

1.4.5 Energy Management and Efficiency Improvement

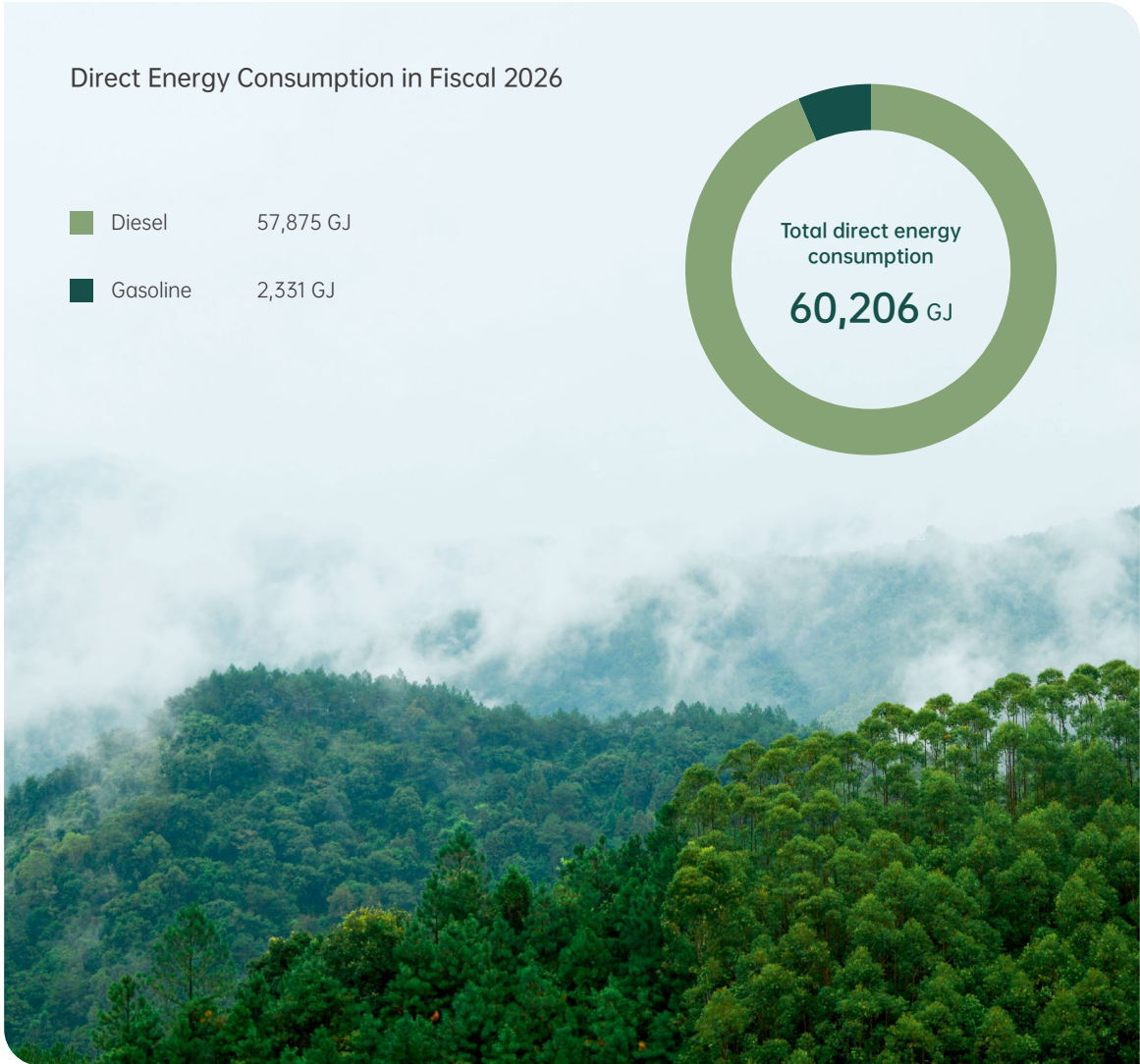
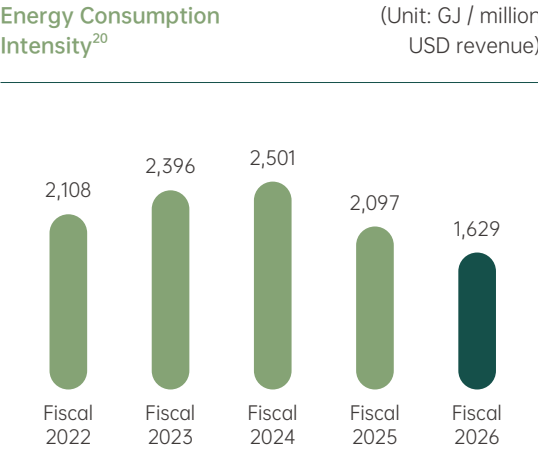
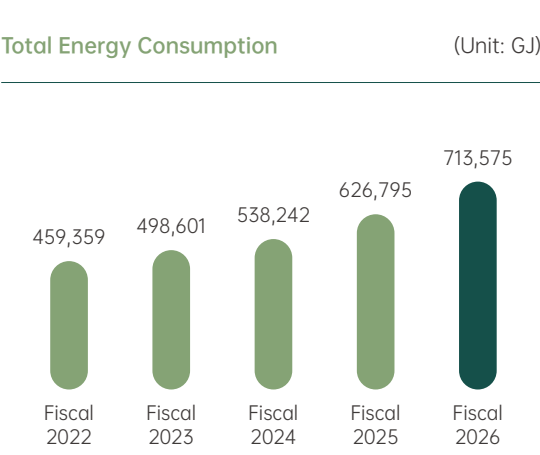
The Company's operating mines have established energy management systems covering mining, mineral processing, and supporting operations, and all maintain certification to the ISO 50001 Energy Management System standard. Based on energy review results and operational realities, the Company sets energy management targets for mining, processing, and overall operations, which are cascaded to individual operating units and key processes. The Company

regularly conducts energy performance reviews, internal energy assessments, energy efficiency evaluations of key equipment, and operational analyses of critical processes to identify energy-saving potential and develop improvement measures. Energy management training is also provided to personnel in key mechanical and electrical roles to strengthen capabilities in energy measurement, equipment efficiency, energy-efficient operations, and data management.

As of the end of Fiscal 2026

ISO 50001 certification coverage across operating mines

100%



²⁰ To improve year-over-year comparability, the Company has restated its Fiscal 2025 energy consumption intensity. In the Fiscal 2025 report, this metric was calculated using "economic value generated" as the denominator, while this report uses "revenue" as the denominator. Previously disclosed Fiscal 2025 value was 1,961 GJ / million USD revenue.

The Company continues to integrate low-carbon considerations production planning, equipment upgrades, and process optimization. Through energy substitution, equipment modernization, and operational optimization, it identifies emission reduction opportunities and continuously improves energy efficiency and carbon performance.



Optimizing the energy mix

- Continuously reduce the use of high-emission direct energy sources. During the reporting period, the Company's coal and liquefied petroleum gas (LPG) consumption remained at zero. Rooftop photovoltaic (PV) systems installed at office and residential facilities generated 187 MWh of electricity at Henan Found, replacing a portion of purchased electricity and avoiding approximately 110 tonnes of CO₂e emissions
- Continue expanding the use of new energy vehicles and electric equipment for transportation, loading, and auxiliary operations. During the reporting period, Henan Found operated 28 new energy vehicles and purchased 4 new energy loaders, further reducing diesel consumption and Scope 1 emissions



Improving process energy efficiency

- Reduce energy consumption per unit of ore processed through mineral processing circuit optimization, XRT intelligent pre-sorting, high-efficiency air compressors, variable frequency drives (VFDs), and optimized production scheduling
- During the reporting period, Guangdong Found implemented 25 cleaner production and energy efficiency improvement projects across its production systems, covering process optimization, equipment efficiency enhancement, and energy consumption control. Upon completion, these measures are expected to save more than 1,500 MWh of electricity and reduce CO₂ emissions by over 980 tonnes annually



Equipment energy-saving retrofits

- Continue conducting energy efficiency assessments of major energy-consuming systems, including air compressors, hoisting, ventilation, drainage, and mineral processing, prioritizing retrofit projects with high energy-saving potential, strong economic returns, and broad replicability
- During the reporting period, Guangdong Found replaced one air compressor in the main shaft compressor station with a VFD unit, which is expected to save approximately 160 tonnes of standard coal equivalent annually

Stakeholder Voice

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“Introducing new energy heavy trucks to replace conventional diesel vehicles is a practical step toward reducing transport emissions and improving operational efficiency. For Henan Found, this is not only an important part of our green mine development but also demonstrates our commitment to advancing the Company's low-carbon transition and enhancing environmental performance in daily operations.”

— Yang Wang, Deputy Director of Environmental Protection Department, Henan Found

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