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

(a company incorporated under the laws of British Columbia, Canada with limited liability)
(Hong Kong Stock Code: 2099)
(Toronto Stock Code: CGG)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

FINANCIAL HIGHLIGHTS

	For the Year ended December 31,	
	2023	2022
	US$'000	*US$'000*
Revenues	**459,434**	1,104,949
Net (loss) profit	**(22,969)**	225,401
Basic (loss) earnings per share (cents)	**(6.43)**	56.19
Diluted earnings(loss) per share (cents)	**N/A**	N/A
Net cash flows from operations	**1,574**	447,279
Property, plant and equipment	**1,481,901**	1,579,245
Property, plant and equipment capital expenditures	**59,352**	22,601
Cash and cash equivalents	**97,237**	428,453
Working capital	**170,759**	94,007

RESULTS

The board of directors (the "Board") of China Gold International Resources Corp. Ltd. (the "Company" together with its subsidiaries, referred hereto as the "Group") is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2023 with comparative figures for the comparable period in 2022, as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis of financial condition and results of operations ("MD&A") is prepared as of March 27, 2024. It should be read in conjunction with the consolidated financial statements and notes thereto of China Gold International Resources Corp. Ltd. (referred to herein as "China Gold International", the "Company", "we" or "our" as the context may require) for the three months and year ended December 31, 2023 and the three months and year ended December 31, 2022, 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, 2024 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.

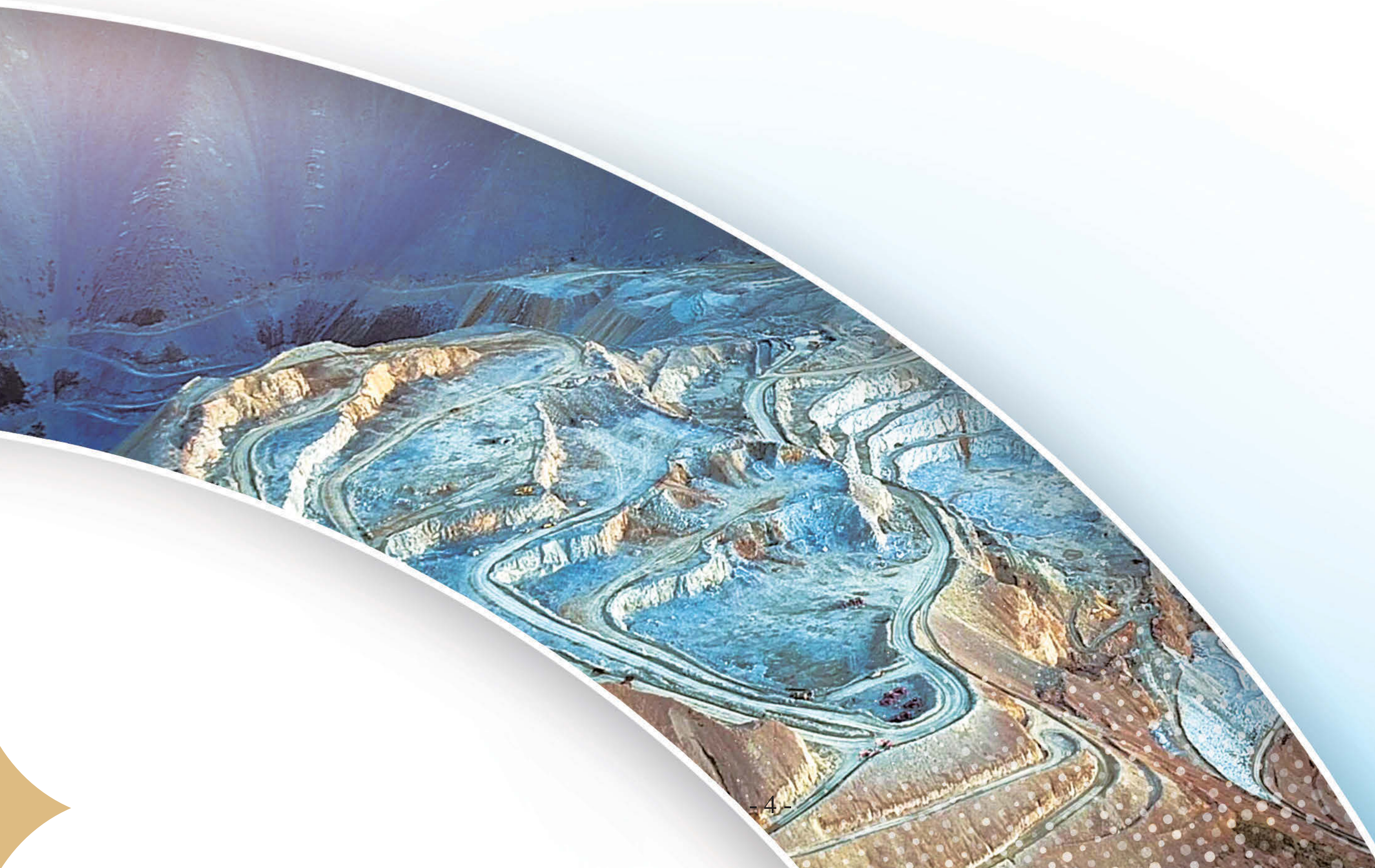
THE COMPANY

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 December 31, 2023

- Revenue decreased by 72% to US$71.3 million from US$253.9 million for the same period in 2022.
- Mine operating loss of US$1.9 million, decreased by US$98.5 million from mine operating earnings of US$96.6 million for the same period in 2022.
- Net loss of US$17.5 million decreased by US$66.0 million from net income of US$48.5 million for the same period in 2022.
- Cash flow used in operation of US$20.9 million, decreased from cash flow from operation of US$89.1 million for the same period in 2022.
- Total gold production decreased by 57% to 25,500 ounces from 59,992 ounces for the same period in 2022.
- Total copper production was 184,077 pounds (approximately 83 tonnes) as limited production at the Jiama mine resumed on December 15, 2023. Copper production was 45.1 million pounds (approximately 20,472 tonnes) for the same period in 2022.

Year ended December 31, 2023

- Revenue decreased by 58% to US$459.4 million from US$1,104.9 million for the same period in 2022.
- Mine operating earnings decreased by 80% to US$80.4 million from US$395.6 million for the same period in 2022.
- Net loss of US$23.0 million decreased from net income of US$225.4 million for the same period in 2022.
- Cash flow from operation decreased to US$1.6 million from US$447.3 million for the same period in 2022.
- Total gold production decreased by 38% to 147,963 ounces from 238,836 ounces for the same period in 2022.
- Total copper production decreased by 76% to 44.2 million pounds (approximately 20,051 tonnes) from 187.4 million pounds (approximately 85,004 tonnes) for the same period in 2022.

The decrease in production and profit was mainly attributed to the suspension of operations of the Jiama Mine since March 27, 2023 due to the overflow at the Guolanggou tailings pond. As a result of the suspension, the Company did not record any product sales from the Jiama Mine during the second and third quarter of 2023, with the exception of a minor amount of molybdenum. Operations began to gradually recommence as of December 15, 2023.

*Selected Annual Information**

	Year ended December 31				
	2023	2022	2021	2020	2019
US$ Millions except for per share					
Total revenue	**459**	1,105	1,137	864	657
(Loss) income from operations	**32**	317	333	154	(3)
Net (loss) profit	**(23)**	225	269	114	(32)
Basic (loss) earnings per share (cents)	**(6.43)**	56.19	67.44	28.24	(8.28)
Diluted earnings (loss) per share (cents)	**N/A**	N/A	N/A	N/A	N/A
Total assets	**2,835**	3,195	3,257	3,323	3,197
Total non-current liabilities	**802**	653	1,080	1,284	818

* Prepared under IFRS

OUTLOOK

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

The overflow occurred at the top 19th subsequent dyke of the Guolangou Tailings Dam. However, other levels of subsequent dykes and the starter dyke were also damaged to varying degrees. The Company has conducted a comprehensive inspection and assessment of all 19 levels of subsequent dykes and the starter dyke of the tailings dam and has made permanent repairs and reinforcements of the dam. Due to the uncertainty of the date of full resumption of production at Jiama Mine, the Company withdrew its annual production guidance for 2023 as set out in the announcement of the Company dated January 20, 2023. On December 15, 2023, certain operations began gradual resumption following the receipt of approval from the Lhasa Municipal Government. The resumption of operations includes the underground void management and the restart of the Phase I processing plant of the Jiama Mine with a daily processing capacity of 6,000 tonnes. The tailings produced from processing operations were backfilled to the underground voids through the backfilling system. The Company has carried out a plan for the full resumption of operations, and the restart of the Phase I processing plant is the first step in the overall plan. The repair and reinforcement work at the Guolanggou Tailings Dam has been fully completed, and the safety assessment report has been completed, awaiting acceptance and approval by the government. The review process of the subsequent tailings discharge plan is occurring simultaneously. The Company will continue to proceed towards the resumption of full production on its design capacity at the Jiama Mine.

The open-pit operations at the CSH gold mine are nearing the end of its mine life. With the CSH pit's increased depth, the stability of the open pit slopes is becoming more and more prominent in determining the operations plan. Ensuring slope stability and avoiding systematic risks at this stage are the Company's top priority to ensure safe and sustainable production. The CSH Mine reduced the mining rate at the end of the third quarter and in the fourth quarter of 2023 in order to enhance the management and maintenance of open pit slopes. As of January 4, 2024, the works on slope maintenance have been completed and the mining activities, including mining, hauling, crushing and heaping, have returned to their normal operating level. The resumption of full mining activities at the CSH Mine has laid a solid foundation for enhancing the Company's financial and production performance in 2024.

The Jiama Mine has gradually resumed production starting from the Phase I processing plant on December 15, 2023, with a daily processing capacity of 6,000 tonnes of ore. As the resumption of the Phase II processing plant is subject to the results of the government's review of the tailings discharge scheme, the timing of resumption is uncertain. Against this backdrop, the Company reports separate production guidance for the two mines in 2024.

CSH Mine:

- It is expected that the gold production range will be 106,097 ounces to 112,528 ounces (approximately 3.3 tonnes to 3.5 tonnes) in 2024.

Jiama Mine:

- The Company expects to receive government's approval for the resumption of operations at the beginning of May 2024. Upon receipt of the approval, Jiama Mine will resume production at the Phase II plant's designed processing capacity of approximately 34,000 tonnes per day (tpd). Given that the actual timing of the production resumption depends on the final date of government's approval, the annual production guidance is subject to uncertainty.

- It is expected that the copper production range will be 95.0 million pounds to 98.0 million pounds (approximately 43,200 tonnes to 44,500 tonnes) in 2024;

- It is expected that the gold production range will be 42,439 ounces to 45,333 ounces (approximately 1.32 tonnes to 1.41 tonnes) in 2024.

RESULTS OF OPERATIONS

Selected Quarterly Financial Data

	Quarter ended							
	2023				2022			
(US$ in thousands except per share)	**31-Dec**	30-Sep	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar
Revenue	**71,315**	62,325	73,016	252,778	253,904	255,030	291,994	304,021
Cost of sales	**73,219**	76,616	79,166	150,068	157,271	179,322	174,304	198,493
Mine operating (loss) earnings	**(1,904)**	(14,291)	(6,150)	102,710	96,633	75,708	117,690	105,528
General and administrative expenses	**10,071**	11,399	7,896	9,584	18,390	16,215	8,296	9,949
Exploration and evaluation expenses	**393**	271	45	35	102	81	256	40
Research and development expenses	**867**	1,756	1,442	4,642	6,659	7,357	5,470	5,885
(Loss) Income from operations	**(13,235)**	(27,717)	(15,533)	88,449	71,482	52,055	103,668	89,654
Foreign exchange (loss) gain	**(579)**	1,092	(11,679)	3,310	6,007	(16,085)	(11,542)	1,673
Finance costs	**5,651**	5,737	6,880	6,706	7,103	7,504	7,943	8,188
(Loss) profit before income tax	**(20,476)**	(32,440)	(52,907)	87,152	70,603	30,607	90,098	83,956
Income tax (credit) expense	**(2,965)**	(1,662)	432	8,493	22,083	7,251	8,374	12,155
(Loss) net profit	**(17,511)**	(30,778)	(53,339)	78,659	48,520	23,356	81,724	71,801
Basic (loss) earnings per share (cents)	**(4.51)**	(7.99)	(13.55)	19.62	11.90	5.84	20.48	17.97
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 December 31,**		**Year ended December 31,**	
	2023	2022	**2023**	2022
Gold sales (US$ million)	**49.85**	64.60	**252.60**	267.55
Realized average price (US$) of gold per ounce	**2,024**	1,748	**1,962**	1,806
Gold produced (ounces)	**24,290**	38,134	**128,760**	148,164
Gold sold (ounces)	**24,626**	36,948	**128,728**	148,153
Total production cost (US$ per ounce)	**1,611**	975	**1,420**	1,340
Cash production cost[1] (US$ per ounce)	**1,303**	642	**952**	803

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

The CSH Mine reduced the mining rate at the end of the third and fourth quarters of 2023 in order to enhance the management and maintenance of open pit slopes, which was the primary cause of changes in the fourth quarter of 2023 compared to the respective 2022 period. Gold production at the CSH Mine decreased by 36% to 24,290 ounces for the three months ended December 31, 2023 compared to 38,134 ounces for the same period in 2022. The total production cost of gold for the three months ended December 31, 2023 increased by 65% to US$1,611 per ounce compared to US$975 for the same period in 2022. The cash production cost of gold for the three months ended December 31, 2023 increased by 103% to US$1,303 per ounce from US$642 for the same period in 2022.

Jiama Mine	Three months ended December 31,		Year ended December 31,	
	2023	2022	**2023**	2022
Copper sales (US$ in millions)	**12.88**	131.17	**147.28**	617.23
Realized average price[1] (US$) of copper per pound after smelting fee discount	**2.39**	3.20	**3.17**	3.31
Copper produced (tonnes)	**83**	20,472	**20,051**	85,004
Copper produced (pounds)	**184,077**	45,132,705	**44,203,779**	187,402,309
Copper sold (tonnes)	**2,449**	19,809	**21,054**	84,570
Copper sold (pounds)	**5,399,496**	43,670,559	**46,415,465**	186,445,355
Gold produced (ounces)	**1,210**	21,858	**19,203**	90,672
Gold sold (ounces)	**2,444**	21,503	**20,208**	90,062
Silver produced (ounces)	**75,549**	756,545	**829,973**	3,169,403
Silver sold (ounces)	**135,324**	769,424	**858,191**	3,168,040
Lead produced (tonnes)	**–**	–	**–**	–
Lead produced (pounds)	**–**	–	**–**	–
Lead sold (tonnes)	**–**	–	**–**	–
Lead sold (pounds)	**–**	–	**–**	–
Zinc produced (tonnes)	**–**	–	**–**	–
Zinc produced (pounds)	**–**	–	**–**	–
Zinc sold (tonnes)	**–**	–	**–**	–
Zinc sold (pounds)	**–**	–	**–**	–
Moly produced (tonnes)	**–**	194	**231**	869
Moly produced (pounds)	**–**	427,868	**509,327**	1,916,227
Moly sold (tonnes)	**–**	343	**209**	941
Moly sold (pounds)	**–**	755,254	**461,601**	2,704,461
Total production cost[2] (US$) of copper per pound	**8.04**	3.33	**5.17**	3.14
Total production cost[2] (US$) of copper per pound after by-products credits[4]	**6.91**	2.03	**3.96**	1.99
Cash production cost[3] (US$) per pound of copper	**7.29**	2.64	**3.89**	2.47
Cash production cost[3] (US$) of copper per pound after by-products credits[4]	**6.16**	1.35	**2.68**	1.33

1 A discount factor of 13.5% to 28.4% 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 and silver during the corresponding period.

Due to the overflow of the tailings dam on March 27, 2023, production at the Jiama Mine was suspended during most of 2023. On December 15, 2023, certain operations began gradual resumption following the receipt of approval from the Lhasa Municipal Government. The resumption of operations includes the underground void management and the restart of the Phase I processing plant with a daily processing capacity of 6,000 tonnes.

Review of Quarterly Data

Three months ended December 31, 2023 compared to three months ended December 31, 2022

Revenue of US$71.3 million for the fourth quarter of 2023, decreased by US$182.6 million from US$253.9 million for the same period in 2022.

Revenue from the CSH Mine was US$49.8 million, a decrease of US$14.8 million from US$64.6 million for the same period in 2022. Realized average gold price increased by 16% from US$1,748/oz in Q4 2022 to US$2,024/oz in Q4 2023. Gold sold by the CSH Mine was 24,626 ounces (gold produced: 24,290 ounces), compared to 36,948 ounces (gold produced: 38,134 ounces) for the same period in 2022.

Revenue from the Jiama Mine was 21.5 million, a decrease of US$167.8 million, compared to US$189.3 million for the same period in 2022. Jiama Mine had begun a gradual resumption of production in the fourth quarter of 2023. Realized average price of copper decreased by 25% from US$3.20/pound in Q4 2022 to US$2.39/pound in Q4 2023. Total copper sold was 2,449 tonnes (5.4 million pounds) for the three months ended December 31, 2023, a decrease of 88% from 19,809 tonnes (43.7 million pounds) for the same period in 2022.

Cost of sales of US$73.2 million for the quarter ended December 31, 2023, a decrease of US$84.1 million from US$157.3 million for the same period in 2022, mainly due to the suspension of operations at the Jiama Mine.

Mine operating loss of US$1.9 million for the three months ended December 31, 2023, a decrease of US$98.5 million from mine operating earnings of US$96.6 million for the same period in 2022, mainly due to the suspension of operations at the Jiama Mine.

General and administrative expenses decreased by US$8.3 million, from US$18.4 million for the quarter ended December 31, 2022 to US$10.1 million for the quarter ended December 31, 2023. The decrease was primarily due to the suspension of operations at the Jiama Mine.

Research and development expenses of US$0.9 million for the three months ended December 31, 2023, decreased from US$6.7 million for the comparative 2022 period. The decrease in the fourth quarter of 2023 was mainly due to the suspension of operations at the Jiama Mine.

Loss from operations of US$13.2 million for the fourth quarter of 2023, decreased by US$84.7 million, compared to an income of US$71.5 million for the same period in 2022.

Finance costs of US$5.7 million for the three months ended December 31, 2023, decreased by US$1.4 million compared to US$7.1 million for the same period in 2022. The decrease was primarily due to the reduction in the total amount of borrowings outstanding.

Foreign exchange loss of US$0.6 million for the three months ended December 31, 2023, decreased from a gain of US$6.0 million for the same period in 2022. 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$1.1 million for the three months ended December 31, 2023, increased from US$0.2 million for the same period in 2022, primarily due to the higher government subsidies received during the fourth quarter compared to the corresponding period last year.

Other expense of US$2.1 million was recognized in Q4 2023. During the quarter, the Company accrued interest on the estimated litigation compensation arising from the litigation between Huaxin Construction Group Co., Ltd., Zhongxinfang, and the Company's subsidiary, Tibet Huatailong Mining Development Co. Ltd. Refer to Note 31 Contingencies of the consolidated financial statements for details.

Income tax credit of US$3.0 million for the quarter ended December 31, 2023, increased by US$25.1 million from an expense of US$22.1 million for the comparative period in 2022. During the fourth quarter, the Company had US$4.1 million of deferred tax expense compared to US$17.5 million for the same period in 2022.

Net loss of US$17.5 million for the three months ended December 31, 2023, decreased by US$66.0 million from an income of US$48.5 million for the three months ended December 31, 2022.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenue of US$459.4 million for the year ended December 31, 2023, decreased by US$645.5 million from US$1,104.9 million for the same period in 2022.

Revenue from the CSH Mine was US$252.6 million, a decrease of US$14.9 million from US$267.5 million for the same period in 2022. Realized average gold price increased by 9% from US$1,806/oz in 2022 to US$1,962/oz for the same period in 2023. Gold sold by the CSH Mine was 128,728 ounces (gold produced: 128,760 ounces), compared to 148,153 ounces (gold produced: 148,164 ounces) for the same period in 2022.

Revenue from the Jiama Mine was US$206.8 million, a decrease of US$630.6 million, compared to US$837.4 million for the same period in 2022. Realized average price of copper decreased by 4% from US$3.31/pound in 2022 to US$3.17/pound for the same period in 2023. Total copper sold was 21,054 tonnes (46.4 million pounds) for the year ended December 31, 2023, a decrease of 75% from 84,570 tonnes (186.4 million pounds) for the same period in 2022. During the second and third quarters of 2023, the Jiama mine experienced a halt in production due to the overflow of the tailing dam, resulting in no product sales except for a minor amount of molybdenum sales. However, the mine commenced a gradual resumption of production in the fourth quarter of 2023.

Cost of sales of US$379.1 million for the year ended December 31, 2023, a decrease of US$330.3 million from US$709.4 million for the same period in 2022. Cost of sales as a percentage of revenue for the Company increased from 64% to 83% for the year ended December 31, 2022 and 2023, respectively, primarily due to the suspension of operations at the Jiama Mine.

Mine operating earnings of US$80.4 million for the year ended December 31, 2023, a decrease of 80%, or US$315.2 million, from US$395.6 million for the same period in 2022. Mine operating earnings as a percentage of revenue decreased from 36% to 18% for the year ended December 31, 2022 and 2023, respectively, primarily due to the suspension of operations at the Jiama Mine.

General and administrative expenses decreased by US$13.9 million, from US$52.9 million for the year ended December 31, 2022 to US$39.0 million for the year ended December 31, 2023. The decrease was primarily due to the suspension of operations at the Jiama Mine.

Research and development expenses of US$8.7 million for the year ended December 31, 2023, decreased from US$25.4 million for the comparative 2022 period, mainly due to the suspension of operations at the Jiama Mine.

Income from operations of US$32.0 million for the year ended December 31, 2023, decreased by US$248.9 million, compared to US$316.9 million for the same period in 2022.

Finance costs of US$25.0 million for the year ended December 31, 2023, decreased by US$5.7 million compared to US$30.7 million for the same period in 2022. The decrease was primarily due to the reduction in the total amount of borrowings outstanding.

Foreign exchange loss of US$7.9 million for the year ended December 31, 2023, decreased from US$19.9 million for the same period in 2022. 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$7.0 million for the year ended December 31, 2023, decreased from US$9.1 million for the same period in 2022. This decrease primarily resulted from a reduction in dividends received from China Nonferrous Mining Corporation Limited in the second quarter of 2023 compared to the previous year.

Other expense of US$24.8 million was incurred in 2023. During the current year, the Company recognized an estimated litigation compensation of US$24.8 million arising from the litigation between Huaxin Construction Group Co., Ltd., Zhongxinfang, and the Company's subsidiary, Tibet Huatailong Mining Development Co. Ltd. Refer to Note 31 Contingencies of the consolidated financial statements for details.

Income tax expense of US$4.3 million for the year ended December 31, 2023, decreased by US$45.6 million from US$49.9 million for the comparative period in 2022. During the period, the Company had US$23.7 million of deferred tax credit compared to a deferred tax expense of US$11.5 million for the same period in 2022.

Net loss of US$23.0 million for the year ended December 31, 2023, decreased by US$248.4 million from an income of US$225.4 million for the year ended December 31, 2022.

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 December 31,				**Year ended December 31,**			
	2023		2022		**2023**		2022	
	US$	**US$ Per ounce**	US$	US$ Per ounce	**US$**	**US$ Per ounce**	US$	US$ Per ounce
Total Cost of sales	**39,668,246**	**1,611**	36,019,554	975	**182,798,035**	**1,420**	198,502,365	1,340
Adjustment – Depreciation & depletion	**(7,549,248)**	**(307)**	(11,816,584)	(320)	**(59,343,019)**	**(461)**	(77,861,557)	(525)
Adjustment – Amortization of intangible assets	**(16,265)**	**(1)**	(470,254)	(13)	**(862,716)**	**(7)**	(1,717,651)	(12)
Total cash production costs	**32,102,733**	**1,303**	23,732,716	642	**122,592,300**	**952**	118,923,157	803
Total Gold sold ounces		**24,626**		36,948		**128,728**		148,153

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

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

	Jiama Mine (Copper with by-products credits)							
	Three months ended December 31,				Year ended December 31,			
	2023		2022		**2023**		2022	
	US$	**US$ Per Pound**	US$	US$ Per Pound	**US$**	**US$ Per Pound**	US$	US$ Per Pound
Total Cost of sales	**33,550,439**	**6.21**	121,251,481	2.78	**196,271,032**	**4.23**	510,887,746	2.74
General and administrative expenses	**9,012,112**	**1.67**	17,336,904	0.40	**34,811,865**	**0.75**	48,829,454	0.26
Research and development expenses	**867,058**	**0.16**	6,658,998	0.15	**8,707,418**	**0.19**	25,371,066	0.14
Total production cost	**43,429,609**	**8.04**	145,247,383	3.33	**239,790,315**	**5.17**	585,088,266	3.14
Adjustment – Depreciation & depletion	**(4,029,491)**	**(0.75)**	(20,459,606)	(0.47)	**(50,281,408)**	**(1.08)**	(85,721,234)	(0.46)
Adjustment – Amortization of intangible assets	**–**	**–**	(9,401,809)	(0.22)	**(9,493,836)**	**(0.20)**	(39,630,017)	(0.21)
Total cash production costs	**39,400,118**	**7.29**	115,385,968	2.64	**180,015,071**	**3.89**	459,737,015	2.47
By-products credits	**(6,127,061)**	**(1.13)**	(56,534,460)	(1.29)	**(56,157,793)**	**(1.21)**	(213,143,306)	(1.14)
Total cash production costs after by-products credits	**33,273,057**	**6.16**	58,851,508	1.35	**123,857,278**	**2.68**	246,593,709	1.33
Total Copper sold pounds		**5,399,496**		43,670,559		**46,415,465**		186,445,355

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 t/d 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. To ensure production safety, the Company reduced the mining volume at the end of the third and fourth quarters of 2023 in order to enhance the management and maintenance of slopes. Ore stripping, as well as heap leach and processing plant processes, will continue to operate as usual during the mining volume adjustment period.

The Company continues to evaluate the potential for underground operations.

The major new contracts entered into during the year ended December 31, 2023:

Item No.	Contract Name	Counterpart	Subject amount (US $ millions)	Contract period (effective day and expiration date)	Date of Contract
1	2023-2025 Open-pit Mining and Striping Engineering Contract of Inner Mongolia Pacific Mining Co., Ltd.	China National Gold Engineering Corporation	Estimated: 128.3	2023.1.1-2025.12.31	2023.4.26
2	Supply Agreement of 10,800 tons of liquid Sodium Cyanide in 2023	Inner Mongolia Chengxin Yong'an Chemicals Co., Ltd.	Estimated: 6.3	2023.2.19-2023.5.19	2023.2.19
3	Supplementary Contract for Open-pit Mining and Stripping Engineering of CSH Gold Mine Expansion Project of Inner Mongolia Pacific Mining Co., Ltd.	China Railway 19TH Bureau Group Mining Investment Co.,Ltd.	Estimated: 6.8	2023.1.1-1.31	2023.3.3
4	Supply Agreement of 10,800 tons of liquid Sodium Cyanide in 2023	Inner Mongolia Chengxin Yong'an Chemicals Co., Ltd.	Estimated: 5.1	2023.6.19-2023.9.19	2023.6.18
5	Supply Agreement of 36,000 tons of liquid Sodium Cyanide in 2023 to 2024	Inner Mongolia Chengxin Yong'an Chemicals Co., Ltd. "	Estimated: 16.3	2023.11-2024.12	2023.11.4

Production Update

CSH Mine	Three months ended December 31,		Year ended December 31,	
	2023	2022	**2023**	2022
Ore mined and placed on pad (tonnes)	–	2,006,536	**9,969,641**	13,015,192
Average ore grade (g/t)	–	0.64	**0.53**	0.63
Recoverable gold (ounces)	–	24,808	**102,702**	158,670
Ending gold in process (ounces)	**143,995**	168,405	**143,995**	168,405
Waste rock mined (tonnes)	–	4,749,223	**18,304,384**	16,789,856

For the year ended December 31, 2023, the total amount of ore placed on the leach pad was 10.0 million tonnes, with total contained gold of 102,702 ounces (3,194.4 kilograms). The overall accumulative project-to-date gold recovery rate has remained at approximately 56.26% at the end of December 31, 2023 from 55.66% at the end of September 30, 2023. Of which, gold recovery from the phase I and phase II heap leach pads were 59.77% and 53.96% at December 31, 2023, respectively.

Exploration

As of December 31, 2023, a diamond drilling exploration program in the mining permit area has been completed with the total meterage of 1,290.78 and 3 holes. The preparation of the mineral reserve update report is ongoing. Additionally, a diamond drilling exploration program in the exploration permit area has been completed with the total meterage of 4,172.14 and 4 holes. The sample assay reports have been received. The exploration updated report preparation is ongoing.

Mineral Resource Update

CSH Mine Mineral Resources by category, at December 31, 2023 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	16,131	0.63	10.08	0.32
	Indicated	17,239	0.68	11.76	0.38
	M+I	33,370	0.65583	21.89	0.70
	Inferred	4,301	0.41	1.74	0.06
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	110.73	3.56
	Inferred	62,090	0.49	30.68	0.99

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

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

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

Mineral Reserves Update

CSH Mine Mineral Reserves by category at December 31, 2023 under NI 43-101 are summarized below:

Type	T (x 1,000)	Diluted Au g/t	Metal Au t	Au Moz
Proven	16,131	0.63	10.08	0.32
Probable	17,239	0.68	11.76	0.38
Total	**33,370**	**0.65**	**21.84**	**0.70**

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

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

Reserve Estimate by CGME Consulting Limited on August 19, 2022 and updated by Gerald Guo, P.Eng., 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 zin, 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 capacity at the Jiama Mine is 50,000 tpd.

The major new contracts entered into during the year ended December 31, 2023:

Item No.	Contract Name	Counterpart	Subject amount (US $ millions)	Contract period (effective day and expiration date)	Date of Contract
1	Sodium hydrosulfide Purchase Contract	Shandong Xingtai Chemical Co., Ltd	Estimated: 3.0	2023.5-2024.5	2023.5
2	Contract for loans of working capital	Industrial Bank Corporation Lhasa Branch	Estimated: 26.6	2023.6-2026.6	2023.6
3	Contract for Ecological Restoration Project (Section 3) in 2022	The Second Geological Brigade of Tibet Autonomous Region Geological and Mineral Development Bureau	Estimated: 4.2	2023.4-2024.4	2023.4
4	Contract for Underground Drilling Engineering Project in Jiama Mining Area from 2023 to 2025	Qinhuangdao Huakan Geological engineering Co., Ltd	Estimated: 4.3	2023.4-2026.2	2023.4
5	Mechanical Equipment Rental Project Contract	Sichuan Haotianyu Construction Machinery Leasing Co., Ltd	Estimated: 11.9	2023.2-2025.1	2023.2
6	Contract for loans of working capital	Tibet Autonomous Region Branch of China Construction Bank Corporation	Estimated: 55.4	2023.6-2026.6	2023.6
7	Contract for loans of working capital	Lhasa Chengguan District Sub branch of Agricultural Bank of China Co., Ltd	Estimated: 41.5	2023.6-2026.6	2023.6
8	Ecological Restoration Project (Section 1) in 2022	China National Gold Group Corporation Construction Co., Ltd	Estimated: 4.7	2023.3-2024.3	2023.3
9	Tripartite Cooperation Agreement for "Factoring e-Finance" Business	Tibet Autonomous Region Branch of Agricultural Bank of China Co., Ltd	Estimated: 6.9	2023.1-2025.1	2023.1
10	Contract for loans of working capital	China Gold Finance	Estimated: 55.4	2023.6-2026.6	2023.6
11	Contract for Niumatang Heavy Metal Ion Acid Water Treatment Project	Henan Tianfang Construction Engineering Co., Ltd	Estimated: 3.5	2023.4-2023.6	2023.4
12	Contract for loans of working capital	Mozhugonka County Sub branch of Agricultural Bank of China Co., Ltd	Estimated: 13.8	2023.6-2026.6	2023.6
13	Contract for Ecological Restoration Project (Section 2) in 2022	North China Nonferrous Engineering Survey Institute Co., Ltd	Estimated: 4.4	2023.4-2024.4	2023.4
14	Contract for Emergency Drainage and Reinforcement Engineering of Guolanggou Tailings Pond	Jilin Huaye Environmental Management Co., Ltd	Estimated: 3.7	2023.9-2023.12	2023.9
15	contract for loans of working capital	Tibet Autonomous Region Branch of China Construction Bank Corporation	Estimated: 14.1	2023.10-2026.10	2023.10
16	Contract for Initial Dam Reinforcement Project of Guolanggou Tailings Pond	Zhejiang Huaye Mining and Construction Group Co., Ltd	Estimated: 18.2	2023.10-2024.7	2023.10

Item No.	Contract Name	Counterpart	Subject amount (US $ millions)	Contract period (effective day and expiration date)	Date of Contract
17	Contract for the Construction of the "Pressure Air Self rescue and Water Supply Rescue" System for the 4300m Mining Project of Jiama Copper Polymetallic Mine	Yunnan Jiantou Mining Engineering Co., Ltd	Estimated: 3.4	2023.11-2024.2	2023.11
18	Entrusted Loan	China Gold Group Finance Co., Ltd	Estimated: 28.3	2023.12-2024.1	2023.12
19	Cement procurement contract	Lhasa Tengda Trading Co., Ltd	Estimated: 4.8	2024.1-2025.1	2023.12

Production Update

Jiama Mine	**Three months ended December 31,**		**Year ended December 31,**	
	2023	2022	**2023**	2022
Ore processed (tonnes)	**43,392**	4,205,307	**4,280,227**	17,446,643
Average copper ore grade (%)	**0.89**	0.57	**0.56**	0.57
Copper recovery rate (%)	**69**	85	**85**	85
Average gold grade (g/t)	**0.39**	0.23	**0.21**	0.23
Gold recovery rate (%)	**68**	69	**68**	69
Average silver grade (g/t)	**23.99**	9.34	**9.57**	8.95
Silver recovery rate (%)	**56**	60	**63**	63
Average Moly grade (%)	**–**	0.023	**0.029**	0.027
Moly recovery rate (%)	**–**	14.64	**18.64**	18.75

Production was halted during 2023 at the Jiama Mine, with limited resumption of the Phase I area as of December 15, 2023.

Exploration

In 2023, Tibet Huatailong Mining Development Co., Ltd. planned to implement two geological exploration projects, namely detailed exploration of copper and lead project outside the current mining area of the Jiama Mine and prospecting of copper project in Bayi Farm, with a designed workload of 15,370 m of 20 holes for surface drilling, 37.31 km2 for geological prospecting, 26 km2 for soil sampling and 26 km2 for rock sampling with an estimated total budget of RMB34.47 million. The temporary land usage permit for geology prospecting has been issued, however, the geological prospecting program has been temporarily suspended due to the impact of the tailings dam overflow.

Mineral Resources Estimate

Jiama Mine resources by category as of December 31, 2023 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, 2023

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	91.66	0.38	0.04	0.04	0.02	0.07	5.04	348.91	33.62	33.5	16.8	0.21	14.84
Indicated	1311.73	0.40	0.03	0.05	0.03	0.10	5.48	5194.71	451.15	613.1	380.0	4.17	231.00
M+I	1403.39	0.40	0.03	0.05	0.03	0.10	5.45	5543.61	484.77	646.6	396.8	4.39	245.85
Inferred	406.10	0.31	0.03	0.08	0.04	0.10	5.13	1247.0	123.0	311.0	175.0	1.32	66.93

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 Gerald Guo, P.Eng, a Qualified Person as defined by NI 43-101.

Mineral Reserves Estimate

Jiama Mine reserves by category as of December 31, 2023 under NI 43-101:

Jiama Project Statement of NI 43-101 Mineral Reserve Estimate as of December 31, 2023

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	17.54	0.60	0.05	0.02	0.02	0.19	7.66	104.93	8.83	4.0	2.7	0.11	4.32
Probable	338.43	0.60	0.03	0.13	0.07	0.16	10.38	2018.63	116.37	427.7	236.2	1.73	112.98
P+P	355.98	0.60	0.04	0.12	0.07	0.16	10.25	2123.57	125.21	431.7	238.9	1.83	117.30

Notes:

1. 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.
2. Mineral Reserves were estimated using the following mining and economic factors:

   Open Pits:

   a) 5% dilution factor and 95% recovery were applied to the mining method;
   b) an overall slope angles of 43 degrees;
   c) 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;
   d) an overall processing recovery of 88 – 90% for copper.

Underground:

a) 10% dilution added to all Sub-Level Open Stoping;

b) Stope recovery is 87% for Sub-Level Open Stoping;

c) An overall processing recovery of 88 – 90% for copper.

3. 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.

4. The Mineral Reserves are inclusive of the Mineral Resources.

5. Original Reserve Estimate by Mining One Consultants on 20th November 2013, and updated by Gerald Guo, P.Eng, a qualified person as defined by NI 43-101.

LIQUIDITY AND CAPITAL RESOURCES

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

At December 31, 2023, the Company had an accumulated surplus of US$380.4 million, working capital of US$170.8 million and borrowings of US$766.5 million. The Company's cash balance at December 31, 2023 was US$97.2 million.

Management believes that its forecast operating cash flows are sufficient to cover the next twelve months of the Company's operations including its planned capital expenditures and current debt repayments. The Company's borrowings are comprised of US$143.5 million of short term debt facilities with interest rates ranging from 1.95% to 6.36% per annum arranged through various banks overseas. In addition, on November 3, 2015, the Company entered into a Loan Facility agreement with a syndicate of banks, led by Bank of China. The lenders agreed to lend an aggregate principal amount of RMB3.98 billion, approximately US$613 million with the interest rate of 2.83% per annum. The People's Bank of China Lhasa Center Branch's interest rate serves as a local benchmark for the interest on the drawdowns. The bank's interest rate is then discounted by 7 basis points (or 0.07%) to calculate the interest on the drawdowns. The loan interest rate was adjusted from benchmark interest rate minus 7 basis points to 5 year loan prime rate ("LPR") less 2% (LPR-2%) in second quarter of 2020. The interest rate of 2.2% shall be applied for the current year. The proceeds from the Loan Facility are to be used for the development of the Jiama Mine. The loan is secured by the mining rights for the Jiama Mine. As of December 31, 2023 the Company has drawn down RMB3.79 billion, approximately US$537.8 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 2.3% per annum currently, maturing on April 28, 2034. The Company obtained a loan in the aggregate principal amount of RMB400 million, approximately US$61.7 million, with China Development Bank bearing interest at the People's Bank of China Loan Market Quote Rate (1 year) minus 2.65% on April 30, 2020. The current interest rate of the loan is 1.05% per annum.

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 National Gold Group Finance Corporation bearing interest at the 2.05% on May 31, 2023. The Company obtained a loan in the aggregate principal amount of US$44.0 million with China Construction Bank (Asia) Corporation Limited bearing floating interest with term SOFR on June 8, 2023. The Company obtained a loan in the aggregate principal amount of US$35.0 million with DBS Bank Ltd bearing floating interest with term SOFR on June 13, 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 CNG Finance bearing interest at the 2.45% on November 30, 2023.

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 years ended December 31, 2023 and December 31, 2022.

	Year ended December 31,	
	2023	2022
	US$'000	US$'000
Net cash from operating activities	**1,574**	447,279
Net cash used in investing activities	**(121,302)**	(33,338)
Net cash used in financing activities	**(205,233)**	(185,312)
Net (decrease) increase in cash and cash equivalents	**(324,961)**	228,629
Effect of foreign exchange rate changes on cash and cash equivalents	**(6,255)**	(8,304)
Cash and cash equivalents, beginning of period	**428,453**	208,128
Cash and cash equivalents, end of period	**97,237**	428,453

Operating cash flow

For the year ended December 31, 2023, net cash inflow from operating activities was US$1.6 million which is primarily attributable (i) depreciation of property, plant and equipment of US$107.0 million (ii) finance cost of US$25.0 million and (iii) amortization of mining rights of US$10.4 million, partially offset by (i) income taxes paid of US$41.5 million (ii) decrease in accounts payable and accrued liabilities of US$39.2 million (iii) interest paid of US$21.0 million and (iv) environmental rehabilitation expenses paid of US$10.4 million..

Investing cash flow

For the year ended December 31, 2023, the net cash outflow from investing activities was US$121.3 million which is primarily attributable to (i) placement of restricted deposits of US$68.0 million and (ii) payment for acquisition of property, plant and equipment of US$59.4 million, partially offset by (i) interest received of US$4.5 million, (ii) dividend received of US$2.0 million and (iii) release of restricted bank deposits of US$1.5 million.

Financing cash flow

For the year ended December 31, 2023, the net cash outflow mainly from financing activities was US$205.2 million which is primarily attributable to proceeds from borrowings of US$316.3 million and (ii) proceeds from entrusted loan of US$28.4 million partially offset by (i) repayment of borrowings of US$401.5 million (ii) dividend paid to shareholders of US$146.7 million and (iii) dividend paid to a minority shareholder of US$1.1 million.

Expenditures Incurred

For the year ended December 31, 2023, the Company incurred mining costs of US$43.3 million, mineral processing costs of US$75.2 million and transportation costs of US$1.7 million.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at December 31, 2023, the Company's total debt was US$766.5 million and the total equity was US$1,727.7 million. The Company's gearing ratio was therefore 0.44 as at December 31, 2023 compared to 0.42 as at September 30, 2023.

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 annual consolidated financial statements for the year ended December 31, 2023, there were no significant investments held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended December 31, 2023. Other than as disclosed in this MD&A, there was no plan authorized by the Board for other material investments or additions of capital assets at the date of this MD&A.

CHARGE ON ASSETS

Other than as disclosed elsewhere in this MD&A and consolidated financial statements, none of the Company's assets were pledged as at December 31, 2023.

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, 2023.

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, 2023.

On June 24, 2020, the Company, through its wholly owned subsidiary Skyland Mining (BVI) Limited, issued bonds denominated in U.S. dollar, with an aggregate principal amount of US$300 million. The Bonds were issued at a price of 99.886%, bearing a coupon of 2.8% per annum with a maturity date of June 23, 2023. Interest is payable in semi-annual installments on December 23 and June 23 of each year. The bonds were listed on HKSE and Chongwa (Macao) Financial Asset Exchange ("MOX"). The Bonds were fully repaid on June 23, 2023.

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

	Total US$'000	Within One year US$'000	Within Two to five years US$'000	Over five years US$'000
Principal repayment of bank loans	**738,234**	143,523	491,127	103,584
Entrusted loan payable	**28,238**	–	28,238	–

In addition to the table set forth above, the Company has entered into service agreements with third-party contractors such as China Railway 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, 2022 and December 31, 2023.

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$252.6 million for the year ended December 31, 2023 which decreased from US$267.6 million for the year ended December 31, 2022.

The Company is also a party to a Product and Service Framework Agreement with CNG, pursuant to which CNG provides construction, procurement and equipment financing services to the Company and also purchases the copper concentrates produced at the Jiama Mine. The quantity of copper concentrates, pricing terms and payment terms may be established from time to time by the parties with reference to the pricing principles for connected transactions set out under the Product and Service Framework Agreement. On June 28, 2017, the Supplemental Product and Service Framework Agreement was approved and extended to expire on December 31, 2020. On June 16, 2020, the third Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2021 and expiring on December 31, 2023. On June 29, 2023, the fourth Supplemental Product and Service Framework Agreement was approved by the Company's Shareholders, commencing on January 1, 2024 and expiring on December 31, 2026. For the year ended December 31, 2023, revenue from sales of copper concentrate and other products to CNG was US$190.9 million compared to US$794.5 million for the same period in 2022.

For the year ended December 31, 2023, construction services of US$62.9 million were provided to the Company by subsidiaries of CNG (US$12.3 million for the year ended December 31, 2022).

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. As part of the 2021 Financial Service Agreement, approved by the Company's Shareholders at the Company's 2021 Annual General Meeting, 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 effective until December 31, 2023.

Refer to Note 30 of the audited annual consolidated financial statements for details of significant related party transactions during the year ended December 31, 2023.

2023 Annual Cap for 2021 Financial Services Agreement Exceeded;

Reference is made to the announcement of the Company dated May 6, 2021 (the "CCT Announcement") in relation to, among other things, the provision of deposit services to the Company and its PRC subsidiaries under the financial services agreement between the Company and China Gold Finance from the date of approval by the Independent Shareholders (i.e. June 30, 2021) to December 31, 2023. Unless otherwise defined, capitalised terms in this sub-section shall have the same meanings as defined in the CCT Announcement.

In the course of preparing the condensed consolidated financial statements for the six months ended June 30, 2023, it came to the Company's attention that the daily deposit balance under the Deposit Services exceeded the Deposit cap of RMB3,000 million from February 23, 2023 to April 26, 2023, with the highest daily deposit balance during such period being approximately RMB562 million over the Deposit Cap (the "Exceeding of the Cap"). The Exceeding of the Cap was due to an increase in operating cash flow.

As soon as the Company became aware of the Exceeding of the Cap, the Company took steps to reduce deposits placed with China Gold Finance to a level within the Deposit Cap. Since April 27, 2023, the daily deposit balance has been kept within the Deposit Cap and the Company ensured that the daily deposit balance remains within the Deposit Cap for the rest of the term of the 2021 Financial Services Agreement. The Company has discussed the Exceeding of the Cap with China Gold Finance and continued to maintain regular communication with China Gold Finance going forward. The Company did not intend to revise the Deposit Cap for the year ending December 31, 2023.

PROPOSED TRANSACTIONS

The Board of Directors has given the Company approval to conduct reviews of a number of projects that may qualify as acquisition targets through joint venture, merger and/or outright acquisitions. The Company did not have any material acquisition and disposal of subsidiaries and associated companies for the year ended December 31, 2023. 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, 2023.

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, 2023.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company holds a number of financial instruments, the most significant of which are equity securities, accounts receivables, accounts payables, cash and loans. The financial instruments are recorded at either fair values or amortized amount on the balance sheet. The Company did not have any financial derivatives or outstanding hedging contracts as at December 31, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2023, the Company had not entered into any off-balance sheet arrangements.

DIVIDEND AND DIVIDEND POLICY

The Company is committed to providing sustainable returns to its shareholders. The Board of Directors determine dividends on an annual basis based on, among other things, the results of operations, cash flows and financial conditions, operating and capital requirements, the rules promulgated by the regulators affecting dividends in both Canada and China and at both the TSX and HKSE, and the amount of distributable profits and other relevant factors.

Subject to the British Columbia Business Corporations Act, the Directors may from time to time declare and authorize payment of such dividends as they may deem advisable, including the amount thereof and the time and method of payment provided that the record date for the purpose of determining shareholders entitled to receive payment of the dividend must not precede the date on which the dividend is to be paid by more than two months.

A dividend may be paid wholly or partly by the distribution of cash, specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways. No dividend may be declared or paid in money or assets if there are reasonable grounds for believing that the Company is insolvent or the payment of the dividend would render the Company insolvent.

In connection with the Company's financial results for the year ended December 31, 2022, the Company declared a special dividend of US$0.37 per common share which was paid on June 15, 2023 to shareholders of record as of April 20, 2023. This special dividend qualifies as an "eligible dividend" for Canadian income tax purposes while dividends paid to shareholders outside Canada (non-resident investors) will be subject to Canadian non-resident withholding taxes.

The Board of Directors does not recommend distributing a dividend to shareholders on account of the Company's 2023 annual results.

The Board of Directors will determine any future dividends and dividend policy on the basis of earnings, financial requirements and other relevant factors.

OUTSTANDING SHARES

As of December 31, 2023 the Company had 396,413,753 common shares issued and outstanding.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the Company's DC&P and ICFR as of December 31, 2023 and, in accordance with the requirements established under Canadian National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as of December 31, 2023, 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 December 31, 2023 and have concluded that these controls and procedures were effective as of December 31, 2023 and provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the year ended December 31, 2023, 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.

March 27, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(incorporated in British Columbia, Canada with limited liability)

OPINION

We have audited the consolidated financial statements of China Gold International Resources Corp. Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 118, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTER

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

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

KEY AUDIT MATTER (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment, right-of-use assets and mining rights	
We identified the impairment assessment of property, plant and equipment, right-of-use assets and mining rights as a key audit matter due to significant management judgement and estimation involved in the impairment assessment. As at December 31, 2023, the market capitalisation of the Company was below the carrying value of its net assets of approximately US$1,728 million, and during the year ended December 31, 2023, the Group recorded a net loss of US$23 million. These are indicators that the carrying amounts of the Group's property, plant and equipment, right-of-use assets and mining rights may be impaired. As disclosed in notes 19, 17 and 20 to the consolidated financial statements, the carrying values of the Group's property, plant and equipment, right-of-use assets and mining rights as at December 31, 2023 were approximately US$1,482 million, US$40 million and US$773 million, respectively. The Group's two cash-generating units ("CGUs") for impairment assessment purposes include the related property, plant and equipment, right-of-use assets and mining rights associated with the Group's gold mine, located in Inner Mongolia, China and copper mine, located in Tibet, China. Value in use ("VIU") is based on the discounted cash flows expected to be derived from the Group's CGUs, taking into account the appropriate discount rates. As disclosed in note 4 to the consolidated financial statements, the management exercises significant judgement and estimation in respect of the key assumptions applied in the VIU calculation, such as future metal selling prices, recoverable reserves, resources, production cost estimates, future operating costs and discount rates. During the year ended December 31, 2023, no impairment loss was recognised for the Group's property, plant and equipment, right-of-use assets and mining rights.	Our procedures in relation to the impairment assessment of property, plant and equipment, right-of-use assets and mining rights included: • Obtaining an understanding of the key controls over the impairment assessment of the Group's property, plant and equipment, right-of-use assets and mining rights; • Assessing the appropriateness of the Group's identification of individual CGU; • Evaluating the independent external valuer's competence, capabilities and objectivity; • Evaluating the sensitivity analysis for the key assumptions in the valuation models for risk assessment; • Engaging our internal valuation experts to evaluate the appropriateness of the valuation methodology, technical information provided by the external valuation expert and the key assumptions used in the valuation models against external benchmarks, our knowledge of the Group and its industry; • Assessing the reasonableness of the key assumptions used in the valuation models with reference to the historical accuracy of such forecasts and the current operational results; and • Comparing the key input data in the cash flow forecast to the source documents.

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

TO THE SHAREHOLDERS OF

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD. (continued)

(incorporated in British Columbia, Canada with limited liability)

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Wong Ka I.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

March 27, 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	NOTES	2023 US$'000	2022 US$'000
Revenue	5	**459,434**	1,104,949
Cost of sales		**(379,069)**	(709,390)
Mine operating earnings		**80,365**	395,559
Expenses			
General and administrative expenses	6	**(38,950)**	(52,850)
Exploration and evaluation expenditure		**(744)**	(479)
Research and development expenses		**(8,707)**	(25,371)
		(48,401)	(78,700)
Income from operations		**31,964**	316,859
Other (expenses) income			
Foreign exchange loss, net		**(7,856)**	(19,947)
Interest and other income		**7,031**	9,090
Other expenses	31	**(24,836)**	–
Finance costs	7	**(24,974)**	(30,738)
		(50,635)	(41,595)
(Loss) profit before income tax		**(18,671)**	275,264
Income tax expense	8	**(4,298)**	(49,863)
(Loss) profit for the year	9	**(22,969)**	225,401
Other comprehensive income (expense) for the year			
Item that will not be reclassified to profit or loss:			
Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI")	18	**9,819**	8,468
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(14,757)**	(64,028)
		(4,938)	(55,560)
Total comprehensive (expense) income for the year		**(27,907)**	169,841

	NOTES	**2023 US$'000**	2022 US$'000
Profit (loss) for the year attributable to:			
Non-controlling interests		**2,531**	2,658
Owners of the Company		**(25,500)**	222,743
		(22,969)	225,401
Total comprehensive income (expense) for the year attributable to:			
Non-controlling interests		**2,541**	2,681
Owners of the Company		**(30,448)**	167,160
		(27,907)	169,841
(Loss) earnings per share – Basic (US cents)	12	**(6.43)**	56.19
Weighted average number of common shares – Basic	12	**396,413,753**	396,413,753

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2023

	NOTES	2023 US$'000	2022 US$'000
Current assets			
Cash and cash equivalents	13	**97,237**	428,453
Restricted balances	13	**67,693**	1,572
Trade and other receivables	14	**17,076**	8,718
Tax recoverable		**2,286**	–
Prepaid expenses and deposits	15	**339**	810
Inventories	16	**291,553**	293,089
		476,184	732,642
Non-current assets			
Prepaid expenses and deposits	15	**768**	735
Right-of-use assets	17	**39,791**	42,487
Equity instruments at FVTOCI	18	**47,153**	37,348
Property, plant and equipment	19	**1,481,901**	1,579,245
Mining rights	20	**773,117**	784,470
Other non-current assets	21	**15,802**	17,984
		2,358,532	2,462,269
Total assets		**2,834,716**	3,194,911
Current liabilities			
Accounts and other payables and accrued expenses	22	**158,250**	218,058
Contract liabilities	23	**71**	6,255
Borrowings	24	**143,523**	399,567
Lease liabilities	26	**540**	516
Tax liabilities		**3,041**	14,239
		305,425	638,635

	NOTES	2023 US$'000	2022 US$'000
Net current assets		**170,759**	94,007
Total assets less current liabilities		**2,529,291**	2,556,276
Non-current liabilities			
Borrowings	24	**594,711**	433,501
Entrusted loan payable	25	**28,238**	–
Lease liabilities	26	**937**	1,501
Deferred tax liabilities	8	**101,721**	125,373
Deferred income	27	**19**	186
Environmental rehabilitation	28	**75,924**	92,285
		801,550	652,846
Total liabilities		**1,106,975**	1,291,481
Owners' equity			
Share capital	29	**1,229,061**	1,229,061
Reserves		**97,422**	83,692
Retained profits		**380,375**	571,226
		1,706,858	1,883,979
Non-controlling interests		**20,883**	19,451
Total owners' equity		**1,727,741**	1,903,430
Total liabilities and owners' equity		**2,834,716**	3,194,911

The consolidated financial statements on pages 6 to 87 were approved and authorized for issue by the Board of Directors on March 27, 2024 and are signed on its behalf by:

Junhu Tong	**Yingbin Ian He**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

		Attributable to the owners of the Company								
	Number of shares	Share capital US$'000	Equity reserve US$'000	Investments revaluation reserve US$'000	Exchange reserve US$'000	Statutory reserves US$'000 (Note)	Retained profits US$'000	Subtotal US$'000	Non-controlling interests US$'000	Total owners' equity US$'000
At January 1, 2022	396,413,753	1,229,061	11,179	8,031	16,943	68,538	482,170	1,815,922	17,470	1,833,392
Profit for the year	–	–	–	–	–	–	222,743	222,743	2,658	225,401
Fair value gain on equity instruments at FVTOCI	–	–	–	8,468	–	–	–	8,468	–	8,468
Exchange difference arising on translation	–	–	–	–	(64,051)	–	–	(64,051)	23	(64,028)
Total comprehensive income (expenses) for the year	–	–	–	8,468	(64,051)	–	222,743	167,160	2,681	169,841
Transfer to statutory reserves – appropriation from retained profits	–	–	–	–	–	24,615	(24,615)	–	–	–
Transfer to reserve fund – appropriation from retained profits	–	–	–	–	–	11,720	(11,720)	–	–	–
Transfer to – safety production fund, net of utilisation	–	–	–	–	–	(1,751)	1,751	–	–	–
Dividends distribution (note 11)	–	–	–	–	–	–	(99,103)	(99,103)	–	(99,103)
Dividend paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	(700)	(700)
At December 31, 2022	396,413,753	1,229,061	11,179	16,499	(47,108)	103,122	571,226	1,883,979	19,451	1,903,430
(Loss) profit for the year	–	–	–	–	–	–	(25,500)	(25,500)	2,531	(22,969)
Fair value gain on equity instruments at FVTOCI	–	–	–	9,819	–	–	–	9,819	–	9,819
Exchange difference arising on translation	–	–	–	–	(14,767)	–	–	(14,767)	10	(14,757)
Total comprehensive income (expenses) for the year	**-**	**-**	**-**	**9,819**	**(14,767)**	**-**	**(25,500)**	**(30,448)**	**2,541**	**(27,907)**
Transfer to statutory reserves – appropriation from retained profits	**-**	**-**	**-**	**-**	**-**	**5,517**	**(5,517)**	**-**	**-**	**-**
Transfer to reserve fund – appropriation from retained profits	**-**	**-**	**-**	**-**	**-**	**15,937**	**(15,937)**	**-**	**-**	**-**
Transfer to – safety production fund, net of utilisation	**-**	**-**	**-**	**-**	**-**	**(2,776)**	**2,776**	**-**	**-**	**-**
Dividends distribution (note 11)	**-**	**-**	**-**	**-**	**-**	**-**	**(146,673)**	**(146,673)**	**-**	**(146,673)**
Dividends paid to a non-controlling shareholder	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,109)**	**(1,109)**
At December 31, 2023	**396,413,753**	**1,229,061**	**11,179**	**26,318**	**(61,875)**	**121,800**	**380,375**	**1,706,858**	**20,883**	**1,727,741**

Note: Statutory reserves which consist of (1) appropriations from the profit after taxation of the subsidiaries established in the People's Republic of China ("PRC") and (2) provision of safety production fund of the subsidiaries engaged in the exploration and development in the mining industry, form part of the equity of PRC subsidiaries. In accordance with the PRC Company Law and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate an amount equal to a minimum of 10% of their profits after taxation each year to a statutory reserve or reserve fund until the reserve reaches 50% of the registered capital of the respective subsidiaries. Pursuant to the Caiqi (2012) No.16 on implementation of entities' safety production funds management, effective on February 14, 2012 and expired on November 21, 2022, and Caizi (2022) No.136 on implementation of entities' safety production funds management, effective on November 21, 2022, and in accordance with the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate an amount, equal to RMB5 per ton multiplied by the volume of ore mined less actual payment, each year to a statutory reserve and utilise an amount when the actual payment is more than RMB5 per ton multiplied by the volume of ore mined.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 US$'000	2022 US$'000
Operating activities		
(Loss) profit before income tax	**(18,671)**	275,264
Items not requiring use of cash and cash equivalents:		
Amortisation of mining rights	**10,411**	41,416
Depreciation of property, plant and equipment	**106,947**	163,407
Depreciation of right-of-use assets	**4,312**	3,217
Interest income	**(4,503)**	(4,685)
Dividend income	**(1,992)**	(2,695)
Finance costs	**24,974**	30,738
Allowance for credit losses of trade and other receivables, net	**1,668**	1,718
Impairment loss of other non-current assets	**1,872**	–
(Reversal) Write-down of inventories	**(41)**	453
Gain on disposal of property, plant and equipment	**(23)**	–
Release of deferred income	**(220)**	(1,215)
Effect on decrease to site reclamation in prior year	**–**	(17,062)
Unrealised foreign exchange loss, net	**3,790**	19,703
	128,524	510,259
Change in operating working capital items:		
Trade and other receivables	**(10,110)**	12,948
Prepaid expenses and deposits	**383**	318
Inventories	**820**	2,830
Contract liabilities	**(6,049)**	(3,031)
Accounts and other payables and accrued expenses	**(39,165)**	(10,698)
Cash generated from operations	**74,403**	512,626
Environmental rehabilitation expense paid	**(10,359)**	(4,616)
Interest paid	**(20,975)**	(24,119)
Income taxes paid	**(41,495)**	(36,612)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 US$'000	2022 US$'000
Net cash from operating activities	**1,574**	447,279
Investing activities		
Interest received	**4,503**	4,685
Dividends received from equity investment at FVTOCI	**1,992**	2,695
Payment for acquisition of mining rights	**(1,273)**	(1,772)
Payment for acquisition of property, plant and equipment	**(59,352)**	(22,601)
Payment for right-of-use assets	**(846)**	(21,203)
Proceeds from disposal of property, plant and equipment	**66**	–
Placement of restricted balances	**(68,039)**	(3,605)
Release of restricted balances	**1,546**	7,894
Receipt of government grant	**101**	569
Net cash used in investing activities	**(121,302)**	(33,338)
Financing activities		
Repayments of borrowings	**(401,521)**	(84,893)
Proceeds from borrowings	**316,274**	–
Proceeds from entrusted loan advanced by a substantial shareholder	**28,382**	–
Dividends paid to a non-controlling shareholder	**(1,109)**	(700)
Dividends paid to shareholders	**(146,655)**	(99,091)
Repayments of lease liabilities	**(604)**	(628)
Net cash used in financing activities	**(205,233)**	(185,312)
Net (decrease) increase in cash and cash equivalents	**(324,961)**	228,629
Cash and cash equivalents, beginning of year	**428,453**	208,128
Effect of foreign exchange rate changes on cash and cash equivalents	**(6,255)**	(8,304)
Cash and cash equivalents, end of year	**97,237**	428,453

1. GENERAL INFORMATION AND SIGNIFICANT EVENT DURING THE CURRENT YEAR

1.1 General information

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

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

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

1.2 Significant event during the current year

Suspension and subsequent partial resumption of Jiama Copper-Gold Polymetallic Mine ("Jiama Mine")

On March 27, 2023, a tailings overflow occurred due to minor tailing dam damages from the Guolanggou tailings pond at the Group's Jiama Mine (the "Overflow"). In response to the Overflow, the Group quickly contained and repaired the breach to ensure no damage to the environment or neighboring communities. Subsequent to the Overflow, Jiama Mine has suspended its operations and the Group takes the opportunity to conduct a comprehensive safety assessment of and repair work on its tailings dam with the assistance and supervision of government safety authorities.

The Group has completed the repair and reinforcement construction and works, conducted the safety assessment of the entire tailings pond and submitted an assessment report to the Lhasa Municipal Emergency Management Bureau (the "LMEMB") in September 2023. The Group has also prepared several plans for the resumption of production, including using the tailings as underground mine backfilling and discharging the tailings into the tailings pond in line with the original design production capacity, these plans have been submitted to the LMEMB.

On December 15, 2023, following the receipt of approval from the LMEMB, the underground void management and the Phase I processing plant of the Jiama Mine have resumed operations, by backfilling the tailings produced from processing operations to the underground voids through the backfilling system. As at December 31, 2023, and up to the date these consolidated financial statements are authorised for issue, the resumption of Phase II processing plant of the Jiama Mine is subject to the government regulators' decision on when to grant permission to resume production, the Group is continuing to proceed towards the resumption of full production on its design capacity at the Jiama Mine.

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

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

Litigation and contingency

During the year ended December 31, 2023, as described in note 31 to the consolidated financial statements, the Group was involved in several lawsuits and disputes with third parties related to a construction contract dispute and breach of contract, which are incidental to its normal course of business. As at December 31, 2023, US$23 million were recognised as "accounts and other payables and accrued expenses" as set out in note 22 in relation to the construction contract dispute, which the court has ruled that the Group has joint obligation for the construction costs. In addition, the Group is currently involved in pending legal proceedings of US$68 million in relation to the breach of contract with no provision recognised in the consolidated financial statements as the Group concludes that it is not probable that an outflow of economic benefits will be required for the pending litigation based on the new evidences and materials collected and the legal advice. Details of litigations are set out in note 31.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

New and amendments to IFRSs that are mandatorily effective for the current year (Cont'd)

Impacts on application of Amendments to IAS 12 Income Taxes International Tax Reform-Pillar Two Model Rules

The Group has applied the amendments for the first time in the current year. IAS 12 Income Tax ("IAS 12") is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in note 3 to the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangement[2]
Amendments to IAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after January 1, 2024

3 Effective for annual periods beginning on or after January 1, 2025

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

Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

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

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

Amendments to IFRSs in issue but not yet effective (Cont'd)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after January 1, 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at December 31, 2023, the application of the 2020 Amendments and 2022 Amendments will not result in reclassification of the Group's liabilities.

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

Basis of preparation of consolidated financial statements

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 *Inventories* ("IAS 2") or value in use ("VIU") in IAS 36 *Impairment of Assets* ("IAS 36").

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

Basis of preparation of consolidated financial statements (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern assessment

During the year ended December 31, 2023, the Group recorded a net loss of US$23 million, notwithstanding that the net operating cash inflows amounted to US$2 million for the year and as at December 31, 2023, the Group's current assets exceeded current liabilities by approximately US$171 million. The aforementioned suspension of Jiama Mine's operation in response to the Overflow as detailed in note 1 and the litigations with a series of frozen assets as detailed in note 31 have negative impacts on the financial performance and operating cash flows of the Group.

Taking into account the Group's cash flow projection with impact of Jiama Mine's suspension, the expected resumption of operations and effects of litigations as detailed in note 31, the new financing obtained by the Group subsequent to the year end, its future capital expenditure and the sensitivity analysis of possible installment payments arising from the mining right of Jima Mine as detailed in note 20, the directors of the Company consider that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least next twelve months from the end of the reporting period and accordingly, the consolidated financial statements have been prepared on a going concern basis.

Material accounting policy information

Basis of consolidation

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

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

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

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

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

Material accounting policy information (Cont'd)

Basis of consolidation (Cont'd)

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

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

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

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

Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

Material accounting policy information (Cont'd)

Revenue from contracts with customers (Cont'd)

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

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

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16 *Leases* ("IFRS 16") or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

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

Material accounting policy information (Cont'd)

Foreign currencies

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

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale, which includes completion of all necessary activities to bring the assets to readiness of fulfilling relevant regulatory requirements and obtaining relevant regulatory consent.

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

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

Material accounting policy information (Cont'd)

Taxation

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

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

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

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

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

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

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

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

Material accounting policy information (Cont'd)

Taxation (Cont'd)

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

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

Current and deferred tax are recognised in profit or loss.

Cash and cash equivalents

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

Inventories

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

Gold in process inventory

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

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

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

Material accounting policy information (Cont'd)

Inventories (Cont'd)

Gold doré bars inventory

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

Others

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

Provisions

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

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

Contingent liabilities

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

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

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

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

Material accounting policy information (Cont'd)

Environmental rehabilitation

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

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

Property, plant and equipment

General

Property, plant and equipment (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation, depletion and impairment losses, if any.

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

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised and the carrying amount of the component being replaced is derecognised. Directly attributable costs incurred for major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

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

Material accounting policy information (Cont'd)

Property, plant and equipment (Cont'd)

General (Cont'd)

The management of the Group (the "Management") reviews the estimated useful lives, residual values and depreciation methods of the Group's property, plant and equipment at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

All direct costs related to the acquisition of mineral assets are capitalised, at their cost at the date of acquisition.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position.

Construction in progress

Assets under construction are capitalised as construction in progress until the asset is available for use. The cost of construction in progress is comprised of the construction cost of buildings, purchase price of crushers, and machinery and equipment, any costs directly attributable to the construction to bring it into working condition for its intended use, including costs of testing whether the related assets is functioning property and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

The Company uses the following factors to assess whether the criteria of construction completion and ready for intended use have been met such that construction in progress is classified to the appropriate category of property, plant and equipment: (1) the completion of the construction as planned; and (2) the completion of testing of mine plant and equipment which demonstrates their ability to sustain ongoing production of minerals, and ability to produce minerals in saleable form (within specifications).

Exploration and evaluation expenditure

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

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

Material accounting policy information (Cont'd)

Property, plant and equipment (Cont'd)

Exploration and evaluation expenditure (Cont'd)

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

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

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

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

Development expenditure

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

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

Material accounting policy information (Cont'd)

Property, plant and equipment (Cont'd)

Production expenditure

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

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

Depreciation

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

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

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

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

Mining rights

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

Mining rights acquired in a business combination

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

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

Other non-current assets

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

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

Material accounting policy information (Cont'd)

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

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

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

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

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

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

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

Material accounting policy information (Cont'd)

Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Financial instruments

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

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

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

Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Equity instruments designated as at FVTOCI

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

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

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments ("IFRS 9")

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

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

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

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

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

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

Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Foreign exchange gains and losses

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

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

Derecognition of financial assets

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

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

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

Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Foreign exchange gains and losses

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

Derecognition of financial liabilities

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgment in applying accounting policies

The following is the critical judgment apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

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

Critical judgment in applying accounting policies

(a) Determination of the payment arising from the mining right

Pursuant to the Notice on Issuing the Measures for the Collection of the Income from the Transfer of Mineral Rights (Caizong (2023) No. 10) issued by the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration, effective on May 1, 2023 and the relevant administrative measures Tibet Autonomous Region (Zangcaishui (2023) No.26), effective on December 27, 2023 (together referred as the "Notice"), Tibet Huatailong Mining Development Co., Ltd. ("Huatailong") may be subject to pay additional payments arising from its mining right in Jiama Mine to the PRC government as compensation fees for using the stated-owned natural resources in the PRC based on the appraised revenue for the period starting from July 1, 2017 multiply appropriate yield on the ore mined.

The Group has made an assessment of the impact of the Notice, based on the factors affecting the measurement of the amount to be paid, if any. The key factors include but are not limited to: (i) the multiple resource integrations of Jiama Mine between Huatailong and local government in prior years which has created uncertainties in the assessment of whether the exploration rights and mining rights held by Huatailong have been disposed of for consideration; (ii) the assessment of the resource reserves; (iii) the determination of methodology in calculating the amount to be paid and related parameters such as grade of ore, recovery rate, ore loss rate, ore dilution rate and discount rate. These determinations are complex and involve significant management judgement and estimates, and are also subject to a valuation to be performed by specialists and further verified by the government. Accordingly, the Group concluded that there is insufficient information available to make a reasonable estimate of the payment amount and accordingly, the Group has not recorded any related provision as of December 31, 2023.

Significant judgement is required in interpreting the relevant rules and regulation so as to determine the amount that is subject to the payment arising from its mining right under the Notice. This assessment relies on estimates and assumptions and involves judgements about past and future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the provision arising from the mining right payment. Such changes will impact profit or loss in the period that such determination is made.

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

Key sources of estimation uncertainty

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

(b) Impairment of property, plant and equipment, right-of-use assets and mining rights

While assessing whether any indications of impairment exist for property, plant and equipment, right-of-use assets and mining rights, consideration is given to both external and internal sources of information. The Management consideration includes changes in the market, economic and legal environment in which the Group operates that are not within its control and affect the recoverable amounts of the property, plant and equipment, right-of-use assets and mining rights. The carrying amounts of property, plant and equipment, right-of-use assets and mining rights are reviewed for impairment in accordance with IAS 36 whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. As at December 31, 2023, the market capitalisation of the Company was below the carrying value of its net assets of approximately US$1,728 million (2022: US$1,903 million) and during the year ended December 31, 2023, the Group recorded a net loss of US$23 million. These are indicators that the carrying amounts of the Group's property, plant and equipment, right-of-use assets and mining rights may be impaired. The Group's two CGUs for impairment assessment of the related property, plant and equipment, right-of-use assets and mining rights are the Group's gold mine, located in Innere Mongolia, China and copper mine, located in Tibet, China.

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

Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future operating costs, reductions in the amount of recoverable reserves, resources, and/or change in economic conditions can result in a write-down of the carrying amounts of the Group's property, plant and equipment, right-of-use assets and mining rights.

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

The carrying amounts of property, plant and equipment, right-of-use assets and mining rights as at December 31, 2023 and 2022 are disclosed in notes 19, 17 and 20, respectively.

During the years ended December 31, 2023 and 2022, no impairment loss was recognised for the property, plant and equipment, right-of-use assets and mining rights in the Group's gold producing mine and copper producing mine as the recoverable amounts were higher than their respective carrying amounts.

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

Key sources of estimation uncertainty (Cont'd)

(c) Inventories

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

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

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

The carrying amounts of gold in process and gold doré bars as at December 31, 2023 and 2022 are disclosed in note 16.

(d) Contingency

The Group is involved in a legal proceeding with an independent supplier of Huatailong and has applied judgement on whether it is probable that an outflow of economic benefits will be required by taking into account the new evidences and materials collected and the legal advice. Disclosures has been set out in note 31 and no related provision has been made as of December 31, 2023.

5. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

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

	2023	2022
	US$'000	US$'000
At a point in time		
Gold doré bars	**252,600**	267,546
Copper	**147,278**	617,226
Other by-products	**59,556**	220,177
Total revenue	**459,434**	1,104,949

(ii) Performance obligations for contracts with customers

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

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

Segment information

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

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

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

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

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

Information regarding the above segments is reported below.

(a) Segment revenue and results

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

For the year ended December 31, 2023

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

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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

For the year ended December 31, 2022

	Mine – produced gold US$'000	Mine – produced copper concentrate US$'000	Segment total US$'000	Unallocated US$'000	Consolidated US$'000
Revenue – external and segment revenue	267,546	837,403	1,104,949	–	1,104,949
Cost of sales	(198,502)	(510,888)	(709,390)	–	(709,390)
Mining operating earnings	69,044	326,515	395,559	–	395,559
Income (loss) from operations	68,565	252,315	320,880	(4,021)	316,859
Foreign exchange (loss) gain, net	(1,778)	(21,167)	(22,945)	2,998	(19,947)
Interest and other income	1,285	5,048	6,333	2,757	9,090
Finance costs	(1,679)	(19,279)	(20,958)	(9,780)	(30,738)
Profit (loss) before income tax	66,393	216,917	283,310	(8,046)	275,264

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

There are no inter-segment sales for the years ended December 31, 2023 and 2022.

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

(b) Segment assets and liabilities

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

	Mine – produced gold US$'000	Mine – produced copper concentrate US$'000	Segment total US$'000	Unallocated US$'000	Consolidated US$'000
As of December 31, 2023					
Total assets	**551,635**	**2,226,003**	**2,777,638**	**57,078**	**2,834,716**
Total liabilities	**34,891**	**991,898**	**1,026,789**	**80,186**	**1,106,975**
As of December 31, 2022					
Total assets	649,547	2,498,742	3,148,289	46,622	3,194,911
Total liabilities	66,669	924,126	990,795	300,686	1,291,481

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.

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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

	Mine – produced gold US$'000	Mine – produced copper concentrate US$'000	Segment total US$'000	Unallocated US$'000	Consolidated US$'000
For the year ended December 31, 2023					
Additions of property, plant and equipment	**2,113**	**40,163**	**42,276**	**–**	**42,276**
Additions of right-of-use assets	**49**	**1,762**	**1,811**	**–**	**1,811**
Depreciation of property, plant and equipment	**(56,665)**	**(50,281)**	**(106,946)**	**(1)**	**(106,947)**
Amortisation of mining rights	**(917)**	**(9,494)**	**(10,411)**	**–**	**(10,411)**
Depreciation of right-of-use assets	**(3,601)**	**(611)**	**(4,212)**	**(100)**	**(4,312)**
Impairment loss of other non-current assets	**–**	**(1,872)**	**(1,872)**	**–**	**(1,872)**
For the year ended December 31, 2022					
Additions of property, plant and equipment	2,347	32,804	35,151	–	35,151
Additions of right-of-use assets	21,203	–	21,203	–	21,203
Depreciation of property, plant and equipment	(77,683)	(85,721)	(163,404)	(3)	(163,407)
Amortisation of mining rights	(1,786)	(39,630)	(41,416)	–	(41,416)
Depreciation of right-of-use assets	(2,788)	(325)	(3,113)	(104)	(3,217)

(d) Geographical information

The Group operated in two geographical areas, Canada and the PRC. The Group's corporate division located in Canada does not have any revenue and therefore is not presented as an operating segment. During the years ended December 31, 2023 and 2022, the Group's revenue was generated from gold sales and copper multi-products to customers in the PRC. Approximately 98% (2022: 99%) of non-current assets of the Group are located in the PRC.

(e) Information about major customers

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

6. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Administration and office	**5,080**	6,418
Depreciation of property, plant and equipment	**7,555**	8,441
Depreciation of right-of-use assets	**100**	103
Professional fees	**3,588**	4,732
Salaries and benefits	**14,499**	16,101
Others	**8,128**	17,055
Total general and administrative expenses	**38,950**	52,850

7. FINANCE COSTS

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Interests on borrowings	**21,343**	25,358
Interests on lease liabilities	**91**	120
Accretion on environmental rehabilitation (note 28)	**3,785**	5,347
	25,219	30,825
Less: Amounts capitalised to property, plant and equipment	**(245)**	(87)
Total finance costs	**24,974**	30,738

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

	Year ended December 31, 2023 %	Year ended December 31, 2022 %
Capitalisation rate	**2.27**	2.62

8. INCOME TAX EXPENSE/DEFERRED TAXATION

The Company was incorporated in Canada and is subject to Canadian federal and provincial tax requirements which are calculated at 27% (2022: 27%) of the estimated assessable profit for the year ended December 31, 2023. Since its incorporation, the Company had no assessable profit subject to Canadian federal and provincial tax requirements. PRC Enterprise Income Tax ("EIT") is calculated at the prevailing tax rate of 25% (2022: 25%) on the estimated taxable profit of the group entities located in the PRC for the year ended December 31, 2023 except as described below.

Pursuant to the Enterprise Income Tax Law (the "EIT" Law) effective on January 1, 2008, Inner Mongolia Pacific Mining Co., Ltd. ("IMP") is a certified "High and New Technology Enterprise" which is entitled to a preferential tax rate of 15% for three years from the year ended December 31, 2021 and eligible for renewal every three years. Such certificate will expire in September 2024.

Pursuant to the Tibet Administration (2021) Notice on Investment Promotion ("No. 9"), effective on April 7, 2021 and Tibet Administration (2022) No. 11 Notice on Provisional Implementation Measures on Enterprise Income Tax ("No.11"), effective on April 29, 2022, Huatailong, which is certified as a "High and New Technology Enterprise" and established in the westward development area of the PRC, is entitled to preferential tax rate of 15% (2022: 15%) of taxable profit and enjoys the exemption on local income tax. As such that Huatailong is entitled to a reduced preferential tax rate of 9% for three years from the year ended December 31, 2021, set to expire in September 2024.

Pursuant to No.9 and No.11, Metrorkongka County Jiama Industry and Trade Co., Ltd. ("Jiama Industry and Trade"), established in the westward development area of the PRC, employs 70% or above of its employees who are Tibet Permanent Residents and enjoy the exemption on local income tax, thus Jiama Industry and Trade is entitled to a reduced preferential tax rate of 15% for the years ended December 31, 2023 and 2022.

Under the EIT Law and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% during the years ended December 31, 2023 and 2022.

Under relevant PRC Tax Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from January 1, 2008 onwards. Except the Group has recognised deferred taxation US$17,359,000 on retained profits of the PRC subsidiary of US$173,840,000 for the year ended December 31, 2022, no deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated distributable profits of the other PRC subsidiaries amounting to approximately US$$758,079,000 at December 31, 2023 (2022: US$783,389,000) as the Group is able to control the timing of the reversal of temporary differences and it is probable the temporary differences will not reverse in the foreseeable future.

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

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

Tax expense comprises:

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Current tax expense – PRC EIT	**12,459**	27,293
Current tax expense – PRC withholding income tax on profit earned from PRC subsidiaries	**16,969**	10,939
(Overprovision) underprovision in prior year – PRC EIT	**(1,478)**	96
Deferred tax credit – PRC EIT	**(6,293)**	4,594
Deferred tax (credit) expense – PRC withholding income tax on profit earned from PRC subsidiaries	**(17,359)**	6,941
Total income tax expense	**4,298**	49,863

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

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
(Loss) profit before income tax	**(18,671)**	275,264
PRC EIT tax rates	**25%**	25%
Tax at the PRC EIT tax rates	**(4,668)**	68,816
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	**736**	211
Tax effect of concessionary tax rate	**3,694**	(43,083)
Tax effect of tax losses and other deductible temporary differences not recognised	**1,454**	13
Tax effect of non-deductible expenses	**1,847**	2,572
Tax effect of non-taxable income	**(225)**	(2,620)
Impacts on foreign exchange	**173**	7,097
Utilisation of deductible temporary differences previously not recognised	**–**	(806)
Withholding tax in respect of profit earned from PRC subsidiaries	**–**	17,359
Withholding tax in respect of interest income earned from PRC subsidiaries	**2,765**	208
(Overprovision) uderprovision of PRC EIT in prior year	**(1,478)**	96
	4,298	49,863

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

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

	Environmental rehabilitation	Mining rights[1]	Inventories	Others	Distributable profits of subsidiaries	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At January 1, 2022	(12,284)	114,578	1,814	(688)	10,418	113,838
Credit (charge) to profit or loss	(1,067)	(5,548)	4,641	6,568	6,941	11,535
At December 31, 2022	(13,351)	109,030	6,455	5,880	17,359	125,373
Charge (credit) to profit or loss	2,451	(1,330)	1,626	(9,040)	(17,359)	(23,652)
At December 31, 2023	(10,900)	107,700	8,081	(3,160)	–	101,721

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

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

	2023	2022
	US$'000	US$'000
Deferred tax assets	**–**	–
Deferred tax liabilities	**(101,721)**	(125,373)
	(101,721)	(125,373)

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

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

	2023	2022
	US$'000	US$'000
Deferred income tax assets		
Tax losses carry forwards	**23,837**	22,855
Other deductible temporary differences	**1,660**	1,188
Total unrecognised deferred income tax assets	**25,497**	24,043

Due to the unpredictability of future profit streams, deferred tax asset of US$23,837,000 (2022: US$22,855,000) has not been recognised in respect of unused tax losses of US$100 million (2022: US$95 million) which are mainly generated from the Company. Under Canadian tax laws, unused tax losses can be carried forward for 20 years if the loss arises in tax years ended after December 31, 2005. Included in unrecognised tax losses are losses of US$77 million that will expire from 2027 to 2043 (2022: US$74 million that will expire from 2027 to 2040). Other losses may be carried forward indefinitely.

Other deductible temporary differences of US$1 million (2022: US$1 million) are primarily comprised of share issue costs and cumulative eligible capital expenditures that were incurred by the Company which are tax deductible according to the relevant tax law in Canada. No deferred tax asset has been recognised because the amount of future taxable profit that will be available to realize such assets is unpredictable and not probable.

9. PROFIT FOR THE YEAR

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**737**	683
Depreciation included in cost of sales and inventories	**99,390**	154,736
Depreciation included in research and development expenses	**2**	230
Depreciation included in general and administrative expenses (note 6)	**7,555**	8,441
Total depreciation of property, plant and equipment	**106,947**	163,407
Depreciation included in cost of sales and inventories	**4,212**	3,114
Depreciation included in general and administrative expenses (note 6)	**100**	103
Total depreciation of right-of-use assets	**4,312**	3,217
Amortisation of mining rights (included in cost of sales)	**10,411**	41,416
Gain on disposal of property, plant and equipment	**(23)**	–
Staff costs		
Directors' and chief executive's emoluments (note 10)	**534**	538
Staff salaries and benefits	**12,723**	14,767
Retirement benefits contributions	**1,242**	796
Total salaries and benefits included in administrative expenses (note 6)	**14,499**	16,101
Total salaries and benefits included in cost of sales and inventories	**51,476**	60,820
Total salaries and benefits included in research and development expenses	**2,228**	11,575
Total staff costs	**68,203**	88,496
Bank interest income	**(4,503)**	(4,685)
Government grants	**(829)**	(1,548)
Allowance for credit losses of trade and other receivables, net	**1,668**	1,718
(Reversal) write-down of inventories	**(41)**	453

9. PROFIT FOR THE YEAR (Cont'd)

During the year ended December 31, 2022, the Group had entered into barter transactions of RMB73 million (equivalent to US$11 million) with independent third parties regarding exchange of gold bearing materials. The directors estimated the fair values of the inventories given up and received approximated the same and no gain or loss was recognised. There was no barter transactions had been entered into by the Group during the year ended December 31, 2023.

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

(a) Directors' and chief executive's emoluments

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

For the year ended December 31, 2023

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

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

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

For the year ended December 31, 2022

	Fees US$'000	Salaries and other benefits US$'000	Retirement benefits contributions US$'000	Total US$'000
Executive Director and Chief Executive (Note a)				
Junhu Tong	–	–	–	–
Liangyou Jiang	–	–	–	–
Executive Directors (Note b)				
Shiliang Guan	–	165	–	165
Weibin Zhang	–	143	7	150
Na Tian	–	2	–	2
Yuanhui Fu	–	19	–	19
Non-executive Director (Note c)				
Wanming Wang	–	–	–	–
Independent Non-executive Directors (Note d)				
Yingbin Ian He	56	–	3	59
Wei Shao	48	–	3	51
Bielin Shi	46	–	–	46
Ruixia (Rane) Han	46	–	–	46
	196	329	13	538

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

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

Notes:

(a) Mr. Junhu Tong was appointed as Chief Executive Officer ("CEO") effective from October 27, 2022, and is re-designated from a non-executive director to an executive director of the Company. He is also employed by CNG and his emolument payments are centralised and made by CNG for the years ended December 31, 2023 and 2022. Mr. Liangyou Jiang resigned as executive director and CEO effective from October 27, 2022. Mr. Liangyou Jiang is also employed by CNG and his emolument payments are centralised and made by CNG for the year ended December 31, 2022.

(b) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Effective from October 27, 2022, Mr. Yuanhui Fu was appointed as executive directors and vice president of the Company. Mr. Shiliang Guan resigned as executive director effective from October 27, 2022.

(c) The non-executive directors' emoluments shown above were mainly for their services as directors of the Company. Effective from October 27, 2022, Mr. Wanming Wang was appointed as a non-executive director following the re-designation of Mr. Junhu Tong that being an executive director of the Company.

(d) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

For the years ended December 31, 2023 and 2022, none of the directors of the Company waived or agreed to waive any emoluments.

(b) Five highest paid employees

The five highest paid employees included two (2022: two) directors for the year ended December 31, 2023. The emoluments of the three (2022: three) non-director employees for the year ended December 31, 2023, are as follows:

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Employees		
Salaries and other benefits	**378**	434
Retirement benefits contributions	**8**	8
	386	442

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

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

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

	No. of individuals	
	2023	2022
Nil to HK$1,000,000 (equivalent to approximately US$129,000)	**1**	1
HK$1,000,001 to HK$1,500,000 (equivalent to approximately US$129,001 to US$193,000)	**2**	2

During the years ended December 31, 2023 and 2022, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. DIVIDEND

During the year ended December 31, 2023, a dividend in respect of the year ended December 31, 2022 of US$0.37 (2022: US$0.25) per common share amounting to US$146,673,000 (2022: US$99,103,000) was declared and paid to the shareholders of the Company.

12. (LOSS) EARNINGS PER SHARE

(Loss) profit used in determining earnings per share are presented below:

	Year ended December 31, 2023	Year ended December 31, 2022
(Loss) profit attributable to owners of the Company for the purposes of basic earnings per share (US$'000)	**(25,500)**	222,743
Weighted average number of common shares, basic	**396,413,753**	396,413,753
Basic (loss) earnings per share (US cents)	**(6.43)**	56.19

The Group had no outstanding potential dilutive instruments issued as at December 31, 2023 and 2022 and during the years ended December 31, 2023 and 2022. Therefore, no diluted earnings per share is presented.

13. CASH AND CASH EQUIVALENTS/RESTRICTED BALANCES

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Denominated in:		
Canadian dollars	**238**	191
Renminbi ("RMB")	**72,870**	114,878
US$	**4**	4
Hong Kong dollars	**4,138**	2,857
	77,250	117,930

The bank balances carry interest rates ranging from 0.001% to 5.25% (2022: 0.001% to 2.65%) per annum.

Restricted balances carry interest at market rates ranging from 0.46% to 1.35% (2022: 1.55%) per annum. The balance as at December 31, 2023 represents deposits that have been frozen by the Tibet Intermediate Court in relation to the litigations involved by Huatailong (2022: deposits pledged to banks to secure bills payable issued to suppliers for mining costs). Details of litigations are set out in note 31.

14. TRADE AND OTHER RECEIVABLES

	December 31, 2023 US$'000	December 31, 2022 US$'000
Trade receivables	**1,466**	1,112
Less: allowance for credit losses	**(105)**	(106)
	1,361	1,006
Amounts due from related companies (note 30(a))(1)	**654**	965
Other receivables(2)	**15,061**	6,747
Total trade and other receivables	**17,076**	8,718

At January 1, 2022, trade receivables from contracts with customers amounted to US$1,148,000.

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

(2) Included in the balance as at December 31, 2023 are US$8,837,000 value-added tax ("VAT") recoverable (2022: nil) and Tax and Other Surcharges (as defined in note 21) of US$3,223,000 (2022: US$4,911,000) to be recovered from Zhongxinfang Tibet Construction Investment Co. Ltd. ("Zhongxinfang"), an independent third party property developer. Details of the impairment assessment of the receivable amount from Zhongxinfang are set out in note 31.

14. TRADE AND OTHER RECEIVABLES (Cont'd)

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

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Less than 30 days	**60**	24
31 to 90 days	**17**	347
91 to 180 days	**49**	595
Over 180 days	**1,235**	40
Total trade receivables	**1,361**	1,006

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

15. PREPAID EXPENSES AND DEPOSITS

	December 31, 2023 US$'000	December 31, 2022 US$'000
Deposits for mine supplies and services (Note a)	**53**	92
Deposits for spare parts (Note a)	**16**	159
Deposit for acquisition of property, plant and equipment (Note b)	**768**	735
Prepaid property and machinery insurance	**13**	14
Other prepayment and deposits	**257**	545
	1,107	1,545
Less: Amounts that will be settled or utilised within one year shown under current assets	**(339)**	(810)
Amounts that will be settled or utilised for more than one year shown under non-current assets	**768**	735

Notes:

a. As at December 31, 2023 and 2022, the amount represents deposits paid to third party vendors for purchasing of raw materials, consumable, spare parts and mine services.

b. The amount represents deposits paid to third party contractors for the acquisition of property, plant and equipment to expand its mining capacity in Tibet, the PRC. The amount is shown as non-current asset.

16. INVENTORIES

	December 31, 2023 US$'000	December 31, 2022 US$'000
Gold in process	**221,656**	221,807
Gold doré bars	**24,842**	22,110
Consumables	**15,356**	17,409
Copper concentrate	**606**	5,613
Spare parts	**29,093**	26,150
Total inventories	**291,553**	293,089

Inventories totalling US$317,657,000 (2022: US$709,390,000) for the year ended December 31, 2023 was recognised in cost of sales.

17. RIGHT-OF-USE ASSETS

	Leasehold lands US$'000	Leased equipment US$'000	Leased properties US$'000	Total US$'000
At December 31, 2023				
Carrying amount	**38,297**	**1,368**	**126**	**39,791**
At December 31, 2022				
Carrying amount	40,424	1,837	226	42,487
For the year ended December 31, 2023				
Depreciation charge	**3,743**	**469**	**100**	**4,312**
For the year ended December 31, 2022				
Depreciation charge	2,644	469	104	3,217

17. RIGHT-OF-USE ASSETS (Cont'd)

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Total cash outflow for leases	**1,450**	21,831
Additions to right-of-use assets	**1,811**	21,203

For both years, the Group leases leasehold lands, equipment and office premises for its operations. The lease terms of leasehold lands are 2 years to in perpetuity (2022: 50 years to in perpetuity). Lease contracts of office premises and equipment are entered into for a fixed term of 5 years (2022: 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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

During the years ended December 31, 2023, the Group leased two pieces of cultivated land from herdsmen and paid the related farmland usage tax, which the Group has recognised right-of-use assets of US$1,762,000 and environmental rehabilitation of US$965,000 respectively at initial recognition. During the year ended December 31, 2022, the Group paid the additions of right-of-use assets resulting from lease modification of leasehold land. On the date of lease modification, the Group recognised right-of-use assets of US$21,203,000.

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

Restrictions or covenants on leases

In addition, lease liabilities of US$1,477,000 are recognised with related right-of-use assets of US$1,494,000 as at December 31, 2023 (2022: lease liabilities of US$2,017,000 are recognised with related right-of-use assets of US$2,063,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. EQUITY INSTRUMENTS AT FVTOCI

	December 31, 2023 US$'000	December 31, 2022 US$'000
Listed investments:		
Equity securities listed in Hong Kong (Note a)	**46,328**	36,509
Unlisted investments:		
Equity securities (Note b)	**825**	839
Total	**47,153**	37,348

Notes:

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

   The investment of China Nonferrous Mining Corporation Limited ("CNMC"), a listed company in Hong Kong, represents 2.03% equity interest in CNMC. CNMC is engaged in mining, processing and trading of nonferrous metals in Zambia. During the year ended December 31, 2023, a fair value gain of US$9,819,000 (2022: US$8,468,000) was recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve in accordance with the Group's accounting policies.

b. The above unlisted equity investments represent the Group's equity interests in two (2022: two) private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

   As at December 31, 2023, the carrying amount of RMB5,838,000 approximately US$825,000 (2022: RMB5,838,000, approximately US$839,000), representing 7.425% share interest in Tibet Zhongjin Xinlian Demolition Engineering Co. Ltd. ("Tibet Zhongjin Xinlian") and 4% share interest in Tibet Electric Power Trading Center Co., Ltd. ("Tibet Electric"). Tibet Zhongjin Xinlian is established in the PRC and principally engaged in the development and manufacturing of explosives. Tibet Electric is established in the PRC and is principally engaged in the trading of electric power in the PRC. The directors of the Company are of the opinion that the fair value change of unlisted investments are insignificant and has not been recognised for the year ended December 31, 2023 and 2022.

19. PROPERTY, PLANT AND EQUIPMENT

	Buildings US$'000	Crushers US$'000	Furniture and office equipment US$'000	Machinery and equipment US$'000	Motor vehicles US$'000	Leasehold improvements US$'000	Mineral assets US$'000	Construction in progress ("CIP") US$'000	Total US$'000
COST									
At January 1, 2022	708,028	227,332	12,770	326,763	12,172	98	1,471,126	1,996	2,760,285
Additions	378	–	379	8,729	545	–	20,237	4,883	35,151
Transfer from CIP	672	–	–	–	–	–	–	(672)	–
Environmental rehabilitation adjustment (note 28)	–	–	–	–	–	–	30,354	–	30,354
Exchange realignment	(57,537)	–	(858)	(23,257)	(781)	–	(80,235)	(297)	(162,965)
At December 31, 2022	651,541	227,332	12,291	312,235	11,936	98	1,441,482	5,910	2,662,825
Additions	428	–	1,929	3,801	799	–	1,502	33,817	42,276
Transfer from CIP	1,292	–	1,528	–	–	–	1,340	(4,160)	–
Transfer out to CIP arising from the Overflow (note 1)	(127,131)	–	–	–	–	–	–	90,852	(36,279)
Environmental rehabilitation adjustment (note 28)	–	–	–	–	–	–	(9,453)	–	(9,453)
Disposals	–	–	–	–	(863)	–	–	–	(863)
Exchange realignment	(9,760)	–	(166)	(4,298)	(144)	–	(15,553)	(708)	(30,629)
At December 31, 2023	516,370	227,332	15,582	311,738	11,728	98	1,419,318	125,711	2,627,877
ACCUMULATED DEPRECIATION									
At January 1, 2022	(169,337)	(150,439)	(7,616)	(156,367)	(7,253)	(98)	(465,193)	–	(956,303)
Provided for the year	(33,379)	(18,505)	(1,007)	(23,569)	(893)	–	(86,054)	–	(163,407)
Exchange realignment	13,963	–	516	10,225	437	–	10,989	–	36,130
At December 31, 2022	(188,753)	(168,944)	(8,107)	(169,711)	(7,709)	(98)	(540,258)	–	(1,083,580)
Provided for the year	(23,500)	(18,505)	(1,561)	(18,944)	(885)	–	(43,552)	–	(106,947)
Transfer out to CIP arising from the Overflow (note 1)	36,279	–	–	–	–	–	–	–	36,279
Eliminated on disposals	–	–	–	–	820	–	–	–	820
Exchange realignment	2,761	–	106	2,146	86	–	2,353	–	7,452
At December 31, 2023	(173,213)	(187,449)	(9,562)	(186,509)	(7,688)	(98)	(581,457)	–	(1,145,976)
CARRYING VALUE									
At December 31, 2023	343,157	39,883	6,020	125,229	4,040	–	837,861	125,711	1,481,901
At December 31, 2022	462,788	58,388	4,184	142,524	4,227	–	901,224	5,910	1,579,245

19. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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

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

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

Mineral Assets

(a) CSH Gold Mine

CSH Gold Mine, in which the Group holds a 96.5% equity interest, consists of a licensed area in the western part of Inner Mongolia, northern China. The site is centrally positioned within the east-west-trending Tian Shan Gold Belt. The carrying value of the CSH Gold Mine in relation to mineral assets is US$141,266,000 as at December 31, 2023 (December 31, 2022: US$174,879,000).

(b) Jiama Mine

The Jiama Mine, a large copper-gold polymetallic deposit consisting of skarn-type and hornfels-type mineralization located in Metrorkongka County in Tibet, in which the Group holds 100% equity interest through its wholly-owned subsidiary, Skyland. The Group acquired Skyland on December 1, 2010. The carrying value of the Jiama Mine in relation to mineral assets is US$696,595,000 as at December 31, 2023 (December 31, 2022: US$726,345,000).

20. MINING RIGHTS

	US$'000
COST	
At January 1, 2022	1,018,204
Exchange realignment	(7,104)
At December 31, 2022	1,011,100
Exchange realignment	(1,175)
At December 31, 2023	1,009,925
ACCUMULATED AMORTISATION	
At January 1, 2022	(186,648)
Provided for the year	(41,416)
Exchange realignment	1,434
At December 31, 2022	(226,630)
Provided for the year	(10,411)
Exchange realignment	233
At December 31, 2023	(236,808)
CARRYING VALUE	
At December 31, 2023	773,117
At December 31, 2022	784,470

Note:

The amounts represent two mining rights in the Jiama Mine and CSH Gold Mine. Mining rights in the Jiama Mine are in relation to the copper and other by-products production, acquired through the acquisition of Skyland. During the year ended December 31, 2023, the mining permit of Jiama Mine was renewed in October 2023 at nil consideration and will expire in October 2043. The mining permit of CSH Gold Mine was renewed in March 2019 and will expire in June 2026. The Group considers that it will be able to renew the mining rights with the relevant government authority continuously until the end of mine life.

Pursuant to the Notice, there is uncertainty on the amount that Huatailong is required to make payment arising from the mining right to the PRC government as compensation fees for using the stated-owned natural resources in the PRC and the determination involved complex circumstances, judgements and verification by governments, as at December 31, 2023 and up to the date these consolidated financial statements are authorised for issue, no provision is made by Huatailong regarding the payment arising from the mining right. Details of the judgments and estimation uncertainty are set out in note 4.

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

21. OTHER NON-CURRENT ASSETS

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

As at December 31, 2023 and up to the date these consolidated financial statements are authorised for issue, the composite project is still suspended due to litigations against Zhongxinfang and the New Premises are still not delivered to Huatailong. Based on Group's assessment on the status of the New Premises and taking into account the valuation of the New Premises by using sales comparison method under market approach as its fair value less cost of disposal, impairment loss of RMB13,328,000 (equivalent to US$1,872,000) (2022: nil) has been made during the year ended December 31, 2023 and the carrying amount of the other non-current assets are RMB111,924,000 (equivalent to US$15,802,000) as at December 31, 2023 (2022: RMB125,252,000 (equivalent to US$17,984,000)).

22. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

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

Accounts and other payables and accrued expenses comprise the following:

	December 31, 2023 US$'000	December 31, 2022 US$'000
Accounts payable	**18,866**	38,808
Bills payable	**–**	31,523
Construction costs payable	**100,769**	118,123
Mining cost accrual	**–**	1,512
Payroll and benefit payable	**257**	324
Other accruals	**1,606**	1,323
Other tax payables	**1,543**	15,329
Payable for litigation compensation (note 31)	**22,828**	–
Other payables	**8,806**	6,268
Payable for acquisition of a mining right	**3,575**	4,848
Total accounts and other payables and accrued expenses	**158,250**	218,058

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

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Less than 30 days	**1,830**	18,452
31 to 90 days	**4,398**	7,520
91 to 180 days	**3,934**	2,864
Over 180 days	**8,704**	9,972
Total accounts payable	**18,866**	38,808

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

The following is an ageing analysis of bills payable, presented based on bills issue date at the end of the reporting period:

	December 31, 2023 US$'000	December 31, 2022 US$'000
Less than 30 days	–	7,604
31 to 60 days	–	2,050
61 to 90 days	–	5,599
91 to 180 days	–	16,270
Total bills payable	–	31,523

23. CONTRACT LIABILITIES

	December 31, 2023 US$'000	December 31, 2022 US$'000
Sales of copper concentrate	71	6,255

At January 1, 2022, contract liabilities amounted to US$10,265,000.

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

	Copper concentrate	
	December 31, 2023 US$'000	December 31, 2022 US$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	6,255	10,265

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

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

24. BORROWINGS

	December 31, 2023 US$'000	December 31, 2022 US$'000
Bank loans	656,344	533,722
Loans payable to a CNG's subsidiary (note 30)	81,890	–
Bonds[1]	–	299,346
	738,234	833,068

24. BORROWINGS (Cont'd)

The borrowings are repayable as follows:

	December 31, 2023 US$'000	December 31, 2022 US$'000
Carrying amount repayable within one year	**143,523**	399,567
Carrying amount repayable within one to two years	**66,500**	57,433
Carrying amount repayable within two to five years	**424,627**	201,017
Carrying amount repayable over five years	**103,584**	175,051
	738,234	833,068
Less: Amounts due within one year (shown under current liabilities)	**(143,523)**	(399,567)
Amounts shown under non-current liabilities	**594,711**	433,501

Included in the carrying amounts of borrowings as above, all are bank loans except for loans payables to a CNG's subsidiary amounted to US$81,890,000 are repayable within two to five years as at December 31, 2023 (2022: unsecured bonds of US$299,346,000 is repayable within one year).

Analysed as:

	Notes	**December 31, 2023 US$'000**	December 31, 2022 US$'000
Unsecured bonds	(1)	**–**	299,346
Secured syndicated loan	(2)	**301,511**	352,570
Unsecured syndicated loan	(3)	**124,762**	131,185
Unsecured bank loans	(4)	**–**	49,967
Unsecured bank loan	(5)	**42,357**	–
Unsecured bank loans	(6)	**94,597**	–
Unsecured bank loan	(7)	**14,117**	–
Unsecured bank loan	(8)	**79,000**	–
Unsecured loans payable to a CNG's subsidiary	(9)	**56,475**	–
Unsecured loans payable to a CNG's subsidiary	(10)	**25,415**	–
		738,234	833,068

24. BORROWINGS (Cont'd)

Notes:

(1) On June 23, 2020, the Company (as "Guarantor"), through its wholly-owned subsidiary, Skyland Mining (BVI) Limited ("Skyland (BVI)"), completed the issuance of bonds to independent third parties in an aggregate principal amount of US$300 million, listed on the Stock Exchange and ChongWa (Macao) Financial Asset Exchange CO., Limited. The bonds were issued at a price of 99.886%, bearing coupon rate of 2.80% with a maturity date of June 23, 2023. Interest is payable in equal semi-annual instalments on December 23 and June 23 in each year. The bonds were fully repaid on June 23, 2023.

(2) Repayable by instalment and will reach full maturity in November 2028. The loan carries a floating interest rate, currently set at 2.20% (2022: 2.45%) per annum, based on the People's Bank of China National Interbank Funding Center Loan Prime Rate ("LPR") benchmark.

(3) Repayable by instalment and will reach full maturity in April 2033. The loan carries a floating interest rate, currently set at 2.30% (2022: 2.60%) per annum, based on the LPR benchmark.

(4) Repayable in full in April 2023, carried interest rate of 1.05% and 3.80% per annum.

(5) Repayable by instalment and will reach full maturity in May 2026. The loan carries a floating interest rate, currently set at 2.05% per annum, based on the LPR benchmark.

(6) Repayable by instalment and will reach full maturity in June 2026. These loans carry a floating interest rate, currently set at a range from 1.95% to 2.05% per annum, based on the LPR benchmark.

(7) Repayable by instalment and will reach full maturity in November 2026. The loan carries a floating interest rate, currently set at 2.05% per annum, based on the LPR benchmark.

(8) Repayable in full in March 2024, carried floating interest rate ranged from 6.23% to 6.32% per annum, based on the Secured Overnight Financing Rate benchmark.

(9) Repayable in full in May 2026, carried fixed interest rate at 2.05% per annum.

(10) Repayable in full in November 2026, carried fixed interest rate at 2.45% per annum.

In respect of bank loans with carrying amount of US$283,726,000 as at December 31, 2023 (2022: US$181,152,000), 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, such as the ratio of liabilities to assets of the borrower shall not be more than certain percentage; current asset to current liabilities shall be more than 0.5; and the net asset of the Group shall not be less than US$1,000 million and so on.

During the year ended December 31, 2023, in respect of a bank loan with a carrying amount of US$124,762,000 as at December 31, 2023, the Group has breached the term of the syndicated loan that the carrying amount of frozen assets of Huatailong (as details in note 31(i)(a)) has exceeded RMB200,000,000. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at December 31, 2023, the lender has agreed to waive its right to demand immediate payment for the next fifteen month from the end of the reporting period, therefore the syndicated loan has been classified as non-current liabilities as at December 31, 2023 based on the instalments repayment schedule set out in the loan agreement. Except for this, the Group has complied with all other covenants throughout the reporting period.

Fixed rate loans amounting to approximately US$81,890,000 (December 31, 2022: US$320,596,000), carry weighted average effective interest rate of 3.22% (2022: 3.36%) per annum.

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Mining rights	**770,542**	780,978

25. ENTRUSTED LOAN PAYABLE

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

26. LEASE LIABILITIES

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Lease liabilities payable:		
Within one year	**540**	516
Within a period of more than one year but not more than two years	**472**	545
Within a period of more than two years but not more than five years	**465**	956
	1,477	2,017
Less: Amount due for settlement within 12 months shown under current liabilities	**(540)**	(516)
Amount due for settlement after 12 months shown under non-current liabilities	**937**	1,501

The weighted average incremental borrowing rate applied to lease liabilities range is 4.71% (2022: 4.72%).

27. DEFERRED INCOME

	December 31, 2023 US$'000	December 31, 2022 US$'000
Deferred income – government grants	**–**	167
Deferred lease inducement	**19**	19
Total deferred income	**19**	186

27. DEFERRED INCOME (Cont'd)

Movement in the deferred income – government grants:

	2023	2022
	US$'000	US$'000
At January 1	**167**	1,123
Addition	**101**	569
Credited to other income	**(220)**	(1,215)
Exchange realignment	**(48)**	(310)
At December 31	**–**	167

28. ENVIRONMENTAL REHABILITATION

The environmental rehabilitation relates to reclamation and closure costs relating to the Group's mine operations at the CSH Gold Mine and Jiama Mine. The environmental rehabilitation is calculated as the net present value of estimated future net cash flows of the reclamation and closure costs of US$114,511,000 (2022: US$148,714,000), discounted at 5.7% (2022: 5.8%) per annum at December 31, 2023.

The following is an analysis of the environmental rehabilitation:

	2023	2022
	US$'000	US$'000
At January 1	**92,285**	85,112
Additions to site reclamation (note 17)	**965**	–
Effect on change in discount rate during the year (note 19)	**(9,453)**	13,292
Accretion incurred in the current year	**3,785**	5,347
Payment during the year	**(10,359)**	(4,616)
Exchange realignment	**(1,299)**	(6,850)
At December 31	**75,924**	92,285

29. SHARE CAPITAL

Common shares

(i) Authorized – Unlimited common shares without par value

(ii) Issued and outstanding

	Number of shares	Amount US$'000
Issued & fully paid:		
At January 1, 2022, December 31, 2022 and 2023	396,413,753	1,229,061

30. RELATED PARTY TRANSACTIONS

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

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

In addition to the related party transactions and balances shown elsewhere in these consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties for the years ended December 31, 2023 and 2022 and related party balances as at December 31, 2023 and 2022.

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

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

	December 31, 2023 %	December 31, 2022 %
CNG	**40.01**	40.01

30. RELATED PARTY TRANSACTIONS (Cont'd)

(a) Transactions/balances with CNG and its subsidiaries

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Gold doré bars sales by the Group (Note a)	**252,600**	267,546
Copper and other by-product sales by the Group (Note b)	**190,852**	794,499
Provision of transportation services by the Group (Note b)	**853**	1,000
Construction, stripping and mining services provided to the Group (Note b)	**62,882**	12,316
Accrued expenses for short-term property management fee (Note b)	**459**	466
Commitment fee	**648**	702
Interest income	**3,924**	4,403
Interest expense on borrowings and entrusted loan payable	**731**	–
Interest expense on lease liabilities (Note b)	**81**	104
Loans (note 24) and entrusted loan (note 25) provided to the Group	**110,690**	–

30. RELATED PARTY TRANSACTIONS (Cont'd)

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

Notes:

a. On May 7, 2014, the Company's subsidiary, IMP entered into an exclusive contract for the sale of doré with CNG pursuant to which IMP sells gold doré bars to CNG for the period up to December 31, 2017. On May 26, 2017, the Company and IMP entered into the Supplemental Contract for Purchase and Sale of Dore for an extended term commencing on January 1, 2018 and expiring on December 31, 2020. On May 6, 2020, the Company and IMP entered into the third Supplemental Contract for Purchase and Sale of Dore for an extended term commencing on January 1, 2022 and expiring on December 31, 2023. On May 11, 2023, the Company and IMP entered into the fourth Supplemental Contract for Purchase and Sale of Dore for an extended term commencing on January 1, 2024 and expiring on December 31, 2026.

   The extent of the continuing connected transactions for the years ended December 31, 2023 and 2022 did not exceed the limit as set out in the announcements of the Company on May 7, 2020.

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

   The extent of the continuing connected transactions for the years ended December 31, 2023 and 2022 did not exceed the limit as set out in the announcements of the Company on May 7, 2020.

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

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

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

   On December 22, 2020, the Company and China Gold Finance entered into a second Deposit Services Agreement to extend for one year term to December 31, 2022 with all other terms and conditions remaining the same. The second Deposit Services Agreement was expired with the effective of the third Deposit Services Agreement on June 30, 2022 as described below.

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

   The extend of the connected transaction for deposit services during the years ended December 31, 2023 and 2022 do not exceed the limit as set out in the announcement of the Company on December 23, 2020 and May 6, 2021, except for the period from February 23, 2023 to April 6, 2023 that exceed the limit of RMB3,000 million. Details of the exceeding of the cap are set out in the announcement of the Company on May 19, 2023.

30. RELATED PARTY TRANSACTIONS (Cont'd)

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

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

	December 31, 2023 US$'000	December 31, 2022 US$'000
Assets		
Amounts due from related companies (note 14)	**654**	965
Cash and cash equivalents held in a CNG's subsidiary (Note c)	**78,264**	386,715
Restricted balance held in a CNG's subsidiary (Note c)	**67,693**	–
Total amounts due from CNG and its subsidiaries	**146,611**	387,680

Other than the cash and cash equivalents and restricted balance held in a CNG's subsidiary, the remaining amounts due from CNG and its subsidiaries as at December 31, 2023 and 2022, which are included in trade and other receivables are non-interest bearing, unsecured and repayable on demand.

	December 31, 2023 US$'000	December 31, 2022 US$'000
Liabilities		
Entrusted loan payable (note 25)	**28,238**	–
Loans payable to a CNG's subsidiary (note 24)	**81,890**	–
Construction costs payable to CNG's subsidiaries	**6,893**	198
Trade payable to CNG's subsidiaries	**4,742**	3,168
Amount due to CNG	**2,574**	727
Contract liabilities with a CNG's subsidiary	**68**	6,172
Lease liabilities to a CNG's subsidiary	**1,334**	1,769
Total amounts due to CNG and its subsidiaries	**125,739**	12,034

As at December 31, 2023, with the exception of the entrusted loan payable to CNG, loans payable to a CNG's subsidiary and lease 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.

30. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel

Other than the directors' emoluments disclosed in note 10(a), the Group has the following compensation to other key management personnel during the years:

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
Salaries and other benefits	**250**	514
Post-employment benefits	**7**	7
	257	521

31. CONTINGENCIES

(i) Litigation with Huaxin and Zhongxinfang

During the year ended December 31, 2020, there was a construction contract dispute between independent third parties including the constructor, Huaxin Construction Group Co., Ltd. (formerly named as "Nantong Huaxin Construction Group Co., Ltd.") ("Huaxin"), Zhongxinfang, and the Group's subsidiary, Huatailong. The land use right of a composite project under the construction contract was transferred from Huatailong to Zhongxinfang in 2019 pursuant to the Cooperation Agreement in relation to the Land Exchange (as defined in note 21).

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

31. CONTINGENCIES (Cont'd)

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

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

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

As at December 31, 2023 and up to the date these consolidated financial statements are authorised for issue, the payable to Huaxin amounting to US$22,828,000 has not been settled by Huatailong and 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.

In addition, 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. As at December 31, 2023 and up to the date these consolidated financial statements are authorised for issue, the assets that have been frozen temporarily by the Tibet Intermediate Court are set out below. The Tibet Intermediate Court has selected valuation institutes to perform valuation assessment on the leasehold lands held by Huatailong and yet to be finalised. Enforcement is currently under proceeding and enforcement rulings is not finalised.

	Carrying amount as at December 31, 2023 US$'000
Bank balances	116
Other non-current assets (note 21)	15,802
Right-of-use assets – leasehold lands	10,982
Equity instruments at FVTOCI – unlisted investments (note 18)	825
Property, plant and equipment – buildings	22,259
51% equity interest in Jiama Industry and Trade, a subsidiary of the Company (note 37)	N/A
	49,984

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

31. CONTINGENCIES (Cont'd)

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

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

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

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

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

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

31. CONTINGENCIES (Cont'd)

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

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

In addition, during the year ended December 31, 2020, Huatailong has paid Tax and Other Surcharge of RMB46 million (equivalent to US$6,997,000) and expects to recover such payments from Zhongxinfang in accordance with the Cooperation Agreement. On July 8, 2020, Huatailong applied for pre-litigation preservation of assets from Zhongxinfang, the Tibet Intermediate Court adjudicated that the value of certain properties limited to RMB46 million (equivalent to US$6,609,000) from Zhongxinfang was frozen for one year (the "Pre-litigation Preservation"). Based on the adjudication issued on November 20, 2020 in relation to the lawsuit against Zhongxinfang for the recovery of the Tax and Other Surcharge, the litigation ruling adjudicated that Zhongxinfang shall repay the Tax and Other Surcharge to Huatailong (the "November 2020 Adjudication"). As Zhongxinfang has not settled such amount within the due date, Huatailong applied for an enforcement of the November 2020 Adjudication in January 2021 (the "2021 Enforcement"). On June 24, 2021, the Tibet Intermediate Court adjudicated the 2021 Enforcement be suspended as all of the assets owned by Zhongxinfang have been sealed up or frozen and there are no executable properties from Zhongxinfang. Based on legal advice, the 2021 Enforcement is currently suspended and the Group's first priority of claim over one of the assets under Pre-litigation Preservation has been extended for three years till May 24, 2024. The result of aforementioned 2021 Enforcement is not ascertain as at December 31, 2023 and the date these consolidated financial statements are authorised for issue.

Based on the best available information to the Group and the credit assessment, US$1,579,000 expected credit loss (2022: US$1,644,000) for other receivables is recognized during the year ended December 31, 2023, and the accumulated allowance for credit losses is RMB22,827,000 (equivalent to US$3,223,000) as of December 31, 2023 (2022: RMB11,452,000 (equivalent to US$1,644,000)).

(ii) Litigation with an independent supplier of Huatailong

In May 2023, a supplier of Huatailong proceeded a lawsuit against Huatailong for the loss of work stoppage and slowdown resulting from the suspension of Jiama Mine's south pit (the "Supplier Work Stoppage Loss") which are required to be remediated by local government from June 19, 2021, for a claim of RMB479 million (equivalent to US$67,693,000), and applied for pre-litigation preservation of assets from Huatailong for one year.

On May 24, 2023, the Tibet Intermediate Court adjudicated balance with same amount as aforementioned placed in China Gold Finance by the Group to be frozen for one year. Accordingly, the frozen bank deposit of US$67,693,000 was included in restricted balances as at December 31, 2023.

31. CONTINGENCIES (Cont'd)

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

On November 27, 2023, the Tibet Intermediate Court adjudicated (the "2023 First Instance Adjudication") that Huatailong shall pay the Supplier Work Stoppage Loss of RMB178 million (equivalent to US$25,201,000) to that independent supplier. Huatailong proceeded an appeal to the Tibet High Court against the 2023 First Instance Adjudication on December 9, 2023 that Huatailong has no obligation for the aforesaid Supplier Work Stoppage Loss. Tibet High Court has held a trial during the period from February 28 to March 2, 2024 and Huatailong has submitted new evidences and materials that are against the 2023 First Instance Adjudication. As at December 31, 2023 and up to the date these consolidated financial statements are authorised for issue, the verdict is not delivered, the Group concludes that it is not probable that an outflow of economic benefits will be required by taking into account the new evidences and materials collected and the legal advice. Accordingly, no provision is made in the consolidated financial statements in regard to this litigation as of December 31, 2023.

32. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes the borrowings, entrusted loan payable and lease liabilities disclosed in notes 24, 25 and 26 respectively, net of cash and cash equivalents, restricted balances and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves. The Group manages the capital structure and makes adjustments to it in light of operating results, changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new shares, issue new debt, repayment of existing debt.

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

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

33. FINANCIAL INSTRUMENTS

	December 31, 2023 US$'000	December 31, 2022 US$'000
Financial assets		
Financial assets at amortised cost	**173,169**	438,743
Equity instruments at FVTOCI	**47,153**	37,348
Financial liabilities		
At amortised cost	**921,316**	1,032,638
Lease liabilities	**1,477**	2,017

Financial assets at amortised cost as at December 31, 2023 and 2022 respectively are as follows:

	December 31, 2023 US$'000	December 31, 2022 US$'000
Cash and cash equivalents	**97,237**	428,453
Restricted balances	**67,693**	1,572
Trade and other receivables[1]	**8,239**	8,718
	173,169	438,743

Financial liabilities at amortised cost as at December 31, 2023 and 2022 are as follows:

	December 31, 2023 US$'000	December 31, 2022 US$'000
Accounts and other payables[2]	**154,844**	199,570
Borrowings		
– Loans, other than syndicated loans	**311,961**	349,313
– Syndicated loans	**426,273**	483,755
Entrusted loan payable	**28,238**	–
	921,316	1,032,638

33. FINANCIAL INSTRUMENTS (Cont'd)

(1) Excluded VAT recoverable.

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

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

(a) Currency risk

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

At the end of each reporting period, Huatailong and Skyland Mining Limited (note 37), of which its functional currency is RMB, had US$ denominated intra-group borrowings from Skyland (BVI). The intra-group borrowing is approximately US$20,285,000 (2022: US$192,417,000) as at December 31, 2023.

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

RMB monetary assets and (liabilities)

	December 31, 2023 US$'000	December 31, 2022 US$'000
Cash and cash equivalents	**72,869**	114,878
Trade and other receivables	**612**	463
Accounts and other payables	**(13,917)**	(14,429)
Borrowings	**–**	(21,250)
	59,564	79,662

Based on the above net exposures, and assuming that all other variables remain constant, a 5% (2022: 5%) depreciation/appreciation of the RMB against the US$ would result in an increase/decrease in the Group's loss for the year of approximately US$2,531,000 (2022: decrease/increase in the Group's profit for the year of approximately US$3,385,000) for the year ended December 31, 2023.

33. FINANCIAL INSTRUMENTS (Cont'd)

(a) Currency risk (Cont'd)

US$ monetary assets and (liabilities)

	December 31, 2023 US$'000	December 31, 2022 US$'000
Cash and cash equivalents	**4**	4
Inter-company loans	**(20,285)**	(192,417)
	(20,281)	(192,413)

Based on the above net exposures, and assuming that all other variables remain constant, a 5% (2022: 5%) depreciation/appreciation of the US$ against the RMB would result in an decrease/increase in the Group's loss for the year of approximately US$923,000 (2022: increase/decrease in the Group's profit for the year of approximately US$8,755,000) for the year ended December 31, 2023.

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

(b) Interest rate risk

Interest rate risk is the risk that the fair value in relation to borrowings, entrusted loan payables and lease liabilities with total carrying amounts of US$111,605,000 (2022: US$322,613,000) bearing fixed interest rate or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate bank balances and restricted balances and variable-rate bank borrowings with total net carrying amounts of US$491,415,000 (2022: US$82,447,000) (see note 24 for details of these borrowings).

Sensitivity analysis

The following analysis is prepared assuming the variable rate bank balances and borrowings outstanding at the end of the reporting period were outstanding for the whole year and all other variables were held constant. A 25 basis point (2022: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Management's assessment of the reasonably possible change in interest rates.

33. FINANCIAL INSTRUMENTS (Cont'd)

(b) Interest rate risk (Cont'd)

Sensitivity analysis (Cont'd)

The analysis below reflects the sensitivity that the interest rate may be higher/lower by 25 basis points (2022: 25 basis points).

	Year ended December 31, 2023 US$'000	Year ended December 31, 2022 US$'000
25 basis points (2022: 25 basis points) higher		
– increase in loss (2022: decrease in profit) for the year	**(907)**	(151)
– addition in finance costs capitalised	**19**	4
25 basis points (2022: 25 basis points) lower		
– decrease in loss (2022: increase in profit) for the year	**907**	151
– reduction in finance costs capitalised	**(19)**	(4)

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

(c) Other price risk

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

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. No sensitivity analysis is presented for unlisted investments as the directors of the Company consider the amounts of unlisted investments to be insignificant. If the prices of the respective listed equity instruments had been 10% (2022: 10%) higher/lower, investments revaluation reserve would increase/decrease by US$4,633,000 (2022: US$3,651,000) for the Group as a result of the changes in fair value of listed investment at FVTOCI (2022: listed investment at FVTOCI).

33. FINANCIAL INSTRUMENTS (Cont'd)

(d) Credit risk and impairment assessment

Credit risk is the risk of an unexpected loss if a customer or third party to a financial asset fails to meet its contractual obligations. The Group sold approximately 100% (2022: 100%) of its gold to one creditworthy customer, CNG, and approximately 92% (2022: 95%) of its copper and other by-product to CNG subsidiaries for the year ended December 31, 2023. The failure of these customers to make required payments could have a negative impact on the Group's results. The Group manages this risk by demanding upfront payment for sales of copper and other by-products and has set up monitoring procedures to ensure that follow-up action is taken for timely settlement of receivables from CNG, the CNG subsidiary and third-party customers. The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure the adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessments using the ECL model on trade balances individually. In this regard, Management considers the Group's credit risk is significantly reduced. The Group does not hold any collateral over these balances.

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

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

As at December 31, 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of US$1,235,000 (2022: US$40,000) which are past due over 90 days as at the reporting date. The directors of the Company are of the opinion that no default has occurred for the past due balances and the balances are still considered fully recoverable due to long-term/on-going relationships and good repayment records from these customers.

Movement in the allowance for credit losses of trade receivables:

	December 31, 2023 US$'000	December 31, 2022 US$'000
At January 1	**106**	163
Reversal of expected credit losses	**–**	(44)
Exchange realignment	**(1)**	(13)
At December 31	**105**	106

33. FINANCIAL INSTRUMENTS (Cont'd)

(d) Credit risk and impairment assessment (Cont'd)

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

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

The Group had concentration of credit risk by geographical locations as the financial assets at amortised cost comprise various debtors which are located either in the PRC or Canada for the years ended December 31, 2023 and 2022.

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

(e) Liquidity risk

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

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

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

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

The Group relies on borrowings as a significant source of liquidity, details of which are set out in note 24.

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

33. FINANCIAL INSTRUMENTS (Cont'd)

(e) Liquidity risk (Cont'd)

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

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

	Weighted average interest rate %	Within 1 year US$'000	1 – 2 years US$'000	2 – 5 years US$'000	Over 5 years US$'000	Total undiscounted cash flow US$'000	Carrying amount US$'000
At December 31, 2022							
Accounts and other payables		199,570	–	–	–	199,570	199,570
Borrowings	2.64	411,657	67,994	223,453	186,133	889,237	833,068
Lease liabilities	4.72	608	612	1,019	–	2,239	2,017
		611,835	68,606	224,472	186,133	1,091,046	1,034,655

(f) Fair value

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

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

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

34. COMMITMENTS

	December 31, 2023 US$'000	December 31, 2022 US$'000
Capital expenditure in respect of acquisition of property, plant and equipment in the consolidated financial statements – contracted but not provided for	**16,352**	1,282

35. RETIREMENT BENEFITS SCHEMES

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

The total cost charged to the consolidated statement of profit or loss and other comprehensive income of approximately US$8,497,000 for the year ended December 31, 2023 (2022: US$7,764,000), represent contributions payable to the scheme by the Group.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Borrowings US$'000 (note 24)	**Entrusted loan payable US$'000 (note 25)**	**Lease liabilities US$'000 (note 26)**	**Dividend payables US$'000**	**Total US$'000**
At January 1, 2023	**833,068**	**–**	**2,017**	**–**	**835,085**
Financing cash flows	**(85,247)**	**28,382**	**(604)**	**(147,764)**	**(205,233)**
Dividend declared	**–**	**–**	**–**	**147,782**	**147,782**
Exchange difference arising on translation	**(9,339)**	**(144)**	**–**	**–**	**(9,483)**
Unrealised foreign exchange loss, net	**(248)**	**–**	**(27)**	**(18)**	**(293)**
Accrued interest expenses	**–**	**–**	**91**	**–**	**91**
At December 31, 2023	**738,234**	**28,238**	**1,477**	**–**	**767,949**

	Borrowings US$'000 (note 24)	Lease liabilities US$'000 (note 26)	Dividend payables US$'000	Total US$'000
At January 1, 2022	970,559	2,711	–	973,270
Financing cash flows	(84,893)	(628)	(99,791)	(185,312)
Dividend declared	–	–	99,803	99,803
Exchange difference arising on translation	(51,992)	–	–	(51,992)
Unrealised foreign exchange loss, net	(1,971)	(186)	(12)	(2,169)
Accrued interest expenses	1,365	120	–	1,485
At December 31, 2022	833,068	2,017	–	835,085

37. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at December 31, 2023 and 2022 are as follows:

Name of subsidiaries	Place and date of incorporation/ establishment	Place of operation	Issued and fully paid share capital/ registered capital	Equity interest attributable to the Group as at December 31,		Principal activities
				2023	2022	
Pacific PGM Inc.	British Virgin Islands ("BVI") May 17, 2001	BVI	US$100	**100%**	100%	Investment holding
Pacific PGM (Barbados) Inc.	Barbados September 6, 2007	Barbados	US$250,000	**100%**	100%	Investment holding
IMP[1]	PRC April 29, 2002	PRC	US$45,000,000	**96.5%**	96.5%	Engaged in exploration and development of mining properties in China
Skyland Mining Limited	Barbados October 6, 2004	Barbados	US$233,380,700 plus RMB1,510,549,032	**100%**	100%	Investment holding
Jia Ertong[1]	PRC October 31, 2003	PRC	US$273,920,000	**100%**	100%	Exploration, development and mining of mineral properties and investment holding
Huatailong[1]	PRC January 11, 2007	PRC	RMB1,760,000,000	**100%**	100%	Exploration, development and mining of mineral properties
Jiama Industry and Trade[1]	PRC December 1, 2011	PRC	RMB5,000,000	**51%**	51%	Mining logistics and transport business
Skyland (BVI)	BVI October 26, 2010	BVI	US$1	**100%**	100%	Issue of bonds

[1] Domestic limited liability company.

None of the subsidiaries had issued any debt securities at the end of both years except for Skyland (BVI), which has issued listed bonds with principal of US$300 million as at December 31, 2022. Other than Pacific PGM Inc., Pacific PGM (Barbados) Inc. and Skyland (BVI) which are directly held by the Company, all other subsidiaries listed above are indirectly held under the Group.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	December 31, 2023 US$'000	December 31, 2022 US$'000
Current assets		
Cash and cash equivalents	10,089	9,647
Other receivables	40	16
Prepaid expenses and deposits	38	58
Amounts due from subsidiaries	39,644	11,272
	49,811	20,993
Non-current assets		
Right-of-use assets	126	226
Property, plant and equipment	–	1
Equity instruments at FVTOCI (note 18)	46,328	36,509
Investments in subsidiaries (note 37)	987,016	987,066
	1,033,470	1,023,802
Total assets	1,083,281	1,044,795
Current liabilities		
Other payable and accrued expenses	889	963
Borrowings (note 24)	79,000	–
Lease liabilities	116	105
	80,005	1,068
Net current (liabilities) assets	(30,194)	19,925
Total assets less current liabilities	1,003,276	1,043,727
Non-current liabilities		
Lease liabilities	27	144
Deferred income	19	19
	46	163
Total liabilities	80,051	1,231

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

	December 31, 2023 US$'000	December 31, 2022 US$'000
Owners' equity		
Share capital (note 29)	**1,229,061**	1,229,061
Reserves (note 39)	**29,113**	19,294
Accumulated losses (note 39)	**(254,944)**	(204,791)
Total owners' equity	**1,003,230**	1,043,564
Total liabilities and owners' equity	**1,083,281**	1,044,795

39. RESERVES AND DEFICITS OF THE COMPANY

	Reserves US$'000	**Accumulated losses** US$'000	**Total** US$'000
At January 1, 2022	10,826	(160,579)	(149,753)
Profit for the year	–	54,891	54,891
Fair value gain on equity instruments at FVTOCI	8,468	–	8,468
Total comprehensive income for the year	8,468	54,891	63,359
Dividends distribution	–	(99,103)	(99,103)
At December 31, 2022	19,294	(204,791)	(185,497)
Profit for the year	–	96,520	96,520
Fair value gain on equity instruments at FVTOCI	9,819	–	9,819
Total comprehensive income for the year	9,819	96,520	106,339
Dividends distribution	–	(146,673)	(146,673)
At December 31, 2023	29,113	(254,944)	(225,831)

FIVE-YEAR FINANCIAL SUMMARY

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

	Year ended December 31				
	2023	2022	2021	2020	2019
	US$'000	US$'000	US$'000	US$'000	US$'000
RESULTS					
Revenue	**459,434**	1,104,949	1,137,356	864,032	657,459
(Loss) profit attributable to owners of the Company	**(25,500)**	222,743	267,361	111,962	(32,837)

	At December 31				
	2023	2022	2021	2020	2019
	US$'000	US$'000	US$'000	US$'000	US$'000
ASSETS AND LIABILITIES					
Total assets	**2,834,716**	3,194,911	3,257,043	3,322,642	3,197,130
Total liabilities	**(1,106,975)**	(1,291,481)	(1,423,651)	(1,727,173)	(1,746,463)
Net assets	**1,727,741**	1,903,430	1,833,392	1,595,469	1,450,667
Equity attributable to owners of the Company	**1,706,858**	1,883,979	1,815,922	1,578,522	1,435,337
Non-controlling interests	**20,883**	19,451	17,470	16,947	15,330
Total owners' equity	**1,727,741**	1,903,430	1,833,392	1,595,469	1,450,667

CORPORATE GOVERNANCE

The Company has complied with the code provisions under the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended December 31, 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted policies in its Corporate Disclosure, Confidentiality and Securities Trading Policy that has terms which are no less exacting than those set out in Appendix 10 to the Listing Rules (the "Model Code"). The Board is pleased to confirm, after specific enquiries with all Directors, that all Directors have fully complied with standards required according to the Model Code during the year ended December 31, 2023.

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

For the year ended December 31, 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the audited consolidated financial statements for the year ended December 31, 2023, and is of the view that the Group's audited consolidated financial statements for the year ended December 31, 2023 are prepared in accordance with the applicable accounting standard, laws and regulations, and appropriate disclosures have already been made.

By Order of the Board
China Gold International Resources Corp. Ltd.
Mr. Junhu Tong
Chairman and Chief Executive Officer

Hong Kong, March 28, 2024

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