

CHINA GOLD INTERNATIONAL RESOURCES
CORP. LTD.

(incorporated in British Columbia, Canada with
limited liability)

Condensed Consolidated Financial Statements
For the three months ended March 31, 2020

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2020

	NOTES	Three months ended March 31,	
		<u>2020</u> US\$'000 (unaudited)	<u>2019</u> US\$'000 (unaudited)
Revenues	3	148,583	145,592
Cost of sales		<u>(130,414)</u>	<u>(130,324)</u>
Mine operating earnings		<u>18,169</u>	<u>15,268</u>
Expenses			
General and administrative expenses	4	(9,186)	(13,495)
Exploration and evaluation expenditure		(61)	(115)
Research and development expenses		<u>(1,966)</u>	<u>(4,856)</u>
		<u>(11,213)</u>	<u>(18,466)</u>
Income (expense) from operations		<u>6,956</u>	<u>(3,198)</u>
Other (expenses) income			
Foreign exchange (loss) gain, net		(5,438)	5,288
Interest and other income		1,205	861
Finance costs	5	<u>(10,516)</u>	<u>(10,088)</u>
		<u>(14,749)</u>	<u>(3,939)</u>
Loss before income tax		<u>(7,793)</u>	<u>(7,137)</u>
Income tax (expenses) credit	6	<u>(876)</u>	<u>2,563</u>
Loss for the period		<u>(8,669)</u>	<u>(4,574)</u>
Other comprehensive (expense) income for the period			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value (loss) gain on equity instruments at fair value through other comprehensive income		(2,471)	1,577
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation		<u>(4,869)</u>	<u>5,923</u>
Total comprehensive (expense) income for the period		<u><u>(16,009)</u></u>	<u><u>2,926</u></u>

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		Three months ended March 31,	
	<u>NOTES</u>	<u>2020</u> US\$'000 (unaudited)	<u>2019</u> US\$'000 (unaudited)
Profit (loss) for the period attributable to			
Non-controlling interests		255	(89)
Owners of the Company		<u>(8,924)</u>	<u>(4,485)</u>
		<u>(8,669)</u>	<u>(4,574)</u>
Total comprehensive income (expense) for the period attributable to			
Non-controlling interests		255	(89)
Owners of the Company		<u>(16,264)</u>	<u>3,015</u>
		<u>(16,009)</u>	<u>2,926</u>
Loss per share - Basic (US cents)	7	<u>(2.25)</u>	<u>(1.13)</u>
Weighted average number of common shares - Basic	7	<u>396,413,753</u>	<u>396,413,753</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT MARCH 31, 2020

	<u>NOTES</u>	March 31, <u>2020</u> US\$'000 (unaudited)	December 31, <u>2019</u> US\$'000 (audited)
Current assets			
Cash and cash equivalents		163,693	182,290
Restricted bank balance		14,921	17,687
Trade and other receivables	8	31,215	26,011
Prepaid expenses and deposits		6,458	12,271
Inventories	9	277,939	281,123
		<u>494,226</u>	<u>519,382</u>
Non-current assets			
Prepaid expenses and deposits		18,359	19,044
Right-of-use assets		13,557	13,869
Equity instruments at fair value through other comprehensive income	15	14,579	17,059
Property, plant and equipment	10	1,677,704	1,709,449
Mining rights	10	889,597	900,373
Other non-current assets		17,678	17,954
		<u>2,631,474</u>	<u>2,677,748</u>
Total assets		<u>3,125,700</u>	<u>3,197,130</u>
Current liabilities			
Accounts and other payables and accrued expenses	11	255,391	296,403
Contract liabilities		8,021	6,783
Borrowings	12	602,735	582,952
Entrusted loan payable		-	28,669
Tax liabilities		14,200	13,850
Lease liabilities		82	89
		<u>880,429</u>	<u>928,746</u>
Net current liabilities		<u>(386,203)</u>	<u>(409,364)</u>
Total assets less current liabilities		<u>2,245,271</u>	<u>2,268,384</u>
Non-current liabilities			
Borrowings	12	597,734	632,149
Lease liabilities		430	444
Deferred tax liabilities		119,407	119,293
Deferred income		2,409	2,686
Entrusted loan payable		28,228	-
Environmental rehabilitation		62,761	63,145
		<u>810,969</u>	<u>817,717</u>
Total liabilities		<u>1,691,398</u>	<u>1,746,463</u>

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	<u>NOTE</u>	March 31, <u>2020</u> US\$'000 (unaudited)	December 31, <u>2019</u> US\$'000 (audited)
Owners' equity			
Share capital	13	1,229,061	1,229,061
Reserves		1,401	6,791
Retained profits		188,611	199,485
		<u>1,419,073</u>	<u>1,435,337</u>
Non-controlling interests		15,229	15,330
		<u>1,434,302</u>	<u>1,450,667</u>
Total owners' equity			
		<u>3,125,700</u>	<u>3,197,130</u>
Total liabilities and owners' equity			
		<u>3,125,700</u>	<u>3,197,130</u>

The condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on May 15, 2020 and are signed on its behalf by:

(Signed by) Liangyou Jiang

(Signed by) Ian He

Liangyou Jiang
Director

Ian He
Director

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020

	Attributable to owners of the Company							Non-controlling interests US\$'000	Total owners' equity US\$'000	
	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
At January 1, 2019	396,413,753	1,229,061	11,179	(1,791)	(15,244)	21,426	229,802	1,474,433	14,805	1,489,238
Loss for the period	-	-	-	-	-	-	(4,485)	(4,485)	(89)	(4,574)
Fair value gain on equity instruments at fair value through other comprehensive income	-	-	-	1,577	-	-	-	1,577	-	1,577
Exchange difference arising on translation	-	-	-	-	5,923	-	-	5,923	-	5,923
Total comprehensive income (expense) for the period	-	-	-	1,577	5,923	-	(4,485)	3,015	(89)	2,926
Transfer to statutory reserve - safety production fund	-	-	-	-	-	930	(930)	-	-	-
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(165)	(165)
At March 31, 2019 (unaudited)	396,413,753	1,229,061	11,179	(214)	(9,321)	22,356	224,387	1,477,448	14,551	1,491,999
At January 1, 2020	396,413,753	1,229,061	11,179	(3,525)	(20,333)	19,470	199,485	1,435,337	15,330	1,450,667
(Loss) profit for the period	-	-	-	-	-	-	(8,924)	(8,924)	255	(8,669)
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	-	(2,471)	-	-	-	(2,471)	-	(2,471)
Exchange difference arising on translation	-	-	-	-	(4,869)	-	-	(4,869)	-	(4,869)
Total comprehensive (expense) income for the period	-	-	-	(2,471)	(4,869)	-	(8,924)	(16,264)	255	(16,009)
Transfer to statutory reserve - safety production fund	-	-	-	-	-	1,950	(1,950)	-	-	-
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(356)	(356)
At March 31, 2020 (unaudited)	396,413,753	1,229,061	11,179	(5,996)	(25,202)	21,420	188,611	1,419,073	15,229	1,434,302

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

	Three months ended	
	March 31,	
	<u>2020</u>	<u>2019</u>
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Net cash from operating activities	<u>16,020</u>	<u>6,984</u>
Investing activities		
Interest income received	926	316
Payment for acquisition of property, plant and equipment	(34,989)	(39,373)
Payment for acquisition of a mining right	-	(2,230)
Placement of restricted bank deposits	(38,548)	(2,331)
Release of restricted bank deposits	<u>41,080</u>	<u>5,929</u>
Net cash used in investing activities	<u>(31,531)</u>	<u>(37,689)</u>
Financing activities		
Repayment of borrowings	-	(7,411)
Dividend paid to a non-controlling shareholder of a subsidiary	(356)	(165)
Repayments of lease liabilities	<u>(22)</u>	<u>(21)</u>
Cash used in financing activities	<u>(378)</u>	<u>(7,597)</u>
Net decrease in cash and cash equivalents	(15,889)	(38,302)
Cash and cash equivalents, beginning of period	182,290	137,996
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(2,708)</u>	<u>1,924</u>
Cash and cash equivalents, end of period	<u>163,693</u>	<u>101,618</u>
Cash and cash equivalents are comprised of		
Cash and bank deposits	<u>163,693</u>	<u>101,618</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

1. GENERAL AND 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 reserves 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 660, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, Canada, V7X 1M4.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting* issued by the International Accounting Standards Board, which should be read in conjunction with the consolidated financial statements for the year ended December 31, 2019.

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

At March 31, 2020, the Group's current liabilities exceeded its current assets by approximately US\$386 million. In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Taking into account the Group's cash flow projection, including the Group's proposed bond issuance to independent third parties, the Group's available unutilised banking facilities, and the Group's future capital expenditure in respect of its non-cancellable capital commitments, the directors of the Company consider that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the date of these condensed consolidated financial statements are authorised for issue and accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended March 31, 2020 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019.

2. PRINCIPAL ACCOUNTING POLICIES - continued

In the current interim period, the Group has applied the following new and revised International Financial Reporting Standards ("IFRSs") which are mandatorily effective for the current interim period:

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9 IAS 39 and IFRS 7	Interest Rate Benchmark Reform

In addition to the above amendments to IFRSs, the Group has applied the consequential amendments of a revised Conceptual Framework for Financial Reporting issued in 2018, *the Amendments to References to the Conceptual Framework in IFRS Standards*.

The application of the amendments to IFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

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

	Three months ended March 31,	
	<u>2020</u>	<u>2019</u>
	US\$'000	US\$'000
<u>At a point in time</u>		
Gold bullion	55,498	37,675
Copper concentrate	54,657	69,353
Other by-products	38,428	38,564
Total revenue	<u>148,583</u>	<u>145,592</u>

3. REVENUE AND SEGMENT INFORMATION – continued

Revenue - continued

(ii) Performance obligations for contracts with customers

The Group sells gold bullion, copper concentrate and other by-products directly to customers in the PRC.

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

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, which 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 bullion 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 segment - the production of copper concentrate and other by-products through the Group's integrated processes, i.e., mining, metallurgical processing, production and selling copper concentrate and other by-products to external clients.

3. REVENUE AND SEGMENT INFORMATION - continued

Segment information - continued

Information regarding the above segments is reported below:

(a) Segment revenue and results

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

For the three months ended March 31, 2020

	Mine - produced <u>gold</u> US\$'000	Mine - produced <u>copper</u> US\$'000	Segment <u>total</u> US\$'000	<u>Unallocated</u> US\$'000	<u>Consolidated</u> US\$'000
Revenue - external and segment revenue	55,498	93,085	148,583	-	148,583
Cost of sales	(48,037)	(82,377)	(130,414)	-	(130,414)
Mining operating earnings	<u>7,461</u>	<u>10,708</u>	<u>18,169</u>	<u>-</u>	<u>18,169</u>
Income (expenses) from operations	7,400	1,862	9,262	(2,306)	6,956
Foreign exchange gain (loss), net	1,296	(6,834)	(5,538)	100	(5,438)
Interest and other income	172	1,001	1,173	32	1,205
Finance costs	(1,167)	(4,972)	(6,139)	(4,377)	(10,516)
Profit (loss) before income tax	<u>7,701</u>	<u>(8,943)</u>	<u>(1,242)</u>	<u>(6,551)</u>	<u>(7,793)</u>

For the three months ended March 31, 2019

	Mine - produced <u>gold</u> US\$'000	Mine - produced <u>copper</u> US\$'000	Segment <u>total</u> US\$'000	<u>Unallocated</u> US\$'000	<u>Consolidated</u> US\$'000
Revenue - external and segment revenue	37,675	107,917	145,592	-	145,592
Cost of sales	(43,774)	(86,550)	(130,324)	-	(130,324)
Mining operating (loss) earnings	<u>(6,099)</u>	<u>21,367</u>	<u>15,268</u>	<u>-</u>	<u>15,268</u>
(Expenses) income from operations	(6,214)	5,215	(999)	(2,199)	(3,198)
Foreign exchange (loss) gain, net	(2,953)	8,241	5,288	-	5,288
Interest and other income	222	638	860	1	861
Finance costs	(1,258)	(4,501)	(5,759)	(4,329)	(10,088)
(Loss) profit before income tax	<u>(10,203)</u>	<u>9,593</u>	<u>(610)</u>	<u>(6,527)</u>	<u>(7,137)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the 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 segments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There were no inter-segment sales for the three months ended March 31, 2020 and 2019.

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3. REVENUE AND SEGMENT INFORMATION - continued

Segment information - continued

(b) Segment assets and liabilities

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

	Mine - produced gold US\$'000	Mine - produced copper US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
As of March 31, 2020					
Total assets	720,259	2,382,293	3,102,552	23,148	3,125,700
Total liabilities	188,816	994,684	1,183,500	507,898	1,691,398
As of December 31, 2019					
Total assets	755,231	2,407,554	3,162,785	34,345	3,197,130
Total liabilities	<u>229,873</u>	<u>1,006,604</u>	<u>1,236,477</u>	<u>509,986</u>	<u>1,746,463</u>

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

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

4. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Administration and office	2,661	5,176
Depreciation of property, plant and equipment	934	1,889
Depreciation of right-of-use assets	20	20
Professional fees	424	574
Salaries and benefits	5,146	4,117
Others	<u>1</u>	<u>1,719</u>
Total general and administrative expenses	<u>9,186</u>	<u>13,495</u>

5. FINANCE COSTS

	Three months ended March 31,	
	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Interests on borrowings	10,077	9,933
Interests on lease liabilities	1	1
Accretion on environmental rehabilitation	<u>595</u>	<u>566</u>
	10,673	10,500
Less: Amount capitalized to property, plant and equipment	<u>(157)</u>	<u>(412)</u>
Total finance costs	<u><u>10,516</u></u>	<u><u>10,088</u></u>

6. INCOME TAX (EXPENSES) CREDIT

	Three months ended March 31,	
	<u>2020</u> US\$'000	<u>2019</u> US\$'000
PRC Enterprise Income Tax	(839)	(623)
Deferred tax (expense) credit	<u>(37)</u>	<u>3,186</u>
Total income tax (expense) credit	<u><u>(876)</u></u>	<u><u>2,563</u></u>

During the year ended December 31, 2019, the Group has an uncertain tax position in respect of tax exposure of the transferring of land use right in return of a block of the buildings and twenty car parks based on the most likely amount of tax expenses. The most likely amount of tax expenses including land appreciation tax and enterprise income tax is calculated by the respective tax rates on land value stated in the cooperation agreement and gain on recognition of other assets, respectively, based on the current facts and circumstances. However, the tax expenses may be subject to change as the tax assessable amount is based on final decision with the relevant tax authority. As at March 31, 2020, the most likely amount of the relevant tax liabilities amounting to US\$7,935,000 (December 31, 2019: US\$8,059,000) has been recognised.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

7. LOSS PER SHARE

Loss used in determining loss per share are presented below:

	Three months ended March 31,	
	<u>2020</u>	<u>2019</u>
Loss for the period attributable to owners of the Company for the purposes of basic loss per share (US\$'000)	<u>(8,924)</u>	<u>(4,485)</u>
Weighted average number of shares, basic	<u>396,413,753</u>	<u>396,413,753</u>
Basic loss per share (US cents)	<u>(2.25)</u>	<u>(1.13)</u>

The Group has no outstanding potential dilutive instruments issued as at March 31, 2020 and 2019 and during the periods ended March 31, 2020 and 2019. Therefore, no diluted loss per share is presented.

8. TRADE AND OTHER RECEIVABLES

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
Trade receivables	2,167	958
Less: allowance for credit losses	<u>(76)</u>	<u>(78)</u>
	2,091	880
Amounts due from related companies (note 14(a)) ⁽¹⁾	2,251	2,020
Other receivables ⁽²⁾	<u>26,873</u>	<u>23,111</u>
Total trade and other receivables	<u>31,215</u>	<u>26,011</u>

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

(2) Included in the balance as at March 31, 2020 are value-added tax recoverable of approximately US\$16.9 million (December 31, 2019: US\$11.7 million) and other receivables of US\$10.1 million (December 31, 2019: US\$11.4 million), which are expected to be recovered within twelve months after the end of the reporting period.

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8. TRADE AND OTHER RECEIVABLES - continued

The Group allows an average credit period of 30 days and 180 days to its external trade customers including CNG for gold doré bars sales and copper trade business, respectively.

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

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
Less than 30 days	836	62
31 to 90 days	513	523
91 to 180 days	515	-
Over 180 days	<u>227</u>	<u>295</u>
Total trade receivables	<u>2,091</u>	<u>880</u>

9. INVENTORIES

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
Gold in process	204,567	222,180
Gold doré bars	20,933	20,708
Consumables	20,710	16,923
Copper concentrates	10,131	855
Spare parts	<u>21,598</u>	<u>20,457</u>
Total inventories	<u>277,939</u>	<u>281,123</u>

Inventory write down was provided in cost of sales for three months ended March 31, 2019 totalling to US\$4.3 million (three months ended March 31, 2020: nil).

Cost of inventories sold totalling US\$112 million for the three months ended March 31, 2020 (three months ended March 31, 2019: US\$124 million) was recognized in cost of sales.

10. PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS

During the three months ended March 31, 2020, the Group incurred US\$4.7 million on construction in progress (for the three months ended March 31, 2019: US\$6.1 million) and US\$14.5 million on mineral assets (for the three months ended March 31, 2019: US\$11.9 million), respectively.

Depreciation of property, plant and equipment was US\$33.2 million for the three months ended March 31, 2020 (for the three months ended March 31, 2019: US\$32.1 million). The depreciation amount were partly recognized in cost of sales and general and administrative expenses and partly capitalized in inventory.

No addition of mining rights was incurred during the three months ended March 31, 2020 (for the three months ended March 31, 2019: US\$11.1 million). Amortisation of mining rights was US\$9.7 million for the three months ended March 31, 2020 (for the three months ended March 31, 2019: US\$6.8 million). The amortisation amounts were recognised in cost of sales.

11. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

Accounts and other payables and accrued expenses comprise the following:

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
Accounts payable	35,564	38,610
Bills payable	72,521	95,911
Construction cost payables	108,497	121,576
Mining cost accrual	11,036	11,547
Payroll and benefit payables	4,011	2,578
Other accruals	3,516	2,958
Other tax payable	7,010	7,836
Other payables	4,896	6,917
Payable for acquisition of a mining right	8,340	8,470
Total accounts and other payables and accrued expenses	<u>255,391</u>	<u>296,403</u>

12. BORROWINGS

The borrowings are repayable as follows:

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
Carrying amount repayable within one year	602,735	582,952
Carrying amount repayable within one to two years	179,955	157,679
Carrying amount repayable within two to five years	152,432	204,983
Carrying amount repayable over five years	<u>265,347</u>	<u>269,487</u>
	1,200,469	1,215,101
Less: Amounts due within one year (shown under current liabilities)	<u>(602,735)</u>	<u>(582,952)</u>
Amounts shown under non-current liabilities	<u><u>597,734</u></u>	<u><u>632,149</u></u>

The carrying value of the pledged asset to secure borrowing by the Group are as follows:

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
Mining rights	<u><u>881,390</u></u>	<u><u>891,488</u></u>

Borrowings carry interest at effective interest rates ranging from 2.75% to 4.51% (December 31, 2019: 2.75% to 4.51%) per annum.

13. SHARE CAPITAL

Common shares

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

	<u>Number of shares</u>	<u>Amount</u> US\$'000
Issued and fully paid: At January 1, 2019, December 31, 2019 and March 31, 2020	<u><u>396,413,753</u></u>	<u><u>1,229,061</u></u>

14. 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. China National Gold Group Co., Ltd. , a state owned company registered in Beijing, the People’s Republic of China 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 months ended March 31, 2020 and 2019.

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

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

	March 31, <u>2020</u> %	December 31, <u>2019</u> %
CNG	<u>39.3</u>	<u>39.3</u>

14. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

(a) Transactions/balances with CNG and its subsidiaries

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

	Three months ended March 31,	
	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Gold doré sales by the Group	<u>55,498</u>	<u>37,675</u>
Copper and other product sales by the Group	<u>3,016</u>	<u>23,009</u>
Provision of transportation services by the Group	<u>43</u>	<u>232</u>
Construction, stripping and mining service provided to the Group	<u>986</u>	<u>1,576</u>
Office lease to the Group	<u>945</u>	<u>977</u>
Interest income	<u>9</u>	<u>5</u>
Interest expense	<u>771</u>	<u>740</u>

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

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
<u>Assets</u>		
Amounts due from related companies	2,251	2,020
Cash and cash equivalents held in a CNG subsidiary	980	14,202
Trade receivables from CNG subsidiaries	232	-
Deposits	<u>46</u>	<u>90</u>
	<u>3,509</u>	<u>16,312</u>

14. RELATED PARTY TRANSACTIONS - continued

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

The amounts due from CNG and its subsidiaries which are included in other receivables are non-interest bearing, unsecured and repayable on demand.

	March 31, <u>2020</u> US\$'000	December 31, <u>2019</u> US\$'000
<u>Liabilities</u>		
Loans payable to a CNG subsidiary	49,399	50,171
Entrusted loan payable to CNG	28,228	28,669
Construction costs payable to CNG's subsidiaries	22,082	22,860
Trade payable to CNG subsidiaries	815	930
Amounts due to CNG	32	33
Contract liabilities with a CNG's subsidiary	-	2,253
	<u>100,556</u>	<u>104,916</u>

With the exception of the entrusted loan payable to CNG and loans payable to a CNG subsidiary which are unsecured, carry fixed interests and have fixed repayment terms, the amounts due to CNG and its subsidiaries which are included in other payables and construction costs payable, are non-interest bearing, unsecured and have no fixed terms of repayments.

(b) Compensation of key management personnel

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

	Three months ended March 31,	
	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Salaries and other benefits	188	173
Post-employment benefits	10	9
	<u>198</u>	<u>182</u>

15. FINANCIAL INSTRUMENTS

As at March 31, 2020 and December 31, 2019, 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\$14,014,000 (December 31, 2019: US\$16,485,000) 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\$565,000 (December 31, 2019: US\$574,000) are measured at fair value based on Level 3 inputs.

16. EVENTS AFTER THE REPORTING PERIOD

On April 27, 2020, the Group has entered into a syndicated loan agreement of US\$198 million (equivalents to RMB1,400 million). The loan has been drawn down in full and is secured by mining rights, bears interest at the People's Bank of China Loan Market Quote Rate ("LPR") minus 2% for a term of 14 years.

On April 30, 2020, the Group has entered into a bank loan agreement of US\$56 million (equivalents to RMB400 million). The loan has been drawn down in full and is unsecured, bears interest at first year LPR minus 2.65% for a term of 3 years.

Other than disclosed above, the Group had no other material event after the end of the reporting period.