above/ below 150 masl	Mineral Resource Category	Tonnage (kt)	TGC Grade (%)	Graphite (kt)
Graphite	Measured	–	–	–
As at 31 December 2023,	Indicated	11,395	9.79	1,116
above 150 masl	Inferred	968	11.44	111
	Total	**12,363**	**9.92**	**1,226**
Graphite	Measured	3,107	10.41	323
As at 30 April 2024,	Indicated	7,653	11.25	861
above 150 masl	Inferred	1,445	11.05	160
	Total	**12,205**	**11.01**	**1,344**
Graphite	Measured	–	–	–
As at 31 December 2023,	Indicated	20,937	10.60	2,218
below 150 masl	Inferred	8,392	11.16	937
	Total	**29,329**	**10.76**	**3,155**
Graphite	Measured	9,715	12.40	1,204
As at 30 April 2024,	Indicated	25,305	12.04	3,046
below 150 masl	Inferred	19,878	12.29	2,443
	Total	**54,898**	**12.19**	**6,693**

Source: SRK

Notes:

- Totals may not add up due to rounding.
- The Mineral Resources are reported on an in situ basis at a 3.5% TGC cut-off.
- Graphite recourse tonnages are reported in metric units.

Table 6: Mineral Resource comparison between 31 December 2023 and 30 April 2024

Mineral Resource reporting date and above/ below 150 masl	Mineral Resource Category	Tonnage (kt)	CaO Grade (%)	CaO (kt)
Marble	Measured	–	–	–
As at 31 December 2023,	Indicated	896	49	441
above 150 masl	Inferred	821	49	406
	Total	**1,717**	**49**	**847**
Marble	Measured	–	–	–
As 30 April 2024,	Indicated	2,301	49	1,134
above 150 masl	Inferred	554	49	269
	Total	**2,854**	**49**	**1,403**
Marble	Measured	–	–	–
As 31 December 2023,	Indicated	–	–	–
below 150 masl	Inferred	135	51	69
	Total	**135**	**51**	**69**
Marble	Measured	–	–	–
As 30 April 2024,	Indicated	1,001	48	484
below 150 masl	Inferred	2,513	48	1,216
	Total	**3,514**	**48**	**1,700**

Source: SRK

Notes:

- Totals may not add up due to rounding.
- The Mineral Resources are reported on an in situ basis at a 45% CaO cut-off.
- Marble recourse tonnages are reported in metric units.

From 1 May 2024 to 31 August 2024, approximately 223 kt of graphite ore above 150 masl were extracted and no marble above 150 masl were extracted.

COMPETENT PERSON'S STATEMENT

The information presented in this announcement relating to mineral resource estimation of the project of Beishan Mine is based on information compiled by Dr. (Tony) Shuangli Tang ("**Dr. Tang**") and Dr. (Gavin) Heung Ngai Chan ("**Dr. Chan**"). Dr. Tang and Dr. Chan are Member and Fellow of the Australian Institute of Geoscientists (AIG) respectively and full-time employees of SRK Consulting (Hong Kong) Limited. Dr. Tang and Dr. Chan have sufficient experience that is relevant to the style of mineralised, the type of deposits under consideration, the mineral resource estimation under consideration and to the activity being undertaken 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 this announcement of the matters based on their information in the form and context in which it appears.

At the present stage, our mining permit in the Beishan Mine is with elevations ranging from 274 to 150 masl. As mentioned in the 2023 Annual Report, the Group is currently in the process of applying for the right to mine resources below 150 masl which the required updated exploration and resources report has been completed. The Group is preparing other necessary documents, including but not limited to, the resource development and utilization plan and the land rehabilitation plan for submission to the applicable governmental authorities for their approval to access to the abundant resources below 150 masl in Beishan Mine.

By order of the Board
China Graphite Group Limited
Zhao Liang
Chairman, executive Director and chief executive officer

Hong Kong, 2 October 2024

As at the date of this announcement, the Board comprises Mr. Zhao Liang and Mr. Lei Wai Hoi as executive Directors; and Mr. Shen Shifu, Mr. Liu Zezheng, Ms. Zhao Jingran and Mr. Ho Hoi Tung as independent non-executive Directors.

SRK Resource Report 2024

Appendix A Table 1 — JORC Code (2012)

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• The main source of information supporting the Mineral Resource updates is the drilling and trenching in 2015, 2020 and 2023. • Downhole surveys were measured every 50 m, and trench surveys were measured at every interval. • Surface mineralisation was determined by trenches. • The channel sampling method was used for the trench sampling, at nominal intervals of approximately 2 m. • Drill core sampling intervals were approximately 2 m. • The lengths of samples were generally 2 m, with a minimum length of 0.55 m and a maximum length of 3.5 m. • No samples cross lithological and mineralisation boundaries. • Mineralised cores were equally halved along the core axis using an electric rock saw. One half of the core was collected for assay while the other half was preserved in the core tray for future inspection.
Drilling techniques	• The 2015, 2020 and 2023 drill holes were drilled using NQ diamond drilling rigs with a single core barrel inside the drilling rods to take the drill core. The recovered core diameter is 47.6 mm.
Drill sample recovery	• The mineralised core recovery was approximately 97%. • Average core recovery was approximately 96%.
Logging	• Geological logging (lithology, mineral, mineral's colour and core recovery, etc.) was done by the site geologist of Ruifa. • Basic geotechnical logging included rock quality designation (RQD).
Sub-sampling techniques and sample preparation	• For all exploration campaigns of 2015, 2020 and 2023, the laboratory of the No.6 Geological Survey Institute (6th Laboratory) undertook basic analysis for the total graphitic carbon (TGC) and marble chemical contents for CaO, MgO and free SiO_2. The sampling preparation before testing was as follows: — The samples were dried at 60°C and crushed to 100 mesh (149 μm) using a jaw crusher and a disc mill, and then divided into two splits by a riffle splitter. — One of the splits was ground into 200 mesh (74 μm), and a 0.05g pulp sample was used for TGC analysis. — Approximately 500g of the remaining splits was taken and preserved as duplicates.

Criteria	Commentary
Quality of assay data and laboratory tests	• 2015: 6th Laboratory used laboratory duplicates and inter-laboratory check procedures to carry out the QA/QC procedure, which met the Chinese industry standard practice. • 2020: The control samples including certified reference materials (CRMs), blanks and duplicates, were inserted into the sample batches at a frequency of one in every 25 samples. • 2023: The control samples, including the CRMs, blanks and duplicates, were inserted into the sample batches at a frequency of one in every 25 samples. • Graphite assay methodology: The TGC analysis procedures consisted of three steps as follows: — Step 1 — Carbonate carbon removal: 1:1 nitric acid is added to the sample to remove the carbonate carbon with low-temperature heating. — Step 2 — Organic carbon removal: Once removed, the carbonate carbon sample is dried and then put in muffle furnace at 400°C temperature heating for 3 hours to remove the organic carbon. — Step 3 — TGC content determination: After the carbonate carbon and organic carbon removal, the sample is assayed by the high-frequency infrared carbon and sulfur analyser.
Verification of sampling and assaying	• No material issues were found with the analysis for the QA/QC procedures for the 2015, 2020 and 2023 exploration programs. • SRK has been provided with some of the 2015 and 2020 sampling procedures and protocol documents for review, which meet the Chinese industry standards. • The QA/QC procedures in 2023 were supervised by SRK. • The drilling, logging, sampling and assaying methods are considered consistent. • To SRK's knowledge, no adjustments to the assay data were made.
Location of data points	• All drill hole and trench collars were surveyed by real-time kinematic GPS by CGCS 2000 datum. • All the downhole surveys were measured every 50 m. • All coordinates (unless otherwise stated) are CGCS 2000 datum.
Data spacing and distribution	• The drilling has been infilled to a 50–100 m × 50 m grid spacing. • Most of the samples were collected at an interval of approximately 2 m. • Most of the drill hole spacing inside the mining licence is sufficient to support the declaration of Mineral Resources. • Sample compositing has been applied for each mineralised domain.
Orientation of data in relation to geological structure	• All vertical and inclined drill holes were drilled to intersect the mineralised domains, hosted by a sequence of graphitic schists with a moderate dip to the northwest. No systematic bias was introduced by vertical drill holes.
Sample security	• Based on the information available, all remaining drill cores and pulp samples have been stored securely at Yixiang New Energy's onsite facility.
Audits or reviews	• SRK reviewed the 2015 and 2020 historical works, including drill hole locations, mineralisation examination, drill core logging validation and the sampling techniques during the process of preparing this Report. • In 2023, the infill drilling program was monitored by SRK.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• The mining licence for the Beishan Mine covers an area of 0.26 km². Yixiang New Energy was awarded the licence in April 2019. • The mining licence period of validity is from April 2019 to April 2024. • The current mining licence was renewed on 9 April 2024, and is valid until 8 July 2040.
Exploration done by other parties	• There are three systematic exploration phases: — In 2015, the Beishan Mine was explored by Ruifa. — In 2020, the verification exploration program was also carried out by Ruifa and supervised by SRK. — In 2023, the infill drilling program was also carried out by Ruifa and supervised by SRK. • All available drilling and trenching information has been incorporated into the geological database used in support of the Mineral Resource estimate.
Geology	• The Beishan graphite mineralisation is of flake type, with flake size primarily ranging from fine to medium, hosted by a sequence of graphitic schists with a moderate dip to the north. • The by-products of the open pit mining are deposits of marble that are situated between the graphite mineralised domains.
Drill hole Information	• In 2015, a total of 36 diamond holes were drilled with a total length of 5,387.53 m. In 2020, a total of 11 infill diamond holes were drilled with a total length of 1,647 m. In 2023, a total of 25 infill diamond holes were drilled with a total length of 6,694.60 m. • The drill hole collars were surveyed by real-time kinematic GPS. • In 2015, all holes were drilled vertically. In 2020, all holes were drilled with a dipping angle of 080° at an azimuth of 169° (southeast). In 2023, both vertical and inclined holes were drilled. • Unless otherwise specified, all coordinates used in this Report are CGCS 2000 datum.
Data aggregation methods	• No aggregating was made.
Relationship between mineralisation widths and intercept lengths	• The drilling of inclined holes was appropriate to the dip of mineralisation. The mineralisation widths were calculated based on the intercept lengths in the three-dimensional modeling software
Diagrams	• Various maps, sections and diagrams are included in the Resource Report, but are not reproduced here.
Balanced reporting	• All exploration results from drilling, trenching and mapping have been reported.
Other substantive exploration data	• There are no additional substantive exploration data that are meaningful and material to the report.
Further work	• No further work is currently scheduled or planned.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	• The database was prepared by SRK according to the geological information, following Chinese industry standards, provided by Ruifa. • SRK validated the Leapfrog database. • SRK modelled the graphite mineralised domains based on the database. • SRK did not exclude any drill hole or trench data from exploration in 2015, 2020 and 2023.
Site visits	• Dr Tony Tang conducted two site inspections to the Beishan Mine — on 18 June 2023 and 13 July 2023.
Geological interpretation	• SRK interpreted the graphite mineralised domains based on the threshold of 3.5% TGC as well as the lithological logging record. • SRK interpreted the marble domains based on the CaO threshold of 45% as well as the lithological logging record. • A total of six graphite mineralised domains were interpreted, and nine marble domains were modelled by SRK.
Dimensions	• SRK notes that the mining licence's vertical limit is from 274 masl to 150 masl. The dipping extent of the mineralised domains is below the bottom limit of 150 masl, even to -50 masl. • The in situ rough dimensions (in meters) of graphite mineralised domains are as below:- — Domain V1: 250 × 300 × 40 (strike × dip extension × average thickness) — Domain V2: 200 × 250 × 4 — Domain V3: 400 × 350 × 20 — Domain V4: 300 × 300 × 20 — Domain V5–1: 450 × 500 × 30 — Domain V5–2: 500 × 470 × 30 — Domain V6: 470 × 670 × 45

Criteria	Commentary
Estimation and modelling techniques	• The by-products are marble domains interleaving with the graphite domains. The marble blocks mined during mining development were transported by local construction materials companies for sale. • The Mineral Resource estimate was carried out using Leapfrog software. • Graphite mineralised domains and marble domains were created as follows: — Graphite domains were defined by a threshold of 3.5% TGC based on the lithological record. — Marble domains were defined by CaO≥45% as well as lithological logging. • Samples were composited to 2 m within the domains. The remaining intervals that were not composited to 2.0 m were distributed evenly among composited samples within the same domain. • Top-capping was used for composites in all domains except Domain V2. • Directional variogram modelling was performed within the plane of domain orientation. The Inverse Distance Weighted (IDW) method was used to interpolate the TGC in Domain V2, and CaO, MgO and SiO_2 in the marble domains due to there being insufficient data to create meaningful variograms. The TGC was estimated by Ordinary Kriging (OK) in the five graphite domains — V1, V3, V4, V5 and V6. • Block estimation was conducted using Leapfrog software. • SRK produced the parent block model with dimensions of 20 m × 20 m × 5 m (Easting by Northing by elevation — RL) and sub-block dimension of 2.5 m × 2.5 m × 2.5 m (Easting by Northing by RL) to better align with the domain features. No rotation to fit the wireframes was applied. • The search distances were derived from the variogram ranges and/or drilling density spacing. • Block model validation was conducted by visual comparisons between intervals and grade estimates, statistical comparison between block and composite grades, and by swath plots along major axes showing comparisons between mean composite and mean block grades. • No modelling of selective mining units was undertaken. • The Mineral Resource estimate was initially reported on 31 December 2021. The Mineral Resource was updated as of 31 December 2022 by depleting the historical production.
Moisture	• All tonnages are reported as dry tonnages using an average dry in situ bulk density factor for each graphite and marble domain.
Cut-off parameters	• Based on actual production practice, a cut-off grade of 3.5% TGC is used for estimation. • A top-capping grade has been used for each graphite domain as follows: — Domain V1, 20% TGC — Domain V2, no capping — Domain V3, 19% TGC — Domain V4, 21% TGC — Domain V5–1, 22% TGC — Domain V5–2, 21% TGC — Domain V6, 22% TGC.
Mining factors or assumptions	• A 2.0m minimum ore thickness was used. • No other mining factors were applied to the Mineral Resource estimation process.

Criteria	Commentary
Metallurgical factors or assumptions	• Metallurgical factors were indirectly integrated by defining TGC cut-off grades. No other metallurgical factors were directly or indirectly applied in the Mineral Resource estimation.
Environmental factors or assumptions	• No environmental factors or assumptions have been applied to the present Mineral Resources.
Bulk density	• The average density of each graphite (and marble) domain was used for the Mineral Resource estimate, as follows: — Graphite Domain V1: 2.71 t/m^3 — Graphite Domain V2: 2.74 t/m^3 — Graphite Domain V3: 2.67 t/m^3 — Graphite Domain V4: 2.70 t/m^3 — Graphite Domain V5–1: 2.73 t/m^3 — Graphite Domain V5–2: 2.70 t/m^3 — Graphite Domain V6: 2.70 t/m^3 — Marble Domains: 2.71 t/m^3.
Classification	• Classification is based on data quality and quantity (including drill hole spacing), geological complexity and grade continuity and grade interpolation. • Measured Mineral Resources Classification Criteria: Blocks estimated by the OK method with a slope of regression greater than 0.9 generally received a Measured classification. However, due to a lack of samples to create a meaningful variogram, Domain V2 was estimated by the IDW method. As a result, blocks within Domain V2 have Indicated or Inferred classifications. • Indicated Mineral Resources Classification Criteria: Blocks estimated by the OK method with a slope of regression greater than 0.6 and lower than 0.9 received an Indicated classification. Blocks within Domain V2 estimated by the IDW method and having an average sample distance less than 80 m were classified as Indicated. • Inferred Mineral Resources Classification Criteria: Blocks estimated by the OK method with a slope of regression lower than 0.6 received an Inferred classification. Similarly, blocks within Domain V2 estimated by the IDW method with an average sample distance greater than 80m were classified as Inferred. • The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• No other external reviews in relation to the latest Mineral Resource estimate have been completed to date.
Discussion of relative accuracy/confidence	• There is a high level of confidence in the underlying drill hole sample data. • Estimation quality parameters, such as the kriging slope of regression, are used to assess the relative accuracy of local block estimates. The closer the kriging slope of regression is to 1, the better the local block estimate. However, this does not mean that the global grade and tonnage curves are correct as local accuracy and global block distribution accuracy are conflicting aspirations. • This is a global estimation. • The average kriging slope of regression for the Measured material is 0.93, for the Indicated material is 0.77, and for the Inferred material is 0.42.