中國黃金國際資源有限公司

China Gold International Resources Corp. Ltd.

(Incorporated in British Columbia, Canada with limited liability)
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2026
INTERIM REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2026. (Stated in U.S. dollars, except as otherwise noted)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis of financial condition and results of operations ("MD&A") is prepared as of August 13, 2026. It should be read in conjunction with the consolidated financial statements and notes thereto of China Gold International Resources Corp. Ltd. (referred to herein as "China Gold International", the "Company", "we" or "our" as the context may require) for the three and six months ended June 30, 2026 and the three and six months ended June 30, 2025, respectively. Unless the context otherwise provides, references in this MD&A to China Gold International or the Company refer to China Gold International and each of its subsidiaries collectively on a consolidated basis.

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

FORWARD-LOOKING STATEMENTS

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

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

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

THE COMPANY

Overview

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

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

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

Performance Highlights

Three months ended June 30, 2026

- Revenue increased by 50% to US$461.0 million from US$307.3 million for the same period in 2025.
- Mine operating earnings of US$327.3 million, increased by US$167.9 million from mine operating earnings of US$159.4 million for the same period in 2025.
- Net profit of US$275.8 million increased by US$159.5 million from US$116.3 million for the same period in 2025.
- Cash flow from operation of US$286.5 million, increased from US$191.3 million for the same period in 2025.
- Total gold production decreased by 14% to 37,498 ounces from 43,403 ounces for the same period in 2025.
- Total copper production was 41.1 million pounds (approximately 18,641 tonnes) a slight increase from 39.7 million pounds (approximately 18,013 tonnes) for the same period in 2025.

Six months ended June 30, 2026

- Revenue increased by 58% to US$914.2 million from US$580.4 million for the same period in 2025.
- Mine operating earnings of US$620.1 million, increased by US$343.0 million from mine operating earnings of US$277.1 million for the same period in 2025.
- Net profit of US$512.1 million increased by US$309.8 million from US$202.3 million for the same period in 2025.
- Cash flow from operation of US$555.2 million, increased from US$334.8 million for the same period in 2025.
- Total gold production decreased by 18% to 72,317 ounces from 88,200 ounces for the same period in 2025.
- Total copper production was 78.6 million pounds (approximately 35,671 tonnes) a slight increase from 77.0 million pounds (approximately 34,924 tonnes) for the same period in 2025.

Outlook

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

The open-pit operations at the CSH gold mine are nearing the end of its mine life. To ensure stable production continuity, the Company is actively advancing the transition from open-pit to underground mining, with relevant construction works already commenced. 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. On May 22, 2026, a localized slope instability event occurred at CSH Gold Mine, which was a localized geological hazard primarily attributed to heavy rainfall in the area combined with complex geological conditions. Mining activities at the open pit remain temporarily suspended pending further geotechnical and operational assessment. Processing operations continue utilizing available low-grade ore stockpiles to maintain production. The Company is currently assessing the potential impact of the event on mining operations and future production plans. Based on the information currently available, the Company does not expect the event to materially affect its annual production guidance.

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

CSH Mine:

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

Jiama Mine:

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

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

In 2024, the Company successfully restored stable operation at the Jiama Mine. In addition, the Company continued to focus its efforts on optimizing resource utilization plan, integrating the identified high-grade underground resources, and accelerating the exploration work at high potential zones. On June 30, 2026, the Company announced a transformational mineral resource update for the Jiama Mine, with measured mineral resource increased 523% and proven mineral reserve increased 1,170%. The long-term development plan for the Jiama Mine consists of three phases:

- Prior to the completion of the construction of the new tailings storage facility (the "Youlongbu tailings storage facility"), the Jiama Mine Phase II processing plant will maintain and operate at its current processing capacity of 34,000 tons per day to match the Guolanggou's storage capacity (the operation of Phase I processing plant has been suspended since May 2024).

- The Youlongbu tailings storage facility is scheduled to commence operation by the end of 2027, allowing a further increase in the Jiama Mine's production capacity. Over the next two years, as part of the underground resource integration plan, the Company plans to apply to increase the permitted capacity on its mining license for the Jiama Mine, subject to compliance with the relevant safety requirements. Currently, the permitted capacity on the mining license of the Jiama Mine is 14.4 million tonnes per year (approximately 44,000 tonnes per day based on 330 operating days per year). Subject to the government approval of an increased annual mining rate, and following the commissioning of Youlongbu tailings storage facility, the Jiama Mine's ore processing volume will return to the level of 50,000 tonnes per day, in line with the designed processing capacity of the processing plants. In addition, endeavors are underway so that the production levels at the Jiama Mine will restore to those before the Guolanggou tailings overflow through blending of high-grade underground ores.

- The Company is also working to substantially expand the known mineralized system and delineate additional mineral resources and reserves at depth and in surrounding areas of the Jiama Mine, including the Zegulang North. The Company completed a NI 43-101 Technical Report on June 30, 2026 with the updated Mineral Resource, which significantly expands the Jiama Mine's scale and development potential, providing a robust foundation for future production expansion, mine life extension and further technical studies on larger-scale mining scenarios. 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. The Company will provide an update on the progress and results in due course.

RESULTS OF OPERATIONS

Selected Quarterly Financial Data

	Quarter ended							
	2026		2025				2024	
(US$ in thousands except per share)	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep
Revenue	461,013	453,203	384,734	345,026	307,269	273,096	293,567	254,581
Cost of sales	133,675	160,433	174,826	147,993	147,872	155,444	171,413	207,762
Mine operating earnings	327,338	292,770	209,908	197,033	159,397	117,653	122,154	46,819
General and administrative expenses	16,824	15,100	21,450	14,184	12,068	12,232	17,877	9,944
Exploration and evaluation expenditures	61	171	268	224	133	508	247	49
Research and development expenses	6,463	5,459	16,399	7,848	5,256	3,296	8,118	4,704
Income from operations	303,990	272,040	171,791	174,777	141,940	101,617	95,912	32,122
Foreign exchange gain (loss)	4,796	(2,464)	7,381	(3,039)	(2,037)	(2,654)	(4,631)	2,670
Finance costs	3,365	4,065	4,511	4,711	4,580	5,002	5,313	5,692
Profit before income tax	312,823	267,214	171,694	153,450	139,252	95,770	85,540	30,166
Income tax expense (credit)	37,070	30,843	43,994	11,156	22,909	9,791	17,223	2,293
Net profit (loss)	275,753	236,371	127,699	142,294	116,343	85,979	68,317	27,873
Basic & diluted earnings (loss) per share (cents)	68.97	59.02	31.67	35.60	29.08	21.45	16.97	6.84

Selected Quarterly and Annual Production Data and Analysis

CSH Mine	Three months ended June 30,		Six months ended June 30	
	2026	2025	2026	2025
Gold sales (US$ million)	97.75	84.58	224.45	163.67
Realized average price (US$) of gold per ounce	4,546	3,319	4,703	3,094
Gold produced (ounces)	21,500	22,090	42,853	45,829
Gold sold (ounces)	21,500	25,483	47,724	52,893
Total production cost (US$ per ounce)	1,772	1,612	1,776	1,619
Cash production cost[1] (US$ per ounce)	1,282	1,251	1,291	1,153

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

Gold production at the CSH Mine decreased by 3% to 21,500 ounces for the three months ended June 30, 2026 compared to 22,090 ounces for the same period in 2025. The total production cost of gold for the three months ended June 30, 2026 increased to US$1,772 per ounce compared to US$1,612 for the same period in 2025. The cash production cost of gold for the three months ended June 30, 2026 increased to US$1,282 per ounce from US$1,251 for the same period in 2025.

Jiama Mine	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Copper sales (US$ in millions)	**189.18**	110.72	**359.84**	204.22
Realized average price [1] (US$) of copper per pound after smelting fee discount [6]	**4.74**	2.86	**4.66**	2.70
Copper produced (tonnes)	**18,641**	18,013	**35,671**	34,924
Copper produced (pounds)	**41,096,647**	39,710,002	**78,640,919**	76,993,263
Copper sold (tonnes)	**17,986**	17,565	**35,035**	34,292
Copper sold (pounds)	**39,652,946**	38,722,492	**77,238,998**	75,599,786
Gold produced (ounces)	**15,998**	21,313	**29,464**	42,371
Gold sold (ounces)	**15,741**	20,881	**29,287**	41,619
Silver produced (ounces)	**1,542,400**	1,436,260	**2,776,949**	2,750,668
Silver sold (ounces)	**1,480,033**	1,392,389	**2,721,138**	2,685,804
Lead produced (tonnes)	**13,226**	10,262	**23,970**	21,038
Lead produced (pounds)	**29,158,471**	22,624,764	**52,845,994**	46,381,857
Lead sold (tonnes)	**12,421**	9,718	**23,283**	20,201
Lead sold (pounds)	**27,383,757**	21,423,651	**51,329,537**	44,536,444
Zinc produced (tonnes)	**7,757**	5,477	**12,124**	10,893
Zinc produced (pounds)	**17,102,255**	12,075,719	**26,728,185**	24,015,893
Zinc sold (tonnes)	**7,300**	5,107	**11,703**	10,470
Zinc sold (pounds)	**16,093,281**	11,258,963	**25,801,005**	23,081,507
Moly produced (tonnes)	**103**	255	**207**	452
Moly produced (pounds)	**226,331**	559,570	**456,142**	997,022
Moly sold (tonnes)	**85**	234	**197**	494
Moly sold (pounds)	**187,481**	516,452	**434,085**	1,087,991
Total production cost [2] (US$) of copper per pound	**2.96**	3.19	**3.25**	3.29
Total production cost [2] (US$) of copper per pound after by-products credits [4]	**(1.38)**	0.33	**(0.98)**	0.53
Cash production cost [4] (US$) per pound of copper	**2.19**	2.35	**2.48**	2.48
Cash production cost [3] (US$) of copper per pound after by-products credits [4]	**(2.16)**	(0.49)	**(1.75)**	(0.28)

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

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

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

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

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

6 Due to the relatively high discount factor applied to mixed ore, the overall copper sales price decreased compared with the prior year.

During the three months ended June 30, 2026, The Jiama Mine produced 18,641 tonnes (approximately 41.1 million pounds) of copper, which increased from of 18,013 tonnes (approximately 39.7 million pounds) during the comparative three month period in 2025.

Total production cost of copper per pound decreased by 7% in the second quarter of 2026 as compared to the same period in 2025. Cash production cost of copper per pound decreased by 7% as compared to the same quarter in 2025. Total production cost of copper per pound after by-products and cash production cost of copper per pound after by-product also decreased in 2026 as compared to the same three month period in 2025, mainly due to higher by-product revenue from gold and silver.

Review of Quarterly and Annual Data

Three months ended June 30, 2026 compared to three months ended June 30, 2025

Revenue of US$461.0 million for the second quarter of 2026, increased by US$153.7 million from US$307.3 million for the same period in 2025.

Revenue from the CSH Mine was US$97.8 million, an increase of US$13.2 million from US$84.6 million for the same period in 2025. The realized average gold price increased by 37%, from US$3,319/oz in Q2 2025 to US$4,546/oz in Q2 2026. Gold sold by the CSH Mine was 21,500 ounces (gold produced: 21,500 ounces), compared to 25,483 ounces (gold produced: 22,090 ounces) for the same period in 2025.

Revenue from the Jiama Mine was US$363.3 million, an increase of US$140.6 million, compared to US$222.7 million for the same period in 2025. The realized average price of copper increased by 66%, from US$2.86/pound in Q2 2025 to US$4.74/pound in Q2 2026. Total copper sold was 17,986 tonnes (39.7 million pounds) for the three months ended June 30, 2026, an increase of 2% from 17,564 tonnes (38.7 million pounds) for the same period in 2025.

Cost of sales of US$133.7 million for the quarter ended June 30, 2026, a decrease of US$14.2 million from US$147.9 million for the same period in 2025. Cost of sales as a percentage of revenue for the Company decreased from 48% to 29% for the three months ended June 30, 2025 and 2026, respectively. Cost of sales was impacted by many operation factors such as grade of ore, recovery rates and stripping ratio. Refer to the sections below for details of production factors for each individual mine.

Mine operating earnings of US$327.3 million for the three months ended June 30, 2026, an increase of US$167.9 million from US$159.4 million for the same period in 2025.

General and administrative expenses increased by US$4.7 million, from US$12.1 million for the quarter ended June 30, 2025 to US$16.8 million for the quarter ended June 30, 2026, partially due to higher taxes and surcharges resulting from increased revenue in the current quarter.

Research and development expenses of US$6.5 million for the three months ended June 30, 2026, increased from US$5.3 million for the comparative period in 2025. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

Income from operations of US$304.0 million for the second quarter of 2026, increased by US$162.1 million, compared to US$141.9 million for the same period in 2025.

Foreign exchange gain of US$4.8 million for the three months ended June 30, 2026, increased from a loss of US$2.0 million for the same period in 2025. The gain 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$7.4 million for the three months ended June 30, 2026, increased from US$4.9 million for the same period in 2025, primarily due to higher interest income earned during the current quarter compared to the corresponding period last year. In addition, the Company recognized dividend income of US$2.9 million from China Nonferrous Mining Corporation Limited during the current quarter.

Finance costs of US$3.4 million for the three months ended June 30, 2026, decreased by US$1.2 million compared to US$4.6 million for the same period in 2025. The decrease was primarily due to a reduction in total borrowings outstanding. Management continues to monitor the Company's debt structure and financing costs to optimize capital efficiency.

Income tax expense of US$37.1 million for the three months ended June 30, 2026, increased by US$14.2 million from US$22.9 million for the comparative period in 2025. During the current quarter, the Company recorded deferred tax credit of US$8.2 million, compared to an expense of US$7.1 million for the same period in 2025.

Net income of US$275.8 million for the three months ended June 30, 2026, increased by US$159.5 million from US$116.3 million for the three months ended June 30, 2025.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Revenue of US$914.2 million for the first half of 2026, increased by US$333.8 million from US$580.4 million for the same period in 2025.

Revenue from the CSH Mine was US$224.5 million, an increase of US$60.8 million from US$163.7 million for the same period in 2025. The realized average gold price increased by 52%, from US$3,094/oz in the first six months of 2025 to US$4,703/oz in the same period of 2026. Gold sold by the CSH Mine was 47,724 ounces (gold produced: 42,853 ounces), compared to 52,893 ounces (gold produced: 45,829 ounces) for the same period in 2025.

Revenue from the Jiama Mine was US$689.8 million, an increase of US$273.1 million, compared to US$416.7 million for the same period in 2025. The realized average price of copper increased by 73%, from US$2.70/pound in the first six months of 2025 to US$4.66/pound in the same period of 2026. Total copper sold was 35,035 tonnes (77.2 million pounds) for the six months ended June 30, 2026, an increase of 2% from 34,292 tonnes (75.6 million pounds) for the same period in 2025.

Cost of sales of US$294.1 million for the six months ended June 30, 2026, a decrease of US$9.2 million from US$303.3 million for the same period in 2025. Cost of sales as a percentage of revenue for the Company decreased from 52% to 32% for the six months ended June 30, 2025 and 2026, respectively. Cost of sales was impacted by many operation factors such as grade of ore, recovery rates and stripping ratio. Refer to the sections below for details of production factors for each individual mine.

Mine operating earnings of US$620.1 million for the six months ended June 30, 2026, an increase of US$343.0 million from US$277.1 million for the same period in 2025.

General and administrative expenses increased by US$7.6 million, from US$24.3 million for the six months ended June 30, 2025 to US$31.9 million for the six months ended June 30, 2026, partially due to higher taxes and surcharges resulting from increased revenue in the current period.

Research and development expenses of US$11.9 million for the six months ended June 30, 2026, increased from US$8.6 million for the comparative period in 2025. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

Income from operations of US$576.0 million for the six months ended June 30, 2026, increased by US$332.4 million, compared to US$243.6 million for the same period in 2025.

Foreign exchange gain of US$2.3 million for the six months ended June 30, 2026, increased from a loss of US$4.7 million for the same period in 2025. The gain 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$9.1 million for the six months ended June 30, 2026, increased from US$6.7 million for the same period in 2025, primarily due to higher interest income earned during the current period compared to the corresponding period last year. In addition, the Company recognized dividend income of US$2.9 million from China Nonferrous Mining Corporation Limited during the current period.

Finance costs of US$7.4 million for the six months ended June 30, 2026, decreased by US$2.2 million compared to US$9.6 million for the same period in 2025. The decrease was primarily due to a reduction in total borrowings outstanding. Management continues to monitor the Company's debt structure and financing costs to optimize capital efficiency.

Income tax expense of US$67.9 million for the six months ended June 30, 2026, increased by US$35.2 million from US$32.7 million for the comparative period in 2025. During the current period, the Company recorded deferred tax credit of US$10.7 million, compared to a deferred tax expense of US$4.5 million for the same period in 2025.

Net income of US$512.1 million for the six months ended June 30, 2026, increased by US$309.8 million from US$202.3 million for the six months ended June 30, 2025.

NON-IFRS MEASURES

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

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

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

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

CSH Mine (Gold)	Three months ended June 30,				Six months ended June 30,			
	2026		2025		2026		2025	
	US$	US$ Per ounce	US$	US$ Per ounce	US$	US$ Per ounce	US$	US$ Per ounce
Total Cost of sales [1]	**38,092,089**	**1,772**	41,083,590	1,612	**84,755,534**	**1,776**	85,622,391	1,619
Adjustment – Depreciation & depletion	**(10,224,780)**	**(476)**	(9,042,823)	(355)	**(22,721,182)**	**(476)**	(24,217,957)	(458)
Adjustment – Amortization of intangible assets	**(302,605)**	**(14)**	(158,213)	(6)	**(421,367)**	**(9)**	(415,399)	(8)
Total cash production costs	**27,564,704**	**1,282**	31,882,554	1,251	**61,612,985**	**1,291**	60,989,035	1,153
Total Gold sold ounces		**21,500**		25,483		**47,724**		52,893

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

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

Jiama Mine (Copper with by-products credits)	Three months ended June 30,				Six months ended June 30,			
	2026		2025		2026		2025	
	US$	US$ Per Pound	US$	US$ Per Pound	US$	US$ Per Pound	US$	US$ Per Pound
Total Cost of sales	**95,582,050**	**2.41**	106,787,363	2.76	**209,352,054**	**2.71**	217,692,307	2.88
General and administrative expenses	**15,604,438**	**0.39**	11,037,384	0.29	**29,737,365**	**0.39**	22,317,829	0.30
Research and development expenses	**6,462,465**	**0.16**	5,256,877	0.14	**11,921,753**	**0.15**	8,552,476	0.11
Total production cost	**117,648,953**	**2.96**	123,081,624	3.19	**251,011,172**	**3.25**	248,562,612	3.29
Adjustment – Depreciation & depletion	**(24,050,180)**	**(0.61)**	(25,244,711)	(0.65)	**(47,207,459)**	**(0.61)**	(47,845,864)	(0.63)
Adjustment – Amortization of intangible assets	**(6,319,242)**	**(0.16)**	(7,184,749)	(0.19)	**(12,266,193)**	**(0.16)**	(13,933,658)	(0.18)
Total cash production costs	**87,279,531**	**2.19**	90,652,164	2.35	**191,537,520**	**2.48**	186,783,090	2.48
By-products credits	**(172,408,019)**	**(4.35)**	(110,149,983)	(2.84)	**(326,616,518)**	**(4.23)**	(208,730,753)	(2.76)
Total cash production costs after by-products credits	**(85,128,488)**	**(2.16)**	(19,497,820)	(0.49)	**(135,078,998)**	**(1.75)**	(21,947,663)	(0.28)
Total Copper sold pounds		**39,652,946**		38,722,492		**77,238,998**		75,599,786

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

MINERAL PROPERTIES

The CSH Mine

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

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

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

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

The Company continues to evaluate the potential for underground operations.

The major new contracts entered into during the six months ended June 30, 2026:

Item No.	Contract Name	Counterpart	Subject amount (US $ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Construction Contract for the Ventilation and Drainage Systems of the Haoyao'erhudong Gold Mine Annual 8.25 Million Metric Tonne Gold Ore Mining Project (Conversion from Open-Cast to Underground Mining)	China Gold Group Construction Corporation Limited	18.54	2026.4.26-2029.12.31	2026.3.3
2	Inner Mongolia Pacific.Mining and stripping procedure of open-pit for the 2026-2028 period	China Gold Group Construction Corporation Limited	55.57	2026.1.1-2028.12.31	2026.3.6

Production Update

CSH Mine	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Ore mined and placed on pad (tonnes)	**2,056,705**	3,388,465	**3,790,743**	6,097,924
Average ore grade (g/t)	**0.52**	0.48	**0.53**	0.50
Recoverable gold (ounces)	**20,386**	30,882	**38,090**	58,817
Ending gold in process (ounces)	**133,259**	155,295	**133,259**	155,295
Waste rock mined (tonnes)	**339,698**	1,608,233	**1,311,846**	3,911,422

For the three months ended June 30, 2026, the total amount of ore placed on the leach pad was 2.1 million tonnes, with total contained gold of 20,386 ounces (634.1 kilograms). The overall accumulative project-to-date gold recovery rate remained consistent at approximately 56.74% at the end of June 30, 2026 from 56.70% at the end of March 31, 2026. Of which, gold recovery from the phase I and phase II heap leach pads were 59.77% and 55.09% at June 30, 2026, respectively.

Exploration

There was no drilling or exploration program for the six months ended June 30, 2026 for the CSH Mine.

Mineral Resource Update

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

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

Note:

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

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

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

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

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

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

Mineral Reserves Update

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

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

Note:

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

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

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

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

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 six months ended June 30, 2026:

Item No.	Contract Name	Counterpart	Subject amount (US $ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Contract for the 110kV Transmission and Transformation Project of Youlongbu Tailings Reservoir by Tibet Huatailong Mining Development Co., Ltd.	China Energy Construction Group Guangxi Hydropower Engineering Bureau Co., Ltd.	5.68	2026.02.04 – To be completed within 90 days of contract date	2026.02.04
2	Xizang Huatailong Mining Development Co., Ltd. Underground Drilling Project Contract for Jamang Mine Area, 2026-2028	Yunnan Geological Survey Institute of Sinochem Geological & Mining Bureau	3.90	2026.04.07 – 2029.04.06	2026.04.07

Production Update

Jiama Mine	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Ore processed (tonnes)	**2,815,556**	2,982,285	**5,553,734**	5,837,608
Average copper ore grade (%)	**0.77**	0.71	**0.75**	0.71
Copper recovery rate (%)	**87**	85	**86**	84
Average gold grade (g/t)	**0.22**	0.30	**0.21**	0.31
Gold recovery rate (%)	**80**	73	**78**	68
Average silver grade (g/t)	**22.57**	21.02	**21.21**	21.17
Silver recovery rate (%)	**76**	71	**73**	69
Average Lead grade (%)	**1.11**	1.08	**1.05**	1.04
Lead recovery rate (%)	**83.15**	77.85	**81.50**	77.06
Average Zinc grade (%)	**0.70**	0.63	**0.58**	0.58
Zinc recovery rate (%)	**75.64**	71.75	**75.03**	72.2
Average Moly grade (%)	**0.02**	0.04	**0.02**	0.04
Moly recovery rate (%)	**34**	33	**34**	33

Exploration

In 2026, Tibet Huatailong Mining Development Co., Ltd. plans to continue geological exploration projects in the peripheral of the Jiama mining area and the Bayi Ranch, with a planned 50,840 meters of surface drilling across 55 holes (including 6,000 meters of contingent drilling), 1:5,000 hydrogeological, engineering, and environmental geological mapping covering 40.77 square kilometers and 1:2,000 mapping covering 2.96 square kilometers in the outer area of the Jiama Mining area, and 1:2,000 geological mapping covering 4 square kilometers, 1:2,000 geological cross-section surveys spanning 4 kilometers, and 1:2,000 rock geochemical surveys covering 4 square kilometers at the Bayi Ranch. The estimated total budget is approximately US$17.2 million (RMB119.08 million). By the end of the second quarter of 2026, 5,081.6 meters of drilling with 9 holes has been completed for the carry-over drilling project in the peripheral area of Jiama mine. For the preparation of the new 2026 exploration project, the tendering works for all sub-projects have been completed. Nine rigs are currently being mobilized and ready for commencement. Of the ten prerequisite items related to land use procedures, seven have been completed, and the remaining three are in progress.

Mineral Resources Estimate

In June 30, 2026, Changchun Gold Design Institute ("CGDI) was engaged to prepare the updated mineral resources and reserve estimate on the Jiama mine by combining mineralized units together with lithology, a full three-dimensional (3D) solid and block models were constructed in the mineral resource estimation for the Jiama mine. The mineralization wireframes are defined using a cutoff grade of 0.3%.

In Leapfrog, radial basis function interpolation (RBF interpolation) is used to create mineralized bodies (domains) based on copper grades in the combined samples and distinct molybdenum, gold, silver, lead, and zinc (where applicable).

Block models of copper, molybdenum, and other metals, as well as specific gravity (SG), were modeled using the conventional Kriging method (OK) and local variable directivity (dynamic anisotropy).

Mineral resource estimates are based on the Canada CIM Mineral Resources and Reserves Definition Standard, officially adopted on May 10, 2014, and then subsequent MRMR Best Practice Guide updated in 2019, as well as Canada NI43-101 "Mineral Project Standards and Disclosures," (2012).

Mineral resource estimates for Jiama project as of June 30, 2026 are summarized in table below:

Results of Mineral Resource Estimates for Jiama Mine at cutoff grade 0.3% Cu as of June 30, 2026*

Category	Mass	Cu	Mo	Ag	Au	Pb	Zn	Cu	Mo	Ag	Au	Pb	Zn
	Mt	%	%	g/t	g/t	%	%	Mt	Mt	Moz	Moz	kt	kt
Measured	623.1	0.71	0.03	13.16	0.29	0.08	0.04	4.38	0.21	263.59	5.77	478.80	268.39
Indicated	711.9	0.68	0.03	12.10	0.29	0.06	0.03	4.77	0.23	277.03	6.67	426.45	230.17
M & I	1,335	0.69	0.03	12.60	0.29	0.07	0.04	9.15	0.44	540.62	12.45	905.25	498.55
Inferred	454.7	0.65	0.03	12.53	0.28	0.12	0.05	2.99	0.13	183.22	4.04	525.79	205.66

*: 1) Mineral Reserves and Mineral Resources have been estimated as of 30 June 2026 in accordance with NI 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101) as required by Canadian securities regulatory authorities.

2) 0.3% copper cut-off grade has been used to report the Mineral Resource Estimation (MRE).

3) Reported Mineral Resources contain no allowances for hanging wall or footwall contact boundary loss and dilution. No mining recovery has been applied.

4) The Mineral Resources was depleted to account for UG mining tunnel and mined-out, and current open-pit excluded.

5) Mineral Resources are reported inclusive of Mineral Reserves.

6) All Mineral Resource Estimates including Cu, Mo, Au, Ag, Pb, and Zn grade and their tonnages have been rounded to reflect the imprecise nature of the estimates for each classification category, therefore totals may not appear to sum correctly due to rounding.

7) Tony (Yingting) Guo, PhD, PGeo and Chaoxian (Ian) Zhou, MSc estimated the Mineral Resources. This Mineral Resource Estimation (MRE) was estimated with an effective date of 30 June 2026 and depleted to account for annual production up until 31 December 2025.

8) Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

9) M, Measured, I, Indicated.

As of June 30, 2026, the total measured resources at the Jiama Mine mining area include 4.38 million tons of copper metal, with a grade of 0.71%; Molybdenum metal content was 0.21 million tons, grade 0.03%; Lead metal content was 0.48 million tons, grade 0.08%; Zinc metal content was 0.27 million tons, grade 0.04%; Associated gold metal content is 5.77 million ounces, grading 0.29g/t; Associated silver metallic content is 264 million ounces, with a grade of 13.16 g/t. Indicated resource of 4.77 million tons of copper metal, grade 0.68%; Molybdenum metal content was 0.23 million tons, grade 0.03%; Lead metal content was 0.43 million tons, grade 0.06%; Zinc metal content is 0.23 million tons, grade 0.03%; Gold metal content is 6.67 million ounces, with a grade of 0.29 g/t; Silver metallic content is 277 million ounces, with a grade of 12.10g/t. The inferred resource contains 2.99 million tons of copper metal, with the copper grade of 0.65%; Molybdenum metal content was 0.13 million tons, grade 0.03%; Lead metal content was 0.53 million tons, grade 0.12%; Zinc metal content was 0.21 million tons, grade 0.05%; Gold metal content is 4.04 million ounces, with a grade of 0.28 g/t; Silver metal content is 183 million ounces, with a grade of 12.53 g/t.

Mineral Reserves Estimate

Updated mineral reserve estimates are based on the 2019 definition standards set by the Canadian Institute of Mines, Metallurgy and Petroleum (CIM).

The mineral reserves of the Jiama Mine project were completed by CGDI. Reserve estimates are based on data and information up to December 31, 2025. Open-pit copper grade 0.3% and underground copper grade 0.5% as the cutoff grades were used for the mineral reserve estimate. The reserve estimate results are summarized in Table below:

As of the June 30, 2026, the total proven mineral reserves under at Jiama Mine are 310.9 million tons of ore, containing 2.8 million tons of copper at a grade of 0.90%, 0.11 million tons of molybdenum at a grade of 0.035%, 3.98 million ounces of gold at a grade of 0.4 g/t, 179.3 million ounces of silver at a grade of 17.94 g/t, 0.26 million tons of lead at grade of 0.08% and 0.13 million tons of zinc at a grade of 0.04%.

The total probable mineral reserves under at Jiama Mine are 340.3 million tons of ore, containing 2.93 million tons of copper at a grade of 0.86%, 0.116 million tons of molybdenum at a grade of 0.034%, 4.47 million ounces of gold at a grade of 0.41 g/t, 186.2 million ounces of silver at a grade of 13.23 g/t, 0.20 million tons of lead at grade of 0.06% and 0.09 million tons of zinc at a grade of 0.03%.

Mineral Reserves at Jiama Project as of June 30, 2026*

		Average Grade							Metal Contained					
Category	**Ore**	**Cu**	**Mo**	**Au**	**Pb**	**Zn**	**Ag**	**CuEq**	**Cu**	**Mo**	**Au**	**Ag**	**Pb**	**Zn**
	Mt	%	%	g/t	%	%	g/t	%	Mt	Mt	Moz	Moz	Kt	Kt
Proven	310.9	0.90	0.035	0.4	0.08	0.04	17.94	1.48	2.8	0.11	3.98	179.3	0.26	0.13
Probable	340.3	0.86	0.034	0.41	0.06	0.03	13.23	1.40	2.93	0.116	4.47	186.2	0.20	0.09
Total	651.2	0.88	0.034	0.4	0.07	0.04	15.10	1.43	5.73	0.22	8.45	369.9	0.45	0.24

*: 1) All mineral reserves are determined according to the CIM standard specified in Canadian National Standard 43-101

2) Mineral reserves are estimated based on the following mining and economic factors:

open-pit mining:

a) mining methods use a 2% dilution factor and a 98% mining recovery rate;

b) The overall open pit slope is 43 degrees;

c) Copper price at $4.66 per pound;

d) Overall copper processing and recovery rate is 85%;

e) Cutoff grade at 0.3% Cu.

Underground mining:

a) Mining dilution by 12%;

b) Mining losses by 15%;

c) Beneficiation yield of 85%;

d) Cutoff grade at 0.5% Cu.

3) Mineral reserves: Open-pit copper equivalent grade 0.61% CuEq, underground copper equivalent grade l.61% CuEq;

CuEq = Cu+0.01*Ag+1.69*Mo+0.79*Au +0.23*Pb+0.26*Zn; Cu, 4.66 USD/lbs, Mo, 20 USD/lbs, Ag,40USD/oz Au, 2890 USD/oz,

Pb, 1.1 USD/lbs, Zn, 1.4 USD/lbs;

4) The mineral reserve estimate was prepared by Dr. Siwei He, an external consultant at Changchun Gold Design Institute Co., Ltd. He is a qualified QP under the Canadian NI43-101 standard.

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 June 30, 2026, the Company had an accumulated surplus of US$1.1 billion, working capital of US$909.9 million and borrowings of US$463.3 million. The Company's cash balance at June 30, 2026 was US$1.03 billion, among which cash and cash equivalents was US$586.4 million, Restricted cash was US$43.5 million, term deposits was US$403.8 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$169.1 million of short term debt facilities with interest rates ranging from 1.25% to 4.16% per annum arranged through various banks. In addition, on November 3, 2015, the Company entered into a Loan Facility agreement with a syndicate of banks, led by Bank of China. The lenders agreed to lend an aggregate principal amount of RMB3.98 billion, approximately US$613 million with the initial interest rate of 2.83% per annum. The proceeds from the Loan Facility are to be used for the development of the Jiama Mine. The loan is secured by the mining rights for the Jiama Mine. As of June 30, 2026 the Company has fully drawn under this Facility. The outstanding loan balance is RMB1.27 billion (approximately US$186 million), bearing an annual interest rate of 1.5% maturing on November 5, 2029.

On April 29, 2020, the Company entered into another loan facility agreement with a bank syndicate. The lenders agreed to make available a loan with an aggregate principal amount of RMB1.4 billion (approximately US$197.8 million). As of June 30, 2026, the Company has fully drawn down under this facility. The outstanding loan balance is RMB809 million (approximately US$119 million), bearing an annual interest rate of 1.6%, with maturity on April 28, 2034.

On August 8, 2025, the Company entered into another loan facility agreement with a bank syndicate. The lenders agreed to make available a loan with an aggregate principal amount of RMB2.1 billion (approximately US$294 million).As of June 30, 2026, the Company has drawn down RMB50 million (approximately US$7.2 million) under this facility, bearing an annual interest rate of 1.5%, with maturity on June 21, 2030.

On November 9, 2023, the Company obtained a bilateral loan with an aggregate principal amount of RMB100 million (approximately US$14.1 million) from China Construction Bank at an annual interest rate of 1.25%. As of June 30, 2026, the outstanding loan balance was RMB88 million (approximately US$12.9 million).

On May 13, 2024, the Company obtained a bilateral loan with an aggregate principal amount of RMB200 million (approximately US$28.2 million) from Lhasa Chengguan District Sub branch of Agricultural Bank of China Co., Ltd. at an annual interest rate of 1.35% for a term of 3 years. As of June 30, 2026, the outstanding loan balance was RMB60 million (approximately US$8.8 million).

On August 20, 2024, the Company obtained a bilateral loan with an aggregate principal amount of RMB200 million (approximately US$28.04 million) from China Gold Finance Co., Ltd. at an annual interest rate of 2.45% for a term of 3 years. As of June 30, 2026, the outstanding loan balance was RMB180 million (approximately US$26.0 million).

On May 12, 2026, the Company obtained a 1 year revolving bilateral loan with an aggregate principal amount of US$64 million from China Construction Bank (Asia) Corporation Limited, bearing interest at a floating rate based on Term SOFR.

On June 9, 2026, the Company obtained a 1 year revolving bilateral loan with an aggregate principal amount of US$10 million from China Everbright Bank Co., Ltd., Hong Kong Branch, bearing interest at a floating rate based on Term SOFR.

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

CASH FLOWS

The following table sets out selected cash flow data from the Company's consolidated cash flow statements for the three and six months ended June 30, 2026 and June 30, 2025.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
Net cash from operating activities	**286,477**	191,318	**555,180**	334,848
Net cash used in investing activities	**(45,978)**	(45,687)	**(110,842)**	(132,380)
Net cash (used in) financing activities	**(265,433)**	(77,837)	**(271,388)**	(78,172)
Net (decrease) increase in cash and cash equivalents	**(24,934)**	67,794	**172,950**	124,296
Effect of foreign exchange rate changes on cash and cash equivalents	**7,913**	909	**14,065**	1,120
Cash and cash equivalents, beginning of period	**603,438**	240,492	**399,402**	183,779
Cash and cash equivalents, end of period	**586,417**	309,195	**586,417**	309,195

Operating cash flow

For the three months ended June 30, 2026, net cash inflow from operating activities was US$286.5 million which is primarily attributable (i) profit before income tax of US$312.8 million (ii) depreciation of property, plant and equipment of US$31.9 million and (iii) amortization of mining rights of US$13.8 million, partially offset by and (i) income tax paid of US$44.3 million, (ii) increase in trade and other receivables of US$10.8 million and (iii) decrease in contract liabilities of US$9.9 million.

For the six months ended June 30, 2026, net cash inflow from operating activities was US$555.2 million which is primarily attributable (i) profit before income tax of US$580.0 million (ii) depreciation of property, plant and equipment of US$62.1 million and (iii) decrease in inventories of US$22.7 million, partially offset by (i) income tax paid of US$64.4 million, (ii) increase in trade and other receivables of US$13.8 million and (iii) decrease in trade and other payables of US$12.3 million.

Investing cash flow

For the three months ended June 30, 2026, the net cash outflow from investing activities was US$46.0 million which is primarily attributable to (i) placement of term deposits of US$146.7 million and (ii) payment for acquisition of property, plant and equipment of US$6.7 million, offset by (i) redemption of term deposits of US$110.0 million and (ii) interest income received of US$2.5 million.

For the six months ended June 30, 2026, the net cash outflow from investing activities was US$110.8 million which is primarily attributable to (i) placement of term deposits of US$348.2 million and (ii) payment for acquisition of property, plant and equipment of US$22.8 million, offset by (i) redemption of term deposits of US$261.1 million and (ii) interest income received of US$4.0 million.

Financing cash flow

For the three months ended June 30, 2026, the net cash outflow mainly from financing activities was US$265.4 million which is primarily attributable to (i) dividends paid to shareholders of US$186.3 million and (ii) repayment of bank and other borrowings of US$108.7 million.

For the six months ended June 30, 2026, the net cash outflow mainly from financing activities was US$271.4 million which is primarily attributable to (i) dividends paid to shareholders of US$186.3 million and (ii) repayment of bank and other borrowings of US$113.7 million.

Expenditures Incurred

For the six months ended June 30, 2026, the Company incurred mining costs of US$25.5 million, mineral processing costs of US$54.4 million and transportation costs of US$1.5 million.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at June 30, 2026, the Company's total debt was US$463.3 million and the total equity was US$2,661.4 million. The Company's gearing ratio was therefore 0.17 as at June 30, 2026 compared to 0.22 as at March 31, 2026.

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

Other than as disclosed elsewhere in this MD&A or in the condensed consolidated financial statements for the six months ended June 30, 2026, there were no significant investments held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2026. Other than as disclosed in this MD&A, there was no plan authorized by the Board for other material investments or additions of capital assets at the date of this MD&A.

CHARGE ON ASSETS

Other than as disclosed elsewhere in this MD&A and condensed consolidated financial statements, none of the Company's assets were pledged as at June 30, 2026.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

COMMITMENTS

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

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

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

	Total	**Within One year**	**Within Two to five years**	**Over five years**
	US$'000	US$'000	US$'000	US$'000
Principal repayment of bank loans	**433,961**	169,068	210,033	54,860
Entrusted loan payable	**29,365**	29,365	–	–

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, 2025 and June 30, 2026.

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$224.5 million for the six months ended June 30, 2026 which increased from US$163.7 million for the six months ended June 30, 2025.

The Company is also a party to a Product and Service Framework Agreement with CNG, pursuant to which CNG provides construction, procurement and equipment financing services to the Company and also purchases the copper concentrates produced at the Jiama Mine. The quantity of copper concentrates, pricing terms and payment terms may be established from time to time by the parties with reference to the pricing principles for connected transactions set out under the Product and Service Framework Agreement. On June 28, 2017, the Supplemental Product and Service Framework Agreement was approved and extended to expire on December 31, 2020. On June 16, 2020, the third Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026. For the six months ended June 30, 2026, revenue from sales of copper concentrate and other products to CNG was US$686.5 million compared to US$412.9 million for the same period in 2025.

For the six months ended June 30, 2026, construction services of US$33.9 million were provided to the Company by subsidiaries of CNG compared to US$66.7million for the same period in 2025.

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

Refer to Note 18 of the condensed consolidated financial statements for details of significant related party transactions during the six months ended June 30, 2026.

PROPOSED TRANSACTIONS

The Board of Directors has given the Company approval to conduct reviews of a number of projects that may qualify as acquisition targets through joint venture, merger and/or outright acquisitions. The Company did not have any material acquisition and disposal of subsidiaries and associated companies for the six months ended June 30, 2026. The Company continues to review possible acquisition targets.

CRITICAL ACCOUNTING ESTIMATES

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

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

CHANGE IN ACCOUNTING POLICIES

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company holds a number of financial instruments, the most significant of which are equity securities, accounts receivables, accounts payables, cash and loans. The financial instruments are recorded at either fair values or amortized amount on the balance sheet. The Company did not have any financial derivatives or outstanding hedging contracts as at June 30, 2026.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2026, the Company had not entered into any off-balance sheet arrangements.

DIVIDEND AND DIVIDEND POLICY

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

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

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

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

OUTSTANDING SHARES

As of June 30, 2026 the Company had 396,413,753 common shares issued and outstanding.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the Company's DC&P and ICFR as of June 30, 2026 and, in accordance with the requirements established under Canadian National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of June 30, 2026, and provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

The Company's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the Company's ICFR as of June 30, 2026 and have concluded that these controls and procedures were effective as of June 30, 2026 and provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the six months ended June 30, 2026, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

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

QUALIFIED PERSON

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

ADDITIONAL INFORMATION

Additional information as required by the Hong Kong Stock Exchange in the half-year interim report and not shown elsewhere in this report is as follows:

A1. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2026.

A2. SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as of June 30, 2026, the Company's directors were not aware of any other person (other than a director or chief executive of the Company who had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) ("SFO"):

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

Note:

1. China National Gold Group Co., Ltd. directly and wholly owns the entire issued share capital of China National Gold Group Hong Kong Limited. Therefore, the interest attributable to China National Gold Group Co., Ltd. represents its indirect interest in the Company's shares through its equity interest in China National Gold Group Hong Kong Limited.

2. Information relating to registered and indirect ownership of the Company's shares is provided by China National Gold Group Co., Ltd.

A3. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND STOCK OPTIONS

As of June 30, 2026, the interests of the directors and chief executive of the Company in the share capital, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer, were as follows:

SHARES

Name	Position	Company	Number of shares held	Nature of interest	Approximate percentage of interest in the Company
Yingbin Ian He	Director	China Gold International Resources Corp. Ltd.	50,000	Personal	0.013%

Other than as disclosed above, none of the directors, chief executive or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations as of June 30, 2026.

A4. STOCK OPTION PLAN

The Company adopted an incentive stock option plan with approval from its shareholders and pursuant to the policies of the Toronto Stock Exchange dated May 9, 2007. All options expired on June 1, 2015 and the 2007 Stock Option Plan has ceased to be in effect.

A5. EMOLUMENT POLICY

The Company's executive emolument policy and compensation program is administered by the Compensation and Benefits Committee. The Compensation and Benefits Committee reviews levels of cash compensation as needed and at least annually, and makes recommendations to the Board to adjust cash compensation in light of merit, qualifications and competence. The Compensation and Benefits Committee also reviews the corporate goals and objectives relevant to the compensation of the senior executive officers as needed and at least annually and based on recommendations from the Chief Executive Officer and other members of the management team. The Compensation and Benefits Committee makes its determinations as to overall compensation levels on the basis of both available third party data regarding comparable compensation at similar size companies as well as their own industry experience and the Company's hiring and retention needs. Decisions relating to executive compensation are reported by the Compensation and Benefits Committee to the Board for approval.

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

As of June 30, 2026, the Company had 2,351 employees working at various locations. The emolument policy for the Company's employees is determined on a department by department basis with the Chief Executive Officer determining the emoluments for employees and managers based on merit, qualifications and the Company's hiring and retention needs.

A6. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has, throughout the six months ended June 30, 2026, applied the principles and complied with the requirements of its corporate governance practices as defined by the Board and all applicable statutory, regulatory and stock exchange listings standards, in particular, the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing Securities of The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

A7. COMPLIANCE WITH MODEL CODE ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted policies regarding directors' securities transactions in its Corporate Disclosure, Confidentiality and Securities Trading Policy that has terms which are no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Hong Kong Listing Rules.

After specific enquiry with all members of the Board, the Board confirms that all of the directors of the Company have complied with the required policies in the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy throughout the six months ended June 30, 2026.

A8. INTERIM DIVIDEND

The Board did not recommend the payment of interim dividends in respect of the six months ended June 30, 2026.

A9. AUDIT COMMITTEE

Pursuant to the requirements under the Hong Kong Listing Rules, the Company has established an audit committee (the "Audit Committee") comprising all the existing Independent Non-executive Directors, namely Ian He (chairman of the Audit Committee), Wei Shao, Bielin Shi and Ruixia Han. The Audit Committee has reviewed and discussed with the Company's auditors the unaudited interim results of the Group for the three and six months ended June 30, 2026.

August 13, 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Three And Six Months Ended June 30, 2026 (Unaudited)

		Three months ended June 30,		Six months ended June 30,	
	NOTES	**2026**	2025	**2026**	2025
		US$'000	US$'000	**US$'000**	US$'000
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	3	**461,013**	307,269	**914,216**	580,365
Cost of sales		**(133,675)**	(147,872)	**(294,108)**	(303,315)
Mine operating earnings		**327,338**	159,397	**620,108**	277,050
Expenses					
General and administrative expenses	4	**(16,824)**	(12,068)	**(31,924)**	(24,300)
Exploration and evaluation expenditure		**(61)**	(133)	**(232)**	(641)
Research and development expenses		**(6,463)**	(5,256)	**(11,922)**	(8,552)
		(23,348)	(17,457)	**(44,078)**	(33,493)
Income from operations		**303,990**	141,940	**576,030**	243,557
Other income (expenses)					
Foreign exchange loss, net		**4,796**	(2,037)	**2,332**	(4,691)
Interest and other income		**7,402**	4,916	**9,105**	6,725
Other expenses	5	**–**	(987)	**–**	(987)
Finance costs	6	**(3,365)**	(4,580)	**(7,430)**	(9,582)
		8,833	(2,688)	**4,007**	(8,535)
Profit before income tax		**312,823**	139,252	**580,037**	235,022
Income tax expenses	7	**(37,070)**	(22,909)	**(67,913)**	(32,700)
Profit for the period		**275,753**	116,343	**512,124**	202,322
Other comprehensive income for the period					
Item that will not be reclassified to profit or loss:					
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")		**(2,195)**	14,556	**(32,483)**	17,920
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation		**7,366**	4,892	**33,595**	7,377
		5,171	19,448	**1,112**	25,297

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Three And Six Months Ended June 30, 2026 (Unaudited)

		Three months ended June 30,		Six months ended June 30,	
	NOTES	**2026**	2025	**2026**	2025
		US$'000	US$'000	**US$'000**	US$'000
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Total comprehensive income for the period		**280,924**	135,791	**513,236**	227,619
Profit for the period attributable to					
Non-controlling interests		**2,349**	1,062	**4,761**	2,028
Owners of the Company		**273,404**	115,281	**507,363**	200,294
		275,753	116,343	**512,124**	202,322
Total comprehensive income for the period attributable to					
Non-controlling interests		**2,349**	1,062	**4,761**	2,028
Owners of the Company		**278,575**	134,729	**508,475**	225,591
		280,924	135,791	**513,236**	227,619
Earnings per share – Basic and diluted (US cents)	9	**68.97**	29.08	**127.99**	50.53
Weighted average number of common shares – Basic and diluted	9	**396,413,753**	396,413,753	**396,413,753**	396,413,753

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2026 (Unaudited)

	NOTES	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Current assets			
Cash and cash equivalents		586,417	399,402
Restricted bank balances		43,480	34,162
Term deposits	10	403,765	305,884
Trade and other receivables	11	16,236	8,246
Prepaid expenses and deposits	12	7,166	1,794
Inventories	13	271,820	294,536
		1,328,884	1,044,024
Non-current assets			
Prepaid expenses and deposits	12	490	74
Right-of-use assets	14	103,816	104,519
Equity instruments at FVTOCI	19	101,398	133,875
Property, plant and equipment	14	1,338,153	1,339,447
Intangible assets	14	714,777	724,647
Other non-current assets		10,267	9,949
		2,268,901	2,312,511
Total assets		3,597,785	3,356,535
Current liabilities			
Accounts and other payables and accrued expenses	15	179,542	181,828
Contract liabilities		48	10,063
Borrowings	16	169,068	217,004
Entrustment Loan payable	18(a)	29,365	28,454
Lease liabilities		1,517	1,417
Tax liabilities		39,450	25,253
		418,990	464,019
Net current assets		909,894	580,005
Total assets less current liabilities		3,178,795	2,892,516

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2026 (Unaudited)

	NOTES	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Non-current liabilities			
Accounts and other payables and accrued expenses	15	**17,487**	25,419
Borrowings	16	**264,893**	287,981
Lease liabilities		**12,462**	12,628
Deferred tax liabilities		**124,940**	135,665
Deferred income		**19**	19
Environmental rehabilitation		**97,608**	93,778
		517,409	555,490
Total liabilities		**936,399**	1,019,509
Owners' equity			
Share capital	17	**1,229,061**	1,229,061
Reserves		**274,950**	266,985
Retained profits		**1,127,291**	813,095
		2,631,302	2,309,141
Non-controlling interests		**30,084**	27,885
Total owners' equity		**2,661,386**	2,337,026
Total liabilities and owners' equity		**3,597,785**	3,356,535

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on August 13, 2026 and are signed on its behalf by:

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Three And Six Months Ended June 30, 2026 (Unaudited)

	Attributable to owners of the Company									
	Number of shares	Share capital US$'000	Equity reserve US$'000	Investment revaluation reserve US$'000	Exchange reserve US$'000	Statutory reserve US$'000	Retained profits US$'000	Subtotal US$'000	Non-controlling interests US$'000	Total owners' equity US$'000
At January 1, 2025	396,413,753	1,229,061	11,179	27,589	(70,298)	131,267	433,640	1,762,438	23,768	1,786,206
Profit for the period	–	–	–	–	–	–	200,294	200,294	2,028	202,322
Fair value gain on equity instruments at FVTOCI	–	–	–	17,920	–	–	–	17,920	–	17,920
Exchange difference arising on translation	–	–	–	–	7,377	–	–	7,377	–	7,377
Total comprehensive income for the period	–	–	–	17,920	7,377	–	200,294	225,591	2,028	227,619
Transfer to statutory reserve – safety production fund	–	–	–	–	–	2,544	(2,544)	–	–	–
Dividends paid to shareholders of the Company	–	–	–	–	–	–	(31,713)	(31,713)	–	(31,713)
Dividends paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	(1,237)	(1,237)
At June 30, 2025 (unaudited)	396,413,753	1,229,061	11,179	45,509	(62,921)	133,811	599,677	1,956,316	24,559	1,980,875
At January 1, 2026	396,413,753	1,229,061	11,179	113,053	(44,305)	187,058	813,095	2,309,141	27,885	2,337,026
Profit for the period	–	–	–	–	–	–	507,363	507,363	4,761	512,124
Fair value gain on equity instruments at FVTOCI	–	–	–	(32,483)	–	–	–	(32,483)	–	(32,483)
Exchange difference arising on translation	–	–	–	–	33,595	–	–	33,595	–	33,595
Total comprehensive income for the period	–	–	–	(32,483)	33,595	–	507,363	508,475	4,761	513,236
Transfer to statutory reserve – safety production fund	–	–	–	–	–	9,650	(9,650)	–	–	–
Transfer to retained earnings – safety production fund	–	–	–	–	–	(2,797)	2,797	–	–	–
Dividends paid to shareholders of the Company	–	–	–	–	–	–	(186,314)	(186,314)	–	(186,314)
Dividends declared to a non-controlling shareholder	–	–	–	–	–	–	–	–	(2,121)	(2,121)
Dividends paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	(441)	(441)
At June 30, 2026 (unaudited)	396,413,753	1,229,061	11,179	80,570	(10,710)	193,911	1,127,291	2,631,302	30,084	2,661,386

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Three And Six Months Ended June 30, 2026 (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Net cash from operating activities	**286,477**	191,318	**555,180**	334,848
Investing activities				
Interest income received	**2,493**	–	**4,044**	737
Payment for acquisition of property, plant and equipment	**(6,721)**	(4,581)	**(22,774)**	(29,301)
Proceeds from disposal of property, plant and equipment	**–**	12	**3**	12
Payment for right-of-use assets	**(1)**	(17,674)	**(1)**	(17,674)
Payment for land use right	**(5,072)**	(2,688)	**(5,072)**	(2,688)
Placement of term deposits	**(146,711)**	(20,756)	**(348,170)**	(132,240)
Withdrawal of term deposits	**110,034**	–	**261,128**	48,774
Net cash used in investing activities	**(45,978)**	(45,687)	**(110,842)**	(132,380)
Financing activities				
Proceeds from borrowings	**30,000**	79,000	**30,000**	79,000
Repayment of borrowings	**(108,701)**	(124,170)	**(113,701)**	(124,170)
Dividends paid to shareholders of the Company	**(186,314)**	(31,713)	**(186,314)**	(31,713)
Dividends paid to a non-controlling shareholder	**–**	(929)	**(441)**	(1,237)
Payment for lease	**(418)**	(25)	**(932)**	(52)
Cash used in financing activities	**(265,433)**	(77,837)	**(271,388)**	(78,172)
Net (decrease)/increase in cash and cash equivalents	**(24,934)**	67,794	**172,950**	124,296
Cash and cash equivalents, beginning of period	**603,438**	240,492	**399,402**	183,779
Effect of foreign exchange rate changes on cash and cash equivalents	**7,913**	909	**14,065**	1,120
Cash and cash equivalents, end of period	**586,417**	309,195	**586,417**	309,195
Cash and cash equivalents are comprised of cash and bank deposits	**586,417**	309,195	**586,417**	309,195

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

1.1 Basis of preparation

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

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

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange as well as International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), which should be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

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

1.2 Significant event during the current period

(a) A localised slope instability event

On May 22, 2026, a localised slope instability event occurred at its CSH Gold Mine in Inner Mongolia. The event was primarily attributed to heavy rainfall in the area during May 15 to 16, 2026, combined with complex geological conditions, which triggered a localized geological hazard.

Mining activities at the open pit remain temporarily suspended pending further geotechnical and operational assessment. Processing operations continue utilising available low-grade ore stockpiles to maintain production.

The Company has engaged external geotechnical specialists and professional consultants to assist with the ongoing assessment and remediation planning. The Company is currently assessing the potential impact of the event on mining operations and future production plans. Based on the information currently available, the Company does not expect the event to materially affect its annual production guidance. The assessment remains ongoing.

1. BASIS OF PREPARATION AND SIGNIFICANT EVENT DURING THE CURRENT PERIOD (Cont'd)

1.2 Significant event during the current period (Cont'd)

(b) Updates on Mineral Resource and Reserve Estimates

The Company has completed mineral resource and reserve estimate update and the NI 43-101 Technical Report with respect to the Mineral Resource and Reserve Estimates Update for the Jiama Copper Polymetallic Project in Tibet Autonomous Region, the People's Republic of China. Mineral Resource estimate and a Mineral Reserve estimate, dated effective June 30, 2026, has been completed by Changchun Gold Design Institute in accordance with the CIM Definition Standards and Best Practice Guidelines under NI 43-101.

The updated Mineral Resource significantly expands the Project's scale and development potential, providing a robust foundation for future production expansion, mine life extension and further technical studies on larger-scale mining scenarios.

Please refer to the Company's announcement dated June 30, 2026 for details on the updates on Mineral Resources and Reserve Estimates.

2. ACCOUNTING POLICIES AND APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS")

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2025.

In the current interim period, the Group has applied the following amendments to IFRSs issued by IASB, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

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

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

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

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

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
At a point in time				
Gold doré bars	**97,750**	84,576	**224,455**	163,670
Copper	**189,178**	110,720	**359,837**	204,216
Other by-products	**174,085**	111,973	**329,924**	212,479
Total revenue	**461,013**	307,269	**914,216**	580,365

(ii) Performance obligations for contracts with customers

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

Segment information

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

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

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

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

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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 six months ended June 30, 2026

	Mine-produced gold US$'000 (unaudited)	Mine-produced copper concentrate US$'000 (unaudited)	Segment total US$'000 (unaudited)	Unallocated US$'000 (unaudited)	Consolidated US$'000 (unaudited)
Revenue – external and segment revenue	224,455	689,761	914,216	–	914,216
Cost of sales	(84,756)	(209,352)	(294,108)	–	(294,108)
Mining operating earnings	139,699	480,409	620,108	–	620,108
Income (loss) from operations	139,467	438,750	578,217	(2,187)	576,030
Foreign exchange (loss) gain, net	3,454	1,565	5,019	(2,687)	2,332
Interest and other income	2,798	3,417	6,215	2,890	9,105
Finance costs	(156)	(4,935)	(5,091)	(2,339)	(7,430)
Profit (loss) before income tax	145,563	438,797	584,360	(4,323)	580,037

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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

For the six months ended June 30, 2025

	Mine-produced gold US$'000 (unaudited)	Mine-produced copper concentrate US$'000 (unaudited)	Segment total US$'000 (unaudited)	Unallocated US$'000 (unaudited)	Consolidated US$'000 (unaudited)
Revenue – external and segment revenue	163,670	416,695	580,365	–	580,365
Cost of sales	(85,622)	(217,693)	(303,315)	–	(303,315)
Mining operating earnings	78,048	199,002	277,050	–	277,050
Income (loss) from operations	77,406	168,133	245,539	(1,982)	243,557
Foreign exchange (loss) gain, net	(4,608)	(85)	(4,693)	2	(4,691)
Interest and other income	1,669	2,062	3,731	2,994	6,725
Other expenses	–	(987)	(987)	–	(987)
Finance costs	(172)	(7,263)	(7,435)	(2,147)	(9,582)
Profit (loss) before income tax	74,295	161,860	236,155	(1,133)	235,022

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

There are no inter-segment sales for the six months ended June 30, 2026 and 2025.

3. 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 respective segment:

	Mine-produced gold US$'000	Mine-produced copper concentrate US$'000	Segment total US$'000	Unallocated US$'000	Consolidated US$'000
As of June 30, 2026 (unaudited)					
Total assets	**822,026**	**2,633,519**	**3,455,545**	**142,240**	**3,597,785**
Total liabilities	**47,256**	**811,577**	**858,833**	**77,566**	**936,399**
As of December 31, 2025 (audited)					
Total assets	750,910	2,451,131	3,202,041	154,494	3,356,535
Total liabilities	50,237	887,806	938,043	81,466	1,019,509

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

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

4. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Administration and office expenses	**3,962**	1,464	**5,862**	4,145
Depreciation of property, plant and equipment	**1,674**	1,567	**3,550**	3,165
Depreciation of right-of-use assets	**13**	–	**26**	24
Professional fees	**587**	1,121	**1,213**	1,635
Salaries and benefits	**5,316**	5,028	**10,401**	9,987
Others	**5,272**	2,888	**10,872**	5,344
Total general and administrative expenses	**16,824**	12,068	**31,924**	24,300

5. OTHER EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Provision for litigation compensation and related interest charge	**–**	830	**–**	830
Others	**–**	157	**–**	157
Total other expenses	**–**	987	**–**	987

6. FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Interests on borrowings	**2,785**	3,874	**6,276**	8,150
Interests on provision for mining rights	**276**	199	**429**	398
Interests on lease liabilities	**66**	10	**279**	21
Accretion on environmental rehabilitation	**426**	682	**845**	1,366
	3,553	4,765	**7,829**	9,935
Less: Amounts capitalised to property, plant and equipment	**(188)**	(185)	**(399)**	(353)
Total finance costs	**3,365**	4,580	**7,430**	9,582

7. INCOME TAX EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Current tax:				
PRC Enterprise Income Tax ("EIT")	**33,365**	15,274	**63,303**	27,651
PRC withholding income tax on dividend paid	**6,414**	–	**6,414**	–
Underprovision of PRC EIT in prior year	**5,477**	578	**8,921**	578
	45,256	15,852	**78,638**	28,229
Deferred tax:				
PRC EIT	**(8,186)**	7,057	**(10,725)**	4,471
	(8,186)	7,057	**(10,725)**	4,471
Total income tax expenses	**37,070**	22,909	**67,913**	32,700

8. DIVIDEND

During the six months ended June 30, 2026, a dividend in respect of the year ended December 31, 2025 of US$0.47 per common share (including basic dividend of US$0.35 per common share and special dividend of US$0.12 per common share) in an aggregate amount of US$186,314,000 was declared and paid to the shareholders of the Company.

During the six months ended June 30, 2025, a dividend in respect of the year ended December 31, 2024 of US$0.08 per common share (including basic dividend of US$0.05 per common share and special dividend of US$0.03 per common share) in an aggregate amount of US$31,713,000 was declared and paid to the shareholders of the Company.

9. EARNINGS PER SHARE

Profit used in determining earnings per share are presented below:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share (US$'000)	**273,404**	115,281	**507,363**	200,294
Weighted average number of shares, basic	**396,413,753**	396,413,753	**396,413,753**	396,413,753
Basic earnings per share (US cents)	**68.97**	29.08	**127.99**	50.53

The Group has no outstanding potential dilutive instruments issued as at June 30, 2026 and 2025 and during the three and six months ended June 30, 2026 and 2025. Therefore, no diluted earnings per share is presented.

10. TERM DEPOSITS

As at June 30, 2026, term deposits with original maturity of one year (December 31, 2025: one year) carries interest at fixed market rate ranging from 1.2% to 1.7% per annum (December 31, 2025: ranging from 1.15% to 1.7%) per annum.

11. TRADE AND OTHER RECEIVABLES

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Trade receivables	4,225	2,111
Less: allowance for credit losses	(295)	(344)
	3,930	1,767
Amounts due from related companies (note 18(a))[1]	3,273	2,762
Other receivables	9,033	3,717
Total trade and other receivables	16,236	8,246

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

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

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

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Less than 30 days	2,047	714
31 to 90 days	425	241
91 to 180 days	480	3
Over 180 days	978	809
	3,930	1,767

12. PREPAID EXPENSES AND DEPOSITS

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Deposit paid for acquisition of property, plant and equipment	490	74
Other prepayment and deposits	7,166	1,794
	7,656	1,868
Less: Amounts that will be settled or utilised within one year shown under current assets	(7,166)	(1,794)
Amounts that will be settled or utilised for more than one year shown under non-current assets	490	74

13. INVENTORIES

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Gold in process	235,525	249,498
Gold doré bars	–	8,283
Consumables	7,692	9,713
Copper concentrate	4,392	5,017
Spare parts	24,211	22,025
Total inventories	271,820	294,536

Cost of inventory sold totaling US$132 million and US$291 million for the three and six months ended June 30, 2026, respectively (three and six months ended June 30, 2025: US$141 million and US$289 million, respectively) was recognised in cost of sales.

14. PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS/RIGHT-OF-USE ASSETS

During the six months ended June 30, 2026, the Group incurred approximately US$17.8 million on construction in progress (for the six months ended June 30, 2025: approximately US$1.8 million) and approximately US$0.8 million on mineral assets (for the six months ended June 30, 2025: approximately US$6.4 million), respectively.

Depreciation of property, plant and equipment was US$31.9 million and US$62.1 million for the three and six months ended June 30, 2026, respectively (for the three and six months ended June 30, 2025: US$37.0 million and US$70.1 million, respectively). The depreciation amount was partly recognised in cost of sales, general and administrative expenses, research and development expenses and partly capitalised in inventory.

No addition of mining rights was incurred during the six months ended June 30, 2026 and 2025. Amortisation of mining rights was US$13.8 million and US$19.9 million for the three and six months ended June 30, 2026, respectively (for the three and months ended June 30, 2025: US$7.3 million and US$14.2 million, respectively). The amortisation amounts were recognised in cost of sales.

During the six months ended June 30, 2025, the Group paid farmland use tax and grassland compensation fee in relation to leasehold lands and recognised right-of-use assets of US$41.7 million. No payment of farmland use tax and grassland compensation fee was paid and no respective right-of-use assets has been recognised during the six months ended June 30, 2026.

15. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

Accounts and other payables and accrued expenses comprise the following:

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Accounts payable	**35,528**	36,021
Construction cost payables	**88,466**	91,181
Mining loyalties payable (Note)	**37,951**	50,577
Payable for acquisition of a mining right	**–**	1,201
Payroll and benefit payables	**5,429**	2,085
Mining cost accrual	**2,871**	1,544
Other accruals	**3,574**	2,472
Other tax payable	**17,718**	13,006
Other payables	**5,492**	9,160
Total accounts and other payables and accrued expenses	**197,029**	207,247
Current	**179,542**	181,828
Non-current	**17,487**	25,419
	197,029	207,247

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

Note:

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

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

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Less than 30 days	10,567	20,779
31 to 90 days	8,525	4,561
91 to 180 days	7,633	1,593
Over 180 days	8,803	9,088
Total accounts payable	35,528	36,021

The credit period for bills payable is 180 days from the issue date.

16. BORROWINGS

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Bank loans	407,533	422,467
Loans payable to a CNG's subsidiary (note 18(a))	26,428	82,518
	433,961	504,985

16. BORROWINGS (Cont'd)

The borrowings are repayable as follows:

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Carrying amount repayable within one year	169,068	217,004
Carrying amount repayable within one to two years	110,118	107,415
Carrying amount repayable within two to five years	99,915	111,756
Carrying amount repayable over five years	54,860	68,810
	433,961	504,985
Less: Amounts due within one year (shown under current liabilities)	(169,068)	(217,004)
Amounts shown under non-current liabilities	264,893	287,981
Analysed as:		
Secured	185,806	197,119
Unsecured	248,155	307,866
	433,961	504,985

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

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Mining rights	712,960	723,579

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

In respect of a bank loan with a carrying amount of US$333,533,000 as at June 30, 2026 (December 31, 2025: US$343,467,000), the Group is required to comply with certain significant financial covenants throughout the continuance of the relevant bank loans and/or as long as the bank loans are outstanding. The Group has complied with all covenants throughout the reporting period.

17. SHARE CAPITAL

Common shares

(i) Authorised – Unlimited common shares without par value

(ii) Issued and outstanding

	Number of shares	Amount US$'000
Issued and fully paid:		
At January 1, 2025, December 31, 2025 and June 30, 2026	396,413,753	1,229,061

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

In addition to the related party transactions and balances shown elsewhere in these condensed consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties for the three and six months ended June 30, 2026 and 2025, and related party balances as at June 30, 2026 and December 31, 2025.

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

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

	June 30, 2026 %	December 31, 2025 %
CNG	**40.01**	40.01

18. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

(a) Transactions/balances with CNG and its subsidiaries

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

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Gold doré bars sales by the Group	**97,750**	84,576	**224,455**	163,670
Copper and other by-products sales by the Group	**361,586**	220,870	**686,453**	412,947
Provision of transportation services by the Group	**688**	567	**1,293**	1,059

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Construction, stripping and mining services provided to the Group	**14,250**	34,138	**33,861**	66,705
Accrued property management fee	**119**	113	**236**	226
Commitment fee	**151**	147	**299**	296
Interest income	**807**	1,373	**1,631**	2,598
Interest expenses on loans payable to a CNG's subsidiary and entrusted loan payable	**578**	622	**1,208**	1,232
Interest expenses on lease liabilities	**5**	11	**11**	21

18. SIGNIFICANT 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:

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Assets		
Amounts due from related companies (note 11)	3,273	2,762
Cash and cash equivalents held in a CNG's subsidiary	333,524	179,182
Term deposits held in a CNG's subsidiary	132,141	206,294
	468,938	388,238

Other than the cash and cash equivalents and restricted balances held in a CNG's subsidiary, the remaining amounts due from related companies as at June 30, 2026 and December 31, 2025, which are included in trade and other receivables are non-interest bearing, unsecured and payable on demand.

	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)
Liabilities		
Entrusted loan payable to a CNG's subsidiary	29,365	28,454
Loans payable to a CNG's subsidiary	26,428	82,518
Construction costs payable to CNG's subsidiaries	10,826	12,207
Trade payable to CNG's subsidiaries	2,121	2,246
Amount due to CNG	1,851	1,786
Contract liabilities with a CNG's subsidiary	21	10,025
Lease liabilities to a CNG's subsidiary	496	469
Total amounts due to CNG's subsidiaries	71,108	137,705

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

Amount due to CNG included in other payables is non-trade in nature, non-interest bearing, unsecured and have 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.

18. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel

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

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	US$'000	US$'000	**US$'000**	US$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Salaries and other benefits	**88**	84	**195**	186
Post-employment benefits	**6**	5	**13**	12
	94	89	**208**	198

19. FINANCIAL INSTRUMENTS

As at June 30, 2026 and December 31, 2025, the Group's investments in equity securities include equity securities listed on the Stock Exchange and unlisted companies incorporated in the PRC.

Investment in equity securities listed on the Stock Exchange of US$101,195,000 (December 31, 2025: US$133,678,000) is measured based on the unadjusted quoted price available on the Stock Exchange (Level 1 fair value measurement). The Group's investment in listed equity securities represent investment in a company engaged in mining, processing and trading of nonferrous metals registered in Hong Kong, PRC.

In addition, investment in an unlisted company incorporated in the PRC of US$203,000 (December 31, 2025: US$197,000) are measured at fair value based on Level 3 inputs.

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

20. CONTINGENCIES

Except as described below, there has been no significant update of the contingencies as detailed in the Group's annual financial statements for the year ended December 31, 2025.

Litigation with Huaxin Construction Group Co., Ltd. ("Huaxin") and Zhongxinfang

During the year ended December 31, 2020, there was a construction contract dispute between independent third parties including Huaxin (the constructor), Zhongxinfang, and the Company's subsidiary, Tibet Huatailong Mining Development Co. Ltd. ("Huatailong"). The land use right of a composite project under the construction contract was transferred from Huatailong to Zhongxinfang in 2019 pursuant to the cooperation agreement (the "Cooperation Agreement") whereby the Group agreed to transfer the land use right for the development and Zhongxinfang agreed to compensate the Group by transferring a block of the buildings and twenty car parks (the "New Premises") to the Group within two years from the date of the Cooperation Agreement (the "Land Exchange").

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

Since 2020, there were legal proceedings on the Construction Contract between Huaxin, Zhongxinfang and Huatailong of which details were disclosed in the Group's annual financial statements for the year ended December 31, 2025.

In 2025, Huatailong has paid to the Lhasa Intermediate Court the full compensation amount of RMB178 million (equivalent to US$24,869,000) for the settlement of accumulated litigation compensation and additional interest recognised, of which RMB35 million (equivalent to US$4,870,000) was paid to Huaxin as partial settlement and the remaining RMB143 million has been frozen by the Lhasa Intermediate Court pending for the resolution of a separate countersuit by Huatailong against Zhongxinfang as further detail in note 20(b) below.

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

On January 6, 2026, Huaxin formally filed its claim against Huatailong. On July 1, 2026, PCDDL suspended the proceedings, citing that the outcome is contingent upon a separate Lhasa Intermediate Court case. In that related action, Huatailong is suing Huaxin for RMB100 million in quality defect damages and RMB74 million in unreasonable pricing increment; judicial appraisal is ongoing.

As of the end of the reporting period, the aggregated amounts frozen remains approximately RMB29.80 million (equivalent to US$4,375,000). The freezing has not materially impacted Huatailong's normal operations due to sufficient working capitals maintained in other accounts. No outstanding litigation compensation payable exists in relation to litigation with Huaxin as of June 30, 2026.

20. CONTINGENCIES (Cont'd)

Litigation with Huaxin Construction Group Co., Ltd. ("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. After the first instance adjudication and appeals by Zhongxinfang, on June 20, 2023, Tibet High Court adjudicated that the September 2020 Adjudication sustained (the "June 2023 Zhongxinfang Final Instance Adjudication") and Zhongxinfang should pay relevant compensation to Huatailong within 15 days from the effective date of the June 2023 Zhongxinfang Final Instance Adjudication. On 15 September 2023, Huatailong applied for an enforcement of the June 2023 Zhongxinfang Final Instance Adjudication (the "September 2023 Enforcement") and as at June 30, 2026 and up to the date of these condensed consolidated financial statements are authorised for issue, Zhongxinfang has not yet paid the compensation to Huatailong and the September 2023 Enforcement is not executed mainly because Zhongxinfang is involved in several litigations and there are no executable properties.

(c) Litigations with Zhongxinfang for the delivery of New Premises and recovery of tax and other surcharge

During 2020 and 2021, Huatailong proceeded lawsuits against Zhongxinfang concerning (i) the delivery of certain premises (the "New Premises") and a penalty, and (ii) the recovery of Tax and Other Surcharges paid by Huatailong amounting to RMB46 million (equivalent to USD6.4 million), respectively. Pre-litigation asset preservation measures are in place with (i) the New Premises comprising a block of buildings and twenty car parks from Zhongxinfang were frozen and (ii) the value of certain properties limited to RMB46 million (equivalent to US$6,609,000) from Zhongxinfang was frozen (collectively the "Pre-litigation Preservations"). As at June 30, 2026, the Pre-litigation Preservations were extended to May 2027.

Based on the adjudication issued in relation to the lawsuit against Zhongxinfang, Zhongxinfang shall repay the Tax and Other Surcharge to Huatailong. As Zhongxinfang has not settled such amount within the due date, Huatailong applied for an enforcement of the November 2020 Adjudication in January 2021 (the "2021 Enforcement"). However, on June 24, 2021, the Tibet Intermediate Court adjudicated the 2021 Enforcement be suspended as all of the assets owned by Zhongxinfang have been sealed up or frozen and there are no executable properties from Zhongxinfang.

As at June 30, 2026 and up to the date these condensed consolidated financial statements are authorised for issue, the New Premises are still not delivered to Huatailong. In the opinion of directors, (i) the 2021 Enforcement is currently suspended and the Group's first priority of claim over one of the assets under Pre-litigation Preservations has been extended to May 2027, (ii) the enforcement of the adjudication that Zhongxinfang should pay penalty of RMB9 million to Huatailong that was applied by Huatailong in March 2023 is currently under proceeding and the result is not ascertained as at the date these condensed consolidated financial statements are authorised for issue. Further background on these matters is disclosed in the Group's annual financial statements for the year ended December 31, 2025 and 2024.

21. EVENT AFTER THE REPORTING PERIOD

Other than those disclosed in notes to the condensed financial statements, the Group had no material event after the end of the reporting period.

中國黃金國際資源有限公司
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