



# Sustainable Growth



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

TSX: CGG | HKEX: 2099

March 2019

# Forward Looking Statements

This presentation contains “forward looking statements” within the meaning of the United States private securities litigation reform act of 1995 and “forward looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information here include but are not limited to statements regarding China Gold International Resources anticipated future performance, including precious metals and base metals production, reserves and resources, timing and expenditures to expand mine and plant capacities and develop new mines, metal grades and recoveries, cash costs and capital expenditures. Forward looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of China Gold International Resources and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others: fluctuations in metal prices and currency markets; changes in legislation, policies, taxation, regulations; political or economic developments; management, operating or technical risks, hazards or difficulties in exploration, development and mining activities; inadequate insurance, or inability to obtain insurance; availability of and costs associated with mining inputs and labor; the speculative nature of mineral exploration and development, diminishing quantities or grades of mineral reserves as properties are mined; the ability to successfully integrate acquisitions; risks in obtaining necessary licenses and permits. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward looking statements or information. The company does not intend to, and does not assume any obligation to update such forward looking statements or information, other than as required by applicable law. We Seek Safe Harbor.

# Why Invest in China Gold International

**1**

## SOLID STRATEGIC INVESTOR BACKING

Strong support from controlling shareholder: China National Gold Group

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**2**

## SUSTAINABLE GROWTH

11<sup>th</sup> year of increasing production

Series II of Jiama mine phase II expansion achieved commercial production ahead of schedule in mid-2018

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**3**

## INVESTMENT GRADE CREDIT RATING

August 2017: S&P reaffirmed the company's BBB- long-term corporate credit rating

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**4**

## ABILITY TO RAISE SIZABLE FINANCING AT LOW COST

2015-2017: Combined issued over US\$1.1 billion bond

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**5**

## BROAD INVESTOR REACH IN NORTH AMERICA AND ASIA

Dual listed in TSX and HKEX, eligible trading under the Shenzhen-Hong Kong Stock Connect

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**6**

## HIGH STANDARD OF CSR AND HSE

# Capital Structure

## LISTINGS

TSX: CGG  
HKEX: 2099

## ISSUED & OUTSTANDING SHARES<sup>3</sup>

396.41 MM

## MARKET CAP<sup>1</sup>

CDN\$739.3 MM

## CASH<sup>2</sup>

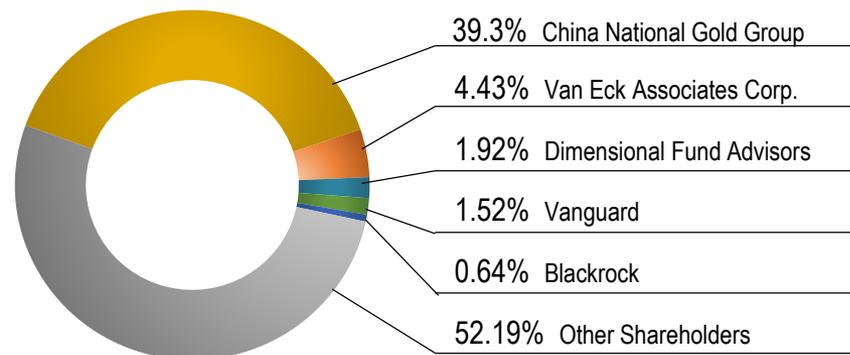
US\$183.5 MM

## 52 WEEK STOCK PRICE RANGE<sup>1</sup>

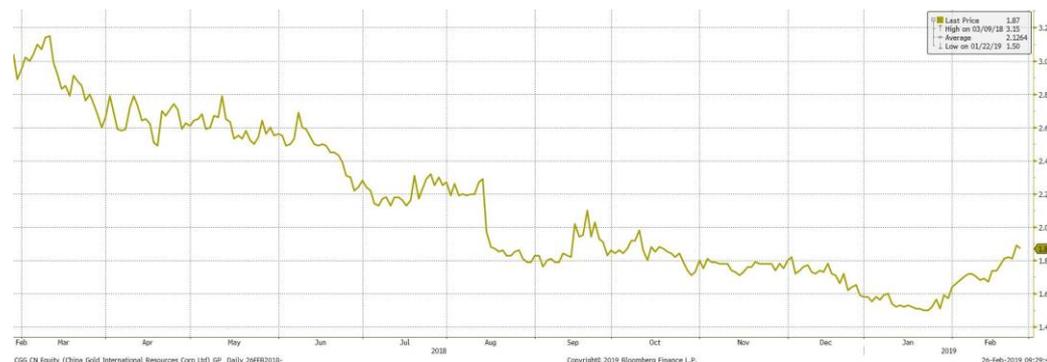
CDN\$1.46-\$3.19

## MAJOR SHAREHOLDERS<sup>1</sup>

China National Gold Group the largest gold producer in China, owns 39.30% of China Gold International



## STOCK PERFORMANCE TSX: CGG (Feb/26/18-Feb/26/19)



1. Source: Bloomberg, as of February 26, 2019

2. 2018 Q3 data

3. The company stock is fungible between TSX and HKEX

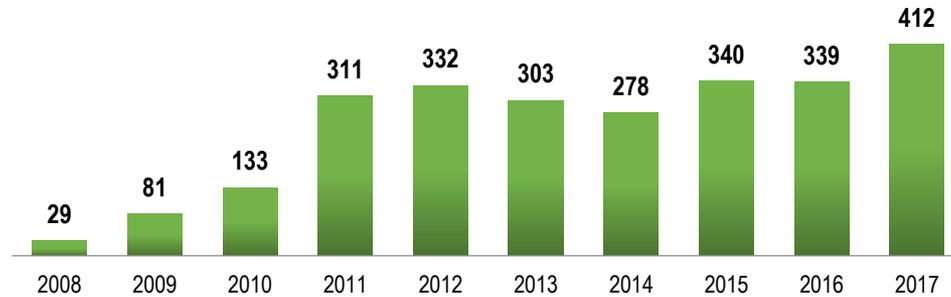
# Company Operating Highlights

## Excellent Operational Track Record

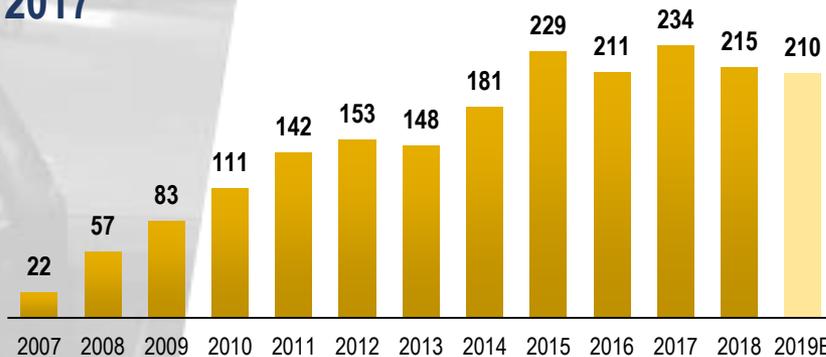
### In 2018

- Total gold production was 215,000 ounces
- Copper production increased by 54% compared to 2017

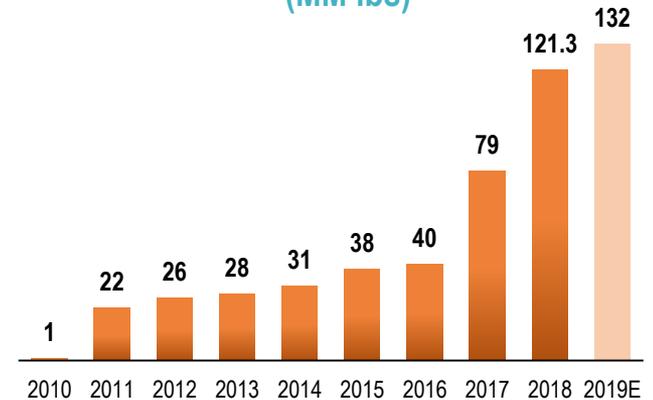
### CGG REVENUES FROM 2008-2017 (US\$MM)



### COMBINED GOLD PRODUCTION CSH & JIAMA (koz)



### COPPER PRODUCTION FROM JIAMA (MM lbs)



## Company Operating Highlights (cont'd)

### 2018 Q3 Financial Overview

- Revenue increased to US\$158.8 million (increased by 61%) compared to 2017 Q3
- Mine operating earnings was US\$35.1 million (increased by 30%) compared to 2017 Q3
- EBITDA was US\$145.68 million

### 2017 Annual Financial Overview

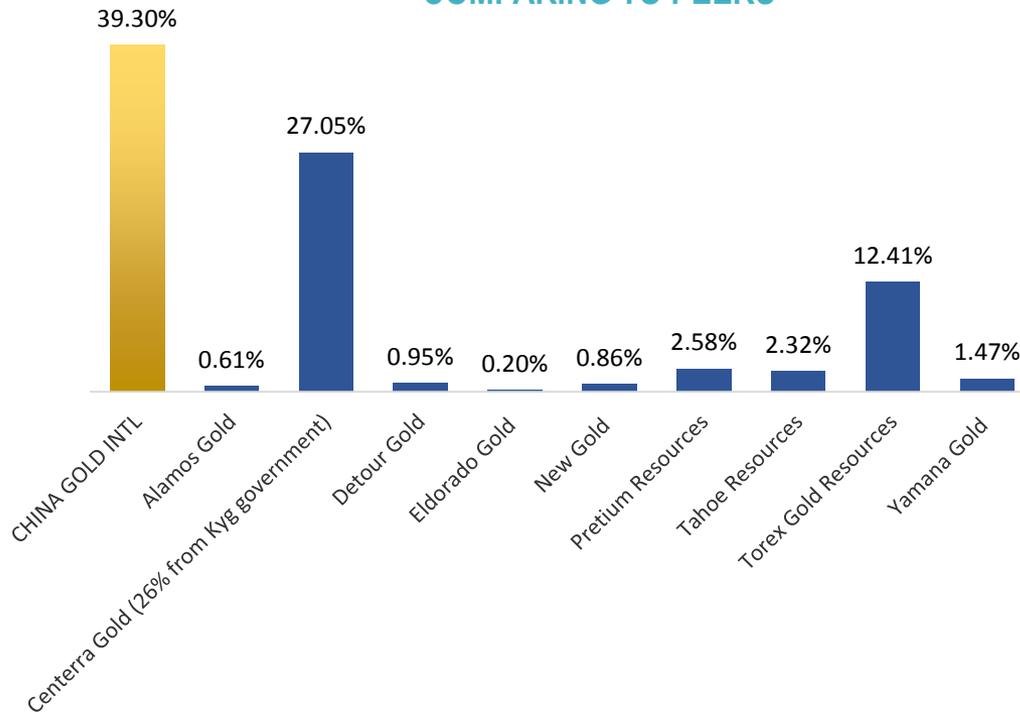
- Revenue increased to US\$411.9 million (increased by 22%) compared to 2016
- Mine operating earnings was US\$116.8 million (increased by 108%) compared to 2016

	Q3 Ended Sep 30, 2018	Q3 Ended Sep 30, 2017	2017 Year End
Revenues (MM USD\$)	\$158.84	\$98.54	\$411.9
Mine operating earning (MM US\$)	\$35.10	\$26.98	\$116.8
Net Profit (MM US\$)	(\$4.59)	\$17.41	\$64.3
Net Operating Cash Flow (MM US\$)	\$53.56	\$54.81	\$98.55
Earning per share (US\$)	(1.23) cents	4.33 cents	15.93 cents
Cash Costs – CSH (US\$/oz)	\$805	\$657	\$670
Cash Costs – Jiama (after by-product credit) (US\$/lb)	1.11	0.99	0.94
Gold produced by CSH (oz)	33,468	46,621	186,957
Copper produced by Jiama (Mlbs)	36.41	14.20	79.02

## Supported by China's Largest Gold Producer

CGG is the only overseas listing vehicle of CNG

STRATEGIC / INSIDER OWNERSHIP  
COMPARING TO PEERS\*



## About China National Gold Group (CNG)

Largest gold mining company in China

Complete vertically integrated business chain

Exploration / Mining / Processing / EPC /  
Research with patents / Jewelry design / Retail

A global mining player

BBB credit rating by S&P

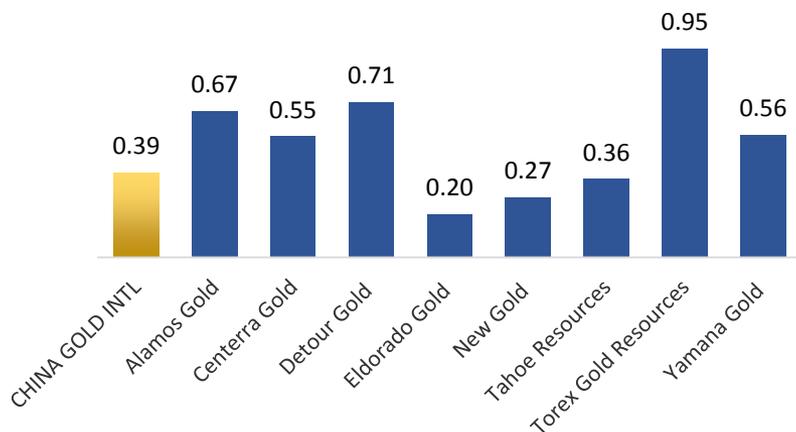
Strong ability to resist risk

\* Source: sedi.ca, as of Feb, 2019

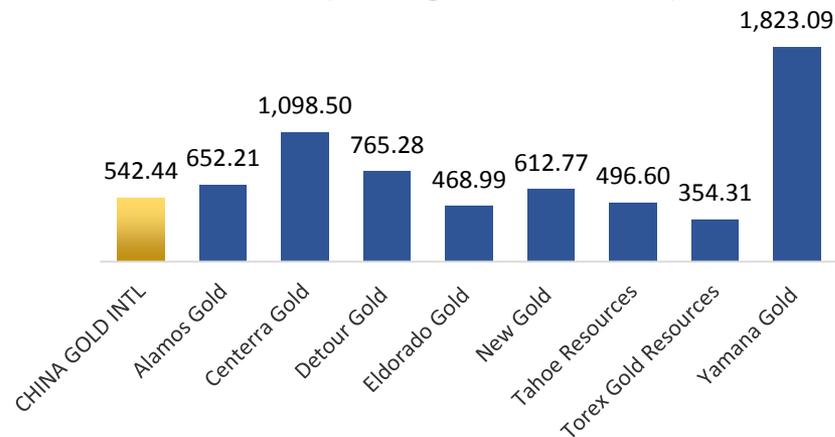
## Company Strength (cont'd)

# Comparison with peers\* - Good timing to buy

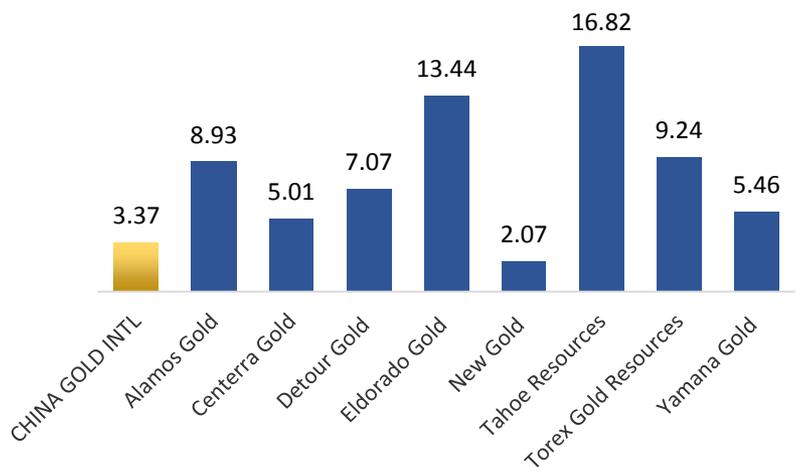
### Price/Book Value



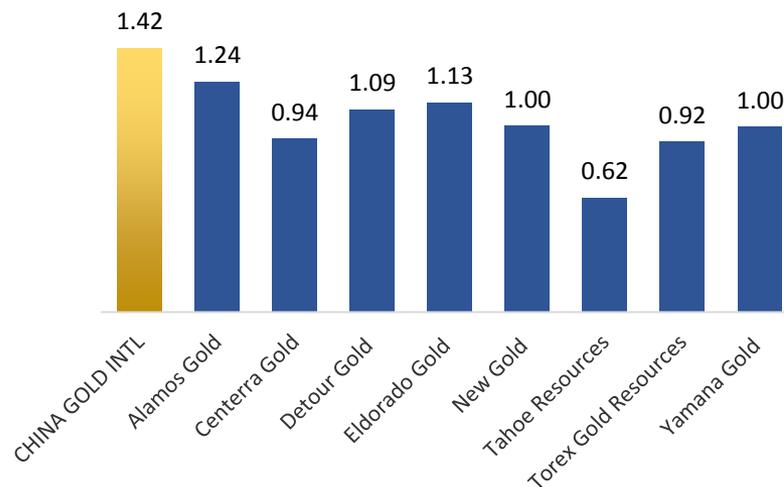
### Sales (Trailing Twelve Months)



### Sales Multiple to Cash flow



### Sales Growth Year over Year



\*Source: Thomson Reuters, as of Feb, 2019

# Investment Grade Rating



China Gold International's  
Rating

**BBB-**

China National Gold Group's  
Rating

**BBB**

# Superior Financing Capability

### July 2017 - US\$500 MM Bond Issue

- Second time CGG has successfully managed a bond offering in the international capital markets.
- Financing costs were significantly lower than the industry standard.

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

- Low cost financing
- Secured by Jiama's mining rights
- No repayment until May 2019
- Term: 14 years

#### US\$500 million

Date	July 6, 2017
Credit Rating	BBB-
Price	99.663%
Coupon	<b>3.25% per annum</b>
Maturity	July 6, 2020
Use of Proceeds	Repaying existing indebtedness, working capital, general corporate purposes
Joint Lead Managers	China International Capital Corporation Hong Kong Securities Limited, Citigroup Global Markets Limited, CCB International Capital Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Standard Chartered Bank.

#### RMB 3.98 billion (\$US627 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.



- China Gold International's inclusion as a constituent stock in the HIS demonstrates recognition of the company's market capital, stock liquidity, business performance and financial position.

## Effective Sep.10, 2018, China Gold is newly added to:

- Hang Seng Stock Connect Hong Kong Index
- Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index
- Hang Seng Stock Connect Hong Kong SmallCap Index
- Hang Seng SCHK Mainland China Companies Index
- Hang Seng SCHK ex-AH Companies Index

## Company Assets and Prospect

# Jiama Polymetallic Mine

## One of China's largest Polymetallic Mines



### COMMODITIES

Copper, Gold, Silver, Zinc,  
Lead and Molybdenum



### LOCATION

68 km NE of  
Lhasa, Tibet



### MINE OPERATION

Open pit and  
underground



### PROCESSING CAPACITY

increasing to  
50,000tpd when  
phase II expansion  
completed



### MINE LIFE

35 years

### JIAMA RESOURCES

Resources	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)
Measured	96.3	0.39	0.04	0.08	5.62	0.04	0.02	381	35	0.26	17.46	42	22
Indicated	1378.0	0.41	0.03	0.11	6.00	0.05	0.03	5654	466	4.88	270.57	732	460
<b>Total M&amp;I</b>	<b>1474.4</b>	<b>0.41</b>	<b>0.03</b>	<b>0.11</b>	<b>5.97</b>	<b>0.05</b>	<b>0.03</b>	<b>6035</b>	<b>500</b>	<b>5.14</b>	<b>288.03</b>	<b>774</b>	<b>482</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

Reserves	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	21.2	0.60	0.05	0.21	9.05	0.05	0.03	129	10	0.14	6.23	10	7
Probable	408.0	0.61	0.03	0.18	11.28	0.13	0.08	2499	131	2.41	149.67	548	317
<b>Total</b>	<b>429.1</b>	<b>0.61</b>	<b>0.03</b>	<b>0.19</b>	<b>11.17</b>	<b>0.13</b>	<b>0.07</b>	<b>2628</b>	<b>141</b>	<b>2.56</b>	<b>155.90</b>	<b>559</b>	<b>324</b>

Note: The Mineral Resources and Reserve data as of December 31, 2017, under NI 43-101

### Jiama Mine

**Production improvement underway, aim for higher grade and higher recovery rate within 2 years**

### Mining operation data

January 30, 2019 daily data

#### Jiama

Average copper ore grade*	0.71%
Copper recovery rate*	73%
Phase 1 OP/UG mining ratio	100% Underground
Phase 2 OP/UG mining ratio	35% Underground ; 65% Open pit
Ore processed in Phase 1 plant	6,389 Tonnes
Ore processed in Phase 2 plant	35,015 Tonnes
Copper produced	224.60 Tonnes
Molybdenum produced	0.90 Tonnes
Gold produced	212.70 Ounces
Realized average price (US\$) of copper per pound after smelting fee discount*	US\$2.36 / Pound
Corporate income tax	9%

\* 2018 Q3 nine months data

### **Tremendous potential in Jiama Mine**

- Drilling program progress
  - Completed in 2018: 10,000 metre
  - Plan in 2019: 36,720 metre
- Began conversion of Phase 1 Processing Plant to treat copper-lead-zinc ore
  - Process capacity of 7,000 tonnes per day upon completion
- Annual copper production of 176 million pounds when reach full design capacity

## Company Assets and Prospect (cont'd)

### CSH Gold Mine

#### One of China's largest gold mines



##### COMMODITIES

Gold dore with silver by-product



##### LOCATION

210km NW of Baotou, Inner Mongolia



##### MINE OPERATION

Large-scale open pit, heap leach



##### PROCESSING CAPACITY

60,000 tpd

- Well-established infrastructure with excellent access to roads and sufficient supplies of power, water and local labor
- Open pit re-design for optimization is underway

#### CSH MINE RESOURCES

Resources	Tonnage (Mt)	Grade (g/t)	Gold Content (Moz)
Measured	16.25	0.65	0.34
Indicated	128.77	0.61	2.54
<b>Total M&amp;I</b>	<b>145.01</b>	<b>0.62</b>	<b>2.88</b>
Inferred	81.54	0.51	1.35

#### CSH MINE RESERVES

Reserves	Tonnage (Mt)	Grade (g/t)	Gold Content (Moz)
Proven	15.41	0.66	0.33
Probable	85.50	0.64	1.77
<b>Total</b>	<b>100.90</b>	<b>0.65</b>	<b>2.10</b>

Note: Northeast and Southwest pits combined at December 31, 2017 under NI 43-101

## CSH Gold Mine current status

- In order to optimize the economic value and increase the stability of the pit wall, the company has
  - Extended the mine life by 2 years and reduced the production forecast accordingly to the revised mining plan
  - Reduced the inclination angle of the pit wall slope

## Accretive Acquisition Strategy

### PROPERTY ACQUISITION CRITERIA

Selective acquisition strategy

Financed through internal funds, capital markets and low-interest loans globally

#### VALUATION

- Accretive to current shareholders
- Target traded at a deep discount to current asset value

#### GEOGRAPHY

- Established mining jurisdictions
- Stable political environment

#### RESOURCES/RESERVES

- Large-scale mines: 3-5MM oz gold; 1MM tonnes copper
- Mine assets with significant exploration potential

#### TRANSACTION STRUCTURE

- Assets from largest shareholder

#### METAL

- Gold focus
- Mineral resources with gold and non-ferrous combined

#### DEVELOPMENT STAGE

- Mines at operating stage with ramp-up plan or near production
- High quality mine assets under development stage

# High Standard of CSR and HSE

## Achieving sustainable development through corporate social responsibility

- China Gold International has contributed total of US\$124 million (783 million RMB) in the area of corporate social responsibilities since 2010
- Environmental protection
- Support to local schools
- Building rural roads
- Improvement of portable water
- Green mine initiatives



# High Standard of CSR and HSE (cont'd)

Actively involved in mining related environmental protection and charitable activities in Canada

- Supporting two environmental protection research projects from UBC
  - Treatment of Effluents from Artisanal Gold Mining and Investigation in the Bioavailability of Mercury Cyanide
  - Arsenic release from arsenic-bearing mineral - (Finished the experiment with objective to determine the stoichiometry of arsenic release from different arsenic-bearing minerals)
- Supporting Canadian cancer research since 2011 ( added 2 new research projects in 2017)
  - Hematology Research Program
  - Pancreatic Cancer Care Research Program



# Company Awards

- 2017** **National Enterprise Management Modernization Innovation Achievements Award** - by China Enterprise Confederation, Enterprise Reform Bureau of SASAC, Industrial Policy Department of Ministry of Industry and Information Technology, and SME Bureau
- 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
- 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



# Outlook

- Increase production in 2019
  - Projected copper production of 132 million pounds
  - Projected gold production of 210,000 ounces
- Increase ore grade from Jiama
- Higher profitability
- Aggressively looking for potential acquisition targets





## Contact Information

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