

CHINA GOLD INTERNATIONAL RESOURCES  
CORP. LTD.

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(incorporated in British Columbia, Canada with  
limited liability)

Condensed Consolidated Financial Statements  
For the three months ended March 31, 2025

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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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, 2025

	NOTES	Three months ended March 31,	
		<u>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
Revenue	3	273,096	60,543
Cost of sales		<u>(155,443)</u>	<u>(72,039)</u>
Mine operating earnings (loss)		<u>117,653</u>	<u>(11,496)</u>
Expenses			
General and administrative expenses	4	(12,232)	(9,096)
Exploration and evaluation expenditure		(508)	(92)
Research and development expenses		<u>(3,296)</u>	<u>(787)</u>
		<u>(16,036)</u>	<u>(9,975)</u>
Income (loss) from operations		<u>101,617</u>	<u>(21,471)</u>
Other (expenses) income			
Foreign exchange loss, net		(2,654)	(157)
Interest and other income		1,809	1,228
Other expenses	17	-	(347)
Finance costs	5	<u>(5,002)</u>	<u>(5,663)</u>
		<u>(5,847)</u>	<u>(4,939)</u>
Profit (loss) before income tax		95,770	(26,410)
Income tax (expenses) credit	6	<u>(9,791)</u>	<u>362</u>
Profit (loss) for the period		<u>85,979</u>	<u>(26,048)</u>
Other comprehensive income (expenses) for the period			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain (loss) on equity instruments at fair value through other comprehensive income ("FVTOCI")		3,364	12,626
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation		<u>2,485</u>	<u>(1,106)</u>
Other comprehensive income for the period		<u>5,849</u>	<u>11,520</u>
Total comprehensive (expenses) income for the period		<u>91,828</u>	<u>(14,528)</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

		Three months ended	
		March 31,	
	<u>NOTE</u>	<u>2025</u>	<u>2024</u>
		US\$'000	US\$'000
		(unaudited)	(unaudited)
Profit (loss) for the period attributable to			
Non-controlling interests		966	251
Owners of the Company		<u>85,013</u>	<u>(26,299)</u>
		<u>85,979</u>	<u>(26,048)</u>
Total comprehensive income (expenses)			
for the period attributable to			
Non-controlling interests		966	251
Owners of the Company		<u>90,862</u>	<u>(14,779)</u>
		<u>91,828</u>	<u>(14,528)</u>
Earnings (loss) per share - Basic (US cents)	8	<u>21.45</u>	<u>(6.63)</u>
Weighted average number of common shares			
- Basic	8	<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, 2025

	<u>NOTES</u>	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
<b>Current assets</b>			
Cash and cash equivalents		240,492	183,779
Restricted bank balance		66,793	66,698
Term deposits		181,104	118,246
Trade and other receivables	9	7,379	7,393
Prepaid expenses and deposits		754	1,513
Inventories	10	279,508	290,405
		<u>776,030</u>	<u>668,034</u>
<b>Non-current assets</b>			
Prepaid expenses and deposits		30,127	30,095
Right-of-use assets		47,372	45,957
Equity instruments at FVTOCI	16	51,775	48,411
Property, plant and equipment	11	1,368,270	1,375,498
Mining rights	11	745,463	752,414
Other non-current assets		15,593	15,570
		<u>2,258,600</u>	<u>2,267,945</u>
<b>Total assets</b>		<u><u>3,034,630</u></u>	<u><u>2,935,979</u></u>
<b>Current liabilities</b>			
Accounts and other payables and accrued expenses	12	179,483	175,132
Contract liabilities		362	8,099
Borrowings	13	148,795	148,696
Lease liabilities		453	469
Tax liabilities		19,834	8,650
		<u>348,927</u>	<u>341,046</u>
Net current assets		<u>427,103</u>	<u>326,988</u>
Total assets less current liabilities		<u>2,685,703</u>	<u>2,594,933</u>
<b>Non-current liabilities</b>			
Accounts and other payables and accrued expenses	12	33,029	32,822
Borrowings	13	566,459	565,656
Entrusted loan payable		27,862	27,823
Lease liabilities		459	459
Deferred tax liabilities		109,414	112,000
Deferred income		19	19
Environmental rehabilitation		70,735	69,948
		<u>807,977</u>	<u>808,727</u>
<b>Total liabilities</b>		<u><u>1,156,904</u></u>	<u><u>1,149,773</u></u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

	<u>NOTE</u>	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
<b>Owners' equity</b>			
Share capital	14	1,229,061	1,229,061
Reserves		105,586	99,737
Retained profits		518,653	433,640
		<u>1,853,300</u>	<u>1,762,438</u>
Non-controlling interests		24,426	23,768
<b>Total owners' equity</b>		<u>1,877,726</u>	<u>1,786,206</u>
<b>Total liabilities and owners' equity</b>		<u>3,034,630</u>	<u>2,935,979</u>

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The condensed consolidated financial statements were approved and authorised for issue by the board of directors on May 15, 2025 and are signed on its behalf by:

(Signed by) Chenguang Hou

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Chenguang Hou  
Director

(Signed by) Yingbin Ian He

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Yingbin Ian He  
Director

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2025**

	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, 2024	396,413,753	1,229,061	11,179	26,318	(61,875)	121,800	380,375	1,706,858	20,883	1,727,741
(Loss) profit for the period	-	-	-	-	-	-	(26,299)	(26,299)	251	(26,048)
Fair value loss on equity instruments at FVTOCI	-	-	-	12,626	-	-	-	12,626	-	12,626
Exchange difference arising on translation	-	-	-	-	(1,106)	-	-	(1,106)	-	(1,106)
Total comprehensive income (expenses) for the period	-	-	-	12,626	(1,106)	-	(26,299)	(14,779)	251	(14,528)
Transfer to statutory reserve - safety production fund	-	-	-	-	-	1,034	(1,034)	-	-	-
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(276)	(276)
At March 31, 2024 (unaudited)	<u>396,413,753</u>	<u>1,229,061</u>	<u>11,179</u>	<u>38,944</u>	<u>(62,981)</u>	<u>122,834</u>	<u>353,042</u>	<u>1,692,079</u>	<u>20,858</u>	<u>1,712,937</u>
At January 1, 2025	396,413,753	1,229,061	11,179	27,589	(70,298)	131,267	433,640	1,762,438	23,768	1,786,206
Profit for the period	-	-	-	-	-	-	85,013	85,013	966	85,979
Fair value gain on equity instruments at FVTOCI	-	-	-	3,364	-	-	-	3,364	-	3,364
Exchange difference arising on translation	-	-	-	-	2,485	-	-	2,485	-	2,485
Total comprehensive income (expenses) for the period	-	-	-	3,364	2,485	-	85,013	90,862	966	91,828
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(308)	(308)
At March 31, 2025 (unaudited)	<u>396,413,753</u>	<u>1,229,061</u>	<u>11,179</u>	<u>30,953</u>	<u>(67,813)</u>	<u>131,267</u>	<u>518,653</u>	<u>1,853,300</u>	<u>24,426</u>	<u>1,877,726</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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	Three months ended March 31,	
	<u>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
<b>Net cash from operating activities</b>	<u>143,530</u>	<u>7,201</u>
<b>Investing activities</b>		
Interest income received	737	449
Payment for acquisition of property, plant and equipment	(24,720)	(16,855)
Deposits paid for water treatment project	-	(6,096)
Payment for land use right	-	(18,858)
Placement of term deposits	(111,484)	-
Release of restricted bank deposits	48,774	-
<b>Net cash used in investing activities</b>	<u>(86,693)</u>	<u>(41,360)</u>
<b>Financing activities</b>		
Proceeds from borrowings	-	40,031
Dividend paid to a non-controlling shareholder of a subsidiary	(308)	(276)
Repayments of lease liabilities	(27)	(29)
<b>Net cash from (used in) financing activities</b>	<u>(335)</u>	<u>39,726</u>
<b>Net increase in cash and cash equivalents</b>	<u>56,502</u>	<u>5,567</u>
Cash and cash equivalents, beginning of period	183,779	97,237
Effect of foreign exchange rate changes on cash and cash equivalents	211	(134)
<b>Cash and cash equivalents, end of period</b>	<u>240,492</u>	<u>102,670</u>
Cash and cash equivalents are comprised of cash and bank deposits	<u>240,492</u>	<u>102,670</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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

1.1 *Basis of preparation*

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

The head office, principal address and registered and records office of the Company are located at Suite 1780, Commerce Place, 400 Burrard Street, Box 17, Vancouver, British Columbia, Canada, V6C 3A6.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"), which should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended March 31, 2025 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2024.

In the current interim period, the Group has applied the following amendments to International Financial Reporting Standards ("IFRSs") issued by IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

3. REVENUE AND SEGMENT INFORMATION

**Revenue**

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

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

	Three months ended	
	March 31,	
	<u>2025</u>	<u>2024</u>
	US\$'000	US\$'000
	(unaudited)	(unaudited)
<u>At a point in time</u>		
Gold doré bars	79,094	36,166
Copper	93,496	15,585
Other by-products	<u>100,506</u>	<u>8,792</u>
Total revenue	<u>273,096</u>	<u>60,543</u>

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

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

**Segment information**

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

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

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

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

3. REVENUE AND SEGMENT INFORMATION - continued

**Segment information** - continued

Information regarding the above segments is reported below:

(a) Segment revenue and results

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

For the three months ended March 31, 2025

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

For the three months ended March 31, 2024

	Mine - produced gold US\$'000 (unaudited)	Mine - produced copper concentrate US\$'000 (unaudited)	Segment total US\$'000 (unaudited)	Unallocated US\$'000 (unaudited)	Consolidated US\$'000 (unaudited)
Revenue - external and segment revenue	36,166	24,377	60,543	-	60,543
Cost of sales	(28,158)	(43,881)	(72,039)	-	(72,039)
Mining operating earnings (loss)	8,008	(19,504)	(11,496)	-	(11,496)
Income (loss) from operations	7,917	(28,568)	(20,651)	(820)	(21,471)
Foreign exchange loss	(120)	(32)	(152)	(5)	(157)
Interest and other income	885	367	1,252	(24)	1,228
Other expenses	-	(347)	(347)	-	(347)
Finance costs	(101)	(4,310)	(4,411)	(1,252)	(5,663)
Profit (loss) before income tax	8,581	(32,890)	(24,309)	(2,101)	(26,410)

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

There are no inter-segment sales for the three months ended March 31, 2025 and 2024.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

3. REVENUE AND SEGMENT INFORMATION - continued

**Segment information** - continued

(b) Segment assets and liabilities

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

	Mine - produced gold US\$'000	Mine - produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
<b>As of March 31, 2025 (unaudited)</b>					
Total assets	642,417	2,320,333	2,962,750	71,880	3,034,630
Total liabilities	47,704	1,028,261	1,075,965	80,939	1,156,904
<b>As of December 31, 2024 (audited)</b>					
Total assets	599,908	2,266,611	2,866,519	69,460	2,935,979
Total liabilities	<u>34,886</u>	<u>1,033,576</u>	<u>1,068,462</u>	<u>81,311</u>	<u>1,149,773</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, property, plant and equipment and equity instruments at FVTOCI; and
- all liabilities are allocated to operating segments other than other payables and accrued expenses, lease liabilities, deferred income and certain borrowings.

4. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	<u>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
Administration and office	2,681	1,247
Depreciation of property, plant and equipment	1,598	1,900
Depreciation of right-of-use assets	24	25
Professional fees	514	1,461
Salaries and benefits	4,959	3,554
Others	<u>2,456</u>	<u>909</u>
Total general and administrative expenses	<u>12,232</u>	<u>9,096</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

5. FINANCE COSTS

	Three months ended March 31,	
	<u>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
Interests on borrowings	4,276	5,123
Interests on provision of mining rights	199	-
Interests on lease liabilities	11	17
Accretion on environmental rehabilitation	684	705
	<u>5,170</u>	<u>5,845</u>
Less: Amounts capitalised to property, plant and equipment	<u>(168)</u>	<u>(182)</u>
Total finance costs	<u><u>5,002</u></u>	<u><u>5,663</u></u>

6. INCOME TAX (CREDIT) EXPENSES

	Three months ended March 31,	
	<u>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	12,377	1,577
(Overprovision) underprovision in prior year - PRC EIT	-	(24)
PRC withholding income tax on profit earned from PRC subsidiaries	-	-
	<u>12,377</u>	<u>1,553</u>
Deferred tax:		
PRC Enterprise Income Tax ("EIT")	(2,586)	(1,915)
PRC withholding income tax on profit earned from PRC subsidiaries	-	-
	<u>(2,586)</u>	<u>(1,915)</u>
Total income tax (credit) expenses	<u><u>9,791</u></u>	<u><u>(362)</u></u>

7. DIVIDEND

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

During the three months ended March 31, 2024, no dividend was declared to shareholders of the Company.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

8. EARNINGS (LOSS) PER SHARE

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

	Three months ended March 31,	
	<u>2025</u> (unaudited)	<u>2024</u> (unaudited)
Profit (loss) for the period attributable to owners of the Company for the purposes of basic earnings per share (US\$'000)	<u>85,013</u>	<u>(26,299)</u>
Weighted average number of common shares, basic	<u>396,413,753</u>	<u>396,413,753</u>
Basic earnings (loss) per share (US cents)	<u>21.45</u>	<u>(6.63)</u>

The Group has no outstanding potential dilutive instruments issued as at March 31, 2025 and 2024 and during the periods ended March 31, 2025 and 2024. Therefore, no diluted earnings per share is presented.

9. TRADE AND OTHER RECEIVABLES

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Trade receivables	1,925	2,473
Less: allowance for credit losses	<u>(181)</u>	<u>(180)</u>
	1,744	2,293
Amounts due from related companies (note 15(a)) <sup>(1)</sup>	1,663	1,583
Other receivables <sup>(2)</sup>	<u>3,972</u>	<u>3,517</u>
Total trade and other receivables	<u>7,379</u>	<u>7,393</u>

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

(2) Included in the balance as at March 31, 2025 are Tax and Other Surcharges (as defined in note 17) of US\$1,272,000 (December 31, 2024: US\$1,270,000), net of allowance for credit losses, to be recovered from Zhongxinfang Tibet Construction Investment Co. Ltd. (“Zhongxinfang”), an independent third party property developer. Details of the impairment assessment of the receivable amount from Zhongxinfang are set out in note 17.

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

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

9. TRADE AND OTHER RECEIVABLES - continued

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>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Less than 30 days	39	819
31 to 90 days	458	130
91 to 180 days	408	276
Over 180 days	839	1,068
Total trade receivables	<u>1,744</u>	<u>2,293</u>

10. INVENTORIES

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Gold in process	211,640	222,568
Gold doré bars	26,003	26,467
Consumables	12,517	11,119
Copper concentrates	4,113	5,959
Spare parts	25,235	24,292
Total inventories	<u>279,508</u>	<u>290,405</u>

Inventories totalling US\$45 million for the three months ended March 31, 2025 (three months ended March 31, 2024: US\$44 million) was recognised in cost of sales.

## CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

### 11. PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS

During the three months ended March 31, 2025, the Group incurred US\$16.6 million on construction in progress (for the three months ended March 31, 2024: US\$1.4 million) and US\$3.8 million on mineral assets (for the three months ended March 31, 2024: US\$1 million), respectively.

Depreciation of property, plant and equipment was US\$33 million for the three months ended March 31, 2025 (for the three months ended March 31, 2024: US\$24.4 million). The depreciation amount was 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, 2025 and 2024. Amortisation of mining rights was US\$16.9 million for the three months ended March 31, 2025 (for the three months ended March 31, 2024: US\$1.2 million). The amortisation amounts were recognised in cost of sales.

### 12. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

Accounts and other payables and accrued expenses comprise the following:

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Accounts payable	29,341	25,811
Construction cost payables	93,082	84,218
Provision of the variable payment arising from the mining right (note a)	44,280	49,057
Payable for litigation compensation (note 17)	19,030	23,872
Payable for acquisition of a mining right	2,352	2,349
Payroll and benefit payable	3,065	286
Mining cost accrual	2,809	1,544
Other accruals	2,379	2,231
Other tax payable	2,895	9,719
Other payables	13,279	8,867
Total accounts and other payables and accrued expenses	<u>212,512</u>	<u>207,954</u>
Current	179,483	175,132
Non-current (note a)	<u>33,029</u>	<u>32,822</u>
Total accounts and other payables and accrued expenses	<u>212,512</u>	<u>207,954</u>

Note:

a. The amounts represent the variable payment arising from the mining right that are classified as current and non-current based on the instalments schedule as at March 31, 2025 and December 31, 2024.

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13. BORROWINGS

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Bank loans	634,454	633,666
Loans payable to a CNG's subsidiary (note 15)	<u>80,800</u>	<u>80,686</u>
	<u>715,254</u>	<u>714,352</u>

The borrowings are repayable as follows:

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Carrying amount repayable within one year	148,795	148,696
Carrying amount repayable within one to two years	291,438	254,855
Carrying amount repayable within two to five years	176,996	212,914
Carrying amount repayable over five years	<u>98,025</u>	<u>97,887</u>
	715,254	714,352
Less: Amounts due within one year (shown under current liabilities)	<u>(148,795)</u>	<u>(148,696)</u>
Amounts shown under non-current liabilities	<u>566,459</u>	<u>565,656</u>

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

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
Mining rights	<u>743,953</u>	<u>750,627</u>

Borrowings carry interest at effective interest rates ranging from 1.85% to 4.29% (December 31, 2024: 1.85% to 6.27%) per annum.

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### 13. BORROWINGS - continued

In respect of a bank loan with a carrying amount of US\$195,035,000 as at March 31, 2025 (December 31, 2024: US\$298,742,000), the Group is required to comply with certain significant financial covenants throughout the continuance of the relevant bank loans and/or as long as the bank loans are outstanding. These covenants include, but are not limited to, the following: the ratio of liabilities to assets of the borrower must not be more than certain percentage; the ratio of current asset to current liabilities of the borrower must be more than 0.5; and the net assets of the Group must not be less than US\$1,000 million, among others.

### 14. SHARE CAPITAL

#### Common shares

(i) Authorized - Unlimited common shares without par value

(ii) Issued and outstanding

	<u>Number of shares</u>	<u>Amount US\$'000</u>
Issued and fully paid:		
At January 1, 2024 (audited), December 31, 2024 (audited) and March 31, 2025 (unaudited)	<u>396,413,753</u>	<u>1,229,061</u>

### 15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

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, 2025 and 2024, and related party balances as at March 31, 2025 and December 31, 2024.

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15. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

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>2025</u> % (unaudited)	December 31, <u>2024</u> % (audited)
CNG	<u>40.01</u>	<u>40.01</u>

(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>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
Gold doré bars sales by the Group	<u>79,094</u>	<u>36,166</u>
Copper and other by-product sales by the Group	<u>192,077</u>	<u>24,021</u>
Other income	<u>-</u>	<u>712</u>
Provision of transportation services by the Group	<u>492</u>	<u>34</u>
Construction, stripping and mining services provided to the Group	<u>32,567</u>	<u>6,166</u>
Accrued property management fee	<u>113</u>	<u>114</u>
Commitment fee	<u>149</u>	<u>157</u>
Interest income	<u>1,225</u>	<u>233</u>
Interest expense on loans payable to a CNG's subsidiary and entrusted loan payable	<u>610</u>	<u>623</u>
Interest expense on lease liabilities	<u>10</u>	<u>16</u>

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15. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

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

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

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
<u>Assets</u>		
Amounts due from related companies (Note 9)	850	1,583
Cash and cash equivalents held in a CNG's subsidiary	164,125	150,315
Temp deposits held in a CNG's subsidiary	181,931	118,246
Restricted balance held in a CNG's subsidiary	<u>66,793</u>	<u>66,698</u>
Total amounts due from CNG and its subsidiaries	<u>413,699</u>	<u>336,842</u>

Other than the cash and cash equivalents held in a CNG's subsidiary, the remaining amounts due from CNG and its subsidiaries as at March 31, 2025 and December 31, 2024, which are included in trade and other receivables are non-interest bearing, unsecured and repayable on demand.

	March 31, <u>2025</u> US\$'000 (unaudited)	December 31, <u>2024</u> US\$'000 (audited)
<u>Liabilities</u>		
Entrusted loan payable	27,883	27,823
Loans payable to a CNG's subsidiary (Note 13)	80,854	80,686
Construction costs payable to CNG's subsidiaries	28,137	19,515
Trade payable to CNG's subsidiaries	2,080	952
Amounts due to CNG	1,880	4,080
Contract liabilities with a CNG's subsidiary	348	8,085
Leased liabilities to a CNG's subsidiary	<u>788</u>	<u>897</u>
Total amounts due to CNG and its subsidiaries	<u>141,970</u>	<u>142,038</u>

With the exception of the entrusted loan payable to CNG, loans payable to a CNG's subsidiary, lease liabilities to a CNG's subsidiary and contract liabilities to a CNG's subsidiary, 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.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

(b) Compensation of key management personnel

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

	Three months ended March 31,	
	<u>2025</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)
Salaries and other benefits	102	82
Post-employment benefits	<u>7</u>	<u>7</u>
	<u>109</u>	<u>89</u>

16. FINANCIAL INSTRUMENTS

As at March 31, 2025 and December 31, 2024, 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\$50,962,000 (December 31, 2024: US\$47,599,000) 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\$813,000 (December 31, 2024: US\$812,000) are measured at fair value based on Level 3 inputs.

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

17. CONTINGENCIES

**(i) Litigation with Huaxin and Zhongxinfang**

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

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

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

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

During the year ended December 31, 2022, Huaxin filed a petition with the Supreme People's Court of the PRC for a retrial and request re-adjudicating 2020 Final Instance Adjudication, the Supreme People's Court of the PRC has formed a collegial panel pursuant to law to review this case and ordered Tibet High Court to retry the case. Pursuant to retrial, Tibet High Court entered the final instance adjudication dated June 5, 2023 (the "June 2023 Huaxin Final Instance Adjudication") and affirmed the First Instance Adjudication that Zhongxinfang and Huatailong shall have the joint obligation for the construction costs and should pay to Huaxin within 15 days from the effective date of this judgment. Accordingly, Huatailong recognised the liabilities in prior year. Huatailong recognised RMB137 million (equivalent to US\$19,030,000) as payable for litigation compensation which is presented under "accounts and other payables and accrued expenses" as at March 31, 2025 (December 31, 2024: 172 million (equivalent to US\$23,872,000)).

17. CONTINGENCIES - continued

(i) **Litigation with Huaxin and Zhongxinfang** - continued

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

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

	Carrying amount as at <u>March 31, 2025</u> US\$'000
Bank balances	27
Other non-current assets	15,775
Right-of-use assets - leasehold lands	10,963
Equity instruments at FVTOCI - unlisted investments	825
Property, plant and equipment - buildings	22,220
51% equity interest in Jiama Industry and Trade, a subsidiary of the Company	n/a
	<u>49,810</u>

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

On January 17, 2025, Huatailong paid litigation settlement of RMB35,000,000 (equivalent to US\$4,870,000).

17. CONTINGENCIES - continued

(i) **Litigation with Huaxin and Zhongxinfang** - continued

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

During the year ended December 31, 2020, Huatailong filed a lawsuit against Zhongxinfang for the recovery of the construction costs of RMB149 million (equivalents to US\$21,319,000) that shall be jointly borne by Huatailong on the 2020 First Instance Adjudication. Based on the first instance adjudication dated on September 23, 2020, the litigation ruling adjudicated that Zhongxinfang shall have obligation for the construction costs of RMB149 million (equivalents to US\$21,319,000) to Huatailong (the "September 2020 Adjudication"). In October 2020, Zhongxinfang proceeded an appeal against the September 2020 Adjudication and revoked subsequently. On June 20, 2023, Tibet High Court adjudicated that the September 2020 Adjudication sustained (the "June 2023 Zhongxinfang Final Instance Adjudication") and Zhongxinfang should pay relevant compensation to Huatailong within 15 days from the effective date of the June 2023 Zhongxinfang Final Instance Adjudication. On 15 September 2023, Huatailong applied for an enforcement of the June 2023 Zhongxinfang Final Instance Adjudication (the "September 2023 Enforcement") and as at March 31, 2025 and up to the date these condensed consolidated financial statements are authorised for issue, Zhongxinfang has not yet paid the compensation to Huatailong and the September 2023 Enforcement is not executed mainly because Zhongxinfang is involved in several litigations and there are no executable properties.

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

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

As at March 31, 2025 and the date these condensed consolidated financial statements are authorised for issue the frozen period over the block of buildings and the twenty car parks has extended to May 2027 and Huatailong is in progress to apply for a further period for New Premises Pre-litigation Preservation. In addition, based on legal advice, the March 2023 Enforcement is currently under proceeding and the result is not ascertain as at the date these condensed consolidated financial statements are authorised for issue.

17. CONTINGENCIES - continued

(i) **Litigation with Huaxin and Zhongxinfang** - continued

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

Based on Group's assessment on the status of the New Premises and taking into account the valuation of the New Premises, no impairment loss (for the three months ended March 31, 2024: nil) has been made during the three months ended March 31, 2025 and the carrying amount of the other non-current assets are RMB111,924,000 (equivalent to US\$15,592,000) as at March 31, 2025 (December 31, 2024: RMB111,924,000 (equivalent to US\$15,570,000)).

In addition, during the year ended December 31, 2020, Huatailong has paid all related tax exposures including but not limited to land appreciation tax, EIT and other surcharge related to the Land Exchange (the "Tax and Other Surcharge") of RMB46 million (equivalent to US\$6,997,000) and expects to recover such payments from Zhongxinfang in accordance with the Cooperation Agreement. On July 8, 2020, Huatailong applied for pre-litigation preservation of assets from Zhongxinfang, the Tibet Intermediate Court adjudicated that the value of certain properties limited to RMB46 million (equivalent to US\$6,609,000) from Zhongxinfang was frozen for one year (the "Pre-litigation Preservation"). Based on the adjudication issued on November 20, 2020 in relation to the lawsuit against Zhongxinfang for the recovery of the Tax and Other Surcharge, the litigation ruling adjudicated that Zhongxinfang shall repay the Tax and Other Surcharge to Huatailong (the "November 2020 Adjudication"). As Zhongxinfang has not settled such amount within the due date, Huatailong applied for an enforcement of the November 2020 Adjudication in January 2021 (the "2021 Enforcement"). On June 24, 2021, the Tibet Intermediate Court adjudicated the 2021 Enforcement be suspended as all of the assets owned by Zhongxinfang have been sealed up or frozen and there are no executable properties from Zhongxinfang. Based on legal advice, the 2021 Enforcement is currently suspended and the Group's first priority of claim over one of the assets under Pre-litigation Preservation has been extended to May 2027. The result of aforementioned 2021 Enforcement is not ascertain as at December 31, 2025 and the date these condensed consolidated financial statements are authorised for issue.

Based on the best available information to the Group and the credit risk assessment of Zhongxinfang as of March 31, 2025, no additional expected credit loss (for the three months ended March 31, 2024: nil) for other receivables from Zhongxinfang is recognised during the three months ended March 31, 2025, and the accumulated allowance for credit losses is RMB36,524,000 (equivalent to US\$5,088,000) as of March 31, 2025 (December 31, 2024: RMB36,524,000 (equivalent to US\$5,081,000)).

17. CONTINGENCIES - continued

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

In May 2023, a supplier of Huatailong proceeded a lawsuit against Huatailong for the loss of work stoppage and slowdown resulting from the suspension of Jiama Mine's south pit which are required to remediate by local government from June 19, 2021, amounting RMB479 million (equivalent to US\$66,793,000)), and applied for pre-litigation preservation of assets from Huatailong, for one year.

On May 24, 2023, the Tibet Intermediate Court adjudicated balance with same amount as aforementioned placed in China National Gold Group Finance Company Limited ("China Gold Finance"), a subsidiary of CNG by the Group to be frozen for one year, which was further extended for another year on May 6, 2024. Accordingly, the frozen bank deposit of US\$66,793,000 was included in restricted bank balances as at March 31, 2025 (December 31, 2024: US\$66,698,000).

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

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