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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.
中國黃金國際資源有限公司

(a company incorporated under the laws of British Columbia, Canada with limited liability)

(Hong Kong Stock Code: 2099)

(Toronto Stock Code: CGG)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

| | For the Year ended December 31, | |
|--|--|-----------------|
| | 2025 | 2024 |
| | US\$'000 | US\$'000 |
| Revenues | 1,310,125 | 756,646 |
| Net profit | 472,315 | 65,298 |
| Basic earnings per share (cents) | 117.80 | 15.82 |
| Diluted earnings(loss) per share (cents) | N/A | N/A |
| Net cash flows from operations | 709,984 | 306,896 |
| Property, plant and equipment | 1,339,447 | 1,375,498 |
| Property, plant and equipment capital expenditures | 50,136 | 48,286 |
| Cash and cash equivalents | 399,402 | 183,779 |
| Working capital | 580,005 | 326,988 |

RESULTS

The board of directors (the“Board”) of China Gold International Resources Corp. Ltd. (the “Company” together with its subsidiaries, referred hereto as the “Group”) is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2025 with comparative figures for the comparable period in 2024, as follows:

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.



MANAGEMENT'S DISCUSSION AND ANALYSIS



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

In consideration 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 |

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 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 | Mo Metal | Pb Metal | Zn Metal | Au Moz | Ag Moz |
|-----------|----------|--|------|------|------|------|--------|--------|----------|----------|----------|----------|--------|--------|
| | Mt | | | | | | | | (kt) | (kt) | (kt) | (kt) | | |
| 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 37 to 118, 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 37 to 118 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 |
| | <u>(246,828)</u> | <u>(204,875)</u> |
| 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) |
| | <u>(253,685)</u> | <u>(16,171)</u> |
| 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 |
| | <u>399,402</u> | <u>183,779</u> |
| Cash and cash equivalents, end of year | | |

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 |
|----------------------|-------------------------|

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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.

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)

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) | <u>476,098</u> | <u>226,476</u> |
| 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 | <u>59,934</u> | <u>47,566</u> |

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 | <u>22,538</u> | <u>10,132</u> |

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 | Mining rights ⁽¹⁾ | Inventories | Others | Distributable profits of subsidiaries | Total |
|-----------------------------------|---|---|--------------------|---------------|--|----------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | 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 | 2024 |
|--------------------------|------------------|------------------|
| | US\$'000 | 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 US\$'000 | 2024 US\$'000 |
|---|------------------|------------------|
| Deferred income tax assets | | |
| Tax losses carry forwards | 30,986 | 30,493 |
| Other deductible temporary differences | 1,656 | 1,657 |
| | <u>32,642</u> | <u>32,150</u> |
| 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 |
| | <u>190</u> | <u>106</u> | <u>14</u> | <u>310</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)

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 | <u>(344)</u> | <u>(180)</u> |
| | 1,767 | 2,293 |
| Amounts due from related companies (note 30(a)) ⁽¹⁾ | 2,762 | 1,583 |
| Other receivables ⁽²⁾ | <u>3,717</u> | <u>3,517</u> |
| Total trade and other receivables | <u>8,246</u> | <u>7,393</u> |

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 | <u>809</u> | <u>1,068</u> |
| Total trade receivables | <u>1,767</u> | <u>2,293</u> |

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 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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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 |
| | 207,247 | 207,954 |
| | 181,828 | 175,132 |
| Non-current (Note a) | 25,419 | 32,822 |
| | 207,247 | 207,954 |

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

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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 | <u>9,088</u> | <u>6,089</u> |
| Total accounts payable | <u>36,021</u> | <u>25,811</u> |

24. CONTRACT LIABILITIES

| | December 31, 2025 US\$'000 | December 31, 2024 US\$'000 |
|-----------------------------|---|----------------------------------|
| Sales of copper concentrate | <u>10,063</u> | <u>8,099</u> |

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 | <u>8,099</u> | <u>71</u> |

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.

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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) |
| Amounts shown under non-current liabilities | 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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> | (469) |
| Amount due for settlement after 12 months shown under non-current liabilities | <u>12,628</u> | 459 |

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) |
| | <u>93,778</u> | 69,948 |
| At December 31 | | |

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

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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) |
| | <hr/> 180,867 <hr/> | <hr/> 8,809 <hr/> |
| Net carrying amounts | | |

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) |
| | <hr/> 11,097 <hr/> | <hr/> (383,189) <hr/> |
| Net carrying amounts | | |

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 | 73 | 36 |
| 25 basis points (2024: 25 basis points) lower | | |
| – (Decrease)/increase in profit for the year | (11) | 692 |
| – Reduction in finance costs capitalised | (73) | (36) |

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) |
| At December 31 | 344 | 180 |

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 | Entrusted loan payable | Lease liabilities | Dividend payables | Total |
|--|-------------------|-------------------------------|--------------------------|--------------------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | (note 25) | (note 26) | (note 27) | | |
| 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 | Entrusted loan payable | Lease liabilities | Dividend payables | Total |
|--|-------------------|-------------------------------|--------------------------|--------------------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | (note 25) | (note 26) | (note 27) | | |
| 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 | | | | | |
| At December 31 | | | | | |
| | 2025 US\$'000 | 2024 US\$'000 | 2023 US\$'000 | 2022 US\$'000 | 2021 US\$'000 |
| 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> |

CORPORATE GOVERNANCE

The Company has complied with the code provisions under the Code on Corporate Governance Practices (the “Code”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended December 31, 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted policies in its Corporate Disclosure, Confidentiality and Securities Trading Policy that has terms which are no less exacting than those set out in Appendix C3 to the Listing Rules (the “Model Code”). The Board is pleased to confirm, after specific enquiries with all Directors, that all Directors have fully complied with standards required according to the Model Code during the year ended December 31, 2025.

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

For the year ended December 31, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

Pursuant to the requirements of the Code and the Listing Rules, the Company has established an audit committee (the “Audit Committee”) comprising all the existing Independent Non-executive Directors, namely Mr. Yingbin Ian He, (Chairman of the Audit Committee), Mr. Wei Shao, Mr. Bielin Shi, and Ms. Ruixia Han.

The Audit Committee has reviewed the audited consolidated financial statements for the year ended December 31, 2025, and is of the view that the Group’s audited consolidated financial statements for the year ended December 31, 2025 are prepared in accordance with the applicable accounting standard, laws and regulations, and appropriate disclosures have already been made.

By Order of the Board
China Gold International Resources Corp. Ltd.
Mr. Chenguang Hou
Chairman and Chief Executive Officer

Hong Kong, March 31, 2026

As at the date of this announcement, the Board of Directors of the Company comprises of Mr Chenguang Hou, Mr. Yuanhui Fu, and Ms. Na Tian as Executive Directors, Mr. Wanming Wang as Non-Executive Director, and Mr. Yingbin Ian He, Mr. Wei Shao, Mr. Bielin Shi, and Ms. Ruixia (Rane) Han as Independent Non-executive Directors.