THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CGN Mining Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

中广核 CGN 中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01164)

(1) CONTINUING CONNECTED TRANSACTION: SALES FRAMEWORK AGREEMENT; (2) MAJOR AND CONTINUING CONNECTED TRANSACTION: FINANCIAL SERVICES FRAMEWORK AGREEMENT; (3) CONNECTED TRANSACTION: SALES AND PURCHASE AGREEMENT OF NATURAL URANIUM AND (4) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

A notice convening the EGM to be held at 18F, Block A, Guangyao Oriental Center, No.100 West Third Ring North Road, Haidian District, Beijing, PRC on 19 August 2025 (Tuesday) at 10:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.cgnmc.com.

To facilitate Shareholders attending the EGM, electronic facilities will be set up at Room 1903, 19/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong where Shareholders or his/her/its proxies may participate in the EGM and cast their votes in person. For details, please refer to note 1 to the notice of EGM.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy enclosed with this circular in accordance with the instructions printed thereon and deposit the same to the Company's branch share registrar and transfer office in Hong Kong, (1) Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (on or before 31 July 2025 (Thursday)) or (2) Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 1 August 2025 (Friday)) as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

No refreshments and drinks will be served at the EGM.

* *For identification purpose only*

25 July 2025

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Book Transfer"	the transfer of U_3O_8 in the records of the designated Conversion Facility from the U_3O_8 account of CGN Global to the U_3O_8 account designated by China Uranium Development within Conversion Facility's material accounting system
"Book Transfer Confirmation"	in relation to a Book Transfer, a document signed by an authorised official of the Conversion Facility by which the Conversion Facility confirms Book Transfer of U_3O_8
"CGN Finance"	CGN Finance Co., Ltd* (中廣核財務有限責任公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of CGNPC
"CGN Global"	CGN Global Uranium Ltd, a company incorporated under the laws of England and Wales with limited liability and a subsidiary of the Company
"CGN Group"	CGNPC and its subsidiaries
"CGNPC"	China General Nuclear Power Corporation* (中國廣核集團有限公司), a company incorporated in the PRC with limited liability and the sole shareholder of CGNPC-URC
"CGNPC Huasheng"	CGNPC Huasheng Investment Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of CGNPC
"CGNPC-URC"	CGNPC Uranium Resources Co., Ltd* (中廣核鈾業發展有限公司), a company established in the PRC with limited liability and the sole shareholder of China Uranium Development
"CGNPC-URC Group"	CGNPC-URC and its subsidiaries, other than the Group

"China Uranium Development"	China Uranium Development Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company, directly holding approximately 56.29% of the issued Shares as at Latest Practicable Date
"China's Big-Four Commercial Banks"	Agricultural Bank of China, Bank of China, China Construction Bank and Industrial and Commercial Bank of China
"Company"	CGN Mining Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Conversion Facility"	the conversion facility Comurhex owned and operated by Orano Cycle at Malvesi, France (legal address: Orano and Malvési, Route de Moussan, B.P. 222, Usine de Malvesi, 11102, Narbonne, Cedex, France) which is the part of Orano Cycle (legal address: Tour AREVA, 1 place Jean Miller, 92400 Courbevoie, France) or its successor
"Delivery Date"	the day on which the Book Transfer is completed, evidenced by the Book Transfer Confirmation issued by the Conversion Facility
"Deposit Annual Caps"	the maximum outstanding balance of deposits to be placed by the Group with CGN Finance and CGNPC Huasheng in aggregate (including any outstanding interest accrued thereon) under the New Financial Services Framework Agreement from time to time during the three years ending 31 December 2028
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting to be convened for, among other matters, approving the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps) which is scheduled to be held at 18F, Block A, Guangyao Oriental Center, No.100 West Third Ring North Road, Haidian District, Beijing, PRC on 19 August 2025 (Tuesday) at 10:00 a.m.
"Existing Financial Services Framework Agreement"	the framework agreement dated 16 June 2022 entered into between the Company, CGN Finance and CGNPC Huasheng in relation to provision of certain financial services by CGN Finance and CGNPC Huasheng to the Group between 1 January 2023 to 31 December 2025
"Existing Framework Agreements"	collectively, the Existing Sales Framework Agreement and the Existing Financial Services Framework Agreement
"Existing Sales Framework Agreement"	the framework agreement dated 16 June 2022 entered into between the Company and CGNPC-URC in relation to the sale of natural uranium by the Group to CGNPC-URC Group between 1 January 2023 to 31 December 2025
"Foreign Subsidiaries"	subsidiaries of the Company other than PRC Subsidiaries
"GDP"	gross domestic product
"Group"	the Company and its subsidiaries
"Historical Deposit Annual Caps"	the maximum aggregate amount of deposits authorised to be placed by the Group with CGN Finance and CGNPC Huasheng (including any interest accrued thereon) from time to time during each of the three years ending 31 December 2023, 2024 and 2025 by the Independent Shareholders in the extraordinary general meeting held on 15 September 2022
"Historical Sales Annual Caps"	the maximum annual transaction amount for the sale of natural uranium under the Existing Sales Framework Agreement for each of the three years ending 31 December 2023, 2024 and 2025 approved by the Independent Shareholders in the extraordinary general meeting held on 15 September 2022

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board consisting all the independent non-executive Directors, established to advise the Independent Shareholders on the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps)
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the New Sales Framework Agreement, the placement of deposits under the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps)
"Independent Shareholders"	Shareholders other than CGNPC and its associates
"Latest Practicable Date"	23 July 2025, being the latest practicable date for the purpose of ascertaining certain information of this circular
"lb"	pound
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"natural uranium"	uranium ore concentrates in the form of triuranium octaoxide with isotopic assay as it occurs in nature has not been altered (i.e. which has neither been enriched, depleted nor irradiated)

"New Financial Services Framework Agreement"	the framework agreement dated 3 June 2025 entered into between the Company, CGN Finance and CGNPC Huasheng in relation to provision of certain financial services by CGN Finance and CGNPC Huasheng to the Company between 1 January 2026 and 31 December 2028
"New Sales Framework Agreement"	the framework agreement dated 3 June 2025 entered into between the Company and CGNPC-URC in relation to the sale of natural uranium by the Group to CGNPC-URC Group between 1 January 2026 and 31 December 2028
"Ortalyk"	Mining Company "ORTALYK" LLP, a limited liability partnership established in Kazakhstan, with the Company holding 49% of its equity interest through its wholly-owned subsidiary
"PBC"	the People's Bank of China
"percentage ratios"	has the same meaning as ascribed to it under the Listing Rules
"PRC"	the People's Republic of China
"PRC Subsidiaries"	subsidiaries of the Company established in the PRC (other than Hong Kong, Macau and Taiwan)
"Proposed Annual Caps"	collectively, the Deposit Annual Caps and the Sales Annual Caps
"RMB"	Renminbi, the lawful currency of the PRC
"Sales and Purchase Agreement of Natural Uranium"	the agreement for sale of uranium concentrates dated 3 June 2025 and entered into between CGN Global and China Uranium Development
"Sales Annual Caps"	the maximum annual transaction amount for the sale of natural uranium contemplated under the New Sales Framework Agreement for each of the three years ending 31 December 2028
"Scheduled Delivery Date"	any day between the fulfilment of the condition(s) precedent to Sales and Purchase Agreement of Natural Uranium to 31 December 2025, subject to China Uranium Development's written notice to CGN Global 30 days before delivery

"Semizbay-U"	Semizbay-U Limited Liability Partnership, a limited liability partnership established in Kazakhstan with the Company holding 49% of its equity interest through its wholly-owned subsidiary
"Settlement Service Fees Annual Cap"	the maximum service fees payable during each of the three years ending 31 December 2028 in respect of the settlement services to be provided by CGN Finance and CGNPC Huasheng under the New Financial Services Framework Agreement
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
"Share(s)"	ordinary share(s) in the Company with a nominal value of HK$0.01 each
"Shareholder(s)"	holder(s) of the Share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"TradeTech"	TradeTech of Denver Tech Centre, 7887 E. Belleview Avenue, Suite 888, Englewood, CO 80111, USA
"tU"	tons of elemental uranium
"U_3O_8"	natural uranium with a uranium content equal to the uranium content of the specified amount of triuranium octoxide and having a content of the isotope U235 of 0.711 weight percent that is in accordance with the latest version of the ASTM International's "Standard Specification for Uranium Ore Concentrate" (ASTM C967) in force at the time of delivery (i.e. currently ASTM C967 – 20)
"U.S."	United States of America
"US$"	United States dollars, the lawful currency of the U.S.
"UxC"	UxC, LLC
"%"	per cent

* *For identification purpose only*

For the purpose of illustration only and unless otherwise stated, conversion of US$ into HK$ in this circular is based on the exchange rate of US$1.00 to HK$7.85. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01164)

Executive Directors:
Mr. Qiu Bin *(Chief Executive Officer)*
Ms. Xu Junmei

Non-executive Directors:
Mr. Wang Xianfeng (*Chairman*)
Mr. Sun Xu
Mr. Liu Guanhua

Independent non-executive Directors:
Mr. Gao Pei Ji
Mr. Zhang Yuntao
Mr. Wu Yingpeng

Registered Office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Room 1903, 19/F
China Resources Building
No. 26 Harbour Road
Wanchai, Hong Kong

25 July 2025

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION: SALES FRAMEWORK AGREEMENT;
(2) MAJOR AND CONTINUING CONNECTED TRANSACTION: FINANCIAL SERVICES FRAMEWORK AGREEMENT;
(3) CONNECTED TRANSACTION: SALES AND PURCHASE AGREEMENT OF NATURAL URANIUM;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 3 June 2025, in relation to the entering into of (i) the New Sales Framework Agreement by the Company and CGNPC-URC; (ii) the New Financial Services Framework Agreement between the Company and CGN Finance and CGNPC Huasheng; and (iii) the Sales and Purchase Agreement of Natural Uranium between CGN Global and China Uranium Development, on 3 June 2025.

The purpose of this circular is to provide you with, among other things, (i) a letter from the Board containing further details of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural

* *For identification purpose only*

Uranium; (ii) a letter from the Independent Board Committee containing the view of the Independent Board Committee on the transactions; (iii) a letter from Gram Capital advising the Independent Board Committee and the Independent Shareholders on the transactions; and (iv) the notice of the EGM.

BACKGROUND

The Company entered into (i) the Existing Sales Framework Agreement with CGNPC-URC on 16 June 2022 in respect of the sale of natural uranium by the Group to CGNPC-URC Group between 1 January 2023 and 31 December 2025; and (ii) the Existing Financial Services Framework Agreement with CGN Finance and CGNPC Huasheng on 16 June 2022 in respect of (a) placement of deposits by the Group with CGN Finance and CGNPC Huasheng; (b) settlement services provided by CGN Finance and CGNPC Huasheng; and (c) loans and other facilities provided by CGN Finance and CGNPC Huasheng between 1 January 2023 and 31 December 2025.

As the terms of these Existing Framework Agreements will expire on 31 December 2025 and the Group intends to continue the relevant transactions after the expiry of the Existing Framework Agreements, the Company entered into the New Sales Framework Agreement and the New Financial Services Framework Agreement with the relevant party(ies) for another term of three years from 1 January 2026 on 3 June 2025.

Further, on 3 June 2025, CGN Global entered into the Sales and Purchase Agreement of Natural Uranium with China Uranium Development, pursuant to which CGN Global shall sell, and China Uranium Development shall purchase from CGN Global, certain natural uranium.

NEW SALES FRAMEWORK AGREEMENT

Principal terms

The principal terms of the New Sales Framework Agreement are as follows:

Date

3 June 2025

Parties

1. the Company

2. CGNPC-URC

Term

1 January 2026 to 31 December 2028

Subject matter

Subject to fulfillment of the condition precedent, CGNPC-URC Group shall purchase natural uranium from the Group. The relevant members of the Group and CGNPC-URC Group may enter into individual agreement(s) setting out the quantity and details of each delivery.

In addition, the Group shall have the right of first offer to supply natural uranium demanded by CGNPC-URC Group during the term of the New Sales Framework Agreement.

Minimum purchase quantity

1,200 tons of natural uranium per calendar year (subject to the Sales Annual Cap), provided that, in the event of supply or supply chain problem or other force majeure event resulting the Group unable to deliver the minimum quantity, CGNPC-URC Group shall only be required to purchase such amount able to be supplied by the Group in such calendar year.

Condition precedent

The New Sales Framework Agreement shall become effective upon:

(a) both parties having signed the New Sales Framework Agreement; and

(b) the approval by the Independent Shareholders with respect to the entering into of the New Sales Framework Agreement and the transactions contemplated therein having been obtained.

Pricing mechanism

The price per pound of natural uranium shall be determined on normal commercial terms with reference to international price indicators published by TradeTech and UxC as follow:

Price	=	30%	x	Forecasted 2026-2028 natural uranium price (i.e. US$94.22 per pound of natural uranium)[1]	x	Annual escalation factor[2]	+	70%	x	Latest spot price indicator available on date of delivery[3]

whereas:

1. Forecasted 2026-2028 natural uranium price is derived from the arithmetic average of (i) 2026 to 2028 term reference price in Forward Availability Model (FAM 2): Uranium Market Price Projections (Nominal US$/lb U_3O_8) in "*Uranium Market Study 2025: Issue 1*" published by TradeTech, being US$99.33 per pound of natural uranium; and (ii) 2026 to 2028 high long-term price projections in "*Uranium Market Outlook – Q1 2025*" published by UxC, being US$89.11 per pound of natural uranium.

2. Annual escalation factor is calculated as 1.041 to the power of the difference between the delivery year and 2026. The figure "1.041" represents the price deflator for GDP, a measure of price inflation/deflation, which is derived from a fraction, (i) the numerator of which is the U.S. GDP for the fourth quarter of 2024, being the newest data available at the time of negotiating the New Sales Framework Agreement, and (ii) the denominator of which is the U.S. GDP for the first quarter of 2023, being the first quarter of the term of the Existing Sales Framework Agreement. Such data comes from the Bureau of Economic Analysis, an agency of the Department of Commerce in the United States.

3. Latest spot price indicator available on date of delivery is calculated as the arithmetic average of the latest weekly price indicators quoted in "*Nuclear Market Review*" by TradeTech and "*Ux Weekly*" by UxC available on the date of delivery.

The reason for referring to price indicators published by TradeTech and UxC when determining the pricing formula under the New Sales Framework Agreement is that they are reliable independent price references for the market price of natural uranium and are also used by the Group for pricing with independent third-party customers. As the benchmark prices come from the same source, the Group is able to ensure that the pricing offered to CGNPC-URC is not less favourable than those offered to independent third-party customers.

The pricing mechanism under the New Sales Framework Agreement was adjusted as follows:

(i) Decrease in proportion of forecasted natural uranium price

The proportion of forecasted natural uranium price was adjusted from 40% in the Existing Sales Framework Agreement to 30% in the New Sales Framework Agreement to maintain a fair transaction price while reducing the risk of spot market fluctuation leading to sale by the Company at a price below the off-take price.

(ii) Increase in proportion of latest spot price indicator

The proportion of latest spot price indicator was adjusted from 60% in the Existing Sales Framework Agreement to 70% in the New Sales Framework Agreement to make the sale price more in line with the spot price so as to allow the Company to benefit from the rising trend in the spot market.

Payment term

30 calendar days upon completion of delivery unless otherwise agreed by the parties.

Sales Annual Caps

The annual cap amount for the transactions under the New Sales Framework Agreement shall be as follows:

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
Sales Annual Cap	HK$3,943,613,653.68	HK$4,395,565,471.56	HK$4,561,098,810.61

Historical annual caps and transaction amounts

	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ending 31 December 2025
Historical Sales Annual Cap	HK$4,092,000,000	HK$4,402,000,000	HK$4,541,000,000
Actual transaction amount	US$217,757,855.04 (approximately HK$1,709,399,162)	US$252,443,493.95 (approximately HK$1,981,681,428)	US$97,151,381.59 (approximately HK$762,638,345) (up to 30 June 2025)

The Historical Sales Annual Caps were determined based on, among others, the Group's increasing capability in supplying natural uranium due to off-take right to 49% of the uranium products of Semizbay-U and Ortalyk and potential project and off-take right acquisition. The utilisation rates of the Historical Sales Annual Caps are relatively low mainly due to (i) natural uranium produced from Semizbay-U and Ortalyk falling short of expectation due to sulphuric acid supply shortage in Kazakhstan; and (ii) no usage of additional buffer of 600tU to 650tU of additional natural uranium supply per year for potential project and off-take right acquisition. For the avoidance of doubt, such low utilisation rates were not caused by any shortfall of expected demands from CGNPC-URC. On the contrary, owing to the increasing need for nuclear fuel from nuclear power plant operators of the CGN Group, purchasing demands for natural uranium from CGNPC-URC, which supplies nuclear fuel to the CGN Group, showed no signs of declining, partially alleviating the low utilisation rates of the Historical Sales Annual Caps.

Basis of determination of the Sales Annual Caps

The Sales Annual Caps were determined based on the following factors:

(i) The Group's increasing capability in supplying natural uranium

Based on the current production capacity of the natural uranium deposits operated by Semizbay-U and Ortalyk and their business plans, the estimated annual off-take volume of each of Semizbay-U and Ortalyk for the three years ending 31 December 2028 is as follows:

	Semizbay-U	Ortalyk
2026	402tU (approximately 1,045,200 pounds)	1,036tU (approximately 2,693,600 pounds)
2027	392tU (approximately 1,019,200 pounds)	1,225tU (approximately 3,185,000 pounds)
2028	300tU (approximately 780,000 pounds)	1,298tU (approximately 3,374,800 pounds)

Note: 1tU is equal to approximately 2,600 pounds U_3O_8.

In addition, as part of the development strategy of the Company, the Company is continuously seeking for potential uranium resource investment opportunities. As such, the Sales Annual Caps have provided for an additional buffer of 600tU (approximately 1,560,000 pounds) of additional natural uranium supply per year. Such buffer is determined with reference to the arithmetic average of the actual total volume of uranium extracted by Semizbay-U and Ortalyk for the year ending 31 December 2024 (which was 976tU and 1,783tU, respectively) multiplied by the Company's shareholding percentage in Semizbay-U and Ortalyk (i.e., 49%) rounded down to closest hundred.

China has been calling for the "safe, active, and orderly development of nuclear power". In recent years, China's nuclear power sector has maintained robust growth momentum, with over 10 reactor units approved annually for four consecutive years. The total scale of nuclear power projects under construction and in operation now ranks first globally.

According to projections by the China Nuclear Energy Association and other institutions, China's installed nuclear power capacity in operation is expected to reach 150 million kilowatts by 2035, with an additional 50 million kilowatts under construction. As the country's current leading nuclear power enterprise, CGN Group is anticipated to see steady growth in its demand for natural uranium.

CGNPC-URC is one of the few companies in the PRC with a licence to import natural uranium. It is also the nuclear fuel supplier for the nuclear power plants of the CGN Group which is anticipated to increase its demands for natural uranium. For such reasons, the Group expects that CGNPC-URC's demand can cover all the Group's output and is therefore less relevant in determining the price.

(ii) Future uranium prices forecasted by TradeTech and UxC

The Sales Annual Caps have taken into account the forecasted 2026-2028 uranium price, which constitutes 30% of the sales price under the pricing mechanism. In particular, 2026 to 2028 term reference price in Forward Availability Model (FAM 2): Uranium Market Price Projections (Nominal US$/lb U_3O_8) in "*Uranium Market Study 2025: Issue 1*" published by TradeTech is US$99.33 per pound of natural uranium; and 2026 to 2028 high long-term price projections in "*Uranium Market Outlook – Q1 2025*" published by UxC is US$89.11 per pound of natural uranium.

In relation to the latest spot price as at the date of delivery, which constitutes 70% of the sales price under the pricing mechanism, the Company has taken into account the high case scenario of natural uranium price projection by TradeTech and UxC. The table below sets forth the high case scenario of natural uranium price projection for 2026, 2027 and 2028 by TradeTech and UxC:

	2026	**2027**	**2028**
	US$ per pound	*US$ per pound*	*US$ per pound*
TradeTech			
Spot price projection (spot reference)	100.00	100.50	108.00
Long term price projection (term reference)	96.00	97.00	105.00
UxC			
Spot price projection (high case scenario – high price midpoint)	90.00	93.00	95.00
Long term price projection (high long-term)	87.36	89.30	90.68

Information of UxC and TradeTech

The Board considers the price indicators published by UxC and TradeTech reliable independent price references for the market price of natural uranium and believes that it is common for natural uranium purchasers to make reference to price indicators published by UxC and TradeTech.

UxC is one of the nuclear industry's leading consulting companies. It offers a wide range of services spanning the full fuel cycle with special focus on market-related issues. UxC was founded in March 1994 as an affiliate of The Uranium Exchange Company (Ux), in order to extend and provide greater focus to Ux's consulting and information services capabilities. UxC has taken over these functions and now publishes the *Ux Weekly* and *Uranium Market Outlook* reports on the enrichment, conversion and fabrication of uranium, nuclear power as well as publishing the industry standard Ux Prices, which are used as references in many fuel contracts. In addition, UxC also provides custom consulting services and prepares special reports on various topics, as well as provides data services, such as nuclear fuel price indicator reporting, including support for the Chicago Mercantile Exchange (CME)/New York Mercantile Exchange (NYMEX) uranium futures contract.

TradeTech, along with its predecessor companies – NUEXCO Information Services, CONCORD Information Services and CONCORD Trading Company – has supported the uranium and nuclear fuel cycle industry for over 50 years, and is the leading independent provider of uranium prices and nuclear fuel market information. It is widely recognized for its expertise in trading activities and its comprehensive knowledge of the technical, economic and political factors affecting the nuclear fuel cycle industry globally. TradeTech provides independent market consulting services and maintains an extensive information database on the international nuclear fuel market, and publishes daily, weekly and monthly uranium market prices and analysis.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of UxC and TradeTech and their respective associates are third parties independent of the Group, CGNPC-URC Group and the CGN Group.

Basis of Determination of the Pricing Mechanism and Payment Term

The pricing mechanism formula was determined after arm's length negotiation between the Company and CGNPC-URC which allows determination of the price per pound of natural uranium of each delivery with reference to the prices quoted by international institutions. By including (i) forecasted natural uranium price as at the first quarter of 2025 and (ii) latest spot price as at the date of delivery as the two components in determining the sales price, the formula allows a fair allocation of the forecasted uranium price as at the date of the New Sales Framework Agreement and the actual spot natural uranium price as at the date of delivery to mitigate the impact of future uranium price fluctuation on the revenue of the Group. The Directors believe that the minimum purchase quantity will be able to ensure that a minimum quantity will be purchased by CGNPC-URC in the event of falling uranium prices.

The consideration of natural uranium being purchased shall be settled by CGNPC-URC Group within 30 calendar days upon completion of each delivery unless otherwise agreed by the Company and CGNPC-URC. Such credit period was determined taking into consideration of the time required for inspecting, testing and weighing natural uranium upon delivery, our credit risk and the reputation and financial stability of CGNPC-URC, with reference to (i) the 30 calendar-day credit period offered to the Group by its suppliers when sourcing natural uranium; (ii) the 30 calendar-day credit period generally offered by the Group to its independent nuclear power plant operator (or their affiliated companies) customers; and (iii) the 30 calendar-day credit period under the Existing Sales Framework Agreement. The Group will strictly enforce the aforementioned payment term prescribed under the New Sales Framework Agreement.

Reasons for and Benefits of the New Sales Framework Agreement

The Existing Sales Framework Agreement will expire on 31 December 2025. The Group intends to continue the sale of natural uranium to the CGNPC-URC Group as it provides a stable source of income to the Group.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, CGNPC-URC is one of the few enterprises in the PRC which is authorised by the PRC government to import natural uranium. Coupled with the fact that the Group, by entering into the New Sales Framework Agreement, will continue to maintain and stabilize its position as the natural uranium supplier of CGNPC-URC Group, the Board believes that the sale of natural uranium to CGNPC-URC Group will provide the Group with stable income sources as well as assist the Group in developing its expertise and experience in the uranium trading industry and enhance the Group's competitiveness in the future.

The terms and conditions of the New Sales Framework Agreement were determined after arm's length negotiations between the parties thereto. The Directors consider that the terms of the New Sales Framework Agreement are on normal commercial terms, fair and reasonable and in the interest of the Shareholders as a whole and that the transactions contemplated under the New Sales Framework Agreement are in the ordinary and usual course of business of the Group and that the amount of the proposed Sales Annual Caps are fair and reasonable.

Internal Control Measures

To safeguard the interest of the Group, the Group will adhere to the following internal control measures in respect of the transactions contemplated under the New Sales Framework Agreement:

(i) each transaction under the New Sales Framework Agreement will be initialed and reviewed by the trading department, finance department, legal department of the Group, the chief finance officer and the vice president in charge of the trading department and submitted to the chief executive officer for authorising to be recommended for approval by the Board (with any Director having a material interest abstaining from voting);

(ii) designated staff from the trading department of the Group will obtain the relevant price indicators of UxC and TradeTech and ensure the selling price to be in conformity with the pricing mechanism under the New Sales Framework Agreement;

(iii) designated staff from the finance department of the Group will closely monitor the total transaction amount to ensure that the relevant Sales Annual Cap will not be exceeded; and

(iv) the independent non-executive Directors and the auditors of the Company will conduct annual review of the transactions under the New Sales Framework Agreement.

NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT

Principal terms

The principal terms of the New Financial Services Framework Agreement are as follows:

Date

3 June 2025

Parties

1. The Company

2. CGN Finance

3. CGNPC Huasheng

Term

1 January 2026 to 31 December 2028

Subject matters

1. Placement of deposits

PRC Subsidiaries of the Group may set up and maintain RMB and foreign currency deposit accounts with CGN Finance and make deposit. Foreign Subsidiaries of the Group may authorise their account(s) at third party commercial banks be linked to the cash pooling master settlement account maintained by CGNPC Huasheng, allowing cash balance in such account(s) to the transferred automatically to cash pooling master settlement account and the amount transferred to the cash pooling master settlement account constitutes money deposited by the Group with CGNPC Huasheng.

2. Settlement services

CGN Finance and CGNPC Huasheng may provide settlement and similar services to the Group through (i) the accounts set up by the PRC Subsidiaries of the Group with CGN Finance; and (ii) the accounts linked to the cash pooling master settlement account of CGNPC Huasheng by Foreign Subsidiaries of the Group, respectively, or such other means as agreed by the relevant parties.

3. Loans and other facilities

CGN Finance and CGNPC Huasheng may grant loans and other facilities, such as revolving loans, entrusted loans, bill acceptance and note discounting services, to the Group.

Condition precedent

The New Financial Services Framework Agreement shall be conditional upon the Group having obtained all the necessary consent and approvals in respect of the New Financial Services Framework Agreement, including the approval by the Independent Shareholders on the New Financial Services Framework Agreement and the transactions contemplated thereunder.

Pricing mechanism

1. Placement of deposits

The interest rate of the deposits with CGN Finance shall not be lower than (i) the interest rates for the same type and term of deposit offered by China's Big-Four Commercial Banks; and (ii) the interest rate for the same type and term of deposit provided by CGN Finance to other members of the CGN Group in the PRC.

The interest rate of the deposits with CGNPC Huasheng shall not be lower than (i) the interest rate for similar deposit offered by CGNPC Huasheng to other members of the CGN Group (excluding the Group); and (ii) the interest rates quoted by other independent commercial banks in Hong Kong (such as Industrial and Commercial Bank of China (Asia) Limited and Bank of China (Hong Kong) Limited) for similar type of deposit.

2. Settlement services

The fees charged by CGN Finance for provision of settlement services shall be in accordance with the standard fee prescribed by PBC, National Financial Regulatory Administration or any other regulatory authorities in respect of such services. If no such standard fee is available, the service fee shall be on normal commercial terms and not higher than (i) the fees charged by China's Big-Four Commercial Banks for the same type of services; and (ii) the fees charged by CGN Finance for providing similar services to other members of CGN Group in the PRC.

The fees charged by CGNPC Huasheng shall not be higher than (i) the fees charged by CGNPC Huasheng for providing similar services to other members of CGN Group (excluding the Group); and (ii) the fees quoted by other commercial banks in Hong Kong (such as Industrial and Commercial Bank of China (Asia) Limited and Bank of China (Hong Kong) Limited).

3. Loans and other facilities

The terms and conditions of such loans, including the loan amount, term, interest payment method and timing, shall be determined after arm's length negotiations between (i) the Group; and (ii) CGN Finance or CGNPC Huasheng, as the case may be.

Such loans and other facilities shall be conducted on normal commercial terms and shall not be secured by any asset of the Group.

In respect of the loans and other facilities granted by CGN Finance, the interest rate shall not be higher than (i) the loan interest rates quoted by China's Big-Four Commercial Banks to the Group for the same type and term of loan; and (ii) the loan interest rates charged by CGN Finance to other members of CGN Group of similar business and conditions (if any) in the PRC for similar type of loan.

In respect of the loans and other facilities granted by CGNPC Huasheng, the interest rate shall not be higher than (i) the loan interest rates quoted by other independent commercial banks in Hong Kong (such as Industrial and Commercial Bank of China (Asia) Limited and Bank of China (Hong Kong) Limited) to the Group for the same type and term of loan; and (ii) the loan interest rates charged by CGNPC Huasheng to other members of CGN Group of similar business and conditions (if any) overseas for similar type of loan.

Termination

Each of the Company, CGN Finance and CGNPC Huasheng is entitled to terminate the New Financial Services Framework Agreement at any time by giving at least one month's written notice to the other parties.

In the event of termination, CGN Finance and CGNPC Huasheng shall return all the deposits (whether due or not) together with interest accrued and other fees payable to the Group.

Financial Services Annual Caps

The maximum outstanding balance of deposits (including any accrued interest) to be placed by the Group with CGN Finance and CGNPC Huasheng in aggregate under the New Financial Services Framework Agreement shall be as follows:

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
Deposit Annual Cap	US$900 million	US$900 million	US$900 million

In addition, the annual caps for settlement service fees under the New Financial Services Framework Agreement are US$300,000 for each of the year ending 31 December 2026, 2027 and 2028.

Historical annual caps and transaction amounts

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
Deposit			
Historical Deposit Annual Cap	US$700 million	US$700 million	US$700 million
Maximum outstanding balance of deposits (including any accrued interest)	Approximately US$163.36 million	Approximately US$238.95 million	Approximately US$230.34 million (up to 30 June 2025)

The Historical Deposit Annual Caps were determined based on, among others, the possible funds obtained for acquisition of high-quality uranium mines by the Group. The utilisation rates of the Historical Deposit Annual Caps are relatively low mainly due to the fact that loans were not obtained by the Group and refinanced as the acquisition by the Group did not materialize up to the Latest Practicable Date, and were not accounted for deposit in CGNPC Huasheng nor CGN Finance, resulting lower utilization rates of the Historical Deposit Annual Caps.

Basis of determination of the Deposit Annual Caps

The proposed Deposit Annual Caps were determined with reference to, among others,

(i) the historical and estimated cashflow movements and level of deposits of the Group. Historically, the Group had net increases in cash and cash equivalents of approximately HK$145.29 million and HK$956.44 million for each of the years ended 31 December 2024 and 2023, respectively;

(ii) the cash balance of the Group which was approximately HK$1,153.79 million and HK$1,017.24 million as at 31 December 2024 and 31 December 2023, respectively ; and

(iii) the requirements to settle funds with members of CGN Group and/or any other third parties.

In particular, the increase in the Deposit Annual Caps as compared to the annual caps for deposits under the Existing Financial Services Framework Agreement is mainly due to:

(i) the expected increase in trading volume of natural uranium with the CGNPC-URC Group as elaborated under the section "Basis of determination of the Sales Annual Caps" under "NEW SALES FRAMEWORK AGREEMENT";

(ii) the expected increase in amount of dividend to be received from investment in joint ventures or other companies including but not limited to Ortalyk which distributed approximately US$39.90 million for the year ended 31 December 2024;

(iii) possible loans obtained for investment activities and refinancing of such loans. Taking the investment in the 49% stake in Ortalyk as an example, the consideration was approximately US$435.1 million; and

(iv) possible funds from equity financing.

Based on the above considerations, (i) excluding the funds that may be required for potential investment and acquisition activities, the Group expects the maximum deposit balance to be approximately US$448 million in 2026, approximately US$500 million in 2027, and approximately US$599 million in 2028; and (ii) after considering the funds that may be required for potential investment and acquisition activities, the Group expects the maximum deposit balance to be approximately US$868 million in 2026, approximately

US$860 million in 2027, and approximately US$859 million in 2028. On top of that, the Group further reserves a buffer of no more than 10%, and ultimately determines the Deposit Annual Caps to be US$900 million.

Reasons for and Benefits of the New Financial Services Framework Agreement

The Existing Financial Services Framework Agreement will expire on 31 December 2025. The Group intends to continue with the transactions under the Existing Financial Services Framework Agreement.

Through years of cooperation, CGN Finance and CGNPC Huasheng have become familiar with the Group's capital structure, business operations, funding needs, cash flow pattern, cash management and the overall financial administrative system, which enables it to render more expedient, efficient and flexible services to the Group than independent commercial banks and financial institutions. The Group is expected to benefit from CGN Finance's and CGNPC Huasheng's familiarity of the Group's industry and operations while earning interests no less favourable than placing the same with other commercial banks for the same type and term of deposit placed with CGN Finance and/or CGNPC Huasheng.

In addition, the transaction system and platform of CGN Finance and CGNPC Huasheng are not open to the general public and as such, the Group believes that it is more secure than the transaction systems and platforms offered by independent commercial banks.

As the Group has transactions with CGNPC-URC Group under the New Sales Framework Agreement, there will be needs for the Group to settle funds with CGNPC-URC Group. As CGN Finance and CGNPC Huasheng also provide similar financial services to CGNPC-URC Group, they will provide a more expedite and efficient way for the Group to settle any balance between the Group and CGNPC-URC Group than through independent commercial banks.

Although CGN Finance and CGNPC Huasheng are not banks and there is default risk in the deposits placed with them, the Group is satisfied that such risk is not significant having considered (i) there has not been any default by CGN Finance and CGNPC Huasheng since their business cooperation with the Group; (ii) the Group has closely monitored and will continue to closely monitor the deposits placed with CGN Finance and CGNPC Huasheng; (iii) CGNPC has undertaken in writing to support the funding and liquidity requirements of CGN Finance and CGNPC Huasheng; and (iv) the Group has the right to request CGN Finance and CGNPC Huasheng to provide their financial statements to the Group from time to time in order for the Group to assess their financial credibility.

In light of the foregoing reasons, the Directors consider that the terms of the New Financial Services Framework Agreement are on normal commercial terms, fair and reasonable and in the interest of the Shareholders as a whole and that the transactions contemplated under the New Financial Services Framework Agreement are in the ordinary and usual course of business of the Group and that the proposed Deposit Annual Caps and the proposed Settlement Services Fees Annual Caps are fair and reasonable.

Internal Control Measures

To safeguard the interest of the Group, the Group will adhere to the following internal control measures in respect of placement of deposits with CGN Finance and CGNPC Huasheng under the New Financial Services Framework Agreement:

(i) fund manager of the Group will obtain quotations on interest rates from at least two independent commercial banks, including the China's Big-Four Commercial Banks in relation to deposits in the PRC and also seek for quotations on interest rates from both the Industrial and Commercial Bank of China (Asia) Limited and Bank of China (Hong Kong) Limited in relation to deposits outside the PRC, and compare with the offer from CGN Finance or CGNPC Huasheng, as the case may be, in making recommendations for approval by the finance department of the Group;

(ii) designated staff from the finance department of the Group will closely monitor the balance of the deposits placed with CGN Finance and CGNPC Huasheng on a daily basis to ensure that the relevant Deposit Annual Cap is not exceeded;

(iii) in the event that (a) the interest rate quoted by CGN Finance and CGNPC Huasheng is less favourable than that provided by independent commercial banks in PRC and Hong Kong, as the case may be, for the same term and type of deposit; or (b) the balance of deposits to be placed with CGN Finance and CGNPC Huasheng, in aggregate, will exceed the relevant Deposit Annual Cap, the Group will not deposit further amount with CGN Finance and CGNPC Huasheng; and

(iv) the independent non-executive Directors and the auditors of the Company will conduct annual review of the transactions under the New Financial Services Framework Agreement.

THE SALES AND PURCHASE AGREEMENT OF NATURAL URANIUM

Principal Term

The principal terms of the Sales and Purchase Agreement of Natural Uranium are as follows:

Date

3 June 2025

Parties

1. CGN Global

2. China Uranium Development

Subject matter

CGN Global shall sell and China Uranium Development shall buy 0.8 million pounds of U_3O_8 in the form of natural uranium. Delivery quantity shall be notified by CGN Global to China Uranium Development 30 calendar days prior to Delivery Date. Delivery shall be effected by Book Transfer in the books of the Conversion Facility without surcharge to China Uranium Development. The delivery quantity shall be delivered on Scheduled Delivery Date at the Conversion Facility to the account of China Uranium Development.

Consideration

China Uranium Development shall pay CGN Global US$75.78 per pound of U_3O_8 contained in the natural uranium. The total purchase price of the natural uranium shall be US$60,624,000.

Payment terms

At least 7 calendar days prior to the Scheduled Delivery Date, CGN Global shall submit by email invoice with signature for the amount payable for the delivery of the natural uranium under the Sales and Purchase Agreement of Natural Uranium to China Uranium Development. Payment of the amount of invoice shall be effected 30 calendar days after Delivery Date after receipt by China Uranium Development of a copy of the Book Transfer Confirmation of the Conversion Facility and invoice by email.

If the payment date falls in 2026, the payment date should be subject to China Uranium Development and CGN Global's agreement whether it will be advanced to 2025, China Uranium Development should use its best endeavours to pay CGN Global within 2025.

Conditions precedent

The Sales and Purchase Agreement of Natural Uranium and the transaction contemplated thereunder are conditional upon the Independent Shareholders' approval. In the event that the above conditions precedent cannot be fulfilled on or before 31 December 2025, the Sales and Purchase Agreement of Natural Uranium shall be ceased and terminated.

Basis of consideration determined

As the Scheduled Delivery Date shall be in the second half of 2025, the purchase price under the Sales and Purchase Agreement of Natural Uranium was determined with reference to:

(i) the composite mid-point of 2025 annual forecast spot price of US$75.78/lb stated in the market report published by UxC in the first quarter of 2025; and

(ii) the spot price of natural uranium of US$70.9/lb published by UxC and US$72/lb published by TradeTech on 30 May 2025.

CGN Global considers the abovementioned referenced price of US$75.78/lb published by UxC more reasonable and beneficial because it represents a forecasted spot price for mid-point 2025, which is closer to the Scheduled Delivery Date and more representative of the market price around the Scheduled Delivery Date than other referenced spot prices (i.e., the abovementioned spot prices of US$70.9/lb and US$72/lb published by UxC and TradeTech on 30 May 2025). In any event, US$75.78/lb represents a better bargain for CGN Global and thus beneficial to the Group's commercial interest.

The purchase quantity of natural uranium under the Sales and Purchase Agreement of Natural Uranium was determined with reference to China Uranium Development's demand.

Reasons for and Benefits of the Sales and Purchase Agreement of Natural Uranium

The sale of natural uranium under the Sales and Purchase Agreement of Natural Uranium is made in the usual and ordinary course of business of the Group in furtherance of the Group's principal business. It is expected that the sale of natural uranium under the Sales and Purchase Agreement of Natural Uranium will produce a stable source of income to the Group for the second half of 2025, with better net return for earlier completion of delivery due to lower storage costs of natural uranium.

The transactions contemplated under the Sales and Purchase Agreement of Natural Uranium are distinct and different from those under the Existing Sales Framework Agreement in that: (a) the subject matter of the transactions under the Existing Sales Framework Agreement primarily consists of natural uranium sourced from Semizbay-U and Ortalyk in which the Company holds equity interest, whereas those under the Sales and Purchase Agreement of Natural Uranium are procured by CGN Global from open market in the course of its trading business; (b) the natural uranium under the Existing Sales Framework Agreement is primarily delivered physically, spanning a long period of time and involving multiple batches, whereas the natural uranium to be sold under the Sales and Purchase Agreement of Natural Uranium will be delivered through the Book Transfer which is a one-off transaction; and (c) the purchase price under the Existing Sales Framework Agreement was derived from a pricing mechanism determined in 2022, certain proportion of which will fluctuate according to the market price at the time of delivery, whereas the purchase price under the Sales and Purchase Agreement of Natural Uranium is a fixed amount so as to avoid the risk of market price fluctuations. Assuming delivery on the signing date of the Sales and Purchase Agreement of Natural Uranium, the purchase price thereunder is higher than the purchase price calculated by the price formula of the Existing Sales Framework Agreement and is therefore more beneficial to the Group.

The terms and conditions of the Sales and Purchase Agreement of Natural Uranium were determined after arm's length negotiations between the parties thereto. The Directors consider that the entering into of the Sales and Purchase Agreement of Natural Uranium is on normal commercial terms and in the ordinary and usual course of business of the Group and the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

Information of the Parties

The Group

The Group is principally engaged in investment and development of natural uranium resources and trading of natural uranium products with the Company principally engaged in trading of natural uranium products.

CGNPC-URC

CGNPC-URC is a company established in the PRC with limited liability and the sole shareholder of China Uranium Development, the controlling shareholder of the Company, directly holding approximately 56.29% of the issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, China Uranium Development is also deemed to be interested in approximately 0.14% of the issued Shares held by a third party with China Uranium Development being a person having a security interest. CGNPC-URC is a subsidiary of CGNPC and CGNPC is deemed to be interested in approximately 56.43% of the issued Shares through China Uranium Development as at the Latest Practicable Date.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, CGNPC-URC is one of the few enterprises in the PRC which is authorised to manage nuclear fuels and deal with the import and export of natural uranium. The core businesses of CGNPC-URC are to: (i) manage the supply of nuclear fuels for CGNPC; and (ii) deal with the import and export trade of the PRC and overseas natural uranium and related products.

Founded on 29 September 1994, CGNPC is a large clean energy enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CGNPC together with its subsidiaries are principally engaged in the generation and sale of electricity, construction, operation and management of nuclear power projects and non-nuclear clean energy projects.

CGN Finance

CGN Finance is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the CGNPC. CGN Finance is a non-banking financial institution established in the PRC with the approval of the then China Banking Regulatory Commission (currently known as National Financial Regulatory Administration) and the principal activities of which include providing settlement and similar services and taking deposits from members of the CGN Group in the PRC and providing intra-group loans among members of the CGN Group in the PRC.

CGNPC Huasheng

CGNPC Huasheng is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CGNPC. CGNPC Huasheng is a money lender licensed under the Money Lender Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong and the principal activities of CGNPC Huasheng include providing settlement and similar services and taking deposits from members of the CGN Group and providing intra-group loan among members of the CGN Group.

CGN Global

CGN Global is a company incorporated under the laws of England and Wales and a subsidiary of the Company and is principally engaged in trading of natural uranium.

LISTING RULES IMPLICATIONS

The New Sales Framework Agreement

As at the Latest Practicable Date, CGNPC, the controlling shareholder of the Company is deemed to be interested in approximately 56.43% of the issued Shares through China Uranium Development, its wholly-owned indirect subsidiary. CGNPC-URC is the intermediate holding company, being a subsidiary of CGNPC and the sole shareholder of China Uranium Development. Accordingly, CGNPC-URC is a connected person of the Company and the transactions contemplated under the New Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular (including the Independent Financial Adviser), Independent Shareholders' approval, annual reporting and annual review requirements.

The New Financial Services Framework Agreement

As at the Latest Practicable Date, each of CGN Finance and CGNPC Huasheng is a subsidiary of CGNPC. Accordingly, the transactions contemplated under the New Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(i) Placement of deposits

As neither CGN Finance nor CGNPC Huasheng is a banking company as defined under the Listing Rules, the placement of deposits by the Group with CGN Finance and CGNPC Huasheng under the New Financial Services Framework Agreement constitutes financial assistance provided by the Group within the definitions of the Listing Rules.

As the highest applicable percentage ratio based on the proposed Deposit Annual Cap is more than 25%, the placement of deposits under the New Financial Services Framework Agreement also constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

Accordingly, the placement of deposits under the New Financial Services Framework Agreement is subject to the reporting, announcement, circular (including the Independent Financial Adviser), Independent Shareholders' approval, annual reporting and annual review requirements.

(ii) Settlement services

As the highest applicable percentage ratio based on the proposed Settlement Service Fees Annual Cap is less than the 5% and the proposed Settlement Service Fees Annual Cap is less than HK$3,000,000 and the terms of the New Financial Services Framework Agreement are on normal commercial terms (or better to the Group), the provision of settlement services by CGN Finance and CGNPC Huasheng to the Group is exempted from the reporting, announcement, circular (including the Independent Financial Adviser), Independent Shareholders' approval, annual reporting and annual review requirements pursuant to Rule 14A.76 of the Listing Rules.

(iii) Loans and other facilities

Since the loans and other facilities to be granted by CGN Finance and CGNPC Huasheng to the Group will be on normal commercial terms (or better to the Group) and not secured by any asset of the Group, such loans and other facilities are exempted from the reporting, announcement, circular (including the Independent Financial Adviser), Independent Shareholders' approval, annual reporting and annual review requirements pursuant to Rule 14A.90 of the Listing Rules.

The Sales and Purchase Agreement of Natural Uranium

As at the Latest Practicable Date, China Uranium Development is a connected person of the Company by virtue of it being the controlling shareholder of the Company and is directly holding approximately 56.29% of the issued Shares. Accordingly, the transactions contemplated under the Sales and Purchase Agreement of Natural Uranium constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular (including the Independent Financial Adviser) and Independent Shareholders' approval requirements.

ABSTAIN FROM VOTING

Mr. Wang Xianfeng, Mr. Qiu Bin, Ms. Xu Junmei and Mr. Sun Xu have abstained from voting on the relevant board resolutions approving the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder as each of Mr. Wang, Mr. Qiu, Ms. Xu and Mr. Sun is considered to have a material interest in the resolutions by virtue of their directorial and/or managerial positions in CGNPC-URC.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee consisting of Mr. Gao Pei Ji, Mr. Zhang Yuntao and Mr. Wu Yingpeng, being independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the amount of the proposed annual caps).

INDEPENDENT FINANCIAL ADVISER

Gram Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the New Sales Framework Agreement, the placement of deposits under the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps).

EGM

A notice of the EGM which will be held at 18F, Block A, Guangyao Oriental Center, No.100 West Third Ring North Road, Haidian District, Beijing City, PRC on 19 August 2025 (Tuesday) at 10:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. Ordinary resolutions will be proposed at the EGM to seek Independent Shareholders' approval for the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and transactions contemplated thereunder (including the Proposed Annual Caps).

As at the Latest Practicable Date, CGNPC held the entire equity interest of CGNPC-URC, and CGNPC-URC held the entire share capital of China Uranium Development. Accordingly, each of CGNPC and CGNPC-URC was deemed to be interested in the interest held by China Uranium Development. Due to the interest of CGNPC in each of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium, China Uranium Development which directly held 4,278,695,652 Shares (representing approximately 56.29% of the issued Shares) as at the Latest Practicable Date will abstain from voting on the relevant resolutions approving the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps) at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

Proxy

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, (1) Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (on or before 31 July 2025 (Thursday)) or (2) Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 1 August 2025 (Friday)), as soon as possible and in any event, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the instrument appointing the proxy shall be deemed revoked.

Book Closure

To determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 14 August 2025 (Thursday) to 19 August 2025 (Tuesday), both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 13 August 2025 (Wednesday). The record date for determining the entitlement of the Shareholders to attend and vote at the EGM is on 19 August 2025 (Tuesday).

RECOMMENDATIONS

As the Directors consider that the terms of each of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps) are on normal commercial term, fair and reasonable and in the interests of the Shareholders as a whole, and the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions approving the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the Letter from the Independent Board Committee, the Letter from Gram Capital and the other information set out in Appendices I and II to this circular.

Yours faithfully,
By Order of the Board
CGN Mining Company Limited
Wang Xianfeng
Chairman

中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01164)

25 July 2025

To the Independent Shareholders,

Dear Sir or Madam,

Continuing Connected Transaction:
Sales Framework Agreement;
Major and Continuing Connected Transaction:
Financial Services Framework Agreement;
and
Connected Transaction: Sales and Purchase
Agreement of Natural Uranium

We refer to the circular dated 25 July 2025 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether, in our opinion, the terms of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium are normal commercial terms, fair and reasonable and whether the transactions contemplated thereunder are in the ordinary and usual course of business the Group and in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

We wish to draw your attention to (i) the "Letter from the Board" on pages 7 to 28 of the Circular which contains information of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium; and (ii) the "Letter from Gram Capital" on pages 31 to 52 of the Circular which contains the advice of Gram Capital in respect of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium and the transactions contemplated thereunder (including the Proposed Annual Caps).

* *For identification purpose only*

Having taken into account the advice of Gram Capital, we consider that (i) the terms of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium are normal commercial terms (or better to the Group) and fair and reasonable; (ii) the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) the Proposed Annual Caps are fair and reasonable.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in respect of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium, the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of the
Independent Board Committee
CGN Mining Company Limited

Gao Pei Ji **Zhang Yuntao** **Wu Yingpeng**
Independent non-executive Directors

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

25 July 2025

To: The independent board committee and the independent shareholders of CGN Mining Company Limited

Dear Sirs,

**(1) CONTINUING CONNECTED TRANSACTION:
SALES FRAMEWORK AGREEMENT
(2) MAJOR AND CONTINUING CONNECTED TRANSACTION:
FINANCIAL SERVICES FRAMEWORK AGREEMENT
(3) CONNECTED TRANSACTION:
SALES AND PURCHASE AGREEMENT OF NATURAL URANIUM**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the New Sales Framework Agreement (the "**Sale CCT**"), the placement of deposits by the Group with CGN Finance and CGNPC Huasheng under the New Financial Services Framework Agreement (the "**Deposit CCT**") and the transaction contemplated under the Sales and Purchase Agreement of Natural Uranium (the "**Sale CT**", together with the Sale CCT and the Deposit CCT, the "**Transactions**") details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 25 July 2025 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, the Existing Framework Agreements will expire on 31 December 2025. As the Group intends to continue, amongst others, the Sale CCT and the Deposit CCT after 31 December 2025, on 3 June 2025, the Company entered into the New Sales Framework Agreement and the New Financial Services Framework Agreement for another term of three years ending 31 December 2028.

With reference to the Board Letter, on 3 June 2025, CGN Global entered into the Sales and Purchase Agreement of Natural Uranium with China Uranium Development, pursuant to which CGN Global shall sell, and China Uranium Development shall purchase from CGN Global, 0.8 million lbs of U_3O_8 in the form of natural uranium at total purchase price of no more than US$60,624,000.

With reference to the Board Letter:

(i) the Sale CCT constitutes continuing connected transaction of the Company and the Deposit CCT constitutes major and continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under Chapter 14 and Chapter 14A (as the case may be) of the Listing Rules; and

(ii) the Sale CT constitutes a connected transaction of the Company and are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Gao Pei Ji, Mr. Zhang Yuntao and Mr. Wu Yingpeng (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Company's management (the "**Management**"). We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Management's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, CGNPC, CGNPC-URC, CGN Finance, CGNPC Huasheng, China Uranium Development or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Group is principally engaged in investment and development of natural uranium resources and trading of natural uranium products. CGN Global is a company incorporated under the laws of England and Wales and a subsidiary of the Company and is principally engaged in trading of natural uranium.

Set out below is the audited consolidated financial information of the Company for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**"):

	For the year ended 31 December 2024	For the year ended 31 December 2023	Change from 2023 to 2024
	HK$'000	*HK$'000*	*%*
Revenue	8,624,272	7,359,952	17.18
Gross profit/(loss)	(66,120)	128,755	N/A
Profit attributable to owners of the Company	341,981	497,099	(31.20)

As illustrated by the above table, the Group's revenue for the year ended 31 December 2024 ("**FY2024**") increased by approximately 17.18% as compared to that for the year ended 31 December 2023 ("**FY2023**"). With reference to the 2024 Annual Report, all of the Group's revenue were derived from its natural uranium trading business and the increase in the Group's revenue was mainly due to CGN Global seizing the opportunities presented by active natural uranium market, resulting in increase in annual sales revenue. As affected by the narrowing of trading spread in off-take business and international trade, the Group recorded gross loss of approximately HK$66 million for FY2024.

Profit attributable to owners of the Company for FY2024 decreased by approximately 31.20% as compared to that for FY2023. With reference to the 2024 Annual Report, such decrease was mainly due to (i) the gross loss recorded as abovementioned; (ii) the increase in income tax expenses; and (iii) the recognition of loss from discontinued operation for FY2024, partially offset by the increase in other operating income and other net gains, and share of profit of a joint venture and an associate.

Information on CGNPC-URC and China Uranium Development

With reference to the Board Letter, CGNPC-URC is a company established in the PRC with limited liability and the sole shareholder of China Uranium Development, the controlling shareholder of the Company, directly holding approximately 56.29% of the issued Shares as at the Latest Practicable Date. As at the Latest Practicable Date, China Uranium Development is also deemed to be interested in approximately 0.14% of the issued Shares held by a third party with China Uranium Development being a person having a security interest. CGNPC-URC is a subsidiary of CGNPC and CGNPC is deemed to be interested in approximately 56.43% of the issued Shares through China Uranium Development as at the Latest Practicable Date. CGNPC-URC and China Uranium Development are connected persons of the Company.

With reference to the Board Letter, CGNPC is a large clean energy enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CGNPC together with its subsidiaries are principally engaged in the generation and sale of electricity, construction, operation and management of nuclear power projects and non-nuclear clean energy projects.

Information on CGN Finance and CGNPC Huasheng

With reference to the Board Letter:

- CGN Finance is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the CGNPC. CGN Finance is a non-banking financial institution established in the PRC with the approval of the then China Banking Regulatory Commission (currently known as the National Financial Regulatory Administration) and the principal activities of which include providing settlement and similar services and taking deposits from members of the CGN Group in the PRC and providing intra-group loan among members of the CGN Group in the PRC.

- CGNPC Huasheng is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CGNPC. CGNPC Huasheng is a money lender licensed under the Money Lender Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong and the principal activities of CGNPC Huasheng include providing settlement and similar services and taking deposits from members of the CGN Group and providing intra-group loan among members of the CGN Group.

Both CGN Finance and CGNPC Huasheng are wholly-owned subsidiaries of CGNPC. Accordingly, they are connected persons of the Company.

A. SALE CCT

Reasons for and benefits of the Sale CCT

With reference to the Board Letter, the Existing Sales Framework Agreement will expire on 31 December 2025. The Group intends to continue the sale of natural uranium to the CGNPC-URC Group as it provides a stable source of income to the Group. CGNPC-URC is one of the few enterprises in the PRC which is authorised by the PRC government to import natural uranium. Coupled with the facts that the Group, by entering into the New Sales Framework Agreement, will continue to maintain and stabilize its position as the natural uranium supplier of CGNPC-URC Group, the Board believes that the sale of natural uranium to CGNPC-URC Group will provide the Group with stable income sources as well as assist the Group in developing its expertise and experience in the uranium trading industry and enhance the Group's competitiveness in the future.

With reference to the 2024 Annual Report, revenue from natural uranium trading business has been the only source of revenue of the Group for the two years ended 31 December 2024. According to the Board Letter, the actual transaction amounts under the Existing Sales Framework Agreement was approximately HK$1,709 million and HK$1,982 million for FY2023 and FY2024 respectively, representing substantial portions of the Group's revenue.

Having considered the above, we are of the view that the Sale CCT is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

Principal terms of the Sale CCT

Summarised below are the principal terms of Sale CCT as contemplated under the New Sales Framework Agreement, details of which are set out under the section headed "NEW SALES FRAMEWORK AGREEMENT" of the Board Letter.

Date

3 June 2025

Parties

1. the Company

2. CGNPC-URC

Term

1 January 2026 to 31 December 2028

Subject matter

Subject to fulfillment of the condition precedent, CGNPC-URC Group shall purchase natural uranium from the Group. The relevant members of the Group and CGNPC-URC Group may enter into individual agreement(s) setting out the quantity and details of each delivery.

In addition, the Group shall have the right of first offer to supply natural uranium demanded by CGNPC-URC Group during the term of the New Sales Framework Agreement.

Minimum purchase quantity

1,200 tons of natural uranium per calendar year (subject to the Sales Annual Cap), provided that, in the event of supply or supply chain problem or other force majeure event resulting the Group unable to deliver the minimum quantity, CGNPC-URC Group shall only be required to purchase such amount able to be supplied by the Group in such calendar year.

Pricing mechanism

The price per pound of natural uranium shall be determined on normal commercial terms with reference to international price indicators published by UxC and TradeTech as follows (the "**Pricing Formula**"):

$$\text{Price} = 30\% \times \begin{array}{c}\text{Forecasted 2026-2028} \\ \text{natural uranium price (i.e.} \\ \text{US\$94.22 per pound of} \\ U_3O_8\text{) } \textit{(Note 1)}\end{array} \times \begin{array}{c}\text{Annual escalation} \\ \text{factor } \textit{(Note 2)}\end{array} + 70\% \times \begin{array}{c}\text{Latest spot price} \\ \text{indicator available} \\ \text{on date of delivery} \\ \textit{(Note 3)}\end{array}$$

Notes:

1. Forecasted 2026-2028 natural uranium price is derived from the arithmetic average of (i) 2026 to 2028 term reference price in Forward Availability Model (FAM 2): Uranium Market Price Projections (Nominal US$/lb U_3O_8) in "Uranium Market Study 2025: Issue 1" published by TradeTech, being US$99.33 per pound of natural uranium (the "**TradeTech Forecasted Term Average**"); and (ii) 2026 to 2028 high long-term price projections in "Uranium Market Outlook – Q1 2025" published by UxC, being US$89.11 per pound of natural uranium (the "**UxC Forecasted Term Average**").

2. Annual escalation factor (the "**Annual Escalation Factor**") is calculated as 1.041 to the power of the difference between the delivery year and 2026.

3. Latest spot price indicator available on date of delivery is calculated as the arithmetic average of the latest weekly price indicators quoted in "Nuclear Market Review" by TradeTech and "Ux Weekly" by UxC available on the date of delivery.

Weight of pre-determined price and future price

The Pricing Formula incorporated a 30% weight of pre-determined price (the "**Pre-determined Price**") based on existing forecasts and a 70% weight of future price (the spot price in future) (the "**Future Spot Price**").

We noted that:

(i) the Pre-determined Price was derived from the arithmetic average of the TradeTech Forecasted Term Average of US$99.33/lb and the UxC Forecasted Term Average of US$89.11/lb; and

(ii) the spot prices of natural uranium were US$72/lb and US$70.9/lb published by TradeTech and UxC respectively on 30 May 2025, both of which were substantially lower than the TradeTech Forecasted Term Average and the UxC Forecasted Term Average respectively.

In the event that the Future Spot Price (i) does not reach the Pre-determined Price of US$94.22/lb on Future Deliver Date; or (ii) decreases as compared to the recent spot prices, the Pricing Formula would secure a 30% weight of the Pre-determined Price.

In the event that the Future Spot Price surges and exceeds the Pre-determined Price, the Pricing Formula would not limit the "up-side" potential as it incorporated a 70% weight of the Future Spot Price.

Annual Escalation Factor

Under the Pricing Formula, the Annual Escalation Factor caters for future inflation.

We noted that the Annual Escalation Factor of 1.041 was derived from dividing the implicit price deflator for GDP of the United States for the fourth quarter of 2024 by the implicit price deflator for GDP of the United States for the first quarter of 2023. The implicit price deflator for GDP is (i) published by Bureau of Economic Analysis ("**U.S. BEA**"), an agency of the Department of Commerce of the United States; and (ii) according to U.S. BEA's website, a measure of inflation in the prices of goods and services produced in the United States, including exports.

Upon our enquiry, the Management advised us that the Company determined the Annual Escalation Factor with reference to the implicit price deflator for GDP of the United States as the Sale CCT will be denominated in US$.

On the aforesaid basis, the Annual Escalation Factor considers the inflation between the first quarter of 2023 and the fourth quarter of 2024 as indicated by the implicit price deflator for GDP of the United States. Accordingly, we consider the Annual Escalation Factor to be reasonable.

Price indicators

As advised by the Directors, the Board considers the price indicators published by UxC and TradeTech to be reliable independent price references for the market price of natural uranium and believes that it is common for natural uranium purchasers to make reference to price indicators published by UxC and TradeTech.

Based on our research, we noted the followings:

- According to UxC's website, UxC is one of the nuclear industry's leading market research and analysis companies that offers a wide range of services spanning the entire nuclear fuel cycle with a special focus on market-related issues. UxC publishes certain publications and reports such as the "Ux Weekly" and the "Market Outlook" reports, and publishing the industry standard "Ux Prices" that are referenced in many fuel contracts.

- According to TradeTech's website, TradeTech is the leading independent provider of uranium prices and nuclear fuel market information and is widely recognised for its expertise in trading activities and its comprehensive knowledge in factors affecting the nuclear fuel cycle globally. TradeTech publishes daily, weekly and monthly uranium market prices and analysis.

- According to the circular published by CNNC International Limited (Stock code: 2302) (the "**CNNC International**", together with its subsidiaries, the "**CNNC International Group**") on 21 May 2024 in relation to, amongst others, certain continuing connected transactions of CNNC International, the selling price of the natural uranium products charged by CNNC International Group (under uranium supply continuing connected transaction) shall be determined in accordance with a pricing mechanism that included references to international price indicators published by UxC and TradeTech from time to time.

Having considered the above, we are of the view that the Pricing Formula is reasonable.

To safeguard the interest of the Group, the Group will adhere to the internal control measures in respect of the Sale CCT (the "**Sale Internal Control Measures**") as set out under the sub-section headed "NEW SALES FRAMEWORK AGREEMENT – Internal Control Measures" of the Board Letter. We consider the effective implementation of the Sale Internal Control Measures would ensure fair pricing of the Sale CCT.

For our due diligence purpose, we obtained from the Company a list of historical transactions during FY2023 and FY2024 under the Existing Sales Framework Agreement and randomly selected three transactions for each year from the list. In respect of each selected transaction, the Company provided us invoice and pricing record which demonstrated that the price of such transaction was determined in accordance with the pricing formula under the Existing Sales Framework Agreement.

With reference to the 2024 Annual Report, the independent non-executive Directors reviewed the Group's continuing connected transactions (including the historical Sale CCT) for FY2024 and confirmed that these continuing connected transactions (including the historical Sale CCT) were (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) entered into in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. Furthermore, the external auditor of the Company also reviewed the Group's continuing connected transactions (including the historical Sale CCT) for FY2024 and confirmed that these continuing connected transactions (including the historical Sale CCT) (i) have been approved by the Board; (ii) have been initiated in transactions in accordance with the relevant agreement; (iii) are in accordance with the pricing policies of the Group (if the transactions involve provision of goods or services by the Group); and (iv) have not exceeded the relevant annual caps disclosed in previous announcements.

Sales Annual Caps

The table below set out (i) the historical transaction amounts of the Existing Sales Framework Agreement; (ii) the Historical Sales Annual Caps for the three years ending 31 December 2025; and (iii) the Sale Annual Caps for the three years ending 31 December 2028:

	For the year ended 31 December 2023 *HK$*	**For the year ended 31 December 2024** *HK$*	**For the six months ended 30 June 2025** *HK$*
Historical transaction amounts	1,709,399,162	1,981,681,428	762,638,345

	For the year ended 31 December 2023 *HK$*	**For the year ended 31 December 2024** *HK$*	**For the year ended 31 December 2025 ("FY2025")** *HK$*
Historical Sales Annual Caps	4,092,000,000	4,402,000,000	4,541,000,000

	For the year ending 31 December 2026 ("FY2026") *HK$*	**For the year ending 31 December 2027 ("FY2027")** *HK$*	**For the year ending 31 December 2028 ("FY2028")** *HK$*
Sales Annual Caps	3,943,613,653.68	4,395,565,471.56	4,561,098,810.61

With reference to the Board Letter, the utilisation rates of the Historical Sales Annual Caps are relatively low, mainly due to (i) natural uranium produced from Semizbay-U and Ortalyk falling short of expectation due to sulfuric acid supply shortage in Kazakhstan (the raw material used for extraction of natural uranium); and (ii) no usage of additional buffer of 600tU to 650tU of additional natural uranium supply per annum for potential project and off-take right acquisition. The Sales Annual Caps for the three years ending 31 December 2028 were determined based on, among other things, the Group's increasing capability in supplying natural uranium due to off-take right to 49% of the uranium products of Semizbay-U and Ortalyk and potential project and off-take right acquisition (the "**Supply Capability**").

For our due diligence purpose, we obtained the calculation of the Sales Annual Caps for the three years ending 31 December 2028 (the "**Sales Caps Calculation**"). We noted from the Sales Caps Calculation that the Sales Annual Caps were formulated based on (a) the expected sale volume according to the Supply Capability; and (b) the future uranium prices forecasted by TradeTech and UxC, for each of the three years ending 31 December 2028 (the "**Future Prices**").

Natural uranium supply of Semizbay-U and Ortalyk

With reference to 2024 Annual Report:

(i) Semizbay-U operates the Semizbay Mine and Irkol Mine. The Group has the rights to off-take 49% of Semizbay-U's annual natural uranium production.

(ii) Semizbay-U's designated production capacity for 2024 was 975tU while the actual total volume of uranium extracted was 976tU, achieving its annual production targets. After deducting processing losses, the total annual natural uranium production was 964tU.

With reference to the Board Letter, based on the current production capacity of the natural uranium deposits operated by Semizbay-U and its business plan, the estimated annual off-take volume of Semizbay-U for the three years ending 31 December 2028 will be approximately 402tU, 392tU and 300tU respectively.

Under the Sales Caps Calculation, the planned production capacity of Semizbay-U for the three years ending 31 December 2028 will be approximately 821tU, 801tU and 612tU respectively (with 49% off-take rights, off-take volume will be approximately 402tU, 392tU and 300tU respectively). The aforesaid planned production capacity of Semizbay-U for the three years ending 31 December 2028 are within its designated production capacity for 2024. As advised by the Management, effect of the aforesaid sulfuric acid supply shortage in Kazakhstan has been eased and it is feasible for Semizbay-U to reach the above production level which is within its designated production capacity for 2024.

With reference to 2024 Annual Report:

(i) Ortalyk operates the Central Mynkuduk Mine and Zhalpak Mine. The Group has the rights to off-take 49% of Ortalyk's annual natural uranium production.

(ii) Ortalyk's adjusted designated production capacity for 2024 was 1,750tU while the actual total volume of uranium extracted was 1,783tU (1,663tU from Central Mynkuduk Mine and 120tU from Zhalpak Mine), achieving its annual production targets. After deducting processing loss, the total annual natural uranium production was 1,739tU.

With reference to the Board Letter, based on the current production capacity of the natural uranium deposits operated by Ortalyk and its business plan, the estimated annual off-take volume of Ortalyk for the three years ending 31 December 2028 will be approximately 1,036tU, 1,225tU and 1,298tU respectively.

Under the Sales Caps Calculation, the planned production capacity of Ortalyk for the three years ending 31 December 2028 will be approximately 2,115tU, 2,500tU and 2,650tU respectively (with 49% off-take rights, off-take volume will be approximately 1,036tU, 1,225tU and 1,298tU respectively) (the "**Ortalyk Capacity Growth**"). As advised by the Management, contribution of Zhalpak Mine to Ortalyk's total natural uranium production was low (approximately 7%) for FY2024 as Zhalpak Mine was still under construction. With reference to the 2024 Annual Report, most of the mining and construction projects at Zhalpak Mine were completed as planned in FY2024. Having also taken into account that effect of the aforesaid sulfuric acid supply shortage in Kazakhstan has been eased, the Company considered that the above planned production capacity of Ortalyk for the three years ending 31 December 2028 is feasible with gradual increase in Zhalpak Mine's natural uranium production.

Given the above, we do not doubt the reasonableness of natural uranium supply volume of Semizbay-U and Ortalyk adopted in the Sales Caps Calculation.

Natural uranium supply from potential project/off-take rights to be acquired

With reference to the Board Letter, as part of the development strategy of the Company, the Company is continuously seeking for potential uranium resource investment opportunities. As such, the Sales Annual Caps have provided for an additional buffer of 600 tU of additional natural uranium supply per year. Such buffer was determined with reference to the arithmetic average of the actual total volume of uranium extracted by Semizbay-U and Ortalyk for 2024 (which was 976tU and 1,783tU, respectively) multiplied by the Company's shareholding percentage in Semizbay-U and Ortalyk (i.e., 49%) rounded down to closest hundred.

We understood from the Management that the Company intends to acquire/invest in target(s) of size between Semizbay-U and Ortalyk. We also obtained further information from the Company regarding one of its potential acquisition targets and noted that the designed production capacity of such target is between the designed production capacities of Semizbay-U and Ortalyk. Accordingly, we consider the above calculation basis of the buffer volume to be reasonable.

Estimated unit price

We noted that the Future Prices adopted in the Sales Caps Calculation were estimated after taking into account the Pricing Formula (which is reasonable as concluded above), with reference to the forecasted prices as set out under the sub-section headed "Basis of determination of the Sales Annual Caps" of the Board Letter. The Company also provided relevant extracts from UxC or TradeTech's reports that substantiated the forecasted prices (i.e. UxC spot price projection: US$90/lb for 2026, US$93/lb for 2027 and US$95/lb for 2028; TradeTech spot price projection: US$100/lb for 2026, US$100.5/lb for 2027 and US$108/lb for 2028).

Based on the above, the Futures Prices adopted in the Sales Caps Calculation are:

US$94.77/lb for FY2026 as calculated by: "30% x 94.22 + 70% x (90+100)/2"

US\$97.15/lb for FY2027 as calculated by: "30% x 94.22 x 1.041 + 70% x (93+100.5)/2"

US\$101.68/lb for FY2028 as calculated by: "30% x 94.22 x 1.041^2 + 70% x (95+108)/2"

As the Futures Prices adopted in the Sales Caps Calculation followed the Pricing Formula and were supported by projections of UxC and TradeTech, we consider them to be reasonable.

Having considered the above, we are of the view that the Sales Annual Caps for the three years ending 31 December 2028 are fair and reasonable.

Shareholders should note that as the Sales Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of revenue/income to be generated from the Sale CCT. Consequently, we express no opinion as to how closely the actual revenue/income to be generated from the Sale CCT will correspond with the Sales Annual Caps.

In light of the above, we are of the view that the terms of the Sale CCT (including the Sales Annual Caps for the three years ending 31 December 2028) are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Management confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Sale CCT must be restricted by the Sale Annual Caps for the three years ending 31 December 2028; (ii) the terms of the Sale CCT must be reviewed by the independent non-executive Directors annually; and (iii) details of the independent non-executive Directors' annual review on the terms of the Sale CCT must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Sale CCT (i) have not been approved by the Board; (ii) were not, in all material aspects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Sale CCT; and (iv) have exceeded the Sale Annual Caps. In the event that the total amount of the Sale CCT is anticipated to exceed the Sale Annual Caps, or that there is any proposed material amendment to the terms of the Sale CCT, as confirmed by the Management, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for the continuing connected transactions pursuant to the Listing Rules by the Company, we are of the view that there are adequate measures in place to monitor the Sale CCT (together with the Sale Annual Caps) and hence the interest of the Independent Shareholders would be safeguarded.

Recommendation on the Sale CCT

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Sale CCT are on normal commercial terms and fair and reasonable; and (ii) the Sale CCT are conducted under the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Sale CCT and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

B. DEPOSIT CCT

Reasons for and benefits of the Deposit CCT

With reference to the Board Letter, the Existing Financial Services Framework Agreement will expire on 31 December 2025. The Group intends to continue with the transactions under the Existing Financial Services Framework Agreement (including the Deposit CCT).

Through years of cooperation, CGN Finance and CGNPC Huasheng have become familiar with the Group's capital structure, business operations, funding needs, cash flow pattern, cash management and the overall financial administrative system, which enables it to render more expedient, efficient and flexible services to the Group than independent commercial banks and financial institutions. The Group is expected to benefit from CGN Finance's and CGNPC Huasheng's familiarity of the Group's industry and operations while earning interests no less favourable than placing the same with other commercial banks for the same type and term of deposit places with CGN Finance and/or CGNPC Huasheng. Detailed reasons for and benefits of the Deposit CCT are set out under the section headed "Reasons for and Benefits of the New Financial Services Framework Agreement" of the Board Letter.

Having considered the above, we are of the view that the Deposit CCT is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

Principal terms of the Deposit CCT

Summarised below are the principal terms of the Deposit CCT as contemplated under the New Financial Services Framework Agreement, details of which are set out under the section headed "NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT" of the Board Letter.

Date

3 June 2025

Parties

1. The Company
2. CGN Finance
3. CGNPC Huasheng

Term

1 January 2026 to 31 December 2028

Subject matter

PRC Subsidiaries of the Group may set up and maintain RMB and foreign currency deposit accounts with CGN Finance and make deposit. Foreign Subsidiaries of the Group may authorise their account(s) at third party commercial banks be linked to the cash pooling master settlement account maintained by CGNPC Huasheng, allowing cash balance in such account(s) to the transferred automatically to cash pooling master settlement account and the amount transferred to the cash pooling master settlement account constitutes money deposited by the Group with CGNPC Huasheng.

Pricing mechanism

The interest rate of the deposits with CGN Finance shall not be lower than (i) the interest rates for the same type and term of deposit offered by China's Big-Four Commercial Banks; and (ii) the interest rate for the same type and term of deposit provided by CGN Finance to other members of the CGN Group in the PRC.

The interest rate of the deposits with CGNPC Huasheng shall not be lower than (i) the interest rate for similar deposit offered by CGNPC Huasheng to other members of the CGN Group (excluding the Group); and (ii) the interest rates quoted by other independent commercial banks in Hong Kong (such as Industrial and Commercial Bank of China (Asia) Limited and Bank of China (Hong Kong) Limited) for similar type of deposit.

To safeguard the interest of the Group, the Group will adhere to the internal control measures in respect of the Deposit CCT (the "**Deposit Internal Control Measures**") as set out under the sub-section headed "NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT – Internal Control Measures" of the Board Letter. We consider the effective implementation of the Deposit Internal Control Measures would ensure fair interest determination of the Deposit CCT.

For our due diligence purpose, we obtained from the Company (i) lists of the deposits placed by the Group with CGN Finance/CGNPC Huasheng during FY2023 and FY2024; and (ii) internal approval document (with interest rates comparison with other commercial banks) for each of the deposits placed. Nothing came to our attention that caused us to believe that the interest determination under the aforesaid documents was not complied with the basis for determining the interest rates for the Deposit CCT under the Existing Financial Services Framework Agreement.

With reference to the 2024 Annual Report, the independent non-executive Directors reviewed the Group's continuing connected transactions (including the historical Deposit CCT) for FY2024 and confirmed that these continuing connected transactions (including the historical Deposit CCT) were (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) entered into in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. Furthermore, the external auditor of the Company also reviewed the Group's continuing connected transactions (including the historical Deposit CCT) for FY2024 and confirmed that these continuing connected transactions (including the historical Deposit CCT) (i) have been approved by the Board; (ii) have been initiated in transactions in accordance with the relevant agreement; (iii) are in accordance with the pricing policies of the Group (if the transactions involve provision of goods or services by the Group); and (iv) have not exceeded the relevant annual caps disclosed in previous announcements.

Deposit Annual Caps

The table below set out (i) the historical maximum deposit amounts of the historical Deposit CCT; (ii) the Historical Deposit Annual Caps for the three years ending 31 December 2025; and (iii) the Deposit Annual Caps for the three years ending 31 December 2028:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the six months ended 30 June 2025**
	US$ million	*US$ million*	*US$ million*
Historical maximum outstanding balance of deposits (including any accrued interest)	163.36	238.95	230.34

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
	US$ million	*US$ million*	*US$ million*
Historical Deposit Annual Caps	700	700	700

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
	US$ million	*US$ million*	*US$ million*
Deposit Annual Caps	900	900	900

With reference to the Board Letter, the utilisation rates of the Historical Deposit Annual Caps are relatively low, mainly because loans were not obtained by the Group and refinanced as the Group's acquisition did not materialize up to the Latest Practicable Date. The Deposit Annual Caps for the three years ending 31 December 2028 were determined with reference to, among others, the possible funds obtained for acquisition of high-quality uranium mines by the Group (the "**Possible Acquisition(s)**").

For our due diligence purpose, we obtained the calculation of the Deposit Annual Caps for the three years ending 31 December 2028 (the "**Deposit Caps Calculation**"). Under the Deposit Caps Calculation, the following factors were taken into account:

(i) the expected increasing requirement to settle sums among members of CGN Group taking into consideration of potential increase in sale volume of natural uranium to the CGNPC-URC Group ("**Factor I**");

(ii) the possible dividend to be paid by Semizbay-U and Ortalyk to the Group ("**Factor II**"); and

(iii) the funding to be obtained by the Group in anticipation of potential acquisitions (the "**Acquisition Funding**"). Once the Acquisition Funding is obtained, it will be deposited before actual utilisation. The Management also expect to re-finance part of the Acquisition Funding which will also require deposit balance under the re-financing arrangement ("**Factor III**").

Factor I

In determining Factor I, we noted from the Deposit Caps Calculation that the Company applied the same (a) expected sale volume of natural uranium according to the expected Supply Capability; and (b) Future Prices, adopted under the Sales Caps Calculation. Having considered our analysis set out under the section headed "**Sales Annual Caps**" above, we do not doubt the reasonableness of the Factor I.

Factor II

In respect of Factor II, we noted from the Deposit Caps Calculation that the Company estimated the dividend to be paid by Semizbay-U (the "**Semizbay-U Dividend**") and Ortalyk (the "**Ortalyk Dividend**") to the Group based on the Company's estimation on their operational performance. Such estimation was based on the same expected Supply Capability of Semizbay-U and Ortalyk adopted under the Sales Caps Calculation.

Under the Deposit Caps Calculation:

(i) Semizbay-U Dividend to be received in each of FY2026, FY2027 and FY2028 was conservatively estimated to be not exceeding the Semizbay-U Dividend to be received in FY2025 (which has been determined with reference to the financial results of Semizbay-U for FY2024).

(ii) Ortalyk Dividend to be received in each of FY2026, FY2027 and FY2028 was estimated to increase along with the Ortalyk Capacity Growth as supported by gradual increase in Zhalpak Mine's natural uranium production (most of the mining and construction projects at Zhalpak Mine were completed as planned in FY2024).

Having considered the above, we do not doubt the reasonableness of the Factor II.

Factor III

In respect of Factor III, we noted from the Deposit Caps Calculation that the Company estimated the Acquisition Funding with reference to historical acquisition consideration (for example, the consideration for acquisition in 49% stake in Ortalyk (the "**Ortalyk Acquisition**") was approximately US$435 million), estimated resources of potential targets, percentage of potential acquisition stake, recent prices of natural uranium and proportion of acquisition consideration to be financed by Acquisition Funding. We also obtained further information from the Company regarding one of its potential acquisition targets and noted that the amount of estimated resources of such target is comparable to that of Ortalyk as at 31 December 2020 (whereas the sale and purchase agreement in relation to the Ortalyk Acquisition was entered into on 22 April 2021). Having also discussed other referencing components for the Acquisition Fund as mentioned above with the Management, we do not doubt the reasonableness of the Factor III.

Based on the Deposit Caps Calculation:

(i) the expected maximum deposit balance under the Deposit CCT without the Acquisition Funding will be approximately US$448 million for FY2026, US$500 million for FY2027 and US$599 million for FY2028; and

(ii) after taking into account the Acquisition Funding and subsequent re-finance arrangement, the expected maximum deposit balance under the Deposit CCT will be approximately US$868 million for FY2026, US$860 million for FY2027 and US$859 million for FY2028.

After incorporating a top-up buffer of less than 10%, the Deposit Annual Caps were set at US$900 million. We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% in the proposed annual caps is not uncommon. Therefore, we consider the buffer of less than 10% to be reasonable.

Having considered the above, we are of the view that the Deposit Annual Caps for the three years ending 31 December 2028 are fair and reasonable.

Shareholders should note that as the Deposit Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of cash level of the Group. Consequently, we express no opinion as to how closely the actual cash level of the Group will correspond with the Deposit Annual Caps.

In light of the above, we are of the view that the terms of the Deposit CCT (including the Deposit Annual Caps for the three years ending 31 December 2028) are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum outstanding balance of deposits placed under the New Financial Services Framework Agreement must be restricted by the Deposit Annual Caps for the three years ending 31 December 2028; (ii) the terms of the Deposit CCT must be reviewed by the independent non-executive Directors annually; and (iii) details of the independent non-executive Directors' annual review on the terms of the Deposit CCT must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit CCT (i) have not been approved by the Board; (ii) were not, in all material aspects, in accordance with the pricing policies of the Group (if applicable); (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the Deposit CCT; and (iv) have exceeded the Deposit Annual Caps. In the event that the maximum outstanding balance of deposits placed under the New Financial Services Framework Agreement is anticipated to exceed the Deposit Annual Caps, or that there is any proposed material amendment to the terms of the Deposit CCT, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for the continuing connected transactions pursuant to the Listing Rules by the Company, we are of the view that there are adequate measures in place to monitor the Deposit CCT (together with the Deposit Annual Caps) and hence the interest of the Independent Shareholders would be safeguarded.

Recommendation on the Deposit CCT

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deposit CCT are on normal commercial terms and fair and reasonable; and (ii) the Deposit CCT are conducted under the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the

Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Deposit CCT and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

C. SALE CT

Reasons for and benefits of the Sale CT

With reference to the Board Letter, the sale of natural uranium under the Sales and Purchase Agreement of Natural Uranium is made in the usual and ordinary course of business of the Group in furtherance of the Group's principal business. It is expected that the sale of natural uranium under the Sales and Purchase Agreement of Natural Uranium will produce a stable source of income to the Group for the second half of 2025, with better net return for earlier completion of delivery due to lower storage costs of natural uranium.

As aforementioned, all of the Group's revenue for FY2024 was derived from its natural uranium trading business and the increase in the Group's revenue from FY2023 to FY2024 was mainly due to CGN Global seizing the opportunities presented by active natural uranium market, resulting in increase in annual sales revenue.

Having considered the above, we are of the view that the Sale CT is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

Principal terms of the Sale CT

Summarised below are the principal terms of Sale CT as contemplated under the Sales And Purchase Agreement of Natural Uranium, details of which are set out under the section headed "THE SALES AND PURCHASE AGREEMENT OF NATURAL URANIUM" of the Board Letter.

Date

3 June 2025

Parties

1. CGN Global

2. China Uranium Development

Subject matter

CGN Global shall sell and China Uranium Development shall buy 0.8 million pounds of U_3O_8 in the form of natural uranium. Delivery quantity shall be notified by CGN Global to China Uranium Development 30 calendar days prior to Delivery Date. Delivery shall be effected by Book Transfer in the books of the Conversion Facility without surcharge to China Uranium Development. The Delivery quantity shall be delivered on Scheduled Delivery Date at the Conversion Facility to the account of China Uranium Development.

Consideration

China Uranium Development shall pay CGN Global US$75.78 per lb of U_3O_8 contained in the natural uranium. The total purchase price of the natural uranium shall be no more than US$60,624,000.

With reference to the Board Letter, as the Scheduled Delivery Date shall be in the second half of 2025, the purchase price under the Sales and Purchase Agreement of Natural Uranium was determined with reference to:

(i) the composite mid-point of 2025 annual forecast spot price of US$75.78/lb stated in the market report published by UxC in the first quarter of 2025 (the "**Selected Reference Price**"); and

(ii) the spot price of natural uranium of US$70.9/lb published by UxC and US$72/lb published by TradeTech on 30 May 2025 (the "**Reference Spot Prices**").

For our due diligence purpose, we obtained from the Company pricing records of the Group's sales of U_3O_8 in the form of natural uranium to independent third parties in June 2025 (June 2025 was selected as the reference month given the fluctuation of natural uranium prices and there was no sales to independent third parties conducted in May 2025 as advised by the Management). We noted from the aforesaid pricing records that (i) the selling prices per lb of U_3O_8 offered to independent third parties were determined with the then spot prices published by UxC and TradeTech, which were lower than the Selected Reference Price; and (ii) the selling price per lb of U_3O_8 contained in the natural uranium under the Sales and Purchase Agreement of Natural Uranium was not less than the selling prices under the sales to independent third parties.

Having considered the above, we are of the view that (i) the adoption of the Selected Reference Price (which is higher than the Reference Spot Prices) for determining the consideration; and (ii) the consideration under the Sales and Purchase Agreement of Natural Uranium is fair and reasonable.

Payment terms

At least 7 days prior to the Scheduled Delivery Date, CGN Global shall submit by email invoice with signature for the amount payable for the delivery of the natural uranium under the Sales and Purchase Agreement of Natural Uranium to China Uranium Development. Payment of the amount of invoice shall be effected 30 days after Delivery Date after receipt by China Uranium Development of a copy of the Book Transfer Confirmation of the Conversion Facility and invoice by e-mail.

If the payment date falls in 2026, the payment date should be subject to China Uranium Development and CGN Global's agreement whether it will be advanced to 2025, China Uranium Development should use its best endeavours to pay CGN Global within 2025.

We noted from the 2024 Annual Report that the Group normally grants to its trade customers credit period of 15 days to 120 days after the delivery dates for both FY2023 and FY2024. We consider the payment terms of the Sale CT are in line with the Group's normal practice.

Having considered the principal terms of the Sale CT as set out above, we are of the view that the terms of the Sale CT are on normal commercial terms and are fair and reasonable.

Recommendation on the Sale CT

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Sale CT are on normal commercial terms and fair and reasonable; and (ii) the Sale CT are conducted under the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Sale CT and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 are disclosed in the 2022 annual report of the Company (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042402374.pdf) at pages 106-242, 2023 annual report of the Company (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042501714.pdf) at pages 113-239 and 2024 annual report of the Company (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042401117.pdf) at pages 106-235, respectively.

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 May 2025, being the latest practicable date for the purpose of determining this statement of indebtedness prior to the distribution of this circular, the Group had (i) bank borrowings of approximately US$170 million which were unsecured and guaranteed by the Company with the interest rates ranging from 4.78236% to 5.2668%; (ii) bank borrowings of approximately US$64 million, which were unsecured and unguaranteed with the interest rates ranging from 4.78236% to 5.02626%; and (iii) other borrowings of approximately US$186 million which were unsecured and unguaranteed with the interest rates (A) ranging from 4.585% to 5.265% for US dollar borrowings of approximately US$180 million and (B) fixed at 3.1% for RMB borrowings of approximately US$6 million. In addition, the Group had an unutilised borrowing facility of approximately US$1,562 million which is unsecured and unguaranteed and unutilised borrowing facility(ies) of approximately US$30 million which is unsecured and guaranteed.

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. As at 31 May 2025, the Group had total lease liabilities of approximately US$497,000.

Save as aforesaid, and apart from intra-Group liabilities, the Group did not have any (a) debt securities issued and outstanding, or authorised or otherwise created but unissued, or term loans; (b) borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments; (c) mortgages or charges; or (d) guarantees or other material contingent liabilities as at the close of business on 31 May 2025.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the effect of the New Sales Framework Agreement, the New Financial Services Framework Agreement and the Sales and Purchase Agreement of Natural Uranium, the business prospects, the internal resources of the Group and the facilities available to the Group, the working capital available to the Group is sufficient for its requirements for at least the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

Business Environment Outlook

Nuclear power market analysis

First, in terms of the advantages and necessity of nuclear power, nuclear energy is characterised by high energy density, low carbon emission, stable power generation and high annual utilization hours of power generation, making it a reliable baseload energy. Under the global goal of "Carbon Peaking and Carbon Neutrality", nuclear energy can assist various countries in achieving the goal of low carbon emission and sustainable development. Meanwhile, nuclear power can reduce reliance on imported fossil fuels while enhancing national energy security.

Second, in terms of the forecast for global future installed capacity, in 2024, the International Atomic Energy Agency increased its projection for nuclear power capacity growth by 7% compared to its previous high-case forecast, with global nuclear power production capacity anticipated to increase to 950GWe by 2050. Meanwhile, according to UxC's forecast, global natural uranium demand for nuclear power stations will reach 108,000tU by 2040, representing a 46.3% increase compared to the end of 2024. As a result, the demand for nuclear fuel will continue to rise significantly in the future.

Third, in terms of the forecast for China's development, against the backdrop of actively promoting "Carbon Peaking and Carbon Neutrality", China's nuclear power development is posed to encounter unprecedented opportunities. Since 2013, the proportion of nuclear power generation in China has steadily increased from 2.11% in 2013 to 4.22% before the approval of nuclear power recommissioning in 2018, reaching the current level of 4.73%. However, compared to the average proportion of nuclear power generation in developed countries at 10%, there is still huge room for improvement in China. China has approved 10 new nuclear power units per year for three consecutive years, and according to the prediction of the China Nuclear Energy Association, nuclear power will account for approximately 10% of China's electricity structure by 2035.

Lastly, in terms of the nuclear power policies of major global countries, a number of countries around the world have continued to put forward policies in favor of the nuclear power industry during the year to address energy instability brought by geopolitical factors, the complex and volatile international situation and other uncertainty risks. These policies mainly cover the following aspects: increasing the plans for installed nuclear power capacity, delaying the decommissioning time of nuclear power stations, building/approving new nuclear power units, reactivating nuclear power stations, providing financial support and establishing multinational cooperation to promote the development of nuclear power. The above measures will have a long-lasting and far-reaching impact on the global supply and demand dynamics of nuclear power.

Natural uranium market analysis

First, in terms of the spot and long-term trade trend, the average prices of spot and long-term trade both increased slightly in 2024. Against this backdrop, the volume of spot and long-term trade dropped slightly during the year, but it is expected that there is still room for growth in the future. Following the Fukushima accident, uranium prices remained low for a long period and no new long-term contracts were signed for a significant period of time, with power plant owners procuring in the spot market to meet demands not covered by long-term contracts, while most natural uranium producers sustained their sales with long-term contracts signed prior to the Fukushima accident. However, from 2022 to 2024, the number of long-term contracts rebounded, with new long-term contracts being signed reflecting that with the stimulus of rising spot uranium prices, the long-term demand from nuclear power plant owners will gradually become more prominent, and the fundamentals of the natural uranium market will improve, injecting real momentum into the natural uranium market. However, it should be noted that the number of long-term trade contracts has not yet returned to the level before 2010 and there is still room for growth in the future. As uranium prices recovered and stayed at a high level, many uranium producers opted to resume and commence production. Main production increases were from Cameco Corporation and National Atomic Company Kazatomprom Joint Stock Company ("**Kazatomprom**"). In addition, Lotus Resources Limited reactivated the Kayelekera project, Uranium Energy Corp. announced the reactivation of the Christensen Ranch uranium mine in the US, IsoEnergy Limited reactivated the Tony M uranium mine, and Boss Energy Limited reactivated its Honeymoon uranium mine and commenced production at its Alta Mesa uranium mine. Meanwhile, some uranium explorers accelerated their exploration and development progress. For example, C29 Metals Limited activated the drilling work of the Ulytau project, Aura Energy Limited expanded the drilling work of the Tiris uranium mine and achieved a 49% increase in reserves, and the reserves of Deep Yellow's Tumas uranium mine increased by 18%. However, some producers indicated that the pace of production resumption and reactivation was slower than expected. For example, the No. 6 uranium mine project under Priargunsky Industrial Mining and Chemical Union in Russia will commence production in 2028, two years later than the original plan, and the development of the Zuuvch-Ovoo uranium mine in Mongolia is subject to delay.

Second, in terms of global energy security and supply landscape, the impact of the Russia-Ukraine conflict since February 2022 has caused the price of traditional fossil energy to skyrocket, which led to energy security and energy independence being emphasised at an unprecedented level. As a result of events such as the coup in Niger with part of the mining rights for uranium being withdrawn by the government, the evolution of the global energy landscape has accelerated. Nuclear power has become an important breakthrough to ensure national energy security and optimize the energy structure. At the same time, in order to reduce dependence on Russia's nuclear fuel supply, North American and European countries have successively adopted a strategy of supply diversification, while the US introduced laws to ban the imports of Russian low-enriched uranium and likewise, Russia announced temporary restrictions on exports of enriched uranium to the US in response to US sanctions. The landscape of global supply on nuclear fuel has changed and will continue to change accordingly.

Third, in terms of multilateral cooperation on nuclear fuel, many countries have started multilateral cooperations, having embraced a positive attitude towards nuclear energy and ensuring the safety and stability of their domestic fuel supply.

Finally, the procurement of financial institutions further increased the pressure on the supply-demand gap. Since the second half of 2021, financial institutions, including Sprott Physical Uranium Trust ("**SPUT**") and Yellow Cake Plc, have purchased a large amount of natural uranium in the spot market, while SPUT stated in its announcement that it "maintains a business model of buy-and-hold, and continues to build up a physical inventory of natural uranium". Meanwhile, the Swiss asset management company Zuri-Invest AG released physical natural uranium AMC products in 2023 (with the purchase amount undisclosed). A total of 34,846tU was held by financial institutions at the end of 2024, achieving a net increase for three consecutive years, which may pose further pressure on the secondary supply formed by future spot commercial inventories. In addition, according to the UxC report, Western governments' secondary supply, such as inventory and enrichment capacity, has continued to decrease, which will also put pressure on the balance of spot supply and demand.

In summary, with the existence of a gap between supply and demand in the long term, the supply and demand fundamentals are expected to support the long-term price, and the spot price of natural uranium will be more susceptible to fluctuations caused by disturbances in the supply and demand sides.

Business Development Outlook

Operation of Semizbay-U

In accordance with the adjusted production plan of Kazatomprom, Semizbay-U will continue to operate in accordance with its production reduction plan in 2025. To ensure that Semizbay-U will achieve its annual production and operation targets safely in 2025, the Company will continue to actively participate in the governance of Semizbay-U through its board of directors. In addition to ensuring that Semizbay-U will complete its annual production plans and product sales plans and achieve its annual profit targets, the Company will also actively promote the development of new sandstone-type uranium resources projects, so as to prepare for Semizbay-U's subsequent uranium resource substitution and the sustainable Sino-Kazakh cooperation. At the same time, the expatriate team will continue to strengthen supervision on the implementation of annual production, procurement and sales plans as well as the annual budget, effectively control the cost of products, and ensure the timely and high-quality completion of the preparation work for mines in newly developed regions of the Semizbay mine and the Irkol mine along with the processing of natural uranium.

Operation of Ortalyk

In 2025, the Company will continue to participate in the governance of Ortalyk through its board of directors to ensure that the annual production plans and product sales tasks of (i) the central plot of Mynkuduk deposit in South-Kazakhstan region

Kazakhstan which is owned and operated by Ortalyk; and (ii) the uranium deposit located in Sozak district which is owned and operated by Ortalyk ("**Zhalpak Deposit**"), will be completed safely and efficiently and their annual profit targets will be achieved. Additionally, it will ensure that the annual mine construction missions of Zhalpak are completed on time and with high quality. At the same time, the expatriate team will actively participate in the production plan and operation management of the mine, conducting on-site inspections and overseeing and supervising the implementation of the annual production and operation plan and annual budget to ensure the enterprise meets its annual operation targets. Additionally, the expatriate team will actively participate in monitoring the progress and quality of the mine construction of Zhalpak Deposit ensuring the mine construction plan is completed under the premise of safe construction.

Management and control on PLS Project

The Company will continue to actively communicate with Paladin Energy Limited to jointly negotiate the development of the Patterson Lake South project, being Paladin's primary and wholly-owned asset.

Active expansion of trading business

The Group will continue to maintain and expand its business channels, and, under the premise of strictly controlling operational risks, actively explore new business models and new trading opportunities to ensure the achievement of annual trade targets.

Acquisition of new uranium resources projects

With the steady development of nuclear power generation worldwide and the natural uranium industry in the ascendant, the Group will continue to follow up on the opportunities of high-quality uranium projects around the world, and approach potential targets at an opportune time, in order to provide continuous and stable uranium resources for nuclear power plant owners. At the same time, the Group will seek to establish strategic partnerships with internationally renowned uranium producers and traders to study the feasibility of developing uranium projects in various modes.

Implementing equity incentive policy

In order to further improve the medium and long-term incentive and binding mechanism of the Company, and to strengthen the alignment of interests and risk taking among Shareholders, the Company and employees, we are committed to enhancing the sense of belonging and loyalty among management and core staff. To this end, the Group will continue to promote the implementation of medium to long-term incentive proposals, such as share option scheme to foster a win-win development for both the Company and its employees.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (as defined in the part XV of the SFO) held by the Directors, the chief executives of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the required register, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange are as follows:

Name of Director	Personal interests	Other interests	Number of shares	Percentage of issued share capital of the Company
Ms. Xu Junmei	–	120,000[Note]	120,000	0.00%

Note: Such shares were held by the spouse of the Director.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (as defined in the part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the required register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors or chief executive of the Company or their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

(b) Substantial Shareholders' and other Shareholders' interests

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than the Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares *(Note 1)*	Approximate percentage of Shareholding *(Note 1)*
Substantial Shareholders			
CGNPC[2, 3,4]	Interest in a controlled corporation	4,288,695,652 (L)	56.43%(L)
CGNPC-URC[2, 3, 5]	Interest in a controlled corporation	4,288,695,652 (L)	56.43%(L)
China Uranium Development	Beneficial owner Person having a security interest in shares	4,278,695,652 (L) 10,000,000 (L)	56.43%(L)
Other Shareholders			
China Chengtong Holdings Group Ltd.*[6]（中國誠通控股集團有限公司）	Interest in a controlled corporation	605,330,000 (L)	7.96% (L)
The China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd.*[6]（中國國有企業混合所有制改革基金有限公司）	Interest in a controlled corporation	605,330,000 (L)	7.96% (L)
Chengda Holding Limited[6]	Beneficial owner	605,330,000 (L)	7.96% (L)
State Street Bank & Trust Company	Approved lending agent	456,446,744 (P)	6.01% (P)

Notes:

1. (L) – Long Position, (P) – Lending Pool.

2. CGNPC held the entire equity interest of CGNPC-URC, and CGNPC-URC held the entire share capital of China Uranium Development. Accordingly, each of CGNPC and CGNPC-URC was deemed to be interested in the interest held by China Uranium Development.

3. The long position included (i) 4,278,695,652 Shares held by China Uranium Development; and (ii) the interests in 10,000,000 Shares pledged by a third party.

4. Mr. Sun Xu, a non-executive Director, and Mr. Yin Xiong, a former Director, are also employees of CGNPC.

5. Mr. Wang Xianfeng and Mr. Sun Xu, non-executive Directors, Mr. Qiu Bin and Ms. Xu Junmei, executive Directors, and Mr. Yin Xiong, former Director, are also directors of CGNPC-URC. Mr. Wang Xianfeng, non-executive Directors, Mr. Qiu Bin and Ms. Xu Junmei, executive Directors, are also employees of CGNPC-URC.

6. According to information provided by China Chengtong Holdings Group Limited*, Chengda Holding Limited is wholly-owned by The China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (the "**Mixed-ownership Reform Fund**"), in which 34.23% of the shares were held by China Chengtong Holdings Group Limited. Accordingly, each of China Chengtong Holdings Group Limited and the Mixed-ownership Reform Fund is deemed to be interested in the interest held by Chengda Holding Limited.

Save as disclosed above, the Directors are not aware of any person as at the Latest Practicable Date who had an interest or short position in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

There was no contract or arrangement in which any Director is materially interested and which is significant in relation to the business of the Group subsisting as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which have been, since 31 December 2024, the date of which the latest published audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) had an interest in a business which competes or is likely to compete with the business of the Group.

7. EXPERT AND CONSENT

The following is the qualification(s) of the expert who has been named in this circular or has given opinion or advice contained in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital did not have any interest, either direct or indirect, in any assets which have been, since 31 December 2024, the date to which the latest audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group nor had any shareholding in any member of the Group nor the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and letter in the form and context in which they are included.

8. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, the date to which the latest published audited accounts of the Company were made up, up to and including the Latest Practicable Date.

9. MISCELLANEOUS

(a) The joint company secretaries of the Company are (i) Mr. She Dong, holder of professional qualification in law of the PRC and (ii) Ms. Lai Siu Kuen, fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute of the United Kingdom.

(b) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the principal place of business of the Company in Hong Kong is Room 1903, 19/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is (1) Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (on or before 31 July 2025 (Thursday)) or (2) Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 1 August 2025 (Friday)) .

(d) The English texts of this circular shall prevail over the Chinese texts in case of inconsistency.

10. MATERIAL CONTRACTS

Save for the New Financial Services Framework Agreement, the Directors confirmed that there were no material contracts (as defined under the Listing Rules) entered into by the members of the Group within two years immediately preceding the Latest Practicable Date.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on both the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.cgnmc.com) for a period of 14 days from the date of this circular:

(a) the New Sales Framework Agreement;

(b) the New Financial Services Framework Agreement;

(c) the Sales and Purchase Agreement of Natural Uranium;

(d) the letter from Gram Capital, the text of which is set out on pages 31 to 52 of this circular; and

(e) the consent letter from Gram Capital referred to in the paragraph headed "Expert and Consent" in this appendix.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this notice.

中广核礦業有限公司*
CGN Mining Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01164)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of CGN Mining Company Limited (the "**Company**") will be held at 18F, Block A, Guangyao Oriental Center, No.100 West Third Ring North Road, Haidian District, Beijing City, PRC on 19 August 2025 (Tuesday) at 10:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the framework agreement dated 3 June 2025 (the "**New Sales Framework Agreement**") entered into between the Company and CGNPC Uranium Resources Co., Ltd* (中廣核鈾業發展有限公司), a copy of which has been produced to the EGM marked "A" and signed by the chairman of the EGM for the purpose of identification, the terms and conditions therein, the transactions contemplated thereunder and the proposed annual cap amounts of HK$3,943,613,653.68 for the year ending 31 December 2026, HK$4,395,565,471.56 for the year ending 31 December 2027 and HK$4,561,098,810.61 for the year ending 31 December 2028 be and are hereby approved, ratified and confirmed; and

(b) any one of the directors be authorised for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the New Sales Framework Agreement and to waive compliance with or make and agree such variations of a non-material nature to any of the terms of the New Sales Framework Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company and all the director's acts as aforesaid be hereby approved, ratified and confirmed."

2. "**THAT**

   (a) the financial services framework agreement dated 3 June 2025 (the "**New Financial Services Framework Agreement**") entered into between (i) the Company, (ii) CGN Finance Co., Ltd*（中廣核財務有限責任公司）and (iii) CGNPC Huasheng Investment Limited, a copy of which has been produced to the EGM marked "B" and signed by the chairman of the EGM for the purpose of identification, the terms and conditions therein, the transactions contemplated thereunder and the proposed cap amount on outstanding balance of deposits (including any outstanding accrued interest) of US$900 million during anytime in each of the three years ending 31 December 2026, 2027 and 2028 be and are hereby approved, ratified and confirmed; and

   (b) any one of the directors be authorised for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the New Financial Services Framework Agreement and to waive compliance with or make and agree such variations of a non-material nature to any of the terms of the New Financial Services Framework Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company and all the director's acts as aforesaid be hereby approved, ratified and confirmed."

3. "**THAT**

   (a) the sales and purchase agreement dated 3 June 2025 (the "**Sales and Purchase Agreement of Natural Uranium**") entered into between CGN Global Uranium Ltd and China Uranium Development Company Limited, a copy of which has been produced to the EGM marked "C" and signed by the chairman of the EGM for the purposes of identification, the terms and conditions therein and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and

   (b) any one of the directors be authorised for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Sales and Purchase Agreement of Natural Uranium and to waive compliance with or make and agree such variations of a non-material nature to any of the terms of the Sales and Purchase Agreement of Natural Uranium as he/she may in his/her discretion consider to be desirable and in the interests of the Company and all the director's acts as aforesaid be hereby approved, ratified and confirmed."

By Order of the Board
CGN Mining Company Limited
Wang Xianfeng
Chairman

Hong Kong, 25 July 2025

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 1903, 19/F
China Resources Building
No. 26 Harbour Road
Wanchai, Hong Kong

Notes:

1. No refreshments and drinks will be served at the EGM. To facilitate shareholders attending the EGM, electronic facilities will be set up at Room 1903, 19/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong (the "**Hong Kong Venue**") where shareholders or his/her/its proxies may participate in the EGM and communicate with other participants of the EGM simultaneously and instantaneously through such electronic facilities. Pursuant to the articles of association of the Company, such participation shall constitute presence in person at the EGM. Shareholders and/or his/ her/its proxies attending the Hong Kong Venue may also cast their votes in person in the Hong Kong Venue.

2. To determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 14 August 2025 (Thursday) to 19 August 2025 (Tuesday), both days inclusive, during which period no transfer of shares in the Company can be effected. In order to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 13 August 2025 (Wednesday). The record date for determining the entitlement of the Shareholders to attend and vote at the EGM is on 19 August 2025 (Tuesday).

3. A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, in the event of a poll, to vote in his/ her/its place. A proxy need not be a shareholder of the Company, but must attend the EGM in person to represent the shareholder. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend and vote on his/her/its behalf. If more than one proxy is so appointed, a photocopy of the form of proxy may be used and the appointment shall specify the number of shares in respect of which each such proxy is so appointed.

4. In order to be valid, the form of proxy together with a power of attorney or other authority, if applicable, under which it is signed (or a notarially certified copy of that power of attorney or authority) must be deposited at the Hong Kong branch share registrar and transfer office of the Company, (1) Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong (on or before 31 July 2025 (Thursday)) or (2) Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 1 August 2025 (Friday)) not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

5. Delivery of an instrument appointing a proxy will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. In the case of joint holders of share(s), any one of such joint holders may vote, either in person or by proxy, in respect of such share(s) as if he/she/its was solely entitled thereto; but if more than one of such joint holders (whether in person or by proxy) are present at the EGM, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

7. If Typhoon Signal No. 8 or above or a "black" rainstorm warning is in effect or extreme conditions caused by typhoons persists in Hong Kong any time between 7:00 a.m. and the time appointed for holding the EGM (being 10:00 a.m.) on the date of the EGM, the EGM will be held as scheduled. Shareholders should make their own decision as to whether they would attend the EGM under bad weather conditions and if they should choose to do so, they are advised to exercise care and caution.

As at the date of this notice, the Board comprises two executive Directors: Mr. Qiu Bin (chief executive officer) and Ms. Xu Junmei, three non-executive Directors: Mr. Wang Xianfeng (chairman), Mr. Sun Xu and Mr. Liu Guanhua, and three independent non-executive Directors: Mr. Gao Pei Ji, Mr. Zhang Yuntao and Mr. Wu Yingpeng.