



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



TSX: CGG | HKSE: 2099

Q4 & FY 2016 Results

April 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 increasing production

## Consistent Profitability

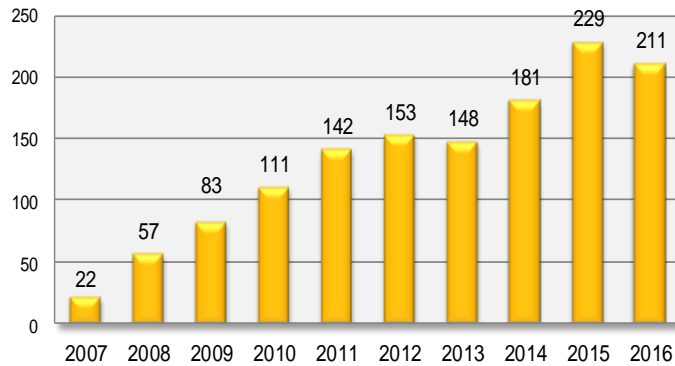
9 years of consistent operational profitability

## Effective Cost Management

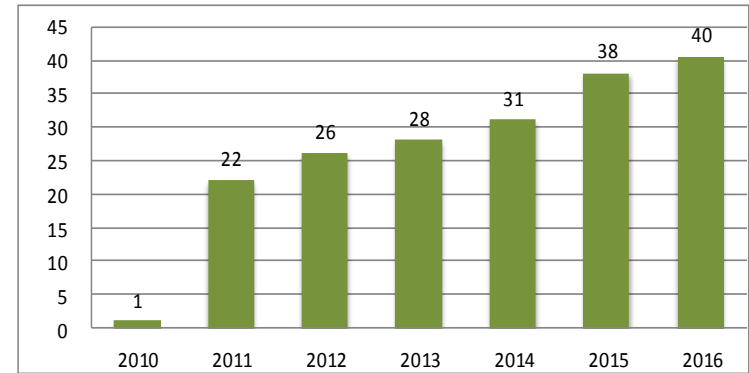
Keep reducing overall operating costs

# OUR STRENGTH: EXCELLENT OPERATIONAL TRACK RECORD

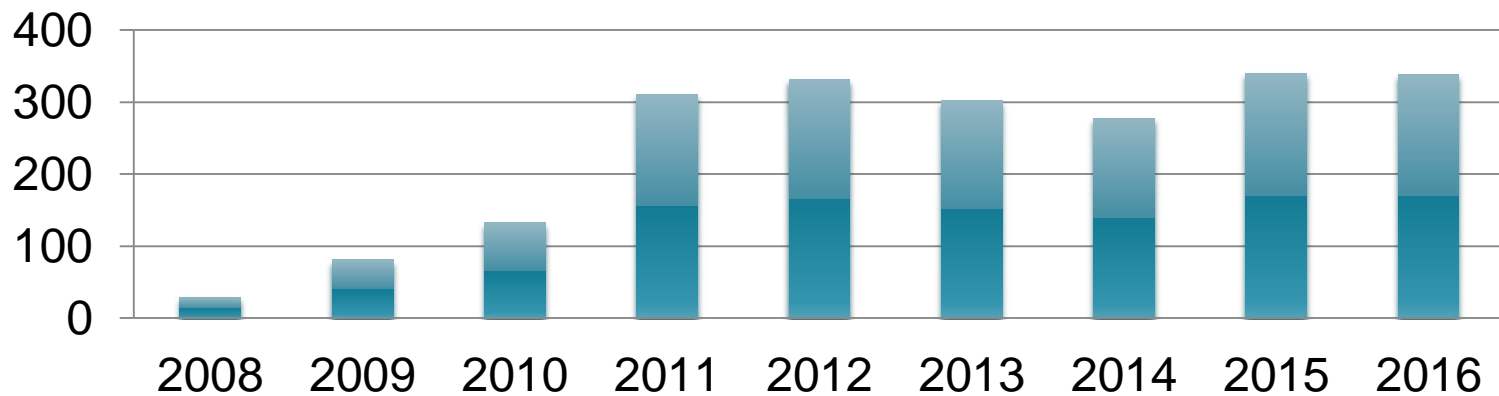
**Combined Gold Production CSH & Jiama ('000 oz)**



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



**CGG Revenues from 2008-2016 (MM USD)**



# CAPITAL STRUCTURE

Listings	TSX: CGG HK Stock Exchange: 2099
Issued & Outstanding Shares	396.41 million
Market Cap	CAD 1.3 billion
Cash(Q4)	US\$ 59.93 million
Short-Term Debt(Q4)	US\$596.23 million
Long-Term Debt(Q4)	US\$558.60 million
52 Week Stock Price Range	CAD \$1.84-\$3.67

Major China Gold Shareholders	
China National Gold GROUP CORP	39.3%
Van Eck Associates Corporation	10.0%
Dimensional Fund Advisors	1.8%
Vanguard	1.06%
Blackrock	0.51%

**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>	3.11	20.08%	4.01%	47.39%

- As of March 16 , 2017

## 2016 and Q1 2017 HIGHLIGHTS

### 2016 HIGHLIGHTS

- 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

### Q1 2017 HIGHLIGHTS

- Revenue increased by 25% and mine operating earnings increased by 155% compare with the same period in 2016.
- Net profit/loss after income taxes increased to net profit US\$6.4 million from a net loss of US\$3.5 million compare with the same period in 2016.
- Copper production from the Jiama Mine increased by 39% compare with the same period in 2016.

Item	Q1 ended March 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Revenues (MM USD)	\$82	\$339	\$340
Net Profit (MM USD)	\$6.4	\$(12)	\$(7)
Net Operating Cash Flow (MM USD)	\$12	\$79	\$67
Earning per share (US cents)	1.60	(3.36)	(2.07)
Cash Costs – CSH (USD/oz)	\$741	\$764	\$652
Cash Costs – Jiama (copper equivalent) (USD/lb)	0.80	1.09	\$1.54
Gold Produced by CSH (oz)	34,540	185,052	204,471
Copper produced by Jiama (MIbs)	12.60	40.39	38.10

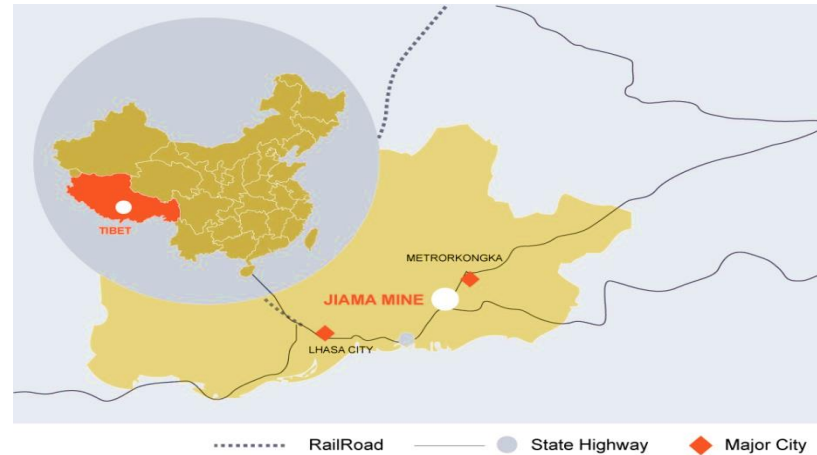
- ❑ Located 68 kilometers northeast of Lhasa, Tibet
- ❑ Open-pit and underground mining operation
- ❑ Commercial production began in September 2010
- ❑ **Phase I operation successfully completed**
  - 6,000 tpd processing capacity
- ❑ **Phase II expansion is under progress**
  - Increase processing capacity to 50,000 tpd when expansion is completed

Jiama Resources													
Category	Ore (mt)	Grade						Contained Metal					
		Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (kt)	Mo (kt)	Au (M oz)	Ag (M oz)	Pb (kt)	Zn (kt)
Measured	96.6	0.40	0.04	0.09	5.71	0.04	0.02	384	35	0.27	17.73	43	23
Indicated	1382.7	0.41	0.03	0.11	6.08	0.05	0.03	5695	467	4.95	270.47	750	470
<b>Total M&amp;I</b>	<b>1479.4</b>	<b>0.41</b>	<b>0.03</b>	<b>0.11</b>	<b>6.06</b>	<b>0.05</b>	<b>0.03</b>	<b>6079</b>	<b>502</b>	<b>5.22</b>	<b>288.20</b>	<b>793</b>	<b>493</b>
Inferred	406.1	0.31	0.03	0.10	5.13	0.08	0.04	1247	123	1.32	66.93	311	175

Jiama Reserves													
Category	Ore (Mt)	Grade						Contained Metal					
		Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (kt)	Mo (kt)	Au (Moz)	Ag (Moz)	Pb (kt)	Zn (kt)
Proved	21.4	0.61	0.05	0.21	9.35	0.05	0.03	131	10	0.148	6.43	11	7
Probable	412.8	0.61	0.03	0.18	11.42	0.13	0.08	2520	132	2.451	151.58	549	318
<b>Total</b>	<b>434.2</b>	<b>0.61</b>	<b>0.03</b>	<b>0.19</b>	<b>11.32</b>	<b>0.13</b>	<b>0.07</b>	<b>2651</b>	<b>142</b>	<b>2.599</b>	<b>158.01</b>	<b>561</b>	<b>325</b>

Note: The Mineral Resources and Reserve as of December 31, 2016

- Expansion target: increase processing capacity from 6,000 tpd to 50,000 tpd
- Commissioning of Series I of Jiama Phase II Expansion commenced December 1, 2016
- Processing facilities completed, underground engineering is on-going





# CSH GOLD MINE

– ONE OF CHINA'S LARGEST GOLD MINES

- ❖ Located in Inner Mongolia of China, ~ 210km northwest of the city of Baotou
- ❖ Principal product: Gold dore bars with silver as a by-product
- ❖ Well-established basic infrastructure:
  - excellent access to roads
  - sufficient power
  - sufficient water and local labor force
- ❖ Large-scale open pit, heap leach



## CSH Mine Resources

Resources	Tonnage (mt)	Grade (g/t)	Gold Content (Moz)
Measured	26.72	0.67	0.58
Indicated	136.59	0.61	2.68
<b>Total M&amp;I</b>	<b>163.31</b>	<b>0.62</b>	<b>3.26</b>
Inferred	82.26	0.51	1.36

## CSH Mine Reserves

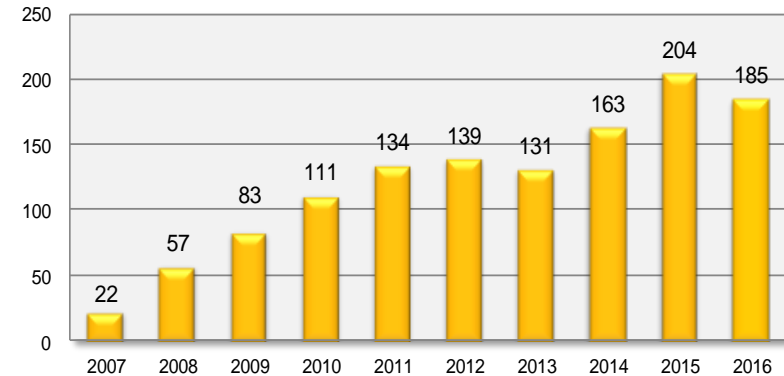
Reserves	Tonnage (mt)	Grade (g/t)	Gold Content (Moz)
Proven	25.87	0.68	0.57
Probable	93.32	0.64	1.91
<b>Total</b>	<b>119.20</b>	<b>0.65</b>	<b>2.47</b>

*Note:* Northeast and Southwest pits combined at December 31, 2016 under NI 43-101

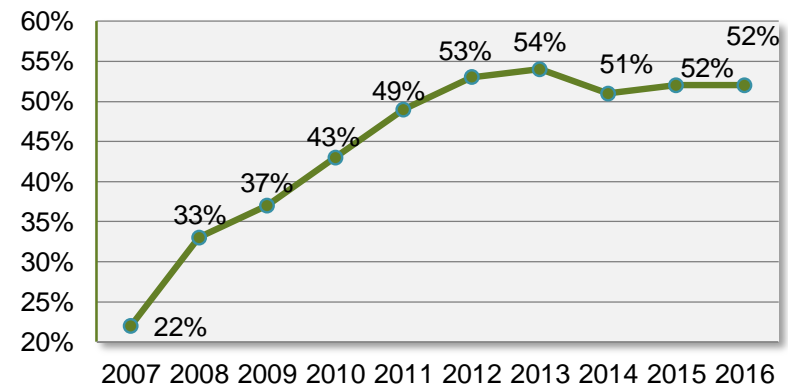


- ❖ H2, 2014 - Expansion finished, commercial production begins. Processing capacity increased from 30,000 tpd to 60,000 tpd
- ❖ 2017 gold production is expected to be 193,000 oz

## CSH gold production ('000 ounces)



## Improving Gold Recovery %



# COOPER PRICE REBOUNDS EARLIER THAN ANTICIPATED

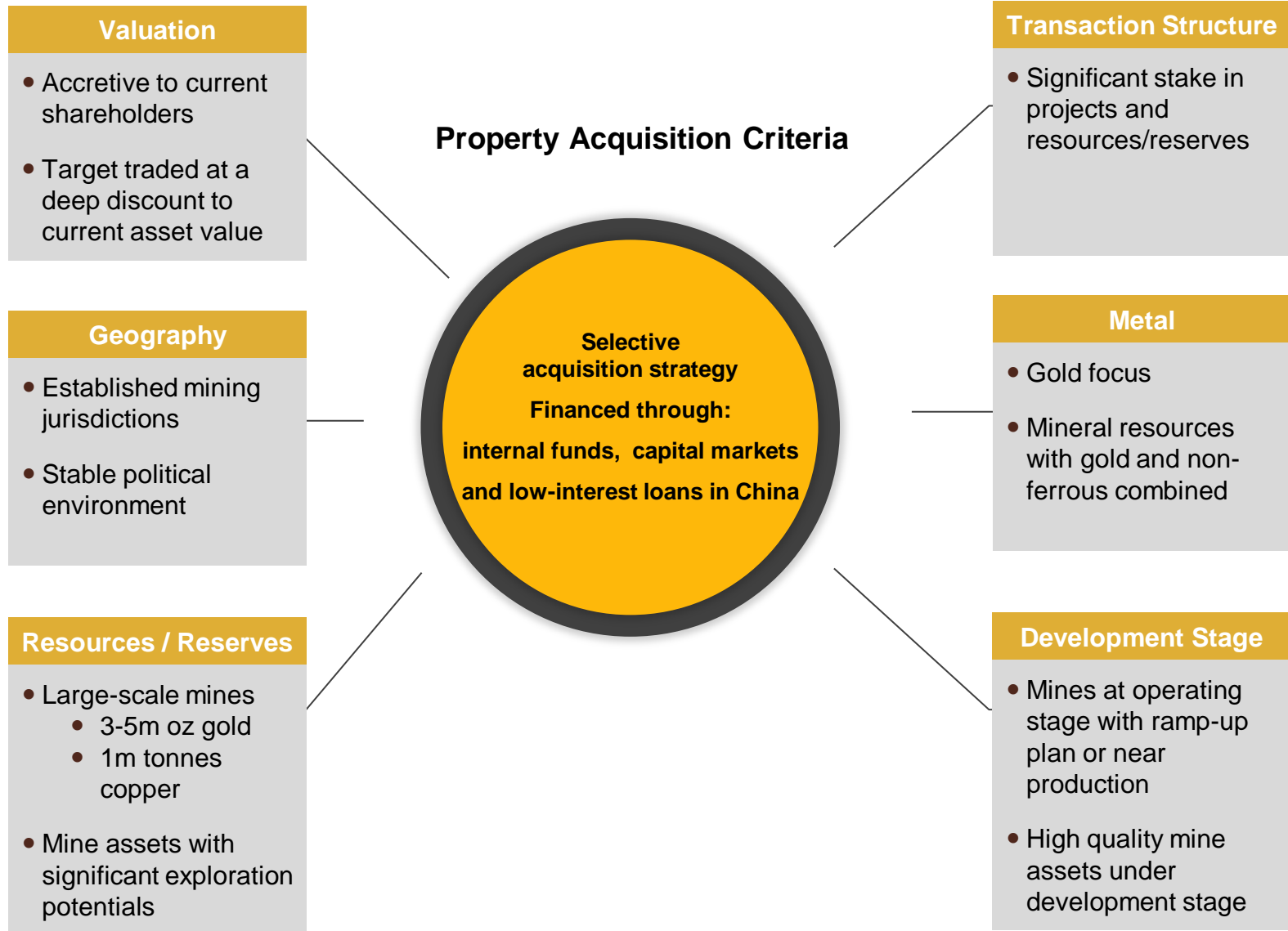
## 2016-2017 Copper Performance



## 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

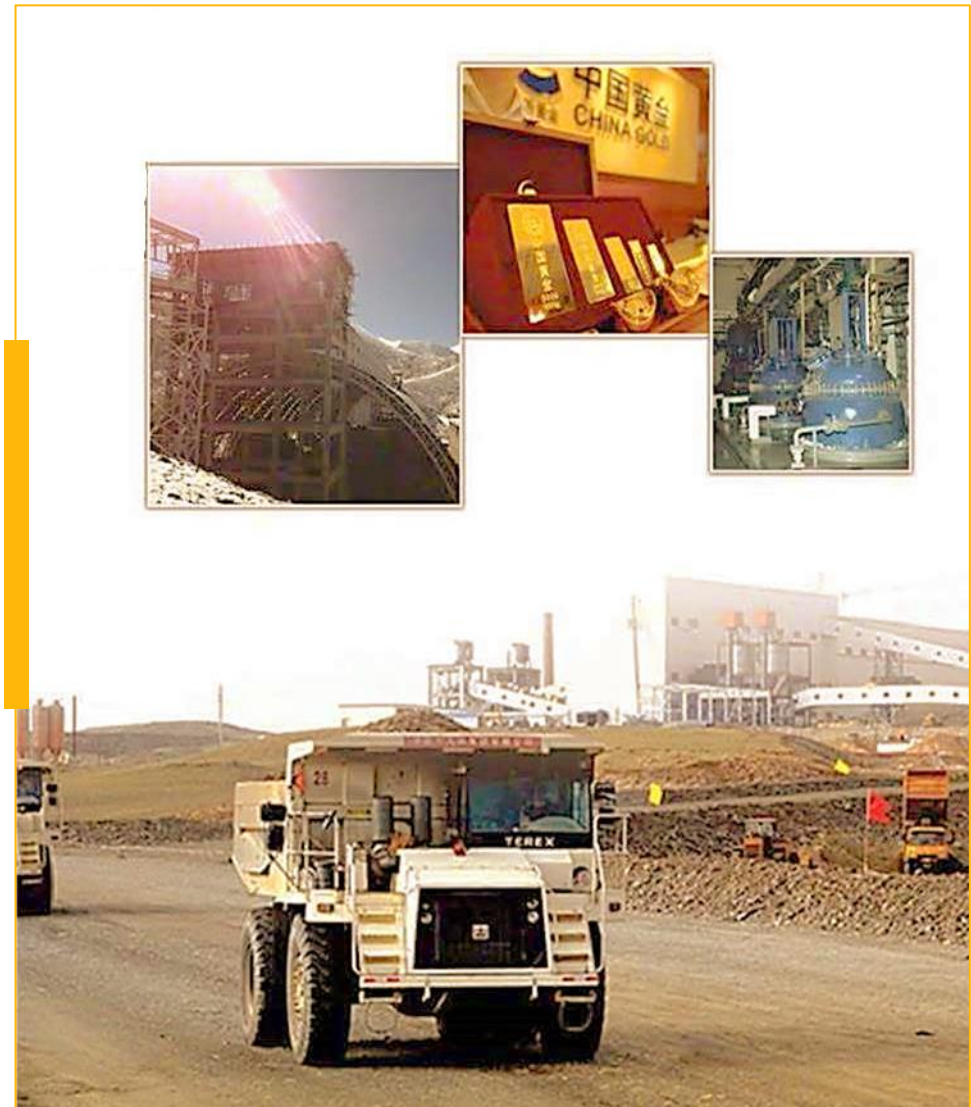
# ACCRETIVE ACQUISITION STRATEGY



## 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**

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
Use of Proceeds	Jiama Mine
Managers	Bank of China, Agricultural Bank of China, China Construction Bank, China Development Bank, Bank of Tibet.

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	\$US 500 Million
Date	July 17, 2014
Credit Rating	BBB-
Price	99.634%
Coupon	<b>3.50% per annum</b>
Maturity	July 17, 2017
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

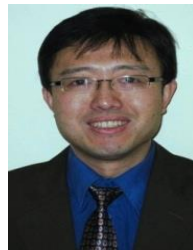
30+ years experience



**Lisheng Zhang**

Vice President

30+ years experience



**Derrick Zhang**

Chief Financial Officer

25+ years experience



**Shiliang Guan**

Vice President

25+ years experience





## 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

**Outstanding Group of "Twelfth Five-Year Plan" for National Gold Industry on Technology Work** by *China Gold Association*

**2016 China's Top 10 Producing Mines** by *China Gold Association*

**Outstanding Enterprise in CSR (Corporate Social Responsibility)** by *the Government of Inner Mongolia Autonomous Region*

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

**1 first grade reward, 1 second grade awards and 2 third grade awards for Technology Innovation Achievements**  
by *China Gold Association*

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*

**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*

2012

**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*

- ❑ **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**
- ❑ **Projected gold production of 218,700 ounces in 2017**
- ❑ **Continuingly working on potential acquisition targets**





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**Thank you!**

