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**China Gold International Announces Completion and Positive Results of Jiama's  
Feasibility Study.**

*Measured and Indicated Resources grow by 41% to 1,486 Mt. Jiama's NPV(9%)  
increases to over US\$1.3 Billion.*

VANCOUVER, January 15, 2014 - China Gold International Resources Co. Ltd. (TSX:CGG; HKEx: 2099) ("China Gold International Resources" or the "Company") is pleased to announce the results of an updated NI 43-101 compliant, Independent Feasibility Study for the Phase II Expansion of its Jiama Copper-Polymetallic Mine, ("Jiama" or the "Project") in Tibet Autonomous Region, China. Mining One Pty Ltd, has produced the NI 43-101 compliant report based on the Phase II Expansion Project feasibility study, prepared by the Changchun Gold Design Institute in conjunction with independent consulting engineers and the Company's management.

***Project Overview***

The Jiama Project is a large scale polymetallic (Cu, Mo, Au, Ag, Pb, Zn) deposit located approximately 68 km east-northeast of Lhasa, the capital city of Tibet Autonomous Region, along the Sichuan-Tibet Highway within the Gangdise Copper Metallogeny Belt in Central Tibet, China and represents one of China's largest copper-gold mines.

Phase I of the Jiama Project commenced commercial production in September 2010 and included the development of the Tongqianshan and Niumatang open pits. These pits currently produce 1.8 million tonnes per annum ("Mtpa") of run-of-mine ("ROM") ore. The ore from these mines is processed via two processing plants with a combined processing capacity of 6,000 tonnes of ore per day ("tpd"). The Company plans to expand the Project production capacity to 50,000 tpd (Phase II plant capacity) with the addition of a new floatation plant (44,000 tpd ore), the development of two additional open-pits (Jiaoyan and South Pits) and the expansion of the underground mining operation. Total production is planned to increase from its current production rate of 1.8 Mtpa to 16.5 Mtpa of ROM ore. Metal concentrate (saleable product), will be sold to smelters within China.

***Highlights***

(All amounts are presented in US dollars unless otherwise stated)

- Copper (Cu) Measured and Indicated Mineral Resources increased to 1,486 million tonnes at 0.41% Cu from 1,053 million tonnes at 0.44% Cu;
- Copper Proved and Probable Mineral Reserves increased to 441 million tonnes at a grade of 0.61% Cu from 363 million tonnes at 0.77% Cu;
- Contained copper in the resources increased to 6.138 million tonnes from 4.64 million tonnes;



- Total production rate is expected to grow to 16.5 Mtpa of ROM ore: 9.9 Mtpa from open-pit and 6.6 Mtpa from underground operations:
  - Phase II plant capacity will come online in two stages in 2015 and 2016
  - Ramp up to an annual processing capacity approximating 16.5 Mtpa of ROM ore is expected to happen during 2017 and is expected to continue until 2039 when the reserves from the open pit mines are exhausted
  - After 2039, operations will continue from the underground mine until 2049 at an average annual rate of 5.4 Mtpa of ROM ore
- At the completion of operations the total recovered metal is estimated to be:
  - 5.3 billion pounds of copper (“Cu”)
  - 192.4 million pounds of molybdenum (“Mo”)
  - 101.3 million ounces of silver (“Ag”)
  - 1.5 million ounces of gold (“Au”)
  - 828.2 million pounds of lead (“Pb”)
  - 314.0 million pounds of zinc (“Zn”)
- Average annual metal production is estimated to be:
  - 67 thousand tonnes of copper
  - 2.4 thousand tonnes of molybdenum
  - 2.8 million ounces of silver
  - 42 thousand ounces of gold
  - 10.4 thousand tonnes of lead
  - 4.0 thousand tonnes of zinc
- Contributions by metal to total sales is: 66.5% copper, 12.7% molybdenum, 8.6% silver, 8.3% gold, 3.5% lead and 1.3% zinc.
- Estimated life of mine is 35 years;
- Estimated capital expenditure is \$716.2 million (\$1.59 per tonne of ore);
- Estimated total operating costs are \$23.48 per tonne of ore, of which:
  - Mining costs are \$11.50 per tonne of ore
  - Processing costs are \$10.06 per tonne of ore
  - Fixed costs are \$0.33 per tonne of ore
  - Overhead costs are \$1.58 per tonne of ore
- A Net Present Value (NPV) of over \$1.3 billion with nominal cash flow of \$5.8 billion after-tax at a discount rate of 9% based on metal prices of:
  - \$2.90/lb copper
  - \$15.5/lb molybdenum
  - \$0.98/lb lead
  - \$0.95/lb zinc
  - \$1,300/oz gold
  - \$20/oz silver
- After-tax Internal Rates of Return (IRR) of 24.0% with a payback period of 6.72 years

Dr. Xin Song, CEO of the Company, commented, “This feasibility study indicates a significant increase in our resources and reserves. The Project’s economics are strong with an NPV (at a discount rate of 9%) of over \$1.3 billion and IRR of 24% even when



using prudent assumptions about metals prices. We are planning to grow the project from 6,000 to 50,000 tonnes per day instead of previously announced 40,000 tpd. We are also planning a longer mine life, close to 35 years. We are very pleased with the results of this study and the long-term outlook for this strategic asset.”

## **Geology**

The Project is located in the central-south portion of the Gangdise-Nianqing Tanggula Terrane. Stratigraphy outcropping in the Project area is dominated by passive epicontinental clastic-carbonate rocks. Three types of copper-polymetallic mineralization are observed within the Project, these include skarn, hornfels and porphyry hosted mineralization. All three styles of mineralization are structurally controlled with concentrations occurring along shear/structure zones and mineralization offset by thrust and detachment faults as well as associated with anticlines and synclines.

The zone of mineralization within fault hosted skarn alteration measures kilometers in both strike and dip and remains open at depth to the northeast.

## **Mining**

The Phase II Expansion Project will include two open pits and one underground mine.

The two open pits are designed to mine all three types of mineralization, producing approximately 9.9 million tonnes of ROM ore and removing about 20 million tonnes of waste rock per annum with a life-of-mine (LOM) stripping ratio of 2.16. The underground mine is designed to mine the high grade portion of the skarn type mineralization and will produce approximately 6.6 million tonnes of ROM ore per annum.

## **Capex and Cash Flow Analysis**

Estimated capital expenditures for the Phase II Expansion of the Project will be approximately \$716 million, including \$350 million for processing and \$366 million for mining.

The long term metal prices used for the Feasibility Study are contained in Table 1 along with sensitivity data. Prices for zinc and lead are \$0.98/lb and \$0.95/lb respectively.

The after-tax net present value ("NPV") is over \$1.3 billion with a discount rate of 9%, giving a payback period of 6.7 years and IRR of 24%. The undiscounted, cumulative net cash flow is approximately \$5.8 billion.

**Table 1: Jiama Copper-Polymetallic Project – NPV and IRR Summary**

Long Term Metal Price		NPV (\$ Million)	IRR
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Cu (\$/lb)	Mo (\$/lb)	Au (\$/oz)	Ag (\$/oz)		0% Disc. rate	7% Disc. rate	9% Base Disc. rate	11% Disc. rate	
\$2.90	\$15.5	\$1,300	\$20	Pre-Tax	\$7,406	\$2,461	\$1,873	\$1,438	30%
				After-Tax	\$5,785	\$1,795	\$1,324	\$978	24%

## Mineral Resources Estimate

A Mineral Resource estimate, dated November 20, 2013, has been independently completed by Mining One Pty Ltd in accordance with the CIM Definitions Standards under NI 43-101. The Resource estimate is based on information collected up to November 12, 2012. Assaying and geological logging and testing of the core subsequent to November 2012 including an extensive drill program conducted in 2013 will be included in future updates of the Mineral Resources and Reserves.

During the review of the data Mining One Pty Ltd noted that whilst the mineralization occurs within a single mineralized body, gold and silver mineralization within the ore body had a significantly higher spatial variability than the other elements. As a result Mining One Pty Ltd has classified the Au and Ag resource presented in **Table 3** separately; this classification takes into account the proposed large scale mining techniques where Au and Ag will only be credits to the overall products from the operations. Mining One Pty Ltd has assumed that Au and Ag will not be assigned a single cut-off grade for a selected mining block and will be mined in conjunction with the other elements.

The Mineral Resources are summarized in **Tables 2 and 3**. The Mineral Resources presented in **Table 3** for Au and Ag are inclusive and not in addition to the Mineral Resources in **Table 2** and occur within the same mineralized body.

**Table 2: Jiama Project - Cu, Mo, Pb and Zn Mineral Resources**  
Reported at a 0.3% Cu Equivalent Cut Off Grade\*, as of 20th of November, 2013

Rock Type	Class	Quantity Mt	Cu %	Mo %	Pb %	Zn %	Cu Metal (kt)	Mo Metal (kt)	Pb Metal (kt)	Zn Metal (kt)
<b>Skarn</b>	Measured	42.8	0.66	0.041	0.06	0.04	281	17	28	19
	Indicated	453.0	0.69	0.040	0.15	0.09	3,114	183	676	399
	M+I	495.8	0.68	0.040	0.14	0.08	3,395	200	704	417
	Inferred	125.5	0.46	0.038	0.20	0.10	577	47	248	125
<b>Hornfels</b>	Measured	54.9	0.23	0.031	0.03	0.01	127	17	15	5
	Indicated	852.9	0.28	0.030	0.01	0.01	2,368	253	69	64
	M+I	907.8	0.27	0.030	0.01	0.01	2,496	270	84	69
	Inferred	276.6	0.24	0.026	0.02	0.02	660	73	63	49
<b>Porphyry</b>	Measured	2.6	0.26	0.049	0.02	0.01	7	1	1	0
	Indicated	79.9	0.30	0.039	0.01	0.01	240	31	6	8
	M+I	82.4	0.30	0.040	0.01	0.01	247	33	6	8
	Inferred	4.0	0.24	0.085	0.01	0.02	10	3	0	1
<b>Total</b>	Measured	100.2	0.41	0.035	0.04	0.02	415	36	43	24
	Indicated	1,385.8	0.41	0.034	0.05	0.03	5,772	468	751	470
	<b>M+I</b>	<b>1,486.0</b>	<b>0.41</b>	<b>0.034</b>	<b>0.05</b>	<b>0.03</b>	<b>6,138</b>	<b>503</b>	<b>794</b>	<b>495</b>
	Inferred	406.0	0.31	0.030	0.08	0.04	1,247	124	312	174



**Table 3: Jiama Project – Au and Ag Mineral Resources  
Reported at a 0.3% Cu Equivalent Cut Off Grade\* as of 20th of November, 2013**

Rock Type	Class	Quantity (Mt)	Au g/t	Ag g/t	Au Moz	Ag Moz
Skarn	Measured	42.8	0.22	13.39	0.304	18.429
	Indicated	453.0	0.27	15.59	3.901	227.094
	M+I	495.8	0.26	15.40	4.205	245.523
	Inferred	125.5	0.19	11.90	0.750	47.995
Hornfels	Measured	54.9	0.02	1.32	0.041	2.330
	Indicated	852.9	0.03	1.38	0.909	37.733
	M+I	907.8	0.03	1.37	0.950	40.063
	Inferred	276.6	0.06	2.10	0.562	18.644
Porphyry	Measured	2.6	0.06	3.42	0.005	0.281
	Indicated	79.9	0.07	2.93	0.174	7.522
	M+I	82.4	0.07	2.94	0.179	7.803
	Inferred	4.0	0.04	2.25	0.006	0.287
<b>Total</b>	Measured	100.2	0.11	6.53	0.349	21.040
	Indicated	1,385.8	0.11	6.11	4.985	272.349
	<b>M+I</b>	<b>1,486.0</b>	<b>0.11</b>	<b>6.14</b>	<b>5.334</b>	<b>293.389</b>
	<b>Inferred</b>	<b>406.0</b>	<b>0.10</b>	<b>5.13</b>	<b>1.317</b>	<b>66.926</b>

Note: Figures reported are rounded which may result in small tabulation errors.

The Copper Equivalent basis for the reporting of resources has been compiled on the following basis:

CuEq Resources:

$$= (\text{Ag Grade} * \text{Ag Price} + \text{Au Grade} * \text{Au Price} + \text{Cu Grade} * \text{Cu Price} + \text{Pb Grade} * \text{Pb Price} + \text{Zn Grade} * \text{Zn Price} + \text{Mo Grade} * \text{Mo Price}) / \text{Copper Price}$$

### **Mineral Reserves Estimate**

A Mineral Reserve estimate, dated 20th of November, 2013, has been independently verified by Mining One Pty Ltd in accordance with the CIM Definitions Standards under NI 43-101.

The selected mining strategies developed by CGDI (Changchun Gold Design Institute) consider conventional truck shovel mining for the Jiaoyan and South open pits. Various mining methods have been examined for the Phase II Expansion Underground Mine with the primary method being Sub Level Stoping with fill (Primary/Secondary/Tertiary).

The reserve estimate for the Jiama underground mine is based on a combination of Sub Level Open Stoping with Paste fill, Room and Pillar and Cut and Fill. **Table 4** presents the Mineral Reserves estimate for the Project (Open pit and underground mines).

**Table 4: Jiama Project Statement of NI 43-101 Mineral Reserve Estimate as of 20th of Nov., 2012**



Type	Quantity Mt	Cu %	Mo %	Pb %	Zn %	Au g/t	Ag g/t	Metal					
								Cu kt	Mo kt	Pb kt	Zn kt	Au Moz	Ag Moz
Proven	24.96	0.64	0.04	0.05	0.03	0.19	11.35	160	10	12	8	0.2	9.1
Probable	415.87	0.61	0.03	0.13	0.08	0.19	11.52	2,548	133	551	319	2.5	154.1
Subtotal	440.83	0.61	0.03	0.13	0.07	0.19	11.51	2,708	143	563	327	2.7	163.2

Notes:

1. The Mineral Reserve as of 20th November 2013.
2. All Mineral Reserves have been estimated in accordance with the JORC code and have been reconciled to CIM standards as prescribed by the National Instrument 43-101.
3. Mineral Reserves were estimated using the following mining and economic factors:

Open Pits:

- a) 5% dilution factor and 95% recovery were applied to the mining method;
- b) overall slope angles of 43 degrees;
- c) a copper price of USD\$ 2.9/lbs;
- d) an overall processing recovery of 88 - 90% for copper

Underground:

- a) 10% dilution added to all Sub-Level Open Stopping;
  - b) Stope recovery is 87% for Sub-Level Open Stopping;
  - c) An overall processing recovery of 88 – 90% for copper.
4. The cut-off grade for Mineral Reserves has been estimated at copper equivalent grades of 0.3%Cu (NSR) for the open pits and 0.45%Cu (NSR) for the underground mine.
  5. Mineral Reserve Estimates were prepared under the guidance of Anthony R. Cameron who is a sub-consultant to Mining One Pty Ltd. He is a Fellow of the Australasian Institute of Mining and Metallurgy and has over 26 years of relevant engineering experience and is the Qualified Person for Mineral Reserves.

## Project Update

As of December 1, 2013, the Company has completed a further infill drilling program to upgrade the resource confidence and help further optimize the mine design and reserves of the Jiama deposit. The program consisted of 104 drill holes for a total of 43,930 meters, including: 85 regular in-fill resource drill holes (34,923 m), 13 geo-technical drill holes (4,835 m), and 6 geo-hydrological holes (4,172 m). Assaying and geological logging and testing of the core from 2013 drill holes is ongoing and this information will be included in the operational mine plans and future updates of the Mineral Resources and Mineral reserves.

The Company is currently completing further metallurgical testing of both skarn and hornfels ores to further optimize the molybdenum and precious metal recoveries especially in lower grade ores. Further testing underway in the South pit area, will be focused on further refining the Cu-Pb-Zn separation.

Based on the above infill drilling and metallurgical program the Company aims to continue to refine the operational mining plans and release an update of the Mineral Resources and Mineral Reserves in the first half of 2014.



## ***National Instrument 43-101 Disclosure***

An NI 43-101 Technical Report – Jiama Phase 2 Expansion Project Mineral Resources & Reserves for China Gold International with an effective date of December 20, 2013 has been prepared by Mining One Pty Ltd. The report will be available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website within 45 days of this release.

The content of this news release has been reviewed by Bin Guo and Anthony R. Cameron of Mining One Pty Ltd, each of whom is a Qualified Person in accordance with the requirements of NI 43-101. Bin Guo is a sub-consultant to Mining One Pty Ltd and is the Senior Vice President at CITIC Securities, responsible for valuation, ranking and transaction of mining projects, and has been so employed since 2011. He has 13 years' of industry and academic experience, with specific expertise in exploration management, 3D integrated geological and geophysical modelling / targeting and fulfils the requirements to be a Qualified Person for the purpose of NI 43-101.

Anthony R Cameron is a sub-consultant to Mining One Pty Ltd and is classified as an independent author. He is a Fellow of the Australasian Institute of Mining and Metallurgy and has over 26 years of relevant engineering experience and is the Qualified Person for Mineral Reserves.

## ***About China Gold International Resources***

China Gold International Resources Corp. Ltd. is based in Vancouver, BC, Canada and operates both profitable and growing mines, the CSH Gold Mine in Inner Mongolia, and the Jiama Copper-Gold Polymetallic Mine in Tibet Autonomous Region of the People's Republic of China. The Company's objective is to continue to build shareholder value by growing production at its current mining operations, expanding its resource base, and aggressively acquiring and developing new projects internationally. The Company is listed on the Toronto Stock Exchange (TSX: CGG) and the Main Board of The Stock Exchange of Hong Kong Limited (HKEx: 2099).

For additional information:

**Elena M. Kazimirova**  
**Investor Relations Manager and Financial Analyst**

**Tel:** +1.604.695 5031

**Email:** [info@chinagoldintl.com](mailto:info@chinagoldintl.com)

**Website:** [www.chinagoldintl.com](http://www.chinagoldintl.com)

## ***Cautionary Note about Forward-Looking Statements***

*Certain information regarding China Gold International Resources contained herein may constitute forward-looking statements within the meaning of applicable securities laws.*



# China Gold International Resources Corp. Ltd.

Suite 1030, One Bentall Centre  
505 Burrard Street, Box 31  
Vancouver, BC  
Canada V7X 1M5

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