



中國黃金國際資源有限公司

China Gold International Resources Corp. Ltd.

(Incorporated in British Columbia, Canada with limited liability)

HK Stock Exchange Stock Code: 2099

Toronto Stock Exchange Stock Code: CGG



2025

Annual Report

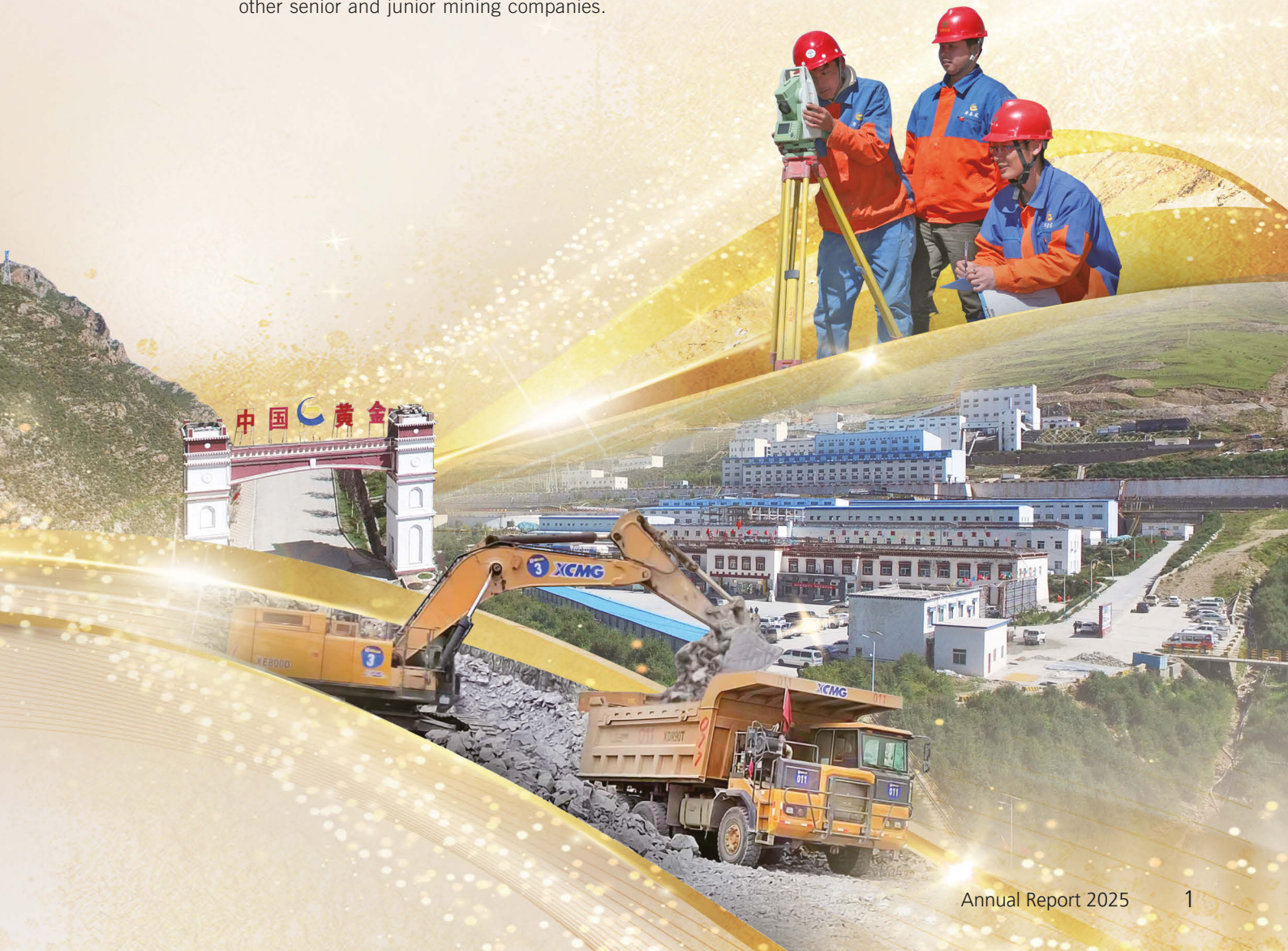
COMPANY HIGHLIGHTS

THE COMPANY

Overview

China Gold International Resources Corp. Ltd. (“China Gold International” or “The Company”) and its subsidiaries (collectively referred to as the “Group”) is a gold and base metal mining company incorporated in British Columbia, Canada. The Company’s main business involves the operation, acquisition, development and exploration of gold and base metal mineral properties. The Company’s principal mining operations are the Chang Shan Hao Gold Mine (“CSH Gold Mine” or “CSH Mine” or “CSH”), located in Inner Mongolia Autonomous Region, China and the Jiama Copper-Gold Polymetallic Mine (“Jiama Mine” or “Jiama”), located in Tibet Autonomous Region, China. China Gold International holds a 96.5% interest in the CSH Gold Mine, while its Chinese joint venture partner holds the remaining 3.5% interest. China Gold International began its trial gold production at the CSH Gold Mine in July 2007 and commercial production commenced on July 1, 2008. The Company acquired 100% interest in the Jiama Mine on December 1, 2010. Jiama hosts a large scale copper-gold polymetallic deposit consisting of copper, gold, molybdenum, silver, lead and zinc. The Jiama Mine commenced the commercial production of phase I and phase II in September 2010 and July 2018 respectively.

The Company is working to expand resources and reserves at its existing properties through exploration programs. The Company also has adopted a growth strategy focused on strategic acquisitions sourced from the international project pipeline of its principal shareholder China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation) (“China National Gold”) and developing potential partnerships with other senior and junior mining companies.



MESSAGE FROM THE CHAIRMAN AND CEO



Chenguang Hou
Chairman and
Chief Executive Officer

Dear Shareholders, Partners, Employees, and Friends,

Hello everyone!

The year 2025 was a highly fruitful and milestone year for China Gold International Resources Corp. Ltd. On behalf of the Board of Directors and management team, it is my great privilege to present the remarkable performance of China Gold International in 2025. Navigating through the complex evolution of the global macroeconomic environment and the fierce volatility of the precious metals market, we maintained our steadfast confidence in the dual-listed capital markets. With the resilience and creativity of our employees, and driven by forward-looking strategic vision and resolute execution, we achieved an outstanding turnaround.

Over the past year, our core assets—the CSH Mine and the Jiama Mine—demonstrated exceptional capacity ramp-up and operational efficiency, drove a strong rebound and delivered record-breaking financial and operational performance. In 2025, not only did the Company successfully turn losses into profits, but we also achieved historic breakthroughs in our profitability. During the last three quarters of 2025, the Company delivered three consecutive quarters of record-high net profit.

In 2025, the capital markets demonstrated enhanced recognition of the Company's intrinsic value. Our share price reached successive new highs during the year and, based on the year-end closing price, increased by approximately 3.5 times from the beginning of the year. We believe that share price movements reflect market dynamics, while true enterprise value is built over time. This year's market performance reflects the continued strengthening of our resource base, the steady advancement of key projects, and the ongoing enhancement of our governance framework. It also underscores market confidence in the clarity and consistency of our long-term strategy.

MESSAGE FROM THE CHAIRMAN AND CEO

Rapid development is never achieved at the expense of safety or the environment. In 2025, we deeply integrated ESG principles into our daily operations, consistently holding “Safety First, Environment Foremost” as the prerequisite for all our business activities. We continued to increase investments in smart mining construction and environmental technology upgrades, striving to build world-class green and ecological mining clusters, while giving back to the local communities.

Looking ahead to 2026, the global geopolitical and economic landscape remains in uncertainty. However, the long-term strategic asset allocation value of gold and copper is unquestionable. The Company will continue to deepen reform, focus on the stable production and expansion potential of our core mines, and actively seek high-quality overseas assets with strong exploration and reserve-expansion potential around the globe to expand our strategic footprint.

Finally, on behalf of the Board of Directors, I would like to express my deepest appreciation to our employees who continue to work with dedication in challenging and remote regions, and to extend our sincere thanks to our shareholders, investors, and partners for their longstanding trust and support.

While we are encouraged by our achievements, we remain focused and disciplined. The Company will continue to pursue its long-term strategy, execute with consistency, strengthen our operational foundation, and deliver sustainable long-term value for our shareholders.

Chenguang Hou

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Chenguang Hou

Mr. Hou, age 47, appointed as Chairman, Executive Director and CEO of the Company, effected November 14, 2024.

Mr. Hou has over 20 years of experience in the mining sector, including expertise in corporate management, financial management, audit, legal and compliance management. Since July 2001, Mr. Hou has held several senior executive roles with the controlling shareholder of the Company, China National Gold Group Co., Ltd. (“CNG”). From October 2014 to August 2020, he served successively as deputy general manager and senior manager of CNG’s finance department. From November 2020 to November 2024, he held the roles of deputy general manager and general manager of CNG’s audit and legal department. Since November 2024, he has been appointed as Chairman and general manager of China National Gold Group Hong Kong Limited. In addition, Mr. Hou has held senior management positions in several mining companies and is familiar with the production processes and operating practices of listed companies, bringing extensive experience in executive management.

Mr. Hou has participated in merger and acquisitions of various mining projects, and has extensive experience in assets injection, financial due diligence, valuation, and legal and compliance matters of listed companies. He led the establishment of a comprehensive compliance system of China Gold, presided over economic responsibility audits for multiple mining companies. Additionally, he has maintained strong working relationships with CNG, as well as domestic and international financial institutions and regulatory institutions.

Mr. Hou is a senior accountant with a Bachelor’s Degree in Accounting from Beijing Wuzi University and enrolled in part-time graduate studies in business administration at Asia International Open University (Macao).

Yuanhui Fu

Mr. Fu, aged 46, is a senior geologist and has over 20 years of experience in the mining industry. Since December 2021, he has served as Chairman of Tibet Huatailong Mining Development Co., Ltd. (“Tibet Huatailong”). From 2018 to 2021, Mr. Fu served as Deputy Manager of the Mineral Resources & International Cooperation Department of CNG. From 2014 to 2018, Mr. Fu was Deputy Manager of CNG’s Resource Company Ltd. and Chairman of Aoyoute Mining Ltd., Wulantaolegai Mining Ltd., Xingyuan Non-Ferrous Metal Ltd. and Daolundaba Copper Ltd.. Mr. Fu was the deputy manager of Tibet Huatailong between 2012 and 2014. Before 2012, Mr. Fu also held a key role in Strategic Development Department in CNG.

Mr. Fu holds a master’s degree in geochemistry and a bachelor’s degree in Resource Exploration & Engineering from the China University of Geosciences (Beijing).

Na Tian

Ms. Tian, age 45, acted as Deputy General Manager of the Audit and Legal Compliance Department of CNG since February 2021. She joined CNGHK as Legal Deputy Manager of the General Administration Office in September 2018. Since February 2012, Ms. Tian has worked in the Division of Corporate Secretary Affairs of the Company and was promoted to Deputy Director in September 2017. In July 2017, she was appointed as a director of Skyland Mining (BVI) Limited, a wholly owned subsidiary of the Company. From July 2008 to May 2011, Ms. Tian was an auditor at Ernst & Young Hua Ming LLP. In 2008, Ms. Tian passed PRC national judicial examination and obtained the Legal Professional Qualification.

Ms. Tian holds a master’s degree in Law from Peking University Law School. She also holds double bachelor’s degrees and majored in law and business English from Guangdong University of Foreign Studies.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Non-Executive Director

Wanming Wang

Mr. Wang, aged 60, has 37 years of experience in finance and financial administration. Currently, he is the CFO of CNGHK, before that he served as the General Manager of the financial department in CNGHK since October 2018. In the past three decades, Mr. Wang has also served as head of finance departments both at the CNG's head office and its subsidiaries with responsibilities including asset management, capital management, budgeting, accounting as well as asset securitization. Mr. Wang served as a member of the Board of Supervisors in the following companies: Tibet Huatailong since 2020, and Tibet Jia Ertong Mining Development Co. Ltd. since 2020. Mr. Wang also served as a director of the Board of Soremi Investments Ltd. since 2017, China Gold Hong Kong Buchuk Mining Company Limited since 2019 and Zhongxin International Financial Leasing Co. Ltd. since 2016.

Mr. Wang is a senior accountant and holds an MBA degree from Asia International Open University.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Yingbin Ian He

Mr. He, age 64, joined the Company as an Independent Non-Executive Director in May 2000. He is appointed as Chairman of the Audit Committee since October 2009 and as Lead Independent Non-Executive Director since November 2018. Mr. He's career in the mining industry has spanned nearly 40 years, with extensive senior executive and board experience. Mr. He is Director and Chairman of Vatukoula Gold Mines with gold mining operations in Fiji since 2013. From 2003 to 2006 and from 2011 to 2016, Mr. He served as Director and General Manager of Yichang Mapleleaf Chemicals Inc. a Sino-Canadian joint venture with phosphate rock mining and phosphate fertilizer manufacturing operations in China. From 1995 to 2006, Mr. He served as President and Director of Spur Ventures Inc. (listed on TSX Venture Exchange, now Atlantic Gold Corp. part of St Barbara Ltd). Mr. He has served as director of several public companies including SouthGobi Resources Ltd., a coal mining company dually listed on the Hong Kong Stock Exchange and the TSX Venture Exchange since 2017; Director of PT Bumi Resources Tbk, listed on the Indonesia Stock Exchange (2019-2025). In his early career, Mr. He worked as Senior Metallurgical Engineer at Process Research Associates (now part of Bureau Veritas) (1992 to 1995), Mineral Process Engineer (1990 and 1992) at Teck Resources, and Lecturer (1982 to 1985) at Heilongjiang Institute of Mining and Technology (now Heilongjiang University of Science and Technology).

Mr. He obtained his PhD (1994) and Master of Applied Science (1990) degrees in Mineral Process Engineering from the University of British Columbia, Canada, and Bachelor of Engineering degree (1982) from Heilongjiang Institute of Mining and Technology, China. Mr. He is a member of the Canadian Institute of Mining, Metallurgy and Petroleum..

Wei Shao

Mr. Shao, age 71, is elected as an Independent Non-Executive Director as well as Chairman of the Nominating & Corporate Governance Committee since June 2019. He is a partner and the National China Service Co-Leader at Dentons Canada LLP and specializes in international business transactions focusing on China. Mr. Shao has over 30 years of extensive experience in mergers and acquisitions, corporate and project financing, cross-border counseling and general corporate and commercial transactions. Mr. Shao is actively involved in community and non-profit organizations. Prior to his legal career, Mr. Shao worked for the United Nations in New York. Mr. Shao is an interpreter accredited by the United Nations and by the federal government of Canada.

Mr. Shao holds an LLB from the University of Toronto, BA from Xi'an Foreign Languages Institute and U.N Accreditation of Simultaneous Interpretation from the Beijing University of Foreign Studies.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Bielin Shi

Mr. Shi, age 69, is elected as an Independent Non-Executive Director as well as Chairman of the Health, Safety and Environmental Committee since June 2019. He is a leading mining executive and geologist who specializes in investment management, mining geology, geostatistics, resource estimation and optimisation, exploration and project development. Mr. Shi has over 39 years of experience as a geologist with high level experience in investment management, applied geostatistics, resource estimation and mining geology, and worldwide operational expertise in exploration and mining projects. He also has expertise with independent technical reviews, due diligence audits and expert technical reporting in compliance with the JORC Code, NI43-101 and Hong Kong Stock Exchange standards.

Mr. Shi is a Competent Person under the JORC Code and holds equivalent credentials in respect of Canadian and Hong Kong's Mineral Resources/Reserves reporting standards. Mr. Shi has published numerous papers on the application of geostatistics in resource estimation.

Mr. Shi's recent work has included investment management, audit and reviews of resources for multiple commodity mining projects.

Mr. Shi has been a Post-Doctoral Research Fellow in Geostatistics from Edith Cowan University, Western Australia from 1998 to 2000. Mr. Shi holds a PhD from the University of Melbourne since 1995 and is an AusIMM Chartered Professional since 2018.

Ruixia Han

Ms. Han, age 41, is elected as an Independent Non-Executive Director as well as Chairwoman of the Compensation and Benefit Committee since June 2019. She is currently a Partner of the PE Investment Department at Harvest Global Capital Investments Limited since April 2024 and an independent Non-Executive Director of Jinchuan Group International Resource Co. Ltd (HKEX Stock Code: 2362) since July 2022. Before joining Harvest Global Capital Investments Limited, Ms. Han was Deputy CEO and Executive Director of Mason Group Holdings Limited (HKEX Stock Code: 0273) until the privatization of the said Company was completed on 13 November 2023. Previously, from early 2014 to late 2019, Ms. Han was Head of Operations and Risk of MEC Advisory Limited, which was the sole Investment Advisor to the Can-China Global Resource Fund. Prior to MEC, Ms. Han was an Investment Manager at The Export-Import Bank of China.

Ms. Han obtained her Ph.D degree of Economics (Finance), Master's degree in Applied Economics (Venture Capital) and Bachelor's degree of Economics (Finance) from Renmin University of China.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Jerry Xie

CEO GLOBAL AFFAIRS REPRESENTATIVE AND CORPORATE SECRETARY

Mr. Xie, age 65, has served as Executive Vice President and Corporate Secretary since 2009. In 2025 June, he was re-designated as CEO Global Affairs Representative while continuing to serve as Corporate Secretary. Mr. Xie is responsible for overseeing corporate secretarial and compliance matters and supports business development, project evaluation and investor relations..

After joining the Company, Mr. Xie was involved in the Company's HK IPO process, evaluation of the Company's Jiama Mine, merger and acquisitions and bond issuance. Mr. Xie has over 35 years in experience of Engineering and Project Management in the petro-chemical and oil-sand industry and mining industry. Prior to joining the Company, Mr. Xie worked as Project Manager, Project Engineer and Senior Piping Stress Analyst for LPEC/SINOPEC, Fluor, Bantrel, Tri-Ocean and WorleyParsons Canada Ltd., resource and energy engineering companies in China and Canada, from February 1982 to March 2009.

Mr. Xie holds a master's degree in Mechanical Engineering from the University of Calgary, a master's degree in Mining Engineering from Beijing University of Science and Technology, and a diploma from the Shanghai University of Engineering Science.

Zheng Wang

CHIEF FINANCIAL OFFICER

Ms. Wang, aged 53, was appointed as Chief Finance Officer on May 15, 2023. Ms. Wang joined the Company in August 2012 and has served consecutively as staff accountant and accounting manager responsible for corporate financial management. Ms. Wang has extensive experience in financial reporting, internal control and corporate financing. Prior to joining the Company, Ms. Wang worked as business analyst and accounting manager for China Minmetals Corporation and IL CPA Society.

Ms. Wang holds the title of Accredited Senior Accountant in China and is a Certified Public Accountant in the United States. Ms. Wang obtained a Master's Degree in Business Administration from the University of Wisconsin-Madison, USA and a Bachelor's degree in English from North China University of Technology.

DIRECTORS' REPORT

The Directors are pleased to present this report and the audited consolidated financial statements of the Company for the year ended December 31, 2025 (the "Reporting Period").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a gold and base metal mining company incorporated under the laws of British Columbia, Canada. The Company's main business involves the operation, acquisition, development and exploration of gold and base metal properties. The principal activities of the subsidiaries are set out in Note 37 of the Financial Statements. There were no significant changes in the nature of the Company's principal activities during the year.

Further discussion and analysis of the business review as required by Schedule 5 to the Hong Kong Companies Ordinance, including a fair view of the business and a discussion of the principal risks and uncertainties facing the Company, particulars of important events affecting the Company that have occurred since the end of the financial year 2025, an indication of likely future development in the Company's business, the Company and all its subsidiaries (the "Group") environmental policies and performance, compliance with relevant laws and regulations which have a significant impact on the Company, outlook of the Company's business, and an account of the Company's relationships with its key stakeholders can be found in the "Five-Year Financial Summary", "Message From the Chairman and CEO", "Management Discussion and Analysis" and "Corporate Government Report" sections of this annual report and in the Annual Information Form (AIF).

SHARE CAPITAL

Details of the movement in the share capital of the Group during the Reporting Period are set out in Note 29 of the Financial Statements.

RESERVES

Details of the reserves available for distribution to the shareholders as at December 31, 2025 are set out in Note 39 of the Financial Statements.

RESULTS

The results of the Group as of December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 75.

DIVIDEND

• DIVIDEND POLICY

The Company's dividend policy is a key component of its long-term growth strategy. It aims to optimize capital allocation to drive business expansion while maintaining stable returns for shareholders. After successfully distributing special dividends for three consecutive years (2021-2023), the Company is introducing an enhanced dividend policy in 2024 (Dividend Policy) designed to enhance predictability and attract long-term investors seeking a reliable income stream.

The Dividend Policy is comprised of a base dividend supplemented by a variable component that adjusts based on financial performance and market conditions.

Basic dividend: Subject to profitability in the previous financial year and after assessing the Company's cash flow position and future capital requirements, the Company aims to distribute a basic dividend at a payout ratio of approximately 30% of the net profit attributable to owners of the parent from the preceding financial year, with cash dividends paid annually.

Variable Component: Subject to favorable market conditions and sufficient funds, the Company may distribute special dividends in addition to the basic dividend.

Dividends may vary in amount and consistency or be discontinued at the Board of Directors' discretion depending on variables including but not limited to operational cash flows, Company development requirements and strategies, spot metal prices, taxation, general market conditions and other factors.

• DIVIDENDS DISTRIBUTION

In respect of the Company's financial performance for the year ended 31 December 2025, the Company is pleased to announce the declaration of following dividends:

Basic dividend: a cash dividend of US\$0.35 per share will be paid to shareholders at a payout ratio of 30% of the net profit attributable to owners of the parent of the Company for the year ended 31 December 2025;

Special dividend: In addition to the basic dividend, a one-time special dividend of US\$0.12 per share will be paid to shareholders.

A total dividend amount of US\$0.47 per share is hereby declared on the outstanding common shares of the Company. The basic and special dividend are expected to be payable on June 18, 2026 to shareholders of record as of April 23, 2026.

DIRECTORS' REPORT

DIRECTORS

The Directors during the Reporting Period and up to the date of this report are as follows:

Executive Directors

Chenguang Hou

Yuanhui Fu

Na Tian

Non-Executive Director

Wanming Wang

Independent Non-Executive Directors

Yingbin Ian He

Wei Shao

Bielin Shi

Ruixia Han

In accordance with article 14.1 of the Company's articles (the "Articles"), each of the Directors shall retire at the 2026 annual and special meeting of the Company (the "2026 AGM") and, being eligible, shall offer themselves to be re-elected at the 2026 AGM.

THE BIOGRAPHY OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set out in the Directors and senior management's profile from page 4 of this annual report.

DISCLOSURE OF INFORMATION OF DIRECTOR PURSUANT TO RULE 13.51B(1) OF THE HONG KONG LISTING RULES

Save as disclosed in this annual report, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the "Listing Rules").

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has received from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to the factors set out in Rule 3.13 of the Listing Rules, and considers that all of the Independent Non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors elected at the 2025 AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY AND INSURANCE

Pursuant to the Articles of the Company and subject to the provisions of the Business Corporations Act (British Columbia) (the "Business Corporations Act"), every Director or alternate director of the Company or its affiliates (and his or her heirs and legal personal representatives) shall be indemnified by the Company against any judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action where such person is liable by reason of him/her having been a director or alternate director of the Company and the Company must, after the final disposition of such proceeding, pay the expenses actually and reasonably incurred by such person. The Company has taken out insurance policies against the liabilities of the Directors that may arise out of corporate activities and the costs associated with defending any proceeding. The insurance coverage is reviewed on an annual basis. During the Reporting Period, no claims were made against the Directors.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Mr. Chenguang Hou, Mr. Yuanhui Fu, Ms. Na Tian and Mr. Wanming Wang are considered to have conflicts of interest in the transactions as set out in the section headed "Connected Transactions and Continuing Connected Transactions" in this report due to their senior management positions or affiliate roles with China National Gold, the ultimate controlling shareholder of the Company. Save as disclosed in the section headed "Connected Transactions and Continuing Connected Transactions" in this report, no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company, any of its subsidiaries or the controlling shareholder of the Company was a party and in which a Director or any of his connected entity had a material interest, whether directly or indirectly, subsisted as at December 31, 2025 or at any time during the Reporting Period.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the section headed "Connected Transactions and Continuing Connected Transactions" in this report, no other material contract (not being contracts entered into in the ordinary course of business) was entered into by a member of the Group, the controlling shareholder or its subsidiaries during the Reporting Period.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

To the best knowledge of the Directors, during the Reporting Period and up to the date of this report, save for the directorships and management roles of our Directors in other mining companies, none of our Directors had any interests in businesses that compete or are likely to compete, either directly or indirectly, with the Company. Please refer to the biographies of our Directors set out under the section headed "Board of Directors and Senior Management" of this report for details of such circumstances.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at December 31, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

SHARES

Long position in shares

Name	Position	Company	Number of Shares held	Nature of interest	Approximate percentage of interest in the Company
Yingbin Ian He	Independent Non-Executive Director	China Gold International Resources Corp. Ltd.	50,000	Personal	0.0126%

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

China National Gold is the ultimate controlling shareholder of the Company currently holding approximately 40.01% of the issued shares of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the transactions entered into between China National Gold and the Controlled Entities as described in this section below, constitute non-exempt continuing connected transactions or partially exempt connected transactions of the Company as defined under Chapter 14A of the Listing Rules.

In addition, Tibet Huatailong, Inner Mongolia Pacific, China National Gold Group Finance Company Limited ("China Gold Finance"), and China Gold Hong Kong (together the "Controlled Entities") are ultimately controlled by China National Gold and are therefore connected persons of the Company by virtue of Rule 14A.07 of the Listing Rules.

Non-Exempt Continuing Connected Transactions

Product and Service Framework Agreement

On April 26, 2013, the Company entered into a Product and Service Framework Agreement (as subsequently amended, the "Product and Service Framework Agreement") with China National Gold for the provision of mining related services and products to the Company in order to facilitate the Group's operations in the People's Republic of China (the "PRC") for three years until June 18, 2016.

The Company entered into a First Supplemental Product and Service Framework Agreement (the "First Supplemental Product and Service Framework Agreement") on May 29, 2015 to extend the expiry date of the Product and Service Framework Agreement to December 31, 2017 and included the sale and purchase of copper concentrates produced at the Jiama Mine between the Group and China National Gold into the product and service scope of the Product and Service Framework Agreement, which were approved by the independent shareholders of the Company on June 30, 2015. Details of the First Supplemental Product and Services Framework Agreement are as stated in the Company's announcement dated June 3, 2015, circular dated May 29, 2015 and poll results announcement dated July 1, 2015.

The Company entered into a Second Supplemental Product and Services Framework Agreement (the "Second Supplemental Product and Services Framework Agreement") on May 26, 2017 to extend the term to December 31, 2020 and to extend the scope of the First Supplemental Product and Service Framework Agreement to include leasing services to be provided by Zhongxin International Financial Leasing (Shenzhen) Co. Ltd., the shares of which are 80% owned by China National Gold. Details of the Second Supplemental Product and Services Framework Agreement are as stated in the Company's announcement dated May 26, 2017, circular dated June 1, 2017 and poll results announcement dated June 30, 2017.

On May 6, 2020, the Company and China National Gold entered into the Third Supplemental Products and Services Framework Agreement (the "Third Supplemental Product and Services Framework Agreement"), pursuant to which both parties agreed to revise the expiry date of the Products and Services Framework Agreement to December 31, 2023. Please refer to the Company's announcement dated May 7, 2020, information circular of the Company dated May 26, 2020 and poll results announcement dated June 17, 2020.

On May 11, 2023, the Company and China National Gold entered into the Fourth Supplemental Products and Services Framework Agreement (the "Fourth Supplemental Product and Services Framework Agreement"), pursuant to which both parties agreed to extend the expiry date of the Products and Services Framework Agreement to December 31, 2026. Save as the expiry date, other terms and conditions under the Products and Services Framework Agreement remain unchanged. Please refer to the Company's announcement dated May 12, 2023, the information circular of the Company dated June 8, 2023 and poll results announcement dated July 3, 2023.

For the Reporting Period, the transaction amounts under the Fourth Product and Service Framework Agreement, as amended, were approximately RMB9,246 million where the relevant annual monetary cap was RMB12,200 million.

DIRECTORS' REPORT

Supplemental Contract for Purchase and Sale of Doré

On May 7, 2014, Inner Mongolia Pacific entered into a Contract for Purchase and Sale of Doré (as subsequently amended, the "Contract for Purchase and Sale of Doré") with China National Gold for the sale and purchase of gold doré bars and silver by-products produced at the CSH Gold Mine from time to time for three years ending December 31, 2015, December 31, 2016 and December 31, 2017. Details of the Contract for Purchase and Sale of Doré are as stated in the Company's announcement dated May 7, 2014, circular dated May 15, 2014 and poll results announcement dated June 20, 2014.

On May 26, 2017 Inner Mongolia Pacific and China National Gold entered into the Supplemental Contract for Purchase and Sale of Doré (the "Supplemental Contract for Purchase and Sale of Doré") for a term commencing on January 1, 2018 and expiring on December 31, 2020. Details of the Supplemental Contract for Purchase and Sale of Doré are as stated in the Company's announcement dated May 26, 2017, circular dated May 31, 2017 and poll results announcement dated June 30, 2017.

On March 28, 2018, Inner Mongolia Pacific entered into the Second Supplemental Contract for Purchase and Sale of Doré with China National Gold, to make certain immaterial and non-consequential amendments to the purchase terms of gold doré pursuant to which both parties agreed to amend the reference price for gold doré from "the real-time price of Au9995 gold ingot at Shanghai Gold Exchange on the notification date less RMB0.95 per gram" to the monthly average price of the AU(T+D) contract on the Shanghai Gold Exchange less RMB1.50 per gram".

On May 6, 2020, Inner Mongolia Pacific and China National Gold entered into the Third Supplemental Contract for Purchase and Sale of Doré for a three-year term commencing January 1, 2021 and expiring on December 31, 2023. Details of the Third Supplemental Contract for Purchase and Sale of Doré are as stated in the Company's announcement dated May 7, 2020, circular dated May 26, 2020 and poll results announcement dated June 17, 2020.

On May 11, 2023, Inner Mongolia Pacific and China National Gold entered into the Fourth Supplemental Contract for Purchase and Sale of Doré, pursuant to which both parties agreed to extend the expiry date of the Contract for Purchase and Sale of Doré to December 31, 2026. Save as the expiry date, other terms and conditions under the Contract for Purchase and Sale of Doré remain unchanged. Details of the Fourth Supplemental Contract for Purchase and Sale of Doré are as stated in the Company's announcement dated May 12, 2023, circular dated June 8, 2023 and poll results announcement dated July 3, 2023.

For the Reporting Period, the transaction amounts under the Contract for Purchase and Sale of Doré, as amended, were approximately RMB2,418 million where the relevant annual monetary cap was RMB2,800 million.

Partially Exempt Connected Transactions

Deposit Services Agreement

On December 18, 2017, the Company and China Gold Finance entered into a deposit services agreement pursuant to which the Company and its subsidiaries may, from time to time, make withdrawals and deposits with China Gold Finance up to a daily maximum deposit balance (including interest) not exceeding RMB100 million, for a term of one year commencing on January 1, 2018 (the "Deposit Services Agreement"). Deposit interest rates payable by China Gold Finance to the Group for any deposits shall be, at a minimum, 20% higher than the benchmark interest rate published by The People's Bank of China for the same period and for the same type of deposit. Details of the Deposit Services Agreement are as stated in the Company's announcement dated December 19, 2017.

On December 18, 2018, the Company and China Gold Finance entered into a Supplemental Deposit Services Agreement (the "Supplemental Deposit Services Agreement") to extend the term for a further year to December 31, 2019. Details of the Supplemental Deposit Services Agreement are as stated in the Company's announcement dated December 20, 2018.

On December 31, 2019, the Company and China Gold Finance entered into a Supplemental Deposit Services Agreement (the "Supplemental Deposit Services Agreement") to extend the term for a further year to December 31, 2020. Details of the Supplemental Deposit Services Agreement are as stated in the Company's announcement dated December 31, 2019.

On December 22, 2020, the Company and China Gold Finance entered into a 2021 Supplemental Deposit Services Agreement (the "2021 Supplemental Deposit Services Agreement") to extend the term for a further year to December 31, 2021. Details of the Supplemental Deposit Services Agreement are as stated in the Company's announcement dated December 23, 2020.

Daily maximum deposit monetary caps for the transactions stipulated under the Deposit Services Agreement (as amended) pursuant to Chapter 14A of the Listing Rules (including accumulative settlement interest) shall not exceed RMB100 million for 2020, increasing to RMB180 million in the 2021 Supplemental Deposit Services Agreement. There have not been any deposits exceeding the daily maximum monetary cap for the Reporting Period.

On May 5, 2021, the Company and China Gold Finance entered into the 2021 Financial Services Agreement pursuant to which China Gold Finance agreed to provide the Company with a range of financial services including (a) the Deposit Service, and the daily maximum deposit monetary caps for the transactions shall not exceed RMB3,000 million, (b) the Lending Services, (c) the Settlement Services and (d) the Other Financial Services.

On June 29, 2021, the 2021 Financial Services Agreement was approved by shareholders at AGM and expired on December 31, 2023. Details of the 2021 Financial Service Agreement are stated in the Company's announcement dated May 6, 2021, circular dated May 31, 2021 and poll results announcement dated June 30, 2021.

DIRECTORS' REPORT

During the year ended December 31, 2023, it came to the Company's attention that the daily deposit balance under the Deposit Services exceeded the Deposit cap of RMB3,000 million (the "Deposit Cap") from February 23, 2023 to April 26, 2023, with the highest daily deposit balance during such period being approximately RMB562 million over the Deposit Cap (the "Exceeding of the Cap"). The Exceeding of the Cap was due to an increase in operating cash flow during that period, miscommunication on the nature of the Deposit Cap (i.e. cap being the maximum annual average deposit balance instead of the maximum daily deposit balance) and failure on the part of the continuing connected transaction working group of the Company to closely monitor the deposit.

As soon as the Company became aware of the Exceeding of the Cap, the Company took steps to reduce deposits placed with China Gold Finance to a level within the Deposit Cap. Since April 27, 2023, the daily deposit balance has been kept within the Deposit Cap and the Company ensured that the daily deposit balance remains within the Deposit Cap for the rest of the term of the 2021 Financial Services Agreement. The Company has discussed the Exceeding of the Cap with China Gold Finance and continued to maintain regular communication with China Gold Finance within the term of the 2021 Financial Services Agreement.

In May 2023, a supplier of Tibet Huatailong (the "Supplier") commenced legal proceedings against Tibet Huatailong for alleged losses as a result of slowdown and suspension of works due to the suspension of operations of the Jiama Mine (the "Legal Proceedings"). On May 24, 2023, the Tibet Intermediate Court ruled in favour of the Supplier's application for pre-litigation preservation of assets against Tibet Huatailong and as a result of the court order (the "Court Order"), Tibet Huatailong's deposits amounting to approximately RMB479 million placed with China Gold Finance was frozen (the "Frozen Deposits").

On the 2021 Financial Services Agreement, the Company withdrew all deposits (other than the Frozen Deposits) which are placed with the China Gold Finance. As at the date of this report, the Legal Proceedings are still ongoing, the Company will continue to derive interest income from the Frozen Deposits placed with China Gold Finance to the extent permitted under PRC law. Upon expiry or cessation of the Court Order (including any extension thereof), the Company will withdraw the remaining deposits (being the Frozen Deposits) in full. The Company will not place any further deposits with the China Gold Finance unless and until (a) the remaining deposits (being the Frozen Deposits) have been withdrawn in full, and (b) the Company enters into a new financial services agreement with China Gold Finance and complies with all applicable requirements under Chapters 14 and 14A of Listing Rules (including any shareholders' approval as may be applicable). For the avoidance of doubt, the Frozen Deposits (including the interest derived therefrom) would not constitute a "transaction" for the purposes of Chapters 14 and 14A of the Listing Rules following expiry of the 2021 Financial Services Agreement.

On May 8, 2024, the Company and China Gold Finance entered into the 2024 Financial Services Agreement pursuant to which China Gold Finance agreed to provide the Company with a range of financial services including (a) the Deposit Service, (b) the Lending Services, (c) the Settlement Services and (d) the Other Financial Services, effective until 31 December 2026.

Pursuant to the Deposit Services Agreement, the Company may make withdrawals and deposits with China Gold Finance up to the maximum daily balance (including any interest accrued therefrom) set for the Deposit Service shall be (i) RMB2,600 million from the date of approval of the 2024 Financial Services Agreement to December 31, 2024, (ii) RMB3,000 million for the year ending December 31, 2025 and (iii) RMB3,400 million for the year ending December 31, 2026. The interest rates payable by China Gold Finance to the Group for the Deposit Service shall not be lower than (a) the benchmark deposit rates prescribed by the PBC and (b) the deposit rates payable by Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank (the "Major PRC Commercial Banks"). At the annual general and special meeting of shareholders held on June 27, 2024, the Company's independent shareholders approved the Deposit Services Agreement.

There have not been any deposits exceeding the daily maximum monetary cap for the Reporting Period.

Annual Review

The Company's auditor, BDO Limited was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules has been provided to the Directors, and was confirmed in respect of the above matter. The Auditor has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions for the year ended December 31, 2025: (a) have not been approved by the Board; (b) the transactions were not, in all material respects, in accordance with the pricing policies of the Company; (c) the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (d) have exceeded the respective maximum aggregate annual caps as disclosed in the previous announcements of the Company.

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-Executive Directors have reviewed and confirmed that the continuing connected transactions carried out under (i) the Fourth supplemental Product and Services Framework Agreement, (ii) the Fourth supplemental Contract for Purchase and Sale of Doré (as amended), and (iii) the 2024 Financial Services Agreement have each been entered into: (a) in the ordinary and usual course of the Company's business; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Independent Non-Executive Directors also confirmed in their review of the continuing connected transactions that all such transactions were carried out in accordance with the pricing policies of the Company and processes set out in the respective agreements for such transactions.

DIRECTORS' REPORT

Related Party Transactions

Details of the related party transactions undertaken during the Reporting Period are set out in Note 30 of the Financial Statements. All the related party transactions constituted connected transactions and/or continuing connected transactions of the Company as defined in the Listing Rules. The Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Reporting Period.

EQUITY-LINKED AGREEMENTS

During the year ended December 31, 2025, the Company has not entered into any equity-linked agreement (as defined in section 6 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)).

NUMBER AND REMUNERATION OF EMPLOYEES

As at December 31, 2025, the Company had 2,160 employees working at various locations. During the Reporting Period, staff cost (including Directors' remuneration in the form of salaries and other benefits) was approximately US\$87,696,000 as compared to the staff costs of US\$76,975,000 in 2024.

EMOLUMENT POLICY

The Company's director emolument policy is administered by the Compensation and Benefits Committee with regard to comparable market statistics. Decisions relating to the compensation of directors are reported by the Compensation and Benefits Committee to the Board for approval.

The emolument policy for the Company's employees is determined on a department by department basis with the Chief Executive Officer determining the emoluments for employees and managers based on merit, qualifications and the Company's hiring and retention needs.

There is no share-based compensation plan in place for the Company for the time being.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

DIRECTORS' RIGHT TO PURCHASE SHARES

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests in Shares" above, at no time during the Reporting Period, were there any rights to acquire benefits by means of acquisition of shares in or debentures of Company or any of its subsidiaries or its holding companies or any of the subsidiaries of the Company's holding companies granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at December 31, 2025, based on the information available to the Board and the register of substantial shareholders required to be kept under section 336 of Part XV of the SFO, the Company was notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and chief executive:

Long Position in Shares of the Company

Name	Nature of interest	Number of Shares held	Approximate percentage of outstanding shares
China National Gold Group Co., Ltd. ⁽¹⁾	Indirect	158,588,330 ⁽²⁾	40.01%
China National Gold Group Hong Kong Limited	Registered Owner	158,588,330	40.01%

Notes:

- (1) China National Gold Group Co., Ltd. directly and wholly owns China National Gold Group Hong Kong Limited and therefore the interest attributable to China National Gold Group Co., Ltd. represents its indirect interest in the Company's shares through its equity interest in China National Gold Group Hong Kong Limited.
- (2) Information relating to registered and indirect ownership of the Company's shares were provided by China National Gold Group Co., Ltd.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company, nor any of its subsidiaries purchased, sold and redeemed any of the Company's listed securities, including sale of treasury shares within the meaning of the Listing Rules. The Company did not hold any treasury shares as at December 31, 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or under the laws of British Columbia, Canada which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has complied with the sufficiency of public float requirement under the Listing Rules.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases and sales for the Reporting Period attributable to the Company's major suppliers and customers are as follows:

	Percentage of the total purchases/ sales accounted for
Purchases	
– the largest supplier	13%
– the largest suppliers combined	54%
Sales	
– the largest customer	52%
– the largest customers combined	100%

Sales to the largest customer of the Company account for 52% of the Company's sales and relate to the sale of Copper concentrate from the Jiama Mine pursuant to the Copper concentrate purchase and sale Contract. In addition, the five largest customers account for 100% of the Company's sales. However, due to the fact that pricing for the Company's mineral products is based on prevailing market prices in accordance with the contracts with customers, the Company does not consider there to be any risks associated with reliance on major customers. The Company considers that its pricing structure based on prevailing metal prices mitigates against any adverse effects from concentration on five customers.

Save as disclosed above, at no time during the Reporting Period did a director, an associate of a director or any other shareholder (which owned more than 5% of the Company's issued share capital) hold any direct or indirect interest in the Company's five largest suppliers or customers during the Reporting Period.

CHARITABLE DONATIONS

The Company made charitable donations during the Reporting Period amounting to US\$459,397.

EVENTS AFTER THE REPORTING PERIOD

There are no other significant events occurring after December 31, 2025 as set out in the Financial Statements and Management's Discussion and Analysis.

INDEPENDENT AUDITORS

A resolution will be submitted at the 2026 AGM to approve a dual-auditor arrangement, appointing BDO Limited as the Company's auditor for Hong Kong reporting purposes and Lixin & Ethos CPA LLP as the auditor for Canadian reporting purposes.

On behalf of the Board,

Chenguang Hou

Chairman and Chief Executive Officer

March 30, 2026

CORPORATE GOVERNANCE REPORT

The Board will continue to review and, where appropriate, improve the current practices of the Company on the basis of the experience and regulatory changes to enhance the confidence of shareholders of the Company, and to safeguard shareholders' interest for continued and long term success of the Company over time.

To further this philosophy and to ensure that the Company follows good governance practices the Board has taken the following steps:

- approved and adopted a mandate for the Board;
- established an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation and Benefits Committee;
- established a Health, Safety and Environmental Committee;
- approved charters for all of the Board committees to formalize the mandates of those committees;
- established a Disclosure Committee with a mandate to oversee the Company's disclosure practices including the establishment of a sub-committee charged with overseeing the Company's technical disclosure;
- adopted a formal Corporate Disclosure, Confidentiality and Securities Trading Policy and formalized the Company's disclosure controls and procedures;
- adopted a formal Code of Business Conduct and Ethics that governs the behavior of directors, officers and employees and which is also distributed to consultants;
- adopted formal written position descriptions for the Chief Executive Officer and Chief Financial Officer, clearly defining their roles and responsibilities;
- adopted a whistleblower policy administered by an independent third party;
- formalized a process for assessing the effectiveness of the Board as a whole, the Board committees and the contribution of individual directors on a regular basis;
- reviewing and approving the Company's incentive compensation plans; and
- providing continuing education opportunities for all directors.

COMPANY CULTURE

The Company has always maintained the social responsibility concept of "Never get engaged in gold production in any place at the expense of damaging the ecological and social environment." While pursuing economic interests, it manages the impact on stakeholders and the natural environment during business operations, pursuing the maximum integrated value of the Company, society, and the environment.

The Company firmly believes that fulfilling the social responsibility attached to any enterprise is an indispensable route for enterprises to complete sustainable development and keep the business thriving. As a mining enterprise with high production risks, we value safe production as a prerequisite for growth and take measures to improve safety production.

CORPORATE GOVERNANCE REPORT

The Company is dedicated to a people-oriented approach, with a strong focus on the sustainable development of our staff. We are unwavering in our commitment to uphold the rights and interests of our employees. Our dedication to environmental protection, energy conservation, and emission reduction is a cornerstone of our operations as we strive for green development. We also actively contribute to the local community, investing substantial financial resources, materials, and manpower to support local education, health, transportation, and infrastructure construction.

The Company will continue to hold the concept of social responsibilities, apply its expectations for society, the environment, and benefits to the production and operation practice, improve its core competitiveness through technology innovation and management improvement, implement social responsibility consciously, build a responsible and utterly trustworthy company and become an active practitioner of social responsibility in the global mining industry.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has, throughout the Reporting Period, applied the principles and complied with the requirements of its corporate governance practices as defined by the Board and all applicable statutory, regulatory and stock exchange listings standards, in particular, the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules. The Company’s current practices are reviewed and updated regularly to ensure that the latest developments in corporate governance are followed and observed.

Save as disclosed below, during the Reporting Period and up to the date of this report, the Company has complied with all code provisions in the CG Code:

The roles of the chairman and chief executive officer of the Company have not been separated as required by code provision C.2.1 of the CG Code.

Mr. Chenguang Hou (“Mr. Hou”) has been appointed as the roles of both the Chairman and CEO of the Company. However, the Board believes that Mr. Hou is familiar with the Company’s business operation and has superior knowledge and experience of the Company’s business as CEO, and vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring consistent leadership with the Company and improving the efficiency of overall strategic planning for the Company. Under the supervision of the Board which comprises of three executive Directors, one non-executive Director and four independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Further, the Company established the role of ‘Lead Independent Director’(the “Lead INED”) and Mr. Yingbin Ian He was appointed as Lead INED as of 13 November 2018. The role of Lead INED was created to liaise with Chairman and CEO on behalf of the independent non-executive Directors and advise the Board on matters where there may be an actual or perceived conflict of interest to ensure the best possible operation of the Board in accordance with the best corporate governance practices.

Changes in Directors and Senior Management

The change in Directors and/or senior management of the Company during the Reporting Period and up to the date of this report are set out below:

1. Mr. Weibin Zhang retired from his position as an Executive Director and ceased to be a member of the Compensation and Benefits Committee with effect from June 27, 2025, as he wished to focus on his own business did not offer himself for re-election at the AGM.

BOARD COMPOSITION

Corporate governance guidelines adopted by the Canadian Securities Administrators (“CSA”) recommend that a majority of the directors of a corporation be independent directors and Rule 3.10 and 3.10A of the Listing Rules requires every Board of Directors to include at least three Independent Non-Executive Directors and at least one-third of the Board of Directors to comprise of Independent Non-Executive Directors. Under the CSA corporate governance guidelines, an “independent director” is a director who has no direct or indirect material relationship with the Company, including as a partner, shareholder or officer of an organization that has a relationship with the Company. A “material relationship” is one that would, or in the view of the Board could be reasonably expected to, interfere with the exercise of a director’s independent judgment. The CG Code includes a number of factors to take into consideration when assessing the independence of a Non-Executive director, including the percentage of shares held by him or her in the Company and any material interest in any principal business activity of the Group. As at December 31, 2025 and as at the date of this report, the Board has determined that it consisted of four “independent directors” and five non-independent directors under the CSA corporate governance guidelines. The Board believes that its current size and composition and the composition of the Board committees, result in balanced representation.

The Company recognizes that the Board’s independence is a crucial aspect of corporate governance that ensures the Board of Directors is acting in the best interest of the Company and its shareholders. The Company has established effective mechanisms on when and how directors may seek independent professional advice, at the expense of the Company, to ensure independent views and input are available to the Board.

As at the date of this report, the Company believes it has a well-balanced Board. The Board is comprised of three (3) Executive Directors, one (1) Non-Executive Director and four (4) Independent Non-Executive Directors. The Directors for the year ended December 31, 2025 and up to the date of this report are as follows:

Executive Directors

Chenguang Hou (*Chairman and Chief Executive Officer*)⁽¹⁾

Yuanhui Fu (*Vice President*)⁽²⁾

Na Tian⁽³⁾

Non-Executive Director

Wanming Wang⁽⁴⁾

Independent Non-Executive Directors

Yingbin Ian He (Lead INED)

Wei Shao

Bielin Shi

Ruixia Han

Notes:

- (1) Mr. Hou is an Executive Director in his capacity as Chief Executive Officer of the Company.
- (2) Mr. Fu is an Executive Director in his capacity as Vice President of the Company and Chairman of Tibet Huatailong.
- (3) Ms. Tian is an Executive Director in his capacity as an affiliate of China National Gold which has a material relationship with the Company.
- (4) Mr. Wang is a Non-Executive Director in his capacity as an affiliate of China National Gold which has a material relationship with the Company.

CORPORATE GOVERNANCE REPORT

As at the date of this report, China National Gold holds approximately 40.01% of the Company's outstanding common shares.

Biographical details of the Directors of the Company are set out in the section headed "Board of Directors and Senior Management" on page 4 of this annual report. The Board has assessed the independence of all the Independent Non-Executive Directors and considers each of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules, (ii) the absence of involvement in the daily management of the Company and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgement.

The Directors are satisfied that the size and composition of the Board results in a balanced representation on the Board among executive and non-executive directors and the Company's controlling shareholder.

Since November 14, 2024, Mr. Chenguang Hou serves as the Company's Chief Executive Officer in addition to being an Executive Director. The Chief Executive Officer is responsible for running the Company's businesses and implementing the Group's strategic plans and business goals. On November 14, 2024 and prior to his appointment becoming effective, Mr. Hou obtained legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules and confirmed that he understood his obligations as a director of a listed issuer.

For the reporting period, Mr. Yingbin Ian He was appointed lead Independent Non-Executive Director as of November 2018. The role of lead Independent Non-Executive Director was created to enhance the Company's corporate governance practices and provides leadership to the Independent Non-Executive Directors, liaise with Chief Executive Officer on behalf of the Independent Non-Executive Directors and advise the Board on matters where there may be an actual or perceived conflict of interest such as Chief Executive Officer's performance evaluation to ensure the best possible operation of the Board.

For the Reporting Period, the Nominating & Corporate Governance Committee is comprised of four Independent Non-Executive Directors, namely, Mr. Wei Shao, Mr. Yingbin Ian He, Mr. Bielin Shi and Ms. Ruixia Han and one Non-Executive Director, namely, Mr. Wanming Wang. Mr. Wei Shao was appointed as the Chairman of the Nominating & Corporate Governance Committee on June 25, 2019.

For the Reporting Period, the Audit Committee is comprised of four Independent Non-Executive Directors, namely, Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han. Mr. Yingbin Ian He was appointed as the Chairman of the Audit Committee on June 25, 2019.

For the Reporting Period, the Compensation & Benefits Committee is comprised of four Independent Non-Executive Directors, namely, Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han. Ms. Ruixia Han was appointed as the Chairwoman of the Compensation & Benefits Committee on June 25, 2019.

For the Reporting Period, the Health, Safety and Environmental Committee is comprised of four Independent Non-Executive Directors, namely, Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han and one Executive Director Mr. Yuanhui Fu. Mr. Bielin Shi was appointed as the Chairman of the Health, Safety and Environmental Committee on June 25, 2019.

To the best knowledge of the Company, none of the Directors is related. Relationships include financial, business or family relationships. The Directors are free to exercise their independent judgment. Directors, including the current non-executive Directors and the independent non-executive Directors, are elected at each annual general meeting and hold office until the next annual general meeting, unless a Director's office is earlier vacated in accordance with the provisions of the Business Corporations Act (British Columbia) and the Company's Articles.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors bring a range of business, professional and financial expertise, experience and independent judgment to the Board.

Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all Non-Executive Directors (including Independent Non-Executive Directors) make various contributions to the effective direction of the Company.

In accordance with the Company's Articles, the Non-Executive Directors (including the Independent Non-Executive Directors) are subject to re-election each year at the Company's annual general meeting.

DIRECTORS' PROFESSIONAL DEVELOPMENT

The Board, through the Chairman of the Nominating and Corporate Governance Committee, ensures that all new Directors receive a comprehensive orientation so that each new Director fully understands the role of the Board and its Committees, as well as the contribution individual directors are expected to make and to understand the nature and operation of the Company's business.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Board provides continuing education opportunities for all Directors, so that each individual Director may maintain or enhance his or her skills and abilities as a Director, as well as to ensure his or her knowledge and understanding of the Company's business remains current.

The orientation and continuing education process will be reviewed on an annual basis and will be revised accordingly. There are technical presentations at Board meetings, focusing on either a particular property or a summary of various properties. The question and answer portions of these presentations are valuable learning resources for the non-technical Directors. The Board has also incorporated training into their Board meetings with presentations by legal, accounting and other professional groups and individuals.

All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received for Reporting Period. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views. According to the training records maintained by the Company, the trainings received by each of the Directors during the Reporting Period are summarized as follows:

	Reading/Attending seminars/conferences and exchange views
Executive Directors	
Chenguang Hou	Yes
Yuanhui Fu	Yes
Na Tian	Yes
Non-Executive Director	
Wanming Wang	Yes
Independent Non-Executive Directors	
Yingbin lan He	Yes
Wei Shao	Yes
Bielin Shi	Yes
Ruixia Han	Yes

MANDATE OF THE BOARD

Under the Business Corporations Act, the Directors are required to manage the Company's business and affairs, and in doing so, to act honestly and in good faith with a view to furthering the best interests of the Company. In addition, each Director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board is responsible for supervising the conduct of the Company's affairs and the management of its business. The Board's mandate includes setting long term goals and objectives for the Company, formulating the plans and strategies necessary to achieve those objectives and supervising senior management in their implementation. Although the Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management, the Board retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business.

The Board's mandate requires that the Board be satisfied that the Company's senior management will manage the affairs of the Company in the best interest of the shareholders, in accordance with the Company's principles, and that the arrangements made for the management of the Company's business and affairs are consistent with their duties described above. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned. The obligation of the Board must be performed continuously, and not merely from time to time, and in times of crisis or emergency the Board may have to assume a more direct role in managing the affairs of the Company.

In discharging this responsibility, the Board's mandate provides that the Board oversees and monitors significant corporate plans and strategic initiatives. The Board's strategic planning process includes annual budget reviews and approvals and discussions with management relating to strategic and budgetary issues.

As part of its ongoing review of business operations, the Board periodically reviews the principal risks inherent in the Company's business, including financial risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve annual operating and capital budgets, any material dispositions, acquisitions and investments outside of the ordinary course of business or not provided for in the approved budgets, long-term strategy, organizational development plans and the appointment of senior executive officers. Management is authorized to act, without Board approval on all ordinary course matters relating to the Company's business.

The Board's mandate provides that the Board expects management to provide the directors, on a timely basis, with information concerning the business and affairs of the Company, including financial and operating information and information concerning industry developments as they occur, all with a view to enabling the Board to discharge its stewardship obligations effectively. The Board expects management to efficiently implement its strategic plans for the Company, to keep the Board fully apprised of its progress in doing so and to be fully accountable to the Board in respect to all matters for which it has been assigned responsibility.

The Board has instructed the management to maintain procedures to monitor and promptly address shareholders' concerns and has directed and will continue to direct the management to apprise the Board of any major concerns expressed by shareholders.

Each Board Committee is empowered to engage external advisors as it sees fit. Any individual Director is entitled to engage an outside advisor at the expense of the Company provided such Director has obtained the approval of the Nominating and Corporate Governance Committee to do so. In conjunction with its review of operations, the Board considers risk issues when appropriate and approves corporate policies addressing the management of the risk of the Company's business.

The Board takes ultimate responsibility for the appointment and monitoring of the Company's senior management. The Board approves the appointment of senior management and reviews their performance on an ongoing basis.

The Company has a corporate disclosure policy addressing, among other things, how the Company interacts with analysts and the public, and contains measures for the Company to avoid selective disclosure. The Company has a Disclosure Committee responsible for overseeing the Company's disclosure practices. The Disclosure Committee consists of the Company's Executive Vice President and Corporate Secretary, Chief Executive Officer, Chief Financial Officer and the Company's senior communications and investor relations officers, or those individuals who act in equivalent positions for the Company, and receives advice from the Company's external legal counsel. The Disclosure Committee assesses materiality and determines when developments require public disclosure. The Disclosure Committee reviews the corporate disclosure policy annually and as otherwise needed to ensure compliance with regulatory requirements and reviews all documents which are reviewed by the Board and Audit Committee. The Board reviews and approves the Company's material disclosure documents, including its annual report, annual information form and management proxy circular. The Company's annual and quarterly financial statements, management's discussion and analysis and other financial disclosure is reviewed by the Audit Committee and recommended to the Board for approval, prior to its release.

Board Diversity Policy

In order to ensure diversity of the Board and improve the Company's corporate governance, the Board approved the Board diversity policy (the "Policy") in accordance with the requirements set out in code provision B.1.3 of the CG Code. The Policy sets out the approach to achieve diversity on the board by considering a number of factors, including without limitation, gender, age, cultural and educational background, professional skills, knowledge, experience and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and background of the Board. Appointments of Board members shall be based on merit, and candidates will be assessed based on objective criteria. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nominating and Corporate Governance Committee will monitor the implementation of the Policy; review the Policy from time to time, as appropriate; report to the Board on their decisions or propose recommendations on any amendments for the Board's review and approval, to ensure the effectiveness of the Policy. No measurable objectives for achieving diversity were specifically set by the Board during the year, other than the recruitment of the most suitable candidate for a position.

The Board currently consists of six (6) male and two (2) female Directors, with female directors representing 25% of the total number of directors. The Board is satisfied with the current gender composition of the Board and at all levels in the Company.

CORPORATE GOVERNANCE REPORT

Gender Diversity in the Workforce

By the end of 2024, a total number of the Company employees was 2,160, including 419 females and 533 ethnic minorities. There are 141 female staff at all level of management. We have no part-time employee. Our employees are from 27 provinces, municipalities and autonomous regions such as Tibet Autonomous Region, Jilin, Henan, Sichuan and Liaoning Province.

	2025	2024	2023	2022	2021
Percentage of female employees	19.40%	20.3%	20.14%	20.48%	21.15%
Percentage of female employees in management	6.53%	12.5%	–	–	–
Percentage of ethnic minority employees	24.68%	23.8%	21.11%	22.59%	22.44%

The Company's gender diversity in the workforce remains reflective of broader industry trends, where mining roles are predominately male-dominated due to the historical nature of the industry and operational demands. The Company will continue to make ways in achieving greater gender diversity in the workforce (including senior management) with a target of maintaining a balanced gender mix. During the year under review, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

COMMITTEES OF THE BOARD

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Board has established four Board committees, namely Audit Committee, Nominating and Corporate Governance Committee, Compensation and Benefits Committee, and Health, Safety and Environment Committee. Independent Non-Executive Directors play an important role in these committees to ensure that independent and objective views are expressed and to promote critical review and control.

Audit Committee

The Board has established an Audit Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that the Company has an effective risk management and internal control system. This includes internal controls to manage both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Company's Audit Committee is comprised of four Independent Non-Executive Directors, including Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han. Mr. Yingbin Ian He serves as Chairman of the Audit Committee.

The primary objective of the Audit Committee is to act as a liaison between the Board and the Company's independent auditors and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others; (b) the Company's compliance with legal and regulatory requirements; (c) the qualification, independence and performance of the auditors; and (d) the Company's risk management and internal financial and accounting controls, and management information systems.

Although the Audit Committee has the powers and responsibilities set forth in its charter, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with International Financial Reporting Standards ("IFRS"). These are the responsibilities of the management and the auditors.

All services to be performed by the auditors of the Company must be approved in advance by the Audit Committee.

The Audit Committee held four meetings during the Reporting Period. In performing its duties in accordance with its charter, the Audit Committee has:

- overseen the Company's relationship, audit fees and terms of engagement of the external auditors;
- reviewed the independence of the external auditors and made recommendations to the Board on the re-appointment of the external auditors;
- reviewed the financial budget and planning including the annual and interim financial statements and results announcements during the Financial Year;
- reviewed and assessed the effectiveness of the Company's financial controls, corporate governance, internal controls and risk management systems;
- reviewed the effectiveness of the Company's internal audit function; and
- reported to the Board on the decisions and recommendations of the Audit Committee.

The individual attendance of Audit Committee members at meetings is set out on page 31 of this annual report.

Nominating and Corporate Governance Committee

The Board established a Nominating and Corporate Governance Committee, operating under a charter approved by the Board. The Nominating and Corporate Governance Committee is comprised of four Independent Non-Executive Directors, including Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han, and one Non-Executive Director, namely Mr. Wanming Wang. Mr. Wei Shao serves as Chairman of the Nominating and Corporate Governance Committee.

The primary objective of the Nominating and Corporate Governance Committee is to assist the Board in fulfilling its oversight responsibilities by (a) determining a policy and process for identifying individuals qualified to become Board and Board Committee members and recommending that the Board select director nominees for appointment or election to the Board; and (b) developing and recommending to the Board corporate governance guidelines for the Company and making recommendations to the Board with respect to corporate governance practices. The Nominating and Corporate Governance Committee monitors the disclosure of conflicts of interest to the Board and ensures that no director will vote in respect of a matter in which such director has a material interest. The Nominating and Corporate Governance Committee met during the Financial Year to review its charter, to review the Articles, to assess the competencies and characteristics represented on the Board, to review the results of a Board effectiveness survey and self-assessments and to monitor, review and confirm compliance with legal, regulatory, corporate governance and disclosure requirements. The Nominating and Corporate Governance Committee is also responsible for reviewing and monitoring the training and continuous professional development of directors and senior management as required under code provision A.2.1 (b) of the CG Code.

The individual attendance of Nominating and Corporate Governance Committee members at meetings is set out on page 31 of this annual report.

Compensation and Benefits Committee

The Board has established the Compensation and Benefits Committee, which operates under a charter approved by the Board. The Compensation and Benefits Committee is comprised of four Independent Non-Executive Directors including Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han. Ms. Ruixia Han serves as Chairwoman of the Compensation and Benefits Committee.

CORPORATE GOVERNANCE REPORT

The primary objective of the Compensation and Benefits Committee is to discharge the Board's responsibilities relating to the compensation and benefits for senior executives and Directors of the Company. This role includes reviewing the adequacy and form of compensation for senior executives and the Directors, determining the recipients of, the nature and size of share compensation awards granted from time to time and determining any bonuses to be awarded, and to review or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any. The Compensation and Benefits Committee met during the Financial Year to review its charter, to assess the performance and compensation of the Chief Executive Officer and the Executive Directors, to review the compensation and benefits for senior executives and Directors of the Company and to complete self-assessments. The Compensation and Benefits Committee made recommendations to the Board for adjustments to compensation for the Company's senior executives on various occasions throughout the Reporting Period.

The individual attendance of Compensation and Benefits Committee members at meetings is set out on page 31 of this annual report.

Health, Safety and Environmental Committee

The Board has established the Health, Safety and Environmental Committee, which operates under a charter approved by the Board. The Company's Health, Safety and Environmental Committee is comprised of four Independent Non-Executive Directors, including Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi and Ms. Ruixia Han, and one Executive Director, namely, Mr. Yuanhui Fu. Mr. Bielin Shi serves as the Chairman of the Health, Safety and Environmental Committee.

The primary objective of the Health, Safety and Environmental Committee is to discharge the Board's responsibilities relating to compliance with applicable health, safety and environmental rules and regulations. This role includes assisting the Board in its oversight of the development, implementation and evaluation by management of the Company's health, safety and environmental objectives and for monitoring the Company's compliance with applicable health, safety and environmental laws and regulations. The Health, Safety and Environmental Committee met during the Reporting Period to receive reports from the Chief Safety Officers from the CSH Gold Mine and the Jiama Mine, to review the findings of an independent safety audit, and to complete self-assessments. The Health, Safety and Environmental Committee made recommendations to the mine sites for continuous improvements.

The individual attendance of Health, Safety and Environmental Committee members at meetings is set out on page 31 of this annual report.

Ad Hoc and Special Committees

In appropriate circumstances, the Board will establish a special committee to review a matter in which several Directors or management may have a conflict of interest. No special committee was established during the Reporting Period.

MEETINGS OF THE BOARD AND BOARD COMMITTEES

Details of attendance of the Directors (either in person or through telephone conferences) at Board regular meetings, meetings of Board Committees and general meetings during the Reporting Period are set out below. The management also communicates informally with the Board on a regular basis, and solicits the advice of the Directors on matters falling within their special knowledge or experience. In addition, the Independent Non-Executive Directors meet regularly on formal and informal basis to facilitate the exercise of their independent judgment.

Attendances/Number of Meetings

	Board	Audit Committee	Nominating and Corporate Governance Committee	Compensation and Benefits Committee	Health, Safety and Environmental Committee	2025 Annual and Special Meeting	Committees (Total)	Overall Attendance
Chenguang Hou	4/4(100%)	N/A	N/A	N/A	N/A	1/1	N/A	5/5 (100%)
Yuanhui Fu	3/4 (75%)	N/A	N/A	N/A	4/4 (100%)	1/1	4/4 (100%)	8/9 (89%)
Weibin Zhang ⁽¹⁾	0/2(0%)	N/A	N/A	0/1(0%)	N/A	0/1	0/1(0%)	0/4 (0%)
Na Tian	4/4(100%)	N/A	N/A	N/A	N/A	1/1	N/A	5/5 (100%)
Wanming Wang	3/4(75%)	N/A	1/1 (100%)	N/A	N/A	1/1	1/1 (100%)	5/6 (83%)
Yingbin lan He	4/4(100%)	4/4 (100%)	1/1 (100%)	1/1 (100%)	4/4 (100%)	1/1	10/10 (100%)	15/15 (100%)
Wei Shao	4/4(100%)	4/4 (100%)	1/1 (100%)	1/1 (100%)	4/4 (100%)	1/1	10/10 (100%)	15/15 (100%)
Bielin Shi	4/4(100%)	4/4 (100%)	1/1 (100%)	1/1 (100%)	4/4 (100%)	1/1	10/10 (100%)	15/15 (100%)
Ruixia Han	4/4 (100%)	4/4 (100%)	1/1 (100%)	1/1 (100%)	4/4 (100%)	1/1	10/10 (100%)	15/15 (100%)

(1) Mr. Weibin Zhang retired as an Executive Director and ceased to be a member of the Compensation and Benefits Committee with effect from June 27, 2025.

* Except for the 2025 Annual and Special Meeting held on June 26, 2025, no other general meeting was held during the Reporting Period. According to code provision C.1.5 of the CG Code, Independent Non-Executive Directors and other Non-Executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

The 2026 AGM will be held on June 26, 2026 (Hong Kong time). The notice of the 2026 AGM will be sent to shareholders at least 20 clear business days before the 2026 AGM.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has adopted a Code of Business Conduct and Ethics applicable to all employees, consultants, executive officers and Directors regardless of their position in the Company, at all times and everywhere the Company does business. The Code of Business Conduct and Ethics provides that the Company's employees, consultants, executive officers and directors will uphold its commitment to a culture of honesty, integrity and accountability and the Company requiring the highest standards of professional and ethical conduct from its employees, consultants, executive officers and Directors.

The Company's employees, executive officers and Directors are required to confirm, on an annual basis, that they have reviewed the Company's Code of Business Conduct and Ethics and if they are aware of any actual or potential conflicts of interest.

The Company's Nominating and Corporate Governance Committee monitors compliance with the Code of Business Conduct and Ethics and the disclosure of conflicts of interest by Directors with a view to ensuring that no Director votes on a matter in respect of which he has a material interest.

ESG GOVERNANCE

The Board promises that the Company and the Board will follow the requirements of the “Environmental, Social and Governance Reporting Guidelines” issued by the Hong Kong Stock Exchange, continuously optimize the Company’s environmental, social and corporate governance system. We will further strengthen the Board’s role in supervision and participation on ESG related affairs, and actively integrate ESG considerations into the Company’s major decision-making processes and business practices.

The Board of Directors bears the ultimate responsibility for the Company’s ESG governance, and is responsible for overseeing the Company’s ESG development direction, strategies and related matters. The Board of Directors, its Nominating and Corporate Governance Committee, the Audit Committee, the Compensation and Benefits Committee, and the Health, Safety and Environmental Committee are responsible for overseeing the Company’s commitments and performances on key issues, coordinating with other committees and functional departments to incorporate ESG factors into internal control, risk management, strategic planning, remuneration and incentives, etc., and reporting ESG performances and major plans to the Board of Directors.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board determines, in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities it should seek in new Directors in order to add value to the Company. Based on this framework, the Nominating and Corporate Governance Committee developed a skills matrix outlining the Company’s desired complement of competencies, skills and characteristics. The specific make-up of the matrix includes technical, geological and engineering knowledge, financial literacy, mining industry experience, public company experience and legal knowledge. The Nominating and Corporate Governance Committee assesses the competencies and characteristics represented on the Board annually and utilizes the matrix to determine the Board’s strengths and to identify areas for improvement. This analysis assists the Nominating and Governance Committee in discharging its responsibility for approaching and proposing new nominees to the Board and for assessing Directors on an ongoing basis.

Unless a Director dies, resigns or is removed from office in accordance with the Business Corporations Act, the term of office of each of the Director’s ends at the conclusion of the next annual general meeting following his or her most recent election or appointment.

At every annual general meeting the shareholders entitled to vote at the annual general meeting for the election of directors are entitled to elect a Board consisting of the number of Directors for the time being set under the Articles and all the Directors cease to hold office immediately before such election but are eligible for re-election. If the Company fails to hold an annual general meeting on or before the date by which the annual general meeting is required to be held under the Business Corporations Act or the shareholders fail, at the annual general meeting, to elect or appoint any Directors then each Director then in office continues to hold office until the earlier of the date on which his or her successor is elected or appointed, or the date on which he or she otherwise ceases to hold office under the Business Corporations Act or the Articles.

According to code provision B.2.3 of the CG Code, if an independent non-executive Director serves more than 9 years, his further election should be subject to a separate resolution to be approved by shareholders.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted policies in its Corporate Disclosure, Confidentiality and Securities Trading Policy on terms no less exacting than those set out in Appendix C3 to the Listing Rules.

Furthermore, if a Director (a) enters into a transaction involving a security of the Company or, for any other reason, the direct or indirect beneficial ownership of, or control or direction over, securities of the Company changes from that shown or required to be shown in the latest insider report filed by the Director, or (b) the director enters into a transaction involving a related financial instrument, the Director must, within the prescribed period, file an insider report in the required form on the System for Electronic Disclosure by Insiders website at www.sedi.ca.

A “related financial instrument” is defined as: (a) an instrument, agreement, security or exchange contract the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security, or (b) any other instrument, agreement or understanding that affects, directly or indirectly, a person’s economic interest in respect of a security or an exchange contract.

Having made a specific enquiry with each Director, all Directors have confirmed their full compliance with the required standards set out in the Corporate Disclosure, Confidentiality and Securities Trading Policy throughout the Reporting Period. Details of the shareholding interests held by the directors as at December 31, 2025 are set out on page 12 of this annual report.

REMUNERATION OF DIRECTORS

The Company’s director emolument policy is administered by the Compensation and Benefits Committee with regard to comparable market statistics. Decisions relating to the compensation of directors are reported by the Compensation and Benefits Committee to the Board for approval.

The Company pays its Independent Non-Executive Directors a cash retainer of US\$3,825 per month for acting as Independent Non-Executive Directors and for their roles on various Board Committees. The Company pays the lead Independent Non-Executive Director a cash retainer of US\$4,500 per month.

Details regarding the remuneration of Directors are set out in Note 11 of the Financial Statements.

COMPANY SECRETARY

The Corporate Secretary is responsible for advising the Board through the Chairman of the Board on governance matters and also facilitates induction and professional development of Directors. The Corporate Secretary reports to the Chairman of the Board. All Directors have access to the advice and services of the Corporate Secretary to ensure that Board procedures, all applicable laws, rules and regulations are followed.

Dr. Ngai Wai Fung, the director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited, an external professional corporate services provider, is the company secretary of the Company. Dr. Ngai’s primary contact person in the Company in relation to any corporate secretarial matters is Mr. Jerry Xie, the CEO Global Affairs Representative and Corporate Secretary.

According to Rule 3.29 of the Listing Rules, Dr. Ngai has received no less than 15 hours of relevant professional training during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for overseeing the risk management and internal controls of the Company and reviewing their effectiveness. Risk management and internal controls are used by the Board to facilitate the effectiveness and efficiency of operations, to safeguard the investment of shareholders and assets of the Company and to ensure compliance with relevant statutory and regulatory requirements. The Company's risk management and internal control policies are designed to provide reasonable, but not absolute, assurance against material misstatements and to help the Board identify and mitigate, but not eliminate, risk exposure.

The Company maintains internal audit functions for both itself and its operating subsidiaries. The Company leverages the internal audit function of China National Gold, its controlling shareholder, for its internal audit function. Risk management and internal control systems are reviewed on a quarterly basis in conjunction with the quarterly certification requirements for disclosure controls and procedures and internal control over financial reporting as mandated by applicable Canadian securities laws.

The Audit Committee and the Board have reviewed the effectiveness of the risk management and internal control systems of the Company and its subsidiaries, including financial, operational and compliance controls, for the Reporting Period and are of the view that the Company's current risk management and internal control systems are adequate and operating effectively in safeguarding the investment of shareholders and assets of the Company.

The Company has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the Company's internal control over financial reporting, and has concluded that its internal controls and procedures were effective as of December 31, 2025 and provide reasonable assurance that material information, including financial information, relating to the Company is made known to senior management, the Audit Committee and the Board, as applicable, and is recorded, processed, summarized and reported in a timely manner.

The Board has established a framework for identifying, evaluating and managing key risks faced by the Company. The Board, through the Audit Committee, reviews annually the effectiveness of the internal control system of the Company and its subsidiaries, considering factors such as:

- changes, since the last annual review, in nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;
- the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and the work of the internal audit function;
- the extent and frequency of communication of monitoring results to the Board which enables it to assess control of the Company and the effectiveness of risk management;
- adequacy of resources;
- staff qualifications and experience;
- training programs;
- budget of the Company's accounting, internal audit and financial reporting functions; communication of the monitoring results to the Board that enables it to assess control of the Company and the effectiveness of the risk management;

- significant control failings or weaknesses that have been identified during the period, and the extent to which they have caused unforeseeable outcomes or contingencies that had or might have, a material impact on the Company's financial performance or condition; and
- the effectiveness of the Company's processes for financial reporting and compliance with applicable listing rules and securities laws.

Pursuant to National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators ("NI 52-109"), the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are required to evaluate the effectiveness of the design and operation of the Company's disclosure controls and procedures ("DC&P"), as defined in NI 52-109, and certify that the DC&P are effective to achieve the purpose for which they have been designed. Internal controls over financial reporting ("ICFR"), as defined in NI 52-109, are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO and CFO provide confirmation of the foregoing matters to the Audit Committee as part of its review and approval of periodic financial disclosure.

The Company has established a Code of Business Conduct and Ethics and Corporate Disclosure, Confidentiality and Securities Trading Policy (the "Code"), which includes a policy on the handling of confidential information, information disclosure and securities dealing for all employees of the Company to comply with when they are in possession of confidential or inside information in relation to the Company. The Code provides that the Company's employees, officers, Directors and contract employees will uphold our commitment to a culture of honesty, integrity and accountability and that the Company requires the highest standards of professional and ethical conduct from its employees, officers, Directors and contract employees. The various policies forming the Code are available on the Company's website (www.chinagoldintl.com) and have been disseminated to all employees of the Company.

Suggestion Ox is the Company's whistleblowing program, which is administered by an independent third party, and is available for use when someone suspects or is aware of illegal, unsafe or inappropriate activity at work. Suggestion Ox provides an avenue for individuals to raise concerns confidentially and anonymously. The Audit Committee monitors compliance with the Code. The Nominating and Corporate Governance Committee monitors the Code and assists the Board in dealing with conflict of interest issues.

AUDITORS

The Company's auditor is BDO Limited of Hong Kong.

Reference is made to the announcement of the Company dated May 16, 2025. Having taken into account that Deloitte Touche Tohmatsu has served as auditor of the Company for 15 consecutive years, the Board is of the view that a change of auditor after an appropriate period of time is a good corporate governance measure to ensure the independence and objectivity of external audit services. Upon the recommendation of the Audit Committee, the Board has resolved to propose to the Shareholders to appoint BDO Limited as the new auditor of the Company in place of Deloitte Touche Tohmatsu.

BDO Limited was appointed as auditor of the Company by an ordinary resolution of the shareholders at the Company's annual and special meeting held on June 26, 2025, at which Deloitte Touche Tohmatsu ceased to act as auditor of the Company.

BDO Limited is independent of the Company in accordance with Section 290 "Independence – Assurance Engagements" of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

On February 26, 2026, the Company engaged Lixin & Ethos CPA LLP as an auditor for Canadian reporting purposes. Lixin & Ethos CPA LLP is responsible for issuing the auditor's report on the Company's consolidated financial statements in accordance with Canadian generally accepted auditing standards. Lixin & Ethos CPA LLP is independent of the Company within the meaning of the applicable rules of professional conduct in Canada.

Accordingly, the Company's consolidated financial statements are audited under a dual-auditor arrangement, with BDO Limited responsible for Hong Kong reporting purposes and Lixin & Ethos CPA LLP responsible for Canadian reporting purposes.

The financial reporting responsibilities and audit report of BDO Limited are set out on pages 70 to 74 of this annual report.

Save as disclosed above, there has been no change in the external auditor of the Company in the preceding three years.

The fees paid/payable to BDO Limited and Lixin & Ethos CPA LLP in respect of audit and non-audit services provided during the Reporting Period were as follows (on a combined basis):

Nature of services rendered	Fees paid/payable (US\$)
Audit fees	600,000
Non-audit fees ⁽¹⁾	
Total	600,000

Notes:

(1) Non-audit fees included in the annual audit fee.

RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility in preparing the financial statements that provide a true and fair view of the financial affairs of the Company. With the assistance of the Company's management, the directors ensure that the financial statements are being prepared and published in a timely manner in accordance with the applicable accounting standards and statutory requirements.

SHAREHOLDERS' RIGHTS

Right to convene a meeting of shareholders

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. Every company having securities listed on the Toronto Stock Exchange must hold its annual meeting of shareholders within six months from the end of its fiscal year, or at such earlier time as is required by applicable legislation.

Pursuant to Section 167 of the Business Corporations Act, shareholders who hold in the aggregate at least one-twentieth of the issued shares of the Company that carry a right to vote at general meetings may requisition a general meeting by delivering a signed written requisition to the Board or the Company Secretary at the Company's principal place of business at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6 (with effect from May 1, 2025) for the purpose of transacting any business that may be transacted at a general meeting.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6 (with effect from May 1, 2025), or by email to info@chinagoldintl.com for the attention of the Company Secretary.

Right to put forward proposals at general meetings

There are no provisions allowing shareholders to propose new resolutions at general meetings under the Business Corporations Act. However, qualified shareholders (as defined in section 187 of the Business Corporations Act) may put forward a proposal for the next general meeting pursuant to Part 5, Division 7 of the Business Corporations Act.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company follows the Shareholders' Communication Policy of disclosing relevant information to shareholders in a timely, factual and accurate manner to ensure the information is broadly disseminated in accordance with all applicable legal and regulatory requirements and shareholders' views and concerns are addressed. Members of the Board and senior management meet and communicate with shareholders at the annual general meeting of the Company to address shareholders' queries. Published meeting materials together with the latest corporate information and news are available for inspection on the HKEX website, SEDAR+ and Company's website and hard copy will also be available when requested by shareholders. Investors can also communicate with the Company through email at info@chinagoldintl.com. Voting results are posted on the Company's website on the day of the annual general meeting.

The Board has reviewed the effectiveness and implementation of the Shareholders' Communication Policy and was of the view the Communication Policy remained effective and was implemented effectively to ensure that the Company maintains long-term effective and good communication with its shareholders.

The Company also published its ESG Report on its website, www.chinagoldintl.com.

The ESG Report communicates to the Company's stakeholders in a broad manner the relevant environmental, social and governance initiatives that the Company has made in reference to Appendix C2 of the Listing Rules. The 2025 ESG Report will be published on the same day as the publication of the Company's Annual Report.

Our corporate website which contains corporate information, corporate governance practice, interim and annual reports, news releases, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information about the Company.

(Stated in U.S. dollars, except as otherwise noted)

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MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis of financial condition and results of operations (“MD&A”) is prepared as of March 30, 2026. It should be read in conjunction with the consolidated financial statements and notes thereto of China Gold International Resources Corp. Ltd. (referred to herein as “China Gold International”, the “Company”, “we” or “our” as the context may require) for the three months and year ended December 31, 2025 and the three months and year ended December 31, 2024, respectively. Unless the context otherwise provides, references in this MD&A to China Gold International or the Company refer to China Gold International and each of its subsidiaries collectively on a consolidated basis.

The following discussion contains certain forward-looking statements relating to the Company’s plans, objectives, expectations and intentions, which are based on the Company’s current expectations and are subject to risks, uncertainties and changes in circumstances. Readers should carefully consider all of the information set out in this MD&A, including the risks and uncertainties outlined further in the Company’s Annual Information Form (“Annual Information Form” or “AIF”) dated March 30, 2026 on SEDAR+ at www.sedarplus.ca, www.chinagoldintl.com and www.hkex.com.hk. For further information on risks and other factors that could affect the accuracy of forward-looking statements and the result of operations of the Company, please refer to the sections titled “Forward-Looking Statements” and “Risk Factors” and to discussions elsewhere within this MD&A. China Gold International’s business, financial condition or results of operations could be materially and adversely affected by any of these risks.



FORWARD-LOOKING STATEMENTS

Certain statements made herein, other than statements of historical fact relating to the Company, represent forward-looking information. In some cases, this forward-looking information can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “contemplates”, “aim”, “estimate”, “intend”, “plan”, “believe”, “potential”, “continue”, “is/are likely to”, “should” or the negative of these terms, or other similar expressions intended to identify forward-looking information. This forward-looking information includes, among other things; China Gold International’s production estimates, business strategies and capital expenditure plans; the development and expansion plans and schedules for the CSH Mine and the Jiama Mine; China Gold International’s financial condition; the regulatory environment as well as the general industry outlook; general economic trends in China; and statements respecting anticipated business activities, planned expenditures, corporate strategies, participation in projects and financing, and other statements that are not historical facts.

By their nature, forward-looking information involves numerous assumptions, both general and specific, which may cause the actual results, performance or achievements of China Gold International and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Some of the key assumptions include, among others, the absence of any material change in China Gold International’s operations or in foreign exchange rates, the prevailing price of gold, copper and other non-ferrous metal products; the absence of lower-than-anticipated mineral recovery or other production problems; effective income and other tax rates and other assumptions underlying China Gold International’s financial performance as stated in the Company’s technical reports for its CSH Mine and Jiama Mine; China Gold International’s ability to obtain regulatory confirmations and approvals on a timely basis; continuing positive labor relations; the absence of any material adverse effects as a result of political instability, terrorism, natural disasters, pandemics such as COVID-19, litigation or arbitration and adverse changes in government regulation; the availability and accessibility of financing to China Gold International; and the performance by counterparties of the terms and conditions of all contracts to which China Gold International and its subsidiaries are a party. The forward-looking information is also based on the assumption that none of the risk factors identified in this MD&A or in the AIF that could cause actual results to differ materially from the forward-looking information actually occurs.

Forward-looking information contained herein as of the date of this MD&A is based on the opinions, estimates and assumptions of management. There are a number of important risks, uncertainties and other factors that could cause actual actions, events or results to differ materially from those described as forward-looking information. China Gold International disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates, opinions or assumptions, future events or results, or otherwise except to the extent required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information in this MD&A is expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on forward-looking information.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE COMPANY

Overview

China Gold International is a gold and base metal mining company registered in British Columbia, Canada. The Company's main business involves the operation, acquisition, development and exploration of gold and base metal properties.

The Company's principal mining operations are the Chang Shan Hao Gold Mine ("CSH Mine" or "CSH"), located in Inner Mongolia, China and the Jiama Copper-Gold Polymetallic Mine ("Jiama Mine" or "Jiama"), located in Tibet, China. China Gold International holds a 96.5% interest in the CSH Mine, while its Chinese joint venture ("CJV") partner holds the remaining 3.5% interest. The Company owns a 100% interest in the Jiama Mine, which hosts a large scale copper-gold polymetallic deposit containing copper, gold, molybdenum, silver, lead and zinc metals.

China Gold International's common shares are listed on the Toronto Stock Exchange ("TSX") and The Stock Exchange of Hong Kong Limited ("HKSE") under the symbol CGG and the stock code 2099, respectively. Additional information about the Company, including the Company's Annual Information Form, is available on SEDAR+ at sedarplus.ca as well as Hong Kong Exchange News at hkexnews.hk.





Performance Highlights

Three months ended December 31, 2025

- Revenue increased by 31% to US\$384.7 million from US\$293.6 million for the same period in 2024.
- Mine operating earnings of US\$209.9 million, increased by US\$87.7 million from mine operating earnings of US\$122.2 million for the same period in 2024.
- Net profit of US\$127.7 million increased by US\$59.4 million from US\$68.3 million for the same period in 2024.
- Cash flow from operation of US\$140.4 million, increased from US\$62.7 million for the same period in 2024.
- Total gold production decreased by 21% to 47,875 ounces from 60,406 ounces for the same period in 2024.
- Total copper production was 37.0 million pounds (approximately 16,756 tonnes) a decrease from 44.1 million pounds (approximately 20,020 tonnes) for the same period in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended December 31, 2025

- Revenue increased by 73% to US\$1,310.1 million from US\$756.6 million for the same period in 2024.
- Mine operating earnings of US\$684.0 million, increased by US\$497.1 million from US\$186.9 million for the same period in 2024.
- Net profit of US\$472.3 million increased by US\$407.0 million from US\$65.3 million for the same period in 2024.
- Cash flow from operation of US\$710.0 million, increased from US\$306.9 million for the same period in 2024.
- Total gold production increased by 9% to 177,225 ounces from 162,652 ounces for the same period in 2024.
- Total copper production was 156.3 million pounds (approximately 70,883 tonnes) a 48% increase from 105.7 million pounds (approximately 47,929 tonnes) for the same period in 2024.

Selected Annual Information*

		Year ended December 31			
	2025	2024	2023	2022	2021
<i>US\$ Millions except for per share</i>					
Total revenue	1,310	757	459	1,105	1,137
Income from operations	590	123	32	317	333
Net profit (loss)	472	65	(23)	225	269
Basic earnings (loss) per share (cents)	117.80	15.82	(6.43)	56.19	67.44
Diluted earnings (loss) per share (cents)	N/A	N/A	N/A	N/A	N/A
Total assets	3,357	2,936	2,835	3,195	3,257
Total non-current liabilities	555	809	802	653	1,080

* Prepared under IFRS

OUTLOOK

After the repairs and reinforcements of the overflow of the Guolanggou Tailings Dam, the Government of Tibet Autonomous Region and relevant departments of the central government approved the resumption of Jiama's operations on May 30, 2024, with a daily processing capacity of 34,000 tonnes, which is lower than the design processing capacity. The Company is actively advancing the construction of the Phase III tailings pond, which is expected to be completed and put into operation in the first half of 2027. The total daily processing capacity is anticipated to increase to 44,000 tpd once the Phase III tailings pond is in operation.

The open-pit operations at the CSH gold mine are nearing the end of its mine life. With the CSH pit's increased depth, the stability of the open pit slopes is becoming more and more prominent in determining the operations plan. Ensuring slope stability and avoiding systematic risks at this stage are the Company's top priority to ensure safe and sustainable production.

Inconsideration of the events, the Company reports separate production guidance for the two mines in 2026.

CSH Mine:

- The total gold production is estimated between 70,732 ounces (2.2 tonnes) and 83,592 ounces (2.6 tonnes).

Jiama Mine:

- The copper production will be approximately between 140 million pounds (63,500 tonnes) and 149 million pounds (67,500 tonnes);
- The gold production will be approximately between 70,732 ounces (2.2 tonnes) and 75,554 ounces (2.35 tonnes);
- The silver production will be approximately between 4.18 million ounces (130 tonnes) and 4.82 million ounces (150 tonnes);.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Outline of the Long-Term Development Plan for the Jiama Mine

In 2024, the Company successfully restored stable operation at the Jiama Mine. In addition, the Company continued to focus its efforts on optimizing resource utilization plan, integrating the identified high-grade underground resources, and accelerating the exploration work at high potential zones. The long-term development plan for the Jiama Mine consists of three phases:

- Prior to the completion of the construction of the new tailings storage facility (the “Youlongbu tailings storage facility”), the Jiama Mine Phase II processing plant will maintain and operate at its current processing capacity of 34,000 tons per day to match the Guolanggou’s storage capacity (the operation of Phase I processing plant has been suspended since May 2024).
- The Youlongbu tailings storage facility is scheduled to commence operation in 2027, allowing a further increase in the Jiama Mine’s production capacity. Over the next two years, as part of the underground resource integration plan, the Company plans to apply to increase the permitted capacity on its mining license for the Jiama Mine, subject to compliance with the relevant safety requirements. Currently, the permitted capacity on the mining license of the Jiama Mine is 14.4 million tonnes per year (approximately 44,000 tonnes per day based on 330 operating days per year). Subject to the government approval of an increased annual mining rate, and following the commissioning of Youlongbu tailings storage facility, the Jiama Mine’s ore processing volume will return to the level of 50,000 tonnes per day, in line with the designed processing capacity of the processing plants. In addition, endeavors are underway so that the production levels at the Jiama Mine will restore to those before the Guolanggou tailings overflow through blending of high-grade underground ores.
- The Company is also working to delineate new resources at satellite deposits near the Jiama Mine. The Company has been actively conducting geological exploration work in two areas: the Bayi Ranch and the Zegulang North, both of which have shown significant resource potential. The Company will provide an update on the exploration progress and results in due course. Subject to the final exploration outcomes and feasibility studies on resource development, the Company will formulate a comprehensive expansion plan for the Jiama Mine area. This study has already been initiated at a preliminary stage.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Selected Quarterly Financial Data

(US\$ in thousands except per share)	Quarter ended							
	31-Dec	2025			2024			
		30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
Revenue	384,734	345,026	307,269	273,096	293,567	254,581	147,955	60,543
Cost of sales	174,826	147,993	147,872	155,444	171,413	207,762	118,512	72,039
Mine operating earnings (loss)	209,908	197,033	159,397	117,653	122,154	46,819	29,443	(11,496)
General and administrative expenses	21,450	14,184	12,068	12,232	17,877	9,944	10,649	9,096
Exploration and evaluation expenditures	268	224	133	508	247	49	50	92
Research and development expenses	16,399	7,848	5,256	3,296	8,118	4,704	2,113	787
Income (loss) from operations	171,791	174,777	141,940	101,617	95,912	32,122	16,631	(21,471)
Foreign exchange gain (loss)	7,381	(3,039)	(2,037)	(2,654)	(4,631)	2,670	(443)	(157)
Finance costs	4,511	4,711	4,580	5,002	5,313	5,692	5,722	5,663
Profit (loss) before income tax	171,694	153,450	139,252	95,770	85,540	30,166	3,924	(26,410)
Income tax expense (credit)	43,994	11,156	22,909	9,791	17,223	2,293	8,768	(362)
Net profit (loss)	127,699	142,294	116,343	85,979	68,317	27,873	(4,844)	(26,048)
Basic earnings (loss) per share (cents)	31.67	35.60	29.08	21.45	16.97	6.84	(1.36)	(6.63)
Diluted earnings per share (cents)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Selected Quarterly and Annual Production Data and Analysis

CSH Mine	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Gold sales (US\$ million)	98.21	78.80	338.47	246.95
Realized average price (US\$) of gold per ounce	4,124	2,659	3,419	2,453
Gold produced (ounces)	28,684	36,719	96,816	108,188
Gold sold (ounces)	23,814	29,641	99,010	100,682
Total production cost (US\$ per ounce)	1,747	1,721	1,665	1,645
Cash production cost ⁽¹⁾ (US\$ per ounce)	1,521	1,306	1,263	1,064

(1) Non-IFRS measure. See 'Non-IFRS measures' section of this MD&A

Gold production at the CSH Mine decreased by 22% to 28,684 ounces for the three months ended December 31, 2025 compared to 36,719 ounces for the same period in 2024. The total production cost of gold for the three months ended December 31, 2025 increased to US\$1,747 per ounce compared to US\$1,721 for the same period in 2024. The cash production cost of gold for the three months ended December 31, 2025 increased to US\$1,521 per ounce from US\$1,306 for the same period in 2024. The increase in Cash production cost is mainly due to the increase in environment protection fees.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jiama Mine	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Copper sales (US\$ in millions)	148.99	106.16	495.56	283.22
Realized average price ¹ (US\$) of copper per pound after smelting fee discount	3.80	2.42	3.17	2.71
Copper produced (tonnes)	16,756	20,020	70,883	47,929
Copper produced (pounds)	36,939,257	44,135,873	156,269,659	105,664,184
Copper sold (tonnes)	17,652	19,931	70,959	47,421
Copper sold (pounds)	38,917,010	43,940,061	156,437,873	104,545,457
Gold produced (ounces)	19,191	23,688	80,409	54,464
Gold sold (ounces)	20,195	23,520	80,406	53,963
Silver produced (ounces)	1,275,143	1,479,708	5,645,915	3,231,408
Silver sold (ounces)	1,346,956	1,473,027	5,648,631	3,193,073
Lead produced (tonnes)	7,973	13,503	40,912	27,896
Lead produced (pounds)	17,577,968	29,768,128	90,196,257	61,500,340
Lead sold (tonnes)	8,451	13,360	41,036	27,493
Lead sold (pounds)	18,632,143	29,453,697	90,468,423	60,612,685
Zinc produced (tonnes)	5,248	6,575	23,446	14,663
Zinc produced (pounds)	11,569,321	14,495,121	51,688,429	32,326,595
Zinc sold (tonnes)	5,536	6,479	23,556	14,442
Zinc sold (pounds)	12,205,513	14,282,878	51,932,904	31,839,913
Moly produced (tonnes)	138	120	768	354
Moly produced (pounds)	303,944	264,753	1,692,167	780,704
Moly sold (tonnes)	134	234	840	234
Moly sold (pounds)	295,027	515,217	1,851,486	515,217
Total production cost ² (US\$) of copper per pound	4.36	3.31	3.52	4.44
Total production cost ² (US\$) of copper per pound after by-products credits ⁴	0.88	0.89	0.52	2.32
Cash production cost ⁴ (US\$) per pound of copper	3.63	2.65	2.74	3.62
Cash production cost ³ (US\$) of copper per pound after by-products credits ⁴	0.14	0.23	(0.26)	1.50

1 A discount factor of 11.9% to 25.3% is applied to the copper benchmark price to compensate the refinery costs incurred by the buyers. The discount factor is higher if the grade of copper in copper concentrate is below 18%. The industry standard of copper in copper concentrate is between 18-20%.

2 Production costs include expenditures incurred at the mine sites for the activities related to production including mining, processing, mine site G&A and royalties etc.

3 Non-IFRS measure. See 'Non-IFRS measures' section of this MD&A

4 By-products credit refers to the sales of gold, silver, lead, zinc and moly during the corresponding period.

5 Increased production of by-products combined with reduced G&A and R&D costs, has resulted in by-product credits exceeding total production cost of copper.

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the three months ended December 31, 2025, The Jiama Mine produced 16,756 tonnes (approximately 37.0 million pounds) of copper, which decreased from of 20,020 tonnes (approximately 44.1 million pounds) during the comparative three month period in 2024.

Total production cost of copper per pound increased by 32% due to lower copper grade and increase of R&D in the three months of 2025 as compared to the same period in 2024. Cash production cost of copper per pound increased as compared to the same quarter in 2024. However, total production cost of copper per pound after by-products and cash production cost of copper per pound after by-product decreased in 2025 as compared to the same three month period in 2024, mainly due to higher by-product revenue from gold and silver.

Review of Quarterly and Annual Data

Three months ended December 31, 2025 compared to three months ended December 31, 2024

Revenue of US\$384.7 million for the fourth quarter of 2025, increased by US\$91.1 million from US\$293.6 million for the same period in 2024.

Revenue from the CSH Mine was US\$98.2 million, an increase of US\$19.4 million from US\$78.8 million for the same period in 2024. The realized average gold price increased by 55%, from US\$2,659/oz in Q4 2024 to US\$4,124/oz in Q4 2025. Gold sold by the CSH Mine was 23,814 ounces (gold produced: 28,684 ounces), compared to 29,641 ounces (gold produced: 36,719 ounces) for the same period in 2024.

Revenue from the Jiama Mine was US\$286.5 million, an increase of US\$71.7 million, compared to US\$214.8 million for the same period in 2024. The realized average price of copper increased by 57%, from US\$2.42/pound in Q4 2024 to US\$3.80/pound in Q4 2025. Total copper sold was 17,652 tonnes (38.9 million pounds) for the three months ended December 31, 2025, a decrease of 11% from 19,931 tonnes (43.9 million pounds) for the same period in 2024.

Cost of sales of US\$174.8 million for the quarter ended December 31, 2025, a slightly increase of US\$3.4 million from US\$171.4 million for the same period in 2024. Cost of sales as a percentage of revenue for the Company decreased from 58% to 45% for the three months ended December 31, 2024 and 2025, respectively. Cost of sales was impacted by many operation factors such as grade of ore, recovery rates and stripping ratio. Refer to the sections below for details of production factors for each individual mine.

Mine operating earnings of US\$209.9 million for the three months ended December 31, 2025, an increase of US\$87.7 million from US\$122.2 million for the same period in 2024.

General and administrative expenses increased by US\$3.5 million, from US\$17.9 million for the quarter ended December 31, 2024 to US\$21.4 million for the quarter ended December 31, 2025, partially due to higher taxes and surcharges resulting from increased revenue in the current quarter.

Research and development expenses of US\$16.4 million for the three months ended December 31, 2025, increased from US\$8.1 million for the comparative 2024 period. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

Income from operations of US\$171.8 million for the fourth quarter of 2025, increased by US\$75.9 million, compared to US\$95.9 million for the same period in 2024.

Foreign exchange gain of US\$7.4 million for the three months ended December 31, 2025, increased from a loss of US\$4.6 million for the same period in 2024. The gain was attributed to changes in the RMB/USD exchange rates and the revaluation of monetary items held in Chinese RMB.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Interest and other income of US\$2.4 million for the three months ended December 31, 2025, increased from a negative US\$0.1 million for the same period in 2024, primarily due to higher interest income earned during the current quarter compared to the corresponding period last year.

Finance costs of US\$4.5 million for the three months ended December 31, 2025, decreased by US\$0.8 million compared to US\$5.3 million for the same period in 2024. The decrease was primarily due to a reduction in total borrowings outstanding. Management continues to monitor the Company's debt structure and financing costs to optimize capital efficiency.

Other expense of US\$5.3 million for the three months ended December 31, 2025, increased from US\$0.3 million for the same period in 2024. During the current quarter, the Company recognized an impairment loss of US\$5.9 million on other non-current assets based on a third-party real estate valuation report, partially offset by lower expenses in other categories. Refer to Note 22 Other non-current assets of the consolidated financial statements for details.

Income tax expense of US\$44.0 million for the three months ended December 31, 2025, increased by US\$26.8 million from US\$17.2 million for the comparative period in 2024. In December 2025, the Company accrued US\$23.5 million in withholding tax on declared dividends to shareholders. During the current quarter, the Company had US\$25.0 million of deferred tax expense compared to US\$9.1 million deferred tax credit for the same period in 2024.

Net income of US\$127.7 million for the three months ended December 31, 2025, increased by US\$59.4 million from US\$68.3 million for the three months ended December 31, 2024.

Year ended December 31, 2025 compared to year ended December 31, 2024

Revenue of US\$1,310.1 million for the year ended December 31, 2025, increased by US\$553.5 million from US\$756.6 million for the same period in 2024.

Revenue from the CSH Mine was US\$338.5 million, an increase of US\$91.6 million from US\$246.9 million for the same period in 2024. The realized average gold price increased by 39%, from US\$2,453/oz in 2024 to US\$3,419/oz in the same period of 2025. Gold sold by the CSH Mine was 99,010 ounces (gold produced: 96,816 ounces), compared to 100,682 ounces (gold produced: 108,188 ounces) for the same period in 2024.

Revenue from the Jiama Mine was US\$971.7 million, an increase of US\$462.0 million, compared to US\$509.7 million for the same period in 2024. The realized average price of copper increased by 17%, from US\$2.71/pound in 2024 to US\$3.17/pound in the same period of 2025. Total copper sold was 70,959 tonnes (156.4 million pounds) for the year ended December 31, 2025, an increase of 50% from 47,421 tonnes (104.5 million pounds) for the same period in 2024.

Cost of sales of US\$626.1 million for the year ended December 31, 2025, an increase of US\$56.4 million from US\$569.7 million for the same period in 2024. The cost of sales increased due to the resumption of operations at the Jiama Mine, leading to higher production costs as the Phase II processing plants was reactivated.

Mine operating earnings of US\$684.0 million for the year ended December 31, 2025, an increase of US\$497.1 million from US\$186.9 million for the same period in 2024.

General and administrative expenses increased by US\$12.3 million, from US\$47.6 million for the year ended December 31, 2024 to US\$59.9 million for the same period in 2025, primarily driven by higher operational support costs associated with the resumption of production at the Jiama Mine.

Research and development expenses of US\$32.8 million for the year ended December 31, 2025, increased from US\$15.7 million for the comparative 2024 period. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Income from operations of US\$590.1 million for the year ended December 31, 2025, increased by US\$466.9 million, compared to US\$123.2 million for the same period in 2024.

Foreign exchange loss of US\$0.3 million for the year ended December 31, 2025, decreased from US\$2.6 million for the same period in 2024. The loss was attributed to changes in the RMB/USD exchange rates and the revaluation of monetary items held in Chinese RMB.

Interest and other income of US\$11.7 million for the year ended December 31, 2025, increased from US\$5.1 million for the same period in 2024, primarily due to higher interest income earned during the current period and higher dividend received from China Nonferrous Mining Corporation Limited compared to the corresponding period last year.

Finance costs of US\$18.8 million for the year ended December 31, 2025, decreased by US\$3.6 million compared to US\$22.4 million for the same period in 2024. The decrease was primarily due to a reduction in total borrowings outstanding. Management continues to monitor the Company's debt structure and financing costs to optimize capital efficiency.

Other expense of US\$22.5 million for the year ended December 31, 2025, increased from US\$10.1 million for the same period in 2024. During the current period, the Company recognized litigation compensation of US\$15.0 million arising from the litigation between Shaanxi Xiaoshanchuan Mineral Resources Development and Construction Co.,Ltd. and the Company's subsidiary, Tibet Huatailong Mining Development Co. Ltd. Refer to Note 31 Contingencies of the consolidated financial statements for details.

Income tax expense of US\$87.9 million for the year ended December 31, 2025, increased by US\$60.0 million from US\$27.9 million for the comparative period in 2024. In December 2025, the Company accrued US\$23.5 million in withholding tax on declared dividends to shareholders. During the current period, the Company had US\$23.7 million of deferred tax expense compared to a deferred tax expense of US\$10.3 million for the same period in 2024.

Net income of US\$472.3 million for the year ended December 31, 2025, increased by US\$407.0 million from US\$65.3 million for the same period in 2024.

NON-IFRS MEASURES

The cash cost of production, cash cost after by-product credits and cash cost per ounce and per pound are measures that are not in accordance with IFRS.

The Company has included these metrics to supplement its consolidated financial statements, which are presented in accordance with IFRS. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance, operating results or financial condition prepared in accordance with IFRS. The Company has included cash production cost per ounce and per pound data because it understands that certain investors use this information to determine the Company's ability to generate earnings and cash flow. The measures are not necessarily indicative of operating results, cash flow from operations, or financial condition as determined under IFRS.

The following tables provide a reconciliation of cost of sales to the cash costs of production in total dollars and in dollars per gold ounce for the CSH Mine or per copper pound for the Jiama Mine:

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cash production cost for gold is calculated as total cost of sales adjusted by depreciation and depletion and amortization of intangible assets. Cash production cost of gold per ounce is calculated as total cash production cost divided by total gold sold (ounces).

	CSH Mine (Gold)							
	Three months ended December 31,				Year ended December 31,			
	2025		2024		2025		2024	
	US\$	US\$ Per ounce	US\$	US\$ Per ounce	US\$	US\$ Per ounce	US\$	US\$ Per ounce
Total Cost of sales ¹	41,593,138	1,747	51,018,707	1,721	164,875,882	1,665	165,574,005	1,645
Adjustment – Depreciation & depletion	(5,304,923)	(223)	(12,164,347)	(410)	(39,205,424)	(396)	(57,678,651)	(573)
Adjustment – Amortization of intangible assets	(56,998)	(2)	(163,015)	(5)	(642,989)	(6)	(787,919)	(8)
Total cash production costs	36,231,217	1,522	38,691,345	1,306	125,027,469	1,263	107,107,435	1,064
Total Gold sold ounces		23,814		29,655		99,010		100,682

Cash production cost of gold US\$ per ounce calculated as total cash production cost divided by total gold sold ounces.

Cash Production cost for copper is calculated as production costs (total cost of sales adjusted by General and administrative expenses and Research and development expenses) adjusted by depreciation and depletion and amortization of intangible assets. Cash production cost of copper (pounds) is calculated as total cash production cost divided by total copper sold (pounds).

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Jiama Mine (Copper with by-products credits)							
	Three months ended December 31,				Year ended December 31,			
	2025		2024		2025		2024	
	US\$	US\$ Per Pound	US\$	US\$ Per Pound	US\$	US\$ Per Pound	US\$	US\$ Per Pound
Total Cost of sales	133,232,929	3.42	120,395,116	2.74	461,258,144	2.95	404,152,493	3.87
General and administrative expenses	20,314,047	0.52	17,020,625	0.39	55,871,979	0.36	43,581,877	0.42
Research and development expenses	16,398,899	0.42	8,118,595	0.18	32,798,609	0.21	15,722,098	0.15
Total production cost	169,945,975	4.36	145,534,336	3.31	549,928,732	3.52	463,456,468	4.44
Adjustment – Depreciation & depletion	(21,924,108)	(0.56)	(21,527,256)	(0.49)	(94,305,794)	(0.60)	(66,877,508)	(0.64)
Adjustment – Amortization of intangible assets	(6,454,180)	(0.17)	(7,399,660)	(0.17)	(28,363,980)	(0.18)	(19,117,739)	(0.18)
Total cash production costs	141,567,687	3.63	116,607,420	2.65	427,258,958	2.74	377,461,221	3.62
By-products credits	(135,694,593)	(3.49)	(106,554,080)	(2.42)	(469,218,504)	(3.00)	(221,844,500)	(2.12)
Total cash production costs after by-products credits	5,873,094	0.14	10,053,340	0.23	(41,959,546)	(0.26)	155,616,721	1.50
Total Copper sold pounds	38,917,010		43,940,061		156,437,873		104,545,457	

Cash production cost of copper US\$ per pound calculated as total cash production cost divided by total copper sold pounds.

MINERAL PROPERTIES

The CSH Mine

The CSH Mine is located in Inner Mongolia Autonomous Region of China (Inner Mongolia). The property hosts two low-grade, near surface gold deposits, along with other mineralized prospects. The main deposit is called the Northeast Zone (the “Northeast Zone”), while the second, smaller deposit is called the Southwest Zone (the “Southwest Zone”).

The CSH Mine is owned and operated by Inner Mongolia Pacific Mining Co. Limited, a Chinese Joint Venture in which the Company holds a 96.5% interest and Ningxia Nuclear Industry Geological Exploration Institution holds the remaining 3.5%.

The CSH Mine is an open-pit mining operations with a designed mining and processing capacity of 60,000 tpd. In July 2019, CSH updated its mine plan based on a result of latest ultimate limit optimization, in which the production rate was reduced to 40,000 tpd with a life of mine (“LoM”) of seven years as of 2019. The run-of-mine ore is heap leached with cyanide solution to extract gold and electro-wonned to produce a gold dore which is sold to refiners. In June 2020, the operation of southwest pit ended.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The open-pit operations at the CSH gold mine are nearing the end of its mine life. With the increase in the pit's depth, the height and exposed area of the pit wall have increased, and the stability of the open pit slopes is becoming more and more prominent in determining the operations plan. Ensuring slope stability and avoiding systematic risks at this stage is the Company's top priority to ensure safe and sustainable production.

The Company continues to evaluate the potential for underground operations.

The major new contracts entered into during the year ended December 31, 2025:

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Sales Contract for Waste Materials	Hunan Zhongxing Environmental Protection Technology Co., Ltd	10.81	2025.3.24 – 2025.4.24	2025.3.24
2	Open-pit to Underground Engineering Design	China ENFI Engineering Technology Co., Ltd	5.06	2025.4.24 – 2033.4.24	2025.4.24
3	Sales Contract for Waste Materials	Hunan Zhongxing Environmental Protection Technology Co., Ltd	11.27	2025.6.10 – 2025.7.2	2025.6.10
4	2025 Open-pit Mine Slope Remediation Project Contract	China National Gold Group Third Engineering Co., Ltd.	9.37	2025.8.27 – 2026.10.31	2025.8.27
5	Sales Contract for Waste Materials	Hunan Zhongxing Environmental Protection Technology Co., Ltd	19.78	2025.12.25 – 2026.2.24	2025.12.25

Production Update

CSH Mine	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Ore mined and placed on pad (tonnes)	1,834,826	1,576,243	10,299,404	9,208,842
Average ore grade (g/t)	0.44	0.41	0.49	0.58
Recoverable gold (ounces)	17,014	13,187	95,735	102,866
Ending gold in process and gold dore bars (ounces)	142,894	146,169	142,894	146,169
Waste rock mined (tonnes)	1,493,922	2,800,938	7,011,840	10,548,732

For the three months ended December 31, 2025, the total amount of ore placed on the leach pad was 1.8 million tonnes, with total contained gold of 17,014 ounces (529 kilograms). The overall accumulative project-to-date gold recovery rate remained consistent at approximately 56.63% at the end of December 31, 2025 from 56.47% at the end of September 30, 2025. Of which, gold recovery from the phase I and phase II heap leach pads were 59.77% and 54.67% at December 31, 2025, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Exploration

The CSH Gold Mine drilled 264 meters from hole DDH9200-3, which was remaining from the 2024 drilling program. There was no other drilling program in 2025 for the CSH Mine.

Mineral Resource Update

CSH Mine Mineral Resources by category, at December 31, 2025 under NI 43-101 are listed below:

Location	Mineral Resource Category	Tonnage (x1000 t)	Au (g/t)	Metal	
				Au (t)	Au (Moz)
Remaining within the open pit limit at a cut-off grade of 0.28 g/t Au	Measured	6,031	0.68	4.09	0.132
	Indicated	6,647	0.72	4.75	0.153
	M+I	12,678	0.70	8.84	0.285
	Inferred	2,576	0.41	0.15	0.005
Underground at a cut-off grade of 0.30 g/t Au	Measured	88,200	0.67	58.66	1.89
	Indicated	89,850	0.58	52.07	1.67
	M+I	178,050	0.62	110.72	3.56
	Inferred	62,090	0.49	30.68	0.99

Note: Mineral Resources are reported in relation to a conceptual open-pit mining and underground block caving mining. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Raw assays have been capped. Mineral Resources include Mineral Reserves.

Mineral Resources are reported at a cut-off grade of 0.28 g/t Au for open-pit mining, based on the following parameters: the heap leaching & metallurgical recovery of 60% and gold bullion market price of USD1,980 per ounce. Additional Mineral Resources are reported at a cut-off grade of 0.30 g/t Au for underground block caving mining, based on the following parameters: the heap leaching & metallurgical recovery of 60% and gold bullion market price of USD1,980 per ounce. USD1.0000=RMB6.3457 dated in April 2022, and one troy ounce is equal to 31.1035 grams.

The mineral resource estimates include Au only. CGME Consulting limited (CGME) has estimated the mineral resources of the CSH gold deposit based on a cut-off grade of 0.28 g/t Au within the optimized ultimate open-pit limit and a cut-off grade of 0.30 g/t Au below the open pit limit on April 1, 2022. The resource estimate was conducted using Ordinary Kriging, validated by Inversed Distance Squared method, and Micromine modelling software.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CGME considers that blocks estimated for the first estimation pass with an average anisotropic distance to samples of less than 45 m can be classified as Measured Mineral Resources, and blocks estimated for the second estimation pass with an average anisotropic distance to samples of less than 80 m can be classified as Indicated Mineral Resources, and blocks estimated for the third estimation pass with an average anisotropic distance to samples of not more than 150 m can be categorised as Inferred Mineral Resources. For those Measured and Indicated Mineral Resource blocks, CGME considers that the degree of confidence is sufficient to allow an appropriate application of technical and economic parameters to support mine planning and to allow evaluation of the economic viability of the deposit, which is also adequate to support the open pit mining operations.

In CGME's opinion, the upper portions of gold mineralization at the CSH Gold Project are amenable to extraction by open pit mining with a cut-off grade optimised of 0.28 g/t Au, and the block caving mining operation would be the choice for extraction below the optimized open pit limits with a cut-off grade of 0.30 g/t Au in this estimation based on a Reasonable Prospect for Eventual Economic Extraction ("RPEEE"). It is noted that the partial mineral resources outside of the open pit limit but above the bottom plane may not be amenable to extraction in the future. Meanwhile, the mineral resources located below 840 m ASL at NE zone and 1,250 m ASL at SW zone may not be amendable to extraction in the future due to either excessive depth or high dilution. These mineral resources that may not be amendable to extraction in the future are excluded from the Mineral Resource Statement in this Report.

Block model quantity and grade estimates for the CSH gold deposit were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) by Yuan Chen, MSc., MAIG (M4014)/RPGEO (10262) (April 2022), an independent Qualified Person for the purposes of National Instrument 43-101 and updated by Mr. Yingting Guo, MMSA., PGeo., an independent Qualified Person for the purposes of National Instrument 43-101 on December 31, 2025.

Mineral Reserves Update

CSH Mine Mineral Reserves by category at December 31, 2025 under NI 43-101 are summarized below:

Type	T (x 1,000)	Diluted Au g/t	Metal	
			Au t	Au Moz
Proven	6,405	0.64	4.11	0.13
Probable	7,222	0.67	4.87	0.16
Total	13,627	0.66	8.98	0.29

Note: Mineral Reserves are reported based on the optimized ultimate open pit limit. All figures are rounded to reflect the relative accuracy of the estimate. Mineral Reserves are included in Mineral Resources.

Mineral Reserves are reported at a cut-off grade of 0.28 g/t Au for open-pit mining, based on the following parameters: the heap leaching & metallurgical recovery of 60% and gold bullion market price of USD1,568 per ounce. USD1.0000=RMB6.3457 dated in April 2022, and one troy ounce is equal to 31.1035 grams.

The Proven Mineral Reserves are 6.41 Mt at a grade of 0.64 g/t Au for the gold content of 4.11 t or 0.13 Moz, and the Probable Mineral Reserves are 7.22 Mt at a grade of 0.67 g/t Au for the gold content of 4.87t or 0.16 Moz, totaling Mineral Reserves of 13.63 Mt at a grade of 0.66 g/t Au for the gold content of 8.98 t or 0.29 Moz.

The Mineral Reserves for the CSH gold deposit were estimated according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) by Guangpian Zhang, AusIMM, a full time Principal Mining Engineer for CGME and a Qualified Person for the purposes of National Instrument 43-101.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Jiama Mine

Jiama is a large copper-gold polymetallic deposit containing copper, gold, silver, molybdenum, lead and zinc, located in the Gandise metallogenic belt in Tibet Autonomous Region of China.

The Jiama Mine has both underground mining and open-pit mining operations. Phase I of the Jiama Mine commenced operation in the latter half of 2010 and reached its design capacity of 6,000 tpd in early 2011. Phase II of the Jiama Mine commenced mining operations in 2018 with 44,000 tpd design capacity. The combined mining and processing design capacity at the Jiama Mine is 50,000 tpd.

The major new contracts entered into during the year ended December 31, 2025:

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Tibet Huatailong Mining Development Co., Ltd. Jiama Copper Polymetallic Mine Youlongbu Tailings Dam PC General Contracting Contract	China National Gold Group Construction Co., Ltd.	244.25	2025.03 – 2027.06	2025.03
2	Molybdenum Concentrate Purchase and Sales Contract	China National Gold Group (Shanghai) Trading Co., Ltd.	50.13	2025.05 – 2028.05	2025.05
3	Supplementary Agreement to the "Tibet Huatailong Mining Development Co., Ltd. 2022-2024 Copper Concentrate Powder Purchase and Sales Contract	China National Gold Group International Trading Co., Ltd.	69.63	2025.05 – 2025.06	2025.05
4	Tibet Huatailong Mining Development Co., Ltd. 2025 Machinery and Equipment Leasing Project Contract	Sichuan Haotianyu Construction Machinery Leasing Co., Ltd.	2.91	2025.04 – 2025.12	2025.04
5	Tibet Huatailong Mining Development Co., Ltd. Jiama Copper Polymetallic Mine Youlongbu Tailings Dam General Contracting and Supervision Project Service Contract	Xinjiang Nonferrous Metallurgy Design and Research Institute Co., Ltd.	3.06	2025.06 – 2027.11	2025.06
6	Tibet Huatailong Mining Development Co., Ltd. Blasting Engineering Construction Service Project Construction Contract	Tibet Gaozheng Blasting Engineering Co., Ltd.	9.02	2025.06 – 2026.05	2025.06
7	Tibet Huatailong Mining Development Co., Ltd. 23-26 Sub-dam Embankment and Drainage Works of Guolanggou Tailings Pond EPC General Contracting Project	BGRIMM Technology Group Co., Ltd. (Consortium Leader), Jiangxi Copper Industry Group Construction Co., Ltd. (Consortium Member)	14.03	2025.5.6- 2026.6.29	2025.5.6
8	Copper Concentrates Purchase and Sales Contract	China National Gold Group (Shanghai) Trading Co., Ltd.	2,031.28	2025.5.27-2028.5.27	2025.5.27
9	Contract for Blasting Engineering Construction Services of Tibet Huatailong Mining Development Co., Ltd.	Tibet Zhongjin Xinlian Blasting Engineering Co., Ltd.	6.16	2025.6.1-2026.5.31	2025.05.30
10	Sodium Hydrosulfide	Zibo Tengxiang Economic and Trade Co., Ltd.	5.12	2025.6.26-2026.6.25	2025.6.26
11	Cement	China Jinyu Gold Materials Co., Ltd.	8.03	2025.6.30-2026.6.29	2025.6.30
12	Sodium Hydrosulfide	Fengshi Chemical (Shanghai) Co., Ltd.	7.69	2025.6.30-2026.6.29	2025.6.30

MANAGEMENT'S DISCUSSION AND ANALYSIS

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
13	Copper-Lead-Zinc Mixed Concentrates Purchase and Sales Contract	China National Gold Group (Shanghai) Trading Co., Ltd.	791.21	2025.7.18-2027.7.17	2025.7.18
14	Cement	Tibet Jiaofa Transportation Industry Co., Ltd.	8.01	2025.11.21-2026.11.20	2025.11.21
15	Steel Balls	Baiyin Hengcheng Machinery Manufacturing Co., Ltd.	3.04	2025.11.30-2026.11.29	2025.11.30
16	Steel Balls	Inner Mongolia Jinyu Fengxing Mining Wear-resistant Materials Co., Ltd.	3.30	2025.12.29-2026.12.28	2025.12.29

Production Update

Jiama Mine	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Ore processed (tonnes)	2,871,882	3,095,471	11,838,916	8,197,448
Average copper ore grade (%)	0.69	0.78	0.71	0.71
Copper recovery rate (%)	85	82	84	82
Average gold grade (g/t)	0.28	0.32	0.29	0.29
Gold recovery rate (%)	73	74	73	70
Average silver grade (g/t)	20.14	21.91	21.15	19.72
Silver recovery rate (%)	69	68	70	62
Average Lead grade (%)	0.77	1.16	0.96	1.24
Lead recovery rate (%)	77	78	78	75
Average Zinc grade (%)	0.53	0.61	0.58	0.68
Zinc recovery rate (%)	73	72	73	72
Average Moly grade (%)	0.028	0.03	0.037	0.029
Moly recovery rate (%)	32	24.97	33	23.20

Exploration

In 2025, Jiama has carried out exploration work in the mine deep and peripheral areas of the Jiama mining area, completing a total of 1,254 cubic meters of pit exploration, 4,870 meters of underground drilling, and 25,450 meters of surface drilling. The main results have been achieved as below: 1. further controlling the main skarn orebody of the interlayered structure in the Jiama mining area, defining the skarn orebodies in the surrounding contact zone; 2. two gold mineralization zones, one zinc mineralization zone, and one molybdenum mineralization zone have been defined at Bayi Ranch prospecting area. Since the consolidation of mineral rights in Jiama area, the Jiama Mine has completed a total of 297,720 meters of drilling with 622 holes.

Mineral Resources Estimate

The Mineral Resource estimate was originally independently completed by Runge Pincock Minarco (RPM) Global dated 12th November 2012. Mining One was provided with the block model and all files related to construction of the model. The information contained within this report is based on information provided to Mining One, which has been verified and, in some instances, refined by Mining One. The Resource estimate is based on three dimensional geological and mineralisation models that were informed by the drill hole data set.

The Resource is based on three main geological domains that represent Skarn, Hornfels and Porphyry lithologies; mineralisation is hosted within each of these domains. Domain boundaries were constructed using a combination of the geology domains and a 0.1% Cu equivalent cut-off for the mineralisation. Standard wireframing procedures were used in relation to extrapolation of polygons half the drill spacing distance past known data points and tapering of zone thickness on the periphery of the domains.

Mining One Pty Ltd. noted that gold and silver mineralization within the ore body had a significantly higher spatial variability than the other elements. This classification takes into account the proposed large scale mining techniques where Au and Ag will only be credits to the overall products from the operations. Mining One Pty Ltd has assumed that Au and Ag will not be assigned a single cut-off grade for a selected mining block and will be mined in conjunction with the other elements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jiama Mine resources by category as of December 31, 2025 under NI 43-101:

**Jiama Project – Cu, Mo, Pb, Zn, Au, and Ag Mineral Resources under NI 43-101
Reported at a 0.3% Cu Equivalent Cut off grade*, as of December 31, 2025**

Class	Quantity		Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Cu Metal (kt)	Mo Metal (kt)	Pb Metal (kt)	Zn Metal (kt)	Au Moz	Ag Moz
	Mt													
Measured	90.57		0.38	0.04	0.04	0.02	0.07	5.04	344.76	33.22	33.10	16.60	0.21	14.67
Indicated	1294.56		0.40	0.03	0.05	0.03	0.10	5.48	5126.91	445.26	605.10	375.05	4.12	227.97
M+I	1385.13		0.40	0.03	0.05	0.03	0.10	5.45	5471.67	478.48	638.20	391.65	4.33	242.64
Inferred	405.18		0.31	0.03	0.08	0.04	0.10	5.13	1256.07	121.56	324.15	174.61	1.31	66.83

Note: Figures reported are rounded which may result in small tabulation errors.

The prices of Cu, Mo, Pb, Zn, Au and Ag are US\$2.9/lbs; US\$15.5/lbs; US\$2.9/lbs; US\$0.95/lbs; US\$1,300/oz and \$20/oz respectively.

The Copper Equivalent basis for the reporting of resources has been compiled on the following basis:

$$\text{CuEq Grade} = (\text{Ag Grade} * \text{Ag Price} + \text{Au Grade} * \text{Au Price} + \text{Cu Grade} * \text{Cu Price} + \text{Pb Grade} * \text{Pb Price} + \text{Zn Grade} * \text{Zn Price} + \text{Mo Grade} * \text{Mo Price}) / \text{Copper Price}$$

The Mineral Resources include the Mineral Reserves

Resource Estimate by Runge Pincock Minarco on 12th November of 2012 and updated by Mining One Pty Ltd. In 2014 and by Tony Guo, P.Geo, a Qualified Person as defined by NI 43-101 in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Mineral Reserves Estimate

The selected mining strategies developed by CGDI in conjunction with China Gold consider conventional truck shovel mining for the Jiaoyan and South open pits. Various mining methods have been proposed for the Phase II Expansion Underground Mine with the primary method being Sub Level Stoping with fill (Primary/Secondary/(Tertiary)).

The reserve estimate for the Jiama Project underground mine is based on a combination of Sub Level Open Stoping with Paste fill, Room and Pillar and Cut and Fill. The mineral reserve estimate is summarised below which are inclusive of the modifying factors for mining recovery and dilution.

Jiama Mine reserves by category as of December 31, 2025 under NI 43-101:

Class	Quantity						Cu Metal	Mo Metal	Pb Metal	Zn Metal	Au Moz	Ag Moz	
	Mt	Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	(kt)	(kt)	(kt)			(kt)
Proven	16.60	0.60	0.05	0.02	0.02	0.19	7.66	99.61	8.30	3.32	3.32	0.10	4.09
Probable	320.23	0.60	0.03	0.13	0.07	0.16	10.38	1921.37	96.07	416.30	224.16	1.65	106.88
P+P	336.83	0.60	0.04	0.12	0.07	0.16	10.25	2020.98	104.37	419.62	227.48	1.75	111.97

Notes:

- All Mineral Reserves have been estimated in accordance with the JORC code and have been reconciled to CIM standards as prescribed by the NI 43-101.
- Mineral Reserves were estimated using the following mining and economic factors:
 - Open Pits:
 - 5% dilution factor and 95% recovery were applied to the mining method;
 - an overall slope angles of 43 degrees;
 - a copper price of US\$2.9/lbs;
 - an overall processing recovery of 88 – 90% for copper.
 - Underground:
 - 10% dilution added to all Sub-Level Open Stoping;
 - Stope recovery is 87% for Sub-Level Open Stoping;
 - An overall processing recovery of 88 – 90% for copper.
- The cut-off grade for Mineral Reserves has been estimated at copper equivalent grades of 0.3% Cu (NSR) for the open pits and 0.45% Cu (NSR) for the underground mine.
- Mineral Reserves have been estimated by Runge Pincock Minarco on 12th November of 2012 and updated by Mining One Pty Ltd. in 2014 and by Tony Guo, MMSA(QP), a Qualified Person as defined by NI 43-101 in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

The Company operates in a capital intensive industry. The Company's liquidity requirements arise principally from the need for financing its mining and mineral processing operations, exploration activities and acquisition of exploration and mining rights. The Company's principal sources of funds have been proceeds from borrowings from commercial banks, corporate bonds financing, equity financings, and cash generated from operations. The Company's liquidity primarily depends on its ability to generate cash flow from its operations and to obtain external financing to meet its debt obligations as they become due, as well as the Company's future operating and capital expenditure requirements.

At December 31, 2025, the Company had an accumulated surplus of US\$813.1 million, working capital of US\$580.0 million and borrowings of US\$533.4 million. The Company's cash balance at December 31, 2025 was US\$739.4 million, among which cash and cash equivalents was US\$399.4 million, Restricted cash was US\$34.2 million, term deposits was US\$305.9 million.

Management believes that its forecast operating cash flows are sufficient to cover the next twelve months of the Company's operations including its planned capital expenditures and current debt repayments. The Company's borrowings are comprised of US\$217.0 million of short term debt facilities with interest rates ranging from 1.25% to 4.36% per annum arranged through various banks. In addition, on November 3, 2015, the Company entered into a Loan Facility agreement with a syndicate of banks, led by Bank of China. The lenders agreed to lend an aggregate principal amount of RMB3.98 billion, approximately US\$613 million with the initial interest rate of 2.83% per annum. The proceeds from the Loan Facility are to be used for the development of the Jiama Mine. The loan is secured by the mining rights for the Jiama Mine. As of December 31, 2025 the Company has fully drawn under this Facility. The outstanding loan balance is RMB1.39 billion (approximately US\$197 million), bearing an annual interest rate of 1.5% maturing on November 5, 2028.

On April 29, 2020, the Company entered into another loan facility agreement with a bank syndicate. The lenders agreed to make available a loan with an aggregate principal amount of RMB1.4 billion (approximately US\$197.8 million). As of December 31, 2025, the Company has fully drawn down under this facility. The outstanding loan balance is RMB824 million (approximately US\$117 million), bearing an annual interest rate of 1.95%, with maturity on April 28, 2033.

On August 8, 2025, the Company entered into another loan facility agreement with a bank syndicate. The lenders agreed to make available a loan with an aggregate principal amount of RMB2.1 billion (approximately US\$294 million). As of December 31, 2025, the Company has drawn down RMB50 million (approximately US\$7.11 million) under this facility, bearing an annual interest rate of 1.5%, with maturity on June 21, 2030.

On May 31, 2023, the Company obtained a bilateral loan with an aggregate principal amount of RMB400 million (approximately US\$56.5 million) from China Gold Finance Co., Ltd. at an annual interest rate of 2.05%. As of December 31, 2025, the outstanding loan balance was RMB400 million (approximately US\$56.91 million).

MANAGEMENT'S DISCUSSION AND ANALYSIS

On November 9, 2023, the Company obtained a bilateral loan with an aggregate principal amount of RMB100 million (approximately US\$14.1 million) from China Construction Bank at an annual interest rate of 1.85%. As of December 31, 2025, the outstanding loan balance was RMB90 million (approximately US\$12.8 million).

On May 13, 2024, the Company obtained a bilateral loan with an aggregate principal amount of RMB200 million (approximately US\$28.2 million) from Lhasa Chengguan District Sub branch of Agricultural Bank of China Co., Ltd. at an annual interest rate of 1.85% for a term of 3 years. As of December 31, 2025, the outstanding loan balance was RMB65 million (approximately US\$9.2 million).

On August 20, 2024, the Company obtained a bilateral loan with an aggregate principal amount of RMB200 million (approximately US\$28.04 million) from China Gold Finance Co., Ltd. at an annual interest rate of 2.45% for a term of 3 years. As of December 31, 2025, the outstanding loan balance was RMB180 million (approximately US\$25.61 million).

On May 12, 2025, the Company obtained a 1 year revolving bilateral loan with an aggregate principal amount of US\$64 million from China Construction Bank (Asia) Corporation Limited, bearing interest at a floating rate based on Term SOFR.

On June 10, 2025, the Company obtained a 1 year revolving bilateral loan with an aggregate principal amount of US\$15 million from China Everbright Bank Co., Ltd., Hong Kong Branch, bearing interest at a floating rate based on Term SOFR.

The Company believes that the availability of debt financing in China at favorable rates will continue for the foreseeable future. The Company continues to review and assess its assets for impairment as part of its financial reporting processes. To date, the assessment carried out by the Company support the carrying values of the Company's assets and no impairment has been required. However, the management of the Company continues to evaluate key assumptions on estimates and management judgements in order to determine the recoverable amount of the CSH Mine and the Jiama Mine.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CASH FLOWS

The following table sets out selected cash flow data from the Company's consolidated cash flow statements for the year ended December 31, 2025 and December 31, 2024.

	Year ended December 31,	
	2025	2024
	US\$'000	US\$'000
Net cash from operating activities	709,984	306,896
Net cash used in investing activities	(246,828)	(204,875)
Net cash used in financing activities	(253,685)	(16,171)
Net increase (decrease) in cash and cash equivalents	209,471	85,850
Effect of foreign exchange rate changes on cash and cash equivalents	6,152	692
Cash and cash equivalents, beginning of period	183,779	97,237
Cash and cash equivalents, end of period	399,402	183,779

Operating cash flow

For the year ended December 31, 2025, net cash inflow from operating activities was US\$710.0 million which is primarily attributable (i) profit before income tax of US\$560.2 million (ii) depreciation of property, plant and equipment of US\$132.0 million and (iii) decrease in restricted bank balances of US\$32.5 million, partially offset by (i) income tax paid of US\$47.6 million (ii) interest paid of US\$15.8 million and (iii) Interest income of US\$8.7 million.

Investing cash flow

For the year ended December 31, 2025, the net cash outflow from investing activities was US\$246.8 million which is primarily attributable to (i) placement of term deposits of US\$306.6 million (ii) payment for acquisition of property, plant and equipment of US\$50.1 million and (iii) payment for land use right of US\$19.8 million, offset by (i) release of term deposits of US\$119.0 million and (ii) interest income received of US\$8.7 million.

Financing cash flow

For the year ended December 31, 2025, the net cash outflow mainly from financing activities was US\$253.7 million which is primarily attributable to (i) repayment of borrowings of US\$306.2 million (ii) dividends paid to shareholders of the Company of US\$31.7 million and (iii) dividends paid to non-controlling shareholders of US\$1.2 million offset by proceeds of bank and other borrowings of US\$86.0 million.

Expenditures Incurred

For the year ended December 31, 2025, the Company incurred mining costs of US\$61.1 million, mineral processing costs of US\$104.7 million and transportation costs of US\$3.4 million.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at December 31, 2025, the Company's total debt was US\$533.4 million and the total equity was US\$2,337.0 million. The Company's gearing ratio was therefore 0.23 as at December 31, 2025 compared to 0.26 as at September 30, 2025.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES. ASSOCIATES AND JOINT VENTURES, AND FUTURE PLAN FOR MATERIAL INVESTMENTS OF CAPITAL ASSETS

Other than as disclosed elsewhere in this MD&A or in the consolidated financial statements for the year ended December 31, 2025, there were no significant investments held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2025. Other than as disclosed in this MD&A, there was no plan authorized by the Board for other material investments or additions of capital assets at the date of this MD&A.

CHARGE ON ASSETS

Other than as disclosed elsewhere in this MD&A and condensed consolidated financial statements, none of the Company's assets were pledged as at December 31, 2025.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates for the monetary assets and liabilities denominated in the currencies other than the functional currencies to which they relate. The Company has not hedged its exposure to currency fluctuation. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Refer to Note 33, Financial Instruments, in the annual consolidated financial statements for the year ended December 31, 2025.

COMMITMENTS

Commitments include principal payments on the Company's bank loans and syndicated loan facility, corporate bonds, and capital commitments in respect of the future acquisition of property, plant and equipment and construction for both the CSH Mine and the Jiama Mine.

The Company's capital commitments relate primarily to the payments for purchase of equipment and machinery for both mines and payments to third-party contractors for the provision of mining and exploration engineering work and mine construction work for both mines. The Company has entered into contracts that prescribe such capital commitments; however, liabilities relating to them have not yet been incurred. Refer to Note 34, Commitments, in the annual consolidated financial statements for the year ended December 31, 2025.

The following table outlines payments for commitments for the periods indicated:

	Total	Within	Within Two	Over
	US\$'000	One year	to five years	five years
		US\$'000	US\$'000	US\$'000
Principal repayment of bank loans	504,985	217,004	219,171	68,810
Entrusted loan payable	28,454	28,454	–	–

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to the table set forth above, the Company has entered into service agreements with third-party contractors for the provision of mining and exploration engineering work and mine construction work for the CSH Mine. The fees for such work performed and to be performed each year varies depending on the amount of work performed. The Company has similar agreements with third party contractors for the Jiama Mine.

RELATED PARTY TRANSACTIONS

China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation) (“CNG”) owned 40.01 percent of the outstanding common shares of the Company as at December 31, 2024 and December 31, 2025.

The Company had major related party transactions with the following companies related by way of shareholders or shareholder in common:

The Company's subsidiary, Inner Mongolia Pacific is a party to a non-exclusive contract for the purchase and sale of doré with CNG (the “Dore Sales Contract”) pursuant to which Inner Mongolia Pacific sells gold doré bars to CNG. The pricing is based on the monthly average price of gold ingot as quoted on the Shanghai Gold Exchange and the daily average price of silver as quoted on the Shanghai Huatong Platinum & Silver Exchange prevailing at the time of each relevant purchase order during the contract period. The Dore Sales Contract has been in effect since October 24, 2008 and was renewed for a new term that commenced on January 1, 2018 and expired on December 31, 2020, which renewal was approved by the Company's shareholders on June 28, 2017. On June 16, 2020, the third Supplemental Contract for Purchase and Sale of Dore was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth supplemental Contract for Purchase and Sale of Dore was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026.

Revenue from sales of gold doré bars to CNG was US\$338.5 million for the year ended December 31, 2025 which increased from US\$246.9 million for the year ended December 31, 2024.

The Company is also a party to a Product and Service Framework Agreement with CNG, pursuant to which CNG provides construction, procurement and equipment financing services to the Company and also purchases the copper concentrates produced at the Jiama Mine. The quantity of copper concentrates, pricing terms and payment terms may be established from time to time by the parties with reference to the pricing principles for connected transactions set out under the Product and Service Framework Agreement. On June 28, 2017, the Supplemental Product and Service Framework Agreement was approved and extended to expire on December 31, 2020. On June 16, 2020, the third Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026. For the year ended December 31, 2025, revenue from sales of copper concentrate and other products to CNG was US\$964.8 million compared to US\$505.1 million for the same period in 2024.

For the year ended December 31, 2025, construction services of US\$139.1 million were provided to the Company by subsidiaries of CNG compared to US\$91.3 million for the same period in 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to the aforementioned major related party transactions, the Company also obtains additional services from related parties in its normal course of business, including a Loan Agreement and a Deposit Services Agreement entered into on March 25, 2019, December 31, 2019, December 22, 2020 and a Financial Service Agreement on May 5, 2021 among the Company and China Gold Finance. The Company and China Gold Finance entered into a 2024 Financial Service Agreement on June 6, 2024. As part of the 2024 Financial Service Agreement, China Gold Finance agreed to provide the Company with a range of financial services including (a) Deposit Services, (b) Lending Services, (c) Settlement Services and (d) Other Financial Services. On June 27, 2024, the 2024 Financial Services Agreement was approved by the Company's Shareholders, commencing on the date of the approval by the Independent Shareholders and up to and including December 31, 2026.

Refer to Note 30 of the consolidated financial statements for details of significant related party transactions during the year ended December 31, 2025.

PROPOSED TRANSACTIONS

The Board of Directors has given the Company approval to conduct reviews of a number of projects that may qualify as acquisition targets through joint venture, merger and/or outright acquisitions. The Company did not have any material acquisition and disposal of subsidiaries and associated companies for the year ended December 31, 2025. The Company continues to review possible acquisition targets.

CRITICAL ACCOUNTING ESTIMATES

In the process of applying the Company's accounting policies, the Directors of the Company have identified accounting judgments and key sources of estimation uncertainty that have a significant effect on the amounts recognized in the audited annual consolidated financial statements.

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are described in Note 4 of the audited annual consolidated financial statements for the year ended December 31, 2025.

CHANGE IN ACCOUNTING POLICIES

A summary of new and revised IFRS standards and interpretations are outlined in Note 2 of the audited annual consolidated financial statements as at December 31, 2025.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company holds a number of financial instruments, the most significant of which are equity securities, accounts receivables, accounts payables, cash and loans. The financial instruments are recorded at either fair values or amortized amount on the balance sheet. The Company did not have any financial derivatives or outstanding hedging contracts as at December 31, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2025, the Company had not entered into any off-balance sheet arrangements.

DIVIDEND AND DIVIDEND POLICY

The Company's dividend policy is a key component of its long-term growth strategy. It aims to optimize capital allocation to drive business expansion while maintaining stable returns for shareholders. After successfully distributing special dividends for three consecutive years (2021-2023), the Company is introducing an enhanced dividend policy comprised of a base dividend supplemented by a variable component that adjusts based on financial performance and market conditions.

Basic dividend: Subject to profitability in the previous financial year and after assessing the Company's cash flow position and future capital requirements, the Company aims to distribute a basic dividend at a payout ratio of 30% of the net profit from the preceding financial year, with cash dividends paid annually.

Variable Component: Subject to favorable market conditions and sufficient funds, the Company may distribute special dividends in addition to the basic dividend.

Dividends may vary in amount and consistency or be discontinued at the Board of Directors' discretion depending on variables including but not limited to operational cash flows, Company development requirements and strategies, spot metal prices, taxation, general market conditions and other factors.

Subsequent to the end of the reporting period, a dividend in respect of the year ended December 31, 2025 of US\$0.47 per common share, (the basic dividend of US\$140,088,841, and the special dividend of US\$46,696,280) in an aggregate amount of US\$186,785,121, has been declared by the directors of the Company upon the approval of the board resolution dated March 30, 2026.

OUTSTANDING SHARES

As of December 31, 2025 the Company had 396,413,753 common shares issued and outstanding.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the Company's DC&P and ICFR as of December 31, 2025 and, in accordance with the requirements established under Canadian National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of December 31, 2025, and provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the Company's ICFR as of December 31, 2025 and have concluded that these controls and procedures were effective as of December 31, 2025 and provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the year ended December 31, 2025, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

There are certain risks involved in the Company's operations, some of which are beyond the Company's control. Aside from risks relating to business and industry, the Company's principal operations are located within the People's Republic of China and are governed by a legal and regulatory environment that in some respects differs from that which prevails in other countries. Readers of this MD&A should give careful consideration to the information included in this document and the Company's audited annual consolidated financial statements and related notes. Significant risk factors for the Company are metal prices, government regulations, foreign operations, environmental compliance, the ability to obtain additional financing, risk relating to recent acquisitions, dependence on management, title to the Company's mineral properties, natural disasters, pandemics such as COVID-19 and litigation. China Gold International's business, financial condition or results of operations could be materially and adversely affected by any of these risks. For details of risk factors, please refer to the Company's annual audited consolidated financial statements, and Annual Information Form filed from time to time on SEDAR+ at www.sedarplus.ca and www.hkex.com.hk.

QUALIFIED PERSON

Disclosure of scientific or technical information in this MD&A was reviewed and approved by Mr. Tony Guo, MMSA(QP), the Company's Qualified Person ("QP") as defined by National Instrument 43-101.

March 30, 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(incorporated in British Columbia, Canada with limited liability)

OPINION

We have audited the consolidated financial statements of China Gold International Resources Corp. Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 75 to 156, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (“Code”), as applicable to audits of financial statements of public interest entities. We also have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

KEY AUDIT MATTER (Cont'd)

Key audit matter

Gold in Progress

Refer to summary of accounting policies on “inventories” in note 3, accounting estimates and judgements in note 4(b) and disclosure of inventory in note 17 to the consolidated financial statements.

For the year ended December 31, 2025, the carrying amount of inventory was approximately US\$295 million. Inventory of the Group mainly includes gold in process inventory of approximately US\$249 million, representing approximately 7.4% of the Group's total assets.

The Group measured its inventory at the lower of cost and estimated net realisable value. Gold in process inventory represents ore placed on leach pads and in process through heap leaching operations. Due to the nature of heap leaching, the quantity of recoverable gold cannot be directly measured and is instead estimated using models based on ore tonnage, assay grades and expected recovery rates.

Assumptions and estimations are required in determining the quantity of gold in process inventories including the gold contained in the ore placed on leach pads and correspondingly gold that is expected to be recovered. The Group could be required to write down the recorded value of its gold in process inventories if estimations and assumptions are inaccurate. Because the nature of leaching process inherently limits the ability to precisely monitor inventory levels. The actual recovery of gold from the leach pad is not known until the leaching process has concluded at the end of the mine life.

We have identified existence and valuation on gold in process inventory as a key audit matter because of its significance to the Group's consolidated financial statements and involvement of significant management estimates in determining estimated outcomes of the models in assessing the existence and valuation of inventory as mentioned in the forgoing paragraphs.

How our audit addressed the key audit matter

Our procedures in relation to the existence of gold in process inventory included:

- Obtained an understanding of the Group's process and controls over estimation of gold in process.
- Tested the underlying production data used in estimation of gold in process used by management.
- Obtained ore samples during a site visit and submitted these samples to an independent external laboratory testing to assess the reliability and consistency of assay grades used by management.
- Engaged auditors' expert to assist our assessment on the appropriateness of recovery rates adopted by management from heap leaching gold processing and the reasonableness on the model applied by management in estimating gold in process from heap leaching.
- Tested the mathematical accuracy of the gold-in-process estimation model and independently recalculated the estimated recoverable gold based on management's key assumptions.
- Performed sensitivity analysis on assessing the possible impact of reasonably changes in critical assumption such as recovery rates.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

OTHER MATTERS

The consolidated financial statements of the Group for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 27, 2025.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process. The audit committee of Company (the "Audit Committee") assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Cont'd)**

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with the directors, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

PAK, Tak Lun, Amos

Practising Certificate no. P06170

Hong Kong,

March 30, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	NOTES	2025 US\$'000	2024 US\$'000
Revenue	5	1,310,125	756,646
Cost of sales		(626,134)	(569,726)
Mine operating earnings		683,991	186,920
Expenses			
General and administrative expenses	6	(59,934)	(47,566)
Exploration and evaluation expenditure		(1,133)	(438)
Research and development expenses		(32,799)	(15,722)
		(93,866)	(63,726)
Income from operations		590,125	123,194
Other (expenses) income			
Foreign exchange loss, net		(349)	(2,561)
Interest and other income		11,731	5,109
Other expenses	7	(22,538)	(10,132)
Finance costs	8	(18,804)	(22,390)
		(29,960)	(29,974)
Profit before income tax		560,165	93,220
Income tax expense	9	(87,850)	(27,922)
Profit for the year	10	472,315	65,298
Other comprehensive income (expense) for the year			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	19	85,464	1,271
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		25,993	(8,422)
		111,457	(7,151)
Total comprehensive income for the year		583,772	58,147

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	NOTE	2025 US\$'000	2024 US\$'000
Profit for the year attributable to:			
Non-controlling interests		5,356	2,566
Owners of the Company		<u>466,959</u>	<u>62,732</u>
		<u>472,315</u>	<u>65,298</u>
Total comprehensive income for the year attributable to:			
Non-controlling interests		5,356	2,567
Owners of the Company		<u>578,416</u>	<u>55,580</u>
		<u>583,772</u>	<u>58,147</u>
Earnings per share – Basic and Dilutive (US cents)	13	<u>117.80</u>	<u>15.82</u>
Weighted average number of common shares – Basic and Dilutive	13	<u>396,413,753</u>	<u>396,413,753</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2025

	NOTES	2025 US\$'000	2024 US\$'000
Current assets			
Cash and cash equivalents	14	399,402	183,779
Restricted bank balances	14	34,162	66,698
Term deposits	14	305,884	118,246
Trade and other receivables	15	8,246	7,393
Prepaid expenses and deposits	16	1,794	1,513
Inventories	17	294,536	290,405
		<u>1,044,024</u>	<u>668,034</u>
Non-current assets			
Prepaid expenses and deposits	16	74	30,095
Right-of-use assets	18	104,519	45,957
Equity instruments at FVTOCI	19	133,875	48,411
Property, plant and equipment	20	1,339,447	1,375,498
Intangible assets	21	724,647	752,414
Other non-current assets	22	9,949	15,570
		<u>2,312,511</u>	<u>2,267,945</u>
Total assets		<u>3,356,535</u>	<u>2,935,979</u>
Current liabilities			
Accounts and other payables and accrued expenses	23	181,828	175,132
Contract liabilities	24	10,063	8,099
Borrowings	25	217,004	148,696
Entrusted loan payable	26	28,454	–
Lease liabilities	27	1,417	469
Tax liabilities		25,253	8,650
		<u>464,019</u>	<u>341,046</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2025

	NOTE	2025 US\$'000	2024 US\$'000
Net current assets		<u>580,005</u>	<u>326,988</u>
Total assets less current liabilities		<u>2,892,516</u>	<u>2,594,933</u>
Non-current liabilities			
Accounts and other payables and accrued expenses	23	25,419	32,822
Borrowings	25	287,981	565,656
Entrusted loan payable	26	–	27,823
Lease liabilities	27	12,628	459
Deferred tax liabilities	9	135,665	112,000
Deferred income		19	19
Environmental rehabilitation	28	<u>93,778</u>	<u>69,948</u>
		<u>555,490</u>	<u>808,727</u>
Total liabilities		<u>1,019,509</u>	<u>1,149,773</u>
Owners' equity			
Share capital	29	1,229,061	1,229,061
Reserves		266,985	99,737
Retained profits		<u>813,095</u>	<u>433,640</u>
		<u>2,309,141</u>	<u>1,762,438</u>
Non-controlling interests		<u>27,885</u>	<u>23,768</u>
Total owners' equity		<u>2,337,026</u>	<u>1,786,206</u>
Total liabilities and owners' equity		<u>3,356,535</u>	<u>2,935,979</u>

The consolidated financial statements on pages 75 to 156 were approved and authorised for issue by the Board of Directors on March 30, 2026 and are signed on its behalf by:

Chenguang Hou
Director

Yingbin Ian He
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Attributable to the owners of the Company								Non-controlling interests	Total owners' equity
	Number of shares	Share capital	Equity reserve	Investments revaluation reserve	Exchange reserve	Statutory reserves	Retained profits	Subtotal		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000 (Note)	US\$'000	US\$'000	US\$'000	US\$'000
At January 1, 2024	396,413,753	1,229,061	11,179	26,318	(61,875)	121,800	380,375	1,706,858	20,883	1,727,741
Profit for the year	-	-	-	-	-	-	62,732	62,732	2,566	65,298
Fair value gain on equity instruments at FVTOCI	-	-	-	1,271	-	-	-	1,271	-	1,271
Exchange difference arising on translation	-	-	-	-	(8,423)	-	-	(8,423)	1	(8,422)
Total comprehensive income (expenses) for the year	-	-	-	1,271	(8,423)	-	62,732	55,580	2,567	58,147
Transfer to statutory reserves										
– appropriation from retained profits	-	-	-	-	-	9,436	(9,436)	-	-	-
Transfer to reserve fund										
– appropriation from retained profits	-	-	-	-	-	31	(31)	-	-	-
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(1,250)	(1,250)
Other	-	-	-	-	-	-	-	-	1,568	1,568
At December 31, 2024	396,413,753	1,229,061	11,179	27,589	(70,298)	131,267	433,640	1,762,438	23,768	1,786,206
Profit for the year	-	-	-	-	-	-	466,959	466,959	5,356	472,315
Fair value gain on equity instruments at FVTOCI	-	-	-	85,464	-	-	-	85,464	-	85,464
Exchange difference arising on translation	-	-	-	-	25,993	-	-	25,993	-	25,993
Total comprehensive income for the year	-	-	-	85,464	25,993	-	466,959	578,416	5,356	583,772
Transfer to statutory reserves										
– appropriation from retained profits	-	-	-	-	-	55,791	(55,791)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	-	(31,713)	(31,713)	-	(31,713)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(1,239)	(1,239)
At December 31, 2025	396,413,753	1,229,061	11,179	113,053	(44,305)	187,058	813,095	2,309,141	27,885	2,337,026

Note: Statutory reserves which consist of (1) appropriations from the profit after taxation of the subsidiaries established in the People's Republic of China ("PRC") and (2) provision of safety production fund of the subsidiaries engaged in the exploration and development in the mining industry, form part of the equity of PRC subsidiaries. In accordance with the PRC Company Law and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate an amount equal to a minimum of 10% of their profits after taxation each year to a statutory reserve or reserve fund until the reserve reaches 50% of the registered capital of the respective subsidiaries. Pursuant to the Caizi (2022) No.136 on implementation of entities' safety production funds management, effective on November 21, 2022, and in accordance with the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate an amount, equal to RMB5 per ton multiplied by the volume of ore mined less actual payment, each year to a statutory reserve and utilise an amount when the actual payment is more than RMB5 per ton multiplied by the volume of ore mined.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 US\$'000	2024 US\$'000
Operating activities		
Profit before income tax	560,165	93,220
Items not requiring use of cash and cash equivalents:		
Amortisation of mining rights	29,083	19,906
Depreciation of property, plant and equipment	131,998	121,285
Depreciation of right-of-use assets	4,918	4,776
Interest income	(8,705)	(3,114)
Dividend income	(3,026)	(2,095)
Finance costs	18,804	22,390
Provision for impairment of:		
– trade and other receivables	1,434	2,051
– other non-current assets	5,879	–
Write-down of inventories	–	291
Loss on disposal of property, plant and equipment	2,369	620
Unrealised foreign exchange loss, net	3,956	1,403
	<u>746,875</u>	<u>260,733</u>
Change in operating working capital items:		
Trade and other receivables	(2,477)	6,470
Inventories	(4,131)	226
Contract liabilities	1,964	7,954
Restricted bank balances	32,536	–
Accounts and other payables and accrued expenses	(707)	68,414
	<u>774,060</u>	<u>343,797</u>
Cash generated from operations	774,060	343,797
Environmental rehabilitation expense paid	(692)	(7,841)
Interest paid	(15,802)	(19,538)
PRC income tax paid	(47,582)	(9,522)
	<u>709,984</u>	<u>306,896</u>
Net cash from operating activities	709,984	306,896

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 US\$'000	2024 US\$'000
Investing activities		
Interest received	8,705	3,114
Dividends received from equity investment at FVTOCI	3,026	2,095
Payment for acquisition of mining rights	–	(1,226)
Payment for acquisition of property, plant and equipment	(50,136)	(48,286)
Proceeds from disposal of property, plant and equipment	12	–
Deposits paid for water treatment project	–	(6,096)
Payment for land use right	(19,773)	(11,217)
Payment for deposit for acquisition of land use right	–	(23,906)
Payment for acquisition of intangible assets	(150)	–
Payment for right-of-use assets on or before commencement date	(874)	–
Placement of term deposits	(306,638)	(133,395)
Release of term deposits	119,000	14,042
Net cash used in investing activities	(246,828)	(204,875)
Financing activities		
Repayments of borrowings	(306,219)	(156,955)
Proceeds from borrowings	86,000	142,633
Dividends paid to a non-controlling shareholder	(1,239)	(1,250)
Dividends paid to shareholders	(31,713)	–
Repayments of lease liabilities	(514)	(599)
Net cash used in financing activities	(253,685)	(16,171)
Net increase in cash and cash equivalents	209,471	85,850
Cash and cash equivalents, beginning of year	183,779	97,237
Effect of foreign exchange rate changes on cash and cash equivalents	6,152	692
Cash and cash equivalents, end of year	399,402	183,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL INFORMATION

1.1 General information

China Gold International Resources Corp. Ltd. (the “Company”) is a publicly listed company incorporated in British Columbia, Canada on May 31, 2000 with limited liability under the legislation of the Province of British Columbia and its shares are listed on the Toronto Stock Exchange and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company together with its subsidiaries (collectively referred to as the “Group”) is principally engaged in the acquisition, exploration, development and mining of mineral resources in the PRC. Particulars of the subsidiaries of the Company are set out in note 37. The Group considers that China National Gold Group Co., Ltd. (“CNG”), a state owned company registered in Beijing, the PRC, which is controlled by State-owned Assets Supervision and Administration Commission of the State Council of the PRC, is able to exercise significant influence over the Company.

The head office, principal address and registered and records office of the Company are located at Suite 1780, 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6.

The consolidated financial statements are presented in United States Dollars (“US\$”) which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) for the first time, which is mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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As the currencies that the Group had transacted in and the functional currencies of overseas entities for translation into the Group’s presentation currency were exchangeable, the application of the amendments to IFRS Accounting Standards in the current year has had no impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Cont'd)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
IFRS 18	Presentation and Disclosure in Financial Statement ³
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosure ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11 ²

¹ No mandatory effective date yet determined but available for adoption

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual periods beginning on or after January 1, 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance (“Co”).

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient for not adjusting the transaction price for any significant financing component.

Revenue is recognised at a point in time when control of the gold doré bars, copper and other by-products is passed to customers, i.e. when the products are delivered and titles have passed to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. US\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Taxation (Cont'd)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For ultimate costs incurred for provisions for environmental rehabilitation, the Group applies IAS 12 requirements to the provisions for environmental rehabilitation and the related assets separately. The Group recognises a deferred tax asset related to provisions for environmental rehabilitation to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position comprises of cash on hand and demand deposits.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Gold in process inventory

Gold in process inventory consists of gold contained in the ore on leach pads and in-circuit material within processing operations.

Production costs are capitalised and included in gold in process inventory based on the current mining and processing cost incurred up to the point prior to the refining process including the cost of raw materials and direct labour; mine-site overhead expenses; stripping costs; and allocated indirect costs, including depreciation and depletion of mining interests.

Gold doré bars inventory

Gold doré bar is gold awaiting refinement and gold refined and ready for sales. The recovery of gold from ore is achieved through a heap leaching process. Under this method, ore is placed on leach pads where it is treated with a chemical solution which dissolves the gold contained in the ore. The resulting "pregnant" solution is further processed in a plant where the gold is recovered. Costs are subsequently recycled from ore on leach pads as ounces of gold are recovered based on the average cost per recoverable ounce on the leach pad. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the leach pads (measured in tonnes added to the leach pads), the grade of the ore placed on the leach pads (based on assay data), and a recovery percentage (based on ore type).

Others

Copper inventory is copper and other by-products after metallurgical processing and ready for sales. Consumables used in operations, such as fuel, chemicals, and reagents and spare parts inventory are valued at the lower of cost or net realisable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Inventories (Cont'd)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mining property. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalised as part of the related property, plant and equipment at the start of each project, as soon as the obligation to incur such costs arises. These costs are recognised in profit or loss over the life of the operation, through depreciation of the asset. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are recognised in profit or loss.

Changes in the measurement of a liability relating to the decommissioning of plant or other site preparation work that result from changes in the estimated timing or amount of the cash flow, including the effects of inflation and movements in foreign exchange rates, revisions to estimated reserves, resources and lives of operations, or a change in the discount rate, are added to, or deducted from, the cost of the related asset in the period it occurred. The periodic unwinding of discount is recognised in profit or loss as a finance cost as it occurs. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the Group's accounting policy.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets under construction in progress are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Exploration and evaluation expenditure

Drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are exploration and evaluation expenditure and are expensed as incurred up to the date on which costs incurred are economically recoverable. Further exploration and evaluation expenditures, subsequent to the establishment of economic recoverability, are capitalised and included in the carrying amount of the mineral assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Property, plant and equipment (Cont'd)

Exploration and evaluation expenditure (Cont'd)

The Management evaluates the following criteria in its assessment of economic recoverability and probability of future economic benefit:

- Geology – whether or not there is sufficient geologic and economic certainty of being able to convert a residual mineral deposit into a proven and probable reserve at a development stage or production stage mine, based on the known geology and metallurgy. A history of conversion of resources to reserves at operating mines is used to support the likelihood of conversion.
- Scoping – there is a scoping study or preliminary feasibility study that demonstrates the additional resources will generate a positive commercial outcome. Known metallurgy provides a basis for concluding there is a significant likelihood of being able to recoup the incremental costs of extraction and production.
- Accessible facilities – mining property can be processed economically at accessible mining and processing facilities where applicable.
- Life of mine plans – an overall life of mine plan and economic model to support the mine and the economic extraction of resources/reserves exists. A long-term life of mine plan, and supporting geological model identifies the drilling and related development work required to expand or further define the existing orebody.
- Authorizations – operating permits and feasible environmental programs exist or are obtainable.

Therefore prior to capitalising exploration drilling and related costs, the Management determines that the following conditions have been met that will contribute to future cash flows:

- There is a probable future benefit that will contribute to future cash inflows;
- The Group can obtain the benefit and controls access to it;
- The transaction or event giving rise to the future benefit has already occurred; and
- Costs incurred can be measured reliably.

Development expenditure

Drilling and related costs incurred to define and delineate a mineral deposit are capitalised as part of mineral assets in the period incurred, when the Management determines that there is sufficient evidence that the expenditure will result in a probable future economic benefit to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Property, plant and equipment (Cont'd)

Production expenditure

A mine that is under construction is determined to enter the production stage when the project is in the position and condition necessary for it to be capable of operating in the manner intended by the Management. Therefore, such costs incurred are capitalised as part of the mineral assets.

Mine development costs incurred to maintain current production are included in cost of inventories. For those areas being developed which will be mined in future periods, the costs incurred are capitalised and depleted when the related mining area is mined.

Depreciation

Mineral assets are depreciated using the unit-of-production method based on the actual production volume over the estimated total recoverable ounces contained in proven and probable reserves at the related mine when the mine is capable of operating as intended by the Management.

The Management reviews the estimated total recoverable ounces contained in proven and probable reserves at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in proven and probable reserves are accounted for prospectively.

Assets under construction are not depreciated until they are substantially complete and available for their intended use.

Leasehold improvements are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

Mining rights

Mining rights are amortised using the unit-of-production method based on the actual production volume over the estimated total recoverable ounces contained in proven and probable reserves at the related mine.

Mining rights acquired in a business combination

Mining rights acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, mining rights with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is provided using the unit-of-production method based on the actual production volume over the estimated total proven and probable reserves of the ore mines.

Variable payments for acquiring mining rights that are not part of a business combination

Variable payments that are dependent on the Group's future activity (including payments based on sales, revenues or outputs produced) are recognised in profit or loss in the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Other non-current assets

The right to receive a block of buildings and twenty car parks included under “other non-current assets” is carried at cost less accumulated impairment, if any.

Impairment of property, plant and equipment, right-of-use assets, mining rights and other non-current assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, mining rights and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amounts of property, plant and equipment, right-of-use assets, mining rights and other non-current assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use (“VIU”). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its VIU (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure that is not recognised as an internally-generated intangible asset is recognised in profit or loss in the period in which it is incurred.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "interest and other income" line item in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, amounts due from related companies, term deposits, cash and cash equivalents and restricted balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Simplified approach

For trade receivables that do not contain a significant financing component, the Group applies simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Cont'd)

Other than trade receivables, at each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "foreign exchange loss, net" line item in profit or loss;
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including borrowings, entrusted loan payable, accounts and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "foreign exchange loss, net" line item in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of non-financial assets

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing:

- (i) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence;
- (ii) whether the carrying value of an asset or a CGU can be supported by the recoverable amount of the CGU, which is the higher of fair value less costs of disposal and value-in-use of the CGU. The value-in-use calculation is based on the net present value of future cash flows which are estimated based upon the continued use of the asset or CGU, or derecognition; and
- (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(b) Inventories

The Group records the cost of gold mining ore placed on its leach pads and in process at its mine as gold in process inventory, and values gold in process inventory at the lower of cost and estimated net realisable value. The assumptions used in the valuation of gold in process inventories include estimates of gold contained in the ore placed on leach pads, and the amount of gold that is expected to be recovered from the ore placed on leach pads. If these estimates or assumptions are proven inaccurate, the Group could be required to write down the recorded value of its gold in process inventories. During the year, there is no change in the relevant estimation.

Although the quantities of recoverable gold placed on the leach pad and the processing plant are reconciled by comparing the grades of ore placed on the leach pad to the quantities actually recovered, the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. The actual recovery of gold from the leach pad is not known until the leaching process has concluded at the end of the mine life.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(b) Inventories (Cont'd)

The Management periodically reassesses the assumptions used in the valuation of gold in process, particularly the estimated recovery rate to calculate the amount of gold that is expected to be recovered from the ore placed on leach pads (the "Estimated Recovery Rate"). As of December 31, 2025, the Group applies an Estimated Recovery Rate derived from metallurgical recovery assumptions disclosed in the NI 43-101 technical report and adjusted, where appropriate, based on current operating conditions and historical performance.

An increase/decrease in the Estimated Recovery Rate by ± 3 percentage points would lead to a decrease/increase in the average production cost of gold doré bars by US\$11.7 million. During the year, there is no change in the relevant estimation.

The carrying amounts of gold in process and gold doré bars as at December 31, 2025 and 2024 are disclosed in note 17.

(c) Contingency

The Group is involved in a legal proceeding with an independent mine construction contractor of Huatailong and has applied judgement on whether it is probable that an outflow of economic benefits will be required by taking into account the new evidences and materials collected and the legal advice. Disclosures has been set out in note 31(iii) and no related provision has been made as of December 31, 2025.

(d) Depreciation and amortisation of mining related assets and reserves estimates

As explained in note 3, mineral assets and mining rights are depreciated and amortised using the units of production method based on the proved and probable mineral reserves.

Engineering estimates of the Group's mineral reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There is a national standard set by the PRC Government regarding the engineering criteria that have to be met before estimated mineral reserves can be designated as "proved and probable". Proved and probable mineral reserve estimates are updated at regular basis and have taken into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable gold reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related depreciation rates.

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation and amortisation expenses. Depreciation rates are determined based on estimated proved and probable gold reserve quantity (the denominator) and capitalised costs of mineral assets and mining rights (the numerator). The capitalised cost of mineral assets and mining rights are amortised based on the units of gold equivalent metal volume produced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE AND SEGMENT INFORMATION

Revenue

(i) *Disaggregation of revenue from contracts with customers*

The following is an analysis of the Group's revenue from its major products and service:

	2025 US\$'000	2024 US\$'000
At a point in time		
Gold doré bars	338,473	246,946
Copper	495,555	283,224
Other by-products and service (note)	476,098	226,476
Total revenue	<u>1,310,125</u>	<u>756,646</u>

Note: Other by-products mainly consist of molybdenum, silver, lead and zinc. Other services consist of transportation services, which contribute to less than 1% (2024: less than 1%) of total revenue of the Group during the year ended December 31, 2025.

(ii) *Performance obligations for contracts with customers*

The Group sells gold doré bars, copper and other by-products directly to customers. Revenue is recognised at a point in time when control of the gold doré bars, copper and other by-products is passed to customers, i.e. when the products are delivered and titles have passed to customers. A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

All sales of gold doré bars, copper and other by-products are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information

IFRS 8 *Operating Segment* requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker (“CODM”) to allocate resources to the segments and to assess their performance.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the executive directors of the Company. The CODM has identified two operating and reportable segments as follows:

- (i) The mine-produced gold segment – the production of gold doré bars through the Group’s integrated processes, i.e., mining, metallurgical processing, production and selling of gold doré bars to external clients.
- (ii) The mine-produced copper concentrate segment – the production of copper concentrate including other by-products through the Group’s integrated processes, i.e., mining, metallurgical processing, production and selling copper concentrate including other by-products to external clients.

Information regarding the above segments is reported below.

(a) Segment revenue and results

The following is an analysis of the Group’s revenue and results by operating and reportable segment:

For the year ended December 31, 2025

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
Revenue – external and segment revenue	338,473	971,652	1,310,125	–	1,310,125
Cost of sales	<u>(164,876)</u>	<u>(461,258)</u>	<u>(626,134)</u>	<u>–</u>	<u>(626,134)</u>
Mining operating earnings	<u>173,597</u>	<u>510,394</u>	<u>683,991</u>	<u>–</u>	<u>683,991</u>
Income (loss) from operations	172,464	421,723	594,187	(4,062)	590,125
Foreign exchange gain (loss), net	105	(458)	(353)	4	(349)
Interest and other income	4,568	4,217	8,785	2,946	11,731
Other expenses	–	(22,538)	(22,538)	–	(22,538)
Finance costs	<u>(344)</u>	<u>(14,428)</u>	<u>(14,772)</u>	<u>(4,032)</u>	<u>(18,804)</u>
Profit (loss) before income tax	<u>176,793</u>	<u>388,516</u>	<u>565,309</u>	<u>(5,144)</u>	<u>560,165</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

(a) Segment revenue and results (Cont'd)

For the year ended December 31, 2024

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
Revenue – external and segment revenue	246,946	509,700	756,646	–	756,646
Cost of sales	<u>(165,574)</u>	<u>(404,152)</u>	<u>(569,726)</u>	<u>–</u>	<u>(569,726)</u>
Mining operating earnings	<u>81,372</u>	<u>105,548</u>	<u>186,920</u>	<u>–</u>	<u>186,920</u>
Income (loss) from operations	80,934	46,244	127,178	(3,984)	123,194
Foreign exchange loss, net	(2,087)	(296)	(2,383)	(178)	(2,561)
Interest and other income	2,615	258	2,873	2,236	5,109
Other expenses	–	(10,132)	(10,132)	–	(10,132)
Finance costs	<u>(404)</u>	<u>(17,054)</u>	<u>(17,458)</u>	<u>(4,932)</u>	<u>(22,390)</u>
Profit (loss) before income tax	<u>81,058</u>	<u>19,020</u>	<u>100,078</u>	<u>(6,858)</u>	<u>93,220</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit (loss) before income tax without allocation of certain general and administrative expenses, foreign exchange loss, other expenses, interest and other income and finance costs, attributable to the respective segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There are no inter-segment sales for the years ended December 31, 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by segment representing assets/liabilities directly attributable to the respective segment:

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
As of December 31, 2025					
Total assets	750,910	2,451,131	3,202,041	154,494	3,356,535
Total liabilities	50,237	887,806	938,043	81,466	1,019,509
As of December 31, 2024					
Total assets	599,908	2,266,611	2,866,519	69,460	2,935,979
Total liabilities	34,886	1,033,576	1,068,462	81,311	1,149,773

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain cash and cash equivalents, other receivables, prepaid expenses and deposits, right-of-use assets, property, plant and equipment and equity instruments at FVTOCI; and
- all liabilities are allocated to operating segments other than other payables and accrued expenses, lease liabilities, deferred income and certain borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

(c) *Other segment information (included in the measure of segment profit or loss or segment assets regularly provided to the CODM)*

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
For the year ended December 31, 2025					
Additions of property, plant and equipment	7,276	43,453	50,729	–	50,729
Additions of right-of-use assets	141	62,807	62,948	206	63,154
Additions of intangible assets	–	150	150	–	150
Depreciation of property, plant and equipment	(36,882)	(95,116)	(131,998)	–	(131,998)
Amortisation of intangible assets	(719)	(28,364)	(29,083)	–	(29,083)
Depreciation of right-of-use assets	(3,318)	(1,543)	(4,861)	(57)	(4,918)

For the year ended December 31, 2024

Additions of property, plant and equipment	6,311	28,027	34,338	–	34,338
Additions of right-of-use assets	–	11,217	11,217	–	11,217
Depreciation of property, plant and equipment	(54,408)	(66,877)	(121,285)	–	(121,285)
Amortisation of intangible assets	(788)	(19,118)	(19,906)	–	(19,906)
Depreciation of right-of-use assets	(3,606)	(1,071)	(4,677)	(99)	(4,776)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

(d) Geographical information

The Group operated in two geographical areas, Canada and the PRC. The Group's corporate division located in Canada does not have any revenue and therefore is not presented as an operating segment. During the years ended December 31, 2025 and 2024, the Group's revenue was generated from gold sales and copper multi-products to customers in the PRC. Approximately 99% (2024: 98%) of non-current assets (excluding equity instruments at FVTOCI) of the Group are located in the PRC.

(e) Information about major customers

Revenue from major customers which accounts for 10% or more of the Group's total revenue are sales of gold doré bars and copper concentrate including other by-products to CNG and its subsidiaries as disclosed in note 30(a). No third-party customers of the corresponding years contribute over 10% or more of the total sales of the Group.

6. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Administration and office	9,837	6,918
Depreciation of property, plant and equipment	7,072	6,867
Depreciation of right-of-use assets	54	99
Professional fees	4,948	6,492
Salaries and benefits	21,344	18,192
Others	16,679	8,998
	<u>59,934</u>	<u>47,566</u>
Total general and administrative expenses		

7. OTHER EXPENSES

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Penalties on occupation of grasslands	–	8,739
Provision for litigation compensation and related interest charge	15,878	1,393
Impairment loss on other non-current assets (note 22)	5,879	–
Others	781	–
	<u>22,538</u>	<u>10,132</u>
Total other expenses		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

8. FINANCE COSTS

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Interests on borrowings	15,081	19,527
Interests on lease liabilities	848	66
Interests on provision of the variable payment arising from the mining right	721	425
Accretion on environmental rehabilitation (note 28)	<u>2,747</u>	<u>2,811</u>
	19,397	22,829
Less: Amounts capitalised to property, plant and equipment	<u>(593)</u>	<u>(439)</u>
Total finance costs	<u>18,804</u>	<u>22,390</u>

Interest has been capitalised at a capitalisation rate representing the weighted average interest to general borrowings.

	Year ended December 31, 2025 %	Year ended December 31, 2024 %
Capitalisation rate	<u>1.89</u>	<u>2.07</u>

9. INCOME TAX EXPENSE/DEFERRED TAXATION

The Company was incorporated in Canada and is subject to Canadian federal and provincial tax requirements which are calculated at 27% (2024: 27%) of the estimated assessable profit for the year ended December 31, 2025. PRC Enterprise Income Tax ("EIT") is calculated at the prevailing tax rate of 25% (2024: 25%) on the estimated taxable profit of the group entities located in the PRC for the year ended December 31, 2025 except as described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. INCOME TAX EXPENSE/DEFERRED TAXATION (Cont'd)

Pursuant to the Enterprise Income Tax Law (the "EIT" Law) effective on January 1, 2008, Inner Mongolia Pacific Mining Co., Ltd. ("IMP") is a certified "High and New Technology Enterprise" which is entitled to a preferential tax rate of 15% (2024: 15%) for three years from the year ended December 31, 2024 and eligible for renewal every three years. Such certificate will be expired in December 2027.

Pursuant to the Tibet Administration (2022) No. 11 Notice on Provisional Implementation Measures on Enterprise Income Tax ("Notice No.11"), effective on April 29, 2022, Huatailong, which is certified as a "High and New Technology Enterprise" is entitled to preferential tax rate of 15% (2024: 15%) for three years from the year ended December 31, 2024 and eligible for renewal every three years. Such certificate will be expired in December 2027. Additionally, as Huatailong was established in the westward development area of the PRC, it enjoys an exemption from local income tax, which is set to expire on December 31, 2025. As such, Huatailong is entitled to a reduced preferential tax rate of 9% for the years ended December 31, 2025 and 2024. In February 2026, the local policy further extended the preferential tax rate for another 2 years period and will be expired in December 2027.

Pursuant to Notice No.11, Metrorkongka County Jiama Industry and Trade Co., Ltd. ("Jiama Industry and Trade"), established in the westward development area of the PRC, employs 70% or more of its employees who are Tibet Permanent Residents and enjoys the exemption on local income tax, thus Jiama Industry and Trade is entitled to a reduced preferential tax rate of 15% for the years ended December 31, 2025 and 2024.

Under the EIT Law and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% during the years ended December 31, 2025 and 2024.

Under relevant PRC Tax Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from January 1, 2008 onwards. Except the Group has recognised deferred taxation US\$23,491,000 (2024: US\$3,690,000) on retained profits of the PRC subsidiary of US\$234,905,000 (2024: US\$36,902,000) for the year ended December 31, 2025, no deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated distributable profits of the other PRC subsidiaries amounting to approximately US\$1,062,565,000 at December 31, 2025 (2024: US\$774,487,000) as the Group is able to control the timing of the reversal of temporary differences and it is probable the temporary differences will not reverse in the foreseeable future.

Taxation for other relevant jurisdictions is calculated at the rates prevailing in each of those jurisdictions respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. INCOME TAX EXPENSE/DEFERRED TAXATION (Cont'd)

Tax expense comprises:

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Current tax:		
PRC EIT	56,719	14,741
PRC withholding income tax on profit earned from PRC subsidiaries	7,389	2,696
Underprovision in prior year – PRC EIT	77	206
	64,185	17,643
Deferred tax:		
PRC EIT	3,865	6,589
PRC withholding income tax on profit earned from PRC subsidiaries	19,800	3,690
	23,665	10,279
Total income tax expense	87,850	27,922

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. INCOME TAX EXPENSE/DEFERRED TAXATION (Cont'd)

The income tax expense for the Group can be reconciled to the profit before income tax for the year as follows:

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Profit before income tax	<u>560,165</u>	<u>93,220</u>
PRC EIT tax rates	<u>25%</u>	<u>25%</u>
Tax at the PRC EIT tax rates	140,042	23,305
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(2,574)	(4,841)
Tax effect of concessionary tax rate	(79,790)	(13,502)
Tax effect of tax losses and other deductible temporary differences not recognised, net	1,754	12,669
Tax effect of non-deductible expenses	1,170	3,837
Tax effect of non-taxable income	(28)	(447)
Impacts on foreign exchange	10	309
Withholding tax in respect of profit earned from PRC subsidiaries	27,189	6,386
Underprovision of PRC EIT in prior year	<u>77</u>	<u>206</u>
	<u>87,850</u>	<u>27,922</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. INCOME TAX EXPENSE/DEFERRED TAXATION (Cont'd)

The following are the major deferred tax (assets) liabilities recognised and movements thereon during the current and prior years:

	Environmental rehabilitation US\$'000	Mining rights ⁽¹⁾ US\$'000	Inventories US\$'000	Others US\$'000	Distributable profits of subsidiaries US\$'000	Total US\$'000
At January 1, 2024	(10,900)	107,700	8,081	(3,160)	–	101,721
Charge (credit) to profit or loss	<u>905</u>	<u>(2,644)</u>	<u>2,219</u>	<u>6,109</u>	<u>3,690</u>	<u>10,279</u>
At December 31, 2024	(9,995)	105,056	10,300	2,949	3,690	112,000
Charge (credit) to profit or loss	<u>338</u>	<u>(3,916)</u>	<u>2,869</u>	<u>4,574</u>	<u>19,800</u>	<u>23,665</u>
At December 31, 2025	<u>(9,657)</u>	<u>101,140</u>	<u>13,169</u>	<u>7,523</u>	<u>23,490</u>	<u>135,665</u>

⁽¹⁾ Amount represents deferred tax liability arising from the fair value adjustment on mining rights during the business acquisition of Skyland Mining Limited and its subsidiaries ("Skyland") in December 2010.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 US\$'000	2024 US\$'000
Deferred tax assets	–	–
Deferred tax liabilities	<u>(135,665)</u>	<u>(112,000)</u>
	<u>(135,665)</u>	<u>(112,000)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. INCOME TAX EXPENSE/DEFERRED TAXATION (Cont'd)

The Group's unrecognised deferred income tax assets are as follows:

	2025	2024
	US\$'000	US\$'000
Deferred income tax assets		
Tax losses carry forwards	30,986	30,493
Other deductible temporary differences	1,656	1,657
	32,642	32,150
Total unrecognised deferred income tax assets		

Due to the unpredictability of future profit streams, deferred tax asset of US\$30,986,000 (2024: US\$30,493,000) has not been recognised in respect of unused tax losses of US\$147 million (2024: US\$145 million) which are mainly generated from the Company. Under Canadian tax laws, unused tax losses can be carried forward for 20 years if the loss arises in tax years ended after December 31, 2005. Included in unrecognised tax losses are losses of US\$82 million that will expire from 2027 to 2045 (2024: US\$81 million that will expire from 2027 to 2044). Other losses may be carried forward indefinitely.

Other deductible temporary differences of US\$2 million (2024: US\$2 million) are primarily comprised of share issue costs and cumulative eligible capital expenditures that were incurred by the Company which are tax deductible according to the relevant tax law in Canada. No deferred tax asset has been recognised because the amount of future taxable profit that will be available to realise such assets is unpredictable and not probable.

The Group is within the scope of the Pillar Two model rules. The Group will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdictions, such as the PRC, in which the Group operates.

Potential exposure is assessed based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group's effective tax rates in jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" taxes. The Group continues to follow Pillar Two legislative developments to evaluate the potential future impact on its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

10. PROFIT FOR THE YEAR

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	<u>600</u>	<u>767</u>
Depreciation included in cost of sales and inventories	124,924	114,400
Depreciation included in research and development expenses	2	18
Depreciation included in general and administrative expenses (note 6)	<u>7,072</u>	<u>6,867</u>
Total depreciation of property, plant and equipment	<u>131,998</u>	<u>121,285</u>
Depreciation included in cost of sales and inventories	4,864	4,677
Depreciation included in general and administrative expenses (note 6)	<u>54</u>	<u>99</u>
Total depreciation of right-of-use assets	<u>4,918</u>	<u>4,776</u>
Amortisation of mining rights (included in cost of sales)	<u>29,083</u>	<u>19,906</u>
Loss on disposal of property, plant and equipment	<u>2,369</u>	<u>620</u>
Staff costs		
Directors' and chief executive's emoluments (note 11)	310	493
Staff salaries and benefits	19,610	16,526
Retirement benefits contributions	<u>1,424</u>	<u>1,173</u>
Total salaries and benefits included in administrative expenses (note 6)	21,344	18,192
Total salaries and benefits included in cost of sales and inventories	63,470	56,443
Total salaries and benefits included in research and development expenses	<u>2,882</u>	<u>2,340</u>
Total staff costs	<u>87,696</u>	<u>76,975</u>
Bank interest income	<u>(8,705)</u>	<u>(3,114)</u>
Dividend income from equity instrument at FVTOCI	<u>(3,026)</u>	<u>(2,095)</u>
Government grants	<u>(871)</u>	<u>(363)</u>
Allowance for credit losses of trade and other receivables, net	1,434	2,051
Provision for impairment of other non-current assets (note 22)	<u>5,879</u>	<u>–</u>
Write-down of inventories	<u>–</u>	<u>291</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

For the year ended December 31, 2025

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefits contributions US\$'000	Total US\$'000
Executive Directors and Chief Executives (Note a)				
Chenguang Hou	–	–	–	–
Executive Directors (Note b)				
Na Tian	–	–	–	–
Yuanhui Fu	–	106	10	116
Non-executive Director (Note c)				
Wanming Wang	–	–	–	–
Independent Non-executive Directors (Note d)				
Yingbin Ian He	53	–	3	56
Wei Shao	45	–	1	46
Bielin Shi	46	–	–	46
Ruixia (Rane) Han	46	–	–	46
	190	106	14	310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Cont'd)

(a) Directors' and chief executive's emoluments (Cont'd)

For the year ended December 31, 2024

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefits contributions US\$'000	Total US\$'000
Executive Directors and Chief Executives (Note a)				
Junhu Tong	–	26	3	29
Chenguang Hou	–	–	–	–
Executive Directors (Note b)				
Weibin Zhang	–	148	9	157
Na Tian	–	–	–	–
Yuanhui Fu	–	100	9	109
Non-executive Director (Note c)				
Wanming Wang	–	–	–	–
Independent Non-executive Directors (Note d)				
Yingbin Ian He	54	–	3	57
Wei Shao	46	–	3	49
Bielin Shi	46	–	–	46
Ruixia (Rane) Han	46	–	–	46
	<u>192</u>	<u>274</u>	<u>27</u>	<u>493</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Cont'd)

(a) Directors' and chief executive's emoluments (Cont'd)

Notes:

- (a) Mr. Chenguang Hou was appointed as executive directors and Chief Executive Officer ("CEO") effective from November 14, 2024. He is employed by CNG and his emolument payments are centralised and made by CNG for the years ended December 31, 2024 and 2025. Mr. Junhu Tong resigned as executive director and CEO effective from August 2, 2024. Mr. Junhu Tong was also employed by CNG and partial of his emolument payments were centralised and made by CNG for the year ended December 31, 2024.
- (b) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- Ms. Na Tian is employed by CNG and her emolument payments are centralised and made by CNG for the years ended December 31, 2024 and 2025.
- Mr. Weibin Zhang retired as an executive director of the Company with effect from the conclusion of the annual general meeting held on June 26, 2025 (or June 27, 2025 Hong Kong time).
- (c) The non-executive director's emoluments shown above were mainly for his services as director of the Company.
- (d) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

For the years ended December 31, 2025 and 2024, none of the directors of the Company waived or agreed to waive any emoluments.

(b) Five highest paid employees

The five highest paid employees included one director (2024: two directors) for the year ended December 31, 2025. The emoluments of the four (2024: three) non-director employees for the year ended December 31, 2025, are as follows:

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Employees		
Salaries and other benefits	463	385
Retirement benefits contributions	19	15
	482	400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Cont'd)

(b) Five highest paid employees (Cont'd)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following band is as follows:

	No. of individuals	
	2025	2024
Nil to HK\$1,000,000 (equivalent to approximately US\$129,000)	2	1
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately US\$129,001 to US\$193,000)	2	2

During the years ended December 31, 2025 and 2024, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDEND

During the year ended December 31, 2024, a dividend in respect of the year ended December 31, 2024 of US\$0.08 per common share (the basic dividend of US\$0.05, and the special dividend of US\$0.03), in an aggregate amount of US\$31,713,000 was declared and paid to the shareholders of the Company upon the approval of the board resolution dated March 26, 2025.

Subsequent to the end of the reporting period, a dividend in respect of the year ended December 31, 2025 of US\$0.47 per common share, in an aggregate amount of US\$186,785,121, has been declared by the directors of the Company upon the approval of the board resolution dated March 30, 2026.

13. EARNINGS PER SHARE

Profit used in determining earnings per share are presented below:

	Year ended December 31, 2025	Year ended December 31, 2024
Profit attributable to owners of the Company for the purposes of basic earnings per share (US\$'000)	466,959	62,732
Weighted average number of common shares, basic	396,413,753	396,413,753
Basic earnings per share (US cents)	117.80	15.82

The Group had no outstanding potential dilutive instruments issued as at December 31, 2025 and 2024 and during the years ended December 31, 2025 and 2024. Therefore, diluted earnings per share is the same as the basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

14. CASH AND CASH EQUIVALENTS/RESTRICTED BALANCES/TERM DEPOSITS

Cash and cash equivalents of the Group are comprised of cash on hand and bank balances. The Group's cash and cash equivalents, restricted balances and term deposits denominated in the foreign currencies other than the respective group entities' functional currencies are presented below:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Denominated in:		
Canadian dollars	179	129
Renminbi ("RMB")	346,538	170,392
US\$	–	3
Hong Kong dollars	4,801	4,227
	351,518	174,751

The bank balances carry interest rates ranging from 0.05% to 1.485% (2024: 0.001% to 2.95%) per annum.

Restricted balances carry interest at market rates ranging from 0.05% to 0.10% (2024: 0.35% to 1.15%) per annum. Included in the restricted balance as at December 31, 2025 and 2024, are cash held in designated bank accounts restricted for mine reclamation and environmental rehabilitation purposes as required by government regulations, certain amounts represents deposits that have been frozen by the Intermediate People's Court of Lhasa City, Tibet ("Tibet Intermediate Court") in relation to the litigations involved by Huatailong. Details of litigations are set out in note 31(i).

As at December 31, 2025, term deposits carry interest at fixed market rates ranging from 1.15% to 1.7% (2024: 1.5% to 2.0%) per annum. The Group's term deposits represent deposits held in a CNG subsidiary denominated in RMB with original maturities over three months and redeemable on maturity.

The Group maintains deposits with China National Gold Group Finance Company Limited ("China Gold Finance"), a subsidiary of CNG, which is a related party. China Gold Finance holds a financial institution licence and provides financial services exclusively to subsidiaries and associates of CNG.

These deposits are unsecured, interest-bearing at rates that are considered to be comparable to prevailing market rates, and are cashable on demand or repayable at their stated maturity. Further details are disclosed in Note 30 (a) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

15. TRADE AND OTHER RECEIVABLES

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Trade receivables	2,111	2,473
Less: allowance for credit losses	(344)	(180)
	1,767	2,293
Amounts due from related companies (note 30(a)) ⁽¹⁾	2,762	1,583
Other receivables ⁽²⁾	3,717	3,517
Total trade and other receivables	8,246	7,393

At January 1, 2024, trade receivables from contracts with customers amounted to US\$1,466,000.

⁽¹⁾ The amounts are unsecured, interest free and repayable on demand.

⁽²⁾ Included in the balance as at December 31, 2025 and 2024 are Tax and Other Surcharges (as defined in note 22) with carrying amount of nil (2024: US\$1,270,000), net of allowance for credit losses, to be recovered from Zhongxinfang Tibet Construction Investment Co. Ltd. ("Zhongxinfang"), an independent third party property developer. As detailed disclosed in Note 31(i)(c).

Based on the best available information to the Group and the credit risk assessment of Zhongxinfang as of December 31, 2025, expected credit loss of RMB9,131,000 (equivalent to US\$1,270,000) (2024: RMB13,697,000 (equivalent to US\$1,923,000) for the Tax and Other Surcharge from Zhongxinfang are recognised, and the accumulated allowance for credit losses is RMB45,655,000 (equivalent to US\$6,351,000) as of December 31, 2025 (2024: RMB36,524,000 (equivalent to US\$5,081,000)).

The Group allows an average credit period of 30 days and 180 days to its trade customers.

Below is an aged analysis of trade receivables (net of allowance for credit losses) presented based on invoice dates, which approximated the respective revenue recognition dates, at the end of the reporting period:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Less than 30 days	714	819
31 to 90 days	241	130
91 to 180 days	3	276
Over 180 days	809	1,068
Total trade receivables	1,767	2,293

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

16. PREPAID EXPENSES AND DEPOSITS

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Deposit for acquisition of land use right (Note a)	–	23,906
Deposit for water treatment project	–	6,017
Deposit paid for acquisition of property, plant and equipment (Note b)	74	172
Other prepayment and deposits	1,794	1,513
	1,868	31,608
Less: Amounts that will be settled or utilised within one year shown under current assets	(1,794)	(1,513)
Amounts that will be settled or utilised for more than one year shown under non-current assets	74	30,095

Notes:

- a. The amounts comprised cost of land use right, grassland compensation fee paid to government authorities and relocation compensation fees paid to pastoralists, which are related to the acquisition of a land use right for the Phase III tailings dam construction project in Jiama Mine. During the year, the acquisition of land used rights was completed the relevant deposits paid was transferred to right of use assets.
- b. The amount represents deposits paid to third party contractors for the acquisition of property, plant and equipment to expand the Group's mining capacity in Tibet, the PRC. The amount is shown as non-current asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. INVENTORIES

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Gold in process	249,498	222,568
Gold doré bars	8,283	26,467
Consumables	9,713	11,119
Copper concentrate	5,017	5,959
Spare parts	22,025	24,292
	<hr/>	<hr/>
Total inventories	294,536	290,405

Inventories totalling US\$620,578,000 (2024: US\$464,027,000) for the year ended December 31, 2025 was recognised in cost of sales.

18. RIGHT-OF-USE ASSETS

	Leasehold lands US\$'000	Leased equipment US\$'000	Leased properties US\$'000	Total US\$'000
At December 31, 2025				
Carrying amount	103,949	391	179	104,519
At December 31, 2024				
Carrying amount	45,031	899	27	45,957
For the year ended December 31, 2025				
Depreciation charge	4,441	420	57	4,918
For the year ended December 31, 2024				
Depreciation charge	4,208	469	99	4,776
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

18. RIGHT-OF-USE ASSETS (Cont'd)

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Total cash outflow for leases (Note)	21,161	35,722
Additions to right-of-use assets	63,154	11,217

For both years, the Group leases leasehold lands, equipment and office premises for its operations. The lease terms of leasehold lands are 2 years to in perpetuity (2024: 2 years to in perpetuity). Lease contracts of office premises and equipment are entered into for a fixed term of 5 years (2024: 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group obtained several land use right certificates for leasehold lands where its mining facilities are primarily located. Lump sum payments were made upfront to acquire these leasehold lands. The leasehold lands are presented separately.

Note: The amount that the Group paid to government authorities and pastoralists of during the year ended 31 December 2024 of US\$23,906,000 as a deposit for acquisition of land use right is included in the total cash outflow for leases for the year ended 31 December 2024.

The Group depreciated the leasehold lands using the straight-line method over the estimated useful lives of the leasehold land.

Restrictions or covenants on leases

In addition, lease liabilities of US\$12,584,000 (2024: US\$928,000) are recognised with related right-of-use assets of US\$13,458,000 (2024: US\$926,000) as at December 31, 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

19. EQUITY INSTRUMENTS AT FVTOCI

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Listed investments:		
Equity securities listed in Hong Kong (Note a)	133,678	47,599
Unlisted investments:		
Equity securities (Note b)	197	812
Total	133,875	48,411

Note:

- a. The above investments represent 2.03% equity interest in ordinary shares of China Nonferrous Mining Corporation Limited (“CNMC”), an entity listed in Hong Kong and is principally engaged in mining, processing and trading of nonferrous metals in Zambia. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the year ended December 31, 2025, a fair value gain of US\$86,079,000 (2024: US\$1,271,000) was recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve in accordance with the Group’s accounting policies.

- b. The above unlisted equity investments represent 7.425% (2024: 7.425%) share interest in Tibet Zhongjin Xinlian Demolition Engineering Co. Ltd. (“Tibet Zhongjin Xinlian”) and 4% share interest in Tibet Electric Power Trading Center Co., Ltd. (“Tibet Electric”). Tibet Zhongjin Xinlian is established in the PRC and principally engaged in the development and manufacturing of explosives. Tibet Electric is established in the PRC and is principally engaged in the trading of electric power in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the year, a fair value loss of unlisted investments of USD615,000 (2024: Nil) was recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve in accordance with the Group’s accounting policies. As at December 31, 2025, the fair value of the unlisted equity investments are RMB1,385,000 (approximately US\$197,000) (2024: RMB5,838,000 (approximately US\$812,000)),

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

20. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Crushers	Furniture and office equipment	Machinery and equipment	Motor vehicles	Leasehold improvements	Mineral assets	Construction in progress ("CIP")	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
COST									
At January 1, 2024	516,370	227,332	15,582	311,738	11,728	98	1,419,318	125,711	2,627,877
Additions	1,502	-	2,677	5,010	8	-	14,048	11,093	34,338
Transfer from CIP	115,345	-	-	-	-	-	31	(115,376)	-
Environmental rehabilitation adjustment (note 28)	-	-	-	-	-	-	(9)	-	(9)
Disposals	(997)	-	(37)	(2,336)	-	-	-	-	(3,370)
Exchange realignment	(8,257)	-	(195)	(3,787)	(123)	-	(12,787)	(878)	(26,027)
At December 31, 2024	623,963	227,332	18,027	310,625	11,613	98	1,420,601	20,550	2,632,809
Additions	1,791	-	3,785	5,608	1,790	-	8,696	29,059	50,729
Transfer from CIP	10,169	-	113	-	-	-	-	(10,282)	-
Environmental rehabilitation adjustment (note 28)	-	-	-	-	-	-	20,249	-	20,249
Disposals	-	-	(142)	(21)	(550)	-	(2,098)	-	(2,811)
Exchange realignment	13,727	-	365	5,868	208	-	18,670	701	39,539
At December 31, 2025	649,650	227,332	22,148	322,080	13,061	98	1,466,118	40,028	2,740,515
ACCUMULATED DEPRECIATION									
At January 1, 2024	(173,213)	(187,449)	(9,562)	(186,509)	(7,688)	(98)	(581,457)	-	(1,145,976)
Provided for the year	(30,023)	(14,054)	(1,653)	(18,044)	(862)	-	(56,649)	-	(121,285)
Eliminated on disposals	545	-	3	2,202	-	-	-	-	2,750
Exchange realignment	2,509	-	113	2,170	81	-	2,327	-	7,200
At December 31, 2024	(200,182)	(201,503)	(11,099)	(200,181)	(8,469)	(98)	(635,779)	-	(1,257,311)
Provided for the year	(44,404)	(658)	(3,626)	(16,959)	(1,930)	-	(64,421)	-	(131,998)
Eliminated on disposals	-	-	16	9	405	-	-	-	430
Exchange realignment	(4,775)	-	(237)	(3,676)	(156)	-	(3,345)	-	(12,189)
At December 31, 2025	(249,361)	(202,161)	(14,946)	(220,807)	(10,150)	(98)	(703,545)	-	(1,401,068)
CARRYING VALUE									
At December 31, 2025	400,289	25,171	7,202	101,273	2,911	-	762,573	40,028	1,339,447
At December 31, 2024	423,781	25,829	6,928	110,444	3,144	-	784,822	20,550	1,375,498

20. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Except for mineral assets and construction in progress, the above items of property, plant and equipment, taking into account the residual value, are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	Over the shorter of the term of lease, or 24 years
Crushers	10 to 14 years
Furniture and office equipment	2 to 5 years
Machinery and equipment	2 to 10 years
Motor vehicles	5 to 10 years
Leasehold improvements	Over the shorter of the term of lease, or 5.5 years

Mineral assets mainly represent drilling, stripping and related costs incurred on sites with an existing mine and on areas within the boundary of a known mineral deposit which contains proven and probable reserves and are capitalised when they are incurred to improve access to the future ores. Mineral assets are depreciated using the unit-of-production method based on the actual production volume over the estimated total proven and probable reserves of the mines.

Mineral Assets

(a) *CSH Gold Mine*

CSH Gold Mine, in which the Group holds a 96.5% equity interest, consists of a licensed area in the western part of Inner Mongolia, northern China. The site is centrally positioned within the east-west-trending Tian Shan Gold Belt. The carrying value of the CSH Gold Mine in relation to mineral assets is US\$80,734,000 as at December 31, 2025 (2024: US\$110,040,000).

(b) *Jiama Mine*

The Jiama Mine, a large copper-gold polymetallic deposit consisting of skarn-type and hornfels-type mineralization located in Metrorkongka County in Tibet, in which the Group holds 100% equity interest through its wholly-owned subsidiary, Skyland. The Group acquired Skyland on December 1, 2010. The carrying value of the Jiama Mine in relation to mineral assets is US\$681,839,000 as at December 31, 2025 (2024: US\$674,782,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

21. INTANGIBLE ASSETS

	Patents US\$'000	Mining rights US\$'000	Total US\$'000
COST			
At January 1, 2024	–	1,009,925	1,009,925
Exchange realignment	–	(1,018)	(1,018)
At December 31, 2024	–	1,008,907	1,008,907
Additions	150	–	150
Exchange realignment	2	1,548	1,550
At December 31, 2025	152	1,010,455	1,010,607
ACCUMULATED AMORTISATION			
At January 1, 2024	–	(236,808)	(236,808)
Provided for the year	–	(19,906)	(19,906)
Exchange realignment	–	221	221
At December 31, 2024	–	(256,493)	(256,493)
Provided for the year	–	(29,083)	(29,083)
Exchange realignment	–	(384)	(384)
At December 31, 2025	–	(285,960)	(285,960)
CARRYING VALUE			
At December 31, 2025	152	724,495	724,647
At December 31, 2024	–	752,414	752,414

Note:

The amounts represent two mining rights in the Jiama Mine and CSH Gold Mine. Mining rights in the Jiama Mine are in relation to the copper and other by-products production, acquired through the acquisition of Skyland. The mining right of Jiama Mine was renewed in October 2023 and will expire in October 2043. The mining permit of CSH Gold Mine was renewed in May 2025 for a period of 20 years and will expire in May 2045.

Amortisation on mining rights acquired is provided to write off the cost of the mining rights using the unit-of-production method based on the actual production volume over the estimated total proven and probable reserves of the mines.

22. OTHER NON-CURRENT ASSETS

During the year ended December 31, 2019, the Group entered into a cooperation agreement (the “Cooperation Agreement”) with Zhongxinfang in relation to the development of a composite project in Lhasa, Tibet, China. Pursuant to the Cooperation Agreement, the Group agreed to transfer the land use right for the development and Zhongxinfang agreed to compensate the Group by transferring a block of the buildings and twenty car parks (the “New Premises”) within two years from the date of the Cooperation Agreement (the “Land Exchange”) and reimbursing all related tax exposures including but not limited to land appreciation tax, EIT and other surcharge related to the Land Exchange (the “Tax and Other Surcharge”). During the year ended December 31, 2019, the land use right was transferred to Zhongxinfang. Accordingly, the Group derecognised the right-of-use assets and recognised the right to receive the New Premises, which approximates the fair value of the New Premises at the date of transfer and the other receivables relating to the tax reimbursement from Zhongxinfang. The right to receive the New Premises was initially recognised at its fair value and subsequently carried at cost less impairment. Based on the Cooperation Agreement, Zhongxinfang is obligated to deliver the New Premises to the Group no later than May 31, 2021.

As at December 31, 2025 and up to the date these consolidated financial statements are authorised for issue, the composite project is still suspended due to litigations against Zhongxinfang and the New Premises are still not delivered to Huatailong. Further details are disclosed in Note 31(i)(b).

Based on Group’s assessment on the status of the New Premises and taking into account the valuation of the New Premises by using sales comparison method under market approach as its fair value less cost of disposal, impairment loss of RMB41,995,000 (equivalent to US\$5,879,000) (2024: nil) has been made during the year ended December 31, 2025 and the carrying amount of the other non-current assets are RMB69,929,000 (equivalent to US\$9,949,000) as at December 31, 2025 (2024: RMB111,924,000 (equivalent to US\$15,570,000)).

23. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

Accounts and other payables of the Group are principally comprised of amounts outstanding for trade purchases relating to minerals production activities and construction activities. The average credit period taken for trade purchases is between 120 to 150 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

23. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES (Cont'd)

Accounts and other payables and accrued expenses comprise the following:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Accounts payable	36,021	25,811
Construction costs payable	91,181	84,218
Mining royalties payable (Note a)	50,577	49,057
Payable for litigation compensation (note 31)	–	23,872
Payable for acquisition of a mining right	1,201	2,349
Payroll and benefit payable	2,085	286
Mining cost accrual	1,544	1,544
Other accruals	2,472	2,231
Other tax payables	13,006	9,719
Other payables	9,160	8,867
	<hr/> 207,247 <hr/>	<hr/> 207,954 <hr/>
Total accounts and other payables and accrued expenses		
Current	181,828	175,132
Non-current (Note a)	25,419	32,822
	<hr/> 207,247 <hr/>	<hr/> 207,954 <hr/>

Note:

- a. As stipulated in an agreement with local authorities and relevant government notices. Since 2017, the Group is required to pay royalties to the PRC government for the use of state-owned natural resources in relation to the Jiama Mine, calculated based on invoiced revenue and ore yield. The royalties payable for 2017 to May 2023 was allowed to be settled with six fixed annual instalments of RMB61.3 million each, totalling RMB368 million with first instalment payable from 2024 and final instalment due in 2029. The royalties from May 2023 onwards are payable annually.

As at December 31, 2025, the mining royalties payable consist of (i) RMB235,936,000 (equivalent to US\$33,567,000) (2024: RMB292,102,000 (equivalent to US\$40,635,000)) being present value of remaining four (2024: five) annual instalments and (ii) RMB119,562,000 (equivalent to US\$17,010,000) (2024: RMB60,542,000 (equivalent to US\$8,422,000)) being royalties payable based on invoiced revenue and ore yield during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

23. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES (Cont'd)

The following is an aging analysis of the accounts payable presented based on the invoice date at the end of the reporting period:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Less than 30 days	20,779	11,094
31 to 90 days	4,561	5,330
91 to 180 days	1,593	3,298
Over 180 days	9,088	6,089
	<hr/> 36,021 <hr/>	<hr/> 25,811 <hr/>
Total accounts payable		

24. CONTRACT LIABILITIES

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Sales of copper concentrate	10,063	8,099

At January 1, 2024, contract liabilities amounted to US\$71,000.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

	Copper concentrate	
	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	8,099	71

Typical payment terms which have an impact on the amount of contract liabilities recognised are as follows:

When the Group receives a deposit before the goods are delivered, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives 100% deposit on acceptance of sales orders for copper concentrate including other by-products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

25. BORROWINGS

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Bank loans	422,467	633,666
Loans payable to a CNG's subsidiary (note 30)	82,518	80,686
	504,985	714,352

The borrowings are repayable as follows:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Carrying amount repayable within one year	217,004	148,696
Carrying amount repayable within one to two years	107,415	254,855
Carrying amount repayable within two to five years	111,756	212,914
Carrying amount repayable over five years	68,810	97,887
	504,985	714,352
Less: Amounts due within one year (shown under current liabilities)	(217,004)	(148,696)
	287,981	565,656

Included in the carrying amounts of borrowings as above, except for loans payables to a CNG's subsidiary, all remaining borrowings are bank loans.

The loans payables to a CNG's subsidiary amounted to US\$56,909,000 (2024: Nil) are repayable within one year, US\$25,609,000 (2024: US\$55,646,000) are repayable within one to two years and Nil (2024: US\$25,040,000) are repayable within two to five years as at December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

25. BORROWINGS (Cont'd)

Analysed as:

	Notes	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Secured syndicated loan	(1)	197,119	245,605
Unsecured syndicated loan (Note a)	(2)	117,182	118,754
Unsecured syndicated loan	(3)	7,114	–
Unsecured bank loan	(4)	–	39,647
Unsecured bank loans	(5)	–	88,059
Unsecured bank loan	(6)	12,804	13,216
Unsecured bank loan	(7)	–	38,952
Unsecured bank loan	(8)	9,248	10,433
Unsecured bank loan	(9)	15,000	15,000
Unsecured bank loan	(10)	20,000	20,000
Unsecured bank loan	(11)	44,000	44,000
Unsecured loans payable to a CNG's subsidiary	(12)	56,909	55,646
Unsecured loans payable to a CNG's subsidiary	(13)	25,609	25,040
		504,985	714,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

25. BORROWINGS (Cont'd)

Notes:

- (1) Repayable by instalment and will reach full maturity in November 2028. The loan carries a floating interest rate, currently set at 1.50% (2024: 1.95%) per annum, based on the People's Bank of China National Interbank Funding Center Loan Prime Rate ("LPR") benchmark.

The carrying values of the pledged assets to secure above borrowing by the Group are as follows:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Mining rights	723,579	750,627

- (2) Repayable by instalment and will reach full maturity in April 2033. The loan carries a floating interest rate, currently set at 1.95% (2024: 1.95%) per annum, based on the LPR benchmark.
- (3) Repayable by instalment and will reach full maturity in June 2030. The loan carries a floating interest rate, currently set at 1.50% per annum, based on the LPR benchmark.
- (4) Repayable by instalment and will reach full maturity in May 2026. The loan carries a floating interest rate, currently set at 1.85% (2024: 1.85%) per annum, based on the LPR benchmark. The Group early repaid the loan prior to maturity during the year.
- (5) Repayable by instalment and will reach full maturity in June 2026. These loans carry a floating interest rate, currently set at a range from 1.85% to 1.95% (2024: from 1.35% to 1.60%) per annum, based on the LPR benchmark. The Group early repaid the loan prior to maturity during the year.
- (6) Repayable by instalment and will reach full maturity in November 2026. The loan carries a floating interest rate, currently set at 1.85% (2024: 1.35%) per annum, based on the LPR benchmark.
- (7) Repayable by instalment and will reach full maturity in January 2027. The loan carries a floating interest rate, currently set at 1.85% (2024: 1.60%) per annum, based on the LPR benchmark. The Group early repaid the loan prior to maturity during the year.
- (8) Repayable by instalment and will reach full maturity in May 2027. The loan carries a floating interest rate, currently set at 1.85% (2024: 1.60%) per annum, based on the LPR benchmark.
- (9) Repayable in full in May 2026. The loan carried a floating interest rate, currently set at 4.24% per annum (2024: 5.35%), based on the Secured Overnight Financing Rate ("SOFR") benchmark during the year December 31, 2025.
- (10) Repayable in full in May 2026. The loan carried a floating interest rate, currently set at 4.36% per annum (2024: 5.33%), based on the SOFR benchmark during the year December 31, 2025.
- (11) Repayable in full in May 2026. The loan carried a floating interest rate, currently set at 4.36% per annum (2024: 5.35%), based on the SOFR benchmark during the year December 31, 2025.
- (12) Repayable in full in May 2026, carried fixed interest rate at 2.05% (2024: 2.05%) per annum.
- (13) Repayable in full in August 2027, carried fixed interest rate at 2.45% (2024: 2.05%) per annum.

25. BORROWINGS (Cont'd)

In respect of bank loans with carrying amount of US\$ 343,467,000 as at December 31, 2025 (2024: US\$298,742,000), the Group is required to comply with certain significant financial covenants throughout the continuance of the relevant bank loans and/or as long as the bank loans are outstanding. These covenants include, but are not limited to, the following: the ratio of liabilities to assets of the borrower must not be more than certain percentage and the ratio of current asset to current liabilities of the borrower must be more than 0.5, among others.

Fixed rate loans amounting to approximately US\$82,518,000 (2024: US\$80,686,000), carry weighted average effective interest rate of 2.17% (2024: 2.14%) per annum.

26. ENTRUSTED LOAN PAYABLE

On December 25, 2023, the Group entered into a three-year entrusted loan agreement with CNG (note 30) and China Gold Finance, in which CNG provided a loan of RMB200 million (equivalent to approximately US\$28,454,000 as at December 31, 2025 (2024: US\$27,823,000)) to the Group through China Gold Finance as the entrusted bank. The entrusted loan is unsecured and carries interest at a fixed rate of 2.45% per annum. The principal amount is to be repaid on December 26, 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

27. LEASE LIABILITIES

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Lease liabilities payable:		
Within one year	1,417	469
Within a period of more than one year but not more than two years	885	459
Within a period of more than two years but not more than five years	2,280	–
Within a period of more than five years	9,463	–
	<u>14,045</u>	928
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(1,417)</u>	<u>(469)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>12,628</u>	<u>459</u>

The weighted average incremental borrowing rate applied to lease liabilities range is 6.39% (2024: 4.67%).

28. ENVIRONMENTAL REHABILITATION

The environmental rehabilitation relates to reclamation and closure costs relating to the Group's mine operations at the CSH Gold Mine and Jiama Mine. The environmental rehabilitation is calculated as the net present value of estimated future net cash flows of the reclamation and closure costs of US\$112,169,000 (2024: US\$104,729,000), discounted at 2.4% (2024: 5.7%) per annum at December 31, 2025.

The following is an analysis of the environmental rehabilitation:

	2025 US\$'000	2024 US\$'000
At January 1	69,948	75,924
Additions to site reclamation (note 18)	20	–
Adjustments and additions to site reclamation resulted from changes in disturbance areas and discount rates (note 20)	20,249	(9)
Accretion incurred in the current year	2,747	2,811
Payment during the year	(692)	(7,841)
Exchange realignment	1,506	(937)
At December 31	<u>93,778</u>	<u>69,948</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

29. SHARE CAPITAL

Common shares

- (i) Authorised – Unlimited common shares without par value
- (ii) Issued and outstanding

	Number of shares	Amount US\$'000
Issued & fully paid:		
At January 1, 2024, December 31, 2024 and 2025	<u>396,413,753</u>	<u>1,229,061</u>

30. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. CNG, a state owned company registered in Beijing, PRC, which is controlled by State-owned Assets Supervision and Administration Commission of the State Council of the PRC, is able to exercise significant influence over the Company.

The management believes that information relating to related party transactions have been adequately disclosed in accordance with the requirements of IAS 24 Related party Disclosures.

In addition to the related party transactions and balances shown elsewhere in these consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties for the years ended December 31, 2025 and 2024 and related party balances as at December 31, 2025 and 2024.

Name and relationship with related parties during the years are as follows:

CNG owned the following percentages of outstanding common shares of the Company:

	December 31, 2025	December 31, 2024
CNG	<u>40.01</u>	<u>40.01</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. RELATED PARTY TRANSACTIONS (Cont'd)

(a) Transactions/balances with CNG and its subsidiaries

The Group had the following transactions with CNG and CNG's subsidiaries:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Gold doré bars sales by the Group (Note a)	338,473	246,946
Copper and other by-product sales by the Group (Note b)	964,772	505,068
Other income	–	710
Provision of transportation services by the Group (Note b)	2,304	1,161
Construction, stripping and mining services provided to the Group (Note b)	139,139	91,281
Accrued expenses for short-term property management fee (Note b)	455	456
Commitment fee	597	622
Interest income	4,728	2,492
Interest expense on borrowings and entrusted loan payable	2,485	2,498
Interest expense on lease liabilities (Note b)	41	61
Loans (note 25) provided to the Group during the year	–	25,275

Notes:

- a. On May 7, 2014, the Company's subsidiary, IMP entered into an exclusive contract for the sale of doré with CNG pursuant to which IMP sells gold doré bars to CNG for the period up to December 31, 2017. On May 26, 2017, IMP and CNG entered into the Supplemental Contract for Purchase and Sale of Dore for an extended term commencing on January 1, 2018 and expiring on December 31, 2020. On May 6, 2020, the IMP and CNG entered into the third Supplemental Contract for Purchase and Sale of Dore for an extended term commencing on January 1, 2021 and expiring on December 31, 2023. On May 11, 2023, the IMP and CNG entered into the fourth Supplemental Contract for Purchase and Sale of Dore for an extended term commencing on January 1, 2024 and expiring on December 31, 2026.

The extent of the continuing connected transactions for the years ended December 31, 2025 and 2024 did not exceed the limit as set out in the announcements of the Company on May 11, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. RELATED PARTY TRANSACTIONS (Cont'd)

(a) Transactions/balances with CNG and its subsidiaries (Cont'd)

- b. On April 26, 2013, the Company entered into a product and service framework agreement with CNG for the provision of mining related services and products to the Company for three years until June 18, 2016. The agreement was amended to extend the term of the agreement to December 31, 2017 and to include copper concentrates sales contract and office lease contract with CNG since May 29, 2015. On May 26, 2017, the Company and CNG entered into the second supplemental product and service framework agreement to extend the term to December 31, 2020 and to extend the scope of the supplemental product and service framework agreement to include leasing services to be provided by Zhongxin International Financial Leasing (Shenzhen) Co. Ltd., the shares of which are 80% owned by CNG. On May 6, 2020, the Company and CNG entered into the third supplemental product and service framework agreement to extend the term to December 31, 2023. On May 11, 2023, the Company and IMP entered into the fourth supplemental product and service framework agreement for an extended term commencing on January 1, 2024 and expiring on December 31, 2026.

The extent of the continuing connected transactions for the years ended December 31, 2025 and 2024 did not exceed the limit as set out in the announcements of the Company on May 11, 2023.

- c. On December 18, 2017, the Company and China Gold Finance entered into a deposit services agreement (“Deposit Services Agreement”) pursuant to which the Company and its subsidiaries may, from time to time, make withdrawals and deposits with China Gold Finance commencing from January 1, 2018 for one year.

On December 18, 2018, the Deposit Services Agreement has been extended for a one year term to December 31, 2019 pursuant to the supplemental deposit services agreement.

On December 31, 2019, the Deposit Services Agreement have been extended for a one year term to December 31, 2020 pursuant to the supplemental deposit services agreement, all other terms and conditions remain the same.

On December 22, 2020, the Company and China Gold Finance entered into a second Deposit Services Agreement to extend for one year term to December 31, 2021 with all other terms and conditions remaining the same. The second Deposit Services Agreement was expired with the effective of the third Deposit Services Agreement on June 30, 2021 as described below.

On May 5, 2021, the Company and China Gold Finance entered into a third Deposit Services Agreement pursuant to which the Company and its subsidiaries may, from time to time, make withdrawals and deposits with China Gold Finance up to a daily maximum deposit balance (including interest) not exceeding RMB3,000 million (approximately equivalent to US\$465 million) and extend for three years term to December 31, 2023 with all other terms and conditions remaining the same and the third Deposit Services Agreement was effective on June 30, 2021.

On May 8, 2024, the Company and China Gold Finance entered into the 2024 Financial Services Agreement pursuant to which the Company and its subsidiaries may, from time to time, make withdrawals and deposits with China Gold Finance up to a daily maximum deposit balance (including interest) not exceeding (i) RMB2,600 million (approximately equivalent to US\$365 million) for the year ended December 31, 2024; (ii) RMB3,000 million (approximately equivalent to US\$421 million) for the year ended December 31, 2025; (iii) RMB3,400 million (approximately equivalent to US\$477 million) for the year ending December 31, 2026.

The extend of the connected transaction for deposit services during the years ended December 31, 2025 and 2024 do not exceed the limit as set out in the announcement of the Company on May 8, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. RELATED PARTY TRANSACTIONS (Cont'd)

(a) Transactions/balances with CNG and its subsidiaries (Cont'd)

The Group has the following significant balances with CNG and its subsidiaries at the end of each reporting period:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Assets		
Amounts due from related companies (note 15)	2,762	1,583
Cash and cash equivalents held in a CNG's subsidiary (Note c)	179,182	150,315
Term deposits held in a CNG's subsidiary (Note c)	206,294	118,246
Restricted balance held in a CNG's subsidiary (Note c)	–	66,698
	388,238	336,842
Total amounts due from CNG and its subsidiaries		

Other than the cash and cash equivalents, term deposits and restricted balance held in a CNG's subsidiary, the remaining amounts due from CNG and its subsidiaries as at December 31, 2025 and 2024, which are included in trade and other receivables are non-interest bearing, unsecured and repayable on demand.

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Liabilities		
Entrusted loan payable (note 26)	28,454	27,823
Loans payable to a CNG's subsidiary (note 25)	82,518	80,686
Construction costs payable to CNG's subsidiaries	12,207	19,515
Trade payable to CNG's subsidiaries	2,246	952
Amount due to CNG	1,786	4,080
Contract liabilities with a CNG's subsidiary	10,025	8,085
Lease liabilities to a CNG's subsidiary	469	897
	137,705	142,038
Total amounts due to CNG and its subsidiaries		

Trade payable, construction costs payable and contract liabilities to CNG's subsidiaries are in trade nature, non-interest bearing and unsecured.

Amount due to CNG included in other payables is non-trade in nature, non-interest bearing, unsecured and has no fixed term of repayment.

Entrusted loan payable, loans payable and lease liabilities to CNG and its subsidiaries are non-trade in nature, interest-bearing, unsecured and have fixed term of repayment as detailed in respective notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel

Other than the directors' emoluments disclosed in note 11(a), the Group has the following compensation to other key management personnel during the years:

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
Salaries and other benefits	364	237
Post-employment benefits	22	18
	386	255

31. CONTINGENCIES

(i) Litigation with Huaxin and Zhongxinfang

During the year ended December 31, 2020, there was a construction contract dispute between independent third parties including the constructor, Huaxin Construction Group Co., Ltd. (formerly named as "Nantong Huaxin Construction Group Co., Ltd.") ("Huaxin"), Zhongxinfang, and the Group's subsidiary, Huatailong (the "Construction Contract"). The land use right of a composite project under the Construction Contract was transferred from Huatailong to Zhongxinfang in 2019 pursuant to the Cooperation Agreement in relation to the Land Exchange (as defined in note 22).

(a) *Litigations with Huaxin and Zhongxinfang for the construction costs*

Since 2020, there were legal proceedings on the Construction Contract between Huaxin, Zhongxinfang and Huatailong of which details were disclosed in the Group's annual financial statements for the year ended 31 December 2024.

Pursuant to the final instance adjudication dated June 5, 2023 (the "June 2023 Huaxin Final Instance Adjudication"), it is affirmed that Zhongxinfang and Huatailong shall have the joint obligation for the construction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

31. CONTINGENCIES (Cont'd)

(i) Litigation with Huaxin and Zhongxinfang (Cont'd)

(a) *Litigations with Huaxin and Zhongxinfang for the construction costs (Cont'd)*

During the year, Huatailong has paid to the Lhasa Intermediate Court the full compensation amount of RMB178 million (equivalent to US\$24,869,000) for the settlement of accumulated litigation compensation and additional interest recognised during the period, of which RMB35 million (equivalent to US\$4,870,000) was paid to Huaxin as partial settlement and the remaining RMB143 million has been frozen by the Lhasa Intermediate Court pending for the resolution of a separate countersuit by Huatailong against Zhongxinfang as further detail in note 31(i)(b) below.

Consequently, the Lhasa Intermediate Court has lifted and discharged the enforcement measures on certain bank balances, non-current assets, leasehold lands, equity instruments, building and 51% equity interest in Jiama Industry and Trade, a subsidiary of the Company.

On September 16, 2025, subsequent to the full settlement payment mentioned above, Huatailong received a civil ruling from the People's Court of Duilongdeqing District, Lhasa, which ordered the freezing of certain bank accounts of Huatailong with a total value of approximately RMB59.6 million (equivalent to approximately US\$8,320,000). This freezing is a pre-litigation asset preservation measure initiated by Huaxin in connection with a potential lawsuit to be filed by Huaxin on claiming the remaining unpaid contract balance of the Construction Contract of approximately RMB52.0 million and accrued interest, which Huaxin is now pursuing against Huatailong after being unable to recover it from the insolvent co-obligor, Zhongxinfang. The freezing period is one year, from August 29, 2025 to August 28, 2026.

As of the end of the reporting period, the actual aggregated amounts frozen were approximately RMB34.0 million (equivalent to US\$4,832,000). The freezing has not materially impacted Huatailong's normal operations due to sufficient liquidity in other accounts. No outstanding litigation compensation payable exists in relation to litigation with Huaxin as of December 31, 2025.

31. CONTINGENCIES (Cont'd)

(i) Litigation with Huaxin and Zhongxinfang (Cont'd)

(b) Litigations with Zhongxinfang for the delivery of New Premises and recovery of Tax and Other Surcharge related to the land exchange whereby the Group agreed to transfer the land use right for the development of a composite project and Zhongxinfang agreed to compensate the Group by the New Premises

During the year ended December 31, 2020, Huatailong filed a lawsuit against Zhongxinfang for the recovery of the construction costs of RMB149 million (equivalent to US\$21,319,000) that shall be jointly borne by Huatailong. After the first instance adjudication and appeals by Zhongxinfang, on June 20, 2023, Tibet High Court adjudicated that the September 2020 Adjudication sustained (the “June 2023 Zhongxinfang Final Instance Adjudication”) and Zhongxinfang should pay relevant compensation to Huatailong within 15 days from the effective date of the June 2023 Zhongxinfang Final Instance Adjudication. On 15 September 2023, Huatailong applied for an enforcement of the June 2023 Zhongxinfang Final Instance Adjudication (the “September 2023 Enforcement”) and as at December 31, 2025 and up to the date of these consolidated financial statements are authorised for issue, Zhongxinfang has not yet paid the compensation to Huatailong and the September 2023 Enforcement is not executed mainly because Zhongxinfang is involved in several litigations and there are no executable properties.

(c) Litigations with Zhongxinfang for the delivery of New Premises and recovery of Tax and Other Surcharge

During 2020 and 2021, Huatailong proceeded lawsuits against Zhongxinfang concerning (i) the delivery of certain premises (the “New Premises”) and a penalty, and (ii) the recovery of Tax and Other Surcharges paid by Huatailong amounting to RMB46 million (equivalent to USD6.4 million), respectively. Pre-litigation asset preservation measures are in place with (i) the New Premises comprising a block of buildings and twenty car parks from Zhongxinfang were frozen and (ii) the value of certain properties limited to RMB46 million (equivalent to US\$6,609,000) from Zhongxinfang was frozen (collectively the “Pre-litigation Preservations”). As at December 31, 2025, the Pre-litigation Preservations were extended to May 2027.

Based on the adjudication issued in relation to the lawsuit against Zhongxinfang, Zhongxinfang shall repay the Tax and Other Surcharge to Huatailong. As Zhongxinfang has not settled such amount within the due date, Huatailong applied for an enforcement of the November 2020 Adjudication in January 2021 (the “2021 Enforcement”). However, on June 24, 2021, the Tibet Intermediate Court adjudicated the 2021 Enforcement be suspended as all of the assets owned by Zhongxinfang have been sealed up or frozen and there are no executable properties from Zhongxinfang.

As at December 31, 2025 and up to the date these consolidated financial statements are authorised for issue, the New Premises are still not delivered to Huatailong. In the opinion of directors, (i) the 2021 Enforcement is currently suspended and the Group's first priority of claim over one of the assets under Pre-litigation Preservations has been extended to May 2027, (ii) the enforcement of the adjudication that Zhongxinfang should pay penalty of RMB9 million to Huatailong that was applied by Huatailong in March 2023 is currently under proceeding and the result is not ascertained as at the date these consolidated financial statements are authorised for issue. Further background on these matters is disclosed in the Group's annual financial statements for the year ended December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

31. CONTINGENCIES (Cont'd)

(ii) Litigation with an independent supplier of Huatailong

In May 2023, a supplier of Huatailong (the "Supplier") proceeded a lawsuit against Huatailong for the loss of work stoppage and slowdown resulting from the suspension of Jiama Mine's south pit (the "Supplier Work Stoppage Loss") which are required to be remediated by local government from June 19, 2021, for a claim of RMB479 million (equivalent to US\$66,698,000), and applied for pre-litigation preservation of assets from Huatailong for one year.

On May 24, 2023, the Tibet Intermediate Court adjudicated balance with same amount as aforementioned placed in China Gold Finance by the Group to be frozen for one year, which was further extended up to 2026.

As disclosed in the Group's annual financial statements for the year ended December 31, 2024, and condensed consolidated financial statements for the 9 months ended September 30, 2025, there were several appeals and retrial since the litigation of the legal proceedings in May 2023. The case was appealed to the Tibet High Court on June 10, 2025.

On September 29, 2025, the Tibet High Court has issued a final judgment that Huatailong shall pay the Supplier Work Stoppage Loss of RMB108 million (equivalent to US\$15,058,000) to that independent supplier. The Group paid the judgment amount in full during the year ended December 31, 2025, and this litigation is now concluded. Following the conclusion of the litigation in 2025, the relevant assets were released from preservation on December 4, 2025.

(iii) Litigation with Zhejiang Huaye Mining Construction Group Co., Ltd. ("Huaye")

During the year, Huaye, a mine construction contractor of the Group, filed a lawsuit against Huatailong, and another party which is a fellow subsidiary of the Company. The aggregate claims over Huatailong are approximately RMB127 million (equivalent to US\$17.9 million), primarily for payments related to acquisitions of assets and payments for construction works on one of the Group's mine in Tibet.

As of December 31, 2025, the lawsuit is still in progress. With reference to legal opinion obtained, the Directors are of the view that outflow of economic benefits is not probable as at the reporting date. Therefore, no provision has been recognised in the consolidated financial statements for the year ended December 31, 2025.

32. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to operate its mines, pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes the borrowings, entrusted loan payable and lease liabilities disclosed in notes 25, 26 and 27 respectively, net of cash and cash equivalents, restricted balances and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves. The Group manages the capital structure and makes adjustments to it in light of operating results, changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new shares, issue new debt, repayment of existing debt.

In order to facilitate the management of its capital requirements, the Group prepares annual expenditure budgets that are updated as necessary depending on various factors, including operating results, successful capital deployment and general industry conditions. The annual and updated budgets are approved by the board of directors of the Company.

In order to maximize ongoing development efforts, the Group is committed to providing sustainable returns to shareholders. The Group's policy is to invest its short-term excess cash in fixed bank deposits with maturities of 1 year or less from the original date of acquisition, selected with regards to the expected timing of expenditures from its operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
<i>Financial assets</i>		
Financial assets at amortised cost	747,694	376,116
Equity instruments at FVTOCI	133,875	48,411
<i>Financial liabilities</i>		
At amortised cost	721,579	936,349
Lease liabilities	14,045	928

Financial assets at amortised cost as at December 31, 2025 and 2024 respectively are as follows:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Cash and cash equivalents	399,402	183,779
Term deposits	305,884	118,246
Restricted balances	34,162	66,698
Trade and other receivables ⁽¹⁾	8,246	7,393
	747,694	376,116

Financial liabilities at amortised cost as at December 31, 2025 and 2024 are as follows:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Accounts and other payables ⁽²⁾	188,140	194,174
Borrowings		
– Loans, other than syndicated loans	183,570	349,993
– Syndicated loans	321,415	364,359
Entrusted loan payable	28,454	27,823
	721,579	936,349

⁽¹⁾ Excluded VAT recoverable.

⁽²⁾ Excluded mining cost accrual, other accruals, payroll and benefit payable and other tax payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

The Group's financial instruments are exposed to certain financial risks including market risk (e.g. currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

(a) Currency risk

The Group is exposed to the financial risk related to the fluctuation of foreign exchange rates for the monetary assets and liabilities denominated in the currencies other than the functional currencies to which they related. The Group has not hedged its exposure to currency fluctuations. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At the end of each reporting period, Huatailong and Skyland Mining Limited (note 37), of which its functional currency is RMB, had US\$ denominated intra-group borrowings from Skyland (BVI) and the Company. The intra-group borrowing is approximately US\$21,629,000 (2024: US\$20,898,000) as at December 31, 2025.

The Group is mainly exposed to exchange rate fluctuation of RMB and US\$.

RMB monetary assets and (liabilities)

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Cash and cash equivalents	40,654	52,146
Term deposits	305,884	118,246
Trade receivables	3,178	1,427
Accounts and other payables	(11,121)	(11,729)
	338,595	160,090

Based on the above net exposures, and assuming that all other variables remain constant, a 5% (2024: 5%) depreciation/appreciation of the RMB against the US\$ would result in an decrease/increase in the Group's profit for the year of approximately US\$14,390,000 (2024: US\$6,804,000) for the year ended December 31, 2025.

US\$ monetary assets and (liabilities)

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Cash and cash equivalents	–	3
Inter-company loans	(21,629)	(20,898)
	(21,629)	(20,895)

Based on the above net exposures, and assuming that all other variables remain constant, a 5% (2024: 5%) depreciation/appreciation of the US\$ against the RMB would result in an increase/decrease in the Group's profit for the year of approximately US\$984,000 (2024: US\$951,000) for the year ended December 31, 2025.

In the Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

(b) Interest rate risk

Interest rate risk is the risk that the fair value in relation to term deposits, borrowings, entrusted loan payables and lease liabilities bearing fixed interest rate or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Term deposits	305,884	118,246
Borrowings with fixed interest rates	(82,518)	(80,686)
Entrusted loan payables	(28,454)	(27,823)
Lease liabilities	(14,045)	(928)
Net carrying amounts	180,867	8,809

The Group is exposed to cash flow interest rate risk on the variable rate bank balances and restricted balances and variable-rate bank borrowings (see note 25 for details of these borrowings).

Sensitivity analysis

The following analysis is prepared assuming the variable rate bank balances and restricted balances and variable-rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year and all other variables were held constant. A 25 basis point (2024: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Management's assessment of the reasonably possible change in interest rates.

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Cash and cash equivalents	399,402	183,779
Restricted bank balances	34,162	66,698
Borrowings with variable interest rates	(422,467)	(633,666)
Net carrying amounts	11,097	(383,189)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

(b) Interest rate risk (Cont'd)

Sensitivity analysis (Cont'd)

The analysis below reflects the sensitivity that the interest rate may be higher/lower by 25 basis points (2024: 25 basis points).

	Year ended December 31, 2025 US\$'000	Year ended December 31, 2024 US\$'000
25 basis points (2024: 25 basis points) higher		
– Increase/(decrease) in profit for the year	11	(692)
– Addition in finance costs capitalised	<u>73</u>	<u>36</u>
25 basis points (2024: 25 basis points) lower		
– (Decrease)/increase in profit for the year	(11)	692
– Reduction in finance costs capitalised	<u>(73)</u>	<u>(36)</u>

The Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

(c) Other price risk

The Group is exposed to equity price risk through its investments in equity securities listed in Hong Kong. The Group's equity price risk is mainly concentrated on equity instruments operating in the mining industry sector quoted on the Stock Exchange. In addition, the Group also invested in unquoted equity securities for investees operating in the chemical and public utility industries for long term strategic purposes which had been designated as FVTOCI. The Group has formed a team led by the Chief Financial Officer to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. No sensitivity analysis is presented for unlisted investments as the directors of the Company consider the amounts of unlisted investments to be insignificant. If the prices of the respective listed equity instruments had been 10% (2024: 10%) higher/lower, investments revaluation reserve would increase/decrease by US\$13,368,000 (2024: US\$4,760,000) for the Group as a result of the changes in fair value of listed investment at FVTOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

(d) Credit risk and impairment assessment

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations. The Group sold approximately 100% (2024: 100%) of its gold to one creditworthy customer, CNG, and approximately 100% (2024: 99%) of its copper and other by-product to CNG subsidiaries for the year ended December 31, 2025. The failure of these customers to make required payments could have a negative impact on the Group's results. The Group manages this risk by demanding upfront payment for sales of copper and other by-products and has set up monitoring procedures to ensure that follow-up action is taken for timely settlement of receivables from CNG, the CNG subsidiary and third-party customers. The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessments using the ECL model on trade balances individually. In this regard, Management considers the Group's credit risk is significantly reduced. The Group does not hold any collateral over these balances.

The Group applies the simplified approach to provide for ECL on trade receivables as permitted and prescribed by IFRS 9.

The Management assessed the ECL on trade receivables individually. Based on the historical experience of the Group, these trade receivables are generally recoverable due to the long term/on-going relationship and good repayment record.

As at December 31, 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of US\$809,000 (2024: US\$1,068,000) which are past due over 90 days as at the reporting date. The directors of the Company are of the opinion that no default has occurred for the past due balances and the balances are still considered fully recoverable due to long-term/on-going relationships and good repayment records from these customers.

Movement in the allowance for credit losses of trade receivables:

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
At January 1	180	105
Recognised of expected credit losses	164	78
Exchange realignment	—	(3)
	<hr/>	<hr/>
At December 31	344	180
	<hr/>	<hr/>

33. FINANCIAL INSTRUMENTS (Cont'd)

(d) Credit risk and impairment assessment (Cont'd)

The Group was also exposed to credit risk on amount due from related parties and other receivables. The Management periodically monitors the financial position of each of the related companies to ensure each related company is financially viable to settle the amount due to the Group. The Management makes individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables except the receivable of the Tax and Other Surcharge, of which the impairment assessment has been disclosed in note 15.

The Group's bank deposits and restricted balances are held in PRC and Canadian financial institutions with high credit ratings, where the credit risks on these bank deposits are limited.

The Group had concentration of credit risk by geographical locations as the financial assets at amortised cost comprise various debtors which are located in the PRC for the years ended December 31, 2025 and 2024.

Other than the concentration of balance with CNG and its subsidiaries, the Group does not have any other significant concentration of credit risk.

(e) Liquidity risk

The Group operates in a capital intensive industry. The Group's liquidity requirements arise principally from the need for financing the expansion of its mining and processing operations.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 32.

The Group manages its liquidity primarily through maintaining an adequate level of cash and cash equivalents and borrowings.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Group relies on borrowings as a significant source of liquidity, details of which are set out in note 25.

The following table details the Group's remaining contractual maturities for its financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to satisfy the liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

(e) Liquidity risk (Cont'd)

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period:

	Weighted average interest rate %	Within 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000	Total undiscounted cash flow US\$'000	Carrying amount US\$'000
At December 31, 2025							
Accounts and other payables		163,296	8,723	17,446	–	189,465	188,140
Entrusted loan payable	2.45	29,148	–	–	–	29,148	28,454
Borrowings	2.51	223,763	112,941	118,801	70,426	525,931	504,985
Lease liabilities	6.39	1,434	945	2,746	31,045	36,170	14,045
		<u>417,641</u>	<u>122,609</u>	<u>138,993</u>	<u>101,471</u>	<u>780,714</u>	<u>735,624</u>

	Weighted average interest rate %	Within 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000	Total undiscounted cash flow US\$'000	Carrying amount US\$'000
At December 31, 2024							
Accounts and other payables		162,069	8,529	25,588	–	196,186	194,174
Entrusted loan payable	2.45	691	28,522	–	–	29,213	27,823
Borrowings	2.49	162,589	266,478	223,395	101,203	753,665	714,352
Lease liabilities	4.67	510	479	–	–	989	928
		<u>325,859</u>	<u>304,008</u>	<u>248,983</u>	<u>101,203</u>	<u>980,053</u>	<u>937,277</u>

(f) Fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3: Fair value measured using significant unobservable inputs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. FINANCIAL INSTRUMENTS (Cont'd)

(f) Fair value (Cont'd)

Equity instruments at FVTOCI – listed equity securities and unlisted equity securities are measured at fair value based on the quoted bid price in an active market (Level 1) and the discounted cash flow models (Level 3) respectively. The fair values of the unlisted equity securities are considered insignificant. The fair values of other financial assets and financial liabilities measured at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Other non-current assets – recoverable amounts of other non-current assets are measured at fair value less costs of disposal. The fair value measurement are determined using residual method under market approach. The key inputs were the forecast selling prices for the completed shops and apartments, and the estimated cost to complete and decorate the building. The forecast selling price and the estimated cost to complete are positively related and inversely related to the fair value, respectively.

The Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

There was no transfer amongst level 1, 2 and 3 in the current and prior years.

34. COMMITMENTS

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Capital expenditure in respect of acquisition of property, plant and equipment in the consolidated financial statements		
– contracted but not provided for	9,468	6,113

35. RETIREMENT BENEFITS SCHEMES

The employees of the Group's subsidiaries are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The total cost charged to the consolidated statement of profit or loss and other comprehensive income of approximately US\$9,953,000 for the year ended December 31, 2025 (2024: US\$8,140,000), represent contributions payable to the scheme by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings US\$'000 (note 25)	Entrusted loan payable US\$'000 (note 26)	Lease liabilities US\$'000 (note 27)	Dividend payables US\$'000	Total US\$'000
At January 1, 2025	714,352	27,823	928	–	743,103
Financing cash flows	(220,219)	–	(514)	(32,952)	(253,685)
Dividend declared by the Company	–	–	–	31,713	31,713
Dividend declared by subsidiaries of the Company	–	–	–	1,239	1,239
Exchange difference arising on translation	10,852	631	199	–	11,682
Accrued interest expenses	–	–	848	–	848
Non-cash transactions	–	–	12,584	–	12,584
At December 31, 2025	504,985	28,454	14,045	–	547,484

	Borrowings US\$'000 (note 25)	Entrusted loan payable US\$'000 (note 26)	Lease liabilities US\$'000 (note 27)	Dividend payables US\$'000	Total US\$'000
At January 1, 2024	738,234	28,238	1,477	–	767,949
Financing cash flows	(14,322)	–	(599)	(1,250)	(16,171)
Dividend declared by subsidiaries of the Company	–	–	–	1,250	1,250
Exchange difference arising on translation	(9,560)	(415)	–	–	(9,975)
Unrealised foreign exchange loss, net	–	–	(16)	–	(16)
Accrued interest expenses	–	–	66	–	66
At December 31, 2024	714,352	27,823	928	–	743,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

37. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at December 31, 2025 and 2024 are as follows:

Name of subsidiaries	Place and date of incorporation/ establishment	Place of operation	Issued and fully paid share capital/ registered capital	Equity interest attributable to the Group as at December 31,		Principal activities
				2025	2024	
Pacific PGM Inc.	British Virgin Islands ("BVI") May 17, 2001	BVI	US\$100	100%	100%	Investment holding
Pacific PGM (Barbados) Inc.	Barbados September 6, 2007	Barbados	US\$250,000	100%	100%	Investment holding
IMP ⁽¹⁾	PRC April 29, 2002	PRC	US\$45,000,000	96.5%	96.5%	Engaged in exploration and development of mining properties in China
Skyland Mining Limited	Barbados October 6, 2004	Barbados	US\$233,380,700 plus RMB1,510,549,032	100%	100%	Investment holding
Jia Ertong ⁽¹⁾	PRC October 31, 2003	PRC	US\$273,920,000	100%	100%	Exploration, development and mining of mineral properties and investment holding
Huatailong ⁽¹⁾	PRC January 11, 2007	PRC	RMB1,760,000,000	100%	100%	Exploration, development and mining of mineral properties
Jiama Industry and Trade ⁽¹⁾	PRC December 1, 2011	PRC	RMB5,000,000	51%	51%	Mining logistics and transport business
Skyland (BVI) ⁽²⁾	BVI October 26, 2010	BVI	US\$1	n/a	100%	Issue of bonds

⁽¹⁾ Domestic limited liability company.

⁽²⁾ On November 5, 2024, the dissolution of Skyland (BVI) was approved by the official department and the final dissolution was completed on February 5, 2025.

None of the subsidiaries had issued any debt securities at the end of both years. Other than Pacific PGM Inc. and Pacific PGM (Barbados) Inc. (2024: Pacific PGM Inc., Pacific PGM (Barbados) Inc. and Skyland (BVI)) which are directly held by the Company, all other subsidiaries listed above are indirectly held under the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	December 31, 2025 US\$'000	December 31, 2024 US\$'000
Current assets		
Cash and cash equivalents	20,303	4,704
Other receivables	103	84
Prepaid expenses and deposits	78	39
	<u>20,484</u>	<u>4,827</u>
Non-current assets		
Right-of-use assets	183	27
Equity instruments at FVTOCI (note 19)	133,678	47,599
Investments in subsidiaries (note 37)	987,015	987,016
	<u>1,120,876</u>	<u>1,034,642</u>
Total assets	<u>1,141,360</u>	<u>1,039,469</u>
Current liabilities		
Other payable and accrued expenses	2,243	2,248
Borrowings	79,000	79,000
Lease liabilities	61	32
Amounts due to subsidiaries	21,815	1,335
	<u>103,119</u>	<u>82,615</u>
Net current liabilities	<u>(82,635)</u>	<u>(77,788)</u>
Total assets less current liabilities	<u>1,038,241</u>	<u>956,854</u>
Non-current liabilities		
Lease liabilities	125	–
Deferred income	–	19
	<u>125</u>	<u>19</u>
Total liabilities	<u>103,244</u>	<u>82,634</u>
Owners' equity		
Share capital (note 29)	1,229,061	1,229,061
Reserves (note 39)	115,848	30,384
Accumulated losses (note 39)	(306,793)	(302,610)
Total owners' equity	<u>1,038,116</u>	<u>956,835</u>
Total liabilities and owners' equity	<u>1,141,360</u>	<u>1,039,469</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

39. RESERVES AND DEFICITS OF THE COMPANY

	Reserves	Accumulated	Total
	US\$'000	losses	US\$'000
	US\$'000	US\$'000	US\$'000
At January 1, 2024	<u>29,113</u>	<u>(254,944)</u>	<u>(225,831)</u>
Loss for the year	–	(47,666)	(47,666)
Fair value gain on equity instruments at FVTOCI	<u>1,271</u>	<u>–</u>	<u>1,271</u>
Total comprehensive income/(loss) for the year	<u>1,271</u>	<u>(47,666)</u>	<u>(46,395)</u>
At December 31, 2024	<u>30,384</u>	<u>(302,610)</u>	<u>(272,226)</u>
Loss for the year	–	27,530	27,530
Fair value gain on equity instruments at FVTOCI	85,464	–	85,464
Dividend paid to shareholders	<u>–</u>	<u>(31,713)</u>	<u>(31,713)</u>
Total comprehensive income/(loss) for the year	<u>85,464</u>	<u>(4,183)</u>	<u>81,281</u>
At December 31, 2025	<u>115,848</u>	<u>(306,793)</u>	<u>(190,945)</u>

FIVE-YEAR FINANCIAL SUMMARY

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements are as follows:

	Year ended December 31				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
RESULTS					
Revenue	<u>1,310,125</u>	<u>756,646</u>	<u>459,434</u>	<u>1,104,949</u>	<u>1,137,356</u>
Profit (loss) attributable to owners of the Company	<u>467,093</u>	<u>62,732</u>	<u>(25,500)</u>	<u>222,743</u>	<u>267,361</u>
ASSETS AND LIABILITIES					
Total assets	<u>3,356,535</u>	<u>2,935,979</u>	<u>2,834,716</u>	<u>3,194,911</u>	<u>3,257,043</u>
Total liabilities	<u>(1,019,509)</u>	<u>(1,149,773)</u>	<u>(1,106,975)</u>	<u>(1,291,481)</u>	<u>(1,423,651)</u>
Net assets	<u>2,337,026</u>	<u>1,786,206</u>	<u>1,727,741</u>	<u>1,903,430</u>	<u>1,833,392</u>
Equity attributable to owners of the Company	<u>2,309,141</u>	<u>1,762,438</u>	<u>1,706,858</u>	<u>1,883,979</u>	<u>1,815,922</u>
Non-controlling interests	<u>27,885</u>	<u>23,768</u>	<u>20,883</u>	<u>19,451</u>	<u>17,470</u>
Total owners' equity	<u>2,337,026</u>	<u>1,786,206</u>	<u>1,727,741</u>	<u>1,903,430</u>	<u>1,833,392</u>



中國黃金國際資源有限公司

China Gold International Resources Corp. Ltd.