"A Critical Analysis of CGG's Prospects"

/ STRONG SELL OPINION /

China Gold International Resources Corp. Ltd.
TSX: CGG | HK: 2099

SPRUCE POINT
CAPITAL MANAGEMENT

INVESTMENT RESEARCH REPORT

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Executive Summary

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We Are Short China Gold International Resources Corp Ltd. And See 50% – 75% Potential Downside Risk

After conducting a forensic financial review of China Gold International Resources Corp Ltd. (TSX: CGG / HK: 2099 or "the Company"), a Vancouver, B.C. based company with two mines in the Tibet and Inner Mongolian autonomous regions of China, we have serious concerns with the Company's management, Board governance, related party dealings with its largest shareholder China National Gold ("CNG"), web of auditors, and financial and geologic advisors. We provide evidence that CGG was recently delinquent in filing its Canadian ESTMA reporting to deter corruption and incorrectly dated its filing. This is alarming in the context that two of CGG's former CEO and Chairmen have been reprimanded with one serving time in prison, and its new independent financial advisor being linked in multiple dealings with Ms. Ma Xiaoqiu who was reportedly charged with fraud and money laundering in Shenzhen, China. On top of our concerns, our analysis suggests that both of CGG's mining operations are experiencing greater production challenges and that the Company is likely to have difficulty meeting aggressive financial forecasts. We believe that CGG trades at an unwarranted premium to other metal and mining peers listed in Hong Kong and globally listed peers operating in safer, non-Communist jurisdictions, and with better quality governance. We estimate 50% – 75% downside risk to CGG's share price under certain scenarios and expect the share price to underperform global mining stocks.

CGG was founded in 2000 by Dr. Rui Feng, a controversial figure in the Canada / Chinese mining industry:

CGG originally started as Pacific Minerals Inc. (TSX-V: PMZ) in 2000 and listed in 2001, later changed its name to Jinshan Gold Mines Inc. (TSX-V: JIN), and finally to China Gold International Resources Corp as of 2010. The Company was led by Dr. Rui Feng as President and overseen by his colleague Leo Duarte as a Director. CGG sought to advance a portfolio of assets and acquired the Brigade 271 project which became CGG's flagship CSH mine. Dr. Feng is better known as the CEO and Founder of Silvercorp Metals Inc. (TSX / NYSEAmex: SVM) formed in 2003 which became a controversial company when a short seller released a report entitled, *"Questionable Customers, Geologists, Production, Quality and Serious Related Party Failures"* that alleged that production and grades were overstated and related-dealings occurred with an abnormally high ROI.

While neither Silvercorp or Dr. Feng were found to have acted improperly, years later the Globe & Mail wrote an article detailing that the British Columbia Securities Commission's (BCSC) chief mining adviser had written Dr. Feng an eight-page letter with multiple complaints about Silvercorp's technical reports claiming that the reports used resource estimation methods that were inconsistent with best practices, and contained "*errors that could individually or collectively result in material overestimation of mineral resources."* In summary, he wrote, *"We consider the Company to be in material default of its technical disclosure and filing requirements."*

CGG's Controlling Shareholder And Its Financial Advisors Concerns Us

Dr. Feng also founded New Pacific Metals Corp. (TSX / NYSEAmex: NUAG/NEWP) in 2003 and Silvercorp would become an investor and now currently owns ~28%. On April 20, 2020, Hindenburg Research targeted New Pacific Metals and alleged it was a stock promotion and that its deals seem to violate laws in Bolivia. The company did not formally respond but on April 27, 2020 Dr. Feng stepped down as CEO. It's also noteworthy that Lou Duarte, one of CGG's first Directors, later joined Dr. Feng at New Pacific Metals as an early Director in 2006, and became President and CEO. He resigned in 2010. Despite multiple capital raises and years of exploration and development, New Pacific Metals has never generated revenue.

We also have serious concerns about multiple other parties associated with CGG, including:

China National Gold Group Co., Ltd (CNG): CNG is a China state-owned entity, owns 40% of CGG, and is a major related party buyer of gold, copper concentrates and provides mining products and services to CGG. We are concerned that CGG's sales to CNG have grown from ~50% to 99.6% since 2020, making CGG reliant on a single customer. We are also concerned by our forensic analysis which shows that a recent surge in product and service purchases between the parties indicate a material discrepancy after evaluating the figures in the Annual Report (March '26) and Information Circular (June '26).

CNG (Hong Kong) is currently embroiled in a large multi-jurisdiction lawsuit with the Gerald Group which obtained an injunction to freeze US$125 million of its assets and restraining it from disposing of or dealing with 34m shares of CGG after court victories. According to Gerald Group, The Hong Kong injunction follows landmark judgments in July 2025 by the BVI Commercial Court, which found CNG Hong Kong, Soremi SA, and Mr. Cheng Shenghong (CEO of Soremi SA) in very serious contempt of court. The BVI Court described their conduct as *"a deliberate and calculated course of action "* that was an *"attempt to make a mockery of the processes of the Court"* and was *"deceitful and disgraceful."* CNG Hong Kong was fined a record US$2.5 million, the highest contempt fine in BVI history.

Financial Advisors Retained To Review CGG's Dealings With CNG:

a) TC Capital: In 2022, The Securities and Futures Commission (SFC) reprimanded TC Capital for failing to *"conduct reasonable due diligence on third party payments made on behalf of two top customers of China Candy"* and suspended the license of Edward Wu Wen Guang. An Edward Wu signed multiple letters from TC Capital to CGG from 2012 – 2020.

Two of CGG's Former CEO/Chairmen Have Been Reprimanded In China With One In Prison

Financial Advisors Retained To Review CGG's Dealings With CNG (cont'd):

b) Rainbow Capital (HK) Holdings Ltd: Rainbow is CGG's latest independent financial advisor to review transactions with CNG. Rainbow's F-1 U.S. share registration shows it had just US$0.5m of *"independent financial advisory services"* in 2024. On March 5, 2026, Alpha Technology Group Ltd (Nasdaq: ATGL) announced a non-binding LOI to acquire Rainbow for US$68.9m. ATGL's CFO is Mr. Choi Tan Yee who is also the CEO and Co-Chairman of Rainbow. We find it alarming that ATGL's largest shareholder is Ms. Ma Xiaoqiu who has reportedly been charged with fraud by the Shenzhen People's Procuratorate linked to Dingyifeng Asset Management Co., Ltd. The charges include fundraising fraud, illegal public deposit absorption, and money laundering. The HKEX and SFC also collaborated in an enforcement action against Ms. Ma in August 2025 for her directorship at TOMO Holdings Ltd. (HK: 6928) which Mr. Yee was also affiliated. Ms. Ma was also Chairman of Carry Wealth Holdings Ltd. (HK: 643) where both Mr. Yee, and Mr. Tsang Chun Ho Anthony, affiliated with ATGL, were both Directors.

Two Former CEO and Chairmen at CGG Are Concerning:

a) Mr. Sun Zhaoxue: Mr. Sun is the former President of China National Gold and CEO of CGG and joined the Board in 2008. Prior to joining CNG, Mr. Sun spent 23 years with the Aluminum Corporation of China Limited (Chinalco), as Vice President. On February 24, 2014, Chairman Sun resigned from CGG's Board following his appointment to another Chinese SOE. In December 2016, it was reported that a Chinese court had sentenced Mr. Sun to prison for 16 years for graft and corruption. The court found Mr. Sun, "*had amassed a fortune in property through corruption during his lengthy time in the Chinese resources and commodities industry*" according to The Australian.

b) Mr. Junhu Tong: CGG's CEO and Chairman (2022 - 2024). Chinese commissions had conducted a disciplinary review and supervision investigation into Mr. Tong's suspected serious violations of discipline and law and he was expelled from the Party for abuse of power such as using his position to seek benefits for others and illegally accepted huge amounts of property.

Auditors and Engagement Partners: Deloitte resigned in May 2025 - *"own its own initiative"* - and two new auditors were appointed. We have concerns with both new audit engagement partners.

a) BDO Ltd: The new engagement partner is Mr. Pak Tak Lun Amos. The Accounting and Financial Reporting Council (AFRC) took disciplinary action against Mr. Pak on August 21, 2025. The AFRC issued a public reprimand to BDO (including Mr. Pak) and imposed fines for multiple breaches of auditing standards in relation to the audit of Vestate Group Holdings Limited.

CGG's Audit Engagement Partners And Audit Committee Concerns Us

Auditors and Engagement Partners (cont'd):

b) Lixin & Ethos CPAs LLP (Canada): The new engagement partner is Eason Cong Chen. Mr. Chen is not listed as an auditor at Lixin & Ethos in the official CPA British Columbia directory, but rather is associated with CEC Accounting Advisory Corp. His LinkedIn also does not reference Lixin & Ethos but he appears on Lixin's website. A May 2, 2025 biography announcement of his appointment of Director at Eastplats says he is, *"currently partner at a U.S. CPA firm"* but CEC Accounting Advisory Corp is based in British Columbia and not registered with the PCAOB in the U.S. Also, Lixin's U.S. PCAOB application on August 12, 2025 does not list him as a partner, but that could have changed subsequent to the application filing. Mr. Chen currently serves as interim CFO at World Blockchain Group (TSX-V: WBG) and has been involved with a defunct public cannabis company called Discover Wellness Solutions. CGG appears to be Lixin's largest public company client among nanocap Canadian venture firms including Minco Silver (MSV), Quarterback Resources (QB), Fairchild Gold (FAIR), and KMT Hansa (KMC/H).

CGG Audit Committee Board Members:

a) Mr. Yingbin Ian He (Chairman): Appointed Director at SouthGobi Resources Ltd. (TSX: SGQ /HK:1878) in 2017 prior to the CEO's arrest in China. A final investigative report of senior executive and employee misconduct revealed fraudulent / fictitious transactions and required financial restatement. He is also Director and Chairman Vatukoula Gold Mines in Fiji which was publicly listed on London's AIM and recently alleged to have engaged in smuggling of gold to China. Mr. He attests to ESTMA transparency reporting in Canada where the recent 2025 submission date was not validated after direct government inquiry.

b) Mr. Wei Shao: CGG's latest Information Circular fails to disclose that Mr. Shao was recently appointed to the Board of SuperX AI Technology Ltd. (Nasdaq: SUPX). A scathing report released by J Capital Research prior to his appointment alleges it, *"smells like a stock pump", "SUPX pretended to have pivoted to "AI." But there is no evidence that SUPX actually is building AI infrastructure or has the expertise or assets to do so,"* and that *"Dying Chinese property developers are behind SUPX. They include a convicted felon who served five years for molesting children."*

c) Dr Bielin Shi: Dr. Shi peer reviewed a technical report on the Gaocheng and Shimentou projects in Guangdong, China on behalf of Silvercorp Metals in 2008 which acquired the project for C$62m. The acquisition was heavily criticized by a short-seller as providing an abnormally high ROI to CEO Feng's relative in a short time.

CGG's Management Team Concerns Us

CGG Audit Committee Board Members (cont'd):

d) Ms. Ruixia Han: Ms. Han joined CGG's Board in 2019 at the relatively young age of 35. She is also on the Board of Jinchuan Group International Resources Ltd (HK: 2362) which is also in the mining business. She currently serves on Jinchuan's Audit Committee and the company recently disclosed that US$145 million was siphoned from its copper and cobalt operations in the Democratic Republic of Congo through fake procurement deals, cash payments and fabricated invoices. Interestingly, we find that Ms. Han's biography has a discrepancy which includes a version where she claims to have a double bachelor degree in Journalism which has since been removed.

CGG's Management Team:

Spruce Point has evaluated many companies where insiders extract unjust enrichment for poor performance. CGG's management is the complete opposite. They are paid practically nothing and have no equity at stake.

a) Chairman and CEO Chenguang Hou: Mr. Hou is deeply engrained with the controlling shareholder CNG since July 2021. Since November 2024, he has been appointed as Chairman and general manager of China National Gold Group Hong Kong Limited which as we noted has been embroiled in a contentious legal affair with a U.S. firm. Not only does Mr. Hou have no equity in CGG, but he is also paid no salary. While it is favorable to CGG shareholders that he does not extract a salary, it also begs the question whose interests does he serve and how does he get paid to make a living?

b) CFO Zheng Wang: Appointed in 2023, she receives a modest salary of ~US$90,000 which is less than CGG used to pay its finance executives back in 2009 when they received ~US$135,000. This makes the current CFO's salary seem substantially off-market. The CFO has no LinkedIn profile we can identify, and it is not clear where she is located.

Geological and Technical Consultants:

a) CGME Consulting Ltd: CGME produced the NI 430-101 Technical Report for the CGH Mine in 2022. CGG is the only public company in the world we could find that uses CGME Consulting. The website www.chinagoldcons.com shows a logo similar to CGG's as well as its largest shareholder China National Gold leading us to believe that they are related parties.

CGG's Geology And Technical Partners Concerns Us

Geological and Technical Consultants at C2 Mining International (cont'd):

C2 Mining International ("C2") is described as an independent mining consultancy based in Vancouver and a team of specialists in mining, geology, engineering, and investment. The firm is not registered with Engineers and Geoscientists BC, a regulatory agency. Entities that engage in the practice of professional engineering or professional geoscience are required to apply for a Permit to Practice with some exceptions. While each of the Qualified Persons below are registered with the regulator, they appear to have possible conflicts of interest with two members advising related parties.

a) Dr. Yingting "Tony" Guo: While it's not unusual that public companies such as CGG to have mining consultants or full-time geologists to be the Qualified Person (QP), we note CGG's QP Mr. Tony Guo is currently employed as the CEO and President at Nickel North Exploration (TSX-V: NNX). Mr. Guo also appears to be playing both sides of the field while having been an advisor to CGG as a QP since May 2023 and a geology consultant to Changchun Gold Design Institute (CGDI) which prepared a NI 43-101 Technical Report for Jiama in June 2026 which claims a substantial increase in reserves. CGDI appears to be affiliated with CNG the largest shareholder.

b) Dr. He "Joseph" Siwei: A newly disclosed mining engineering consultant to CGDI in the recent press release claiming a substantial increase in reserves at Jiama, he also appears as part of the management team at C2.

We view CGG's mining assets as challenged, and our forensic analysis indicates that the Company is increasingly likely to post disappointing results:

CGG operates two mines, ChangShan Hao (CSH) a gold producing open-pit mine in Inner Mongolia, China and Jiama, a copper and polymetallic (gold, silver, zinc, etc) mine in Tibet Autonomous Region, China. Each of CGG's mines has experienced a recent increase in operational challenges. For example, the Jiama mine was acquired in 2010 and made international headlines in 2013 after an avalanche of rock, mud and debris struck on March 29th, killing 83 miners who were mostly Chinese migrant workers. Among the factors noted by experts was that the area has "complex" geological conditions. CGG failed to provide information upon a Request for Review by the Canada Tibet Committee as documented by the Canadian government, which concluded that, "*Company has not demonstrated that it is operating in a manner that can be considered to be consistent with the voluntary OECD Guidelines for Multinational Enterprises"* which provide principles and standards for responsible business conduct.

CGG's Financial Results Are Likely To Disappoint

Increasing mining problems faced by CGG (cont'd):

In March 2023, an overflow at Jiama occurred due to minor tailing dam damages from the Guolanggou tailings pond. Production was suspended and non-essential personnel were evacuated from the affected area. Gradual resumption of production occurred but the construction timeline of the Phase III tailing dam has been delayed multiple times by at least 18 months. CGG now expects to increase capacity from 34,000 to 50,000 tpd by 2028. Jiama is also in a region that has experienced frequent and recent seismic activity in January 2025 which killed 126 and injured 188 others. Although no damage was reported at the mine, it is a reminder that CGG's operations are very risky. Jiama also appears to be struggling with gold production. A close look reveals that in Q1'26 ore processed and gold production declined -4% and -36%, respectively.

Perhaps the CSH mine is more problematic for investors. In May 2026, CGG reported a localized slope instability event due to heavy rainfall and "*complex geological conditions*". Mining activities have been temporarily suspended, and CGG has issued no announcement that operations have resumed. The mine is coming close to the end of its life and CGG has detailed plans to transition from open pit to underground mining which we believe is significantly riskier and may not be completed until 2029, at the earliest. While CSH's strip ratio is declining which suggests better ability to convert overburden to ore, its all-in sustaining cost (AISC) per ounce is +50% with production -10% in Q1'26. CGG does not exactly define how it calculates AISC whereas numerous public companies give explicit definitions which allow for comparability across the industry. We would expect sustaining costs (e.g. Maintenance Capex) to rise as CSH transitions to underground mining. Given CGG's recent operational issues, lack of recent exploration activities, and its end-of-life quickly approaching, we observe a +34% increase in the environmental rehabilitation liability in 2025 but with a -91% decline in actual cash expense incurred. We believe it is likely that these cash expenses will be incurred in the future and weigh on future profitability.

Our analysis indicates that CGG's total capital expenditures ("Capex"), or purchases for property, plant and equipment ("PP&E") have vastly trailed its depreciation of PP&E expense since 2019, with a cumulative capex/depreciation ratio of just 0.63x. The aging of PP&E and recent operational issues are poised to drive capex significantly higher in the next few years. We estimate that total Capex will be ~$600m through 2029E but this just relates to related party spending identified in the recent information circular. Actual Capex could be materially higher and is especially risky with a less certain payback for the CSH mine as it evolves from open-pit to underground mining.

CGG’s Share Price Has Approximately 50% – 75% Potential Downside Risk And Is Likely To Underperform Mining Peers

Inventory analysis and a withdrawn shareholder proposal suggests forthcoming cash flow issues:

CGG has among the highest days of inventory (DSI) in the global mining industry at 171 vs. the peer average 97. While the DSI has been improving since the 2023 tailings overflow, it remains elevated and suggests challenges in converting ore into finished products. We believe our additional analysis corroborates this view. We analyze the inventory reporting practices of major gold and metal mining producers to see what proportion of total inventory is reported as work in process and spare parts, consumables and supplies. We find that CGG is an outlier with the lowest percentage of mine supplies at 11% and highest percentage of concentrates and in process metals at 89%.

We have concerns with CGG’s ability to meet revenue expectations. Gold in inventory is either in process or doré bars. The value of gold doré bars has declined sharply since 2024 to zero at Q1’26. The gold in process is of questionable quality. We estimate the in process value per ounce relative to the spot price of gold is at an increasingly steep discount, now ~60%. Therefore, we question the likelihood it converts to gold bars. We also find it alarming that on June 30th, “*in response to developments subsequent to the Circular and feedback from Shareholders”* the vote on the 2nd Supplemental Financial Service Agreement and Revised 2026 Deposit Cap and 2026-2029 Deposit Cap was withdrawn. The agreement with China Gold Finance, a subsidiary of CNG, provides CGG with deposit, lending, settlement and other services including financial and financing advisory. One of the reasons to vote on the proposal for the revised caps was the expectation of higher cash levels from improvement of financial performance in the future. The vote removal calls into question hopes of improved performance.

We believe CGG’s valuation reflects overly optimistic assumptions and an unwarranted valuation premium. We see 50% – 75% potential downside and market underperformance risk:

Every analyst is bullish on CGG with no skeptics to say “Sell”. The growth story now hinges on CGG’s ability to restore production capacity at Jiama whose timeline keeps slipping, while transitioning CSH to underground mining when mining appears suspended. For 15 years, CGG has promoted international expansion upside with acquisitions, but none have occurred. As a result, investors need management to execute on operational initiatives that appear increasingly risky and costly. We believe CGG is valued at an undeserved premium to HK and global gold and metal producers which are in safer and non-Communist geographies and with better governance. CGG is valued at 5.1x and 4.1 2026E revenue and book value. By valuing shares at a discount to financial expectations and at a lower multiples, we see 50% – 75% downside risk potential.

Troubling Dependency With China National Gold And Related Party Dealings

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CNG Is A Controversial Company With A Former CEO And Chairman In Prison

Spruce Point Capital Management

China National Gold (CNG) and its involvement in CGG dates to 2008 when it purchased the stake of Ivanhoe Mines for C$217m. CNG, an effective China State-Owned Enterprise (SOE) currently owns 40% of CGG. The 2008 purchase resulted in Mr. Sun Zhaoxue, President of CNG, being appointed to CGG's Board. Mr. Sun and CNG's Hong Kong entity have both made global news. For example, Mr. Sun was sentenced to prison for graft and corruption. Recently, a Hong Kong court froze 34 million CGG shares owned by CNG related to a legal dispute with the court issuing harsh words about CNG.

Former President of CNG and CEO of CGG Sent To Prison

Mr. Sun Zhaoxue is the former President of China National Gold and CEO of CGG. Prior to joining China National Gold, Mr. Sun spent 23 years with the Aluminum Corporation of China Limited (Chinalco), as Vice President. On February 24, 2014, the Company announced the Chairman, Mr. Zhaoxue Sun's resignation from the Board of Directors following his appointment to another Chinese state-owned enterprise. On December 29, 2016, it was reported that a Chinese court had sentenced Mr. Sun to prison for 16 years for graft and corruption. The court found Mr. Sun "had amassed a fortune in property through corruption during his lengthy time in the Chinese resources and commodities industry" according to The Australian. Another media outlet, The Global Times, reportedly said Sun and his wife accepted 38.8 million yuan of illegal property from 2005 to 2014, and the pair could not explain holding another 9.7 million yuan in property holdings.

CNG Hong Kong Rebuked In A Court of Law

CNG (Hong Kong) is currently embroiled in a large multi-jurisdiction lawsuit with the Gerald Group which obtained an injunction to freeze US$125 million of its assets and restraining it from disposing of or dealing with 34m shares of CGG after court victories. According to Gerald Group, The Hong Kong injunction follows landmark judgments in July 2025 by the BVI Commercial Court, which found CNG Hong Kong, Soremi SA, and Mr. Cheng Shenghong (CEO of Soremi SA) in very serious contempt of court. The BVI Court described their conduct as *"a deliberate and calculated course of action"* that was an *"attempt to make a mockery of the processes of the Court"* and was *"deceitful and disgraceful."* CNG Hong Kong was fined a record US$2.5 million, the highest contempt fine in BVI history.

Another Former CGG CEO And Chairman Was Also Reprimanded And Expelled From The Party

Mr. Junhu Tong is CGG's former Director who became CEO and Chairman in October 2022. He led the Company through early August 2024 when it was reported that he resigned and the press release said, *"there are no matters relating to his resignation that need to be brought to the attention of the Company's shareholders, HKEx and applicable securities regulators"*. Details would later emerge that he was expelled from China's ruling party and reprimanded for bad behavior including abusing his power for personal gain.

Mr. Tong's Problems Reported In China

Tong Junhu, former Party Secretary and General Manager of China National Gold Group Hong Kong Limited, was expelled from the Party

Recently, the Discipline Inspection Commission of China Gold (7.260, 0.20, 2.83%) Group Co., Ltd. and the Jinhua Municipal Supervisory Commission of Zhejiang Province conducted disciplinary review and supervisory investigations into Tong Junhu, former Party Secretary and General Manager of China National Gold Group Hong Kong Co., Ltd., for suspected serious disciplinary and legal violations.

Investigation found that as a Party member and leading cadre, Tong Junhu lost his ideals and beliefs, betrayed his original mission, ignored the spirit of the Central Eight Provisions, illegally accepted gifts that could affect the impartial execution of official duties, and illegally accepted banquets from management and service recipients; violated organizational principles by abusing his authority to seek benefits for relatives during employee recruitment; The bottom line of integrity was breached, businesses were run in violation of regulations, and concurrent work was paid in violation of regulations; He abused his power for personal gain, and during the overseas merger and acquisition project of China National Gold Group, he used his position to seek benefits for others and illegally accepted huge amounts of property.

Tong Junhu seriously violated the Party's organizational discipline and integrity discipline, constituting serious violations of duty-related laws and suspected bribery. Moreover, he did not restrain himself or stop after the 18th National Congress of the Communist Party of China, with a serious nature and a bad impact, and should be dealt with strictly. According to the "Regulations on Disciplinary Actions of the Communist Party of China," the "Supervision Law of the People's Republic of China," and other relevant regulations, after research by the Party Committee of China Gold Group Co., Ltd., it was decided to expel Tong Junhu from the Party; Revoke their entitled benefits according to regulations; His disciplinary and illegal gains were confiscated; The Jinhua Municipal Supervisory Commission transferred the suspected criminal issues to the procuratorate for lawful review and prosecution, and the involved property was also transferred.

Source: Sina.com, Nov 25, 2025, English translation, Mr Tong's CEO appointment (Oct 2022) and resignation (Aug 2024)

CGG Has Increasing Dependency On One Customer: China National Gold

Most businesses look to diversify risk by broadening customer relationships. On the other hand, we see that CNG has essentially become CGG's only customer. CGG sells pure commodities that trade at transparent prices so it should be indifferent to whom it sells its gold, silver, copper and by-products. However, CNG has low counterparty risk given that it is an SOE and it also provides other services to CGG. The other possibility is that non-CNG buyers are hesitant, or growing more cautious, in purchasing from CGG for whatever reason.

CNG Related Party Revenue

FYE	2019	2020	2021	2022	2023	2024	2025	Q1'26
CGG Total Revenue	$658	$864	$1,137	$1,105	$459	$757	$1,310	$453
Revenue From CNG:								
Gold Doré Bars	$205	$260	$266	$268	$253	$247	$338	$127
Copper and other By-Products	$80	$167	$568	$794	$191	$505	$965	$325
Total Revenue From CNG	**$285**	**$427**	**$835**	**$1,062**	**$443**	**$752**	**$1,303**	**$452**
% of CGG Total Revenue	**43.3%**	**49.4%**	**73.4%**	**96.1%**	**96.5%**	**99.4%**	**99.5%**	**99.6%**

Increasing Dependency On CNG

Source: CGG financial statements and Spruce Point analysis.

Spruce Point Capital Management

Analysis of Recent Related Party Reporting Doesn't Appear To Reconcile

The fast growth of related party dealings between CGG and CNG in the construction, stripping, and mining service category caught our attention. The amounts recently disclosed in the Annual Report (US$, March '26) and Information Circular (¥RMB, June '26) are listed below. When we calculate the implied FX rate for conversion, we find that the mining products and services figure for 2025 is significantly off-market which suggests a reporting discrepancy.

CNG Related Party Analysis			
FYE, US$ except RMB millions from Info Circular Letter	**2023**	**2024**	**2025**
Sales To CNG (Disclosed, Annual Report):			
Gold Doré Bars	$253	$247	$338
Copper and other By-Products	$191	$505	$965
Total Sales To CNG	**$443**	**$752**	**$1,303**
Payments To CNG (Disclosed, Annual Report):			
Construction, Stripping & Mining Services *% growth*	$62.9 *411%*	$91.3 *45%*	$139.1 *52%*
Actual Approx. RMB mm (Disclosed, Info Circular):			
Gold Doré Sales *Implied FX rate:*	--	¥1,765 *7.15*	¥2,418 *7.14*
Mining Related Products and Services(1) *Implied FX rate:*	--	¥658 *7.21*	¥1,606 ***11.54***
Copper Concentrates *Implied FX rate:*	--	¥3,597 *7.12*	¥7,631 *7.91*

Large growth rate caught our attention

Implied FX Rate Indicates A Potential Reporting Discrepancy

1) *Mining Related products and services are generally defined as "mining surveying, exploration, design, construction and development related products and services".*

Source: CGG Annual Reports and Information Circular, Spruce Point analysis.

Related Party Details Used In Our Analysis

Below are the sources for the analysis used to evaluate the related party transactions with CNG.

2025 Annual Report (March 2026)

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, 2025 US$'000	December 31, 2024 US$'000
Gold doré bars sales by the Group (Note a)	338,473	246,946
Copper and other by-product sales by the Group (Note b)	964,772	505,068
Other income	–	710
Provision of transportation services by the Group (Note b)	2,304	1,161
Construction, stripping and mining services provided to the Group (Note b)	139,139	91,281

Annual Meeting Information Circular (June 2026)

Set out below are (i) the basis adopted by the Group to determine the 2027-2029 P&S Annual Caps; and (ii) the corresponding historical transaction amount during the term of the Fourth Supplemental Products and Services Framework Agreement according to the Board Letter:

	2024 *Actual Approx. RMB million*	2025 *Actual Approx. RMB million*	2027 *Estimated RMB million*	2028 *Estimated RMB million*	2029 *Estimated RMB million*
Mining Related Products and Services	658	1,606	2,500	1,700	1,500
Copper concentrates	3,597	7,631	7,300	7,300	7,300
Leasing Services	4	9	0	0	0
Subtotal	4,259	9,246	9,800	9,000	8,800
Buffer	–	–	3,200	4,000	4,200
			(~33%)	(~44%)	(~48%)
			13,000	13,000	13,000

(ii) The 2027-2029 Gold Doré Annual Caps

Set out below are (i) the existing annual caps for the two years ending 31 December 2025 under the Fourth Supplemental Contract for Purchase and Sale of Doré; (ii) the actual transaction amount under the Fourth Supplemental Contract for Purchase and Sale of Doré for the two years ended 31 December 2025; and (iii) the 2027-2029 Gold Doré Annual Caps:

	2024	2025	2027	2028	2029
Existing annual caps *(RMB' Million)*	2,800	2,800	–	–	–
Actual transaction amounts *(Approx. RMB' Million)*	1,765	2,418	–	–	–
Utilisation Rate *(%)*	63%	86%	–	–	–
2027-2029 Gold Doré Annual Caps *(RMB' Million)*	–	–	3,500	3,500	3,500

Source: CGG financial statements and Information Circular, Spruce color emphasis.

Management Compensation Is Perplexing…

Spruce Point has evaluated many companies where insiders extract unjust enrichment for poor performance. CGG's management is the complete opposite. They are paid practically nothing and have no equity at stake. The CEO has no salary and the highest paid executive is the CEO Representative of Global Affairs responsible for secretarial matters and managing compliance. The CEO is connected to the largest shareholder. The CFO receives a modest salary of ~US$90,000 which is less than CGG used to pay its finance executives back in 2009 when they received ~US$135,000. This makes the current CFO's salary seem substantially off-market. We can't find a LinkedIn profile for the CFO and it is not clear where she is located.

CGG Management Compensation: 2023-2025

Name and Principal Position	Year	Salary (US$)[1]	Share based awards (US$)	Option based awards (US$)	Non equity incentive plan compensation: Annual incentive plans (US$)	Non equity incentive plan compensation: Long-term incentive plans (US$)	Pension Value (US$)	All Other Compensation (US$)	Total Compensation (US$)
Chenguang Hou[2]									
Chief Executive Officer	2025	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jerry Xie									
CEO Representative of Global Affairs	2025	$150,240	Nil	Nil	Nil	Nil	$3,169	$1,079	$154,489
	2024	$153,308	Nil	Nil	Nil	Nil	$2,961	$1,072	$157,341
	2023	$155,594	Nil	Nil	Nil	Nil	$2,782	$3,292	$161,668
Zheng Wang[3]									
Chief Financial Officer	2025	$89,950	Nil	Nil	Nil	Nil	$9,555	$17,302	$116,807
	2024	$83,414	Nil	Nil	Nil	Nil	$9,325	$16,501	$109,240
	2023	$72,445	Nil	Nil	Nil	Nil	$2,850	$20,633	$95,928

Connected to the controlling shareholder China National Gold Group.

Finance Compensation, 2008 - 2009

Name and Principal Position	Year	Salary (U.S.$)[1]	Share-based awards (U.S.$)	Option-based awards (U.S.$)
Rick Low[5] former Vice President, Finance	2009	$137,029	nil	nil
	2008	$106,158	nil	nil
William Lee[6] former Chief Financial Officer	2009	$135,363	nil	$92,873
	2008	$153,131	nil	nil

Sources: CGG Information Circular. Red emphasis Spruce Point.

Minority Shareholders Always Win Regardless…

Beyond dealings with CNG, we also are concerned by deals with minority owners receiving non-controlling interests. Even in years where CGG loses money, the minority owners being reported as non-controlling interests make money. The only two subsidiaries not completely owned by CGG are IMP (96.5%), tied to the CGH mine, and Jiama Industry and Trade (51%, mining logistics and transport). While it's entirely possible that one of these subsidiaries are making money while the rest of the business losses money, it seems like a misalignment.

	NOTE	2024 US$'000	2023 US$'000
Profit (loss) for the year attributable to:			
Non-controlling interests		2,566	2,531
Owners of the Company		62,732	(25,500)
		65,298	(22,969)

	NOTES	2020 US$'000	2019 US$'000
Profit (loss) for the year attributable to:			
Non-controlling interests		1,976	686
Owners of the Company		111,962	(32,837)
		113,938	(32,151)

Source: CGG financial statements. Red emphasis Spruce Point.

We Express Grave Concerns About Multiple Parties Associated With CGG Including Its Founder, Financial Advisors, Auditors, Audit Committee Directors, And Geology Consultants

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Spruce Point Capital Management

CGG's Founder Is Controversial And It Has Gone Through Three Name Changes

CGG's history dates to 2000 when it was founded by Dr. Rui Feng, a controversial figure in the Canada / China mining sector. Originally started as Pacific Minerals Inc. (TSX-V: PMZ) in 2000 and listed in 2001, later changing its name to Jinshan Gold Mines Inc. (TSX-V: JIN), and finally to China Gold International Resources Corp as of 2010.

- Dr. Rui Feng appears as a Director and largest option holder in the 2002 Annual Report when the Company was called Pacific Minerals Inc. Mr. Ludgero (Lou) Duarte appeared as a Director in 2003. Dr. Feng takes credit for the CSH mine discovery and sale to CGG.
- Dr. Rui Feng is Chairman/CEO of Silvercorp Metals Inc. (TSX / NYSEAmex: SVM) a controversial company formerly targeted by a short seller entitled, *"Questionable Customers, Geologists, Production, Quality and Serious Related Party Failures"* that alleged resource and production reporting manipulation and related party dealings at an abnormally high return on investment (ROI).
- Years later, according to the Globe & Mail, it was reported that Silvercorp was investigated by the BSCC though not charged or found to have acted improperly. The commission's chief mining adviser, Robert Holland, sent to Rui Feng in November, 2011 an eight-page letter with a litany of complaints about Silvercorp's technical reports.
    - *Holland wrote that the reports used resource estimation methods that were inconsistent with best practices, and contained "errors that could individually or collectively result in material overestimation of mineral resources."*
    - *Holland pointed to one technical report that, he said, relied "unduly" on information from the company's chief operating officer and president, and had "uncorrected errors in mineral resource tables." He added that there were large unexplained differences in the report between two measures of a mine: resources and reserves. In summary, he wrote: "We consider the Company to be in material default of its technical disclosure and filing requirements." He threatened to put Silvercorp on the BCSC's default list—exposed publicly as a company that was in violation of the BCSC's rules.*
    - *It's not clear how Silvercorp responded to this and other letters from the BCSC. But it appears the commission's investigation into the company was eventually dropped—the BCSC itself won't say—after Silvercorp decided to hire a bigger mining engineering firm to produce its technical reports.*
- Mr. Feng and Mr. Duarte are also associated with New Pacific Metals Corp (TSX / NYSEAmex: NUAG/NEWP), which was targeted by Hindenburg Research which alleged it was a stock promotion and that the Company's deals seem to violate laws in Bolivia. Silvercorp owns ~28% of NUAG.
- The company did not formally respond but on April 27, 2020 just seven days later, Dr. Feng stepped down as CEO. It's also noteworthy that Lou Duarte, one of CGG's first Directors, later joined Dr. Feng at New Pacific Metals as an early Director in 2006, and became President and CEO. He resigned in 2010. Despite multiple capital rases and years of exploration and development, New Pacific Metals has never generated revenue.

CGG's Past Independent Financial Advisor Concerns Us

TC Capital has acted as an independent financial advisor to CGG since 2012 in relation to various dealings with China National Gold. Recently, the SFC reprimanded TC Capital for failing to *"conduct reasonable due diligence on third party payments made on behalf of two top customers of China Candy"* and suspended the license of Edward Wu Wen Guang. An Edward Wu was responsible for signing multiple letters on behalf of TC Capital to CGG shareholders from 2012 – 2020.

CGG Has Been Associated With A Controversial Financial Advisor

TC Capital As Independent Financial Advisor

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)

REVISIONS TO EXISTING CONTINUING CONNECTED TRANSACTIONS AND MAJOR AND DISCLOSEABLE TRANSACTIONS
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
NOTICE AND INFORMATION CIRCULAR RELATING TO THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS
TO BE HELD IN VANCOUVER, BRITISH COLUMBIA, CANADA
ON JUNE 28, 2017 VANCOUVER TIME (JUNE 29, 2017 HONG KONG TIME)

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

TC CAPITAL

May 31, 2017

Yours faithfully
For and on behalf of
TC Capital International Limited

Edward Wu
Chairman

Stanley Chung
Managing Director

Note: Mr. Edward Wu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2005. Mr. Stanley Chung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2006. Both Mr. Wu and Mr. Chung have participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

SFC Reprimand TC Capital & Mr. Wu

SFC reprimands and fines TC Capital International Limited $3 million and suspends its responsible officer for sponsor failures

1 Aug 2022

The Securities and Futures Commission (SFC) has reprimanded and fined TC Capital International Limited (TC Capital) $3 million for failing to discharge its duties as the sponsor in the listing application of China Candy Holdings Limited (China Candy) (Notes 1 to 3).

The disciplinary action followed the SFC's investigation which found that TC Capital failed to:

- conduct reasonable due diligence on the third party payments made on behalf of two top customers of China Candy; and
- maintain proper records of the due diligence work allegedly done in relation to the listing application.

The SFC has also suspended the licence of Mr Edward Wu Wen Guang for seven months from 29 July 2022 to 28 February 2023 for failing to discharge his duties as a responsible officer and sponsor principal of TC Capital in charge of China Candy's listing application and the supervision of the transaction team responsible for the listing application (Note 4).

Failure to conduct reasonable due diligence on third party payments

The SFC's investigation revealed that a significant portion of China Candy's revenue during the track record period was contributed by two top customers who settled most of their payments to China Candy through multiple third parties, which should have been considered as a red flag as they might be used to disguise the original source of funds and facilitate a fraudulent scheme (Note 5).

Red emphasis Spruce Point.

CGG's New Independent Financial Advisor Is Closely Associated With An Implicated Fraudster In China

CGG's latest financial advisor reviewing transactions with its largest shareholder is Rainbow Capital (HK) Limited. It filed an F-1 to IPO in the U.S. which shows it had just US$0.5m of *"independent financial advisory services"* revenue in 2024. On March 5, 2026 Alpha Technology Group Ltd (Nasdaq: ATGL) announced a non-binding LOI to acquire Rainbow for US$68.9m. ATGL's CFO is Mr. Choi Tan Yee who is also the CEO and Co-Chairman of Rainbow. We find it extremely alarming that ATGL's largest shareholder is Ms. Ma Xiaoqiu who has reportedly been charged with fraud by the Shenzhen People's Procuratorate linked to Dingyifeng Asset Management Co., Ltd. The charges include fundraising fraud, illegal public deposit absorption, and money laundering. The HKEX and SFC also collaborated in an enforcement action against Ms. Ma in August 2025 for her directorship at TOMO Holdings Limited (HK: 6928).

CGG's New Advisor Rainbow Capital (HK) Limited…

THIS INFORMATION CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this Information Circular, or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares of **CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**, you should at once hand this Information Circular and the accompanying Form of Proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**NOTICE AND INFORMATION CIRCULAR
RELATING TO THE ANNUAL AND SPECIAL MEETING OF
THE SHAREHOLDERS TO BE HELD IN VANCOUVER,
BRITISH COLUMBIA, CANADA
ON JUNE 29, 2026 VANCOUVER TIME
(WHICH CORRESPONDS TO JUNE 30, 2026 IN HONG KONG)**

THE INDEPENDENT SHAREHOLDERS

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
潔博資本有限公司

June 5, 2026

Filings of Alpha Technology Group Limited (Nasdaq: ATGL) Which Acquired Rainbow Capital Are Tied To Ms. Ma Xiaoqiu

Mr. Choi is CEO/Co-Chair of the Board of Rainbow Capital and CFO of Alpha Tech. Group

	Class A Ordinary Shares Number	Class B Ordinary Shares Number	Percentage of Beneficial Ownership %[4]	Percentage of Aggregate Voting Power %
Directors and Executive Officers:				
Mr. Tsang Chun Ho, Anthony	397,500	1,200,000	9.70	62.14
Mr. Choi Tan Yee	—	—	—	—
Mr. Leung Tsz Him	—	—	—	—
Mr. Tam Shung Lai, Nelson	—	—	—	—
Mr. Li John	—	—	—	—
Ms. Tang Chui Kuen	—	—	—	—
Mr. Cheng Wai Hei	—	—	—	—
Ms. Su Jiang Qiong Elly	—	—	—	—
All directors and executive officers as a group (seven individuals):	397,500	1,200,000	9.70	62.14
5% or Greater Shareholders:				
Wittelsbach Group Holdings Limited[1]	6,757,500	—	41.05	17.21
Hanoverian International Group Limited[2]	2,915,000	—	17.71	7.42
Zihua Shengshi Holding Group Limited[3]	[illegible]	[illegible]	[illegible]	6.41

Ms. Ma charged with fraud and SFC/HKEK Enforcement Actions

Note:

(1) Represents 6,757,500 Class A Ordinary Shares held by Wittelsbach Group Holdings Limited, a company limited by shares established in the British Virgin Islands. Wittelsbach Group Holdings Limited is wholly owned by Ms. Ma Xiaoqiu. The registered address of Wittelsbach Group Holdings Limited is CCS Trustees Limited, Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands.

(2) Represents 2,915,000 Class A Ordinary Shares held by Hanoverian International Group Limited, a company limited by shares established in the British Virgin Islands. Hanoverian International Group Limited is wholly owned by Ms. Ma Xiaoqiu. The registered address of Hanoverian International Group Limited is CCS Trustees Limited, Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands.

Sources: CGG Info Circular, ATGL 20-F, Rainbow F-1, HKEK enforcement, ATGL to Acquire Rainbow, Ms. Ma Xiaoqiu fraud disclosure and link to Shenzhen Gov't inspection. Note: Spruce Point red emphasis. There are no allegations of bad faith against Rainbow Capital or Mr. Choi.

CGG's Financial Advisor Is Closely Associated With An Implicated Fraudster In China… (Cont'd)

In fact, Mr. Choi, the CEO and Co-Chairman of the Board of CGG's financial advisor Rainbow Capital (HK) Limited (and CFO of ATGL) has had multiple dealings with entities associated with Ms. Ma Xiaoqiu including TOMO Holdings where regulators enforced action against her, and at Carry Wealth Holdings Ltd. (HK: 643) Mr. Tsang Chun Ho Anthony is executive director and president of ATGL and is also associated with Ms. Ma.

Rainbow Capital Related Parties Linked To Ms. Ma Xiaoqiu

Material Transactions with Related Parties

The relationship and the nature of related party transactions are summarized as follows:

Name of the related party	Nature of relationship
Tomo Holdings Limited (stock code: 6928.HK) ("**TOMO**")	Mr. Choi, an executive director, the chief executive officer and a controlling shareholder of the Company, is a director of TOMO.
Carry Wealth Holdings Limited (stock code: 643.HK) ("**Carry Wealth**")	Mr. Choi, an executive director, the chief executive officer and a controlling shareholder of the Company, is a director of Carry Wealth.
Alpha Technology Group Limited (stock code: ATGL.NASDAQ) ("**Alpha Technology**")	Mr. Choi, an executive director and a controlling shareholder of the Company, is a director and the chief financial officer of Alpha Technology.

Transactions with Related Parties

Name of related parties	Nature	For the year ended September 30, 2023 HK$	2024 HK$	2024 US$
TOMO	Provision of financial advisory services by Rainbow Capital	290,000	890,000	114,553
Carry Wealth	Provision of financial advisory services by Rainbow Capital	180,000	-	-
Alpha Technology	Provision of financial advisory services by Rainbow Capital	2,000,000	300,000	38,614

Carry Wealth and TOMO Holdings

CARRY WEALTH HOLDINGS LIMITED
恒富控股有限公司
(Incorporated in Bermuda with limited liability)
Website: http://www.carrywealth.com
(Stock Code: 643)

LIST OF THE BOARD OF DIRECTORS AND THEIR ROLES AND FUNCTIONS

With effect from 8 February 2024, the members of the Board and the membership of the four Board committees of the Company will be as follows:

Executive Directors
Ms. Ma Xiaoqiu *(Chairlady)*
Mr. Tsang Chun Ho Anthony
Mr. Choi Tan Yee
Mr. Jiang Jinbo
Ms. Chen Jun

TOMO HOLDINGS LIMITED
萬馬控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6928)

LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION

The board of directors (the "**Board**") of TOMO Holdings Limited comprises nine directors as follows:

Executive Directors
Ms. Ma Xiaoqiu *(Chairlady)*
Mr. Tsang Chun Ho Anthony

Non-executive Directors
Ms. Liu Xinyi
Ms. Chen Jun
Mr. Choi Tan Yee
Ms. Lyu Qiujia

Spruce Point Capital Management

CGG's Audit Engagement Partners Concerns Us

Deloitte resigned as auditor of the Company on its own initiative effective as of the Company's Annual General Meeting of shareholders on June 26, 2025. Deloitte had served as auditor since April 1, 2010. After the year ended December 31, 2025, Lixin & Ethos CPA LLP was appointed as auditor of the Company for Canadian reporting purposes. BDO Limited was also appointed and continues to act as auditor of the Company for purposes of its HKSE reporting obligations. **We identify major concerns with CGG's engagement partners at both firms.**

CGG's Recent Audit Engagement Partners Concern Us

BDO Limited (Hong Kong)

Mr. Amos Pak Tak Lun

February 2026: The Accounting and Financial Reporting Council (AFRC) took disciplinary action against Mr. Pak Tak Lun Amos on August 21, 2025. The AFRC issued a public reprimand to BDO (including Mr. Pak) and imposed fines related to multiple breaches of auditing standards in relation to the audit of Vestate Group Holdings Limited (in Liquidation). Mr. Pak was required to undertake additional Continuing Professional Development hours. Recent BDO Limited PCAOB Inspection Report from December 22, 2025 showed 100% of the audits reviewed had Part I.A deficiencies.

CGG 2025 Annual Report

BDO Limited

Certified Public Accountants

PAK, Tak Lun, Amos

Practising Certificate no. P06170

Hong Kong,

March 30, 2026

Lixin & Ethos CPAs LLP (Canada)

Eason Cong Chen

Not listed as an auditor at Lixin & Ethos in the official CPA British Columbia directory, but rather is associated with CEC Accounting Advisory Corp. His LinkedIn also does not reference Lixin & Ethos but he appears on Lixin's website.

A May 2, 2025 Biography announcement of his appointment of Director at Eastplats says he is *"currently partner at a U.S. CPA firm"* but CEC Accounting Advisory Corp is based in British Columbia and not registered with the PCAOB in the U.S. Also, Lixin's U.S. PCAOB application on August 12, 2025 does not list him as a partner or name him as an associated accountant, but that could have changed subsequent to the application filing or could not be a requirement or an oversight. The only PCAOB entry for Eason Chen is linked to ZH CPA, LLC

Mr. Chen currently serves as interim CFO at World Blockchain Group (TSX-V: WBG) a penny stock and has been involved with a defunct Cannabis company called Discover Wellness Solutions. CGG is by far Lixin's largest public company client with others being nanocap Canadian venture firms including Minco Silver (MSV), Quarterback Resources (QB), Fairchild Gold (FAIR), KMT Hansa (KMC/H)

CGG's Audit Chairman Has Been Associated With Scandalous Companies

SouthGobi Resources Ltd was once a promising investment opportunity in Mongolia for its access to the coal resources and expanding production potential at the Ovoot Tolgoi Mine. Like CGG, its earliest investor was Ivanhoe Mines. The Company came public in a hotly promoted IPO with a dual-listing in Canada and Hong Kong. Its life as a public company has been riddled in scandal and controversy, including the arrest of its CEO in China, guilty verdict of three employees on tax evasion, and findings of fraudulent transactions. CGG's Director Ian He became a Director at SouthGobi before many serious events occurred with management. He is also associated with Vatukoula Gold in Fiji which was publicly listed on London's AIM and recently alleged to have engaged in smuggling of gold to China.

Director Yingbin Ian He Is The Only Member of The Board Owning Stock In CGG

Yingbin Ian He
Vancouver, Canada
Age: 64

Non-Executive Independent Director Since: May 2000

Areas of Experience:

- Managing/Leading Growth International
- CEO/Senior Officer in operation and development
- Governance/Board
- Industry experience in gold, base metal and coal mining
- Compensation
- Financial Acumen Diversity
- Marketing
- Environmental/Safety/ Corporate Responsibility
- Technical Mineral Processing/ Metallurgy

Mr. He, age 64, has served as an Independent Non-Executive Director of the Company since May 200 … Independ … experien … board an … Gold Mi … Engineering from the University of British Columbia and a Bachelor of Engineering degree from Heilongjiang Institute of Mining and Technology. He is a member of the Canadian Institute of Mining, Metallurgy and Petroleum.

Recent Allegations Over Export Scam And Unauthorized Gold Exports To China (1)

Principal Occupation, Business or Employment[1]

Director and Chairman of Vatukoula Gold Mines Limited

Director Status: Independent and Non-Executive[2] **Board/Committee Membership:**	**2025 Attendance:**		**Other Public Company Board Membership:** Company:	Since
Board of Directors	4 of 4	100%	South Gobi Resources Ltd. (TSX and HKEX)	2017
Audit (Chair)	4 of 4	100%		2006
Compensation & Benefits	1 of 1	100%	Tri-River Ventures Inc. (TSX-V)	
Nominating & Corporate Governance	2 of 2	100%		
Health, Safety & Environment	4 of 4	100%	PT. BUMI Resources TBK (IDK)	2019

Shares Beneficially Owned, Controlled or Directed:	50,000
Options Beneficially Owned, Controlled or Directed:	Nil

Only Director Owning CGG Stock

SouthGobi Resources (TSX-V: SGQ / HK 1878)

1) *"Lands Ministry hits out at Chaudhry's claims"*, Fiji Times, Feb 2025. Sources: Info Circular and Bloomberg. Red emphasis Spruce Point.

CGG's Audit Committee Director Modified Her Degree Claims

Ms. Ruixia Han joined CGG's Board in 2019 at the relatively young age of 35. Interestingly, we find that Ms. Han's biography has a discrepancy which includes a version where she claims to have a double bachelor degree in Journalism.

Ms. Han's Biography In CGG Information Circular Says She Has One Degree In Economics (Finance)

Ruixia Han Hong Kong, PRC Age: 42 **Non-Executive Independent Director Since:** June 2019 **Areas of Experience:** • Accounting Managing • Leading Growth Financial Acumen	Ms. Han, age 42, has served as an Independent Non-Executive Director of the Company and Chair of the Compensation and Benefit Committee since June 2019. She serves as an independent non-executive director of Jinchuan Group International Resource Co. Ltd. (HKEx stock code: 2362) and Inner Mongolia Xingye Silver& Tin Mining Co., Ltd (SZSE Stock for short: Xingye Silver& Tin; SZSE stock Code: 000426). She had served as a Partner in the Private Equity Investment Department of Harvest Global Capital Investments Limited, a position she has held since April 2024. Ms. Han also served as Deputy Chief Executive Officer and Executive Director of Mason Group Holdings Limited until its privatization in November 2023. Ms. Han holds a PhD in Economics (Finance), a master's degree in Applied Economics (Venture Capital) and a bachelor's degree in Economics (Finance) from Renmin University of China.
	Principal Occupation, Business or Employment(1)
	Partner, Private Equity Investment Department, Harvest Global Capital Investments Limited (April 2024 to April 2026)

Director Status: Independent and Non-Executive(2) Board/Committee Membership:	2025 Attendance:		Other Public Company Board Membership: Company:	Since
Board of Directors	4 of 4	100%	Jinchuan Group International Resource Co. Ltd	Jul. 2022
Audit	4 of 4	100%		
Compensation & Benefits	1 of 1	100%	Inner Mongolia Xingye Silver& Tin Mining Co., Ltd.	Mar. 2026
Nominating & Corporate Governance	2 of 2	100%		
Health, Safety & Environment	4 of 4	100%		

Shares Beneficially Owned, Controlled or Directed:	Nil
Options Beneficially Owned, Controlled or Directed:	Nil

Ms. Han's Biography In CGG's Annual Information Form Reports a Dual Degree In Journalism

2. *Composition of the Audit Committee*

China Gold International's Committee consists of Yingbin Ian He, Wei Shao, Bielin Shi and Ruixia Han. Yingbin Ian He is the Chairman of the Committee. The Board of Directors has determined that all members of the Audit Committee are "independent" and all members are "financially literate" as defined in NI 52-110.

3. *Relevant Education and Experience*

Yingbin Ian He holds a Masters' Degree in Applied Science and a PhD in Metallurgy. Wei Shao holds an LLB from the University of Toronto, BA from Xian Foreign Languages Institute and U.N Accreditation of Simultaneous Interpretation from the Beijing University of Foreign Studies. Bielin Shi has a Post-Doctoral Research Fellow in Geostatistics from Edith Cowan University, Western Australia; PhD in Geology from The University of Melbourne, Australia; and MSc in Geology from Guizhou University of Technology, China. Ruixia Han obtained her PhD degree in Economics (Finance), Master degree in Economics (Venture Capital) and Bachelor degree of Economics (Finance) and has a double bachelor degree of Journalism from Renmin University of China. Each of the members of the Audit Committee has had several years of experience as a senior executive. In the course of their duties, each of the members of the Committee has gained expertise in analyzing and reviewing financial statements, understanding the basis upon which accounting principles are applied, the process of preparing financial statements and the nature of internal controls and procedures.

Ms. Han's Biography on Jinchuan Group Website + Regulatory Filings Do Not Report A Journalism Degree

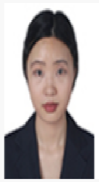
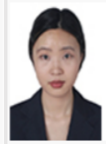
Han Ruixia
Independent Non-Executive Director

Ms. Han Ruixia, was appointed as an independent non-executive director of the Company since July 2022, obtained her PhD in Economics (Finance), master degree in Applied Economics (Venture Capital) and bachelor degree of Economics (Finance) from Renmin University of China. She is an independent non-executive director of China Gold International Resources Corp. Ltd. (HKEx Stock Code: 2099; Toronto Stock Exchange Stock Code: CGG) since 25 June 2019 and an independent non-executive director of Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. (Shenzhen Stock Exchange Stock Code: 426) since March 2026. She was a partner of the PE Investment Department at Harvest Global Capital Investments Limited from April 2024 to April 2026. She was appointed as the executive director and deputy chief executive officer of Mason Group Holdings Limited (Stock Code: 0273) on 16 April 2020, until the privatisation of the said company completed on 13 November 2023. Prior to joining Mason Group Holdings Limited in late 2019, Ms. Han was head of operations and risk of MEC Advisory Limited, which was the sole investment advisor to Can-China Global Resource Fund. Ms. Han' s role in MEC Advisory Limited included investment, accounting, finance treasury and investor relationships related matters. Prior to joining MEC Advisory Limited in early 2014, Ms. Han was an investment manager at The Export-Import Bank of China responsible for sourcing, evaluating and negotiating investment opportunities in the banking and direct investment industry.

Source: Info Circular and 2025 AIF. Red emphasis Spruce Point.

Ms. Han's Journalism Degree Claim Was Scrubbed From CGG's Website

Ms. Ruixia Han biography on CGG's website was notably updated to remove the claim of the double bachelor degree in Journalism which was also noted in the first press release announcing her appointment. This is a concerning revision for someone sitting on the Audit Committee tasked with verifying the accuracy of CGG's business and financial statements for the benefit of investors.

Ms. Han's Biography On CGG's Website: 2020 - 2023	Ms. Han's Biography On CGG's Website: Current
 RUIXIA HAN INDEPENDENT NON-EXECUTIVE DIRECTOR Ms. Han is currently Head of Operations and Risk of MEC Advisory Limited, which is the sole Investment Advisor to Can-China Global Resource Fund. Mrs. Han's role covers investment, accounting, finance treasury and investor relationships related matters. Prior to joining MEC Advisory Limited in 2014, Ms. Han was an Investment Manager at The Export-Import Bank of China (China EXIM Bank) responsible for sourcing, evaluating and negotiating investment opportunities in the banking and direct investment industry. Ms. Han obtained her PhD degree in Economics (Finance), Master degree in Economics (Venture Capital) and Bachelor degree of Economics (Finance) and has a double bachelor degree of Journalism from Renmin University of China.	 RUIXIA HAN INDEPENDENT NON-EXECUTIVE DIRECTOR Ms. Han, age 41, has been elected as an Independent Non-Executive Director and Chairwoman of the Compensation and Benefits Committee since June 2019. She is currently a Partner of the PE Investment Department at Harvest Global Capital Investments Limited since April 2024 and an independent Non-Executive Director of Jinchuan Group International Resource Co. Ltd (HKEX Stock Code: 2362) since July 2022. Before joining Harvest Global Capital Investments Limited, Ms. Han was Deputy CEO and Executive Director of Mason Group Holdings Limited (HKEX Stock Code: 0273) until the privatization of the said Company was completed on 13 November 2023. Previously, from early 2014 to late 2019, Ms. Han was Head of Operations and Risk of MEC Advisory Limited, the sole Investment Advisor to the Can-China Global Resource Fund. Prior to MEC, Ms. Han was an Investment Manager at The Export-Import Bank of China. Ms. Han obtained her Ph.D. degree in Economics (Finance), Master's degree in Applied Economics (Venture Capital), and Bachelor's degree in Economics (Finance) from Renmin University of China.

Source: CGG website and Wayback Machine, press release announcement. Red emphasis Spruce Point.

Ms. Han Also Serves On A Company Going Through A Major Fraud Scandal

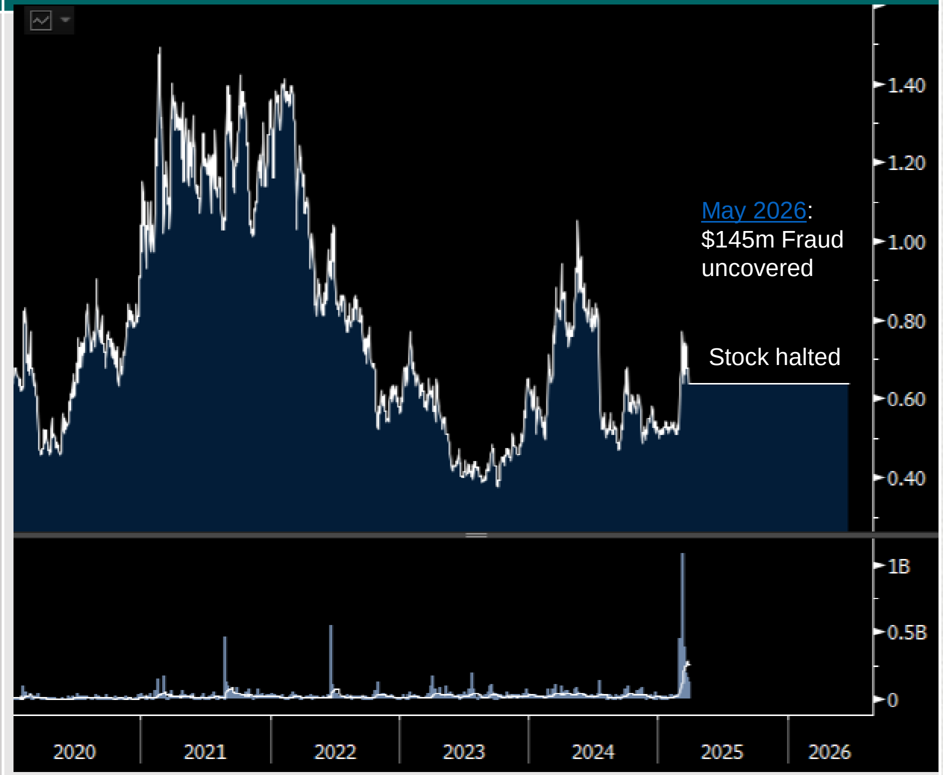
She is also on the Board of Jinchuan Group International Resources Ltd (HK: 2362) which is also in the mining business. She currently serves on the Audit Committee. Jinchuan recently disclosed that $145 million was siphoned from its copper and cobalt operations in the Democratic Republic of Congo through fake procurement deals, cash payments and fabricated invoices.

Ruixia Han Is A Director On The Audit Committee At Jinchuan Group

Ruixia Han Hong Kong, PRC Age: 42 **Non-Executive Independent Director Since:** June 2019 **Areas of Experience:** • Accounting Managing • Leading Growth Financial Acumen	Ms. Han, age 42, has served as an Independent Non-Executive Director of the Company and Chair of the Compensation and Benefit Committee since June 2019. She serves as an independent non-executive director of Jinchuan Group International Resource Co. Ltd. (HKEx stock code: 2362) and Inner Mongolia Xingye Silver& Tin Mining Co., Ltd (SZSE Stock for short: Xingye Silver& Tin; SZSE stock Code: 000426). She had served as a Partner in the Private Equity Investment Department of Harvest Global Capital Investments Limited, a position she has held since April 2024. Ms. Han also served as Deputy Chief Executive Officer and Executive Director of Mason Group Holdings Limited until its privatization in November 2023. Ms. Han holds a PhD in Economics (Finance), a master's degree in Applied Economics (Venture Capital) and a bachelor's degree in Economics (Finance) from Renmin University of China.
	Principal Occupation, Business or Employment[1]
	Partner, Private Equity Investment Department, Harvest Global Capital Investments Limited (April 2024 to April 2026)

Director Status: Independent and Non-Executive[2] **Board/Committee Membership:**	**2025 Attendance:**		**Other Public Company Board Membership:** Company:	Since
Board of Directors	4 of 4	100%	Jinchuan Group International Resource Co. Ltd	Jul. 2022
Audit	4 of 4	100%		
Compensation & Benefits	1 of 1	100%		
Nominating & Corporate Governance	2 of 2	100%	Inner Mongolia Xingye Silver& Tin Mining Co., Ltd.	Mar. 2026
Health, Safety & Environment	4 of 4	100%		
Shares Beneficially Owned, Controlled or Directed:		Nil		
Options Beneficially Owned, Controlled or Directed:		Nil		

Jinchuan Group (HK: 2362)



Source: Info Circular and Bloomberg. Red emphasis Spruce Point.

Spruce Point Capital Management

Audit Committee Director Shao Has An Undisclosed Director Role At A Controversial Company

CGG's recent Information Circular fails to disclose that Director Wei Shao was recently appointed to the Board of SuperX AI Technology Ltd. (Nasdaq: SUPX). A scathing report released by J Capital Research prior to his appointment alleges it, "*smells like a stock pump*", "*SUPX pretended to have pivoted to "AI." But there is no evidence that SUPX actually is building AI infrastructure or has the expertise or assets to do so*," and that "*Dying Chinese property developers are behind SUPX. They include a convicted felon who served five years for molesting children*."

Wei Shao Biography Published June 5, 2026

INFORMATION CIRCULAR

Wei Shao Vancouver, Canada Age: 71 **Non-Executive Independent Director Since:** June 2019 **Areas of Experience:** • Law • Mergers and acquisition Governance/Board Managing/ Leading Growth International	Mr. Shao, age 71, has served as an Independent Non-Executive Director of the Company and Chairman of the Nominating and Corporate Governance Committee since June 2019. He is a partner and the National China Service Co-Leader at Dentons Canada LLP, where he specializes in international business transactions involving China. Mr. Shao has over 30 years of experience in mergers and acquisitions, corporate and project financing, and cross-border commercial transactions. He holds a Bachelor of Laws degree from the University of Toronto and a Bachelor of Arts degree from Xi'an Foreign Languages Institute.				
	Principal Occupation, Business or Employment(1)				
	Partner, Dentons Canada LLP (2012 to present)				
	Director Status: Independent and Non-Executive(2) **Board/Committee Membership:**	**2025 Attendance:**		**Other Public Company Board Membership:** Company:	Since
	Board of Directors Audit Compensation & Benefits Nominating & Corporate Governance Health, Safety & Environment	4 of 4 4 of 4 1 of 1 2 of 2 4 of 4	100% 100% 100% 100% 100%	n/a ?	n/a
Shares Beneficially Owned, Controlled or Directed:			Nil		
Options Beneficially Owned, Controlled or Directed:			Nil		

Wei Shao SUPX Appointment May 13, 2026

Appointment of Mr. Wei Shao as Independent Director

On May 13, 2026, the board of directors (the "Board") of SuperX AI Technology Limited (the "Company") appointed Mr. Wei Shao ("Mr. Shao") as an independent director of the Company, and as Chairperson of the Nominating and Corporate Governance Committee of the Company, effective immediately. Based on the information provided by Mr. Shao in connection with the appointment, the Board has determined that Mr. Shao qualifies as an "independent director" within the meaning of Nasdaq Listing Rule 5605(a)(2) and Rule 10A-3 under the Securities Exchange Act of 1934, as amended.

The biographical information of Mr. Shao is set forth below:

Mr. Wei Shao is a partner of the global law firm Dentons and the National China Service Co-chair at Dentons Canada LLP, specializing in international business transactions. He has over 30 years of experience in mergers and acquisitions, corporate and project financing, complex corporate and commercial transactions, and advising clients on business negotiations, policy and regulatory matters, and government relations, across industries including natural resources, technologies, manufacturing, financial services, infrastructure and real estate. Mr. Shao has represented Chinese investors and entrepreneurs, sovereign and investment funds, private and public companies, and major state-owned enterprises in significant transactions in or through Canada, and has advised Canadian and international companies in their investments in China. As an investor and director, he has co-founded or been involved in agri-food, energy, manufacturing and infrastructure projects, and data center opportunities in North America. Mr. Shao is also an accredited interpreter of the United Nations and the federal government of Canada and has served on the boards or in advisory roles for organizations including the British Columbia Government Advisory Council on China, the Vancouver Police Board, the Vancouver Aquarium, S.U.C.C.E.S.S., and the Jack Austin International Center of the Beedie Business School at Simon Fraser University. Mr. Shao also currently serves as a director, and as a member of the audit, compensation and nominating and corporate governance committees, of China Gold International Resources Corp., a publicly listed company in Canada and Hong Kong. Mr. Shao is a Canadian citizen.

Source: SUPX 6-K, J Capital SUPX Report, CGG Information Circular. Red emphasis Spruce Point.

Director Shao Also Failed To Disclose Another Public Company Director Role

SPRUCE POINT CAPITAL MANAGEMENT

CGG's past Information Circular also failed to disclose that Director Wei Shao was on the Board of Hero Innovations (CSE: HRO) from February 2023 – September 25, 2024 although the company did not disclose that he resigned until June 18, 2026. We find it notable that he as appointed to Hero's Board along with Mao Sun. Mr. Sun is notable for his early appointment in 2015 as director and Chairman of the Audit Committee of SouthGobi Resources (TSX: SGQ / HK: 1878) which we noted earlier was a scandal-ridden company also affiliated with Director Ian He.

Wei Shao Biography Published June 7, 2023

Wei Shao[9]

Vancouver, Canada

Age:68

Non-Executive Independent Director Since: June 2019

Areas of Experience:
Law
Mergers and acquisition
Governance / Board
Managing / Leading Growth
International

Mr. Shao was elected as a Non Executive Independent Director since June 25, 2019. Mr. Shao is a partner and the National China Service Co-Leader at Dentons Canada LLP and specializes in international business transactions focusing on China. Mr. Shao has over 29 years of extensive experience in mergers and acquisitions, corporate and project financing, cross-border counseling and general corporate and commercial transactions. Mr. Shao is actively in community and non-profit organizations. Prior to his legal career, Mr. Shao worked for the United Nations in New York. Mr. Shao is an interpreter accredited by the United Nationals and by the federal government of Canada.

Principal Occupation, Business or Employment[1]

Partner, Denton's Canada LLP (2012 to present)

Director Status: Independent and Non-Executive[2] **Board/Committee Membership:**[9]	**2022 Attendance:**		**Other Public Company Board Membership:** Company:	Since
Board of Directors	6 of 6	100%	n/a	
Audit	5 of 5	100%	?	
Compensation & Benefits	1 of 1	100 %		
Nominating & Corporate Governance (Chair)	2 of 2	100%		
Health, Safety & Environment Committee	4 of 4	100%		

Shares Beneficially Owned, Controlled or Directed:	Nil
Options Beneficially Owned, Controlled or Directed:	Nil

Wei Shao Hero Appointment, Feb 21, 2023

HERO INNOVATION

Hero Innovation Group Announces Appointment of Directors and Change of Officers

VANCOUVER, B.C. – February 21, 2023 – Hero Innovation Group Inc. ("**Hero**" or the "**Company**") (CSE: HRO) announces that it has appointed Mao Sun and Wei Shao to the Company's Board of Directors, in place of Peter MacKay and Larry Yen who have resigned as directors. The Company also appointed Mao Sun as the Chief Executive Officer in place of Peter MacKay, who has stepped down as Chief Executive Officer and Kevin Chen as the Chief Financial Officer in place of Mao Sun who has resigned as Chief Financial Officer. Mao Sun will continue to act as the Chief Executive Officer for the Company. The Company would like to thank Mr. MacKay and Mr. Yen for their many contributions to the Company.

Wei Shao

Mr. Shao is the national practice group co-leader for the China Service at Dentons Canada and specializes in international business transactions. He has extensive experience in mergers and acquisitions, corporate and project financing, complicated corporate and commercial transactions, and advising clients with respect to business negotiations, policy and regulatory matters, as well as government relations.

Mr. Shao has represented Asian investors and entrepreneurs, sovereign and investment funds, private and public companies as well as major SOEs in various significant transactions in or through Canada. He has also advised Canadian and international companies in their investment in China and other parts of Asia.

Mr. Shao is also an interpreter accredited by the United Nations and by the federal government of Canada. As an interpreter or consultant, he has been involved in numerous ministerial and prime ministerial meetings or negotiations between Canada and China.

Source: CGG Information Circular, HRO appointment and HRO Amended Report, Mao Sun SouthGobi appointment. Red emphasis Spruce Point.

Spruce Point Capital Management

CGG Audit Director Dr. Bielin Shi Has Also Been Associated With A Controversial Silvercorp Deal

At the same time Ms. Han and Mr. Shao were appointed to CGG's Board in 2019, they were joined by Dr. Bielin Shi. Dr. Shi's name appeared as having peer reviewed a technical report for Silvercorp Metals related to a controversial acquisition that was highlighted by a short-seller that alleged an abnormal related party gain on investment of 1,506% in just six months that should scrutinized by independent directors.

Dr. Bielin Shi Associated With Silvercorp Metals And Its Scrutinized Related-Deal To Acquire Yangtze Gold Ltd.

Technical Report
On Gaocheng Ag-Zn-Pb Project,
And Shimentou Au-Ag-Zn-Pb Project,
Guangdong Province,
People's Republic of China

Report Prepared for

Silvercorp Metals Inc.

Report Prepared for

Silvercorp Metals Inc.

SRK Project Number SCN078
SRK Consulting China Ltd.
B1317 COFCO Plaza, Beijing, China

Contact:
Anson Xu - axu@srk. cn
www.srk. cn

April 2008

Compiled by:

Dr Anson Xu, *MAusIMM*

Endorsed by:

Dr Yonglian Sun, *MAusIMM*

Authors:
Jinhui Liu
Lanliang Niu
Dr Anson Xu
Zhaojun Wang

Peer Reviewed by:
Dr Bielin Shi

AX/ZW/LNJL/BS NI43-101Report Guangdong Gaochengand Shimentou Projects -Final.doc April 2008

Short Seller Allegation

SVM Acquired Yangtze Gold from Chairman Rui Feng's Relative Giving Him a 1500% Gain in Six Months

On April 24, 2008 SVM acquired Yangtze Gold Ltd for $60.27 million. Yangtze Gold is a BVI holding company that indirectly controlled 95% of the GC and SMT projects at the time it was acquired. According to the company's 40-F:

"Dr. Rui Feng, Chairman and CEO of the Company, is a Director of Yangtze Gold, Yangtze Mining and Anhui Yangtze, and **Mr. J. Feng, a relative of Dr. Feng**, controls Yangtze Gold. The transaction was approved by the independent directors of the Company in accordance with the applicable laws."

Yangtze Gold's operating subsidiary is Anhui Yangtze Mining Co., Ltd. To find more details about Anhui Yangtze we obtained its complete SAIC record through a credit agency. The full report is available (here). Anhui Yangtze was set up as a foreign invested entity in 2002 with Rui Feng himself as its chairman, legal representative and general manager. The initial registered capital of $500,000 was paid in full in August 2003. For the next four years, no extra equity funding was provided to Ahhui Yangtze. Then in September 2007, the paid in capital was increased to $4 million. Miraculously, six months later, SVM bought the Anhui Yangtze's parent Yangtze Gold from Rui Feng's relative "J. Feng" and for a whopping $60.27 million, a 1506.75% gain on his invested capital in a mere six months. **SVM's independent directors need to explain how this could possibly be a fair price.**

Source: CGG Board Director Changes (June 2019), Silvercorp acquires Yangtze Gold Ltd (April 2008), Technical Report (April 2008), short-seller allegations in a 2011 report
Red emphasis Spruce Point.

CGME Consulting Is Closely Related To CNG And CGG

The CSH Mine Technical Report NI 43-101 in 2022 was produced by CGME Consulting Limited ("CGME"). CGG is the only public company in the world we could find that uses CGME.(1) The website www.chinagoldcons.com shows corporate logos which looks very similar to CGG's as well as its largest shareholder China National Gold leading us to believe that they are related parties.

Closely Related Logos And Entities

中金咨询
China Gold Consulting

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)

中国黄金集团有限公司
China National Gold Group Co., Ltd.

1) Using AlphaSense search
Sources: CSH Technical Report

Spruce Point Capital Management

CGG's Qualified Person Is The CEO of Another Public Company, And A Consultant To The External Provider of Its New Jiama Technical Report

While it's not unusual that public companies such as CGG to have mining consultants or full-time geologists to be the Qualified Person (QP), we note that CGG's QP Mr. Yingting "Tony" Guo is currently employed as the CEO and President at Nickel North Exploration (TSX-V: NNX). Dr. Guo also appears to be playing both sides of the field while having advised CGG and Changchun Gold Design Institute (CGDI) which prepared a June 2026 NI 43-101 report for Jiama. CGDI appears to be affiliated with CNG the largest shareholder. Dr. Guo previously was employed by CGG as an exploration manager in 2010 when Jiama was acquired.

Tony Guo As Consultant To CGG (May 2023)

*The Company announces that Dr. Yingting Tony Guo ("Dr. Guo") has been engaged as **a technical consultant of the Company** with effect from 15 May, 2023. Dr. Guo is a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia, Canada, and will serve as the Company's qualified person for its public disclosure with effect from 15 May, 2023.*

Tony Guo As QP To CGG (May 2026)

QUALIFIED PERSON

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

May 14, 2026

Tony Guo As Consultant To CGDI (June 2026)

*A Mineral Resource estimate, with an effective date of June 30, 2026, has been completed by **Changchun Gold Design Institute ("CGDI")** in accordance with the CIM Definition Standards and Best Practice Guidelines under NI 43-101, based on a Reasonable Prospect for Eventual Economic Extraction. A Technical Report titled "NI 43-101 Technical Report for the JIAMA Copper Polymetallic Mine, Tibet Autonomous Region, the People's Republic of China" with an effective date of June 30, 2026 has been prepared by CGDI and will be filed on SEDAR+. **Mr. Tony Guo, a geology consultant to CGDI**, a registered geologist (P.Geo) from the Province of British Columbia, Canada, a QP member of the American Mining and Metallurgical Association, and a Qualified Person as defined by NI 43-101, reviewed the data supporting the Mineral Resource and Mineral Reserve estimates. He also supervised the estimation work and reviewed all sections of the Technical Report relating to resource and reserve estimates. Mr. Guo has approved the scientific and technical information in this release pertaining to the Jiama Project's Mineral Resources and Mineral Reserves.*

Mr. Guo As CEO of Nickel North

Nickel North Changes of Management

June 6, 2019

Nickel North Exploration Corp. (NNX - TSX-Venture Exchange) (the "Company" or "Nickel North") is pleased to announce that, effective immediately, Dr. Yingting (Tony) Guo, a leading multidisciplinary, practical and skilled exploration geologist will serve as Chief Executive Officer and President to Nickel North Exploration Corp. (the "Company"). Dr. Guo currently serves the Company as an independent director and will remain on the board as an executive director after his appointment as the CEO and President.

CGDI Has The Same Logo As China Gold

长春黄金设计院有限公司
Changchun Gold Design Institute Co.,Ltd.
中国黄金
China Gold

中国黄金
China Gold

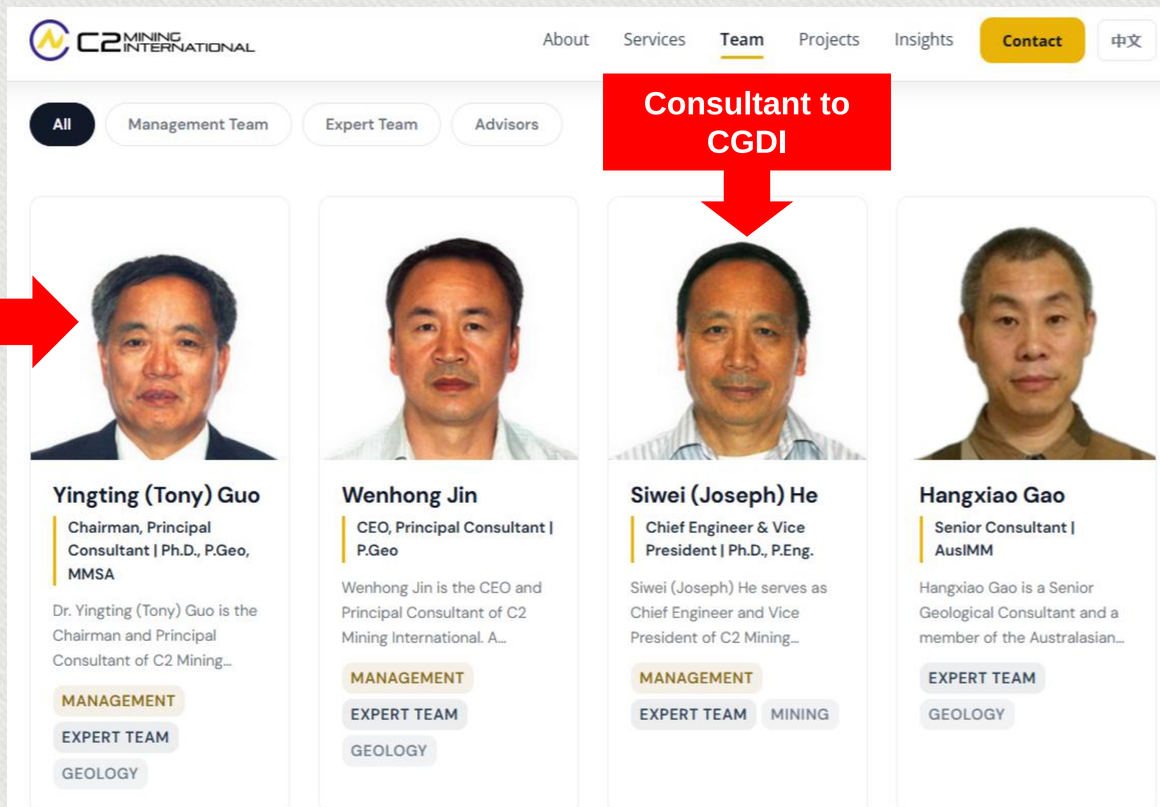
Sources: Dr. Guo CGG appointment (May 2023), Jiama Technical Report, June 30, 2026, Nickel North announcement, current CEO. Dr Guo as exploration manager (2010).

A New Consultant Is Tied To Mr. Guo Through C2 Mining International

C2 Mining International ("C2") is described as an independent mining consultancy based in Vancouver and a team of specialists in mining, geology, engineering, and investment. The firm is not registered with Engineers and Geoscientists BC, a regulatory agency. According to the regulator, entities that engage in the practice of professional engineering or professional geoscience are required to apply for a Permit to Practice, though maybe C2 has an exception. Both Dr. Tony Guo and Dr. He "Joseph" Siwei are Qualified Persons and are registered with the regulator, but we are concerned by the fact that C2 represents both CGG and CGDI which is connected to its largest shareholder.

QP of CGG and Consultant to CGDI

Consultant to CGDI



CGG Disclosure

*"Dr. He Siwei, **a mining engineering consultant to CGDI**, a registered Mining Engineer (P. Eng) from the Province of British Columbia, Canada, a Qualified Person as defined by NI 43-101, has reviewed the data for the Mineral Reserves estimates and completed the Reserves estimate of this Technical Report. Mr. He has approved the scientific or technical information pertaining to the Jiama Project's Mineral Reserves in this release."*

Sources: Jiama Technical Report, June 30, 2026, Dr. He registration, egbc.ca

A New Consultant Is Tied To Mr. Guo Through C2 Mining International

To support our concerns about the independence of the QP's signing Jiama's NI 43-101 report, we noticed that Dr. He says he is *"independent of VGMPLC".* However, what exactly does this mean since VGMPLC does not appear referenced at all in the report. Dr. He also never says he visited the mine site. Dr. Guo states that he is independent of CGG and Huatailong Mining, albeit we previously detailed that he was recently designated as CGG's QP.

Dr. Siwei He

3. I graduated with a Bachelor's degree in Geological Engineering (BSc) from Guizhou Engineering University and with Ph.D in Exploration Engineering from China University of Geosciences, 1992.
4. I am a member of the APECBC (#35251)

5. I have over 16 years of experience as a geologist and mining engineer in mine operation, six years in mine research and consultant with different companies.

6. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

7. I am responsible for chapter 15 of this report

8. I am independent of VGMPLC.

Signed this June 30, 2026.

Siwei He P.Eng
Consulting Engineer

NI 43-101 Technical Report Jiama Copper Polymetallic Mine
Mineral Resource and Reserve Update

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No site visit

What is VGMPLC and why no attestation that he is independent from CGG and Huatailong?

Dr. Tony Guo

3. I am a member (License # 31257), in good standing, of the Association of Professional Engineers and Geoscientists of the Province of British Columbia, Canada and a Qualified Professional (QP) member (# 01472QP) of the Mining and Metallurgical Society of America with the special expertise in geology and ore reserve.
4. I have been practicing my profession related to mining and mineral exploration for over 31 years in a wide variety of locations in North, South America, Africa and China. Specific to the content of this report are two trip to Fiji involving technical reports in 2024 and 2026.
5. I fulfill the requirements to be an "independent qualified person" as defined under "National Instrument 43-101".
6. I visited the Jiama project during number 9 to 19 of 2024 and April 22-24 of 2026. I am responsible for all the chapters except Chapters 2-10; Chapter 15, Chapter 16-22 in the report.
7. To the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the report not misleading.
8. I am independent of China Gold International Resources and Huatailong Mining Development Limited .

Dated June 30, 2026

Signature of Qualified Person
Yingting (Tony) Guo, P.Geo.

NI 43-101 Technical Report Jiama Copper Polymetallic Mine
Mineral Resource and Reserve Update

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Sources: Jiama Technical Report at Sedar.
Note: Dr. Guo lists his address as 2707 164A Street, Surrey,B.C., Canada V3Z 0P3 which is associated with C2 Mining. Red emphasis Spruce Point.

CGG Was Recently Delinquent With Transparency Reporting Obligations In Canada With An Apparent Misdated Filing

Proprietary and Confidential –May Not Be Distributed or Copied Without Spruce Point Capital Management, LLC Consent

CGG Was Recently Delinquent With Its ESTMA "Transparency" Report

The Extractive Sector Transparency Office (ESTO) ensures that Canada remains a global leader in extractive sector transparency and good governance. ESTMA helps the Government of Canada deter corruption in the extractive sector. Under the ESTMA, extractive public company entities that are active in Canada must publicly disclose, on an annual basis, certain types of payments made to governments in Canada and abroad. We recently noticed that CGG was late in filing their report, but it appeared on its website as of July 7th.

CGG's ESTMA Website

ESTMA

In accordance with the Extractive Sector Transparency Measures Act ("ESTMA") the Company has filed the following reports with National Resources Canada within the last five years:

FY 2025 Required To Be Filed By 150 Days After Year End

- ESTMA Report for period ended December 31, 2024
- ESTMA Report for period ended December 31, 2023
- ESTMA Report for period ended December 31, 2022
- ESTMA Report for period ended December 31, 2021
- ESTMA Report for period ended December 31, 2020
- ESTMA Report for period ended December 31, 2019
- ESTMA Report for period ended December 31, 2018
- ESTMA Report for period ended December 31, 2017
- ESTMA Report for period ended December 31, 2016

Sources: CGG website, ESTMA requirements by Canada Government

Confirmation of Delinquent ESTMA Reporting As of June 26, 2026

The email below from the Canadian government overseeing ESTMA confirms that CGG was in fact delinquent on its reporting requirements as of June 26, 2026.

Confirmation Email

From: "ESTMA / LMTSE (NRCAN/RNCAN)" <estma-lmtse@nrcan-rncan.gc.ca>
Subject: RE: Confirming ESTMA filing for China Gold International Resources Corporation
Date: June 26, 2026 at 11:08:24 AM EDT

UNCLASSIFIED - NON CLASSIFIÉ

Thank you for your inquiry concerning the *Extractive Sector Transparency Measures Act* (ESTMA, or "the Act").

According to our administrative records, China Gold International Resources Corporation has not yet submitted a report under the ESTMA for its 2025 financial year. As such, their report is now considered to be late. Our office will shortly be contacting companies that have not yet submitted reports for the 2025 reporting year to confirm their ESTMA reporting obligations.

I hope this information is helpful, but please let us know if you have any further questions.

Regards,

The Extractive Sector Transparency Division

CGG Marked An Incorrect Submission Date

We are alarmed that CGG reported its submission date as May 17, 2026 when in fact the government confirmed via email that as of June 26th the filing was delinquent. Best case, this is just an administrative error on CGG's part and not a symptom of a broader problem.

CGG's ESTMA Document Attests To May 17, 2026 As The Submission Date

Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name	China Gold International Resources Corp. Ltd					
Reporting Year	**From**	2025-01-01	**To:**	2025-12-31	**Date submitted**	2026-05-17
Reporting Entity ESTMA Identification Number	E489830		◉ Original Submission ○ Amended Report			
Other Subsidiaries Included (optional field)						
Not Consolidated						
Not Substituted						
Attestation by Reporting Entity						
In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.						
Full Name of Director or Officer of Reporting Entity	Ian He				**Date**	2026-05-17
Position Title	Director, Chair of Audit Committee					

Reporting Entities May Insert Their Brand/Logo here

Recall that the Canadian government confirmed that CGG had not submitted its form as of 6/26/26.

Sources: 2025 ESTMA Form

Non-Compliance With ESTMA "Transparency" Reporting Has Potential For Serious Penalties

Non-compliance with ESTMA reporting has serious potential consequences, including fines of $250,000 per day for entities found to be willfully not in compliance or knowingly providing false or misleading information.

ESTMA Non-Compliance Discussion

Non-compliance

NRCan is committed to undertaking outreach and working with industry to ensure that reporting obligations are well understood. If a person or entity is found to be willfully not compliant with reporting requirements or corrective measures, obstructs an audit, knowingly provides false or misleading information, or fails to comply with any other provisions in sections 9, 12 or 13 of the Act, NRCan may recommend prosecution to the Director of Public Prosecutions under section 24 of the Act, which allows for fines of up to $250,000 per day per offence.

The ESTMA was developed to deter and detect corruption, including any forms of corruption under any of sections 119 to 121 and 341 of the *Criminal Code* and sections 3 and 4 of the *Corruption of Foreign Public Officials Act*. The responsibility for investigations of any possible criminal activity will rest with the relevant law enforcement agency. Any suspected evidence of bribes, corruption, or related offences uncovered by, or provided to, NRCan staff will be immediately referred to the Royal Canadian Mounted Police (RCMP) and any other relevant law enforcement agency. Entities, external auditors, and other relevant persons are strongly encouraged to report any suspected bribes or related offences directly to the RCMP (see the Report Corruption section of the RCMP's Corruption website).

Sources: Non-compliance consequences.

We Believe CGG Is Likely To Disappoint Investors And Is Likely Under Greater Financial Pressure Than The Market Believes

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Spruce Point Capital Management

CGG's Mining Operations Are Becoming More Challenged And Riskier

Mining is a risky business, but the risks associated with both of CGG's mining operations appear to be increasing with specific incidents at both mines as well as a regional earthquake which caused numerous deaths and injuries.

Date	Discussion
May 27, 2026	Localized slope instability event occurred at its CSH Gold. The event was primarily attributed to heavy rainfall in the area during May 15 to 16, 2026, combined with complex geological conditions, which triggered a localized geological hazard. No injuries or fatalities were reported. Mining activities at the open pit remain temporarily suspended pending further geotechnical and operational assessment.
January 7, 2025	The Company reports that the Jiama Mine's operation was unaffected by the earthquake that occurred in Dingri County, Shigatse City, Tibet Autonomous Region (approximately 500 kilometers (~310 miles) from the Jiama Mine in Maizhokunggar County). The earthquake was estimated to have killed between 126 – 400 and seriously injure 338 people in the region.
Nov 14, 2023	With increased pit's 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. CSH Gold Mine plans to reduce the mining rate at the end of the third quarter and in the fourth quarter 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's Chairman and CEO, Mr. Junhu Tong, stated, "Due to the suspension of the production of the Jiama Mine, the Company's performance for the third quarter of 2023 continues to show an expected decline. The Jiama Mine has basically met the conditions for resumption of production, and the company is maintaining efficient communication with the government to strive for an early resumption of production…"
March 31, 2023	A tailings overflow occurred due to minor tailing dam damages from the Guolanggou tailings pond at the Company's Jiama Mine. The Company immediately launched an emergency plan to assess and contain the overflow. Production operations were suspended and non-essential personnel were evacuated from the affected area. Gradual resumption of operations reported by December 2023 with the Phase II operation of the processing plant resumed by May 2024.
H2 2017	In the second half of 2017 there were a series of wall failures on one side of the north-east pit at the CSH Mine that led to short term interruptions of mining activities. For safety reasons the Company curtailed production in certain areas of the pit while it conducted studies to address the slope stability issues and remediation plans for the long term mine plan for the CSH Mine.
March 29, 2013	An avalanche of rock, mud and debris struck one of Tibet's major mining sites, Jiama copper and gold mine near Lhasa, on March 29, killing 83 miners who were mostly Chinese migrant workers.

We Believe The Recent Withdrawn Shareholder Proposal On Deposit Caps Signals Forthcoming Financial Pressure

We find it alarming that on June 30th, "*in response to developments subsequent to the Circular and feedback from Shareholders*" the vote on the 2nd Supplemental Financial Service Agreement and Revised 2026 Deposit Cap and 2026-2029 Deposit Cap was withdrawn. The agreement with China Gold Finance, a subsidiary of China National Gold, provides CGG with deposit, lending, settlement, and other services such as including financial and financing advisory, credit certification and related consultation and agency services. **One of the reasons to vote on the proposal for the revised caps was the expectation of higher cash levels from improvement of financial performance in the future. Is this improvement no longer expected?**

Rationale For The Vote:

"Potential Improvement of the Financial Performance In the Upcoming Years"

SCHEDULE G LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) The Revised 2026 Deposit Cap and the 2027-2029 Deposit Cap

According to the Board Letter, the Revised 2026 Deposit Cap and the 2027-2029 Deposit Cap of RMB7,500 million is principally determined by the latest cash position of the Group and the potential higher level of cash position of the Group principally driven by the potential improvement of the financial performance of the Group in the upcoming years.

7.	To vote on an ordinary resolution of the independent shareholders of the Company approving the 2nd Supplemental Financial Service Agreement, and the Revised 2026 Deposit Cap and the 2026-2029 Deposit Cap thereunder.	WITHDRAWN *Note 1*			
8.	To vote on an ordinary resolution of the independent shareholders of the Company approving the 5th Supplemental Contract for Purchase and Sale of Doré and 2027-2029 Gold Doré Annual Caps thereunder.	For	Against	Total	
		130,257,573	21,074,872	151,332,445	86.07%
9.	To vote on an ordinary resolution of the independent shareholders of the Company approving the 5th Supplemental Products and Services Framework Agreement, and the 2027-2029 P&S Annual Caps thereunder.	For	Against	Total	
		130,255,656	21,076,789	151,332,445	86.07%

Note 1: In response to development subsequent to the issuance of the Circular and feedback received from Shareholders, the Company did not submit Resolution no.7 for consideration and approval at the Meeting.

Source: CGG press release and Information Circular

Depreciation Vastly Exceeds Capex

Our analysis indicates that CGG's capital expenditures ("Capex"), or purchases for property, plant and equipment ("PP&E") have vastly trailed its depreciation of PP&E expense since 2019. The aging of PP&E and recent operational issues are likely to drive capex significantly higher in the next few years. We estimate that Capex will be ~$600m through 2029E but this just relates to related party spending identified in the recent information circular. Actual Capex could be materially higher and is especially risky with a less certain payback for the CSH mine as it evolves from open pit to underground mining.

CGG Capex To Depreciation

FYE, US$ mm	2019	2020	2021	2022	2023	2024	2025	Q1'26	Total 2019-Q1'26
Purchase of PP&E ("Capex")	$127.9	$150.2	$143.6	$22.6	$59.4	$48.3	$50.1	$16.1	$618.1
Depreciation of PP&E	$144.0	$148.7	$137.8	$163.4	$106.9	$121.3	$132.0	$30.2	$984.3
Ratio of Capex / Depreciation	**0.89**	**1.01**	**1.04**	**0.14**	**0.55**	**0.40**	**0.38**	**0.53**	**0.63**

Estimated Capex: 2026E - 2029E

FYE	2026E	2027E	2028E	2029E	Total
CSH: Underground mine	400	940	830	640	2,810
Jiama: Youlongbu Tailing	615	600	--	--	1,215
Total Capex – RMB	**1,015**	**1,540**	**830**	**640**	**4,025**
Total Capex – US$	**$149**	**$226**	**$122**	**$94**	**$592**

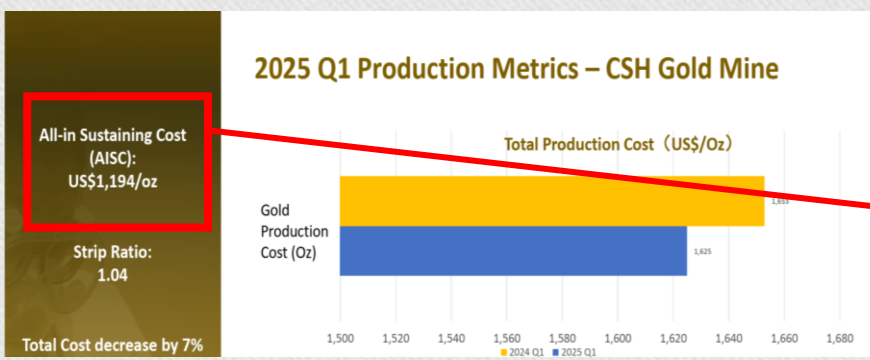
Source: Company financials. Capex estimates per Info Circular, Spruce Point analysis.
Note: FX assumption of 6.8

CSH's Gold Production Is Declining, While All-In Sustaining Cost Vastly Increases

While CSH's strip ratio is declining which suggests better ability to convert overburden to ore, its all-in sustaining cost ("ASIC") per ounce is dramatically increasing. CGG does not exactly define how it calculates ASIC whereas numerous public companies give explicit definitions which allow for comparability across the industry.(1) We would expect sustaining costs (i.e. maintenance Capex) to rise as CSH transitions to underground mining.

CSH Mine Disclosure

FYE	2020	2021	2022	2023	2024	Q1'25	H1'25	Q3'25	2025	Q1'26
Gold Produced (oz) *% yoy change*	149,572 *+1.9%*	148,082 *-1.0%*	148,164 0%	128,760 *-13%*	108,188 *-16%*	23,739 *+37%*	45,829 *+14%*	22,303 *-29%*	96,816 *-11%*	21,354 *-10%*
All-In Sustaining Cost *% yoy change*	$1,167 --	$1,129 *-3.3%*	N.A.	N.A.	$1,128 --	$1,194 --	$1,233 --	$1,246 --	$1,321 ***+17%***	$1,779 ***+49%***
Strip Ratio	--	--	--	--	1.15	1.04	0.64	0.65	0.71	0.52



1) As an example, see Gold Fields detailed calculation, AFR-17
Source: Q1'25 and Q1'26 Presentations

CSH Exploration And Development Is Drying Up

We are concerned that there have been no recent drilling or exploration programs at the CSH mine.

CSH Exploration And Development Discussion	
2023	*"We are vigorously advancing the development of the deeper underground resources to create additional value and extend the mine life."* *"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."*
2024	*"The development of CSH Mine's underground resources is on schedule and has made significant progress."* *"CSH Gold Mine has conducted a drilling program from May 16th to December 15th of 2024. Three diamond drilling holes DDH9400-5, DDH9200-4 and DDH9200-3 with total 3307.11 meterage have been drilled, which is 92.38% of planned 3,580m. The third hole DDH9200-3 has drilled 1114.01 m and takes up 80.73% of planned 1380m, which will resume drilling after the weather warms up in April 2025."*
2025	*"The CSH Gold Mine drilled 264 meters from hole DDH9200-3, which was remaining from the 2024 drilling program. There was no other drilling program in 2025 for the CSH Mine."*
Q1'26	***"There was no drilling or exploration program for the three months ended March 31, 2026 for the CSH Mine."***

Source: CGG financial statements

The Jiama Mine Has Its Own Challenges, Particularly With Gold Production

The Jiama mine also appears to be struggling with gold production. A close look reveals that in Q1’26 ore processed and gold production declined -4% and -36%, respectively. Notably, the Company avoided any specific discussion about the gold production on revenue, but rather focused on the impact from a modest increase in copper production. The Company may still be struggling with the 2023 tailings overflow at Guolonggou which may not be resolved until 2028 in a best-case scenario.(1)

Q1’26 Revenue Discussion for Jiama

“Revenue from the Jiama Mine was US$326.5 million, an increase of US$132.5 million, compared to US$194.0 million for the same period in 2025. The realized average price of copper increased by 79%, from US$2.54/pound in Q1 2025 to US$4.54/pound in Q1 2026. Total copper sold was 17,049 tonnes (37.6 million pounds) for the three months ended March 31, 2026, an increase of 2% from 16,727 tonnes (36.9 million pounds) for the same period in 2025.”

Jiama Mine Results

FYE	2024	2025	2026E	Q1’26
Ore processed *% yoy change*	8,197,448 *+92%*	11,838,916 *+44%*		2,738,178 *-4%*
Copper Produced (mm lbs):				
Forecasted *% change from prior year actual*	95 – 98 *+115% to +122%*	139 – 148 *+32% to +40%*	140 – 149 *-5% to -10%*	
Actual *% yoy change*	105.7 *+139%*	156.3 *+48%*		37.5 +0.5%
Gold Produced (oz):				
Forecasted *% change from prior year actual*	42,439 – 45,333 *+121% to +136%*	69,124 – 73,947 *+121% to +136%*	70,732 – 75,554 *-6% to -12%*	Q1’26 well below full year forecast
Actual *% yoy change*	54,464 *+184%*	80,409 *+48%*		13,466 *-36%*
Silver Produced (mm oz):				
Forecasted *% change from prior year actual*	--	--	4.18 – 4.82 *-15% to -26%*	
Actual *% yoy change*	3.231 *+289%*	5.646 *+75%*		1.234 *-6%*

Source: CGG financial statements, MD&A and Spruce Point analysis.

1) CGG says, *“Subject to the government approval of an increased annual mining rate, and following the commissioning of Youlongbu tailings storage facility, the Jiama Mine’s ore processing volume will return to the level of 50,000 tonnes per day, in line with the designed processing capacity of the processing plants. In addition, endeavors are underway so that the production levels at the Jiama Mine will restore to those before the Guolanggou tailings overflow through blending of high-grade underground ores.”*

A Recent Footnote In Revenue Reporting Calls Into Question Jiama's Gold Sales

We find it surprising that a recent footnote in the latest 2025 Annual Report specifies that other by-products include molybdenum, silver, lead, and zinc. Notably absent is gold. The Jiama Mine reporting indicates that 53,963 and 80,406 ounces of gold were sold in 2024 and 2025, respectively. Assuming Jiama gold sales realized similar prices per ounce as obtained at CSH of $2,453 and $3,419 in 2024 and 2025, respectively, we estimate $132m and $275m of gold sales from the Jiama Mine gold or ~58% of total by-product sales. Why was this not called out as significant?

Revenue By Major Products

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 service:

Accounted for from CSH gold reporting

	2025 US$'000	2024 US$'000
At a point in time		
Gold doré bars	338,473	246,946
Copper	495,555	283,224
Other by-products and service (note)	476,098	226,476
Total revenue	1,310,125	756,646

Note: Other by-products mainly consist of molybdenum, silver, lead and zinc. Other services consist of transportation services, which contribute to less than 1% (2024: less than 1%) of total revenue of the Group during the year ended December 31, 2025.

New footnote highlights moly, silver, lead and zinc as main by-products. Why not gold?

Jiama Mine Reporting

Jiama Mine	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
Copper sales (US$ in millions)	148.99	106.16	495.56	283.22
Realized average price[1] (US$) of copper per pound after smelting fee discount	3.80	2.42	3.17	2.71
Copper produced (tonnes)	16,756	20,020	70,883	47,929
Copper produced (pounds)	36,939,257	44,135,873	156,269,659	105,664,184
Copper sold (tonnes)	17,652	19,931	70,959	47,421
Copper sold (pounds)	38,917,010	43,940,061	156,437,873	104,545,457
Gold produced (ounces)	19,191	23,688	80,409	54,464
Gold sold (ounces)	20,195	23,520	80,406	53,963
Silver produced (ounces)	1,275,143	1,479,708	5,645,915	3,231,408
Silver sold (ounces)	1,346,956	1,473,027	5,648,631	3,193,073
Lead produced (tonnes)	7,973	13,503	40,912	27,896
Lead produced (pounds)	17,577,968	29,768,128	90,196,257	61,500,340
Lead sold (tonnes)	8,451	13,360	41,036	27,493
Lead sold (pounds)	18,632,143	29,453,697	90,468,423	60,612,685
Zinc produced (tonnes)	5,248	6,575	23,446	14,663
Zinc produced (pounds)	11,569,321	14,495,121	51,688,429	32,326,595
Zinc sold (tonnes)	5,536	6,479	23,556	14,442
Zinc sold (pounds)	12,205,513	14,282,878	51,932,904	31,839,913
Moly produced (tonnes)	138	120	768	354
Moly produced (pounds)	303,944	264,753	1,692,167	780,704
Moly sold (tonnes)	134	234	840	234
Moly sold (pounds)	295,027	515,217	1,851,486	515,217

Source: CGG 2025 Annual Report. Color emphasis Spruce Point.

Jiama Phase III Expansion Timeline Appears To Have Been Delayed Multiple Times

Phase III tailing expansion has been pushed back by multiple times from its original target completion date of H1'2026. In the recently promoted June 30th press release claiming a 1,170% increase to mineral reserves, CGG is now saying the completion date is 2028 to achieve 50,000 tpd while currently operating at 34,000 tpd.

August 2024: Phase III by H1'2026

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. As of May 30, 2024, with the approvals of the Government of Tibet Autonomous Region and relevant departments of the central government, the Phase II processing plant resumed operations with a daily processing capacity of 34,000 tonnes. The Phase I processing plant which had been in operation during the production ramp up phase ceased operations. The Company is actively advancing the construction of the Phase III tailings dam, which is expected to be completed and put into operation in the first half of 2026.

March 2026: Phase III by H1'2027: 44,000 tpd

OUTLOOK

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

June 5, 2026: Phase III by 2027, 50,000 tpd

operation since May 2024. The Phase II processing plant has resumed production since May 2024 but its processing capacity had been reduced to 34,000 tpd to match the storage capacity of the repaired Guolanggou tailings pond. The Company is actively advancing the construction of a new tailing pond i.e. Youlongbu tailings pond (Phase III) to restore the Jiama Mine's total processing capacity back to the level of 50,000 tpd, in line with its initial total designed processing capacity. The Youlongbu tailings pond is scheduled to commence operation in 2027. In addition, the Company has been actively conducting geological exploration work to delineate new resources at satellite deposits near the Jiama Mine, which have shown significant resource potential;

June 30, 2026: Phase III by 2028, 50,000 tpd

The first phase of the Jiama project's Tongqianshan and Niumatang open pit mine began commercial operation in 2010. The Phase II development and expansion was completed in 2018. Currently, the Jiama project is operating at a production rate of 34,000 tons per day and is expected to return to its designed capacity of 50,000 tons per day in 2028.

Source: CGG 2024 Interim Report, 2025 Annual Report, Information Circular, Jiama Updated Reserve Report. Red emphasis Spruce Point.

Environmental Remediation Costs Are Rising

Given CGG's recent operational issues and CSH's end-of-life quickly approaching, we observe a +34% increase in the environmental rehabilitation liability in 2025 but with a -91% decline in actual cash expense incurred. We believe it is likely that these cash expenses will be incurred in the future and weigh on future profitability.

CGG's Environmental Rehabilitation

FYE, US$ mm	2019	2020	2021	2022	2023	2024	2025	Q1'26
Environmental Rehabilitation Liability	$63.1	$85.7	$85.1	$92.3	$75.9	$69.9	$93.8 +34%	$95.7
Cash Expense Incurred	$0.1	$0.1	$1.0	$4.6	$10.4	$7.8	$0.7 -91%	N.A.

Increasing Liability, Reducing Cash Expense

Source: CGG financial statements and Spruce Point analysis

CGG Has Abnormally High Days of Inventory Relative To Global Mining Industry Peers

CGG has an abnormally high days of inventory (DSI) relative to global mining peers. Although it has been improving since the tailings overflow in 2023, the large DSI is concerning and suggests challenges in converting ore into finished metals. We believe our additional analysis corroborates this view.

Days of Inventory, FYE			
Company	**2023**	**2024**	**2025**
Harmony Gold	28.1	28.3	27.3
Zijin Mining	42.4	47.4	52.8
Hecla Mining	55.4	49.6	50.1
Hudbay Minerals	61.5	55.4	54.1
Gold Fields	102.1	98.3	73.5
MMA Ltd.	67.6	57.0	73.5
Tongguan Gold	15.5	46.5	77.4
AngloGold Ashanti	82.2	92.5	77.4
Mongolian Mining	62.1	72.0	81.9
Barrick Mining	82.0	85.6	88.6
Coeur Mining	86.7	98.8	100.0
Newmont Corp	119.7	98.5	110.0
Teck Resources	191.6	136.0	120.5
China Nonferrous Mining	112.4	113.0	122.7
Freeport-McMoRan	135.8	134.6	140.1
Kinross Gold	131.9	134.1	143.0
China Gold International	**281.5**	**186.9**	**170.5**
Agnico Eagle	163.5	173.7	175.3
Median	**84.5**	**95.4**	**85.2**
Average	**101.2**	**94.9**	**96.6**

Source: Company financial statements, Bloomberg and Spruce Point analysis

Spruce Point Capital Management

CGG Inventory Analysis Suggests Problems

We have serious concerns with CGG's ability to meet revenue expectations. Gold sits either as in process or doré bars within the inventory accounts. We observe that the value of gold bars has declined sharply since 2024 to zero at Q1'26. The gold in process is of questionable quality. We estimate the value of gold in process per ounce and see that the value per ounce relative to the spot price of gold is at an increasingly steep discount, now reaching ~60%. Therefore, we question the likelihood it converts to bars.

FYE, US$ in mm	2020	2021	2022	2023	2024	2025	3/31/26
Value of Gold In Process (A)	$220.1	$229.0	$221.8	$221.7	$222.6	$249.5	$241.2
Value of Gold Doré Bars (B)	$22.6	$24.3	$22.1	$24.8	$26.4	$8.3	$0.0
Total Gold Value (A+B)	**$242.7**	**$253.3**	**$243.9**	**$246.5**	**$249.0**	**$257.8**	**$241.2**
Consumables	$23.3	$18.1	$17.4	$15.4	$11.1	$9.7	$8.6
Copper Concentrates	$9.0	$3.6	$5.6	$0.6	$6.0	$5.0	$3.3
Spare Parts	$22.7	$24.6	$26.2	$29.1	$24.3	$22.0	$22.8
Total Inventories	**$297.7**	**$299.6**	**$293.1**	**$291.6**	**$290.4**	**$294.5**	**$275.9**
Total Gold In Process And Bars (ounces)	160,713	157,816	168,405	143,995	146,169	142,894	134,374
Less: Estimated Doré Bars C=(B/F)	12,069	13,266	12,122	11,830	9,810	1,915	0
= Estimated Gold In Process (D)	**148,644**	**144,550**	**156,283**	**132,165**	**136,359**	**140,979**	**134,374**
Implied Gold In Process Per Ounce E=(A/D)	$1,480	$1,585	$1,419	$1,677	$1,632	$1,770	$1,795
Ending Spot Gold Price Per Ounce (F)	$1,878	$1,829	$1,824	$2,100	$2,698	$4,325	$4,420
Discount To Spot Gold Price = (E/F)-1	**-21%**	**-13%**	**-22%**	**-20%**	**-40%**	**-59%**	**-59%**
CSH Accumulated To Date Gold Recovery	54.99%	55.39%	55.42%	56.26%	56.46%	56.63%	56.70%
Incremental YoY Recovery	***0.73%***	***0.40%***	***0.03%***	***0.84%***	***0.20%***	***0.17%***	***0.07%***

Increasing Discount, Minimal Incremental Recovery

Source: CGG financial statements and Spruce Point analysis.
Note: We assume all the gold in process relates to CSH because CGG does not report it for Jiama.

Peer Inventory Analysis Also Points To CGG Being An Industry Outlier

We analyze the inventory reporting practices of major gold and metal mining producers to see what proportion of inventory is reported as work in process and spare parts, consumables, and supplies. We find that CGG has outlier results with the lowest percentage of mine supplies and highest percentage of concentrates and in process metals.

Inventory Analysis: Breakdown of Gold And Metal Producers

Newmont Gold	3/31/2026
Ore on Leach Pad	$432
Stockpiles	$3,317
Materials and Supplies	$1,074
In Process	$165
Concentrate	$192
Precious Metals	$70
Total Inventories	$5,250
Materials and Supplies	**20%**
In Process, concentrates, ores, stock	**78%**

Barrick Gold	12/31/2025
Ore in Stockpile	$3,019
Ore on Leach pad	$558
Mine Operating Supplies	$606
Work in process	$181
Finished Goods	$130
Total	$4,494
Less: LT ore in stockpiles and leach pads	($2,577)
Total Current	$1,917
Operating Supplies	**13%**
Ores and In Process	**84%**

Agnico Eagle	12/31/2025
Ore in stock piles and on leach pads	$465.3
Concentrates	$292.7
Supplies	$940.8
Total Current Inventories	$1,698.8
Noncurrent ore in stockpile /leach pads	$871.8
Total Inventory	$2,570.6
Supplies	**37%**
Concentrates/stock piles/leach pads	**63%**

China Gold International	3/31/2026
Gold in process	$241.2
Bars	$0.0
Consumables	$8.6
Copper Concentrates	$3.3
Spare Parts	$22.8
Total Inventories	$275.9
Consumables and Spare Parts	**11%**
In process and copper concentrates	**89%**

Kinross	3/31/2026
Ore in stockpiles	$600.7
Ore on leach pads	$693.9
In Process	$113.8
Finished Metal	$31.9
Materials and Supplies	$421.0
Total Inventory	$1,861.3
Less: ST stockpiles/leach pad ores	($546.1)
Long-Term Inventories	$1,315.2
Materials and Supplies	**23%**
In Process and Ores	**76%**

Hudbay Minerals	3/31/2026
Stockpile - Current	$13.2
Stockpile - Non Current	$15.3
Materials and Supplies - Current	$111.4
Materials and Supplies - Non Current	$10.7
Finished Goods - Current	$51.2
Total Inventories	$201.8
Materials and Supplies	**61%**
Stockpiles	**14%**

Goldfields	12/31/2025
Gold in process and stockpiles	$845.2
Consumables	$310.8
Total Inventories	$1,156.0
Less: LT Heap leach and stockpiles	($373.4)
Total Current Inventories	$782.6
Consumables	**27%**
In Process and stockpiles	**73%**

AngloGold Ashanti	12/31/2025
Raw - ore stock piles - long-term	$175
Raw - ore stock piles - short-term	$340
Raw - heap-leach	$16
Work in progress - metals	$73
Finished Goods	$61
Mine operating supplies	$586
Total Inventories	$1,251
Mine Operating Supplies	**47%**
Raws and Metals in progress	**48%**

Harmony Gold (ZAR currency)	12/31/2025
Final Gold in lock up	207
Work in process	1,437
Consumables (net of provisions)	2,388
Total Inventories	4,032
Less: Non-current inventories	-207
Total Current Inventories	3,825
Consumables	**59%**
In Process	**36%**

China Nonferrous Mining Corp	12/31/2025
Raw Materials	$489.3
Spare parts and consumables	$113.4
Work in progress	$86.4
Finished Goods	$48.0
Total Inventories	$737.1
Spare parts and consumables	**15%**
In process and raw materials	**78%**

Source: Company financial statements and Spruce Point analysis.

Why We Estimate 50% – 75% Downside Risk To CGG's Share Price

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CGG Has No Skeptical Analysts And They All Say The Stock Is A "Buy"

There are no skeptics with CGG's investment story in the sell-side community, and each analyst has the equivalent of a Buy recommendation. We find this difficult to accept given CGG has experienced recent geological challenges at CSH and may not be producing, and has a web of controversial people surrounding the Company. In fact, we see that at least three analysts have not even updated their opinions since August 2025 according to Bloomberg. **CGG is fully valued relative to the consensus price target of $29.17 per share with approximately 8% implied downside.**

Promoter	Recommendation	C$ / HK$ Target	Date
Huatai Research	Buy	$38.83 / $216.23	4/10/26
First Shanghai	Buy	$37.90 / $211.00	6/5/26
Northeast Securities	Buy	$19.76 / $110.00	8/17/25
Guosen Securities	Outperform	--	4/2/26
CITIC Securities	Buy	$33.42 / $186.06	7/23/26
Guolian	Recommend List	--	1/15/26
China Merchants	Strong Buy	--	8/21/25
TF Securities	Buy	$15.95 / $88.83	8/21/25
Guosheng Securities	Buy	--	7/19/26
Average Price ***% upside (downside)***		**$29.17 / $162.42** ***-8%***	

Source: Bloomberg and CGG Q1'26 Investor Presentation

CGG Has Promoted Acquisition Upside Potential Since 2011 But Nothing Has Ever Materialized

CGG touted its partnership and strong pipeline of opportunities with CNG to expand internationally in neighboring countries and even to North America, Australia, and Africa since 2011. This potential has never been realized which leaves investors pinning their hopes on extending CSH's mine life through riskier underground operations and fixing Jiama's operations.

Corporate Brochure, June 2011

FUTURE EXPANSION

Being the largest shareholder of China Gold International Resources Corp. Ltd, China National Gold (CNG) continues its strong support by accessing its international project pipeline that China Gold International Resources Corp. Ltd. will evaluate. China Gold International Resources Corp. Ltd. growth strategy as the overseas listed vehicle of China National Gold Group Corp. is to make strategic acquisitions (target 3 million ounces or equivalent resources size), exploit option to evaluate and acquire projects via China National Gold's project pipeline, partner with other mining companies who have advanced projects, and continue to expand the gold resource at the CSH mine.

All targeted projects leverage China's, China National Gold's, and China Gold International Resources' strengths. Target investment territories include China's neighbors such as Russia and Mongolia, as well as North America, Australia, and Africa.

Investor Presentation, June 2026

Investor Presentation, September 2011

Investor Presentation, June 2013

Investor Presentation, Nov 2019

Source: Investor Presentations and (2011 Corporate Brochure via Wayback Machine)

Spruce Point Capital Management

We Believe CGG Trades At An Unsustainable Premium To Peers

We compare CGG with a range of global and Hong Kong based gold and metal producers. We believe there are signs of strains emerging and that there is an increasing likelihood that the Company will miss lofty expectations.

US$ in mm, ex: current share price

Publicly Traded Mining Peer Multiples

Name (Ticker)	Stock Price 7/29/2026	Adj Ent. Value	2026E EBITDA Margin	2026E Revenue Growth	Ent Value / Revenue 2026E	Ent Value / Revenue 2027E	Ent Value / EBITDA 2026E	Ent Value / EBITDA 2027E	Price / EPS 2026E	Price / EPS 2027E	Net Debt / 2026E EBITDA	Price / Book Value
Global Gold and Metal Miners												
Rio Tinto (RIO)	$93.66	$136,876	46.3%	9.9%	2.2x	2.1x	4.7x	4.6x	11.4x	11.2x	-0.2x	1.8x
Freeport-McMoRan (FCX)	$59.99	$103,985	41.8%	12.3%	3.6x	3.0x	8.5x	6.2x	20.3x	15.0x	0.4x	2.7x
Newmont Corp (NEM)	$91.34	$94,220	65.9%	15.8%	3.6x	3.4x	5.5x	4.9x	9.8x	8.6x	-0.2x	2.8x
Agnico Eagle (AEM)	$144.43	$69,672	71.7%	31.2%	4.5x	4.3x	6.2x	5.9x	11.8x	11.1x	-0.2x	2.8x
Barrick Mining (B)	$36.36	$67,932	69.6%	26.9%	3.2x	2.8x	4.5x	3.9x	9.7x	8.1x	-0.2x	1.7x
AngoGold Ashanti (AU)	$77.87	$40,688	68.5%	27.5%	3.2x	3.1x	4.7x	4.4x	8.1x	7.8x	-0.1x	3.8x
Gold Fields (GFI)	$32.24	$30,537	71.3%	37.5%	2.5x	2.5x	3.6x	3.4x	6.0x	5.7x	0.2x	3.3x
Teck Resources (TECK)	$57.48	$28,377	51.0%	35.4%	2.7x	2.7x	5.3x	5.6x	14.3x	16.7x	-0.2x	1.4x
Kinross Gold (KGC)	$23.21	$26,628	65.2%	33.0%	2.8x	2.8x	4.4x	4.1x	8.5x	7.5x	-0.2x	3.0x
Coeur Mining (CDE)	$14.63	$10,152	63.2%	151.9%	1.9x	1.7x	3.1x	2.4x	9.7x	7.8x	0.0x	1.0x
Harmony Gold (HMY)	$15.53	$10,243	50.7%	41.9%	1.5x	1.5x	3.0x	3.0x	4.9x	4.1x	0.1x	3.1x
Hudbay Minerals (HBM)	$21.98	$9,360	54.2%	31.7%	3.2x	2.8x	5.9x	4.7x	14.8x	11.3x	0.0x	2.2x
		Max	71.7%	151.9%	4.5x	4.3x	8.5x	6.2x	20.3x	16.7x	0.4x	3.8x
		Median	64.2%	31.5%	3.0x	2.8x	4.7x	4.5x	9.8x	8.3x	-0.1x	2.7x
		Average	59.9%	37.9%	2.9x	2.7x	5.0x	4.4x	10.8x	9.6x	0.0x	2.5x
		Minimum	41.8%	9.9%	1.5x	1.5x	3.0x	2.4x	4.9x	4.1x	-0.2x	1.0x
HK-Listed Miners												
Zijin Mining Group (2899)	$4.17	$131,085	30.0%	42.9%	1.9x	1.7x	6.3x	5.5x	9.3x	8.1x	0.5x	3.1x
MMG Ltd (1208) (1)	$1.03	$19,619	61.1%	38.6%	2.3x	2.3x	3.7x	3.7x	7.8x	7.5x	0.7x	1.9x
China Nonferrous Mining (1258)	$1.84	$6,707	39.5%	7.4%	1.8x	1.7x	4.6x	4.3x	11.3x	10.3x	-1.0x	2.1x
Tongguan Gold (340)	$0.26	$1,342	55.7%	49.5%	2.9x	2.4x	5.2x	4.4x	6.9x	5.8x	-0.1x	2.5x
Mongolian Mining Corp (975)	$0.90	$1,266	42.7%	49.1%	1.0x	0.9x	2.4x	1.7x	5.0x	3.1x	0.3x	0.8x
		Max	61.1%	49.5%	2.9x	2.4x	6.3x	5.5x	11.3x	10.3x	0.7x	3.1x
		Median	42.7%	42.9%	1.9x	1.7x	4.6x	4.3x	7.8x	7.5x	0.3x	2.1x
		Average	45.8%	37.5%	2.0x	1.8x	4.5x	3.9x	8.1x	7.0x	0.1x	2.1x
		Minimum	30.0%	7.4%	1.0x	0.9x	2.4x	1.7x	5.0x	3.1x	-1.0x	0.8x
China International Gold	**$22.46**	**$8,654**	**67.3%**	**29.8%**	**5.1x**	**4.5x**	**7.6x**	**6.8x**	**10.9x**	**9.7x**	**-0.2x**	**4.1x**

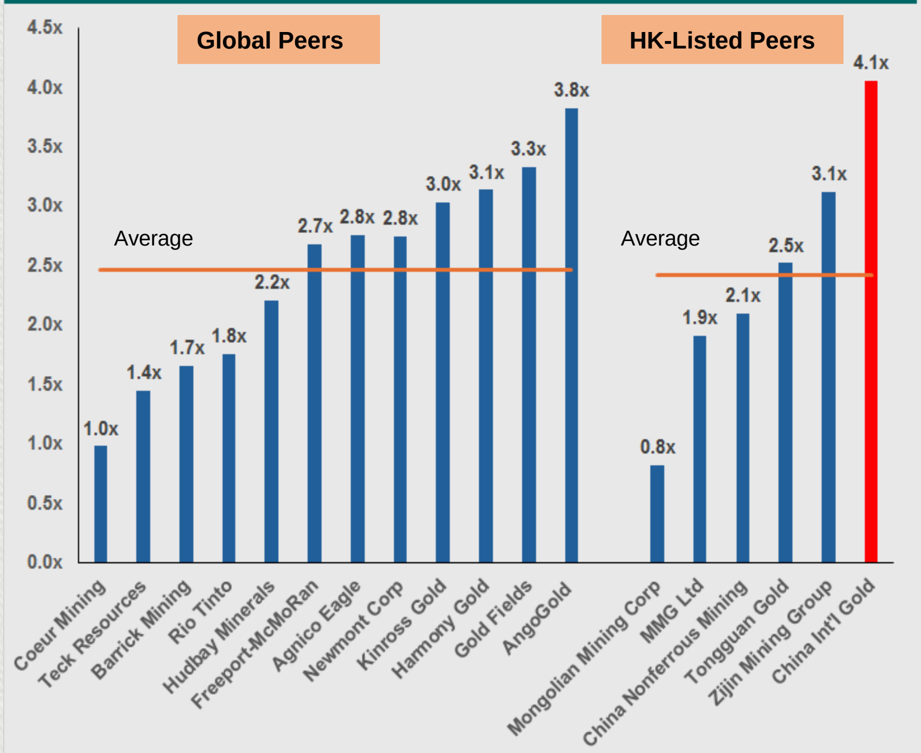
Source: Company filings, Bloomberg and Spruce Point estimates.

1) MMG while HK-listed, has no mining operations in China, Mongolia or Tibet but is 63% owned by SOE China Minmetals Corp.

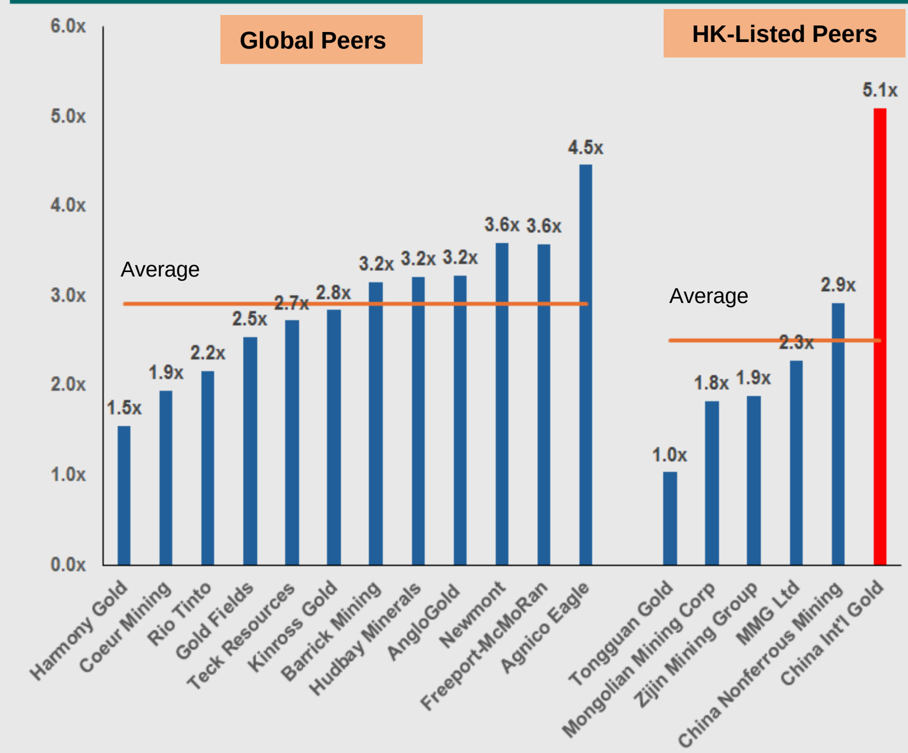
CGG Receives A Premium Multiple To Peers

We see little justification for why CGG trades at a premium multiple for its assets and earnings potential given recent operational challenges, poor corporate governance, and dependence on one related entity for significant sales and construction services.

Price / Book Value



EV / 2026E Revenue



Source: Company filings, Bloomberg and Spruce Point estimates. Note: CGG book value adjusted for post quarter dividend payment.

SPRUCE POINT
CAPITAL MANAGEMENT

Revenue Estimates Are Increasing Despite Metal Price Softness And Operational Issues

We fail to understand why revenue estimates increased so much after CGG reported FY2025 results and have continued higher despite gold and silver prices declining and a serious operational event occurring at the CSH mine that halted mining activities in late May. CGG should reassure the market that the problem is resolved, but it has made no comment.

*"A localized slope instability event occurred at its CSH Gold Mine ("CSH Mine") on May 22, 2026. The event was primarily attributed to heavy rainfall in the area during May 15 to 16, 2026, combined with complex geological conditions, which triggered a localized geological hazard. No injuries or fatalities were reported...**Mining activities at the open pit remain temporarily suspended pending further geotechnical and operational assessment**. **Processing operations continue utilizing available low-grade ore stockpiles to maintain production**. The Company has engaged external geotechnical specialists and professional consultants to assist with the ongoing assessment and remediation planning…The Company is currently assessing the potential impact of the event on mining operations and future production plans. **Based on the information currently available, the Company does not expect the event to materially affect its annual production guidance. The assessment remains ongoing**. The Company will continue to monitor the situation closely and will provide further updates as appropriate."*

2026 Revenue Estimates Increase…

Snapshot

Time Frame	Estimate	%Chg from Dt
11) Current Estimate	1.701B	0.00%
12) 1 Day Ago	1.681B	1.15%
13) 1 Week Ago	1.652B	2.96%
14) 1 Month Ago	1.652B	2.96%
15) 3 Months Ago	1.627B	4.54%
16) 6 Months Ago	1.298B	31.07%
17) 12 Months Ago	1.136B	49.67%

YTD 2026 Gold (-7%), Silver (-20%), Copper (+8%)

Sources: Bloomberg and CGG press release.

Spruce Point's Valuation Analysis Suggests Approximately 50% – 75% Downside Risk

We see multiple risks emerging to CGG's ability to meet financial targets that we do not believe are properly accounted for in the current valuation. We see approximately 50% – 75% downside risk to CGG's share price under certain scenarios and expect the share price to underperform global mining peers.

Indicative Potential Value: Revenue Multiple

US$ in mm, except price targets	Low Multiple	High Multiple
2026E Revenue	**$1,450**	**$1,700**
% growth	*11%*	*30%*
Revenue Multiple	1.5x	2.5x
Enterprise Value	**$2,175**	**$4,250**
Less: Adjusted Debt(1)	($645)	($645)
Less: Non-controlling interest	($30)	($30)
Plus: Cash and Equivalents (2)	$924	$924
Equity Value	**$2,424**	**$4,499**
Diluted Shares	396.4	396.4
Share Price Target – US$	**$6.11**	**$11.35**
Share Price Target – C$	**$8.59**	**$15.95**
% Approx. Downside	***-73%***	***-49%***

Indicative Potential Value: Price / Book Value

	Low Multiple	High Multiple
Adj. Book Value Per Share(2)	**$5.54**	**$5.54**
P/B Multiple	1.0x	2.0x
Share Price Target – US$	**$5.54**	**$11.08**
Share Price Target – C$	**$7.79**	**$15.57**
% Approx. Downside	***-75%***	***-51%***

1) Includes environmental reclamation costs of $96m and $13.9m of leases.
2) Includes cash & equivalents, term deposits and market value of 2.03% stake in China Nonferrous (HK: 1258). Adjusted for post-quarter close dividend payment of $186m.
Note our valuation analysis is one of many possible analyses that may yield different results.

Select Factors Favoring Multiple Compression

- Gold / silver prices have remained soft and are now down YTD.
- Current production issues at CSH halted mining in late May with no update from the Company about the status of the problem.
- CSH is nearing end-of-life with production declining, all-in sustaining costs rising, and environmental remediation costs increasing.
- CSH has curtailed exploration and is moving towards underground mining which is likely to increase the costs and operational risks.
- Jiama mine ore and gold production fell substantially in Q1'26 and is still operating below capacity with substantial capex needs for tailing development. Phase III is now delayed until 2028.
- Inventory accounts signal forthcoming revenue and cash flow challenges as no gold doré bars exist at Q1'26 while gold in process per ounce appears to be valued at a steeper discount to gold spot prices.
- High reliance for sales, product, services and construction costs with CNG, which is currently embroiled in contentious litigation.
- Auditor and QP geology partners with questionable regulatory and business backgrounds and a financial advisor associated in multiple businesses with a criminal charged in China.

Where We Could Be Wrong About CGG's Value

There are factors that could work in CGG's favor to improve its share price and reduce risks.

Factor	Explanation
Commodity Prices	Gold, copper, silver and other by-product prices could rise and provide added benefits to CGG.
Capex	Costs could come in lower than expected. Plans for underground mining at CSH by 2029 could be completed earlier than expected while Jiama returning to 50,000 tons per day capacity could arrive before 2028.
Earthquakes	Recent seismic activity is one-off and reoccurrence over the remaining useful life of the mines is unlikely.
Exploration Activity	New discoveries of mineral rich materials could be found that are economically attractive to mine.
Related Party Dealings	Growing customer concentration of sales to CNG is mitigated with new customers.
Asset Diversification	CGG makes good on its plans to develop or acquire assets outside of China.

Note: This is not an exhaustive list of factors.