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China Gold International Resources Corp. Ltd.

Management's Discussion and Analysis of Financial Condition and Results of Operations Three and six months ended June 30, 2025 (Stated in U.S. dollars, except as otherwise noted)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

*Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2025.
(Stated in U.S. dollars, except as otherwise noted)*

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The following Management Discussion and Analysis of financial condition and results of operations (“MD&A”) is prepared as of August 14, 2025. It should be read in conjunction with the consolidated financial statements and notes thereto of China Gold International Resources Corp. Ltd. (referred to herein as “China Gold International”, the “Company”, “we” or “our” as the context may require) for the three and six months ended June 30, 2025 and the three and six months ended June 30, 2024, respectively. Unless the context otherwise provides, references in this MD&A to China Gold International or the Company refer to China Gold International and each of its subsidiaries collectively on a consolidated basis.

The following discussion contains certain forward-looking statements relating to the Company’s plans, objectives, expectations and intentions, which are based on the Company’s current expectations and are subject to risks, uncertainties and changes in circumstances. Readers should carefully consider all of the information set out in this MD&A, including the risks and uncertainties outlined further in the Company’s Annual Information Form (“Annual Information Form” or “AIF”) dated March 27, 2025 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, 2025

- Revenue increased by 108% to US\$307.3 million from US\$148.0 million for the same period in 2024.
- Mine operating earnings of US\$159.4 million, increased by US\$130.0 million from mine operating earnings of US\$29.4 million for the same period in 2024.
- Net profit of US\$116.3 million increased by US\$121.1 million from net loss of US\$4.8 million for the same period in 2024.
- Cash flow from operation of US\$191.3 million, increased from US\$80.9 million for the same period in 2024.
- Total gold production increased by 38% to 43,403 ounces from 31,373 ounces for the same period in 2024.
- Total copper production was 39.7 million pounds (approximately 18,013 tonnes) an increase from 18.6 million pounds (approximately 8,454 tonnes) for the same period in 2024.

Six months ended June 30, 2025

- Revenue increased by 178% to US\$580.4 million from US\$208.5 million for the same period in 2024.
- Mine operating earnings of US\$277.1 million, increased by US\$259.2 million from US\$17.9 million for the same period in 2024.
- Net profit of US\$202.3 million increased by US\$233.2 million from net loss of US\$30.9 million for the same period in 2024.
- Cash flow from operation of US\$334.8 million, increased from US\$88.1 million for the same period in 2024.
- Total gold production increased by 69% to 88,200 ounces from 52,087 ounces for the same period in 2024.
- Total copper production was 77.0 million pounds (approximately 34,924 tonnes) an increase from 23.3 million pounds (approximately 10,547 tonnes) for the same period in 2024.

OUTLOOK

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

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

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

CSH Mine:

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

Jiama Mine:

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

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

In 2024, the Company successfully restored stable operation at the Jiama Mine. In addition, the Company continued to focus its efforts on optimizing resource utilization plan, integrating the identified high-grade underground resources, and accelerating the exploration work at high potential zones. The long-term development plan for the Jiama Mine consists of three phases:

- Prior to the completion of the construction of the new tailings storage facility (the "Yulongbu tailings storage facility"), the Jiama Mine Phase II processing plant will maintain and operate at its current processing capacity of 34,000 tons per day to match the Guolangou's storage capacity (the operation of Phase I processing plant has been suspended since May 2024).
- The Yulongbu tailings storage facility is scheduled to commence operation in 2027, allowing a further increase in the Jiama Mine's production capacity. Over the next two years, as part of the underground resource integration plan, the Company plans to apply to increase the permitted capacity on its mining license for the Jiama Mine, subject to compliance with the relevant safety requirements. Currently, the permitted capacity on the mining license of the Jiama Mine is 14.4 million tonnes per year (approximately 44,000 tonnes per day based on 330 operating days per year). Subject to the government approval of an increased annual mining rate, and following the commissioning of Yulongbu tailings storage facility, the Jiama Mine's ore processing volume will return to the level of 50,000 tonnes per day, in line with the designed processing capacity of the processing plants. In addition, endeavors are underway so that the production levels at the Jiama Mine will restore to those before the Guolangou tailings overflow through blending of high-grade underground ores.
- The Company is also working to delineate new resources at satellite deposits near the Jiama Mine. The Company has been actively conducting geological exploration work in two areas: the Bayi Ranch and the Zegulang North, both of which have shown significant resource potential. The Company will provide an update on the exploration progress and results in due course. Subject to the final exploration outcomes and feasibility studies on resource development, the Company will formulate a comprehensive expansion plan for the Jiama Mine area. This study has already been initiated at a preliminary stage.

RESULTS OF OPERATIONS

Selected Quarterly Financial Data

	Quarter ended							
	2025		2024				2023	
	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep
<i>(US\$ in thousands except per share)</i>								
Revenue	307,269	273,096	293,567	254,581	147,955	60,543	71,315	62,325
Cost of sales	147,872	155,444	171,413	207,762	118,512	72,039	73,219	76,616
Mine operating earnings (loss)	159,397	117,653	122,154	46,819	29,443	(11,496)	(1,904)	(14,291)
General and administrative expenses	12,068	12,232	17,877	9,944	10,649	9,096	10,071	11,399
Exploration and evaluation expenditures	133	508	247	49	50	92	393	271
Research and development expenses	5,256	3,296	8,118	4,704	2,113	787	867	1,756
Income (loss) from operations	141,940	101,617	95,912	32,122	16,631	(21,471)	(13,235)	(27,717)
Foreign exchange (loss) gain	(2,037)	(2,654)	(4,631)	2,670	(443)	(157)	(579)	1,092
Finance costs	4,580	5,002	5,313	5,692	5,722	5,663	5,651	5,737
Profit (loss) before income tax	139,252	95,770	85,540	30,166	3,924	(26,410)	(20,476)	(32,440)
Income tax expense (credit)	22,909	9,791	17,223	2,293	8,768	(362)	(2,965)	(1,662)
Net profit (loss)	116,343	85,979	68,317	27,873	(4,844)	(26,048)	(17,511)	(30,778)
Basic earnings (loss) per share (cents)	29.08	21.45	16.97	6.84	(1.36)	(6.63)	(4.51)	(7.99)
Diluted earnings per share (cents)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Selected Quarterly Production Data and Analysis

CSH Mine	Three months ended June 30,		Six months ended June 30	
	2025	2024	2025	2024
Gold sales (US\$ million)	84.58	55.11	163.67	91.28
Realized average price (US\$) of gold per ounce	3,319	2,405	3,094	2,285
Gold produced (ounces)	22,090	22,981	45,829	40,257
Gold sold (ounces)	25,483	22,916	52,893	39,951
Total production cost (US\$ per ounce)	1,612	1,608	1,619	1,627
Cash production cost ⁽¹⁾ (US\$ per ounce)	1,251	924	1,153	954

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

Gold production at the CSH Mine decreased by 4% to 22,090 ounces for the three months ended June 30, 2025 compared to 22,981 ounces for the same period in 2024. The total production cost of gold for the three months ended June 30, 2025 remained consistent at US\$1,612 per ounce compared to US\$1,608 for the same period in 2024. The cash production cost of gold for the three months ended June 30, 2025 increased to US\$1,251 per ounce from US\$924 for the same period in 2024. The increase cost for the three months is attributed to a one-time payment of land use tax of US\$11.4 million.

Jiama Mine	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Copper sales (US\$ in millions)	110.72	69.64	204.22	85.23
Realized average price ¹ (US\$) of copper per pound after smelting fee discount ⁶	2.86	3.74	2.70	3.67
Copper produced (tonnes)	18,013	8,454	34,924	10,547
Copper produced (pounds)	39,710,002	18,638,240	76,993,263	23,252,987
Copper sold (tonnes)	17,565	8,347	34,292	10,427
Copper sold (pounds)	38,722,492	18,400,870	75,599,786	22,987,086
Gold produced (ounces)	21,313	8,392	42,371	11,830
Gold sold (ounces)	20,881	8,363	41,619	11,778
Silver produced (ounces)	1,436,260	297,118	2,750,668	432,621
Silver sold (ounces)	1,392,389	295,327	2,685,804	430,201
Lead produced (tonnes)	10,262	-	21,038	-
Lead produced (pounds)	22,624,764	-	46,381,857	-
Lead sold (tonnes)	9,718	-	20,201	-
Lead sold (pounds)	21,423,651	-	44,536,444	-
Zinc produced (tonnes)	5,477	-	10,893	-
Zinc produced (pounds)	12,075,719	-	24,015,893	-
Zinc sold (tonnes)	5,107	-	10,470	-
Zinc sold (pounds)	11,258,963	-	23,081,507	-
Moly produced (tonnes)	255	106	452	106
Moly produced (pounds)	559,570	234,733	997,022	234,733
Moly sold (tonnes)	234	-	494	-
Moly sold (pounds)	516,452	-	1,087,991	-
Total production cost ² (US\$) of copper per pound	3.19	5.06	3.29	6.36
Total production cost ² (US\$) of copper per pound after by-products credits ⁴	0.33	3.81	0.53	5.00
Cash production cost ⁴ (US\$) per pound of copper	2.35	4.05	2.48	5.05
Cash production cost ³ (US\$) of copper per pound after by-products credits ⁴	(0.49)	2.80	(0.28)	3.69

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, 2025, The Jiama Mine produced 18,012 tonnes (approximately 39.7 million pounds) of copper, which increased from of 8,454 tonnes (approximately 18.6 million pounds) during the comparative three month period in 2024.

Review of Quarterly Data

Three months ended June 30, 2025 compared to three months ended June 30, 2024

Revenue of US\$307.3 million for the second quarter of 2025, increased by US\$159.3 million from US\$148.0 million for the same period in 2024.

Revenue from the CSH Mine was US\$84.6 million, an increase of US\$29.5 million from US\$55.1 million for the same period in 2024. The realized average gold price increased by 38%, from US\$2,405/oz in Q2 2024 to US\$3,319/oz in Q2 2025. Gold sold by the CSH Mine was 25,483 ounces (gold produced: 22,090 ounces), compared to 22,916 ounces (gold produced: 22,981 ounces) for the same period in 2024.

Revenue from the Jiama Mine was US\$222.7 million, an increase of US\$129.9 million, compared to US\$92.8 million for the same period in 2024. The realized average price of copper decreased by 24%, from US\$3.74/pound in Q2 2024 to US\$2.86/pound in Q2 2025. Total copper sold was 17,565 tonnes (38.7 million pounds) for the three months ended June 30, 2025, an increase of 110% from 8,347 tonnes (18.4 million pounds) for the same period in 2024.

Cost of sales of US\$147.9 million for the quarter ended June 30, 2025, an increase of US\$29.4 million from US\$118.5 million for the same period in 2024. The cost of sales increased due to the resumption of operations at the Jiama Mine, leading to higher production costs as the Phase II processing plants was reactivated.

Mine operating earnings of US\$159.4 million for the three months ended June 30, 2025, an increase of US\$130.0 million from US\$29.4 million for the same period in 2024.

General and administrative expenses increased by US\$1.5 million, from US\$10.6 million for the quarter ended June 30, 2024 to US\$12.1 million for the quarter ended June 30, 2025, was driven by higher operational support costs associated with the resumption of production at the Jiama Mine.

Research and development expenses of US\$5.3 million for the three months ended June 30, 2025, increased from US\$2.1 million for the comparative 2024 period. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

Income from operations of US\$141.9 million for the second quarter of 2025, increased by US\$125.3 million, compared to US\$16.6 million for the same period in 2024.

Foreign exchange loss of US\$2.0 million for the three months ended June 30, 2025, increased from US\$0.4 million for the same period in 2024. The loss was attributed to changes in the RMB/USD exchange rates and the revaluation of monetary items held in Chinese RMB.

Interest and other income of US\$4.9 million for the three months ended June 30, 2025, increased from US\$2.6 million for the same period in 2024, primarily due to higher dividend received from China Nonferrous Mining Corporation Limited in the current quarter compared to last year.

Finance costs of US\$4.6 million for the three months ended June 30, 2025, decreased by US\$1.1 million compared to US\$5.7 million for the same period in 2024. The decrease was primarily due to a reduction in total borrowings outstanding. Management continues to monitor the Company's debt structure and financing costs to optimize capital efficiency.

Other expense of US\$1.0 million for the three months ended June 30, 2025, decreased from US\$9.1 million for the same period in 2024. During the current quarter, the Company fully settled the litigation compensation related to the case involving Huaxin Construction Group Co., Ltd., Zhongxinfang, and the Company's subsidiary, Tibet Huatailong Mining Development Co., Ltd. The difference of US\$0.9 million between the actual settlement and the amount previously accrued was recognized in the current quarter as an additional expense.

Income tax expense of US\$22.9 million for the three months ended June 30, 2025, increased by US\$14.1 million from US\$8.8 million for the comparative period in 2024. During the current quarter, the Company had US\$7.1 million of deferred tax expense compared to US\$5.7 million for the same period in 2024.

Net income of US\$116.3 million for the three months ended June 30, 2025, increased by US\$121.1 million from a loss of US\$4.8 million for the three months ended June 30, 2024.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Revenue of US\$580.4 million for the first half of 2025, increased by US\$371.9 million from US\$208.5 million for the same period in 2024.

Revenue from the CSH Mine was US\$163.7 million, an increase of US\$72.4 million from US\$91.3 million for the same period in 2024. The realized average gold price increased by 35%, from US\$2,285/oz in the first six months of 2024 to US\$3,094/oz in the same period of 2025. Gold sold by the CSH Mine was 52,893 ounces (gold produced: 45,829 ounces), compared to 39,951 ounces (gold produced: 40,257 ounces) for the same period in 2024.

Revenue from the Jiama Mine was US\$416.7 million, an increase of US\$299.5 million, compared to US\$117.2 million for the same period in 2024. The realized average price of copper decreased by 26%, from US\$3.67/pound in the first six months of 2024 to US\$2.70/pound in the same period of 2025. Total copper sold was 34,292 tonnes (75.6 million pounds) for the six months ended June 30, 2025, an increase of 229% from 10,427 tonnes (23.0 million pounds) for the same period in 2024.

Cost of sales of US\$303.3 million for the six months ended June 30, 2025, an increase of US\$112.7 million from US\$190.6 million for the same period in 2024. The cost of sales increased due to the resumption of operations at the Jiama Mine, leading to higher production costs as the Phase II processing plants was reactivated.

Mine operating earnings of US\$277.1 million for the six months ended June 30, 2025, an increase of US\$259.2 million from US\$17.9 million for the same period in 2024.

General and administrative expenses increased by US\$4.6 million, from US\$19.7 million for the six months ended June 30, 2024 to US\$24.3 million for the same period in 2025, primarily driven by higher operational support costs associated with the resumption of production at the Jiama Mine.

Research and development expenses of US\$8.6 million for the six months ended June 30, 2025, increased from US\$2.9 million for the comparative 2024 period. The increase was primarily driven by the Company's research and development efforts focused on improving recovery rates and optimizing processing and mining processes.

Income from operations of US\$243.6 million for the six months ended June 30, 2025, increased by US\$248.4 million, compared to a loss of US\$4.8 million for the same period in 2024.

Foreign exchange loss of US\$4.7 million for the six months ended June 30, 2025, increased from US\$0.6 million for the same period in 2024. The loss was attributed to changes in the RMB/USD exchange rates and the revaluation of monetary items held in Chinese RMB.

Interest and other income of US\$6.7 million for the six months ended June 30, 2025, increased from US\$3.8 million for the same period in 2024, primarily due to higher interest income earned during the current period and increased dividend received from China Nonferrous Mining Corporation Limited compared to the corresponding period last year.

Finance costs of US\$9.6 million for the six months ended June 30, 2025, decreased by US\$1.8 million compared to US\$11.4 million for the same period in 2024. The decrease was primarily due to a reduction in total borrowings outstanding. Management continues to monitor the Company's debt structure and financing costs to optimize capital efficiency..

Other expense of US\$1.0 million for the six months ended June 30, 2025, decreased from US\$9.5 million for the same period in 2024. During the current period, the Company fully settled the litigation compensation related to the case involving Huaxin Construction Group Co., Ltd., Zhongxinfang, and the Company's subsidiary, Tibet Huatailong Mining Development Co., Ltd. The difference of US\$0.9 million between the actual settlement and the amount previously accrued was recognized in the current quarter as an additional expense.

Income tax expense of US\$32.7 million for the six months ended June 30, 2025, increased by US\$24.3 million from US\$8.4 million for the comparative period in 2024. During the current period, the Company had US\$4.5 million of deferred tax expense compared to US\$3.8 million for the same period in 2024.

Net income of US\$202.3 million for the six months ended June 30, 2025, increased by US\$233.2 million from a loss of US\$30.9 million for the same period in 2024.

NON-IFRS MEASURES

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

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

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

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,			
	2025		2024		2025		2024	
	US\$	US\$ Per ounce	US\$	US\$ Per ounce	US\$	US\$ Per ounce	US\$	US\$ Per ounce
Total Cost of sales ¹	41,083,590	1,612	36,847,479	1,608	85,622,391	1,619	65,004,568	1,627
Adjustment – Depreciation & depletion	(9,042,823)	(355)	(15,304,996)	(668)	(24,217,957)	(458)	(26,365,649)	(660)
Adjustment – Amortization of intangible assets	(158,213)	(6)	(374,236)	(16)	(415,399)	(8)	(517,045)	(13)
Total cash production costs	31,882,554	1,251	21,168,247	924	60,989,035	1,153	38,121,874	954
Total Gold sold ounces		25,483		22,916		52,893		39,951

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,			
	2025		2024		2025		2024	
	US\$	US\$ Per Pound	US\$	US\$ Per Pound	US\$	US\$ Per Pound	US\$	US\$ Per Pound
Total Cost of sales	106,787,363	2.76	81,664,900	4.44	217,692,307	2.88	125,546,328	5.46
General and administrative expenses	11,037,384	0.29	9,457,005	0.51	22,317,829	0.30	17,734,615	0.77
Research and development expenses	5,256,877	0.14	2,113,409	0.11	8,552,476	0.11	2,900,350	0.13
Total production cost	123,081,624	3.19	93,235,314	5.06	248,562,612	3.29	146,181,293	6.36
Adjustment – Depreciation & depletion	(25,244,711)	(0.65)	(14,557,747)	(0.79)	(47,845,864)	(0.63)	(25,119,399)	(1.09)
Adjustment – Amortization of intangible assets	(7,184,749)	(0.19)	(3,967,193)	(0.22)	(13,933,658)	(0.18)	(4,999,755)	(0.22)
Total cash production costs	90,652,164	2.35	74,710,374	4.05	186,783,090	2.48	116,062,139	5.05
By-products credits	(110,149,983)	(2.84)	(22,926,200)	(1.25)	(208,730,753)	(2.76)	(31,362,146)	(1.36)
Total cash production costs after by-products credits	(19,497,820)	(0.49)	51,784,174	2.80	(21,947,663)	(0.28)	84,699,993	3.69
Total Copper sold pounds		38,722,492		18,400,870		75,599,786		22,987,086

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, 2025:

Item No.	Contract Name	Counterpart	Subject amount (US \$ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Sales Contract for Waste Materials	Hunan Zhongxing Environmental Protection Technology Co., Ltd	10.81	2025.3.24 – 2025.4.24	2025.3.24
2	Open-pit to Underground Engineering Design	China ENFI Engineering Technology Co., Ltd	50.63	2025.4.24 – 2033.4.24	2025.4.24
3	Sales Contract for Waste Materials	Hunan Zhongxing Environmental Protection Technology Co., Ltd	11.27	2025.6.10 – 2025.7.2	2025.6.10

Production Update

CSH Mine	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Ore mined and placed on pad (tonnes)	3,388,465	3,413,723	6,097,924	5,618,990
Average ore grade (g/t)	0.48	0.66	0.50	0.63
Recoverable gold (ounces)	30,882	43,184	58,817	68,354
Ending gold in process (ounces)	155,295	169,753	155,295	169,753
Waste rock mined (tonnes)	1608,233	3,531,654	3,911,422	6,330,310

For the three months ended June 30, 2025, the total amount of ore placed on the leach pad was 3.4 million tonnes, with total contained gold of 30,882 ounces (960.6 kilograms). The overall accumulative project-to-date gold recovery rate remained consistent at approximately 56.40% at the end of June 30, 2025 from 56.47% at the end of March 31, 2025. Of which, gold recovery from the phase I and phase II heap leach pads were 59.77% and 54.27% at June 30, 2025, respectively.

Exploration

CSH Gold Mine conducted a drilling program from May 16th 2024, and has completed a total of 3308.11 m which takes up 92.40% of the total planned 3589.0 drilling meters by the first quarter of 2025. Currently, DDH9400-5 and DDH9200-4 have completed, DDH9200-3 was designed to be 1,380 meters, and 1,115.01 meters have been completed, which is 80.79% of the planned drilling meters. Due to severe winter weather, at the mine site, the drilling program was suspended during December 15, 2024 to March 12, 2025. The drilling program resumed on March 13, 2025 and completed on May 13, 2025. The total drilled meterage is 1379.01 meter for hole DDH9200-3. The year 2024 planned drilling holes from geological exploration program has been completed.

Mineral Resource Update

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

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

Note:

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

Mineral Resources are reported at a cut-off grade of 0.28 g/t Au for open-pit mining, based on the following parameters; the heap leaching & metallurgical recovery of 60% and gold bullion market price of USD 1,980 per ounce. Additional Mineral Resources are reported at a cut-off grade of 0.30 g/t Au for underground block caving mining, based on the following parameters: the heap leaching & metallurgical recovery of 60% and gold bullion market price of USD 1,980 per ounce. USD 1.0000=RMB 6.3457 dated in April 2022, and one troy ounce is equal to 31.1035 grams.

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

Mineral Reserves Update

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

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

Note:

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

Mineral Reserves are reported at a cut-off grade of 0.28 g/t Au for open-pit mining, based on the following parameters: the heap leaching & metallurgical recovery of 60% and gold bullion market price of USD 1,568 per ounce. USD 1.0000=RMB 6.3457 dated in April 2022, and one troy ounce is equal to 31.1035 grams

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

The Jiama Mine

Jiama is a large copper-gold polymetallic deposit containing copper, gold, silver, molybdenum, lead and zinc, located in the Gandise metallogenic belt in Tibet Autonomous Region of China.

The Jiama Mine has both underground mining and open-pit mining operations. Phase I of the Jiama Mine commenced operation in the latter half of 2010 and reached its design capacity of 6,000 tpd in early 2011. Phase II of the Jiama Mine commenced mining operations in 2018 with 44,000 tpd design capacity. The combined mining and processing design capacity at the Jiama Mine is 50,000 tpd.

The major new contracts entered into during the six months ended June 30, 2025:

Item No.	Contract Name	Counterpart	Subject amount (US \$ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Tibet Huatailong Mining Development Co., Ltd. Jiama Copper Polymetallic Mine Youlongbu Tailings Dam PC General Contracting Contract	China National Gold Group Construction Co., Ltd.	244.25	2025.03 – 2027.06	2025.03
2	Molybdenum Concentrate Purchase and Sales Contract	China National Gold Group (Shanghai) Trading Co., Ltd.	50.13	2025.05 – 2028.05	2025.05
3	Supplementary Agreement to the "Tibet Huatailong Mining Development Co., Ltd. 2022-2024 Copper Concentrate Powder Purchase and Sales Contract	China National Gold Group International Trading Co., Ltd.	69.63	2025.05 – 2025.06	2025.05
4	Tibet Huatailong Mining Development Co., Ltd. 2025 Machinery and Equipment Leasing Project Contract	Sichuan Haotianyu Construction Machinery Leasing Co., Ltd.	2.91	2025.04 – 2025.12	2025.04
5	Tibet Huatailong Mining Development Co., Ltd. Jiama Copper Polymetallic Mine Youlongbu Tailings Dam General Contracting and Supervision Project Service Contract	Xinjiang Nonferrous Metallurgy Design and Research Institute Co., Ltd.	3.06	2025.06 – 2027.11	2025.06
6	Tibet Huatailong Mining Development Co., Ltd. Blasting Engineering Construction Service Project Construction Contract	Tibet Gaozheng Blasting Engineering Co., Ltd.	9.03	2025.06 – 2026.05	2025.06

Production Update

Jiama Mine	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Ore processed (tonnes)	2,982,285	1,754,786	5,837,608	2,085,298
Average copper ore grade (%)	0.71	0.56	0.71	0.61
Copper recovery rate (%)	85	86	84	83
Average gold grade (g/t)	0.30	0.22	0.31	0.26
Gold recovery rate (%)	73	69	68	68
Average silver grade (g/t)	21.02	9.13	21.17	11.14
Silver recovery rate (%)	71	58	69	58
Average Lead grade (%)	1.08	-	1.04	-
Lead recovery rate (%)	77.85	-	77.06	-
Average Zinc grade (%)	0.63	-	0.58	-
Zinc recovery rate (%)	71.75	-	72.2	-
Average Moly grade (%)	0.04	0.027	0.04	0.026
Moly recovery rate (%)	33	21	33	20

Exploration

In 2025, Tibet Huatailong Mining Development Co., Ltd. planned to continue implementing geological exploration programs in the surrounding area of Jiama mining permit and the Bayi pastureland area. The planned work includes surface diamond drilling of 34,510 meters with 38 holes (including possible extra 3,700 meters), geological survey of 5 square kilometers, profile survey of 20 kilometers, and soil survey of 5.9 square kilometers. The estimated total budget is RMB 75,596,700. At the end of the second quarter, the project bidding, land usage and other related preparation work has been completed for the continuing drilling program in the surrounding area of the Jiama mining permit and Bayi pastureland exploration permit. The total 5931.6 meters with 10 holes have been completed. The total investment until July 8th of 2025 is RMB 7.7418 million, 2 km of accessing roads and the 5.9 km² soil sampling have been completed.

Mineral Resources Estimate

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

Jiama Project - Cu, Mo, Pb, Zn, Au, and Ag Mineral Resources under NI 43-101 Reported at a 0.3% Cu Equivalent Cut off grade*, as of December 31, 2024

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

Note: Figures reported are rounded which may result in small tabulation errors.
The prices of Cu, Mo, Pb, Zn, Au and Ag are US\$2.9/lbs; US\$15.5/lbs; US\$2.9/lbs; US\$0.95/lbs; US\$1,300/oz and \$20/oz respectively.
The Copper Equivalent basis for the reporting of resources has been compiled on the following basis:
CuEq Grade: = (Ag Grade * Ag Price + Au Grade * Au Price + Cu Grade * Cu Price + Pb Grade * Pb Price + Zn Grade * Zn Price + Mo Grade * Mo Price) / Copper Price
The Mineral Resources include the Mineral Reserves
Original Resource Estimate by Runge Pincock Minarco on 12th November of 2012 and updated by Tony Guo, P.Geo, a Qualified Person as defined by NI 43-101.

Mineral Reserves Estimate

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

Jiama Project Statement of NI 43-101 Mineral Reserve Estimate as of December 31, 2024

Class	Quantity Mt	Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Cu Metal (kt)	Mo Metal (kt)	Pb Metal (kt)	Zn Metal (kt)	Au Moz	Ag Moz
Proven	17.14	0.60	0.05	0.02	0.02	0.19	7.66	102.54	8.63	3.91	2.64	0.11	4.22
Probable	330.62	0.60	0.03	0.13	0.07	0.16	10.38	1972.02	113.69	417.82	230.75	1.69	110.36
P+P	347.76	0.60	0.04	0.12	0.07	0.16	10.25	2074.56	122.32	421.73	233.38	1.79	114.58

Notes:

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

LIQUIDITY AND CAPITAL RESOURCES

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

At June 30, 2025, the Company had an accumulated surplus of US\$599.7 million, working capital of US\$353.9 million and borrowings of US\$671.7 million. The Company's cash balance at June 30, 2025 was US\$550.8 million, among which cash and cash equivalents was US\$309.2 million, Restricted cash was US\$39.0 million, term deposits was US\$202.6 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\$301.2 million of short term debt facilities with interest rates ranging from 1.85% to 4.82% per annum arranged through various banks. In addition, on November 3, 2015, the Company entered into a Loan Facility agreement with a syndicate of banks, led by Bank of China. The lenders agreed to lend an aggregate principal amount of RMB 3.98 billion, approximately US\$613 million with the interest rate of 2.83% per annum. The People's Bank of China Lhasa Center Branch's interest rate serves as a local benchmark for the interest on the drawdowns. The bank's interest rate is then discounted by 7 basis points (or 0.07%) to calculate the interest on the drawdowns. The loan interest rate was adjusted from benchmark interest rate minus 7 basis points to 5 year loan prime rate ("LPR") less 2% (LPR-2%) in second quarter of 2020. The interest rate of 1.95% shall be applied for the current year. The proceeds from the Loan Facility are to be used for the development of the Jiama Mine. The loan is secured by the mining rights for the Jiama Mine. As of June 30, 2025 the Company has drawn down RMB3.79 billion, approximately US\$534.2 million under the Loan Facility. On April 29, 2020, the Company entered into a Loan Facility agreement with a syndicate of banks. The lenders agreed to lend an aggregate principal amount of RMB1.4 billion, approximately US\$197.8 million with the interest rate of 1.95% per annum currently, maturing on April 28, 2034.

The Company obtained a loan in the aggregate principal amount of RMB300 million, approximately US\$41.5 million, with Lhasa Chengguan District Sub branch of Agricultural Bank of China Co. Ltd bearing interest at 2.05% on May 31, 2023. The Company obtained a loan in the aggregate principal amount of RMB400 million, approximately US\$55.4 million, with China Gold Finance bearing interest at the 2.05% on May 31, 2023. The Company obtained a loan in the aggregate principal amount of RMB400 million, approximately US\$55.4 million, with Tibet Autonomous Region Branch of China Construction Bank bearing interest at the 2.05% on June 13, 2023. The Company obtained a loan in the aggregate principal amount of RMB192 million, approximately US\$26.6 million, with Industrial Bank Corporation Lhasa Branch bearing interest at the 1.95% on June 25, 2023. The Company obtained a loan in the aggregate principal amount of RMB100 million, approximately US\$13.8 million, with Mozhugonka County Sub-branch of Agricultural Bank of China bearing interest at the 1.95% on June 26, 2023. The Company repaid its 2.8% unsecured bonds which matured on June 23, 2023. The Company obtained a loan in the aggregate principal amount of RMB100 million, approximately US\$14.1 million, with China Construction Bank bearing interest at the 1.85% on November 9, 2023. The Company obtained a loan in the aggregate principal amount of RMB380 million, approximately US\$53.7 million, with China Gold Finance bearing interest at the 2.45% on November 30, 2023. The Company obtained a loan in the aggregate principal amount of RMB300 million, approximately US\$42.1 million with Lhasa Chengguan District Sub branch of Agricultural Bank of China Co. Ltd bearing interest at 1.85% on January 17, 2024. The Company obtained loan in the aggregate principal amount of RMB200 million, approximately US\$28.1 million with Lhasa Chengguan District Sub branch of Agricultural Bank of China Co. Ltd. bearing interest at 1.85% on May 13, 2024, with a three year term. The Company obtained a loan in the aggregate principal amount of US\$64 million with China Construction Bank (Asia) Corporation Limited bearing floating interest with term SOFR on May 12, 2025. The Company obtained a loan in the aggregate principal amount of US\$15 million with China Everbright Bank Co., LTD., Hong Kong Branch, bearing floating interest with term SOFR on June 10, 2025.

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, 2025 and June 30, 2024.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Net cash from operating activities	191,318	80,890	334,848	88,091
Net cash used in investing activities	(45,687)	(19,356)	(132,380)	(60,716)
Net cash (used in) from financing activities	(77,837)	(6,352)	(78,172)	33,374
Net increase (decrease) in cash and cash equivalents	67,794	55,182	124,296	60,749
Effect of foreign exchange rate changes on cash and cash equivalents	909	(255)	1,120	(389)
Cash and cash equivalents, beginning of period	240,492	102,670	183,779	97,237
Cash and cash equivalents, end of period	309,195	157,597	309,195	157,597

Operating cash flow

For the three months ended June 30, 2025, net cash inflow from operating activities was US\$191.3 million which is primarily attributable (i) profit before income tax of US\$139.3 million (ii) depreciation of property, plant and equipment of US\$37.0 million and (iii) decrease in restricted bank balances of US\$27.7 million, partially offset by (i) income tax paid of US\$16.2 million and (ii) increase in inventories of US\$15.2 million.

For the six months ended June 30, 2025, net cash inflow from operating activities was US\$334.8 million which is primarily attributable (i) profit before income tax of 235.0 million (ii) depreciation of property, plant and equipment of US\$70.1 million (iii) decrease in restricted bank balances of of US\$27.7 million and (iv) amortization of mining rights of US\$14.2 million, partially offset by (i) income tax paid of US\$17.4 million (ii) decrease in contract liabilities of US\$6.3 million and (iii) increase in inventories of US\$4.3 million..

Investing cash flow

For the three months ended June 30, 2025, the net cash outflow from investing activities was US\$45.7 million which is primarily attributable to (i) placement of term deposits of US\$20.8 million (ii) payment for right-of-use assets of US\$17.7 million and (iii) payment for acquisition of property, plant and equipment of US\$4.6 million.

For the six months ended June 30, 2025, the net cash outflow from investing activities was US\$132.4 million which is primarily attributable to (i) placement of term deposits of US\$132.2 million (ii) payment for acquisition of property, plant and equipment of US\$29.3 million and (iii) payment for right-of-use assets of US\$17.7 million partially offset by withdrawal of term deposits of US\$48.8 million.

Financing cash flow

For the three months ended June 30, 2025, the net cash outflow mainly from financing activities was US\$77.8 million which is primarily attributable to (i) repayment of borrowings of US\$124.2 million and (ii) dividends paid to shareholders of the Company of US\$31.7 million offset by proceeds of bank and other borrowings of US\$79.0 million.

For the six months ended June 30, 2025, the net cash outflow mainly from financing activities was US\$78.2 million which is primarily attributable to (i) repayment of borrowings of US\$124.2 million (ii) dividends paid to shareholders of the Company of US\$31.7 million and (iii) dividends paid to non-controlling shareholders of US\$1.2 million offset by proceeds of bank and other borrowings of US\$79.0 million.

Expenditures Incurred

For the six months ended June 30, 2025, the Company incurred mining costs of US\$32.2 million, mineral processing costs of US\$53.3 million and transportation costs of US\$1.6 million.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at June 30, 2025, the Company's total debt was US\$699.6 million and the total equity was US\$1,980.9 million. The Company's gearing ratio was therefore 0.35 as at June 30, 2025 compared to 0.40 as at March 30, 2025.

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

Other than as disclosed elsewhere in this MD&A or in the condensed consolidated financial statements for the six months ended June 30, 2025, there were no significant investments held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended June 30, 2025. Other than as disclosed in this MD&A, there was no plan authorized by the Board for other material investments or additions of capital assets at the date of this MD&A.

CHARGE ON ASSETS

Other than as disclosed elsewhere in this MD&A and condensed consolidated financial statements, none of the Company's assets were pledged as at June 30, 2025.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates for the monetary assets and liabilities denominated in the currencies other than the functional currencies to which they relate. The Company has not hedged its exposure to currency fluctuation. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Refer to Note 33, Financial Instruments, in the annual consolidated financial statements for the year ended December 31, 2024.

COMMITMENTS

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

The Company's capital commitments relate primarily to the payments for purchase of equipment and machinery for both mines and payments to third-party contractors for the provision of mining and exploration engineering work and mine construction work for both mines. The Company has entered into contracts that prescribe such capital commitments; however, liabilities relating to them have not yet been incurred. Refer to Note 34, Commitments, in the annual consolidated financial statements for the year ended December 31, 2024.

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

	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	671,666	301,250	287,488	82,928
Entrusted loan payable	27,938	-	27,938	-

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

RELATED PARTY TRANSACTIONS

China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation) ("CNG") owned 40.01 percent of the outstanding common shares of the Company as at December 31, 2024 and June 30, 2025.

The Company had major related party transactions with the following companies related by way of shareholders or shareholder in common:

The Company's subsidiary, Inner Mongolia Pacific is a party to a non-exclusive contract for the purchase and sale of doré with CNG (the "Dore Sales Contract") pursuant to which Inner Mongolia Pacific sells gold doré bars to CNG. The pricing is based on the monthly average price of gold ingot as quoted on the Shanghai Gold Exchange and the daily average price of silver as quoted on the Shanghai Huatong Platinum & Silver Exchange prevailing at the time of each relevant purchase order during the contract period. The Dore Sales Contract has been in effect since October 24, 2008 and was renewed for a new term that commenced on January 1, 2018 and expired on December 31, 2020, which renewal was approved by the Company's shareholders on June 28, 2017. On June 16, 2020, the third Supplemental Contract for Purchase and Sale of Dore was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth supplemental Contract for Purchase and Sale of Dore was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026.

Revenue from sales of gold doré bars to CNG was US\$163.7 million for the six months ended June 30, 2025 which increased from US\$91.3 million for the six months ended June 30, 2024.

The Company is also a party to a Product and Service Framework Agreement with CNG, pursuant to which CNG provides construction, procurement and equipment financing services to the Company and also purchases the copper concentrates produced at the Jiama Mine. The quantity of copper concentrates, pricing terms and payment terms may be established from time to time by the parties with reference to the pricing principles for connected transactions set out under the Product and Service Framework Agreement. On June 28, 2017, the Supplemental Product and Service Framework Agreement was approved and extended to expire on December 31, 2020. On June 16, 2020, the third Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026. For the six months ended June 30, 2025, revenue from sales of copper concentrate and other products to CNG was US\$412.9 million compared to US\$116.6 million for the same period in 2024.

For the six months ended June 30, 2025, construction services of US\$66.7 million were provided to the Company by subsidiaries of CNG compared to US\$28.6 million for the same period in 2024.

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, 2025.

PROPOSED TRANSACTIONS

The Board of Directors has given the Company approval to conduct reviews of a number of projects that may qualify as acquisition targets through joint venture, merger and/or outright acquisitions. The Company did not have any material acquisition and disposal of subsidiaries and associated companies for the six months ended June 30, 2025. The Company continues to review possible acquisition targets.

CRITICAL ACCOUNTING ESTIMATES

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

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are described in Note 4 of the audited annual consolidated financial statements for the year ended December 31, 2024.

CHANGE IN ACCOUNTING POLICIES

A summary of new and revised IFRS standards and interpretations are outlined in Note 2 of the audited annual consolidated financial statements as at December 31, 2024.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company holds a number of financial instruments, the most significant of which are equity securities, accounts receivables, accounts payables, cash and loans. The financial instruments are recorded at either fair values or amortized amount on the balance sheet. The Company did not have any financial derivatives or outstanding hedging contracts as at June 30, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2025, the Company had not entered into any off-balance sheet arrangements.

DIVIDEND AND DIVIDEND POLICY

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

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

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

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

OUTSTANDING SHARES

As of June 30, 2025 the Company had 396,413,753 common shares issued and outstanding.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the Company's DC&P and ICFR as of June 30, 2025 and, in accordance with the requirements established under Canadian National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of June 30, 2025, and provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

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, 2025 and have concluded that these controls and procedures were effective as of June 30, 2025 and provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the six months ended June 30, 2025, there were no changes in the Company’s DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

RISK FACTORS

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

QUALIFIED PERSON

Disclosure of scientific or technical information in this MD&A was reviewed and approved by Mr. Tony Guo, P.Geo., 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, 2025.

A2. SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as of June 30, 2025, 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:

- 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
- 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, 2025, 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, 2025.

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, 2025, the Company had 2,177 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, 2025, 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, 2025.

A8. INTERIM DIVIDEND

The Board did not recommend the payment of interim dividends in respect of the six months ended June 30, 2025.

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, 2025.

August 14, 2025