



## China Gold International Reports 2019 Second Quarter and First Half Financial Results

VANCOUVER, August 14, 2019- China Gold International Resources Corp. Ltd. (TSX: CGG; HKEx: 2099) (the “**Company**” or “**China Gold International Resources**”) reports on the Company’s financial and operational results for the three months (“**Q2**”, or “**second quarter 2019**”) and six months (“**first half**” or “**six months 2019**”) ended June 30, 2019. This news release should be read in conjunction with the Company’s Financial Statements, Notes to the Financial Statements and Management’s Discussion and Analysis.

### **Selected Production and Financial Highlights: Q2 2019 Compared to Q2 2018**

- Revenue increased by 15% to US\$163.2 million from US\$142.1 million for the same period in 2018.
- Mine operating earnings decreased by 80% to US\$7.3 million from US\$35.8 million for the same period in 2018.
- Net profit after tax decreased from US\$0.4 million for the 2018 period to a net loss after income taxes of US\$23.0 million for the same period in 2019.
- The Company’s total production was 55,503 ounces of gold and 16,126 tonnes (approximately 35.6 million pounds) of copper.
- Gold production from the CSH Mine increased by 18% to 39,875 ounces from 33,880 ounces for the same period in 2018.
- The total production cost of gold for the three months ended June 30, 2019 increased to US\$1,329 per ounce compared to US\$1,097 for the three month 2018 period. The increase in production cost is attributed to the difference between recoverable gold placed on pad which increased by approximately 112% and gold production which increased by 18% for the three months ended June 30, 2019. As the CSH Mine uses a heap leaching (leach pad) process, there are periods in which there is a timing difference in the volume of ore mined and placed on pad compared to volume of gold production. On average, the heap leaching process will take several years from when the ore is first mined and placed on pad until the point of gold production. Higher volumes of gold production also contributed to approximately a 33% increase in amortization of mine development costs. The cash production cost of gold for the three months ended June 30, 2019 remained consistent compared with the same period in 2018.

CSH Mine	Three months ended June 30,	
	2019	2018
Total production cost (US\$ per ounce)	1,329	1,097
Cash production cost <sup>(1)</sup> (US\$ per ounce)	805	806

<sup>(1)</sup> Non-IFRS measure.



- Copper production from the Jiama Mine increased by 17% to 16,126 tonnes (approximately 35.6 million pounds) from 13,738 tonnes (approximately 30.3 million pounds) and gold produced was 15,628 ounces compared to 20,497 ounces for the same period in 2018.
- In the second quarter of 2019, both total production cost of copper per pound after by-products and cash production cost of copper per pound after by-product increased as compared to the same period in 2018 due to lower grades of ores produced from the use of open-pit mine. The Jiama Mine is currently developing a new section of the underground mine which is expected to have higher grade ore, with anticipated completion by the end of 2020.

Jiama Mine	Three months ended June 30	
	2019	2018
Total production cost <sup>(1)</sup> (US\$) of copper per pound after by-products credits <sup>(2)</sup>	2.39	2.07
Cash production cost <sup>(3)</sup> (US\$) of copper per pound after by-products credits <sup>(2)</sup>	1.70	1.37

<sup>(1)</sup> Production costs include expenditures incurred at the mine sites for the activities related to production including mining, processing, mine site G&A and royalties etc.

<sup>(2)</sup> By-products credit refers to the sales of gold and silver during the corresponding period.

<sup>(3)</sup> Non-IFRS measure.

### ***Selected Production and Financial Highlights: First Half 2019 Compared to First Half 2018***

- Revenue increased by 24% to US\$308.8 million from US\$248.8 million for the same period in 2018.
- Mine operating earnings decreased by 47% to US\$22.6 million from US\$42.3 million for the same period in 2018.
- Net loss after taxes of US\$27.5 million, a decrease by US\$29.9 million from a net income of US\$2.4 million for the same period in 2018.
- The Company's total production was 99,527 ounces of gold and 30,959 tonnes (approximately 68.3 million pounds) of copper.
- Gold production from the CSH Mine decreased to 68,502 ounces from 69,922 ounces for the same period in 2018.
- Copper production from the Jiama Mine increased to 30,959 tonnes (approximately 68.3 million pounds) from 20,799 tonnes (approximately 45.9 million pounds) for the same period in 2018. Gold produced was 31,025 ounces compared to 30,720 ounces for the same period in 2018.

Mr. Liangyou Jiang, the CEO and Executive Director of the Company, stated, "We delivered a quarter with really strong operating cash flow sufficient to cover the next twelve months. We are



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making considerable efforts to position ourselves and adapt to the current market conditions and the opportunities ahead of us”.

Analysts, investors, media and general public are encouraged to visit the Company’s website at [www.chinagoldintl.com](http://www.chinagoldintl.com), The Stock Exchange of Hong Kong Limited’s website at [www.hkex.com.hk](http://www.hkex.com.hk) or SEDAR at [www.sedar.com](http://www.sedar.com) to view the complete set of the financial statements and MD&A or contact the Company with any questions.

## **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-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 further information on the Company, please refer to its SEDAR profile at [www.sedar.com](http://www.sedar.com) or: Telephone: 604-609-0598, 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. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although China Gold International Resources believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. China Gold International Resources cautions that actual performance will be affected by a number of factors, most of which are beyond its control, and that future events and results may vary substantially from what China Gold International Resources currently foresees. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date.*