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

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

(Hong Kong Stock Code: 2099)

(Toronto Stock Code: CGG)

**RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**FINANCIAL HIGHLIGHTS**

	<b>For the Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Revenues	<b>756,646</b>	459,434
Net profit (loss)	<b>65,298</b>	(22,969)
Basic earnings (loss) per share (cents)	<b>15.82</b>	(6.43)
Diluted earnings(loss) per share (cents)	<b>N/A</b>	N/A
Net cash flows from operations	<b>306,896</b>	1,574
Property, plant and equipment	<b>1,375,498</b>	1,481,901
Property, plant and equipment capital expenditures	<b>48,286</b>	59,352
Cash and cash equivalents	<b>183,779</b>	97,237
Working capital	<b>326,988</b>	170,759

**RESULTS**

The board of directors (the “Board”) of China Gold International Resources Corp. Ltd. (the “Company”) together with its subsidiaries, referred hereto as the “Group”) is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2024 with comparative figures for the comparable period in 2023, as follows:

## MANAGEMENT'S DISCUSSION AND ANALYSIS



The following Management Discussion and Analysis of financial condition and results of operations (“MD&A”) is prepared as of March 27, 2025. It should be read in conjunction with the consolidated financial statements and notes thereto of China Gold International Resources Corp. Ltd. (referred to herein as “China Gold International”, the “Company”, “we” or “our” as the context may require) for the three months and year ended December 31, 2024 and the three months and year ended December 31, 2023, 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 27, 2025 on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), [www.chinagoldintl.com](http://www.chinagoldintl.com) and [www.hkex.com.hk](http://www.hkex.com.hk). For further information on risks and other factors that could affect the accuracy of forward-looking statements and the result of operations of the Company, please refer to the sections titled “Forward-Looking Statements” and “Risk Factors” and to discussions elsewhere within this MD&A. China Gold International’s business, financial condition or results of operations could be materially and adversely affected by any of these risks.

## **FORWARD-LOOKING STATEMENTS**

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

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

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## THE COMPANY

### Overview

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

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

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





## Performance Highlights

### *Three months ended December 31, 2024*

- Revenue increased by 312% to US\$293.6 million from US\$71.3 million for the same period in 2023.
- Mine operating earnings of US\$122.2 million, increased by US\$124.1 million from mine operating loss of US\$1.9 million for the same period in 2023.
- Net profit of US\$68.3 million increased by US\$85.8 million from net loss of US\$17.5 million for the same period in 2023.
- Cash flow from operation of US\$62.7 million, increased from cash used in operation of US\$20.9 million for the same period in 2023.
- Total gold production increased by 137% to 60,406 ounces from 25,500 ounces for the same period in 2023.
- Total copper production was 44.1 million pounds (approximately 20,020 tonnes) an increase from 184,077 pounds (approximately 83 tonnes) for the same period in 2023.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Year ended December 31, 2024

- Revenue increased by 65% to US\$756.6 million from US\$459.4 million for the same period in 2023.
- Mine operating earnings of US\$186.9 million, increased by US\$106.5 million from mine operating earnings of US\$80.4 million for the same period in 2023.
- Net income of US\$65.3 million increased by US\$88.3 million from net loss of US\$23.0 million for the same period in 2023.
- Cash flow from operation of US\$306.9 million, increased by US\$305.3 million from US\$1.6 million for the same period in 2023.
- Total gold production increased by 10% to 162,652 ounces from 147,963 ounces for the same period in 2023.
- Total copper production was 105.7 million pounds (approximately 47,929 tonnes) which increased by 139% from 44.2 million pounds (approximately 20,051 tonnes) for the same period in 2023.

Operations of the Jiama Mine began to gradually recommence as of December 15, 2023. The Phase II processing plant with a daily processing capacity of 34,000 tonnes resumed operations on May 30, 2024. The Phase I processing plant which had been in operation during the production ramp up phase ceased operations. Gold production of the CSH Mine decreased in 2024 as compared to the respective 2023 period due to the late stage of open-pit mining. The accrual of US\$58.1 million of proceeds from the assignment of mining rights of the Jiama Mine covering the period from July 2017 to December 2024, recognized in the third and fourth quarter, had a significant impact on mine operating earnings and net profit for the year ended December 31, 2024.

## Selected Annual Information\*

	Year ended December 31				
	2024	2023	2022	2021	2020
<i>US\$ Millions except for per share</i>					
Total revenue	<b>757</b>	459	1,105	1,137	864
Income from operations	<b>123</b>	32	317	333	154
Net profit (loss)	<b>65</b>	(23)	225	269	114
Basic earnings (loss) per share (cents)	<b>15.82</b>	(6.43)	56.19	67.44	28.24
Diluted earnings (loss) per share (cents)	<b>N/A</b>	N/A	N/A	N/A	N/A
Total assets	<b>2,936</b>	2,835	3,195	3,257	3,323
Total non-current liabilities	<b>809</b>	802	653	1,080	1,284

\* Prepared under IFRS

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OUTLOOK

On March 27, 2023, an overflow occurred at the Guolanggou Tailings Dam at Jiama Mine (the “overflow”). The Company quickly contained and repaired the breach to ensure no damage to the environment or neighbouring communities. Subsequent to the overflow, Jiama Mine suspended its operations while the Company conducted a comprehensive safety assessment of and repair work on its tailings dam with the assistance and supervision of government safety authorities.

The overflow occurred at the top 19th subsequent dyke of the Guolanggou Tailings Dam. However, other levels of subsequent dykes and the starter dyke were also damaged to varying degrees. The Company has conducted a comprehensive inspection and assessment of all 19 levels of subsequent dykes and the starter dyke of the tailings dam and has made permanent repairs and reinforcements of the dam. Due to the uncertainty of the date of full resumption of production at Jiama Mine, the Company withdrew its annual production guidance for 2023 as set out in the announcement of the Company dated January 20, 2023. On December 15, 2023, certain operations began gradual resumption following the receipt of approval from the Lhasa Municipal Government. As of May 30, 2024, subject to the approvals of the Government of Tibet Autonomous Region and relevant departments of the central government, the Phase II processing plant resumed operations with a daily processing capacity of 34,000 tonnes, which is lower than the design processing capacity. The Phase I processing plant which had been in operation during the production ramp up phase ceased operations. 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. The CSH Mine reduced the mining rate at the end of the third quarter and in the fourth quarter of 2023 in order to enhance the management and maintenance of open pit slopes. As of January 4, 2024, the works on slope maintenance have been completed and the mining activities, including mining, hauling, crushing and heaping, have returned to their normal operating level. The resumption of full mining activities at the CSH Mine has laid a solid foundation for enhancing the Company's financial and production performance in 2024.

Inconsideration of the events, the Company reports separate production guidance for the two mines in 2025.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CSH Mine:

- It is expected that the gold production range will be 77,162 ounces to 83,592 ounces (approximately 2.4 tonnes to 2.6 tonnes) in 2025.

## Jiama Mine:

- It is expected that the copper production range will be 139 million pounds to 148 million pounds (approximately 63,000 tonnes to 67,000 tonnes) in 2025;
- It is expected that the gold production range will be 69,124 ounces to 73,947 ounces (approximately 2.15 tonnes to 2.3 tonnes) in 2025.

## 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 "Yulongbu 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 Yulongbu 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 Yulongbu tailings storage facility, the Jiama Mine's ore processing volume will return to the level of 50,000 tonnes per day, in line with the designed processing capacity of the processing plants. In addition, endeavors are underway so that the production levels at the Jiama Mine will restore to those before the Guolanggou tailings overflow through blending of high-grade underground ores.
- The Company is also working to delineate new resources at satellite deposits near the Jiama Mine. The Company has been actively conducting geological exploration work in two areas: the Bayi Ranch and the Zegulang North, both of which have shown significant resource potential. The Company will provide an update on the exploration progress and results in due course. Subject to the final exploration outcomes and feasibility studies on resource development, the Company will formulate a comprehensive expansion plan for the Jiama Mine area. This study has already been initiated at a preliminary stage.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## RESULTS OF OPERATIONS

### Selected Quarterly Financial Data

(US\$ in thousands except per share)	Quarter ended							
	31-Dec	2024			2023			
		30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
Revenue	<b>293,567</b>	254,581	147,955	60,543	71,315	62,325	73,016	252,778
Cost of sales	<b>171,413</b>	207,762	118,512	72,039	73,219	76,616	79,166	150,068
Mine operating earnings (loss)	<b>122,154</b>	46,819	29,443	(11,496)	(1,904)	(14,291)	(6,150)	102,710
General and administrative expenses	<b>17,877</b>	9,944	10,649	9,096	10,071	11,399	7,896	9,584
Exploration and evaluation expenditures	<b>247</b>	49	50	92	393	271	45	35
Research and development expenses	<b>8,118</b>	4,704	2,113	787	867	1,756	1,442	4,642
Income (loss) from operations	<b>95,912</b>	32,122	16,631	(21,471)	(13,235)	(27,717)	(15,533)	88,449
Foreign exchange (loss) gain	<b>(4,631)</b>	2,670	(443)	(157)	(579)	1,092	(11,679)	3,310
Finance costs	<b>5,313</b>	5,692	5,722	5,663	5,651	5,737	6,880	6,706
Profit (loss) before income tax	<b>85,540</b>	30,166	3,924	(26,410)	(20,476)	(32,440)	(52,907)	87,152
Income tax expense (credit)	<b>17,223</b>	2,293	8,768	(362)	(2,965)	(1,662)	432	8,493
Net profit (loss)	<b>68,317</b>	27,873	(4,844)	(26,048)	(17,511)	(30,778)	(53,339)	78,659
Basic earnings (loss) per share (cents)	<b>16.97</b>	6.84	(1.36)	(6.63)	(4.51)	(7.99)	(13.55)	19.62
Diluted earnings per share (cents)	<b>N/A</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Selected Quarterly and Annual Production Data and Analysis

CSH Mine	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Gold sales (US\$ million)	<b>78.80</b>	49.85	<b>246.95</b>	252.60
Realized average price (US\$) of gold per ounce	<b>2,659</b>	2,024	<b>2,453</b>	1,962
Gold produced (ounces)	<b>36,719</b>	24,290	<b>108,188</b>	128,760
Gold sold (ounces)	<b>29,641</b>	24,626	<b>100,682</b>	128,728
Total production cost (US\$ per ounce)	<b>1,721</b>	1,611	<b>1,645</b>	1,420
Cash production cost <sup>(1)</sup> (US\$ per ounce)	<b>1,306</b>	1,303	<b>1,064</b>	952

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

The CSH Mine reduced the mining rate at the end of the third and fourth quarters of 2023 in order to enhance the management and maintenance of open pit slopes, which was the primary cause of lower gold production in 2024 compared to the respective 2023 period. Gold production at the CSH Mine increased by 51% to 36,719 ounces for the three months ended December 31, 2024 compared to 24,290 ounces for the same period in 2023. The total production cost of gold for the three months ended December 31, 2024 increased by 7% to US\$1,721 per ounce compared to US\$1,611 for the same period in 2023. The cash production cost of gold for the three months ended December 31, 2024 remained consistent at US\$1,306 per ounce from US\$1,303 for the same period in 2023.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Jiama Mine	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Copper sales (US\$ in millions)	<b>106.16</b>	12.88	<b>283.22</b>	147.28
Realized average price 1(US\$) of copper per pound after smelting fee discount	<b>2.42</b>	2.39	<b>2.71</b>	3.17
Copper produced (tonnes)	<b>20,020</b>	83	<b>47,929</b>	20,051
Copper produced (pounds)	<b>44,135,873</b>	184,077	<b>105,664,184</b>	44,203,779
Copper sold (tonnes)	<b>19,931</b>	2,449	<b>47,421</b>	21,054
Copper sold (pounds)	<b>43,940,061</b>	5,399,496	<b>104,545,457</b>	46,415,465
Gold produced (ounces)	<b>23,688</b>	1,210	<b>54,464</b>	19,203
Gold sold (ounces)	<b>23,520</b>	2,444	<b>53,963</b>	20,208
Silver produced (ounces)	<b>1,479,708</b>	75,549	<b>3,231,408</b>	829,973
Silver sold (ounces)	<b>1,473,027</b>	135,324	<b>3,193,073</b>	858,191
Lead produced (tonnes)	<b>13,503</b>	–	<b>27,896</b>	–
Lead produced (pounds)	<b>29,768,128</b>	–	<b>61,500,340</b>	–
Lead sold (tonnes)	<b>13,360</b>	–	<b>27,493</b>	–
Lead sold (pounds)	<b>29,453,697</b>	–	<b>60,612,685</b>	–
Zinc produced (tonnes)	<b>6,575</b>	–	<b>14,663</b>	–
Zinc produced (pounds)	<b>14,495,121</b>	–	<b>32,326,595</b>	–
Zinc sold (tonnes)	<b>6,479</b>	–	<b>14,442</b>	–
Zinc sold (pounds)	<b>14,282,878</b>	–	<b>31,839,913</b>	–
Moly produced (tonnes)	<b>120</b>	–	<b>354</b>	231
Moly produced (pounds)	<b>264,753</b>	–	<b>780,704</b>	509,327
Moly sold (tonnes)	<b>234</b>	–	<b>234</b>	209
Moly sold (pounds)	<b>515,217</b>	–	<b>515,217</b>	461,601
Total production cost <sup>2</sup> (US\$) of copper per pound	<b>3.31</b>	8.04	<b>4.44</b>	5.17
Total production cost <sup>2</sup> (US\$) of copper per pound after by-products credits <sup>4</sup>	<b>0.89</b>	6.91	<b>2.32</b>	3.96
Cash production cost <sup>4</sup> (US\$) per pound of copper	<b>2.65</b>	7.29	<b>3.62</b>	3.89
Cash production cost <sup>3</sup> (US\$) of copper per pound after by-products credits <sup>4</sup>	<b>0.23</b>	6.16	<b>1.50</b>	2.68

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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Due to the overflow of the tailings dam on March 27, 2023, production at the Jiama Mine was suspended during most of 2023. On December 15, 2023, certain operations began gradual resumption following the receipt of approval from the Lhasa Municipal Government. The resumption of operations includes the underground void management and the restart of the Phase I processing plant with a daily processing capacity of 6,000 tonnes. As of May 30, 2024, with the approvals of the Government of Tibet Autonomous Region and relevant departments of the central government, the Phase II processing plant resumed operations with a daily processing capacity of 34,000 tonnes. The Phase I processing plant which has been in operation during the production ramp up phase ceased operations.

During the three months ended December 31, 2024, The Jiama Mine produced 20,020 tonnes (approximately 44.1 million pounds) of copper. Operations were halted for the majority of the fourth quarter of 2023 and began gradual resumption on December 15, 2023, resulting in copper production of 83 tonnes (approximately 184,077 pounds) during the comparative three month period in 2023.

### Review of Quarterly and Annual Data

#### *Three months ended December 31, 2024 compared to three months ended December 31, 2023*

**Revenue** of US\$293.6 million for the fourth quarter of 2024, increased by US\$222.3 million from US\$71.3 million for the same period in 2023.

Revenue from the CSH Mine was US\$78.8 million, an increase of US\$29.0 million from US\$49.8 million for the same period in 2023. Realized average gold price increased by 31% from US\$2,024/oz in Q4 2023 to US\$2,659/oz in Q4 2024. Gold sold by the CSH Mine was 29,641 ounces (gold produced: 36,719 ounces), compared to 24,626 ounces (gold produced: 24,290 ounces) for the same period in 2023.

Revenue from the Jiama Mine was US\$214.8 million, an increase of US\$193.3 million, compared to US\$21.5 million for the same period in 2023. The Jiama Mine experienced an operational suspension at the end of Q1 2023 due to a tailings dam overflow. Production began to gradually resume with the reactivation of the Phase I processing plant on December 15, 2023. Operational capacity at 34,000 tonnes per day was restored with the Phase II processing plant resuming operations effective May 30, 2024. Realized average price of copper decreased by 17% from US\$2.93/pound in Q4 2023 to US\$2.42/pound in Q4 2024. Total copper sold was 19,931 tonnes (43.9 million pounds) for the three months ended December 31, 2024, an increase of 714% from 2,449 tonnes (5.4 million pounds) for the same period in 2023.

**Cost of sales** of US\$171.4 million for the quarter ended December 31, 2024, an increase of US\$98.2 million from US\$73.2 million for the same period in 2023. The cost of sales increased due to the resumption of operations at the Jiama Mine, leading to higher production costs as the Phase I and Phase II processing plants were reactivated.

**Mine operating earnings** of US\$122.2 million for the three months ended December 31, 2024, an increase of US\$124.1 million from a loss of US\$1.9 million for the same period in 2023.

**General and administrative expenses** increased by US\$7.8 million, from US\$10.1 million for the quarter ended December 31, 2023 to US\$17.9 million for the quarter ended December 31, 2024, was driven by higher operational support costs associated with the resumption of production at the Jiama Mine.

**Research and development expenses** of US\$8.1 million for the three months ended December 31, 2024, increased from US\$0.8 million for the comparative 2023 period. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

**Income from operations** of US\$95.9 million for the fourth quarter of 2024, increased by US\$109.1 million, compared to a loss of US\$13.2 million for the same period in 2023.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Foreign exchange loss** of US\$4.6 million for the three months ended December 31, 2024, increased from US\$0.6 million for the same period in 2023. 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 a negative US\$0.1 million for the three months ended December 31, 2024, decreased from US\$1.1 million for the same period in 2023, primarily due to recognition of US\$2.3 million asset and inventory impairment loss in the current quarter, as well as lower interest income earned compared to the same period in 2023.

**Other expense** of US\$0.3 million for the three months ended December 31, 2024, decreased from US\$2.1 million for the same period in 2023. During the current quarter, the Company accrued interest of US\$0.3 million on the estimated litigation compensation. Refer to Note 31 Contingencies of the consolidated financial statements for details.

**Finance costs** of US\$5.3 million for the three months ended December 31, 2024, decreased by US\$0.4 million compared to US\$5.7 million for the same period in 2023. The decrease was primarily due to a reduction in total outstanding borrowings.

**Income tax expense** of US\$17.2 million for the three months ended December 31, 2024, increased by US\$20.2 million from a tax credit of US\$3.0 million for the comparative period in 2023. During the current quarter, the Company had US\$9.1 million of deferred tax credit compared to a deferred tax expense of US\$4.1 million for the same period in 2023.

**Net income** of US\$68.3 million for the three months ended December 31, 2024, increased by US\$85.8 million from a loss of US\$17.5 million for the three months ended December 31, 2023.

### *Year ended December 31, 2024 compared to year ended December 31, 2023*

**Revenue** of US\$756.6 million for the year ended December 31, 2024, increased by US\$297.2 million from US\$459.4 million for the same period in 2023.

Revenue from the CSH Mine was US\$246.9 million, a decrease of US\$5.7 million from US\$252.6 million for the same period in 2023. The CSH Mine, which utilizes the heap leaching method, reduced the mining rate towards the end of the third quarter and continued through the fourth quarter of 2023 to enhance the management and maintenance of the open pit slopes. This reduction impacted the gold output for the current year. As of January 3, 2024, the CSH Mine has returned to full production operations. Realized average gold price increased by 25% from US\$1,962/oz in 2023 to US\$2,453/oz for the same period in 2024. Gold sold by the CSH Mine was 100,682 ounces (gold produced: 108,188 ounces), compared to 128,728 ounces (gold produced: 128,760 ounces) for the same period in 2023.

Revenue from the Jiama Mine was US\$509.7 million, an increase of US\$302.9 million, compared to US\$206.8 million for the same period in 2023. The Jiama Mine experienced an operational suspension at the end of Q1 2023 due to a tailings dam overflow. Production began to gradually resume with the reactivation of the Phase I processing plant on December 15, 2023. Operational capacity at 34,000 tonnes per day was restored with the Phase II processing plant resuming operations effective May 30, 2024. Realized average price of copper decreased by 15% from US\$3.17/pound in 2023 to US\$2.71/pound for the same period in 2024. Total copper sold was 47,421 tonnes (104.5 million pounds) for the year ended December 31, 2024, an increase of 125% from 21,054 tonnes (46.4 million pounds) for the same period in 2023.

**Cost of sales** of US\$569.7 million for the year ended December 31, 2024, an increase of US\$190.6 million from US\$379.1 million for the same period in 2023. The increase was primarily attributed to the higher production costs as the Phase I and Phase II processing plants of the Jiama Mine were reactivated, and the accrual of US\$58.1 million of proceeds from the assignment of mining rights of the Jiama Mine covering the period from July 2017 to December 2024, recognized in the Q3 and Q4 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Mine operating earnings** of US\$186.9 million for the year ended December, 2024, an increase of US\$106.5 million from US\$80.4 million for the same period in 2023.

**General and administrative expenses** increased by US\$8.6 million, from US\$39.0 million for the year ended December 31, 2023 to US\$47.6 million for the year ended December 31, 2024, primarily due to higher operational support costs associated with the resumption of production at the Jiama Mine.

**Research and development expenses** of US\$15.7 million for the year ended December 31, 2024, increased from US\$8.7 million for the comparative 2023 period. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

**Income from operations** of US\$123.2 million for the year ended December 31, 2024, increased by US\$91.2 million, compared to US\$32.0 million for the same period in 2023.

**Foreign exchange loss** of US\$2.6 million for the year ended December 31, 2024, decreased from US\$7.9 million for the same period in 2023. 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\$5.1 million for the year ended December 31, 2024, decreased from US\$7.0 million for the same period in 2023, primarily due to lower interest income earned during the current year compared to the prior year.

**Other expense** of US\$10.1 million for the year ended December 31, 2024, decreased from US\$24.8 million for the same period in 2023. In the current period, the Company incurred a one-time penalty of US\$8.7 million related to land use at the Jiama Mine and also accrued interest of US\$1.4 million on the estimated litigation compensation. By comparison to last year, the Company recognized estimated litigation compensation of US\$24.8 million arising from the litigation between Huaxin Construction Group Co., Ltd., Zhongxinfang, and the Company's subsidiary, Tibet Huatailong Mining Development Co. Ltd., in Q2 2023. Refer to Note 31 Contingencies of the consolidated financial statements for details.

**Finance costs** of US\$22.4 million for the year ended December 31, 2024, decreased by US\$2.6 million compared to US\$25.0 million for the same period in 2023. The decline was mainly driven by strategic management of the Company's loan portfolio, optimizing exposure to lower interest rates and thereby reducing overall financing expenses.

**Income tax expense** of US\$27.9 million for the year ended December 31, 2024, increased by US\$23.6 million from US\$4.3 million for the comparative period in 2023. During the current period, the Company recorded a deferred tax expense of US\$10.3 million, compared to a deferred tax credit of US\$23.7 million for the same period in 2023.

**Net income** of US\$65.3 million for the year ended December 31, 2024, increased by US\$88.3 million from a loss of US\$23.0 million for the year ended December 31, 2023.

### 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 December 31,				Year ended December 31,			
	2024		2023		2024		2023	
	US\$	US\$ Per ounce	US\$	US\$ Per ounce	US\$	US\$ Per ounce	US\$	US\$ Per ounce
Total Cost of sales <sup>1</sup>	51,018,707	1,721	39,668,246	1,611	165,574,005	1,645	182,798,035	1,420
Adjustment – Depreciation & depletion	(12,164,347)	(410)	(7,549,248)	(307)	(57,678,651)	(573)	(59,343,019)	(461)
Adjustment – Amortization of intangible assets	(163,015)	(5)	(16,265)	(1)	(787,919)	(8)	(862,716)	(7)
Total cash production costs	38,691,345	1,306	32,102,733	1,303	107,107,435	1,064	122,592,300	952
Total Gold sold ounces		29,655		24,626		100,682		128,728

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 pound is calculated as total cash production cost divided by total copper sold (pounds).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	Jiama Mine (Copper with by-products credits)							
	Three months ended December 31,				Year ended December 31,			
	2024		2023		2024		2023	
	US\$	US\$ Per Pound	US\$	US\$ Per Pound	US\$	US\$ Per Pound	US\$	US\$ Per Pound
Total Cost of sales	<b>120,395,116</b>	<b>2.74</b>	33,550,439	6.21	<b>404,152,493</b>	<b>3.87</b>	196,271,032	4.23
General and administrative expenses	<b>17,020,625</b>	<b>0.39</b>	9,012,112	1.67	<b>43,581,877</b>	<b>0.42</b>	34,811,865	0.75
Research and development expenses	<b>8,118,595</b>	<b>0.18</b>	867,058	0.16	<b>15,722,098</b>	<b>0.15</b>	8,707,418	0.19
Total production cost	<b>145,534,336</b>	<b>3.31</b>	43,429,609	8.04	<b>463,456,468</b>	<b>4.44</b>	239,790,315	5.17
Adjustment – Depreciation & depletion	<b>(21,527,256)</b>	<b>(0.49)</b>	(4,029,491)	(0.75)	<b>(66,877,508)</b>	<b>(0.64)</b>	(50,281,408)	(1.08)
Adjustment – Amortization of intangible assets	<b>(7,399,660)</b>	<b>(0.17)</b>	–	–	<b>(19,117,739)</b>	<b>(0.18)</b>	(9,493,836)	(0.20)
Total cash production costs	<b>116,607,420</b>	<b>2.65</b>	39,400,118	7.29	<b>377,461,221</b>	<b>3.62</b>	180,015,071	3.89
By-products credits	<b>(106,554,080)</b>	<b>(2.42)</b>	(6,127,061)	(1.13)	<b>(221,844,500)</b>	<b>(2.12)</b>	(56,157,793)	(1.21)
Total cash production costs after by-products credits	<b>10,053,340</b>	<b>0.23</b>	33,273,057	6.16	<b>155,616,721</b>	<b>1.50</b>	123,857,278	2.68
Total Copper sold pounds	<b>43,940,061</b>		5,399,496		<b>104,545,457</b>		46,415,465	

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

### MINERAL PROPERTIES

#### The CSH Mine

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Company continues to evaluate the potential for underground operations.

The major new contracts entered into during the year ended December 31, 2024:

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Construction contract of 2024 Open-pit slope treatment project	China National Gold Group Third Engineering Co., Ltd	4.1	2024.5.10-11.30	2024.5.10
2	Supplementary Design and Construction Contract for 2024 Open-pit Slope Treatment Project	China National Gold Group Third Engineering Co., Ltd	4.0	2024.11.14-2025.10.31	2024.11.14
3	Pulverized ore transportation and Heap Leaching Site construction contract	Wulate Zhongqi Taiyue Earthwork Engineering C. Ltd.	5.9	2024.12.21-2027.12.20	2024.12.18

### Production Update

CSH Mine	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Ore mined and placed on pad (tonnes)	<b>1,576,243</b>	–	<b>9,208,842</b>	9,969,641
Average ore grade (g/t)	<b>0.41</b>	–	<b>0.58</b>	0.53
Recoverable gold (ounces)	<b>13,187</b>	–	<b>102,866</b>	102,702
Ending gold in process (ounces)	<b>146,169</b>	143,995	<b>146,169</b>	143,995
Waste rock mined (tonnes)	<b>2,800,938</b>	–	<b>10,548,732</b>	18,304,384

For the three months ended December 31, 2024, the total amount of ore placed on the leach pad was 1.6 million tonnes, with total contained gold of 13,187 ounces (410.2 kilograms). The overall accumulative project-to-date gold recovery rate increased to approximately 56.46% at the end of December 31, 2024 from 56.05% at the end of September 30, 2024. Of which, gold recovery from the phase I and phase II heap leach pads were 59.77% and 54.28% at December 31, 2024, respectively.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Exploration

In 2023, a diamond drilling exploration program in the mining permit area was completed with the total meterage of 1,290.78 and 3 holes. The preparation of the mineral reserve update report is ongoing in 2024. Additionally, a diamond drilling exploration program in the exploration permit area has been completed with the total meterage of 4,172.14 and 4 holes. The sample assay reports have been received.

CSH Gold Mine has conducted a drilling program from May 16th to December 15th of 2024. Three diamond drilling holes DDH9400-5, DDH9200-4 and DDH9200-3 with total 3307.11 meterage have been drilled, which is 92.38% of planned 3,580m. The third hole DDH9200-3 has drilled 1114.01 m and takes up 80.73% of planned 1380m, which will resume drilling after the weather warms up in April 2025.

### Mineral Resource Update

CSH Mine Mineral Resources by category, at December 31, 2024 under NI 43-101 are listed below:

Location	Mineral Resource Category	Tonnage (x1000 t)	Metal		
			Au (g/t)	Au (t)	Au (Moz)
Remaining within the open pit limit at a cut-off grade of 0.28 g/t Au	Measured	12,538	0.63	7.89	0.25
	Indicated	12,002	0.69	8.25	0.27
	M+I	24,540	0.66	16.13	0.52
	Inferred	2,576	0.41	1.04	0.03
Underground at a cut-off grade of 0.30 g/t Au	Measured	88,200	0.67	58.66	1.89
	Indicated	89,850	0.58	52.07	1.67
	M+I	178,050	0.62	110.72	3.56
	Inferred	62,090	0.49	30.68	0.99

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

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

Resource Estimate by CGME Consulting Limited on August 19, 2022 and updated by Tony Guo, P.Geo., a qualified person as defined by NI 43-101.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Mineral Reserves Update

CSH Mine Mineral Reserves by category at December 31, 2024 under NI 43-101 are summarized below:

Type	T (x 1,000)	Diluted Au g/t	Metal	
			Au t	Au Moz
Proven	11,989	0.61	7.34	0.24
Probable	11,477	0.67	7.69	0.25
<b>Total</b>	<b>23,466</b>	<b>0.64</b>	<b>15.02</b>	<b>0.48</b>

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

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

Reserve Estimate by CGME Consulting Limited on August 19, 2022 and updated by Tony Guo, P.Geo., a qualified person as defined by NI 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.

The major new contracts entered into during the year ended December 31, 2024:

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Contract for Blasting Engineering Construction Services of Tibet Huatailong Mining Development Co., Ltd.	Tibet Zhongjin Xinlian Blasting Engineering Co., Ltd	6.22	2024.03-2024.04	2024.03
2	Contract for Ecological Restoration of the Waste Dump of Niumatang of Tibet Huatailong Mining Development Co., Ltd.	China National Gold Group Third Engineering Co., Ltd	3.05	2024.05-2026.11	2024.05
3	Contract for loans of working capital of Agricultural Bank of China Co., Ltd.	Agricultural Bank of China, Ltd. Chengguan District Branch, Lhasa	42.12	2024.01-2026.12	2024.01
4	Contract for Ecological Restoration of Seabuckthorn Planting on Mine Slope of Tibet Huatailong Mining Development Co., Ltd.	China National Gold Group Third Engineering Co., Ltd	3.05	2024.05-2027.04	2024.05

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
5	Framework Agreement for Land Supply for Jiama Copper Polymetallic Mine Yulongbu Tailings Storage Facility of Tibet Huatailong Mining Development Co., Ltd.	Natural Resources Bureau of Mozhugonka County	9.72	2024.06-2024.06	2024.06
6	Contract for Jiama Copper Polymetallic Mine Hornfels Open-Pit Waste Dump Road of Tibet Huatailong Mining Development Co., Ltd	Zhejiang Huaye Mining and Construction Group Co., Ltd	2.90	2024.04-2025.02	2024.04
7	Contract for Blasting Engineering Construction Services of Tibet Huatailong Mining Development Co., Ltd.	Tibet Gaozheng Blasting Engineering Co., Ltd.	10.64	2024.03-2024.04	2024.03
8	Contract in relation to the Operation and Maintenance Project of the Phase II (open pit and underground) Breakaway System of Tibet Huatailong Mining Development Co., Ltd.	Zhejiang Baoshu Construction Group Co., Ltd.	5.72	2025.01-2027.12	2024.12
9	Contract for the South Open-Pit Production Phase Mining and Stripping (2024-2029) of Jiama Copper-Polymetallic Mine of Tibet Huatailong Mining Development Co., Ltd	China National Gold Group Corporation Construction Co., Ltd	182.06	2024.04-2029.03	2024.04
10	Agreement for the Renewal of Mining Rights Contract	Department of Natural Resources of Tibet Autonomous Region	51.66	2023.10-2043.10	2024.08
11	Contract for Subdam Construction and Drainage Engineering of Guolanggou Tailing Reservoir Levels 19-22 of Tibet Huatailong Mining Development Co., Ltd.	Mining and Metallurgy Technology Group Co., Ltd., Shandong Water Conservancy Construction Group Co., Ltd.	17.97	2024.05-2025.05	2024.05
12	Contract for loans of working capital of Agricultural Bank of China Co., Ltd	Agricultural Bank of China, Ltd. Chengguan District Branch, Lhasa	28.08	2024.5-2027.04	2024.05
13	Supplementary Agreement to the 2022-2023 Copper-Lead-Zinc Mixture Concentrate Powder Purchase and Sale Contract	China National Gold Group International Trading Co., Ltd.	280.83	2022.01-2025.06	2024.08
14	Molybdenum Concentrate Powder Purchase and Sale Contract	China National Gold Group Trading Co., Ltd. (Shanghai)	50.55	2024.12-2025.12	2024.12
15	Supplementary Agreement to the 2022-2024 Copper Concentrate Powder Purchase and Sale Contract of Tibet Huatailong Mining Development Co., Ltd.	China National Gold Group International Trading Co., Ltd.	84.25	2024.12-2025.02	2024.12

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Item No.	Contract Name	Counterpart	Subject amount (US\$ millions)	Contract period (effective day and expiration date)	Date of Contract
16	Cement	China National Jinyu Gold Materials and Equipment Co., Ltd.	8.20	2024.07-2025.06	2024.07
17	Cement	China National Jinyu Gold Materials and Equipment Co., Ltd.	8.26	2024.10-2025.10	2024.10
18	Cement	China National Jinyu Gold Materials and Equipment Co., Ltd.	5.26	2024.04-2025.04	2024.04
19	Sodium hydrosulfide	Shandong Xingtai Chemical Co., Ltd.	3.09	2024.01-2025.01	2024.01
20	Sodium hydrosulfide	Fengshi chemical (Shanghai) Co., Ltd	4.85	2024.11-2025.11	2024.11
21	Steel ball	Tongling Non-ferrous Jinshen Wear Resistant Material Co., Ltd.	3.26	2024.11-2025.11	2024.11
22	Steel ball	Changshu Longte Grinding Ball Co., Ltd.	3.56	2024.11-2025.11	2024.11
23	A batch of lime	Tibet Chengsong Trading Co., Ltd	2.84	2024.02-2024.06	2024.02
24	Contract for loans of working capital	China National Gold Group Finance Co., Ltd.	24.27	2024.08-2027.08	2024.08

### Production Update

Jiama Mine	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Ore processed (tonnes)	<b>3,095,471</b>	43,392	<b>8,197,448</b>	4,280,227
Average copper ore grade (%)	<b>0.78</b>	0.89	<b>0.71</b>	0.73
Copper recovery rate (%)	<b>82</b>	69	<b>82</b>	64
Average gold grade (g/t)	<b>0.32</b>	0.39	<b>0.29</b>	0.21
Gold recovery rate (%)	<b>74</b>	68	<b>70</b>	68
Average silver grade (g/t)	<b>21.91</b>	23.99	<b>19.72</b>	9.57
Silver recovery rate (%)	<b>68</b>	56	<b>62</b>	63
Average lead grade (%)	<b>1.16</b>	—	<b>1.24</b>	—
Lead recovery rate (%)	<b>78</b>	—	<b>75</b>	—
Average zinc grade (%)	<b>0.61</b>	—	<b>0.68</b>	—
Zinc recovery rate (%)	<b>72</b>	—	<b>72</b>	—
Average Moly grade (%)	<b>0.03</b>	—	<b>0.029</b>	0.029
Moly recovery rate (%)	<b>24.97</b>	—	<b>23.20</b>	18.64

The Jiama Mine has gradually resumed production starting from the Phase I processing plant on December 15, 2023. As of May 30, 2024, with the approvals of the Government of Tibet Autonomous Region and relevant departments of the central government, the Phase II processing plant resumed operations with a daily processing capacity of 34,000 tonnes. The Phase I processing plant which has been in operation during the production ramp up phase ceased operations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Exploration

In 2024, Huatailong Mining Development Co., Ltd. planned two geological exploration programs in the Jiama mining area including a detailed exploration on the copper-lead project around the current mining license and a prospecting exploration on the Bayi Ranch copper project. The planned work programs included 20 drill holes with 15,370 drilling meters, 37.31 square kilometers of geological prospecting, 26 square kilometers of soil sampling, and 26 square kilometers of rock sampling. The total estimated budget of RMB34.47 million, approximately US\$4.9 million. As of December 31, 2024, the construction of accessing roads and drilling pads for the copper-lead project surrounding the existing mining license in the Jiama Mining Area has been completed, and the drilling works have been commenced; The geological mapping of 30.7 square kilometers, soil sampling of 17 square kilometers and 18.3 square kilometers of rock sampling have been completed in the Bayi Ranch prospecting program. According to the current workload completed, the investment amount budgeted in 2024 has reached RMB6.57 million, approximately US\$925,000.

### Mineral Resources Estimate

Jiama Mine resources by category as of December 31, 2024 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, 2024													
Class	Quantity	Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Cu Metal	Mo Metal	Pb Metal	Zn Metal	Au Moz	Ag Moz
	Mt							(kt)	(kt)	(kt)	(kt)		
Measured	91.12	0.38	0.04	0.04	0.02	0.07	5.04	346.86	33.42	33.30	16.70	0.21	14.76
Indicated	1304.05	0.40	0.03	0.05	0.03	0.10	5.48	5164.30	448.51	609.51	377.78	4.15	229.63
M+I	1395.17	0.40	0.03	0.05	0.03	0.10	5.45	5511.16	481.93	642.81	394.48	4.36	244.39
Inferred	406.10	0.31	0.03	0.08	0.04	0.10	5.13	1258.91	121.83	324.88	175.00	1.31	66.98

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

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

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

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

The Mineral Resources include the Mineral Reserves

Original Resource Estimate by Runge Pincock Minarco on 12th November of 2012 and updated by Tony Guo, P.Geo, a Qualified Person as defined by NI 43-101.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Mineral Reserves Estimate

Jiama Mine reserves by category as of December 31, 2024 under NI 43-101:

Jiama Project Statement of NI 43-101 Mineral Reserve Estimate as of December 31, 2024														
Class	Quantity		Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Cu Metal	Mo Metal	Pb Metal	Zn Metal	Au Moz	Ag Moz
	Mt								(kt)	(kt)	(kt)	(kt)		
Proven	17.14		0.60	0.05	0.02	0.02	0.19	7.66	102.54	8.63	3.91	2.64	0.11	4.22
Probable	330.62		0.60	0.03	0.13	0.07	0.16	10.38	1972.02	113.69	417.82	230.75	1.69	110.36
P+P	347.76		0.60	0.04	0.12	0.07	0.16	10.25	2074.56	122.32	421.73	233.38	1.79	114.58

Notes:

- All Mineral Reserves have been estimated in accordance with the JORC code and have been reconciled to CIM standards as prescribed by the NI 43-101.
- Mineral Reserves were estimated using the following mining and economic factors:
  - Open Pits:
    - 5% dilution factor and 95% recovery were applied to the mining method;
    - an overall slope angles of 43 degrees;
    - a copper price of US\$2.9/lbs;
    - an overall processing recovery of 88 – 90% for copper
  - Underground:
    - 10% dilution added to all Sub-Level Open Stopping;
    - Stope recovery is 87% for Sub-Level Open Stopping;
    - An overall processing recovery of 88 – 90% for copper.
- The cut-off grade for Mineral Reserves has been estimated at copper equivalent grades of 0.3% Cu (NSR) for the open pits and 0.45% Cu (NSR) for the underground mine.
- Mineral Reserves have been estimated by Runge Pincock Minarco on 12th November of 2012 and updated by Mining One Pty Ltd. In 2014 and by Tony Guo, P.Geo, a Qualified Person as defined by NI 43-101 in 2024.

## LIQUIDITY AND CAPITAL RESOURCES

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

At December 31, 2024, the Company had an accumulated surplus of US\$433.6 million, working capital of US\$327.0 million and borrowings of US\$742.2 million. The Company's cash balance at December 31, 2024 was US\$368.7 million, among which cash and cash equivalents was US\$183.8 million, Restricted cash was US\$66.7 million, term deposits was US\$118.2 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\$148.7 million of short term debt facilities with interest rates ranging from 1.85% to 5.35% per annum arranged through various banks. In addition, on November 3, 2015, the Company entered into a Loan Facility agreement with a syndicate of banks, led by Bank of China. The lenders agreed to lend an aggregate principal amount of RMB3.98 billion, approximately US\$613 million with the interest rate of 2.83% per annum. The People's Bank of China Lhasa Center Branch's interest rate serves as a local benchmark for the interest on the drawdowns. The bank's interest rate is then discounted by 7 basis points (or 0.07%) to calculate the interest on the drawdowns. The loan interest rate was adjusted from benchmark interest rate minus 7 basis points to 5 year loan prime rate ("LPR") less 2% (LPR-2%) in second quarter of 2020. The interest rate of 1.95% shall be applied for the current year. The proceeds from the Loan Facility are to be used for the development of the Jiama Mine. The loan is secured by the mining rights for the Jiama Mine. As of December 31, 2024 the Company has drawn down RMB3.79 billion, approximately US\$534.2 million under the Loan Facility. On April 29, 2020, the Company entered into a Loan Facility agreement with a syndicate of banks. The lenders agreed to lend an aggregate principal amount of RMB1.4 billion, approximately US\$197.8 million with the interest rate of 1.95% per annum currently, maturing on April 28, 2034.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company obtained a loan in the aggregate principal amount of RMB300 million, approximately US\$41.5 million, with Lhasa Chengguan District Sub branch of Agricultural Bank of China Co. Ltd bearing interest at 2.05% on May 31, 2023. The Company obtained a loan in the aggregate principal amount of RMB400 million, approximately US\$55.4 million, with China Gold Finance bearing interest at the 2.05% on May 31, 2023. The Company obtained a loan in the aggregate principal amount of RMB400 million, approximately US\$55.4 million, with Tibet Autonomous Region Branch of China Construction Bank bearing interest at the 2.05% on June 13, 2023. The Company obtained a loan in the aggregate principal amount of RMB192 million, approximately US\$26.6 million, with Industrial Bank Corporation Lhasa Branch bearing interest at the 1.95% on June 25, 2023. The Company obtained a loan in the aggregate principal amount of RMB100 million, approximately US\$13.8 million, with Mozhugonka County Sub-branch of Agricultural Bank of China bearing interest at the 1.95% on June 26, 2023. The Company repaid its 2.8% unsecured bonds which matured on June 23, 2023. The Company obtained a loan in the aggregate principal amount of RMB100 million, approximately US\$14.1 million, with China Construction Bank bearing interest at the 1.85% on November 9, 2023. The Company obtained a loan in the aggregate principal amount of RMB380 million, approximately US\$53.7 million, with China Gold Finance bearing interest at the 2.45% on November 30, 2023. The Company obtained a loan in the aggregate principal amount of RMB300 million, approximately US\$42.1 million with Lhasa Chengguan District Sub branch of Agricultural Bank of China Co. Ltd bearing interest at 1.85% on January 17, 2024. The Company obtained loan in the aggregate principal amount of RMB200 million, approximately US\$28.1 million with Lhasa Chengguan District Sub branch of Agricultural Bank of China Co. Ltd. bearing interest at 1.85% on May 13, 2024, with a three year term. The Company obtained loan in the aggregate principal amount of US\$44 million with China Construction Bank bearing floating interest with term SOFR on May 13, 2024. The Company obtained a loan in the aggregate principal amount of US\$20 million with China Construction Bank bearing floating interest with term SOFR on June 7, 2024. The Company obtained a loan in the aggregate principal amount of US\$15 million with DBS Bank Ltd. bearing floating interest with term SOFR on June 12, 2024.

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



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CASH FLOWS

The following table sets out selected cash flow data from the Company's to remove consolidated cash flow statements for the year ended December 31, 2024 and December 31, 2023.

	Year ended December 31,	
	2024	2023
	US\$'000	US\$'000
Net cash from operating activities	306,896	1,574
Net cash used in investing activities	(204,875)	(121,302)
Net cash used in financing activities	(16,171)	(205,233)
Net increase (decrease) in cash and cash equivalents	85,850	(324,961)
Effect of foreign exchange rate changes on cash and cash equivalents	692	(6,255)
Cash and cash equivalents, beginning of period	97,237	428,453
<b>Cash and cash equivalents, end of period</b>	<b>183,779</b>	<b>97,237</b>

### Operating cash flow

For the year ended December 31, 2024, net cash inflow from operating activities was US\$306.9 million which is primarily attributable (i) depreciation of property, plant and equipment of US\$121.3 million (ii) profit before income tax of 93.2 million and (iii) decrease in accounts payables and accrued liabilities of US\$68.4 million, partially offset by (i) interest paid of US\$19.5 million and (ii) income taxes paid of US\$9.5 million.

### Investing cash flow

For the year ended December 31, 2024, the net cash outflow from investing activities was US\$204.9 million which is primarily attributable to (i) placement of term deposits of US\$133.4 million, (ii) payment for acquisition of property, plant and equipment of US\$48.3 million (iii) payment for acquisition of land use right and deposit of US\$35.1 million, and (iv) addition of mining rights of US\$1.2 million, offset by release of term deposit of US\$14.0 million.

### Financing cash flow

For the year ended December 31, 2024, the net cash outflow mainly from financing activities was US\$16.2 million which is primarily attributable to repayments of borrowings of US\$157.0 million offset by proceeds from borrowings of US\$142.6 million.

### Expenditures Incurred

For the year ended December 31, 2024, the Company incurred mining costs of US\$58.0 million, mineral processing costs of US\$93.0 million and transportation costs of US\$2.9 million.

### Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at December 31, 2024, the Company's total debt was US\$742.2 million and the total equity was US\$1,786.2 million. The Company's gearing ratio was therefore 0.42 as at December 31, 2024 compared to 0.46 as at September 30, 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Other than as disclosed elsewhere in this MD&A or in the consolidated financial statements for the year ended December 31, 2024, there were no significant investments held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2024. 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 consolidated financial statements, none of the Company's assets were pledged as at December 31, 2024.

### **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, 2024.

### **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, 2024.

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

	<b>Total</b>	<b>Within</b>	<b>Within Two</b>	<b>Over</b>
	<b>US\$'000</b>	<b>One year</b>	<b>to five years</b>	<b>five years</b>
		<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Principal repayment of bank loans	<b>714,352</b>	148,696	467,769	97,887
Entrusted loan payable	<b>27,823</b>	—	27,823	—

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### RELATED PARTY TRANSACTIONS

China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation) ("CNG") owned 40.01 percent of the outstanding common shares of the Company as at December 31, 2023 and December 31, 2024.

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\$246.9 million for the year ended December 31, 2024 which decreased from US\$252.6 million for the year ended December 31, 2023.

The Company is also a party to a Product and Service Framework Agreement with CNG, pursuant to which CNG provides construction, procurement and equipment financing services to the Company and also purchases the copper concentrates produced at the Jiama Mine. The quantity of copper concentrates, pricing terms and payment terms may be established from time to time by the parties with reference to the pricing principles for connected transactions set out under the Product and Service Framework Agreement. On June 28, 2017, the Supplemental Product and Service Framework Agreement was approved and extended to expire on December 31, 2020. On June 16, 2020, the third Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026. For the year ended December 31, 2024, revenue from sales of copper concentrate and other products to CNG was US\$505.1 million compared to US\$190.9 million for the same period in 2023.

For the year ended December 31, 2024, construction services of US\$91.3 million were provided to the Company by subsidiaries of CNG (US\$62.9 million for the year ended December 31, 2023).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Refer to Note 30 of the consolidated financial statements for details of significant related party transactions during the year ended December 31, 2024.

### **PROPOSED TRANSACTIONS**

The Board of Directors has given the Company approval to conduct reviews of a number of projects that may qualify as acquisition targets through joint venture, merger and/or outright acquisitions. The Company did not have any material acquisition and disposal of subsidiaries and associated companies for the year ended December 31, 2024. 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, 2024.

### **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, 2024.

### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company holds a number of financial instruments, the most significant of which are equity securities, accounts receivables, accounts payables, cash and loans. The financial instruments are recorded at either fair values or amortized amount on the balance sheet. The Company did not have any financial derivatives or outstanding hedging contracts as at December 31, 2024.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2024, the Company had not entered into any off-balance sheet arrangements.

## DIVIDEND AND DIVIDEND POLICY

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

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

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

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

Subsequent to the end of the reporting period, a dividend in respect of the year ended December 31, 2024 of US\$0.08 per common share, (the basic dividend of US\$0.05, and the special dividend of US\$0.03) in an aggregate amount of US\$31,713,000, has been declared by the directors of the Company upon the approval of the board resolution dated March 26, 2025.

## OUTSTANDING SHARES

As of December 31, 2024 the Company had 396,413,753 common shares issued and outstanding.

## DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the Company's DC&P and ICFR as of December 31, 2024 and, in accordance with the requirements established under Canadian National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of December 31, 2024, and provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the Company's ICFR as of December 31, 2024 and have concluded that these controls and procedures were effective as of December 31, 2024 and provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the year ended December 31, 2024, 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](http://www.sedarplus.ca) and [www.hkex.com.hk](http://www.hkex.com.hk).

### **QUALIFIED PERSON**

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

March 27, 2025

# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

*(incorporated in British Columbia, Canada with limited liability)*

## **OPINION**

We have audited the consolidated financial statements of China Gold International Resources Corp. Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 36 to 118, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **KEY AUDIT MATTER**

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

# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)**

*(incorporated in British Columbia, Canada with limited liability)*

## **KEY AUDIT MATTER (Cont'd)**

### **Key audit matter**

*Impairment assessment of property, plant and equipment, right-of-use assets and mining rights related to the Group's Jiama Copper-Gold Polymetallic Mine ("Jiama Mine")*

We identified the impairment assessment of property, plant and equipment, right-of-use assets and mining rights related to the Jiama Mine as a key audit matter due to significant management judgement and estimation involved in the impairment assessment.

As at December 31, 2024, the carrying amounts of property, plant and equipment, right-of-use assets and mining rights related to Jiama Mine were approximately US\$1,225 million, US\$23 million and US\$751 million, respectively.

Subsequent to the tailings overflow that occurred due to minor tailing dam damages from the Guolanggou tailings pond at Jiama Mine on March 27, 2023 and the resumption of the Phase I processing plant of the Jiama Mine on December 15, 2023, on May 30, 2024, the Phase II processing plant of the Jiama Mine have resumed operations with a daily processing capacity of 34,000 tonnes, and the Phase I processing plant, which has been in operation during the production ramp up phase, has ceased operations temporarily in consideration of capacity of the tailings pond that the tailings can be discharged. As at December 31, 2024, the resumption of operations at the Jiama Mine has not yet recovered to its maximum daily processing capacity.

The Group's cash-generating unit ("CGU") for impairment assessment purposes include the related property, plant and equipment, right-of-use assets and mining rights associated with Jiama Mine. Value in use ("VIU") is based on the discounted cash flows expected to be derived from the Group's CGU, taking into account the appropriate discount rates.

As disclosed in note 4 to the consolidated financial statements, the management exercises significant judgement and estimation in respect of the key assumptions applied in the VIU calculation, such as future metal selling prices, recoverable reserves, resources, production cost estimates, future operating costs and discount rates.

During the year ended December 31, 2024, no impairment loss was recognised for property, plant and equipment, right-of-use assets and mining rights related to Jiama Mine.

### **How our audit addressed the key audit matter**

Our procedures in relation to the impairment assessment of property, plant and equipment, right-of-use assets and mining rights related to Jiama Mine included:

- Obtaining an understanding of the key controls over the impairment assessment of the property, plant and equipment, right-of-use assets and mining rights related to Jiama Mine;
- Assessing the appropriateness of the Group's identification of individual CGU;
- Evaluating the sensitivity analysis for the key assumptions in the valuation models for risk assessment;
- Engaging our internal valuation experts to evaluate the appropriateness of the valuation methodology, technical information and the key assumptions used in the valuation models against external benchmarks, our knowledge of the Group and its industry;
- Assessing the reasonableness of the key assumptions used in the valuation models with reference to the historical accuracy of such forecasts and the current operational results; and
- Comparing the key input data in the cash flow forecast to the source documents.



TO THE SHAREHOLDERS OF

**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)**

*(incorporated in British Columbia, Canada with limited liability)*

**OTHER INFORMATION**

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

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

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

**RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)**

*(incorporated in British Columbia, Canada with limited liability)*

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

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

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

TO THE SHAREHOLDERS OF

**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)**

*(incorporated in British Columbia, Canada with limited liability)*

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Li Fung Tun.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

March 27, 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTES	2024 US\$'000	2023 US\$'000
Revenue	5	756,646	459,434
Cost of sales		<u>(569,726)</u>	<u>(379,069)</u>
Mine operating earnings		<u>186,920</u>	<u>80,365</u>
Expenses			
General and administrative expenses	6	(47,566)	(38,950)
Exploration and evaluation expenditure		(438)	(744)
Research and development expenses		<u>(15,722)</u>	<u>(8,707)</u>
		<u>(63,726)</u>	<u>(48,401)</u>
Income from operations		<u>123,194</u>	<u>31,964</u>
Other (expenses) income			
Foreign exchange loss, net		(2,561)	(7,856)
Interest and other income		5,109	7,031
Other expenses	7	(10,132)	(24,836)
Finance costs	8	<u>(22,390)</u>	<u>(24,974)</u>
		<u>(29,974)</u>	<u>(50,635)</u>
Profit (loss) before income tax		93,220	(18,671)
Income tax expense	9	<u>(27,922)</u>	<u>(4,298)</u>
Profit (loss) for the year	10	<u>65,298</u>	<u>(22,969)</u>
Other comprehensive income (expense) for the year			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	19	1,271	9,819
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(8,422)</u>	<u>(14,757)</u>
		<u>(7,151)</u>	<u>(4,938)</u>
Total comprehensive income (expense) for the year		<u>58,147</u>	<u>(27,907)</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTE	2024 US\$'000	2023 US\$'000
Profit (loss) for the year attributable to:			
Non-controlling interests		2,566	2,531
Owners of the Company		62,732	(25,500)
		<u>65,298</u>	<u>(22,969)</u>
Total comprehensive income (expense) for the year attributable to:			
Non-controlling interests		2,567	2,541
Owners of the Company		55,580	(30,448)
		<u>58,147</u>	<u>(27,907)</u>
Earnings (loss) per share – Basic (US cents)	13	<u>15.82</u>	<u>(6.43)</u>
Weighted average number of common shares – Basic	13	<u>396,413,753</u>	<u>396,413,753</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	NOTES	2024 US\$'000	2023 US\$'000
<b>Current assets</b>			
Cash and cash equivalents	14	183,779	97,237
Restricted balances	14	66,698	67,693
Term deposits	14	118,246	–
Trade and other receivables	15	7,393	17,076
Tax recoverable		–	2,286
Prepaid expenses and deposits	16	1,513	339
Inventories	17	290,405	291,553
		<u>668,034</u>	<u>476,184</u>
<b>Non-current assets</b>			
Prepaid expenses and deposits	16	30,095	768
Right-of-use assets	18	45,957	39,791
Equity instruments at FVTOCI	19	48,411	47,153
Property, plant and equipment	20	1,375,498	1,481,901
Mining rights	21	752,414	773,117
Other non-current assets	22	15,570	15,802
		<u>2,267,945</u>	<u>2,358,532</u>
<b>Total assets</b>		<u>2,935,979</u>	<u>2,834,716</u>
<b>Current liabilities</b>			
Accounts and other payables and accrued expenses	23	175,132	158,250
Contract liabilities	24	8,099	71
Borrowings	25	148,696	143,523
Lease liabilities	27	469	540
Tax liabilities		8,650	3,041
		<u>341,046</u>	<u>305,425</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	NOTE	2024 US\$'000	2023 US\$'000
Net current assets		<u>326,988</u>	<u>170,759</u>
Total assets less current liabilities		<u>2,594,933</u>	<u>2,529,291</u>
<b>Non-current liabilities</b>			
Accounts and other payables and accrued expenses	23	32,822	–
Borrowings	25	565,656	594,711
Entrusted loan payable	26	27,823	28,238
Lease liabilities	27	459	937
Deferred tax liabilities	9	112,000	101,721
Deferred income		19	19
Environmental rehabilitation	28	<u>69,948</u>	<u>75,924</u>
		<u>808,727</u>	<u>801,550</u>
<b>Total liabilities</b>		<u>1,149,773</u>	<u>1,106,975</u>
<b>Owners' equity</b>			
Share capital	29	1,229,061	1,229,061
Reserves		99,737	97,422
Retained profits		<u>433,640</u>	<u>380,375</u>
		<u>1,762,438</u>	<u>1,706,858</u>
Non-controlling interests		<u>23,768</u>	<u>20,883</u>
<b>Total owners' equity</b>		<u>1,786,206</u>	<u>1,727,741</u>
<b>Total liabilities and owners' equity</b>		<u>2,935,979</u>	<u>2,834,716</u>

The consolidated financial statements on pages 36 to 118 were approved and authorised for issue by the Board of Directors on March 27, 2025 and are signed on its behalf by:

**Chenguang Hou**  
Director

**Yingbin Ian He**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

	Attributable to the owners of the Company							Non-controlling interests	Total owners' equity	
	Number of shares	Share capital US\$'000	Equity reserve US\$'000	Investments revaluation reserve US\$'000	Exchange reserve US\$'000	Statutory reserves US\$'000 (Note)	Retained profits US\$'000			Subtotal US\$'000
At January 1,2023	396,413,753	1,229,061	11,179	16,499	(47,108)	103,122	571,226	1,883,979	19,451	1,903,430
(Loss) profit for the year	-	-	-	-	-	-	(25,500)	(25,500)	2,531	(22,969)
Fair value gain on equity instruments at FVTOCI	-	-	-	9,819	-	-	-	9,819	-	9,819
Exchange difference arising on translation	-	-	-	-	(14,767)	-	-	(14,767)	10	(14,757)
Total comprehensive income (expenses) for the year	-	-	-	9,819	(14,767)	-	(25,500)	(30,448)	2,541	(27,907)
Transfer to statutory reserves										
- appropriation from retained profits	-	-	-	-	-	5,517	(5,517)	-	-	-
Transfer to reserve fund										
- appropriation from retained profits	-	-	-	-	-	15,937	(15,937)	-	-	-
Transfer to										
- safety production fund, net of utilisation	-	-	-	-	-	(2,776)	2,776	-	-	-
Dividends distribution (note 12)	-	-	-	-	-	-	(146,673)	(146,673)	-	(146,673)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(1,109)	(1,109)
At December 31,2023	396,413,753	1,229,061	11,179	26,318	(61,875)	121,800	380,375	1,706,858	20,883	1,727,741
Profit for the year	-	-	-	-	-	-	62,732	62,732	2,566	65,298
Fair value gain on equity instruments at FVTOCI	-	-	-	1,271	-	-	-	1,271	-	1,271
Exchange difference arising on translation	-	-	-	-	(8,423)	-	-	(8,423)	1	(8,422)
Total comprehensive income (expenses) for the year	-	-	-	1,271	(8,423)	-	62,732	55,580	2,567	58,147
Transfer to statutory reserves										
- appropriation from retained profits	-	-	-	-	-	9,436	(9,436)	-	-	-
Transfer to reserve fund										
- appropriation from retained profits	-	-	-	-	-	31	(31)	-	-	-
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(1,250)	(1,250)
Other	-	-	-	-	-	-	-	-	1,568	1,568
At December 31,2024	396,413,753	1,229,061	11,179	27,589	(70,298)	131,267	433,640	1,762,438	23,768	1,786,206

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 US\$'000	2023 US\$'000
<b>Operating activities</b>		
Profit (loss) before income tax	93,220	(18,671)
Items not requiring use of cash and cash equivalents:		
Amortisation of mining rights	19,906	10,411
Depreciation of property, plant and equipment	121,285	106,947
Depreciation of right-of-use assets	4,776	4,312
Interest income	(3,114)	(4,503)
Dividend income	(2,095)	(1,992)
Finance costs	22,390	24,974
Allowance for credit losses of trade and other receivables, net	2,051	1,668
Impairment loss of other non-current assets	–	1,872
Write-down (reversal) of inventories	291	(41)
Loss (gain) on disposal of property, plant and equipment	620	(23)
Release of deferred income	–	(220)
Unrealised foreign exchange loss, net	1,403	3,790
	<u>260,733</u>	<u>128,524</u>
Change in operating working capital items:		
Trade and other receivables	7,294	(10,110)
Prepaid expenses and deposits	(824)	383
Inventories	226	820
Contract liabilities	7,954	(6,049)
Accounts and other payables and accrued expenses	68,414	(39,165)
	<u>343,797</u>	<u>74,403</u>
Cash generated from operations	343,797	74,403
Environmental rehabilitation expense paid	(7,841)	(10,359)
Interest paid	(19,538)	(20,975)
Income taxes paid	(9,522)	(41,495)
	<u>306,896</u>	<u>1,574</u>
<b>Net cash from operating activities</b>	<b>306,896</b>	<b>1,574</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 US\$'000	2023 US\$'000
<b>Investing activities</b>		
Interest received	3,114	4,503
Dividends received from equity investment at FVTOCI	2,095	1,992
Payment for acquisition of mining rights	(1,226)	(1,273)
Payment for acquisition of property, plant and equipment	(48,286)	(59,352)
Deposits paid for water treatment project	(6,096)	-
Payment for land use right	(11,217)	(846)
Payment for deposit for acquisition of land use right	(23,906)	-
Proceeds from disposal of property, plant and equipment	-	66
Placement of restricted balances	-	(68,039)
Release of restricted balances	-	1,546
Receipt of government grant	-	101
Placement of term deposits	(133,395)	-
Release of term deposits	14,042	-
<b>Net cash used in investing activities</b>	<b>(204,875)</b>	<b>(121,302)</b>
<b>Financing activities</b>		
Repayments of borrowings	(156,955)	(401,521)
Proceeds from borrowings	142,633	316,274
Proceeds from entrusted loan advanced by a substantial shareholder	-	28,382
Dividends paid to a non-controlling shareholder	(1,250)	(1,109)
Dividends paid to shareholders	-	(146,655)
Repayments of lease liabilities	(599)	(604)
<b>Net cash used in financing activities</b>	<b>(16,171)</b>	<b>(205,233)</b>
Net increase (decrease) in cash and cash equivalents	85,850	(324,961)
Cash and cash equivalents, beginning of year	97,237	428,453
Effect of foreign exchange rate changes on cash and cash equivalents	692	(6,255)
<b>Cash and cash equivalents, end of year</b>	<b>183,779</b>	<b>97,237</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 1. GENERAL INFORMATION AND SIGNIFICANT EVENT DURING THE CURRENT YEAR

### 1.1 General information

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

The head office, principal address and registered and records office of the Company are located at Suite 660, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, Canada, V7X 1M4.

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

### 1.2 Significant event during the current year

#### ***Suspension and subsequent partial resumption of Jiama Copper-Gold Polymetallic Mine (“Jiama Mine”)***

Subsequent to the tailings overflow that occurred due to minor tailing dam damages from the Guolanggou tailings pond at the Group’s Jiama Mine on March 27, 2023 and the resumption of the Phase I processing plant of the Jiama Mine on December 15, 2023, on May 30, 2024, following the receipt of approval from the government of Tibet Autonomous Region and relevant departments of the central government, the Phase II processing plant of the Jiama Mine have resumed operations with a daily processing capacity of 34,000 tonnes, and the Phase I processing plant, which has been in operation during the production ramp up phase, has ceased operations temporarily in consideration of capacity of the tailings pond that the tailings can be discharged. As at December 31, 2024, the resumption of operations at the Jiama Mine has not yet recovered to its maximum daily processing capacity. The Group is actively advancing the construction of the Phase III tailings dam, which is expected to be completed and put into operation in 2027.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 1. GENERAL INFORMATION AND SIGNIFICANT EVENT DURING THE CURRENT YEAR (Cont'd)

### 1.2 Significant event during the current year (Cont'd)

#### *Provision of the payment arising from the mining right*

On July 24, 2024, pursuant to the Notice on Issuing the Measures for the Collection of the Income from the Transfer of Mineral Rights (Caizong (2023) No. 10) issued by the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration, effective on May 1, 2023 and the relevant administrative measures Tibet Autonomous Region (Zangcaishui (2023) No.26), effective on December 27, 2023 (together referred as the “No.10 Notice”), Tibet Huatailong Mining Development Co., Ltd. (“Huatailong”), a subsidiary of the Company, entered into an agreement with the Department of Natural Resources of Tibet Autonomous Region (“Tibet Natural Resources Dept”) in relation to the extension of mining right in Jiama Mine with a period of 20 years which will expire in October 2043, and agreed to make payments arising from its mining right in Jiama Mine amounting to RMB368 million (equivalent to US\$52,499,000) by instalments in six years to the PRC government as compensation fees for using the stated-owned natural resources in the PRC for the period starting from July 1, 2017 to April 30, 2023. In addition, according to the agreement, Huatailong is required to make annual payments arising from its mining right in Jiama Mine based on the invoiced revenue multiply appropriate yield on the ore mined starting from May 1, 2023.

On September 3, 2024, the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration issued the Notice on Issues Related to the Sales Revenue Calculation of Mineral Products in Collection of the Income from the Transfer of Mineral Rights (Ziranzifa (2024) No.173), which provides details and clarification on the basis of sales revenue calculation under No.10 Notice. Pursuant to this notice, Huatailong is required to redeclare revised calculation of payments arising from its mining right to Tibet Natural Resources Dept for further assessment if any excess payment or deficiency to be refunded or repaid.

Based on the communication with the Tibet Natural Resources Dept and the available information to the Group, the Group has made its best estimates and calculated the amount by using the revenue multiply appropriate yield on the ore mined as listed in the appendix of the No.10 Notice as at December 31, 2024. Accordingly, during the year ended December 31, 2024, the Group recognised RMB414 million (equivalent to US\$58,082,000) as cost of sales and RMB3 million (equivalent to US\$425,000) as finance costs in relation to provision for the payment arising from the mining right for the period starting from July 1, 2017 to December 31, 2024. On August 9, 2024, the Group has settled the first instalment of RMB61 million (equivalent to US\$8,750,000) according to the agreement. As at December 31, 2024, the corresponding liabilities of RMB353 million (equivalent to US\$49,057,000) is presented under “accounts and other payables and accrued expenses”.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 1. GENERAL INFORMATION AND SIGNIFICANT EVENT DURING THE CURRENT YEAR (Cont'd)

### 1.2 Significant event during the current year (Cont'd)

#### *Litigation and contingency*

During the year ended December 31, 2024, as described in note 31 to the consolidated financial statements, the Group was involved in several lawsuits and disputes with third parties related to a construction contract dispute and breach of contract, which are incidental to its normal course of business. As at December 31, 2024, US\$24 million were recognised as “accounts and other payables and accrued expenses” as set out in note 23 in relation to the construction contract dispute, which the court has ruled that the Group has joint obligation for the construction costs. In addition, the Group is currently involved in pending legal proceedings of US\$67 million in relation to the breach of contract with no provision recognised in the consolidated financial statements as the Group concludes that it is not probable that an outflow of economic benefits will be required for the pending litigation based on the new evidences and materials collected and the legal advice. Details of litigations are set out in note 31.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### ***Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the “2020 Amendments”) and Amendments to IAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)***

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Amendments to IFRS Accounting Standards that are mandatorily effective for the current year (Cont'd)

#### *Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Cont'd)*

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i. e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statement <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after January 1, 2025

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2026

<sup>4</sup> Effective for annual periods beginning on or after January 1, 2027

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

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

### New and amendments to IFRS Accounting Standards in issue but not yet effective (Cont'd)

#### *IFRS 18 Presentation and Disclosure in Financial Statements*

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

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

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

### **Basis of preparation of consolidated financial statements**

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

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

### **Material accounting policy information**

#### *Basis of consolidation*

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Basis of consolidation (Cont'd)*

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

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

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

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

#### *Revenue from contracts with customers*

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

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

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

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

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

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

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

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



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

#### Material accounting policy information (Cont'd)

##### *Revenue from contracts with customers (Cont'd)*

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

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

##### *Leases*

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

##### *The Group as a lessee*

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Foreign currencies*

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

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

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

#### *Borrowing costs*

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

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

#### *Taxation*

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

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

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

#### Material accounting policy information (Cont'd)

##### *Taxation (Cont'd)*

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

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

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

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

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

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

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

Current and deferred tax are recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Cash and cash equivalents*

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

#### *Inventories*

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

#### *Gold in process inventory*

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

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

#### *Gold doré bars inventory*

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

#### *Others*

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

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

#### Material accounting policy information (Cont'd)

##### *Inventories (Cont'd)*

##### **Provisions**

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

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

##### **Contingent liabilities**

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

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

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

##### **Environmental rehabilitation**

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Property, plant and equipment*

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

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

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

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

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

#### *Exploration and evaluation expenditure*

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

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

**Material accounting policy information (Cont'd)**

***Property, plant and equipment (Cont'd)***

***Exploration and evaluation expenditure (Cont'd)***

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

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

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

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

***Development expenditure***

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Property, plant and equipment (Cont'd)*

##### ***Production expenditure***

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

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

##### ***Depreciation***

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

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

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

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

##### ***Mining rights***

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

##### ***Mining rights acquired in a business combination***

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

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

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

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



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

#### Material accounting policy information (Cont'd)

##### *Other non-current assets*

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

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Research and development expenses*

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

#### *Financial instruments*

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

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

#### *Financial assets*

Classification and subsequent measurement of financial assets

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

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

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

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

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

#### Material accounting policy information (Cont'd)

##### *Financial instruments (Cont'd)*

##### *Financial assets (Cont'd)*

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

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

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

Equity instruments designated as at FVTOCI

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

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

Impairment of financial assets subject to impairment assessment under IFRS 9

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Material accounting policy information (Cont'd)

#### *Financial instruments (Cont'd)*

##### **Financial assets (Cont'd)**

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

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

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

Foreign exchange gains and losses

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

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

Derecognition of financial assets

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

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

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

##### **Financial liabilities and equity instruments**

Classification as debt or equity

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

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

#### Material accounting policy information (Cont'd)

##### *Financial instruments (Cont'd)*

##### *Financial liabilities and equity instruments (Cont'd)*

##### Equity instruments

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

##### Financial liabilities at amortised cost

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

##### Foreign exchange gains and losses

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

##### Derecognition of financial liabilities

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

### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### Key sources of estimation uncertainty

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### Key sources of estimation uncertainty (Cont'd)

#### (a) *Impairment of property, plant and equipment, right-of-use assets and mining rights related to Jiama Mine*

While assessing whether any indications of impairment exist for property, plant and equipment, right-of-use assets and mining rights, consideration is given to both external and internal sources of information. The Management considered operation capacity and other impairment indicators that may affect the recoverable amounts of the property, plant and equipment, right-of-use assets and mining rights. The carrying amounts of property, plant and equipment, right-of-use assets and mining rights are reviewed for impairment in accordance with IAS 36 whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. As at December 31, 2024, the daily processing capacity of the Jiama Mine has not yet recovered to its maximum capacity. This is the indicator that the carrying amounts of the Group's property, plant and equipment, right-of-use assets and mining rights may be impaired. The Group's CGU related to Jiama Mine for impairment assessment of the related property, plant and equipment, right-of-use assets and mining rights are the Group's copper mine, located in Tibet, China.

When an impairment review is undertaken, recoverable amount is assessed by reference to the higher of 1) VIU and 2) fair value less costs of disposal. In determining the recoverable amounts of the Group's property, plant and equipment, right-of-use assets and mining rights, the Group estimates the recoverable amount based on VIU and makes estimates of the discounted future pre-tax cash flows expected to be derived from the Group's CGU and the appropriate discount rate. The key assumptions used in estimating the projected cash flows are future metal selling prices, recoverable reserves, resources, production costs estimates, future operating costs and discount rate.

The Group uses its internal experts to perform the valuation for the purpose of the impairment assessment. The Management works closely with internal experts to establish the appropriate valuation techniques and inputs to the model to estimate the VIU for the property, plant and equipment, right-of-use assets and mining rights.

As at December 31, 2024, the carrying amounts of property, plant and equipment, right-of-use assets and mining rights related to Jiama Mine were approximately US\$1,225 million, US\$23 million and US\$751 million, respectively.

During the years ended December 31, 2024 and 2023, no impairment loss was recognised for the property, plant and equipment, right-of-use assets and mining rights in Jiama Mine as the recoverable amounts was higher than their respective carrying amounts.

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

##### Key sources of estimation uncertainty (Cont'd)

###### (b) *Inventories*

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

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

The Management periodically reassesses the assumptions used in the valuation of gold in process and the costing of production of gold doré bars, particularly the assumptions of the amount of gold that is expected to be recovered from the ore placed on leach pads (the "Estimated Recovery Rate"). As a result of such reassessments, an increase/decrease in the Estimated Recovery Rate would lead to a decrease/increase in the average production cost of gold doré bars. During the year, there is no change in the relevant estimation.

The carrying amounts of gold in process and gold doré bars as at December 31, 2024 and 2023 are disclosed in note 17.

###### (c) *Contingency*

The Group is involved in a legal proceeding with an independent supplier of Huatailong and has applied judgement on whether it is probable that an outflow of economic benefits will be required by taking into account the new evidences and materials collected and the legal advice. Disclosures has been set out in note 31 and no related provision has been made as of December 31, 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 5. REVENUE AND SEGMENT INFORMATION

### Revenue

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

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

	<b>2024</b>	2023
	<b>US\$'000</b>	US\$'000
At a point in time		
Gold doré bars	<b>246,946</b>	252,600
Copper	<b>283,224</b>	147,278
Other by-products	<b>226,476</b>	59,556
Total revenue	<b>756,646</b>	459,434

#### (ii) *Performance obligations for contracts with customers*

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

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

### Segment information

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Segment information (Cont'd)

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

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

Information regarding the above segments is reported below.

#### (a) Segment revenue and results

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

#### For the year ended December 31, 2024

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Segment information (Cont'd)

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

For the year ended December 31, 2023

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
Revenue – external and segment revenue	252,600	206,834	459,434	–	459,434
Cost of sales	<u>(182,798)</u>	<u>(196,271)</u>	<u>(379,069)</u>	<u>–</u>	<u>(379,069)</u>
Mining operating earnings	<u>69,802</u>	<u>10,563</u>	<u>80,365</u>	<u>–</u>	<u>80,365</u>
Income (loss) from operations	69,058	(32,957)	36,101	(4,137)	31,964
Foreign exchange loss, net	(1,115)	(3,684)	(4,799)	(3,057)	(7,856)
Interest and other income	1,475	3,364	4,839	2,192	7,031
Other expenses	–	(24,836)	(24,836)	–	(24,836)
Finance costs	<u>(779)</u>	<u>(16,539)</u>	<u>(17,318)</u>	<u>(7,656)</u>	<u>(24,974)</u>
Profit (loss) before income tax	<u>68,639</u>	<u>(74,652)</u>	<u>(6,013)</u>	<u>(12,658)</u>	<u>(18,671)</u>

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

There are no inter-segment sales for the years ended December 31, 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Segment information (Cont'd)

#### (b) Segment assets and liabilities

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

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
<b>As of December 31, 2024</b>					
Total assets	599,908	2,266,611	2,866,519	69,460	2,935,979
Total liabilities	34,886	1,033,576	1,068,462	81,311	1,149,773
<b>As of December 31, 2023</b>					
Total assets	551,635	2,226,003	2,777,638	57,078	2,834,716
Total liabilities	34,891	991,898	1,026,789	80,186	1,106,975

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Segment information (Cont'd)

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

	Mine – produced gold US\$'000	Mine – produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
<b>For the year ended December 31, 2024</b>					
Additions of property, plant and equipment	6,311	28,027	34,338	–	34,338
Additions of right-of-use assets	–	11,217	11,217	–	11,217
Depreciation of property, plant and equipment	(54,408)	(66,877)	(121,285)	–	(121,285)
Amortisation of mining rights	(788)	(19,118)	(19,906)	–	(19,906)
Depreciation of right-of-use assets	(3,606)	(1,071)	(4,677)	(99)	(4,776)
<b>For the year ended December 31, 2023</b>					
Additions of property, plant and equipment	2,113	40,163	42,276	–	42,276
Additions of right-of-use assets	49	1,762	1,811	–	1,811
Depreciation of property, plant and equipment	(56,665)	(50,281)	(106,946)	(1)	(106,947)
Amortisation of mining rights	(917)	(9,494)	(10,411)	–	(10,411)
Depreciation of right-of-use assets	(3,601)	(611)	(4,212)	(100)	(4,312)
Impairment loss of other non- current assets	–	(1,872)	(1,872)	–	(1,872)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

### Segment information (Cont'd)

#### (d) Geographical information

The Group operated in two geographical areas, Canada and the PRC. The Group's corporate division located in Canada does not have any revenue and therefore is not presented as an operating segment. During the years ended December 31, 2024 and 2023, the Group's revenue was generated from gold sales and copper multi-products to customers in the PRC. Approximately 98% (2023: 98%) of non-current assets of the Group are located in the PRC.

#### (e) Information about major customers

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

## 6. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2024 US\$'000	Year ended December 31, 2023 US\$'000
Administration and office	6,918	5,080
Depreciation of property, plant and equipment	6,867	7,555
Depreciation of right-of-use assets	99	100
Professional fees	6,492	3,588
Salaries and benefits	18,192	14,499
Others	8,998	8,128
	<u>47,566</u>	<u>38,950</u>
Total general and administrative expenses		

## 7. OTHER EXPENSES

	Year ended December 31, 2024 US\$'000	Year ended December 31, 2023 US\$'000
Penalties on occupation of grasslands	8,739	–
Provision for litigation compensation and related interest charge (note 31)	1,393	22,964
Impairment loss on other non-current assets (note 22)	–	1,872
	<u>10,132</u>	<u>24,836</u>
Total other expenses		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 8. FINANCE COSTS

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
Interests on borrowings	19,527	21,343
Interests on lease liabilities	66	91
Interests on provision of the variable payment arising from the mining right	425	–
Accretion on environmental rehabilitation (note 28)	<u>2,811</u>	<u>3,785</u>
	<b>22,829</b>	25,219
Less: Amounts capitalised to property, plant and equipment	<u>(439)</u>	<u>(245)</u>
Total finance costs	<u><b>22,390</b></u>	<u>24,974</u>

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

	<b>Year ended December 31, 2024 %</b>	Year ended December 31, 2023 %
Capitalisation rate	<u><b>2.07</b></u>	<u>2.27</u>

## 9. INCOME TAX EXPENSE/DEFERRED TAXATION

The Company was incorporated in Canada and is subject to Canadian federal and provincial tax requirements which are calculated at 27% (2023: 27%) of the estimated assessable profit for the year ended December 31, 2024. Since its incorporation, the Company had no assessable profit subject to Canadian federal and provincial tax requirements. PRC Enterprise Income Tax (“EIT”) is calculated at the prevailing tax rate of 25% (2023: 25%) on the estimated taxable profit of the group entities located in the PRC for the year ended December 31, 2024 except as described below.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

Pursuant to the Enterprise Income Tax Law (the “EIT” Law) effective on January 1, 2008, Inner Mongolia Pacific Mining Co., Ltd. (“IMP”) is a certified “High and New Technology Enterprise” which is entitled to a preferential tax rate of 15% (2023: 15%) for three years from the year ended December 31, 2024 and eligible for renewal every three years. Such certificate will be expired in December 2027.

Pursuant to the Tibet Administration (2022) No.11 Notice on Provisional Implementation Measures on Enterprise Income Tax (“Notice No.11”), effective on April 29, 2022, Huatailong, which is certified as a “High and New Technology Enterprise” is entitled to preferential tax rate of 15% (2023: 15%) for three years from the year ended December 31, 2024 and eligible for renewal every three years. Such certificate will be expired in December 2027. Additionally, as Huatailong was established in the westward development area of the PRC, it enjoys an exemption from local income tax, which is set to expire in 2025. As such, Huatailong is entitled to a reduced preferential tax rate of 9% for the years ended December 31, 2024 and 2023.

Pursuant to Notice No.11, Metrorkongka County Jiama Industry and Trade Co., Ltd. (“Jiama Industry and Trade”), established in the westward development area of the PRC, employs 70% or more of its employees who are Tibet Permanent Residents and enjoys the exemption on local income tax, thus Jiama Industry and Trade is entitled to a reduced preferential tax rate of 15% for the years ended December 31, 2024 and 2023.

Under the EIT Law and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% during the years ended December 31, 2024 and 2023.

Under relevant PRC Tax Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from January 1, 2008 onwards. Except the Group has recognised deferred taxation US\$3,690,000 (2023: nil) on retained profits of the PRC subsidiary of US\$36,902,000 (2023: nil) for the year ended December 31, 2024, no deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated distributable profits of the other PRC subsidiaries amounting to approximately US\$774,487,000 at December 31, 2024 (2023: US\$758,079,000) as the Group is able to control the timing of the reversal of temporary differences and it is probable the temporary differences will not reverse in the foreseeable future.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

Tax expense comprises:

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
Current tax:		
PRC EIT	<b>14,741</b>	12,459
PRC withholding income tax on profit earned from PRC subsidiaries	<b>2,696</b>	16,969
Underprovision (overprovision) in prior year – PRC EIT	<b>206</b>	(1,478)
	<b>17,643</b>	27,950
Deferred tax:		
PRC EIT	<b>6,589</b>	(6,293)
PRC withholding income tax on profit earned from PRC subsidiaries	<b>3,690</b>	(17,359)
	<b>10,279</b>	(23,652)
Total income tax expense	<b>27,922</b>	4,298



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
Profit (loss) before income tax	<b>93,220</b>	(18,671)
PRC EIT tax rates	<b>25%</b>	25%
Tax at the PRC EIT tax rates	<b>23,305</b>	(4,668)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(4,841)</b>	736
Tax effect of concessionary tax rate	<b>(13,502)</b>	3,694
Tax effect of tax losses and other deductible temporary differences not recognised	<b>6,653</b>	1,454
Tax effect of recognition of taxable temporary difference previously not recognised	<b>6,016</b>	–
Tax effect of non-deductible expenses	<b>3,837</b>	1,847
Tax effect of non-taxable income	<b>(447)</b>	(225)
Impacts on foreign exchange	<b>309</b>	173
Withholding tax in respect of profit earned from PRC subsidiaries	<b>6,386</b>	–
Withholding tax in respect of interest income earned from PRC subsidiaries	–	2,765
Underprovision (overprovision) of PRC EIT in prior year	<b>206</b>	(1,478)
	<b>27,922</b>	4,298

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

	<b>Environmental rehabilitation</b>	<b>Mining rights <sup>(1)</sup></b>	<b>Inventories</b>	<b>Others</b>	<b>Distributable profits of subsidiaries</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At January 1, 2023	(13,351)	109,030	6,455	5,880	17,359	125,373
Charge (credit) to profit or loss	<u>2,451</u>	<u>(1,330)</u>	<u>1,626</u>	<u>(9,040)</u>	<u>(17,359)</u>	<u>(23,652)</u>
At December 31, 2023	(10,900)	107,700	8,081	(3,160)	–	101,721
Charge (credit) to profit or loss	<u>905</u>	<u>(2,644)</u>	<u>2,219</u>	<u>6,109</u>	<u>3,690</u>	<u>10,279</u>
At December 31, 2024	<u>(9,995)</u>	<u>105,056</u>	<u>10,300</u>	<u>2,949</u>	<u>3,690</u>	<u>112,000</u>

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

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

	<b>2024</b>	2023
	<b>US\$'000</b>	US\$'000
Deferred tax assets	–	–
Deferred tax liabilities	<u>(112,000)</u>	<u>(101,721)</u>
	<u>(112,000)</u>	<u>(101,721)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

	<b>2024</b>	2023
	<b>US\$'000</b>	US\$'000
Deferred income tax assets		
Tax losses carry forwards	<b>30,493</b>	23,837
Other deductible temporary differences	<b>1,657</b>	1,660
	<hr/>	<hr/>
Total unrecognised deferred income tax assets	<b>32,150</b>	25,497
	<hr/>	<hr/>

Due to the unpredictability of future profit streams, deferred tax asset of US\$30,493,000 (2023: US\$23,837,000) has not been recognised in respect of unused tax losses of US\$145 million (2023: US\$100 million) which are mainly generated from the Company. Under Canadian tax laws, unused tax losses can be carried forward for 20 years if the loss arises in tax years ended after December 31, 2005. Included in unrecognised tax losses are losses of US\$81 million that will expire from 2027 to 2044 (2023: US\$77 million that will expire from 2027 to 2043). Other losses may be carried forward indefinitely.

Other deductible temporary differences of US\$2 million (2023: US\$2 million) are primarily comprised of share issue costs and cumulative eligible capital expenditures that were incurred by the Company which are tax deductible according to the relevant tax law in Canada. No deferred tax asset has been recognised because the amount of future taxable profit that will be available to realise such assets is unpredictable and not probable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 10. PROFIT (LOSS) FOR THE YEAR

	Year ended December 31, 2024 US\$'000	Year ended December 31, 2023 US\$'000
Profit (loss) for the year has been arrived at after charging (crediting):		
Auditor's remuneration	<u>767</u>	<u>737</u>
Depreciation included in cost of sales and inventories	114,400	99,390
Depreciation included in research and development expenses	18	2
Depreciation included in general and administrative expenses (note 6)	<u>6,867</u>	<u>7,555</u>
Total depreciation of property, plant and equipment	<u>121,285</u>	<u>106,947</u>
Depreciation included in cost of sales and inventories	4,677	4,212
Depreciation included in general and administrative expenses (note 6)	<u>99</u>	<u>100</u>
Total depreciation of right-of-use assets	<u>4,776</u>	<u>4,312</u>
Amortisation of mining rights (included in cost of sales)	<u>19,906</u>	<u>10,411</u>
Loss (gain) on disposal of property, plant and equipment	<u>620</u>	<u>(23)</u>
Staff costs		
Directors' and chief executive's emoluments (note 11)	493	534
Staff salaries and benefits	16,526	12,723
Retirement benefits contributions	<u>1,173</u>	<u>1,242</u>
Total salaries and benefits included in administrative expenses (note 6)	18,192	14,499
Total salaries and benefits included in cost of sales and inventories	56,443	51,476
Total salaries and benefits included in research and development expenses	<u>2,340</u>	<u>2,228</u>
Total staff costs	<u>76,975</u>	<u>68,203</u>
Bank interest income	<u>(3,114)</u>	<u>(4,503)</u>
Government grants	<u>(363)</u>	<u>(829)</u>
Allowance for credit losses of trade and other receivables, net	<u>2,051</u>	<u>1,668</u>
Write-down (reversal) of inventories	<u>291</u>	<u>(41)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

### (a) Directors' and chief executive's emoluments

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

**For the year ended December 31, 2024**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

For the year ended December 31, 2023

	Fees US\$'000	Salaries and other benefits US\$'000	Retirement benefits contributions US\$'000	Total US\$'000
<b>Executive Director and Chief Executive (Note a)</b>				
Junhu Tong	–	–	–	–
<b>Executive Directors (Note b)</b>				
Weibin Zhang	–	220	8	228
Na Tian	–	–	–	–
Yuanhui Fu	–	106	3	109
<b>Non-executive Director (Note c)</b>				
Wanming Wang	–	–	–	–
<b>Independent Non-executive Directors (Note d)</b>				
Yingbin Ian He	54	–	3	57
Wei Shao	46	–	2	48
Bielin Shi	46	–	–	46
Ruixia (Rane) Han	46	–	–	46
	<u>192</u>	<u>326</u>	<u>16</u>	<u>534</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

Notes:

- (a) Mr. Chenguang Hou was appointed as executive directors and Chief Executive Officer ("CEO") effective from November 14, 2024. He is employed by CNG and his emolument payments are centralised and made by CNG for the year ended December 31, 2024. Mr. Junhu Tong resigned as executive director and CEO effective from August 2, 2024. Mr. Junhu Tong was also employed by CNG and partial (2023: all) of his emolument payments were centralised and made by CNG for the year ended December 31, 2024 and 2023.
- (b) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (c) The non-executive director's emoluments shown above were mainly for his services as director of the Company.
- (d) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

For the years ended December 31, 2024 and 2023, none of the directors of the Company waived or agreed to waive any emoluments.

### (b) Five highest paid employees

The five highest paid employees included two (2023: two) directors for the year ended December 31, 2024. The emoluments of the three (2023: three) non-director employees for the year ended December 31, 2024, are as follows:

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
Employees		
Salaries and other benefits	<b>385</b>	378
Retirement benefits contributions	<b>15</b>	8
	<b>400</b>	386

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

	No. of individuals	
	2024	2023
Nil to HK\$1,000,000 (equivalent to approximately US\$129,000)	1	1
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately US\$129,001 to US\$193,000)	2	2

During the years ended December 31, 2024 and 2023, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 12. DIVIDEND

During the year ended December 31, 2023, a dividend in respect of the year ended December 31, 2022 of US\$0.37 per common share amounting to US\$146,673,000 was declared and paid to the shareholders of the Company.

Subsequent to the end of the reporting period, a dividend in respect of the year ended December 31, 2024 of US\$0.08 per common share (the basic dividend of US\$0.05, and the special dividend of US\$0.03), in an aggregate amount of US\$31,713,000, has been declared by the directors of the Company upon the approval of the board resolution dated March 26, 2025.

## 13. EARNINGS (LOSS) PER SHARE

Profit (loss) used in determining earnings (loss) per share are presented below:

	Year ended December 31, 2024	Year ended December 31, 2023
Profit (loss) attributable to owners of the Company for the purposes of basic earnings (loss) per share (US\$'000)	62,732	(25,500)
Weighted average number of common shares, basic	396,413,753	396,413,753
Basic earnings (loss) per share (US cents)	15.82	(6.43)

The Group had no outstanding potential dilutive instruments issued as at December 31, 2024 and 2023 and during the years ended December 31, 2024 and 2023. Therefore, no diluted earnings (loss) per share is presented.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Denominated in:		
Canadian dollars	129	238
Renminbi ("RMB")	170,392	72,870
US\$	3	4
Hong Kong dollars	4,227	4,138
	<b>174,751</b>	<b>77,250</b>

The bank balances carry interest rates ranging from 0.001% to 2.95% (2023: 0.001% to 5.25%) per annum.

Restricted balances carry interest at market rates ranging from 0.35% to 1.15% (2023: 0.46% to 1.35%) per annum. The balance as at December 31, 2024 and 2023 represents deposits that have been frozen by the Intermediate People's Court of Lhasa City, Tibet ("Tibet Intermediate Court") in relation to the litigations involved by Huatailong. Details of litigations are set out in note 31.

As at December 31, 2024, term deposits carry interest at fixed market rates ranging from 1.5% to 2.0% (2023: N/A) per annum. The Group's term deposits represent deposits held in a CNG subsidiary denominated in RMB with original maturities over three months and redeemable on maturity.

## 15. TRADE AND OTHER RECEIVABLES

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Trade receivables	2,473	1,466
Less: allowance for credit losses	(180)	(105)
	<b>2,293</b>	1,361
Amounts due from related companies (note 30(a)) <sup>(1)</sup>	1,583	654
Other receivables <sup>(2)</sup>	3,517	15,061
	<b>7,393</b>	<b>17,076</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 15. TRADE AND OTHER RECEIVABLES (Cont'd)

At January 1, 2023, trade receivables from contracts with customers amounted to US\$1,112,000.

- (1) The amounts are unsecured, interest free and repayable on demand.
- (2) Included in the balance as at December 31, 2024 are nil value-added tax ("VAT") recoverable (2023: US\$8,837,000) and Tax and Other Surcharges (as defined in note 22) of US\$1,270,000 (2023: US\$3,223,000), net of allowance for credit losses, to be recovered from Zhongxinfang Tibet Construction Investment Co. Ltd. ("Zhongxinfang"), an independent third party property developer. Details of the impairment assessment of the receivable amount from Zhongxinfang are set out in note 31.

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:

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Less than 30 days	<b>819</b>	60
31 to 90 days	<b>130</b>	17
91 to 180 days	<b>276</b>	49
Over 180 days	<b>1,068</b>	1,235
Total trade receivables	<b>2,293</b>	1,361

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 16. PREPAID EXPENSES AND DEPOSITS

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Deposit for acquisition of land use right (Note a)	<b>23,906</b>	–
Deposit for water treatment project (Note b)	<b>6,017</b>	–
Deposit paid for acquisition of property, plant and equipment (Note c)	<b>172</b>	768
Other prepayment and deposits	<b>1,513</b>	339
	<b>31,608</b>	1,107
Less: Amounts that will be settled or utilised within one year shown under current assets	<b>(1,513)</b>	(339)
Amounts that will be settled or utilised for more than one year shown under non-current assets	<b>30,095</b>	768

### Notes:

- a. The amounts comprise cost of land use right, grassland compensation fee paid to government authorities and relocation compensation fees paid to pastoralists, which are related to the acquisition of a land use right for the Phase III tailings dam construction project in Jiama Mine. These deposits are unsecured, interest-free and shown as non-current asset.
- b. Pursuant to the government authorities' order, the Group and a third party were required to invest in a water treatment project. The construction of water treatment project, which is operated by the government authorities' designated party, was substantially completed for trial run in December 2024. The water treatment project will provide water treatment operation to the Group for the environmental requirement in order to save costs from operating the water treatment by the Group itself. According to the government authorities' order, the operating cost of the water treatment project will be borne by the Company and the third party and recognised in profit or loss. The operation arrangement of the water treatment project after the completion of the construction is currently not yet finalise. The amount is shown as non-current asset.
- c. The amount represents deposits paid to third party contractors for the acquisition of property, plant and equipment to expand the Group's mining capacity in Tibet, the PRC. The amount is shown as non-current asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 17. INVENTORIES

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Gold in process	<b>222,568</b>	221,656
Gold doré bars	<b>26,467</b>	24,842
Consumables	<b>11,119</b>	15,356
Copper concentrate	<b>5,959</b>	606
Spare parts	<b>24,292</b>	29,093
	<hr/>	<hr/>
Total inventories	<b>290,405</b>	291,553

Inventories totalling US\$464,027,000 (2023: US\$317,657,000) for the year ended December 31, 2024 was recognised in cost of sales.

## 18. RIGHT-OF-USE ASSETS

	<b>Leasehold lands US\$'000</b>	<b>Leased equipment US\$'000</b>	<b>Leased properties US\$'000</b>	<b>Total US\$'000</b>
<b>At December 31, 2024</b>				
Carrying amount	<b>45,031</b>	<b>899</b>	<b>27</b>	<b>45,957</b>
<b>At December 31, 2023</b>				
Carrying amount	38,297	1,368	126	39,791
<b>For the year ended December 31, 2024</b>				
Depreciation charge	<b>4,208</b>	<b>469</b>	<b>99</b>	<b>4,776</b>
<b>For the year ended December 31, 2023</b>				
Depreciation charge	<hr/> 3,743	<hr/> 469	<hr/> 100	<hr/> 4,312

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
Total cash outflow for leases (Note)	<b>35,722</b>	1,450
Additions to right-of-use assets	<b>11,217</b>	1,811

For both years, the Group leases leasehold lands, equipment and office premises for its operations. The lease terms of leasehold lands are 2 years to in perpetuity (2023: 2 years to in perpetuity). Lease contracts of office premises and equipment are entered into for a fixed term of 5 years (2023: 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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

Note: The amount that the Group paid to government authorities and pastoralists of US\$23,906,000 (2023: Nil) as a deposit for acquisition of land use right is included in the total cash outflow for leases.

During the years ended December 31, 2024, the Group paid farmland use tax and grassland compensation fee in relation to leasehold lands and recognised right-of-use assets of US\$11,217,000. During the years ended December 31, 2023, the Group leased few pieces of cultivated land from herdsmen and paid the related farmland usage tax, which the Group has recognised right-of-use assets of US\$1,762,000 and environmental rehabilitation of US\$965,000 respectively at initial recognition.

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

### Restrictions or covenants on leases

In addition, lease liabilities of US\$928,000 are recognised with related right-of-use assets of US\$926,000 as at December 31, 2024 (2023: lease liabilities of US\$1,477,000 are recognised with related right-of-use assets of US\$1,494,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 19. EQUITY INSTRUMENTS AT FVTOCI

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Listed investments:		
Equity securities listed in Hong Kong (Note a)	<b>47,599</b>	46,328
Unlisted investments:		
Equity securities (Note b)	<b>812</b>	825
Total	<b>48,411</b>	47,153

Notes:

- a. The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The investment of China Nonferrous Mining Corporation Limited ("CNMC"), a listed company in Hong Kong, represents 2.03% equity interest in CNMC. CNMC is engaged in mining, processing and trading of nonferrous metals in Zambia. During the year ended December 31, 2024, a fair value gain of US\$1,271,000 (2023: US\$9,819,000) was recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve in accordance with the Group's accounting policies.

- b. The above unlisted equity investments represent the Group's equity interests in two (2023: two) private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

As at December 31, 2024, the carrying amount of RMB5,838,000 approximately US\$812,000 (2023: RMB5,838,000 approximately US\$825,000), representing 7.425% share interest in Tibet Zhongjin Xinlian Demolition Engineering Co. Ltd. ("Tibet Zhongjin Xinlian") and 4% share interest in Tibet Electric Power Trading Center Co., Ltd. ("Tibet Electric"). Tibet Zhongjin Xinlian is established in the PRC and principally engaged in the development and manufacturing of explosives. Tibet Electric is established in the PRC and is principally engaged in the trading of electric power in the PRC. The directors of the Company are of the opinion that the fair value change of unlisted investments are insignificant and has not been recognised for the year ended December 31, 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 20. PROPERTY, PLANT AND EQUIPMENT

	Buildings US\$'000	Crushers US\$'000	Furniture and office equipment US\$'000	Machinery and equipment US\$'000	Motor vehicles US\$'000	Leasehold improvements US\$'000	Mineral assets US\$'000	Construction in progress ("CIP") US\$'000	Total US\$'000
<b>COST</b>									
At January 1, 2023	651,541	227,332	12,291	312,235	11,936	98	1,441,482	5,910	2,662,825
Additions	428	-	1,929	3,801	799	-	1,502	33,817	42,276
Transfer from CIP	1,292	-	1,528	-	-	-	1,340	(4,160)	-
Transfer out to CIP arising from the Overflow (note 1)	(127,131)	-	-	-	-	-	-	90,852	(36,279)
Environmental rehabilitation adjustment (note 28)	-	-	-	-	-	-	(9,453)	-	(9,453)
Disposals	-	-	-	-	(863)	-	-	-	(863)
Exchange realignment	(9,760)	-	(166)	(4,298)	(144)	-	(15,553)	(708)	(30,629)
At December 31, 2023	516,370	227,332	15,582	311,738	11,728	98	1,419,318	125,711	2,627,877
Additions	1,502	-	2,677	5,010	8	-	14,048	11,093	34,338
Transfer from CIP	115,345	-	-	-	-	-	31	(115,376)	-
Environmental rehabilitation adjustment (note 28)	-	-	-	-	-	-	(9)	-	(9)
Disposals	(997)	-	(37)	(2,336)	-	-	-	-	(3,370)
Exchange realignment	(8,257)	-	(195)	(3,787)	(123)	-	(12,787)	(878)	(26,027)
At December 31, 2024	623,963	227,332	18,027	310,625	11,613	98	1,420,601	20,550	2,632,809
<b>ACCUMULATED DEPRECIATION</b>									
At January 1, 2023	(188,753)	(168,944)	(8,107)	(169,711)	(7,709)	(98)	(540,258)	-	(1,083,580)
Provided for the year	(23,500)	(18,505)	(1,561)	(18,944)	(885)	-	(43,552)	-	(106,947)
Transfer out to CIP arising from the Overflow (note 1)	36,279	-	-	-	-	-	-	-	36,279
Eliminated on disposals	-	-	-	-	820	-	-	-	820
Exchange realignment	2,761	-	106	2,146	86	-	2,353	-	7,452
At December 31, 2023	(173,213)	(187,449)	(9,562)	(186,509)	(7,688)	(98)	(581,457)	-	(1,145,976)
Provided for the year	(30,023)	(14,054)	(1,653)	(18,044)	(862)	-	(56,649)	-	(121,285)
Eliminated on disposals	545	-	3	2,202	-	-	-	-	2,750
Exchange realignment	2,509	-	113	2,170	81	-	2,327	-	7,200
At December 31, 2024	(200,182)	(201,503)	(11,099)	(200,181)	(8,469)	(98)	(635,779)	-	(1,257,311)
<b>CARRYING VALUE</b>									
At December 31, 2024	423,781	25,829	6,928	110,444	3,144	-	784,822	20,550	1,375,498
At December 31, 2023	343,157	39,883	6,020	125,229	4,040	-	837,861	125,711	1,481,901

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

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

### Mineral Assets

#### (a) *CSH Gold Mine*

CSH Gold Mine, in which the Group holds a 96.5% equity interest, consists of a licensed area in the western part of Inner Mongolia, northern China. The site is centrally positioned within the east-west-trending Tian Shan Gold Belt. The carrying value of the CSH Gold Mine in relation to mineral assets is US\$110,040,000 as at December 31, 2024 (December 31, 2023: US\$141,266,000).

#### (b) *Jiama Mine*

The Jiama Mine, a large copper-gold polymetallic deposit consisting of skarn-type and hornfels-type mineralization located in Metrorkongka County in Tibet, in which the Group holds 100% equity interest through its wholly-owned subsidiary, Skyland. The Group acquired Skyland on December 1, 2010. The carrying value of the Jiama Mine in relation to mineral assets is US\$674,782,000 as at December 31, 2024 (December 31, 2023: US\$696,595,000).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 21. MINING RIGHTS

	US\$'000
COST	
At January 1, 2023	1,011,100
Exchange realignment	<u>(1,175)</u>
At December 31, 2023	1,009,925
Exchange realignment	<u>(1,018)</u>
At December 31, 2024	<u>1,008,907</u>
ACCUMULATED AMORTISATION	
At January 1, 2023	(226,630)
Provided for the year	(10,411)
Exchange realignment	<u>233</u>
At December 31, 2023	(236,808)
Provided for the year	(19,906)
Exchange realignment	<u>221</u>
At December 31, 2024	<u>(256,493)</u>
CARRYING VALUE	
At December 31, 2024	<u>752,414</u>
At December 31, 2023	<u>773,117</u>

Note:

The amounts represent two mining rights in the Jiama Mine and CSH Gold Mine. Mining rights in the Jiama Mine are in relation to the copper and other by-products production, acquired through the acquisition of Skyland. The mining right of Jiama Mine was renewed in October 2023 and will expire in October 2043. The mining permit of CSH Gold Mine was renewed in March 2019 and will expire in June 2026. The Group considers that it will be able to renew the mining rights with the relevant government authority continuously until the end of mine life.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 22. OTHER NON-CURRENT ASSETS

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

As at December 31, 2024 and up to the date these consolidated financial statements are authorised for issue, the composite project is still suspended due to litigations against Zhongxinfang and the New Premises are still not delivered to Huatailong. Based on Group’s assessment on the status of the New Premises and taking into account the valuation of the New Premises by using sales comparison method under market approach as its fair value less cost of disposal, impairment loss of nil (2023: RMB13,328,000 (equivalent to US\$1,872,000)) has been made during the year ended December 31, 2024 and the carrying amount of the other non-current assets are RMB111,924,000 (equivalent to US\$15,570,000) as at December 31, 2024 (2023: RMB111,924,000 (equivalent to US\$15,802,000)).

## 23. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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

Accounts and other payables and accrued expenses comprise the following:

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Accounts payable	25,811	18,866
Construction costs payable	84,218	100,769
Provision of the variable payment arising from the mining right (Note a)	49,057	–
Payable for litigation compensation (note 31)	23,872	22,828
Payable for acquisition of a mining right	2,349	3,575
Payroll and benefit payable	286	257
Mining cost accrual	1,544	–
Other accruals	2,231	1,606
Other tax payables	9,719	1,543
Other payables	<u>8,867</u>	<u>8,806</u>
Total accounts and other payables and accrued expenses	<u>207,954</u>	<u>158,250</u>
Current	175,132	158,250
Non-current (Note a)	<u>32,822</u>	<u>–</u>
	<u>207,954</u>	<u>158,250</u>

Note:

- a. The amounts represent the variable payment arising from the mining right as detailed in Note 1 that are classified as current and non-current based on the instalments schedule as at December 31, 2024.

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

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Less than 30 days	11,094	1,830
31 to 90 days	5,330	4,398
91 to 180 days	3,298	3,934
Over 180 days	<u>6,089</u>	<u>8,704</u>
Total accounts payable	<u>25,811</u>	<u>18,866</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 24. CONTRACT LIABILITIES

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Sales of copper concentrate	<b>8,099</b>	71

At January 1, 2023, contract liabilities amounted to US\$6,255,000.

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

	<b>Copper concentrate</b>	
	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	<b>71</b>	6,255

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

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

## 25. BORROWINGS

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Bank loans	<b>633,666</b>	656,344
Loans payable to a CNG's subsidiary (note 30)	<b>80,686</b>	81,890
	<b>714,352</b>	738,234

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 25. BORROWINGS (Cont'd)

The borrowings are repayable as follows:

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Carrying amount repayable within one year	<b>148,696</b>	143,523
Carrying amount repayable within one to two years	<b>254,855</b>	66,500
Carrying amount repayable within two to five years	<b>212,914</b>	424,627
Carrying amount repayable over five years	<b>97,887</b>	103,584
	<b>714,352</b>	738,234
Less: Amounts due within one year (shown under current liabilities)	<b>(148,696)</b>	(143,523)
Amounts shown under non-current liabilities	<b>565,656</b>	594,711

Included in the carrying amounts of borrowings as above, all are bank loans except for loans payables to a CNG's subsidiary amounted to US\$55,646,000 are repayable within one to two years and US\$25,040,000 are repayable within two to five years as at December 31, 2024 (2023: US\$81,890,000 is repayable within two to five years).

Analysed as:

	Notes	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Secured syndicated loan	(1)	<b>245,605</b>	301,511
Unsecured syndicated loan (Note a)	(2)	<b>118,754</b>	124,762
Unsecured bank loan	(3)	<b>39,647</b>	42,357
Unsecured bank loans	(4)	<b>88,059</b>	94,597
Unsecured bank loan	(5)	<b>13,216</b>	14,117
Unsecured bank loan	(6)	<b>38,952</b>	–
Unsecured bank loan	(7)	<b>10,433</b>	–
Unsecured bank loan	(8)	<b>15,000</b>	35,000
Unsecured bank loan	(9)	–	44,000
Unsecured bank loan	(10)	<b>20,000</b>	–
Unsecured bank loan	(11)	<b>44,000</b>	–
Unsecured loans payable to a CNG's subsidiary	(12)	<b>55,646</b>	56,475
Unsecured loans payable to a CNG's subsidiary	(13)	–	25,415
Unsecured loans payable to a CNG's subsidiary	(14)	<b>25,040</b>	–
		<b>714,352</b>	738,234

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 25. BORROWINGS (Cont'd)

Notes:

- (1) Repayable by instalment and will reach full maturity in November 2028. The loan carries a floating interest rate, currently set at 1.95% (2023: 2.20%) per annum, based on the People's Bank of China National Interbank Funding Center Loan Prime Rate ("LPR") benchmark.
- (2) Repayable by instalment and will reach full maturity in April 2033. The loan carries a floating interest rate, currently set at 1.95% (2023: 2.30%) per annum, based on the LPR benchmark.
- (3) Repayable by instalment and will reach full maturity in May 2026. The loan carries a floating interest rate, currently set at 1.85% (2023: 2.05%) per annum, based on the LPR benchmark.
- (4) Repayable by instalment and will reach full maturity in June 2026. These loans carry a floating interest rate, currently set at a range from 1.35% to 1.60% (2023: from 1.95% to 2.05%) per annum, based on the LPR benchmark.
- (5) Repayable by instalment and will reach full maturity in November 2026. The loan carries a floating interest rate, currently set at 1.35% (2023: 2.05%) per annum, based on the LPR benchmark.
- (6) Repayable by instalment and will reach full maturity in January 2027. The loan carries a floating interest rate, currently set at 1.60% per annum, based on the LPR benchmark.
- (7) Repayable by instalment and will reach full maturity in May 2027. The loan carries a floating interest rate, currently set at 1.60% per annum, based on the LPR benchmark.
- (8) Repayable in full in March 2025. The loan carries a floating interest rate, currently set at 5.35% (2023: 6.32%) per annum, based on the Secured Overnight Financing Rate ("SOFR") benchmark.
- (9) Repayable in full in May 2024, carried interest rate of 6.23% per annum.
- (10) Repayable in full in June 2025. The loan carries a floating interest rate, currently set at 5.33% per annum, based on the SOFR benchmark.
- (11) Repayable in full in May 2025. The loan carries a floating interest rate, currently set at 5.35% per annum, based on the SOFR benchmark.
- (12) Repayable in full in May 2026, carried fixed interest rate at 2.05% per annum.
- (13) Repayable in full in August 2024, carried fixed interest rate at 2.45% per annum.
- (14) Repayable in full in August 2027, carried fixed interest rate at 2.45% per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 25. BORROWINGS (Cont'd)

Notes: (Cont'd)

- a. During the year ended December 31, 2024, the Group has breached the term of the syndicated loan amounted to US\$118,754,000, because the carrying amount of frozen assets of Huatailong (as details in note 31(i)(a)) has exceeded RMB200,000,000. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at December 31, 2024 and 2023, the lender has agreed to waive its right to demand immediate payment for the next fifteen month from the end of the reporting period, therefore the syndicated loan has been classified as non-current liabilities as at December 31, 2024 and 2023 based on the instalments repayment schedule set out in the loan agreement. Except for this, the Group has complied with all other covenants throughout the reporting period.

In respect of bank loans with carrying amount of US\$298,742,000 as at December 31, 2024 (2023: US\$283,726,000), 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; and the net assets of the Group must not be less than US\$1,000 million, among others.

Fixed rate loans amounting to approximately US\$80,686,000 (December 31, 2023: US\$81,890,000), carry weighted average effective interest rate of 2.14% (2023: 3.22%) per annum.

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

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Mining rights	<b>750,627</b>	770,542

## 26. ENTRUSTED LOAN PAYABLE

On December 25, 2023, the Group entered into a three-year entrusted loan agreement with CNG (note 30) and China National Gold Group Finance Company Limited (“China Gold Finance”), a subsidiary of CNG, in which CNG provided a loan of RMB200 million (equivalent to approximately US\$27,823,000 as at December 31, 2024 (2023: US\$28,238,000)) to the Group through China Gold Finance as the entrusted bank. The entrusted loan is unsecured and carries interest at a fixed rate of 2.45% per annum. The principal amount is to be repaid on December 26, 2026.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 27. LEASE LIABILITIES

	Year ended December 31, 2024 US\$'000	Year ended December 31, 2023 US\$'000
Lease liabilities payable:		
Within one year	469	540
Within a period of more than one year but not more than two years	459	472
Within a period of more than two years but not more than five years	—	465
	<u>928</u>	<u>1,477</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(469)</u>	<u>(540)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>459</u>	<u>937</u>

The weighted average incremental borrowing rate applied to lease liabilities range is 4.67% (2023: 4.71%).

## 28. ENVIRONMENTAL REHABILITATION

The environmental rehabilitation relates to reclamation and closure costs relating to the Group's mine operations at the CSH Gold Mine and Jiama Mine. The environmental rehabilitation is calculated as the net present value of estimated future net cash flows of the reclamation and closure costs of US\$104,729,000 (2023: US\$114,511,000), discounted at 5.7% (2023: 5.7%) per annum at December 31, 2024.

The following is an analysis of the environmental rehabilitation:

	2024 US\$'000	2023 US\$'000
At January 1	75,924	92,285
Additions to site reclamation (note 18)	—	965
Effect on change in discount rate during the year (note 20)	(9)	(9,453)
Accretion incurred in the current year	2,811	3,785
Payment during the year	(7,841)	(10,359)
Exchange realignment	<u>(937)</u>	<u>(1,299)</u>
At December 31	<u>69,948</u>	<u>75,924</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 29. SHARE CAPITAL

### Common shares

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

	Number of shares	Amount US\$'000
Issued & fully paid:		
At January 1, 2023, December 31, 2023 and 2024	<u>396,413,753</u>	<u>1,229,061</u>

## 30. RELATED PARTY TRANSACTIONS

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

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

In addition to the related party transactions and balances shown elsewhere in these consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties for the years ended December 31, 2024 and 2023 and related party balances as at December 31, 2024 and 2023.

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

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

	December 31, 2024 %	December 31, 2023 %
CNG	<u>40.01</u>	<u>40.01</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 30. RELATED PARTY TRANSACTIONS (Cont'd)

### (a) Transactions/balances with CNG and its subsidiaries

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

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Gold doré bars sales by the Group (Note a)	<u>246,946</u>	<u>252,600</u>
Copper and other by-product sales by the Group (Note b)	<u>505,068</u>	<u>190,852</u>
Other income (Note a)	<u>710</u>	<u>–</u>
Provision of transportation services by the Group (Note b)	<u>1,161</u>	<u>853</u>
Construction, stripping and mining services provided to the Group (Note b)	<u>91,281</u>	<u>62,882</u>
Accrued expenses for short-term property management fee (Note b)	<u>456</u>	<u>459</u>
Commitment fee	<u>622</u>	<u>648</u>
Interest income	<u>2,492</u>	<u>3,924</u>
Interest expense on borrowings and entrusted loan payable	<u>2,498</u>	<u>731</u>
Interest expense on lease liabilities (Note b)	<u>61</u>	<u>81</u>
Loans (note 25) and entrusted loan (note 26) provided to the Group	<u>25,275</u>	<u>110,690</u>

Notes:

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

The extent of the continuing connected transactions for the years ended December 31, 2024 and 2023 did not exceed the limit as set out in the announcements of the Company on May 11, 2023 and May 7, 2020, respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 30. RELATED PARTY TRANSACTIONS (Cont'd)

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

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

The extent of the continuing connected transactions for the years ended December 31, 2024 and 2023 did not exceed the limit as set out in the announcements of the Company on May 11, 2023 and May 7, 2020, respectively.

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

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

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

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

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

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

The extend of the connected transaction for deposit services during the years ended December 31, 2024 and 2023 do not exceed the limit as set out in the announcement of the Company on May 8, 2024 and May 6, 2021, respectively, except for the period from February 23, 2023 to April 6, 2023 that exceed the limit of RMB3,000 million. Details of the exceeding of the cap are set out in the announcement of the Company on May 19, 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 30. RELATED PARTY TRANSACTIONS (Cont'd)

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

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

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Assets		
Amounts due from related companies (note 15)	<b>1,583</b>	654
Cash and cash equivalents held in a CNG's subsidiary (Note c)	<b>150,315</b>	78,264
Term deposits held in a CNG's subsidiary (Note c)	<b>118,246</b>	–
Restricted balance held in a CNG's subsidiary (Note c)	<b>66,698</b>	67,693
	<b>336,842</b>	146,611
Total amounts due from CNG and its subsidiaries		

Other than the cash and cash equivalents, term deposits and restricted balance held in a CNG's subsidiary, the remaining amounts due from CNG and its subsidiaries as at December 31, 2024 and 2023, which are included in trade and other receivables are non-interest bearing, unsecured and repayable on demand.

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Liabilities		
Entrusted loan payable (note 26)	<b>27,823</b>	28,238
Loans payable to a CNG's subsidiary (note 25)	<b>80,686</b>	81,890
Construction costs payable to CNG's subsidiaries	<b>19,515</b>	6,893
Trade payable to CNG's subsidiaries	<b>952</b>	4,742
Amount due to CNG	<b>4,080</b>	2,574
Contract liabilities with a CNG's subsidiary	<b>8,085</b>	68
Lease liabilities to a CNG's subsidiary	<b>897</b>	1,334
	<b>142,038</b>	125,739
Total amounts due to CNG and its subsidiaries		

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 30. RELATED PARTY TRANSACTIONS (Cont'd)

### (b) Compensation of key management personnel

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

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
Salaries and other benefits	237	250
Post-employment benefits	18	7
	<b>255</b>	257

## 31. CONTINGENCIES

### (i) Litigation with Huaxin and Zhongxinfang

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

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

During the year ended December 31, 2020, Huaxin proceeded a lawsuit against the parties to the construction contract, Zhongxinfang and Huatailong, for the recovery of the construction costs of RMB149 million (equivalent to US\$21,319,000) and applied for pre-litigation preservation of assets from Huatailong. The Tibet Intermediate Court adjudicated that the bank deposit of RMB140 million (equivalent to US\$19,775,000) of Huatailong to be frozen for one year from April 10, 2020 (the "First Adjudication"). Based on the adjudication of Tibet Intermediate Court after the First Adjudication on December 1, 2020 and related notice of execution effective from December 3, 2020, the related frozen bank deposit of US\$19,775,000 of Huatailong was released.

Based on the first instance adjudication dated July 23, 2020 (the "2020 First Instance Adjudication"), the litigation ruling adjudicated that Zhongxinfang and Huatailong shall have the joint obligation for the construction costs of RMB140 million (equivalent to US\$20,070,000) to Huaxin. Pursuant to the Cooperation Agreement, Huatailong is not responsible for the construction and the related construction works and costs are the sole responsibilities of Zhongxinfang. Huatailong proceeded an appeal against the 2020 First Instance Adjudication on August 17, 2020. Subsequently, it was confirmed that Huatailong has no obligation for the aforesaid construction costs as the High People's Court of Lhasa City, Tibet ("Tibet High Court") entered the final instance adjudication dated November 20, 2020 (the "2020 Final Instance Adjudication") and rescinded the First Instance Adjudication.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 31. CONTINGENCIES (Cont'd)

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

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

During the year ended December 31, 2022, Huaxin filed a petition with the Supreme People's Court of the PRC for a retrial and request re-adjudicating 2020 Final Instance Adjudication, the Supreme People's Court of the PRC has formed a collegial panel pursuant to law to review this case and ordered Tibet High Court to retry the case. Pursuant to retrial, Tibet High Court entered the final instance adjudication dated June 5, 2023 (the "June 2023 Huaxin Final Instance Adjudication") and affirmed the 2020 First Instance Adjudication that Zhongxinfang and Huatailong shall have the joint obligation for the construction costs and should pay to Huaxin within 15 days from the effective date of this judgment. Accordingly, Huatailong recognised RMB172 million (equivalent to US\$23,872,000) as payable for litigation compensation which is presented under "accounts and other payables and accrued expenses" as at December 31, 2024 (December 31, 2023: RMB159 million (equivalent to US\$22,828,000)). Subsequent to the reporting date, Huatailong has paid RMB35,000,000 (equivalent to US\$4,870,000) litigation settlement on January 17, 2025.

On July 24, 2023, Huaxin applied for an enforcement of the June 2023 Final Instance Adjudication (the "July 2023 Enforcement") and Huatailong has submitted the declaration of its assets to the Tibet Intermediate Court for assessment. In addition, Huatailong is actively seeking other measures to appeal against the June 2023 Huaxin Final Instance Adjudication and is not yet come up with a result. As at December 31, 2024 and up to the date these consolidated financial statements are authorised for issue, the assets that have been frozen temporarily by the Tibet Intermediate Court are set out below. Subsequent to the reporting period, on January 15, 2025, the Execution Bureau of the Tibet Intermediate Court has conducted auction of a leasehold land and buildings of Huatailong with carrying amount of US\$7,494,000 as at December 31, 2024, through a public auction on a judicial auction online platform. The auction was unsuccessful. The July 2023 Enforcement is currently under proceeding and enforcement rulings is not finalised.

	<b>Carrying amount as at December 31, 2024 US\$'000</b>
Bank balances	28
Other non-current assets (note 22)	15,570
Right-of-use assets – leasehold lands	10,821
Equity instruments at FVTOCI – unlisted investments (note 19)	812
Property, plant and equipment – buildings	21,931
51% equity interest in Jiama Industry and Trade, a subsidiary of the Company (note 37)	n/a
	<hr/> <b>49,162</b> <hr/>

Other than the bank balances, the Group considers that the remaining frozen assets are merely restricted from transfer or sale, with no impact of the utilization of these assets by Huatailong, and do not affect the Huatailong's current operation.

### 31. CONTINGENCIES (Cont'd)

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

##### (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 on the 2020 First Instance Adjudication. Based on the first instance adjudication dated on September 23, 2020, the litigation ruling adjudicated that Zhongxinfang shall have obligation for the construction costs of RMB149 million (equivalents to US\$21,319,000) to Huatailong (the “September 2020 Adjudication”). In October 2020, Zhongxinfang proceeded an appeal against the September 2020 Adjudication and revoked subsequently. On June 20, 2023, Tibet High Court adjudicated that the September 2020 Adjudication sustained (the “June 2023 Zhongxinfang Final Instance Adjudication”) and Zhongxinfang should pay relevant compensation to Huatailong within 15 days from the effective date of the June 2023 Zhongxinfang Final Instance Adjudication. On 15 September 2023, Huatailong applied for an enforcement of the June 2023 Zhongxinfang Final Instance Adjudication (the “September 2023 Enforcement”) and as at December 31, 2024 and up to the date these consolidated financial statements are authorised for issue, Zhongxinfang has not yet paid the compensation to Huatailong and the September 2023 Enforcement is not executed mainly because Zhongxinfang is involved in several litigations and there are no executable properties.

##### (c) *Litigations with Zhongxinfang for the delivery of New Premises and recovery of Tax and Other Surcharge*

On June 21, 2021, Huatailong applied for pre-litigation preservation of the New Premises from Zhongxinfang, the Tibet Intermediate Court adjudicated that the value of New Premises limited to RMB137 million (equivalent to US\$21,207,000), and the New Premises comprising a block of buildings and twenty car parks from Zhongxinfang were frozen for three and two years respectively (the “New Premises Pre-litigation Preservation”). On July 21, 2021, pursuant to the New Premises Pre-litigation Preservation, Huatailong proceeded a lawsuit against Zhongxinfang for the delivery of New Premises and the payment of penalty amounting to RMB5 million (equivalent to US\$773,000), and on April 20, 2022, Huatailong submitted alternation of claims application to the court and requested the delivery of New Premises and changing the penalty charge to be RMB9 million (equivalent to US\$1,397,000). On November 5, 2022, Tibet Intermediate Court adjudicated that Zhongxinfang should pay penalty of RMB9 million (equivalent to US\$1,397,000) to Huatailong (the “November 2022 Adjudication”) within 15 days from the effective date of the November 2022 Adjudication due to the overdue in delivery of the New Premises. In March 2023, Huatailong applied for an enforcement of the November 2022 Adjudication in March 2023 (the “March 2023 Enforcement”).

As at December 31, 2024 and the date these consolidated financial statements are authorised for issue, the frozen period over the block of buildings and the twenty car parks has extended to May 2027 and Huatailong is in progress to apply for a further period for New Premises Pre-litigation Preservation. In addition, based on legal advice, the March 2023 Enforcement is currently under proceeding and the result is not ascertain as at the date these consolidated financial statements are authorised for issue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 31. CONTINGENCIES (Cont'd)

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

#### (c) *Litigations with Zhongxinfang for the delivery of New Premises and recovery of Tax and Other Surcharge (Cont'd)*

In addition, during the year ended December 31, 2020, Huatailong has paid Tax and Other Surcharge of RMB46 million (equivalent to US\$6,997,000) and expects to recover such payments from Zhongxinfang in accordance with the Cooperation Agreement. On July 8, 2020, Huatailong applied for pre-litigation preservation of assets from Zhongxinfang, the Tibet Intermediate Court adjudicated that the value of certain properties limited to RMB46 million (equivalent to US\$6,609,000) from Zhongxinfang was frozen for one year (the "Pre-litigation Preservation"). Based on the adjudication issued on November 20, 2020 in relation to the lawsuit against Zhongxinfang for the recovery of the Tax and Other Surcharge, the litigation ruling adjudicated that Zhongxinfang shall repay the Tax and Other Surcharge to Huatailong (the "November 2020 Adjudication"). 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"). 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. Based on legal advice, the 2021 Enforcement is currently suspended and the Group's first priority of claim over one of the assets under Pre-litigation Preservation has been extended to May 2027. The result of aforementioned 2021 Enforcement is not ascertain as at December 31, 2024 and the date these consolidated financial statements are authorised for issue.

Based on the best available information to the Group and the credit assessment, US\$1,923,000 expected credit loss (2023: US\$1,579,000) for other receivables is recognised during the year ended December 31, 2024, and the accumulated allowance for credit losses is RMB36,524,000 (equivalent to US\$5,081,000) as of December 31, 2024 (2023: RMB22,827,000 (equivalent to US\$3,223,000)).

### (ii) Litigation with an independent supplier of Huatailong

In May 2023, a supplier of Huatailong proceeded a lawsuit against Huatailong for the loss of work stoppage and slowdown resulting from the suspension of Jiama Mine's south pit (the "Supplier Work Stoppage Loss") which are required to be remediated by local government from June 19, 2021, for a claim of RMB479 million (equivalent to US\$66,698,000), and applied for pre-litigation preservation of assets from Huatailong for one year.

On May 24, 2023, the Tibet Intermediate Court adjudicated balance with same amount as aforementioned placed in China Gold Finance by the Group to be frozen for one year, which was further extended for another year on May 6, 2024. Accordingly, the frozen bank deposit of US\$66,698,000 (2023: US\$67,693,000) was included in restricted balances as at December 31, 2024.



### 31. CONTINGENCIES (Cont'd)

#### (ii) Litigation with an independent supplier of Huatailong (Cont'd)

On November 27, 2023, the Tibet Intermediate Court adjudicated (the "2023 First Instance Adjudication") that Huatailong shall pay the Supplier Work Stoppage Loss of RMB178 million (equivalent to US\$25,201,000) to that independent supplier. Huatailong proceeded an appeal to the Tibet High Court against the 2023 First Instance Adjudication on December 9, 2023 that Huatailong has no obligation for the aforesaid Supplier Work Stoppage Loss. During the period from February 28 to March 2, 2024, the Tibet High Court has held a trial on the dispute between Huatailong and an independent supplier of Huatailong for the loss of work stoppage and slowdown resulting from the suspension of Jiama Mine's south pit and on April 10, 2024, the Tibet High Court rescinded the first instance adjudication dated November 27, 2023 by the Tibet Intermediate Court and remand the case to the Tibet Intermediate Court for retrial.

The Tibet Intermediate Court held the retrial three times on June 11, 2024, June 21, 2024 and July 19, 2024, while both sides are questioning the evidence disclosed during the trial process. The fourth trial was held on March 24, 2025 and no result on the trial up to the date of this report. As at December 31, 2024 and up to the date these consolidated financial statements are authorised for issue, the verdict is not delivered, the Group concludes that it is not probable that an outflow of economic benefits will be required by taking into account the new evidences and materials collected and the legal advice. Accordingly, no provision is made in the consolidated financial statements in regard to this litigation as of December 31, 2024 and 2023.

### 32. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to operate its mines, pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes the borrowings, entrusted loan payable and lease liabilities disclosed in notes 25,26 and 27 respectively, net of cash and cash equivalents, restricted balances and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves. The Group manages the capital structure and makes adjustments to it in light of operating results, changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new shares, issue new debt, repayment of existing debt.

In order to facilitate the management of its capital requirements, the Group prepares annual expenditure budgets that are updated as necessary depending on various factors, including operating results, successful capital deployment and general industry conditions. The annual and updated budgets are approved by the board of directors of the Company.

In order to maximize ongoing development efforts, the Group is committed to providing sustainable returns to shareholders. The Group's policy is to invest its short-term excess cash in fixed bank deposits with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from its operations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
<i>Financial assets</i>		
Financial assets at amortised cost	<b>376,116</b>	173,169
Equity instruments at FVTOCI	<b>48,411</b>	47,153
<i>Financial liabilities</i>		
At amortised cost	<b>936,349</b>	921,316
Lease liabilities	<b>928</b>	1,477

Financial assets at amortised cost as at December 31, 2024 and 2023 respectively are as follows:

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Cash and cash equivalents	<b>183,779</b>	97,237
Term deposits	<b>118,246</b>	–
Restricted balances	<b>66,698</b>	67,693
Trade and other receivables <sup>(1)</sup>	<b>7,393</b>	8,239
	<b>376,116</b>	173,169

Financial liabilities at amortised cost as at December 31, 2024 and 2023 are as follows:

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Accounts and other payables <sup>(2)</sup>	<b>194,174</b>	154,844
Borrowings		
– Loans, other than syndicated loans	<b>349,993</b>	311,961
– Syndicated loans	<b>364,359</b>	426,273
Entrusted loan payable	<b>27,823</b>	28,238
	<b>936,349</b>	921,316

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS (Cont'd)

<sup>(1)</sup> Excluded VAT recoverable.

<sup>(2)</sup> Excluded mining cost accrual, other accruals, payroll and benefit payable and other tax payables.

The Group's financial instruments are exposed to certain financial risks including market risk (e. g. currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

### (a) Currency risk

The Group is exposed to the financial risk related to the fluctuation of foreign exchange rates for the monetary assets and liabilities denominated in the currencies other than the functional currencies to which they related. The Group has not hedged its exposure to currency fluctuations. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At the end of each reporting period, Huatailong and Skyland Mining Limited (note 37), of which its functional currency is RMB, had US\$ denominated intra-group borrowings from Skyland (BVI) and the Company. The intra-group borrowing is approximately US\$20,898,000 (2023: US\$20,285,000) as at December 31, 2024.

The Group is mainly exposed to exchange rate fluctuation of RMB and US\$.

#### *RMB monetary assets and (liabilities)*

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Cash and cash equivalents	<b>52,146</b>	72,869
Term deposits	<b>118,246</b>	–
Trade and other receivables	<b>1,427</b>	612
Accounts and other payables	<b>(11,729)</b>	(13,917)
	<b>160,090</b>	59,564

Based on the above net exposures, and assuming that all other variables remain constant, a 5% (2023: 5%) depreciation/appreciation of the RMB against the US\$ would result in an decrease/increase in the Group's profit for the year of approximately US\$6,804,000 (2023: increase/decrease in the Group's loss for the year of approximately US\$2,531,000) for the year ended December 31, 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (a) Currency risk (Cont'd)

#### *US\$ monetary assets and (liabilities)*

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Cash and cash equivalents	<b>3</b>	4
Inter-company loans	<b>(20,898)</b>	(20,285)
	<b>(20,895)</b>	(20,281)

Based on the above net exposures, and assuming that all other variables remain constant, a 5% (2023: 5%) depreciation/appreciation of the US\$ against the RMB would result in an increase/decrease in the Group's profit for the year of approximately US\$951,000 (2023: decrease/increase in the Group's loss for the year of approximately US\$923,000) for the year ended December 31, 2024.

In the Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value in relation to term deposits, borrowings, entrusted loan payables and lease liabilities with total carrying amounts of US\$227,683,000 (2023: US\$111,605,000) bearing fixed interest rate or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate bank balances and restricted balances and variable-rate bank borrowings with total net carrying amounts of US\$383,189,000 (2023: US\$491,415,000) (see note 25 for details of these borrowings).

#### *Sensitivity analysis*

The following analysis is prepared assuming the variable rate bank balances and restricted balances and variable-rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year and all other variables were held constant. A 25 basis point (2023: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Management's assessment of the reasonably possible change in interest rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (b) Interest rate risk (Cont'd)

#### *Sensitivity analysis (Cont'd)*

The analysis below reflects the sensitivity that the interest rate may be higher/lower by 25 basis points (2023: 25 basis points).

	<b>Year ended December 31, 2024 US\$'000</b>	Year ended December 31, 2023 US\$'000
25 basis points (2023: 25 basis points) higher		
– decrease in profit (2023: increase in loss) for the year	<b>(692)</b>	(907)
– addition in finance costs capitalised	<b>36</b>	19
	<hr/>	<hr/>
25 basis points (2023: 25 basis points) lower		
– increase in profit (2023: decrease in loss) for the year	<b>692</b>	907
– reduction in finance costs capitalised	<b>(36)</b>	(19)
	<hr/>	<hr/>

The Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

### (c) Other price risk

The Group is exposed to equity price risk through its investments in equity securities listed in Hong Kong. The Group's equity price risk is mainly concentrated on equity instruments operating in the mining industry sector quoted on the Stock Exchange. In addition, the Group also invested in unquoted equity securities for investees operating in the chemical and public utility industries for long term strategic purposes which had been designated as FVTOCI. The Group has formed a team led by the Chief Financial Officer to monitor the price risk and will consider hedging the risk exposure should the need arise.

#### *Sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. No sensitivity analysis is presented for unlisted investments as the directors of the Company consider the amounts of unlisted investments to be insignificant. If the prices of the respective listed equity instruments had been 10% (2023: 10%) higher/lower, investments revaluation reserve would increase/decrease by US\$4,760,000 (2023: US\$4,633,000) for the Group as a result of the changes in fair value of listed investment at FVTOCI.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (d) Credit risk and impairment assessment

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations. The Group sold approximately 100% (2023: 100%) of its gold to one creditworthy customer, CNG, and approximately 99% (2023: 92%) of its copper and other by-product to CNG subsidiaries for the year ended December 31, 2024. The failure of these customers to make required payments could have a negative impact on the Group's results. The Group manages this risk by demanding upfront payment for sales of copper and other by-products and has set up monitoring procedures to ensure that follow-up action is taken for timely settlement of receivables from CNG, the CNG subsidiary and third-party customers. The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessments using the ECL model on trade balances individually. In this regard, Management considers the Group's credit risk is significantly reduced. The Group does not hold any collateral over these balances.

The Group applies the simplified approach to provide for ECL on trade receivables as permitted and prescribed by IFRS 9.

The Management assessed the ECL on trade receivables individually. Based on the historical experience of the Group, these trade receivables are generally recoverable due to the long term/on-going relationship and good repayment record.

As at December 31, 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of US\$1,068,000 (2023: US\$1,235,000) which are past due over 90 days as at the reporting date. The directors of the Company are of the opinion that no default has occurred for the past due balances and the balances are still considered fully recoverable due to long-term/on-going relationships and good repayment records from these customers.

Movement in the allowance for credit losses of trade receivables:

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
At January 1	105	106
Recognised of expected credit losses	78	–
Exchange realignment	(3)	(1)
	<hr/>	<hr/>
At December 31	<b>180</b>	105
	<hr/>	<hr/>

**33. FINANCIAL INSTRUMENTS (Cont'd)****(d) Credit risk and impairment assessment (Cont'd)**

The Group was also exposed to credit risk on amount due from related parties and other receivables. The Management periodically monitors the financial position of each of the related companies to ensure each related company is financially viable to settle the amount due to the Group. The Management makes individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables except the receivable of the Tax and Other Surcharge, of which the impairment assessment has been disclosed in note 31.

The Group's bank deposits and restricted balances are held in PRC and Canadian financial institutions with high credit ratings, where the credit risks on these bank deposits are limited.

The Group had concentration of credit risk by geographical locations as the financial assets at amortised cost comprise various debtors which are located in the PRC for the years ended December 31, 2024 and 2023.

Other than the concentration of balance with CNG and its subsidiaries, the Group does not have any other significant concentration of credit risk.

**(e) Liquidity risk**

The Group operates in a capital intensive industry. The Group's liquidity requirements arise principally from the need for financing the expansion of its mining and processing operations.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 32.

The Group manages its liquidity primarily through maintaining an adequate level of cash and cash equivalents and borrowings.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Group relies on borrowings as a significant source of liquidity, details of which are set out in note 25.

The following table details the Group's remaining contractual maturities for its financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to satisfy the liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (e) Liquidity risk (Cont'd)

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period:

	Weighted average interest rate %	Within 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000	Total undiscounted cash flow US\$'000	Carrying amount US\$'000
At December 31, 2024							
Accounts and other payables		162,069	8,529	25,588	–	196,186	194,174
Entrusted loan payable	2.45	691	28,522	–	–	29,213	27,823
Borrowings	2.49	162,589	266,478	223,395	101,203	753,665	714,352
Lease liabilities	4.67	510	479	–	–	989	928
		<u>325,859</u>	<u>304,008</u>	<u>248,983</u>	<u>101,203</u>	<u>980,053</u>	<u>937,277</u>

	Weighted average interest rate %	Within 1 year US\$'000	1 – 2 years US\$'000	2 – 5 years US\$'000	Over 5 years US\$'000	Total undiscounted cash flow US\$'000	Carrying amount US\$'000
At December 31, 2023							
Accounts and other payables		154,844	–	–	–	154,844	154,844
Entrusted loan payable	2.45	703	701	28,880	–	30,284	28,238
Borrowings	2.60	158,595	79,140	441,505	109,858	789,098	738,234
Lease liabilities	4.71	606	514	485	–	1,605	1,477
		<u>314,748</u>	<u>80,355</u>	<u>470,870</u>	<u>109,858</u>	<u>975,831</u>	<u>922,793</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (f) Fair value

Equity instruments at FVTOCI – listed equity securities and equity instruments at FVTOCI – unlisted equity securities are measured at fair value based on the quoted bid price in an active market (Level 1) and the discounted cash flow models (Level 3) respectively. The fair values of the unlisted equity securities are considered insignificant. The fair values of other financial assets and financial liabilities measured at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

There was no transfer amongst level 1,2 and 3 in the current and prior years.

## 34. COMMITMENTS

	<b>December 31, 2024 US\$'000</b>	December 31, 2023 US\$'000
Capital expenditure in respect of acquisition of property, plant and equipment in the consolidated financial statements		
– contracted but not provided for	<b>6,113</b>	16,352

## 35. RETIREMENT BENEFITS SCHEMES

The employees of the Group's subsidiaries are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The total cost charged to the consolidated statement of profit or loss and other comprehensive income of approximately US\$8,140,000 for the year ended December 31, 2024 (2023: US\$8,497,000), represent contributions payable to the scheme by the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>Borrowings</b>	<b>Entrusted loan payable</b>	<b>Lease liabilities</b>	<b>Dividend payables</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(note 25)</b>	<b>(note 26)</b>	<b>(note 27)</b>		
At January 1, 2024	<b>738,234</b>	<b>28,238</b>	<b>1,477</b>	–	<b>767,949</b>
Financing cash flows	<b>(14,322)</b>	–	<b>(599)</b>	<b>(1,250)</b>	<b>(16,171)</b>
Dividend declared	–	–	–	<b>1,250</b>	<b>1,250</b>
Exchange difference arising on translation	<b>(9,560)</b>	<b>(415)</b>	–	–	<b>(9,975)</b>
Unrealised foreign exchange loss, net	–	–	<b>(16)</b>	–	<b>(16)</b>
Accrued interest expenses	–	–	<b>66</b>	–	<b>66</b>
At December 31, 2024	<b>714,352</b>	<b>27,823</b>	<b>928</b>	–	<b>743,103</b>

	<b>Borrowings</b>	<b>Entrusted loan payable</b>	<b>Lease liabilities</b>	<b>Dividend payables</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
	<b>(note 25)</b>	<b>(note 26)</b>	<b>(note 27)</b>		
At January 1, 2023	833,068	–	2,017	–	835,085
Financing cash flows	(85,247)	28,382	(604)	(147,764)	(205,233)
Dividend declared	–	–	–	147,782	147,782
Exchange difference arising on translation	(9,339)	(144)	–	–	(9,483)
Unrealised foreign exchange loss, net	(248)	–	(27)	(18)	(293)
Accrued interest expenses	–	–	91	–	91
At December 31, 2023	<b>738,234</b>	<b>28,238</b>	<b>1,477</b>	–	<b>767,949</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 37. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at December 31, 2024 and 2023 are as follows:

Name of subsidiaries	Place and date of incorporation/ establishment	Place of operation	Issued and fully paid share capital/ registered capital	Equity interest attributable to the Group as at December 31,		Principal activities
				2024	2023	
Pacific PGM Inc.	British Virgin Islands ("BVI") May 17, 2001	BVI	US\$100	100%	100%	Investment holding
Pacific PGM (Barbados) Inc.	Barbados September 6, 2007	Barbados	US\$250,000	100%	100%	Investment holding
IMP <sup>(1)</sup>	PRC April 29, 2002	PRC	US\$45,000,000	96.5%	96.5%	Engaged in exploration and development of mining properties in China
Skyland Mining Limited	Barbados October 6, 2004	Barbados	US\$233,380,700 plus RMB1,510,549,032	100%	100%	Investment holding
Jia Ertong <sup>(1)</sup>	PRC October 31, 2003	PRC	US\$273,920,000	100%	100%	Exploration, development and mining of mineral properties and investment holding
Huatailong <sup>(1)</sup>	PRC January 11, 2007	PRC	RMB1,760,000,000	100%	100%	Exploration, development and mining of mineral properties
Jiama Industry and Trade <sup>(1)</sup>	PRC December 1, 2011	PRC	RMB5,000,000	51%	51%	Mining logistics and transport business
Skyland (BVI) <sup>(2)</sup>	BVI October 26, 2010	BVI	US\$1	100%	100%	Issue of bonds

<sup>(1)</sup> Domestic limited liability company.

<sup>(2)</sup> On November 5, 2024, the dissolution of Skyland (BVI) was approved by the official department and the final dissolution was completed on February 5, 2025.

None of the subsidiaries had issued any debt securities at the end of both years. Other than Pacific PGM Inc., Pacific PGM (Barbados) Inc. and Skyland (BVI) which are directly held by the Company, all other subsidiaries listed above are indirectly held under the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	December 31, 2024 US\$'000	December 31, 2023 US\$'000
<b>Current assets</b>		
Cash and cash equivalents	4,704	10,089
Other receivables	84	40
Prepaid expenses and deposits	39	38
Amounts due from subsidiaries	–	39,644
	<u>4,827</u>	<u>49,811</u>
<b>Non-current assets</b>		
Right-of-use assets	27	126
Equity instruments at FVTOCI (note 19)	47,599	46,328
Investments in subsidiaries (note 37)	987,016	987,016
	<u>1,034,642</u>	<u>1,033,470</u>
<b>Total assets</b>	<u>1,039,469</u>	<u>1,083,281</u>
<b>Current liabilities</b>		
Other payable and accrued expenses	2,248	889
Borrowings	79,000	79,000
Lease liabilities	32	116
Amounts due to subsidiaries	1,335	–
	<u>82,615</u>	<u>80,005</u>
Net current liabilities	<u>(77,788)</u>	<u>(30,194)</u>
Total assets less current liabilities	<u>956,854</u>	<u>1,003,276</u>
<b>Non-current liabilities</b>		
Lease liabilities	–	27
Deferred income	19	19
	<u>19</u>	<u>46</u>
<b>Total liabilities</b>	<u>82,634</u>	<u>80,051</u>
<b>Owners' equity</b>		
Share capital (note 29)	1,229,061	1,229,061
Reserves (note 39)	30,384	29,113
Accumulated losses (note 39)	(302,610)	(254,944)
<b>Total owners' equity</b>	<u>956,835</u>	<u>1,003,230</u>
<b>Total liabilities and owners' equity</b>	<u>1,039,469</u>	<u>1,083,281</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## 39. RESERVES AND DEFICITS OF THE COMPANY

	<b>Reserves</b>	<b>Accumulated</b>	<b>Total</b>
	US\$'000	losses	US\$'000
	US\$'000	US\$'000	US\$'000
At January 1, 2023	19,294	(204,791)	(185,497)
Profit for the year	–	96,520	96,520
Fair value gain on equity instruments at FVTOCI	<u>9,819</u>	<u>–</u>	<u>9,819</u>
Total comprehensive income for the year	<u>9,819</u>	<u>96,520</u>	<u>106,339</u>
Dividends distribution	<u>–</u>	<u>(146,673)</u>	<u>(146,673)</u>
At December 31, 2023	29,113	(254,944)	(225,831)
Loss for the year	–	(47,666)	(47,666)
Fair value gain on equity instruments at FVTOCI	<u>1,271</u>	<u>–</u>	<u>1,271</u>
Total comprehensive income (loss) for the year	<u>1,271</u>	<u>(47,666)</u>	<u>(46,395)</u>
At December 31, 2024	<u>30,384</u>	<u>(302,610)</u>	<u>(272,226)</u>

# FIVE-YEAR FINANCIAL SUMMARY

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements are as follows:

	Year ended December 31				
	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000	2020 US\$'000
<b>RESULTS</b>					
Revenue	<u>756,646</u>	<u>459,434</u>	<u>1,104,949</u>	<u>1,137,356</u>	<u>864,032</u>
Profit (loss) attributable to owners of the Company	<u>62,732</u>	<u>(25,500)</u>	<u>222,743</u>	<u>267,361</u>	<u>111,962</u>
<b>ASSETS AND LIABILITIES</b>					
<b>At December 31</b>					
	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000	2020 US\$'000
Total assets	<u>2,935,979</u>	<u>2,834,716</u>	<u>3,194,911</u>	<u>3,257,043</u>	<u>3,322,642</u>
Total liabilities	<u>(1,149,773)</u>	<u>(1,106,975)</u>	<u>(1,291,481)</u>	<u>(1,423,651)</u>	<u>(1,727,173)</u>
Net assets	<u>1,786,206</u>	<u>1,727,741</u>	<u>1,903,430</u>	<u>1,833,392</u>	<u>1,595,469</u>
Equity attributable to owners of the Company	<u>1,762,438</u>	<u>1,706,858</u>	<u>1,883,979</u>	<u>1,815,922</u>	<u>1,578,522</u>
Non-controlling interests	<u>23,768</u>	<u>20,883</u>	<u>19,451</u>	<u>17,470</u>	<u>16,947</u>
Total owners' equity	<u>1,786,206</u>	<u>1,727,741</u>	<u>1,903,430</u>	<u>1,833,392</u>	<u>1,595,469</u>

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions under the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended December 31, 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted policies in its Corporate Disclosure, Confidentiality and Securities Trading Policy that has terms which are no less exacting than those set out in Appendix 10 to the Listing Rules (the “Model Code”). The Board is pleased to confirm, after specific enquiries with all Directors, that all Directors have fully complied with standards required according to the Model Code during the year ended December 31, 2024.

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

For the year ended December 31, 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

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

The Audit Committee has reviewed the audited consolidated financial statements for the year ended December 31, 2024, and is of the view that the Group’s audited consolidated financial statements for the year ended December 31, 2024 are prepared in accordance with the applicable accounting standard, laws and regulations, and appropriate disclosures have already been made.

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

Hong Kong, March 28, 2025

*As of the date of this announcement, the executive Directors of the Company are Mr. Chenguang Hou, Mr. Yuanhui Fu, Mr. Weibin Zhang and Ms. Na, Tian the non-executive Director of the Company is Mr. Wanming Wang and the independent non-executive Directors of the Company are Mr. Ying Bin Ian He, Mr. Wei Shao, Mr. Bielin Shi, and Ms. Ruixia Han.*