



中国黄金国际资源有限公司  
China Gold International Resources Corp. Ltd.



TSX: CGG | HKSE: 2099

PDAC 2017

March 5, 2017

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## Unique Corporate Model

Strong support from the controlling shareholder –China National Gold Group

## Investment Grade Credit Rating

August 2016 – S&P reaffirmed the Company's BBB- long-term corporate credit rating

## Ability to Raise Sizable Financing at Low Cost

December 2016 – \$USD 495 MM Credit Facility  
July 2014 – \$USD 500 MM Bond

## Rapid Growth

9<sup>th</sup> year of growing production capacity

## Consistent Profitability

9 years of consistent operational profitability

## Effective Cost Management

Keep reducing overall operating costs

# CAPITAL STRUCTURE

Listings	TSX: CGG HK Stock Exchange: 2099
Issued& Outstanding Shares	396.41million
Market Cap	CAD 1.3 billion
Cash (Q3)	US\$45.53million
Short-Term Debt (Q3)	US\$559.68million
Long-Term Debt (Q3)	US\$540.60million
52 Week Stock Price Range	CAD \$1.84-\$3.67

Major China Gold Shareholders	
China National Gold GROUP CORP	39.33%
Van Eck Associates Corporation	9.59%
Dimensional Fund Advisors	1.68%
Vanguard	1.05%
Blackrock	0.82%

**China National Gold Group-the largest gold producer in China owns 39.33% of China Gold International**

## Exceptional Share Price Movement

	Stock Price(CAD)	1 Week	30-Day	1 Year
<b>China Gold</b>	3.29	18.3%	32.6%	62.87%

- As of February 8, 2017

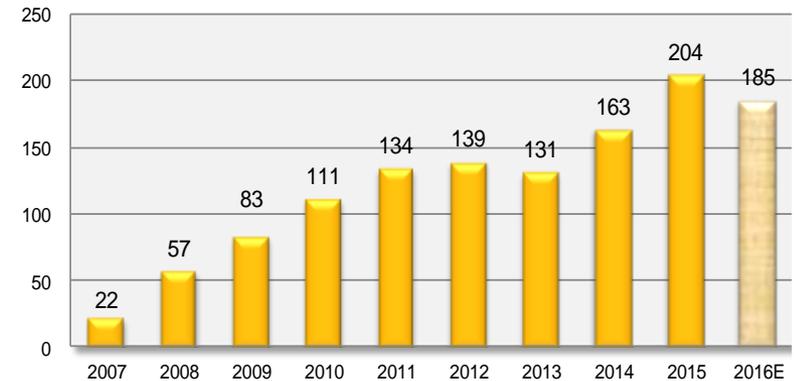
- **Commissioning of Series I of Jiama Phase II Expansion commenced December 1, 2016**
- **Operating cost of Jiama mine is significantly reduced**
- **Copper production surpassed previously announced 2016 guidance**

Item	Q3 ended September 30, 2016	Q3 ended September 30, 2015	Year ended December 31, 2015
Revenues (MM USD)	\$109.5	\$99.9	\$340
Net Profit (MM USD) *	\$7.7	\$(5.2)	\$(7)
Net Operating Cash Flow (MM USD)	\$31.1	\$19.7	\$67
Earning per share (US cents)	\$1.82 cents	\$(1.41) cents	(2.07) cents
Cash Costs – CSH Au	\$778/oz Au	\$700/oz Au	\$702/oz Au
Cash Costs – Jiama (copper equivalent) Cu	\$0.90/lb Cu	\$1.53/lb Cu	\$1.54/lb Cu
Gold Produced by CSH (oz)	46,654	57,981	204,471
Copper produced by Jiama (lbs)	10,662,409	8,671,886	38,104,950

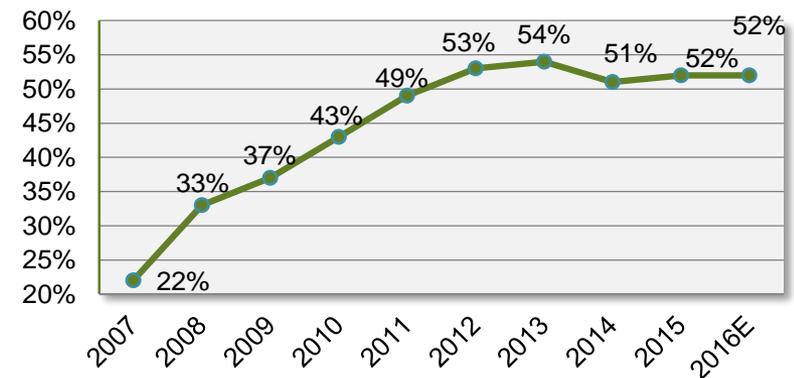


- ❖ H2, 2014 - Expansion finished, commercial production begins. Processing capacity increased from 30,000 tpd to 60,000 tpd
- ❖ 2017 gold production is expected to be 193,000 oz

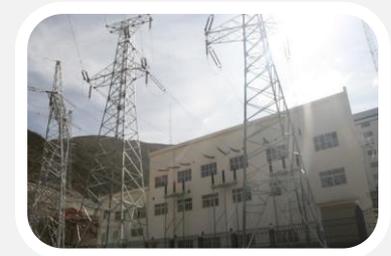
## CSH gold production ('000 ounces)



## Improving Gold Recovery %



- Expansion target: increase processing capacity from 6,000 tpd to 47,000 tpd
- Commissioning of Series I of Jiama Phase II Expansion commenced December 1, 2016
- Processing facilities completed, underground engineering is on-going



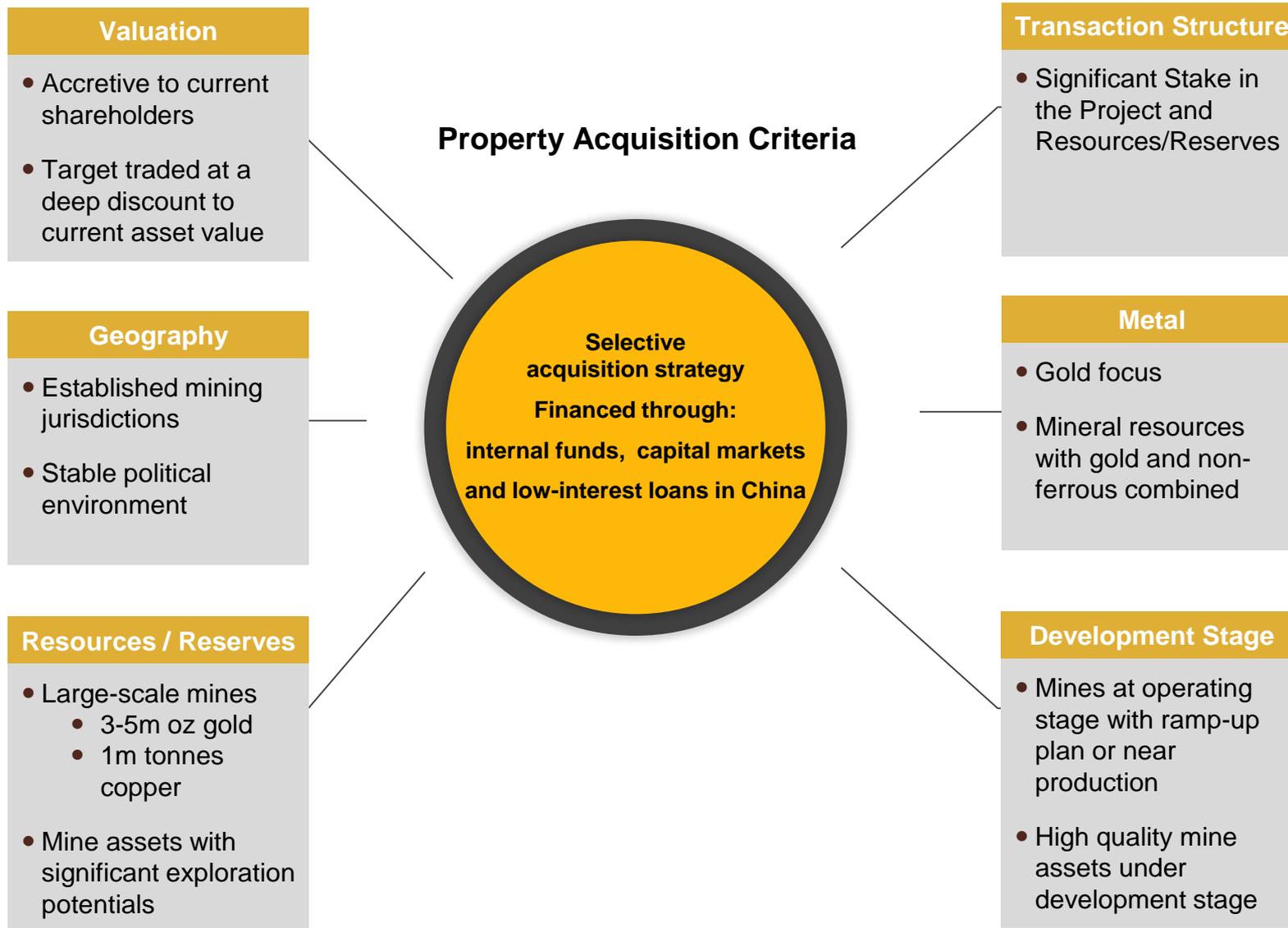
# COOPER PRICE REBOUNDS EARLIER THAN ANTICIPATED

## 2016-2017 Copper Performance



## Rebound drivers

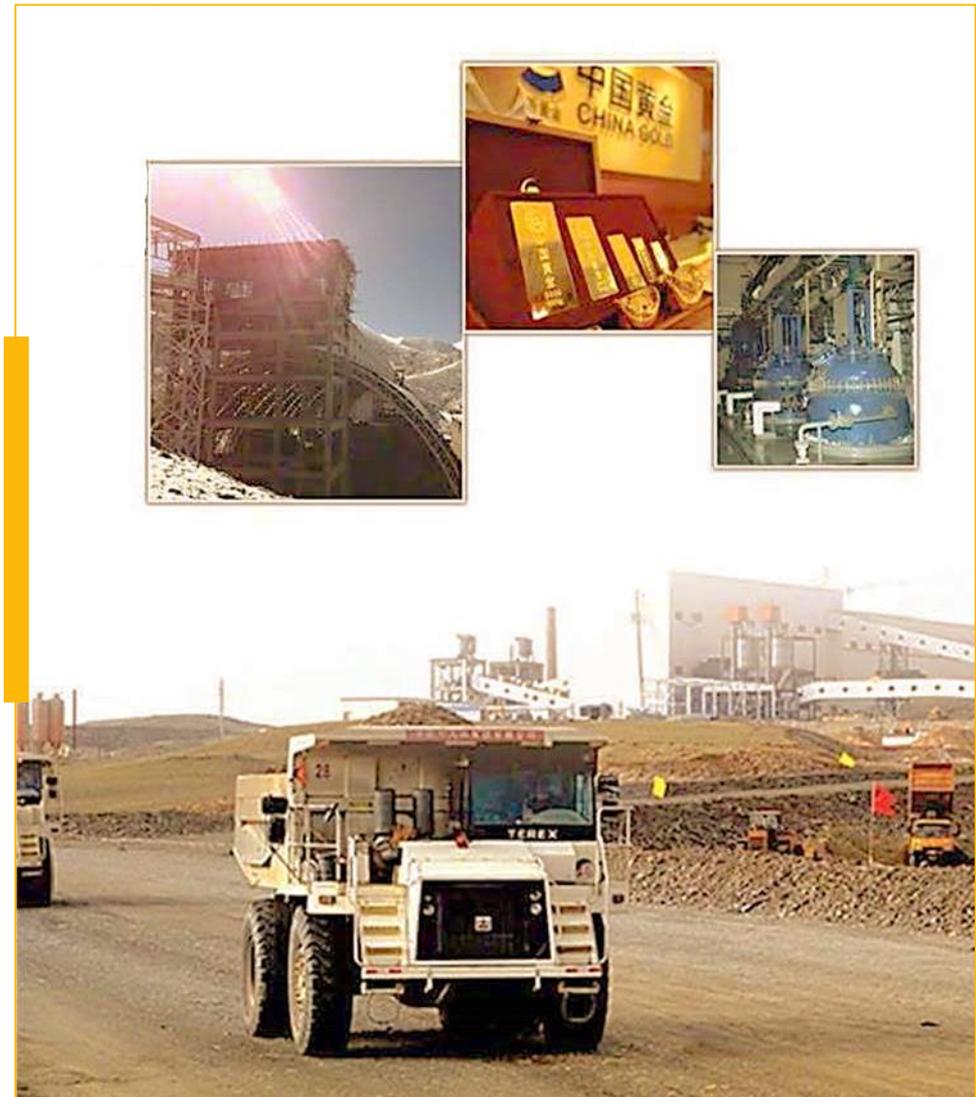
- Demand from China is recovering (2016, China's real copper consumption likely rose 5.7 percent, in the high end of the projected 3-7 percent range)
- U.S. infrastructure plans will boost demand and the price of copper
- A reduction in copper stocks in LME warehouses indicates a tighter market
- Other potential issues on the supply side



## About China National Gold (CNG)

- ❑ Largest gold producer in China
- ❑ A diversified mining company with a whole industrial chain model
- ❑ A global mining player
- ❑ BBB credit rating by S&P-Strong ability to resist risk
- ❑ Major shareholder in both international and domestic listings
  - TSX and HK Stock Exchanges:  
***China Gold International (CGG) / 2099***
  - Shanghai Stock Exchange:  
***ZhongJin Gold (600489)***

**CGG is the only overseas listing vehicle of CNG.**



## China Gold International's Ratings by S&P



**BBB-**

## China National Gold Group's Ratings by S&P



**BBB**

## OUR STRENGTH: SUPERIOR FINANCING CAPABILITY

### 2015 RMB 3.98 Billion (US\$ 627 MM Loan Facility)

- ❖ Low Cost Financing
- ❖ Secured by Jiama's mining rights
- ❖ No repayment till May 2019
- ❖ Term: **14 years**

### 2014 July 2014 - US\$ 500 MM Bond Issue

- ❖ First US dollar denominated bond issue supported by a company's credit rating outside of China in the history of the gold companies in Asia Pacific Region.
- ❖ Financing costs were significantly lower than the industry standard.
- ❖ The Offer was **nearly 15 times** oversubscribed.
- ❖ The Offer generated the highest percentage of subscription by European investors compared to other recent Chinese corporate bond issues.

Amount	RMB 3.98 Billion (\$US 627 Million)
Date	November 3, 2015
Rate of Interest	<b>2.83% per annum</b> (at time of issue) People's Bank of China Lhasa Center Branch's interest rate LESS 0.07%
Repayment	November 2029
Guarantee	Unconditional by CGG, commitment letter provided by CGG and CNG
Use of Proceeds	Jiama Mine
Managers	Bank of China, Agricultural Bank of China, China Construction Bank, China Development Bank, Bank of Tibet.

Amount	\$US 500 Million
Date	July 17, 2014
Credit Rating	BBB-
Price	99.634%
Coupon	<b>3.50% per annum</b>
Maturity	July 17, 2017
Guarantee	Unconditional by CGG
Use of Proceeds	Working capital, CAPEX, general corporate purposes
Joint Lead Managers	Standard Chartered Bank, Citigroup Global Markets Limited, Merrill Lynch International, CCB International Capital Limited

# OUR STRENGTH: EXPERIENCED BOARD AND MANAGEMENT TEAM

## Top management of China Gold International



**Xin Song**

Chairman and Executive Director

30+ years experience



**Bing Liu**

CEO and Executive Director

30+ years experience



**Lianzhong Sun**

Non-Executive Director

30+ years experience



**Liangyou Jiang**

Senior Executive Vice President and Executive Director

30+ years experience



**Ian He Ying Bin**

Independent Director

30+ years experience



**Yunfei Chen**

Independent Director

25+ years experience



**John King Burns**

Independent Director

35+ years experience



**Greg Hall**

Independent Director

35+ years experience



**Xiangdong Jiang**

Executive Director  
VP of Exploration

30+ years experience



**Jerry Xie**

Executive VP and Corporate Secretary

30+ years experience



**Songlin Zhang**

VP of Operations and Chief Engineer

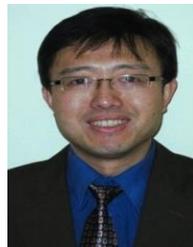
30+ years experience



**Lisheng Zhang**

Vice President

30+ years experience



**Derrick Zhang**

Chief Financial Officer

25+ years experience



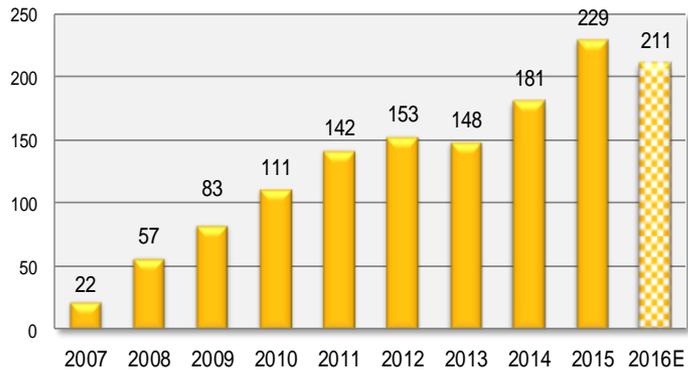
**Shiliang Guan**

Vice President

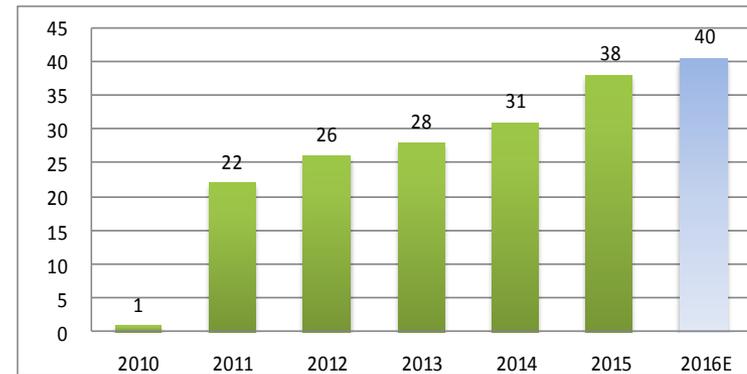
30+ years experience

➤ **Maintain profitability and increase production despite lower commodity prices**

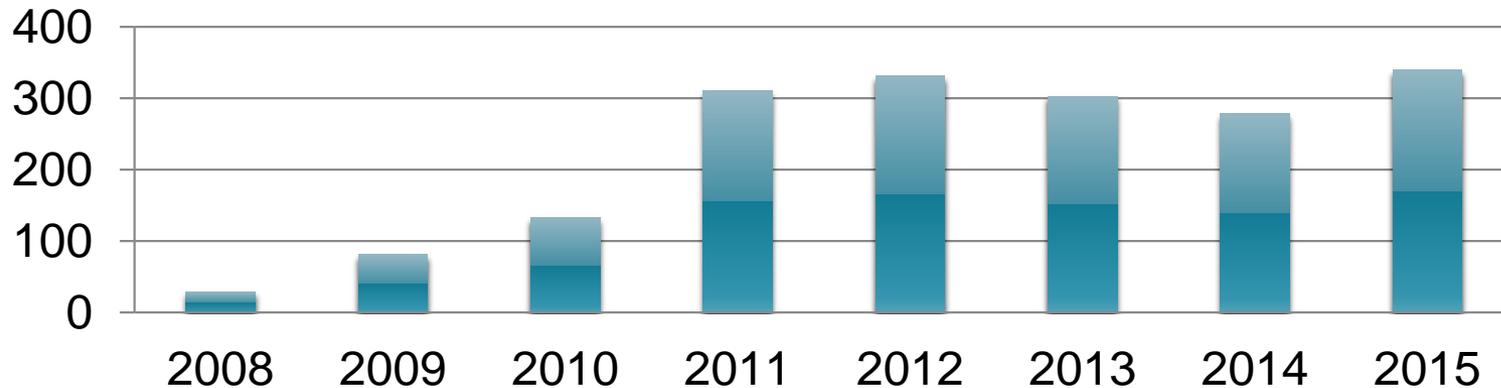
**Combined Gold Production CSH & Jiama ('000 oz)**



**Copper Production from Jiama (M lbs)**



**CGG Revenues from 2008-2015**



## 2017 OUTLOOK

- ❑ **Series I of Jiama Phase II Expansion will turn into commercial production**
- ❑ **Copper production in 2017 is expected to be doubled to approximately 79 million pounds**
- ❑ **By the end of 2017, processing capacity of Jiama expansion will reach 80% of its designed capacity**
- ❑ **Continuingly working on potential acquisition targets**





## ACHIEVING SUSTAINABLE DEVELOPMENT THROUGH CORPORATE SOCIAL RESPONSIBILITY

- Environmental protection
- Support to local school
- Building rural roads
- Improvement of portable water
- Green mine initiatives
- In Canada – keep supporting Canadian Cancer Society since 2011



2016

**CSR (Corporate Social Responsibility) Model Enterprise** by *Federation of Trade Unions, Federation of Industry and Commerce and SASAC*

**Model Family for Employees** by *All-China Federation of Trade Union*

2015

**CSR (Corporate Social Responsibility) Model Enterprise** by *the Corporate Social Responsibility Research Center of Chinese Academy of Social Sciences*

**3 second grade awards and 1 third grade awards for Technology Innovation Achievements** by *China Gold Association*

2014

**1 Grand Award, 5 first grade awards, and 3 second grade awards for Technology Innovation Achievements** by *China Gold Association*

**1 first grade award for Technology Achievements** by *China Gold Association*

2013

**China's Top 10 Major Mineral Exploration Achievements** by *Geological Society of China*

2012

**National Level Green Mine** by *the Ministry of Land and Resources*

**Outstanding Award of National Science and Technology Development** by *the Ministry of Science and Technology*

**Project of National "Twelfth Five-Year" Plan for Science & Technology Support** by *the Ministry of Science and Technology*

**Project of National "Twelfth Five-Year" Plan for Non Ferrous Industry** by *the Ministry of Industry and Information Technology*

2011

**First batch of advanced mines in China's development and integration of mineral resources** by *the Ministry of Land and Resources*

**The Pioneer Worker Banner** by *China Federation of Trade Unions*



**Thank You!**