China Gold International Resources Corp. Ltd.

Management's Discussion and Analysis of Financial Condition and Results of Operations
Three months ended March 31, 2026
(Stated in U.S. dollars, except as otherwise noted)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2026. (Stated in U.S. dollars, except as otherwise noted)

The following Management Discussion and Analysis of financial condition and results of operations ("MD&A") is prepared as of May 14, 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 ended March 31, 2026 and the three months ended March 31, 2025, 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.

THE COMPANY

Overview

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

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

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

Performance Highlights

Three months ended March 31, 2026

- Revenue increased by 66% to US$453.2 million from US$273.1 million for the same period in 2025.
- Mine operating earnings of US$292.8 million, increased by US$175.1 million from mine operating earnings of US$117.7 million for the same period in 2025.
- Net profit of US$236.4 million increased by US$150.4 million from US$86.0 million for the same period in 2025.
- Cash flow from operation of US$268.7 million, increased from US$143.5 million for the same period in 2025.
- Total gold production decreased by 22% to 34,820 ounces from 44,797 ounces for the same period in 2025.
- Total copper production was 37.5 million pounds (approximately 17,030 tonnes) a slight increase from 37.3 million pounds (approximately 16,911 tonnes) for the same period in 2025.

OUTLOOK

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

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

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

CSH Mine:

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

Jiama Mine:

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

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.

RESULTS OF OPERATIONS

Selected Quarterly Financial Data

	Quarter ended							
	2026	2025				2024		
(US$ in thousands except per share)	**31-Mar**	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
Revenue	**453,203**	384,734	345,026	307,269	273,096	293,567	254,581	147,955
Cost of sales	**160,433**	174,826	147,993	147,872	155,444	171,413	207,762	118,512
Mine operating earnings	**292,770**	209,908	197,033	159,397	117,653	122,154	46,819	29,443
General and administrative expenses	**15,100**	21,450	14,184	12,068	12,232	17,877	9,944	10,649
Exploration and evaluation expenditures	**171**	268	224	133	508	247	49	50
Research and development expenses	**5,459**	16,399	7,848	5,256	3,296	8,118	4,704	2,113
Income from operations	**272,040**	171,791	174,777	141,940	101,617	95,912	32,122	16,631
Foreign exchange (loss) gain	**(2,464)**	7,381	(3,039)	(2,037)	(2,654)	(4,631)	2,670	(443)
Finance costs	**4,065**	4,511	4,711	4,580	5,002	5,313	5,692	5,722
Profit before income tax	**267,214**	171,694	153,450	139,252	95,770	85,540	30,166	3,924
Income tax expense (credit)	**30,843**	43.994	11,156	22,909	9,791	17,223	2,293	8,768
Net profit (loss)	**236,371**	127,699	142,294	116,343	85,979	68,317	27,873	(4,844)
Basic & diluted earnings (loss) per share (cents)	**59.02**	31.67	35.60	29.08	21.45	16.97	6.84	(1.36)

Selected Quarterly Production Data and Analysis

CSH Mine	**Three months ended March 31,**	
	2026	**2025**
Gold sales (US$ million)	**126.70**	79.09
Realized average price (US$) of gold per ounce	**4,832**	2,886
Gold produced (ounces)	**21,354**	23,739
Gold sold (ounces)	**26,224**	27,410
Total production cost (US$ per ounce)	**1,779**	1,625
Cash production cost[(1)] (US$ per ounce)	**1,297**	1,062

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

Gold production at the CSH Mine decreased by 10% to 21,354 ounces for the three months ended March 31, 2026 compared to 23,739 ounces for the same period in 2025. The total production cost of gold for the three months ended March 31, 2026 increased to US$1,779 per ounce compared to US$1,625 for the same period in 2025. The cash production cost of gold for the three months ended March 31, 2026 increased to US$1,297 per ounce from US$1,062 for the same period in 2025.

Jiama Mine	**Three months ended March 31,**	
	2026	2025
Copper sales (US$ in millions)	**170.66**	93.50
Realized average price [1](US$) of copper per pound after smelting fee discount	**4.54**	2.54
Copper produced (tonnes)	**17,030**	16,911
Copper produced (pounds)	**37,544,272**	37,283,261
Copper sold (tonnes)	**17,049**	16,727
Copper sold (pounds)	**37,586,053**	36,877,294
Gold produced (ounces)	**13,466**	21,058
Gold sold (ounces)	**13,546**	20,738
Silver produced (ounces)	**1,234,549**	1,314,408
Silver sold (ounces)	**1,241,105**	1,293,415
Lead produced (tonnes)	**10,744**	10,776
Lead produced (pounds)	**23,687,523**	23,757,093
Lead sold (tonnes)	**10,862**	10,484
Lead sold (pounds)	**23,945,780**	23,112,793
Zinc produced (tonnes)	**4,366**	5,416
Zinc produced (pounds)	**9,625,930**	11,940,173
Zinc sold (tonnes)	**4,403**	5,363
Zinc sold (pounds)	**9,707,725**	11,822,544
Moly produced (tonnes)	**104**	198
Moly produced (pounds)	**229,812**	437,452
Moly sold (tonnes)	**112**	259
Moly sold (pounds)	**246,604**	571,539
Total production cost [2] (US$) of copper per pound	**3.56**	3.41
Total production cost [2] (US$) of copper per pound after by-products credits [4]	**(0.55)**	0.73
Cash production cost [4](US$) per pound of copper	**2.78**	2.62
Cash production cost [3] (US$) of copper per pound after by-products credits [4 5]	**(1.32)**	(0.05)

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 Costs of copper.

During the three months ended March 31, 2026, The Jiama Mine produced 17,030 tonnes (approximately 37.5 million pounds) of copper, which increased from of 16,911 tonnes (approximately 37.3 million pounds) during the comparative three month period in 2025.

Total production cost of copper per pound slightly increased by 4% in the three months of 2026 as compared to the same period in 2025. Cash production cost of copper per pound increased by 6% as compared to the same quarter in 2025. However, total production cost of copper per pound after by-products and cash production cost of copper per pound after by-product decreased in 2026 as compared to the same three month period in 2025, mainly due to higher by-product revenue from gold and silver.

Review of Quarterly Data

Three months ended March 31, 2026 compared to three months ended March 31, 2025

Revenue of US$453.2 million for the first quarter of 2026, increased by US$180.1 million from US$273.1 million for the same period in 2025.

Revenue from the CSH Mine was US$126.7 million, an increase of US$47.6 million from US$79.1 million for the same period in 2025. The realized average gold price increased by 67%, from US$2,886/oz in Q1 2025 to US$4,832/oz in Q1 2026. Gold sold by the CSH Mine was 26,224 ounces (gold produced: 21,354 ounces), compared to 27,410 ounces (gold produced: 23,739 ounces) for the same period in 2025.

Revenue from the Jiama Mine was US$326.5 million, an increase of US$132.5 million, compared to US$194.0 million for the same period in 2025. The realized average price of copper increased by 79%, from US$2.54/pound in Q1 2025 to US$4.54/pound in Q1 2026. Total copper sold was 17,049 tonnes (37.6 million pounds) for the three months ended March 31, 2026, an increase of 2% from 16,727 tonnes (36.9 million pounds) for the same period in 2025.

Cost of sales of US$160.4 million for the quarter ended March 31, 2026, a slightly increase of US$5.0 million from US$155.4 million for the same period in 2025. Cost of sales as a percentage of revenue for the Company decreased from 57% to 35% for the three months ended March 31, 2025 and 2026, 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$292.8 million for the three months ended March 31, 2026, an increase of US$175.1 million from US$117.7 million for the same period in 2025.

General and administrative expenses increased by US$2.9 million, from US$12.2 million for the quarter ended March 31, 2025 to US$15.1 million for the quarter ended March 31, 2026, partially due to higher taxes and surcharges resulting from increased revenue in the current quarter.

Research and development expenses of US$5.5 million for the three months ended March 31, 2026, increased from US$3.3 million for the comparative period in 2025. 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$272.0 million for the first quarter of 2026, increased by US$170.4 million, compared to US$101.6 million for the same period in 2025.

Foreign exchange loss of US$2.5 million for the three months ended March 31, 2026, decreased from US$2.7 million for the same period in 2025. 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$1.7 million for the three months ended March 31, 2026, slightly decreased from US$1.8 million for the same period in 2025, primarily due to lower interest income earned during the current quarter compared to the corresponding period last year.

Finance costs of US$4.1 million for the three months ended March 31, 2026, decreased by US$0.9 million compared to US$5.0 million for the same period in 2025. 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.

Income tax expense of US$30.8 million for the three months ended March 31, 2026, increased by US$21.0 million from US$9.8 million for the comparative period in 2025. During the current quarter, the Company recorded deferred tax credit of US$2.5 million, compared to US$2.6 million for the same period in 2025.

Net income of US$236.4 million for the three months ended March 31, 2026, increased by US$150.4 million from US$86.0 million for the three months ended March 31, 2025.

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:

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 March 31,			
	2026		2025	
	US$	**US$ Per ounce**	US$	US$ Per ounce
Total Cost of sales	**46,663,445**	**1,779**	44,538,801	1,625
Adjustment – Depreciation & depletion	**(12,496,402)**	**(477)**	(15,175,134)	(554)
Adjustment – Amortization of intangible assets	**(118,762)**	**(5)**	(257,187)	(9)
Total cash production cost	**34,048,281**	**1,297**	29,106,480	1,062
Total Gold sold ounces		**26,224**		27,410
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).

Jiama Mine (Copper with by-products credits)

	Three months ended March 31,			
	2026		2025	
	US$	**US$ Per Pound**	US$	US$ Per Pound
Total Cost of sales	**113,770,004**	**3.03**	110,904,944	3.01
General and administrative expenses	**14,132,927**	**0.38**	11,280,445	0.31
Research and development expenses	**5,459,288**	**0.15**	3,295,599	0.09
Total production cost	**133,362,219**	**3.56**	125,480,988	3.41
Adjustment – Depreciation & depletion	**(23,157,279)**	**(0.62)**	(22,601,153)	(0.61)
Adjustment – Amortization of intangible assets	**(5,946,951)**	**(0.16)**	(6,748,909)	(0.18)
Total cash production costs	**104,257,989**	**2.78**	96,130,926	2.62
By-products credits	**(154,208,499)**	**(4.10)**	(98,580,770)	(2.67)
Total cash production costs after by-products credits	**(49,950,510)**	**(1.32)**	(2,449,844)	(0.05)
Total Copper sold pounds		**37,586,053**		36,877,294
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-winned to produce a gold dore which is sold to refiners. In June 2020, the operation of southwest pit ended.

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.

Production Update

CSH Mine	**Three months ended March 31,**	
	2026	2025
Ore mined and placed on pad (tonnes)	**1,734,038**	2,709,459
Average ore grade (g/t)	**0.55**	0.53
Recoverable gold (ounces)	**17,704**	27,935
Ending gold in process (ounces)	**134,374**	148,295
Waste rock mined (tonnes)	**972,148**	2,303,189

For the three months ended March 31, 2026, the total amount of ore placed on the leach pad was 1.7 million tonnes, with total contained gold of 17,704 ounces (551 kilograms). The overall accumulative project-to-date gold recovery rate remained consistent at approximately 56.70% at the end of March 31, 2026 from 56.63% at the end of December 31, 2025. Of which, gold recovery from the phase I and phase II heap leach pads were 59.77% and 54.99% at March 31, 2026, respectively.

Exploration

There was no drilling or exploration program for the three months ended March 31, 2026 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 USD 1,980 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 USD 1,980 per ounce. USD 1.0000=RMB 6.3457 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.

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 USD 1,568 per ounce. USD 1.0000=RMB 6.3457 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.

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.

Production Update

Jiama Mine	**Three months ended March 31,**	
	2026	2025
Ore processed (tonnes)	**2,738,178**	2,855,323
Average copper ore grade (%)	**0.73**	0.72
Copper recovery rate (%)	**85**	83
Average gold grade (g/t)	**0.20**	0.31
Gold recovery rate (%)	**76**	74
Average silver grade (g/t)	**19.93**	21.33
Silver recovery rate (%)	**71**	67
Average lead grade (%)	**0.98**	1.05
Lead recovery rate (%)	**79**	76
Average zinc grade (%)	**0.44**	0.53
Zinc recovery rate (%)	**71**	71
Average Moly grade (%)	**0.02**	0.04
Moly recovery rate (%)	**34.1**	33.5

Exploration

In 2026, Tibet Huatailong Mining Development Co., Ltd. plans to continue geological exploration projects in the periphery of the Jiama mining area and the Bayi Ranch, with a planned 50,840 meters of surface drilling across 55 holes (including 6,000 meters of flexible drilling), 1:5,000 hydrogeological, engineering, and environmental geological mapping covering 40.77 square kilometers and 1:2,000 mapping covering 2.96 square kilometers in the outer area of the Jiama Mining area, and 1:2,000 geological mapping covering 4 square kilometers, 1:2,000 geological cross-section surveys spanning 4 kilometers, and 1:2,000 rock geochemical surveys covering 4 square kilometers at the Bayi Ranch. The estimated total budget is approximately US$17.2 million (RMB 119.08 million). As of the end of the first quarter, the extension project for the Jiama mining area periphery had completed 1,904.21 meters of drilling across 7 boreholes, and the new project for 2026 is proceeding in an orderly manner with tendering and land use procedures.

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.

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 Mt	Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Cu Metal (kt)	Mo Metal (kt)	Pb Metal (kt)	Zn Metal (kt)	Au Moz	Ag Moz
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:
CuEq Grade: = (Ag Grade * Ag Price + Au Grade * Au Price + Cu Grade * Cu Price + Pb Grade * Pb Price + Zn Grade * Zn Price + Mo Grade * Mo Price) / 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.

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:

Jiama Project Statement of NI 43-101 Mineral Reserve Estimate as of December 31, 2025

Class	Quantity Mt	Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Cu Metal (kt)	Mo Metal (kt)	Pb Metal (kt)	Zn Metal (kt)	Au Moz	Ag Moz
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:

1. 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.
2. Mineral Reserves were estimated using the following mining and economic factors:

   Open Pits:

   a) 5% dilution factor and 95% recovery were applied to the mining method;

   b) an overall slope angles of 43 degrees;

   c) a copper price of US$2.9/lbs;

   d) an overall processing recovery of 88 - 90% for copper.

   Underground:

   a) 10% dilution added to all Sub-Level Open Stoping;

   b) Stope recovery is 87% for Sub-Level Open Stoping;

   c) An overall processing recovery of 88 – 90% for copper.
3. 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.
4. 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.

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 March 31, 2026, the Company had an accumulated surplus of US$860.7 million, working capital of US$657.7 million and borrowings of US$535.6 million. The Company's cash balance at March 31, 2026 was US$1.0 billion, among which cash and cash equivalents was US$603.4 million, Restricted cash was US$41.8 million, term deposits was US$361.3 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$214.0 million of short term debt facilities with interest rates ranging from 1.25% to 4.16% 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 RMB 3.98 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 March 31, 2026 the Company has fully drawn under this Facility. The outstanding loan balance is RMB1.39 billion (approximately US$200 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 March 31, 2026, the Company has fully drawn down under this facility. The outstanding loan balance is RMB 824 million (approximately US$119 million), bearing an annual interest rate of 1.6%, 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 March 31, 2026, the Company has drawn down RMB 50 million (approximately US$7.2 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 RMB 400 million (approximately US$56.5 million) from China Gold Finance Co., Ltd. at an annual interest rate of 2.05%. As of March 31, 2026, the outstanding loan balance was RMB 400 million (approximately US$57.8 million).

On November 9, 2023, the Company obtained a bilateral loan with an aggregate principal amount of RMB 100 million (approximately US$14.1 million) from China Construction Bank at an annual interest rate of 1.25%. As of March 31, 2026, the outstanding loan balance was RMB 90 million (approximately US$13.0 million).

On May 13, 2024, the Company obtained a bilateral loan with an aggregate principal amount of RMB 200 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 1.35% for a term of 3 years. As of March 31, 2026, the outstanding loan balance was RMB 65 million (approximately US$9.4 million).

On August 20, 2024, the Company obtained a bilateral loan with an aggregate principal amount of RMB 200 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 March 31, 2026, the outstanding loan balance was RMB 180 million (approximately US$26.0 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. As of March 31, 2026, the outstanding loan balance was US$10 million.

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.

Cash flows

The following table sets out selected cash flow data from the Company's consolidated cash flow statements for the three months ended March 31, 2026 and March 31, 2025.

	Three months ended March 31,	
	2026	2025
	US$'000	US$'000
Net cash from operating activities	**268,703**	143,530
Net cash used from investing activities	**(64,864)**	(86,693)
Net cash used in in financing activities	**(5,955)**	(335)
Net increase in cash and cash equivalents	**197,884**	56,502
Effect of foreign exchange rate changes on cash and cash equivalents	**6,152**	211
Cash and cash equivalents, beginning of period	**399,402**	183,779
Cash and cash equivalents, end of period	**603,438**	240,492

Operating cash flow

For the three months ended March 31, 2026, net cash inflow from operating activities was US$268.7 million which is primarily attributable (i) profit before income tax of US$267.2 million (ii) depreciation of property, plant and equipment of US$30.2 million and (iii) decrease in inventories of US$18.6 million , partially offset by (i) decrease in trade and other payables of US$24.8 million (ii) income tax paid of US$20.2 million and (iii) increase of restricted bank balances of US$7.7 million.

Investing cash flow

For the three months ended March 31, 2026, the net cash outflow from investing activities was US$64.9 million which is primarily attributable to (i) placement of term deposits of US$201.5 million and (ii) payment for acquisition of property, plant and equipment of US$16.1 million, offset by (i) redemption of term deposits of US$151.1 million and (ii) interest income received of US$1.6 million.

Financing cash flow

For the three months ended March 31, 2026, the net cash outflow mainly from financing activities was US$6.0 million which is primarily attributable to (i) repayment of bank and other borrowings of US$5.0 million (ii) dividends paid to non-controlling shareholders of US$0.4 million and (iii) repayments of lease liabilities of US$0.5 million.

Expenditures Incurred

For the three months ended March 31, 2026, the Company incurred mining costs of US$15.1 million, mineral processing costs of US$29.2 million and transportation costs of US$0.6 million.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at March 31, 2026, the Company's total debt was US$535.6 million and the total equity was US$2,382.6 million. The Company's gearing ratio was therefore 0.22 as at March 31, 2026 compared to 0.23 as at December 31, 2025.

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

Other than as disclosed elsewhere in this MD&A or in the condensed consolidated financial statements for the three months ended March 31, 2026, 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 three months ended March 31, 2026. 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 March 31, 2026.

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 US$'000	Within One year US$'000	Within Two to five years US$'000	Over five years US$'000
Principal repayment of bank loans	**506,720**	214,186	222,636	69,898
Entrusted loan payable	**28,904**	28,904	-	-

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 March 31, 20256 and March 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$126.7 million for the three months ended March 31, 2026 which increased from US$79.1 million for the three months ended March 31, 2025.

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 three months ended March 31, 2026, revenue from sales of copper concentrate and other products to CNG was US$324.9 million compared to US$192.1 million for the same period in 2025.

For the three months ended March 31, 2026, construction services of US$19.6 million were provided to the Company by subsidiaries of CNG compared to US$32.6 million for the same period in 2025.

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 15 of the condensed consolidated financial statements for details of significant related party transactions during the three months ended March 31, 2026.

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 three months ended March 31, 2026. 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 March 31, 2026.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2026, 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.

OUTSTANDING SHARES

As of March 31, 2026 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 March 31, 2026 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 March 31, 2026, 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.

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 March 31, 2026 and have concluded that these controls and procedures were effective as of March 31, 2026 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 three months ended March 31, 2026, 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.

May 14, 2026

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(incorporated in British Columbia, Canada with limited liability)

Condensed Consolidated Financial Statements
For the three months ended March 31, 2026

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026

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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2026

	NOTES	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Revenue	3	453,203	273,096
Cost of sales		(160,433)	(155,443)
Mine operating earnings		292,770	117,653
Expenses			
General and administrative expenses	4	(15,100)	(12,232)
Exploration and evaluation expenditure		(171)	(508)
Research and development expenses		(5,459)	(3,296)
		(20,730)	(16,036)
Income from operations		272,040	101,617
Other (expenses) income			
Foreign exchange loss, net		(2,464)	(2,654)
Interest and other income		1,703	1,809
Finance costs	5	(4,065)	(5,002)
		(4,826)	(5,847)
Profit before income tax		267,214	95,770
Income tax expenses	6	(30,843)	(9,791)
Profit for the period		236,371	85,979
Other comprehensive (expenses) income for the period			
Item that will not be reclassified to profit or loss:			
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")		(30,288)	3,364
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		26,229	2,485
Other comprehensive (expenses) income for the period		(4,059)	5,849
Total comprehensive income for the period		232,312	91,828

	NOTE	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Profit for the period attributable to			
Non-controlling interests		2,412	966
Owners of the Company		233,959	85,013
		236,371	85,979
Total comprehensive income for the period attributable to			
Non-controlling interests		2,412	966
Owners of the Company		229,900	90,862
		232,312	91,828
Earnings per share - Basic and diluted (US cents)	8	59.02	21.45
Weighted average number of common shares - Basic and diluted	8	396,413,753	396,413,753

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT MARCH 31, 2026

	NOTES	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Current assets			
Cash and cash equivalents		603,438	399,402
Restricted bank balance		41,834	34,162
Term deposits		361,303	305,884
Trade and other receivables	9	10,100	8,246
Prepaid expenses and deposits		1,494	1,794
Inventories	10	275,920	294,536
		1,294,089	1,044,024
Non-current assets			
Prepaid expenses and deposits		1,578	74
Right-of-use assets		104,188	104,519
Equity instruments at FVTOCI	16	103,587	133,875
Property, plant and equipment	11	1,344,439	1,339,447
Intangible assets	11	720,209	724,647
Other non-current assets		10,106	9,949
		2,284,107	2,312,511
Total assets		3,578,196	3,356,535
Current liabilities			
Accounts and other payables and accrued expenses	12	343,348	181,828
Contract liabilities		9,948	10,063
Borrowings	13	214,186	217,004
Entrusted loan payable		28,904	28,454
Lease liabilities		1,502	1,417
Tax liabilities		38,459	25,253
		636,347	464,019
Net current assets		657,742	580,005
Total assets less current liabilities		2,941,849	2,892,516
Non-current liabilities			
Accounts and other payables and accrued expenses	12	25,446	25,419
Borrowings	13	292,534	287,981
Lease liabilities		12,472	12,628
Deferred tax liabilities		133,126	135,665
Deferred income		19	19
Environmental rehabilitation		95,669	93,778
		559,266	555,490
Total liabilities		1,195,613	1,019,509

	NOTE	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Owners' equity			
Share capital	14	1,229,061	1,229,061
Reserves		262,926	266,985
Retained profits		860,740	813,095
		2,352,727	2,309,141
Non-controlling interests		29,856	27,885
Total owners' equity		2,382,583	2,337,026
Total liabilities and owners' equity		3,578,196	3,356,535

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on May 14, 2026 and are signed on its behalf by:

(Signed by) Chenguang Hou	(Signed by) Yingbin Ian He
Chenguang Hou Director	Yingbin Ian He Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026

		Attributable to owners of the Company								
	Number of shares	Share capital US$'000	Equity reserve US$'000	Investment revaluation reserve US$'000	Exchange reserve US$'000	Statutory reserve US$'000	Retained profits US$'000	Subtotal US$'000	Non - controlling interests US$'000	Total owners' equity US$'000
At January 1, 2025	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 period	-	-	-	-	-	-	85,013	85,013	966	85,979
Fair value gain on equity instruments at FVTOCI	-	-	-	3,364	-	-	-	3,364	-	3,364
Exchange difference arising on translation	-	-	-	-	2,485	-	-	2,485	-	2,485
Total comprehensive income for the period	-	-	-	3,364	2,485	-	85,013	90,862	966	91,828
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(308)	(308)
At March 31, 2025 (unaudited)	396,413,753	1,229,061	11,179	30,953	(67,813)	131,267	518,653	1,853,300	24,426	1,877,726
At January 1, 2026	396,413,753	1,229,061	11,179	113,053	(44,305)	187,058	813,095	2,309,141	27,885	2,337,026
Profit for the period	-	-	-	-	-	-	233,959	233,959	2,412	236,371
Fair value loss on equity instruments at FVTOCI	-	-	-	(30,288)	-	-	-	(30,288)	-	(30,288)
Exchange difference arising on translation	-	-	-	-	26,229	-	-	26,229	-	26,229
Total comprehensive income for the period	-	-	-	(30,288)	26,229	-	233,959	229,900	2,412	232,312
Dividend declared	-	-	-	-	-	-	(186,314)	(186,314)	-	(186,314)
Dividends paid to NCI	-	-	-	-	-	-	-	-	(441)	(441)
At March 31, 2026 (unaudited)	396,413,753	1,229,061	11,179	82,765	(18,076)	187,058	860,740	2,352,727	29,856	2,382,583

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Net cash from operating activities	268,703	143,530
Investing activities		
Interest received	1,551	737
Payment for acquisition of property, plant and equipment	(16,053)	(24,720)
Proceeds from disposal of property, plant and equipment	3	-
Placement of term deposits	(201,459)	(111,484)
Redemption of term deposits	151,094	48,774
Net cash used in investing activities	(64,864)	(86,693)
Financing activities		
Repayment of bank and other borrowings	(5,000)	-
Dividend paid to a non-controlling shareholder of a subsidiary	(441)	(308)
Repayments of lease liabilities	(514)	(27)
Net cash used in financing activities	(5,955)	(335)
Net increase in cash and cash equivalents	197,884	56,502
Cash and cash equivalents, beginning of period	399,402	183,779
Effect of foreign exchange rate changes on cash and cash equivalents	6,152	211
Cash and cash equivalents, end of period	603,438	240,492
Cash and cash equivalents are comprised of cash and bank deposits	603,438	240,492

1. BASIS OF PREPARATION AND SIGNIFICANT EVENT DURING THE CURRENT PERIOD

1.1 Basis of preparation

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 People's Republic of China (the "PRC"). 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 condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"), which should be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

The condensed consolidated financial statements are presented in United States Dollars ("US$"), which is the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended March 31, 2026 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2025.

In the current interim period, the Group has applied the following amendments to International Financial Reporting Standards ("IFRSs") as issued by IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. 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 services:

	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
At a point in time		
Gold doré bars	126,705	79,094
Copper	170,659	93,496
Other by-products	155,839	100,506
Total revenue	453,203	273,096

(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.

Segment information

IFRS 8 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 of copper concentrate including other by-products to external clients.

3. REVENUE AND SEGMENT INFORMATION - continued

Segment information - continued

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 three months ended March 31, 2026

	Mine - produced gold US$'000 (unaudited)	Mine - produced copper concentrate US$'000 (unaudited)	Segment total US$'000 (unaudited)	Unallocated US$'000 (unaudited)	Consolidated US$'000 (unaudited)
Revenue - external and segment revenue	126,705	326,498	453,203	-	453,203
Cost of sales	(46,663)	(113,770)	(160,433)	-	(160,433)
Mining operating earnings	80,042	212,728	292,770	-	292,770
Income from operations	79,870	193,136	273,006	(966)	272,040
Foreign exchange loss	(2,072)	(314)	(2,386)	(78)	(2,464)
Interest and other income	1,236	500	1,736	(33)	1,703
Finance costs	(78)	(2,445)	(2,523)	(1,542)	(4,065)
Profit (loss) before income tax	78,956	190,877	269,833	(2,619)	267,214

For the three months ended March 31, 2025

	Mine - produced gold US$'000 (unaudited)	Mine - produced copper concentrate US$'000 (unaudited)	Segment total US$'000 (unaudited)	Unallocated US$'000 (unaudited)	Consolidated US$'000 (unaudited)
Revenue - external and segment revenue	79,094	194,002	273,096	-	273,096
Cost of sales	(44,539)	(110,904)	(155,443)	-	(155,443)
Mining operating earnings	34,555	83,098	117,653	-	117,653
Income from operations	34,047	68,522	102,569	(952)	101,617
Foreign exchange gain (loss)	(2,667)	28	(2,639)	(15)	(2,654)
Interest and other income	737	1,022	1,759	50	1,809
Finance costs	(86)	(3,862)	(3,948)	(1,054)	(5,002)
Profit (loss) before income tax	32,031	65,710	97,741	(1,971)	95,770

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 gain (loss), 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 three months ended March 31, 2026 and 2025.

3. REVENUE AND SEGMENT INFORMATION - continued

Segment information - continued

(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 March 31, 2026 (unaudited)					
Total assets	831,851	2,627,872	3,459,723	118,473	3,578,196
Total liabilities	60,778	870,857	931,635	263,978	1,195,613
As of December 31, 2025 (audited)					
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

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.

4. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Administration and office	1,900	2,681
Depreciation of property, plant and equipment	1,876	1,598
Depreciation of right-of-use assets	13	24
Professional fees	626	514
Salaries and benefits	5,085	4,959
Others	5,600	2,456
Total general and administrative expenses	15,100	12,232

5. FINANCE COSTS

	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Interests on borrowings	3,491	4,276
Interests on provision of mining rights	153	199
Interests on lease liabilities	213	11
Accretion on environmental rehabilitation	419	684
	4,276	5,170
Less: Amounts capitalised to property, plant and equipment	(211)	(168)
Total finance costs	4,065	5,002

6. INCOME TAX EXPENSES

	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	29,938	12,377
Under provision in prior year – PRC EIT	3,444	-
	33,382	12,377
Deferred tax:		
PRC EIT	(2,539)	(2,586)
Total income tax expenses	30,843	9,791

7. DIVIDEND

During the three months ended March 31, 2026, a dividend in respect of the year ended December 31, 2025 of US$0.47 (three months ended March 31, 2025: US$0.08) per common share, comprising the basic dividend of US$0.35 (three months ended March 31, 2025: US$0.05), and the special dividend of US$0.12 (three months ended March 31, 2025: US$0.03), in an aggregate amount of US$186,314,000 (three months ended March 31, 2025: US$31,713,000), has been declared by the directors of the Company upon the approval of the board resolution dated March 30, 2026.

8. EARNINGS PER SHARE

Profit used in determining earnings per share are presented below:

	Three months ended March 31,	
	2026 (unaudited)	2025 (unaudited)
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share (US$'000)	233,998	85,013
Weighted average number of common shares, basic	396,413,753	396,413,753
Basic and diluted earnings per share (US cents)	59.02	21.45

The Group has no outstanding potential dilutive instruments issued as at March 31, 2026 and 2025 and during the periods ended March 31, 2026 and 2025. Therefore, diluted earnings per share is the same as the basic earnings per share.

9. TRADE AND OTHER RECEIVABLES

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Trade receivables	2,327	2,111
Less: allowance for credit losses	(349)	(344)
	1,978	1,767
Amounts due from related companies (note 15(a)) [1]	1,535	2,762
Other receivables	6,587	3,717
Total trade and other receivables	10,100	8,246

[1] The amounts are unsecured, interest free and repayable on demand.

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.

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Less than 30 days	916	714
31 to 90 days	271	241
91 to 180 days	213	3
Over 180 days	578	809
Total trade receivables	1,978	1,767

10. INVENTORIES

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Gold in process	241,227	249,498
Gold doré bars	-	8,283
Consumables	8,596	9,713
Copper concentrates	3,319	5,017
Spare parts	22,778	22,025
Total inventories	275,920	294,536

Inventories totalling US$143.1 million for the three months ended March 31, 2026 (three months ended March 31, 2025: US$142.1 million) was recognised in cost of sales.

11. PROPERTY, PLANT AND EQUIPMENT/ INTANGIBLE ASSETS

During the three months ended March 31, 2026, the Group incurred US$13.5 million on construction in progress (for the three months ended March 31, 2025: US$16.6 million) and US$0.6 million on mineral assets (for the three months ended March 31, 2025: US$3.8 million), respectively.

Depreciation of property, plant and equipment was US$30.2 million for the three months ended March 31, 2026 (for the three months ended March 31, 2025: US$33.0 million). The depreciation amount was partly recognized in cost of sales and general and administrative expenses and partly capitalized in inventory.

Intangible assets mainly comprising mining rights. No addition of mining rights was incurred during the three months ended March 31, 2026 and 2025. Amortisation of mining rights was US$6.1 million for the three months ended March 31, 2026 (for the three months ended March 31, 2025: US$7.0 million). The amortisation amounts were recognised in cost of sales.

12. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

Accounts and other payables and accrued expenses comprise the following:

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Accounts payable	39,682	36,021
Construction cost payables	79,171	91,181
Mining royalties payable (note a)	31,065	50,577
Payable for acquisition of a mining right	1,220	1,201
Payroll and benefit payable	1,836	2,085
Mining cost accrual	2,240	1,544
Dividend payable	186,314	-
Other accruals	3,685	2,472
Other tax payable	17,910	13,006
Other payables	5,671	9,160
Total accounts and other payables and accrued expenses	368,794	207,247
Current	343,348	181,828
Non-current	25,446	25,419
Total accounts and other payables and accrued expenses	368,794	207,247

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.

12. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES - continued

As at March 31, 2026, the mining royalties payable consist of: (i) RMB176.1 million (US$25.4 million) (December 31, 2025: RMB235.9 million (US$33.6 million)), representing the present value of the remaining three annual instalments (December 31, 2025: four annual instalments); and (ii) RMB38.9 million (US$5.6 million) (year ended December 31, 2025: RMB119.6 million (US$17.0 million)), representing royalties payable based on invoiced revenue and ore yield during the period:

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Present value of remaining three (as at December 31, 2025: four) annual instalments	25,446	33,567
Royalties payable based on invoiced revenue and ore yield during the period/year	5,619	17,010
Total mining royalties payable	31,065	50,577

13. BORROWINGS

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Bank loans	422,898	422,467
Loans payable to a CNG's subsidiary (note 15)	83,822	82,518
	506,720	504,985

The borrowings are repayable as follows:

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Carrying amount repayable within one year	214,186	217,004
Carrying amount repayable within one to two years	109,113	107,415
Carrying amount repayable within two to five years	113,523	111,756
Carrying amount repayable over five years	69,898	68,810
	506,720	504,985
Less: Amounts due within one year (shown under current liabilities)	(214,186)	(217,004)
Amounts shown under non-current liabilities	292,534	287,981

13. BORROWINGS - continued

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

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Mining rights	718,451	723,579

Borrowings carry interest at effective interest rates ranging from 1.25% to 4.16% (December 31, 2025: 1.25% to 4.36%) per annum.

In respect of a bank loan with a carrying amount of US$348,897,000 as at March 31, 2026 (December 31, 2025: US$343,467,000), 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; the ratio of current asset to current liabilities of the borrower must be more than 0.5, among others.

14. SHARE CAPITAL

Common shares

(i) Authorized - Unlimited common shares without par value

(ii) Issued and outstanding

	Number of shares	Amount US$'000
Issued and fully paid:		
At January 1, 2025, December 31, 2025 (audited) and March 31, 2026 (unaudited)	396,413,753	1,229,061

15. SIGNIFICANT 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, 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 management believes that information relating to related party transactions have been adequately disclosed in accordance with the requirements of IAS 24 "Related party disclosures".

15. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

In addition to the related party transactions and balances shown elsewhere in these condensed 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 three months ended March 31, 2026 and 2025, and related party balances as at March 31, 2026 and December 31, 2025.

Name and relationship with related parties during the period/year are as follows:

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

	March 31, 2026 % (unaudited)	December 31, 2025 % (audited)
CNG	40.01	40.01

(a) Transactions/balances with CNG and its subsidiaries

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

	Three months ended March 31, 2026 US$'000 (unaudited)	Three months ended March 31, 2025 US$'000 (unaudited)
Gold doré bars sales by the Group	126,705	79,094
Copper and other by-product sales by the Group	324,867	192,077
Provision of transportation services by the Group	605	492
Construction, stripping and mining services provided to the Group	19,611	32,567
Accrued property management fee	117	113
Commitment fee	148	149
Interest income	824	1,225
Interest expense on loans payable to a CNG's subsidiary and entrusted loan payable	630	610
Interest expense on lease liabilities	6	10

15. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

(a) Transactions/balances with CNG and its subsidiaries - continued

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

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Assets		
Amounts due from related companies (Note 9)	1,535	2,762
Cash and cash equivalents held in a CNG's subsidiary	331,724	179,182
Temp deposits held in a CNG's subsidiary	130,069	206,294
Total amounts due from CNG and its subsidiaries	463,328	388,238

Other than the cash and cash equivalents held in a CNG's subsidiary, the remaining amounts due from CNG and its subsidiaries as at March 31, 2026 and December 31, 2025, which are included in trade and other receivables are non-interest bearing, unsecured and repayable on demand.

	March 31, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Liabilities		
Entrusted loan payable	28,904	28,454
Loans payable to a CNG's subsidiary (Note 13)	83,822	82,518
Construction costs payable to CNG's subsidiaries	9,896	12,207
Trade payable to CNG's subsidiaries	2,359	2,246
Amounts due to CNG	1,458	1,786
Contract liabilities with a CNG's subsidiary	9,945	10,025
Leased liabilities to a CNG's subsidiary	482	469
Total amounts due to CNG and its subsidiaries	136,866	137,705

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.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

(b) Compensation of key management personnel

The Group has the following compensation to key management personnel during the period:

	Three months ended March 31,	
	2026	2025
	US$'000	US$'000
	(unaudited)	(unaudited)
Salaries and other benefits	107	102
Post-employment benefits	7	7
	114	109

16. FINANCIAL INSTRUMENTS

As at March 31, 2026 and December 31, 2025, the Group's investments in equity securities include equity securities listed on the Stock Exchange of Hong Kong Limited ("SEHK") and unlisted companies incorporated in the PRC.

Investment in equity securities listed on the Stock Exchange of US$103,387,000 (December 31, 2025: US$133,678,000) is measured based on the unadjusted quoted price available on the Stock Exchange (Level 1 fair value measurement). The Group's investment in listed equity securities represent investment in a company registered in Hong Kong and listed on SEHK, who, together with its' subsidiaries, are principally engaged in mining, processing and trading of nonferrous metals in Zambia and Democracy Republic of Congo.

In addition, investment in an unlisted company incorporated in the PRC of US$200,000 (December 31, 2025: US$197,000) are measured at fair value based on Level 3 inputs.

The Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

17. 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 Company's subsidiary, Tibet Huatailong Mining Development Co. Ltd. ("Huatailong"). 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 (the "Cooperation Agreement") whereby 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") to the Group within two years from the date of the Cooperation Agreement (the "Land Exchange").

(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 December 31, 2025.

In 2025, 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 17 (i)(b) below.

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 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 RMB29.80 million (equivalent to US$4,307,000). 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 March 31, 2026.

17. CONTINGENCIES - continued

(i) Litigation with Huaxin and Zhongxinfang - continued

(b) *Litigations with Zhongxinfang for the recovery of construction costs*

During the year ended December 31, 2020, Huatailong filed a lawsuit against Zhongxinfang for the recovery of the construction costs of RMB149 million (equivalents 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 March 31, 2026 and up to the date of these condensed 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 March 31, 2026, 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 March 31, 2026 and up to the date these condensed 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 condensed 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, 2025 and 2024.

17. CONTINGENCIES - continued

(ii) Litigation with Zhejiang Huaye Mining Construction Group Co., Ltd. ("Huaye")

In 2025, 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 March 31, 2026, the lawsuit is still in progress. 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 period ended March 31, 2026.

Subsequent to the end of the financial period, on May 6, 2026, Huaye has withdrawn the lawsuit and the withdrawal has been approved by the relevant court.