



**中国黄金国际资源有限公司**

China Gold International Resources Corp .Ltd

**Enter New Stage of Operations  
Maintain Strong Growth Momentum**

# **2021 Annual Results Announcement**



April 2022

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## Company Overview



## 2021 Annual Results

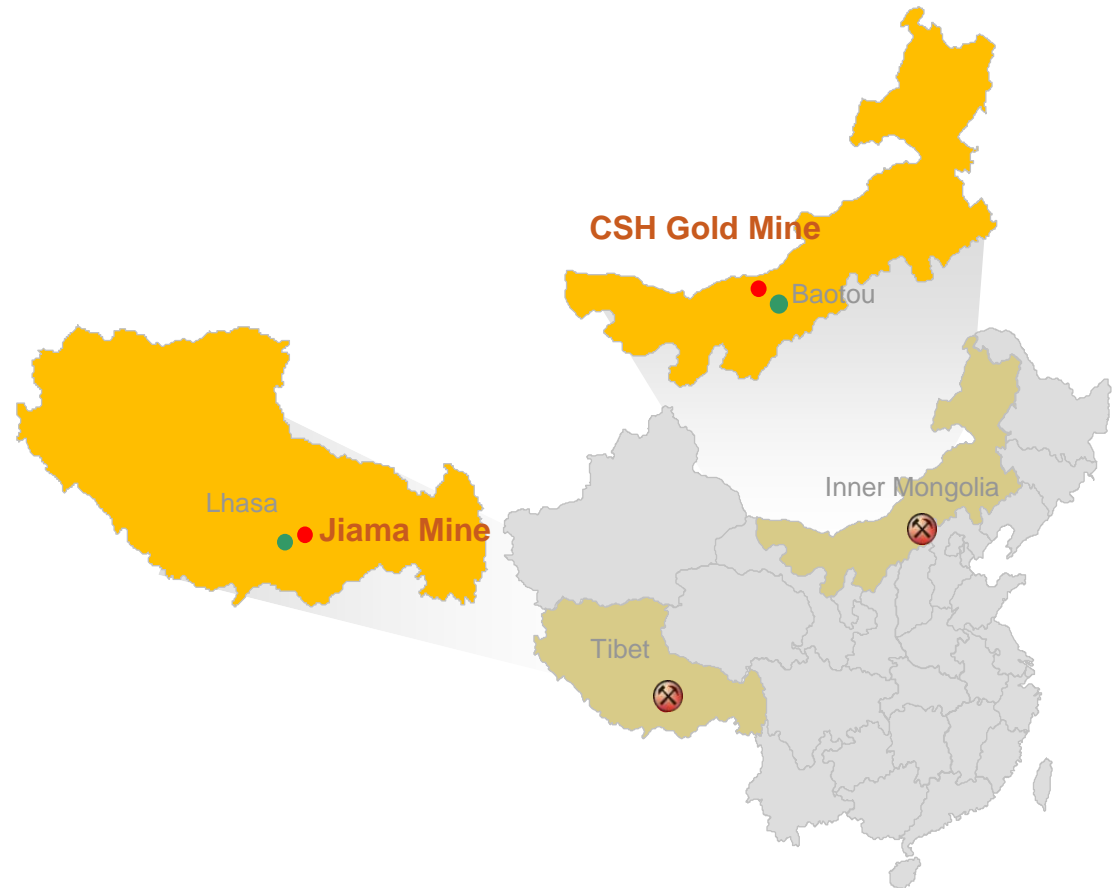


## Key Operational Metrics



## Company Advantages

- CGG has two large, stable producing gold and copper mines, Chang Shan Hao (CSH) Gold Mine has been in profitable gold production with potential to expand mine life; Jiama Phase II has reached stable cashflow after initial CAPEX;
- Net income reached a record high of **US\$269** million in YTD 2021, EBITDA of **\$509** million;
- Entered the Shenzhen-Hong Kong Stock Connect in March 2022 resulting in significantly higher liquidity and investor pool from Mainland China (1.4 billion population)
- CGG's parent company is China National Gold Group Co. Ltd , the largest fully vertically integrated gold group from production to sales.

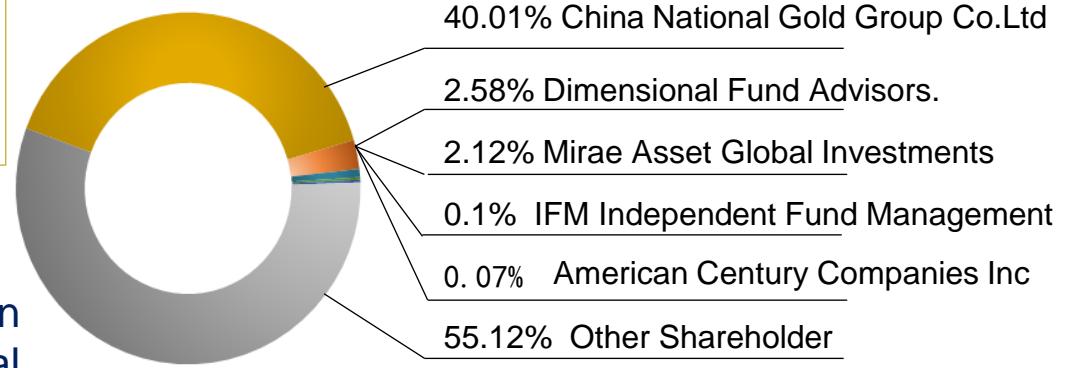


## Capital Structure

<b>TSX</b>		<b>HKEX</b>	
Listing	<b>CGG</b>	Listing	<b>2099</b>

- Total outstanding shares are 396 million on Hong Kong and Toronto market, total market capitalization is USD \$1.5 billion
- The stocks are fungible between two markets
- At close price of Hong Kong market on March 28, 2022, the company's P/E was 5.67 ratio, P/B ratio was 0.86.

## MAJOR SHAREHOLDERS



Source: Bloomberg, as of March 22<sup>nd</sup>, 2022



# Company Overview (Cont'd)

## Enter New Stage of Operations



Successfully Entered **Shenzhen-Hong Kong Stock Connect**  
**2<sup>nd</sup> time declared** special dividends:  
**US\$ 100 million**  
**US\$ 0.25 per common share**

**December,2021** **March,2022**



Turning point  
Net profit for Q2  
**US\$18.52million**

**March,2021**

1<sup>st</sup> time declared  
special dividends:  
**US\$47.57 million**  
**US\$0.12 per common  
share**

**June,2021**

Jiama Q2 Production:  
Copper: **52.6 million lbs**  
Gold: **34,055 ounces**

**December,2021**

Net profit for YTD 2021  
**US\$ 270 million**  
Record high

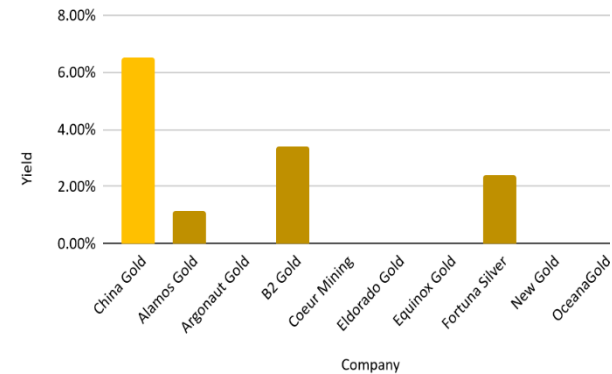
**March,2022**



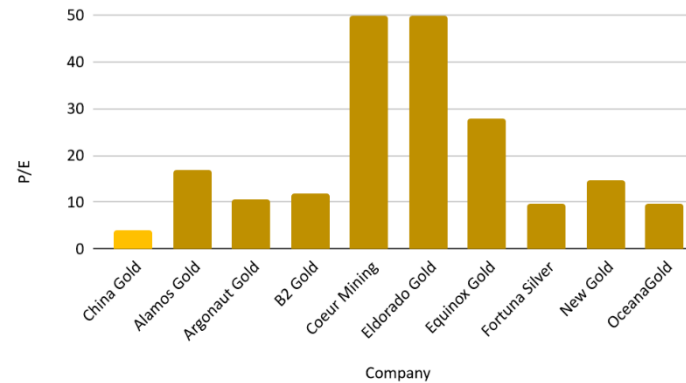
# Company Overview (Cont'd)

Highest Dividend Yield Amongst Peer Group (+6%) & Lowest Multiples

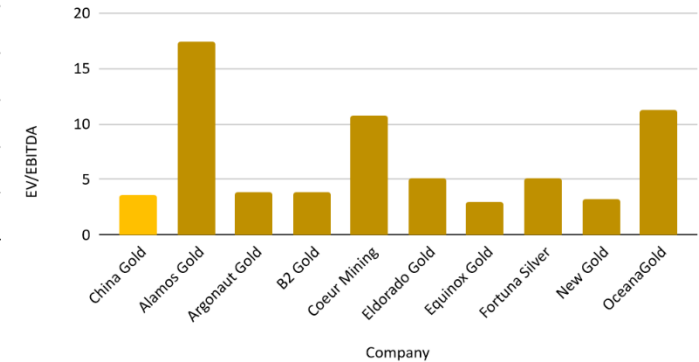
Dividend Yield % vs Peer Group



P/E vs. Company



EV/EBITDA vs. Company



Company	Ticker	Yield	Market Cap	P/B	P/E	Production (koz gold)	EPS	Debt/Equity	Return on Equity	Enterprise Value	EV/EBITDA
China Gold	CGG	6.50%	\$1,520	0.86	5.67	244	\$0.67	0.53	16.00%	\$1,822	3.58
Alamos Gold	AGI	1.16%	\$3,431	1.3	17	468	\$0.50	0	14.50%	\$3,129	17.4
Argonaut Gold	AR	0.00%	\$2,771	1	10.7	220	\$0.19	0.21	13.90%	\$2,768	3.9
B2 Gold	BTO	3.38%	\$5,138	1.7	11.7	1036	\$0.40	0.02	30.00%	\$4,373	3.89
Coeur Mining	CDE	0.00%	\$1,198	1.6	50	485	-\$0.01	0.57	2.80%	\$1,602	10.8
Eldorado Gold	ELD	0.00%	\$2,156	0.6	50	526	\$0.09	0.13	2.89%	\$2,124	5.1
Equinox Gold	EQX	0.00%	\$2,603	1	27.8	677	\$0.31	0.2	5.43%	\$2,356	3
Fortuna Silver	FVI	2.40%	\$1,154	0.8	9.5	390	\$0.42	0.12	6.10%	\$1,217	5.1
New Gold	NGD	0.00%	\$1,269	1.3	14.7	411	\$0.13	0.51	31.00%	\$1,247	3.2
OceanaGold	OGC	0.00%	\$1,639	1.1	9.5	514	\$0.24	0.22	25.60%	\$1,886	11.3
Average		1.34%	\$2,288	1.07	20.49	523	\$0.29	0.28	14.82%	\$2,250	6.73
Median		-	\$2,156	1.07	14.7	493	\$0.29	0.21	14.50%	2,124.00	5.1



Company Overview



**2021 Annual Results**



Key Operational Metrics



Company Advantages



## Earnings Hit Record High

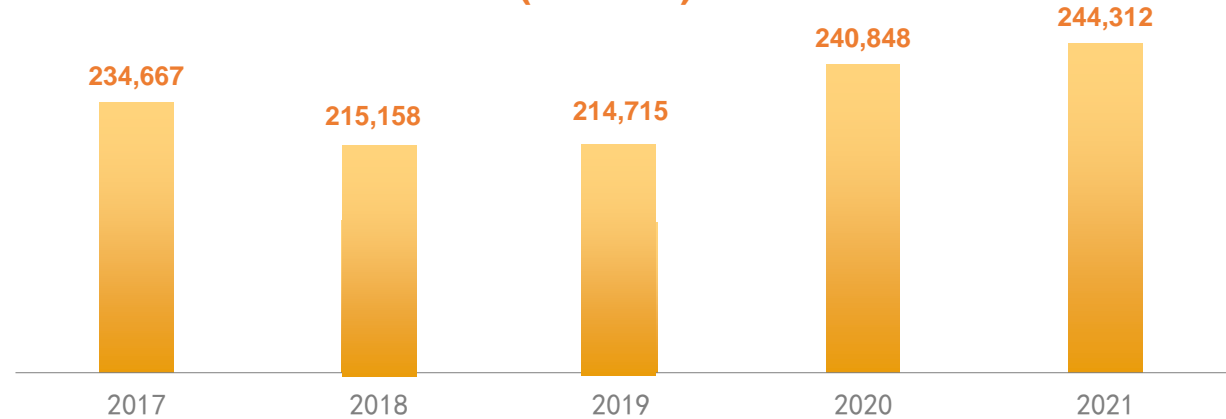
- Revenue increased by 32% to US\$ 1.137 billion from 2020;
- Mine operating earnings increased by 92%, increased to US\$ 404 million;
- Income from operations increased by 116% to US\$ 333 million;
- Net income of US\$ 269 million increased by 136%, EPS was US\$ 0.67, achieved historical high;
- Cash flow from operation increased by 60% to US\$ 417 million.

Annual Performance	2021	2020	Increase/ decrease
Revenue (US\$ MM)	\$1,137	\$864	<b>+32%↑</b>
Mine operating earnings (US\$ MM)	\$404	\$210	<b>+92%↑</b>
Income from operations (US\$ MM)	\$333	\$154	<b>+116%↑</b>
Net income (US\$ MM)	\$269	\$114	<b>+136%↑</b>
Cash flow from operation (US\$ MM)	\$417	\$260	<b>+60%↑</b>

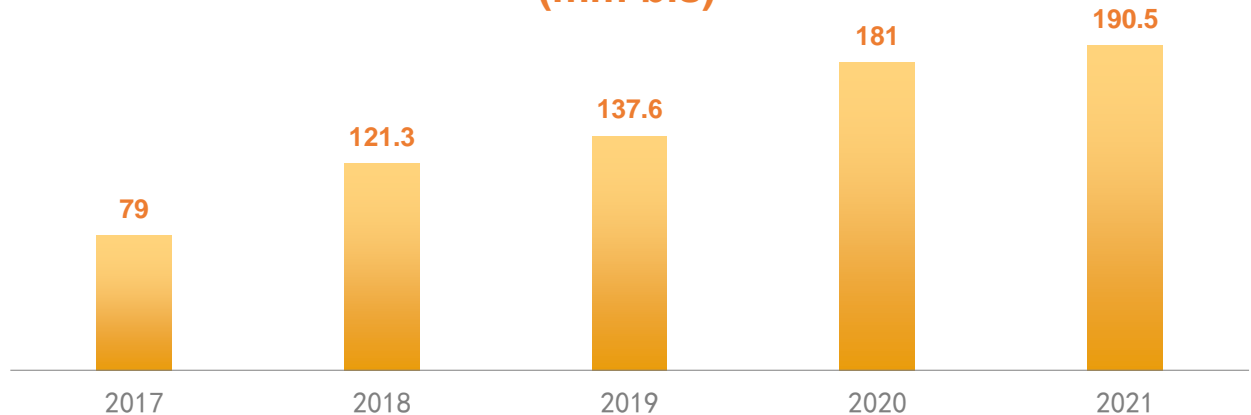
## Steady Growth In Production

- Total gold production slightly increased to 244,312 ounces in comparison with the same period in 2020, due to the stable production of CSH gold mine;
- Total Copper production reached to 190.5 million lbs and increased by 9.5 million lbs in 2021; The increase was contributed by stable production of Jiama the phase II for two consecutive years.

### Gold Production (ounces)



### Copper Production (mm bls)

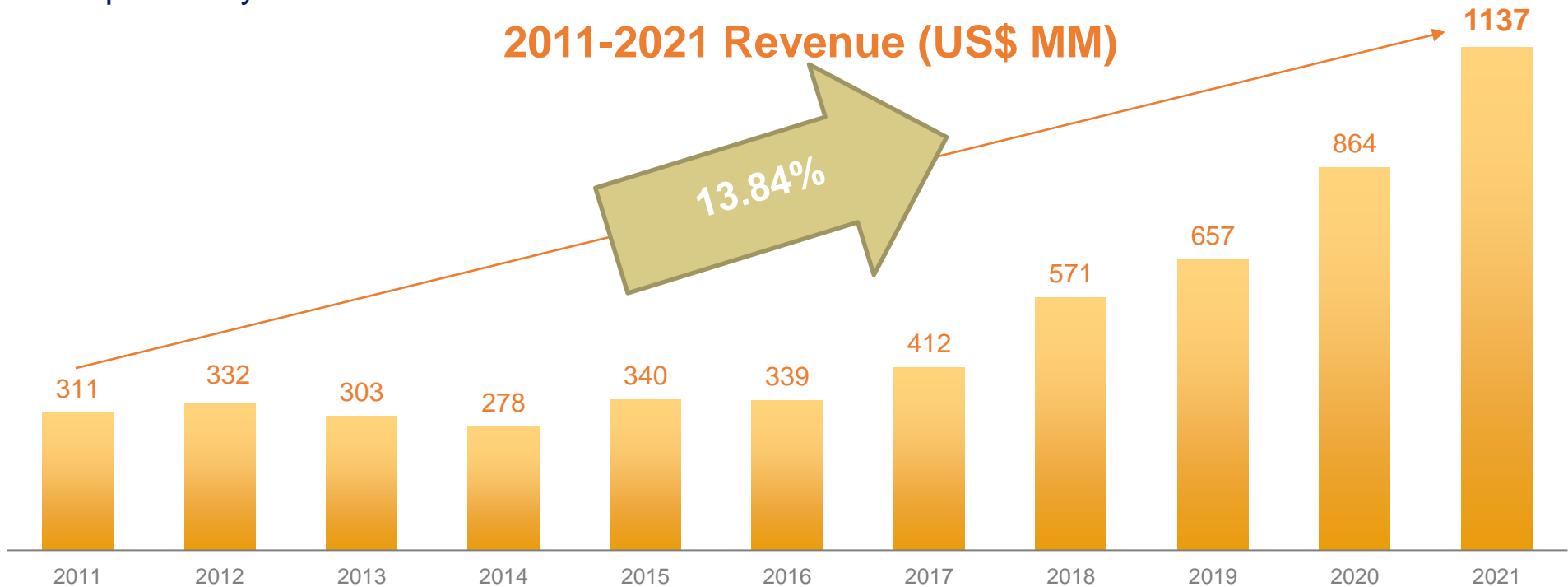


# 2021 Results Continue to Maintain Robust Growth (Cont'd)

The Increasing Production And High Metal Prices Are Driving The Growth Of The Revenue

- Revenues increased by 32% to US\$11.37 billion in 2021; the compound annual growth rate reached 13.84% for the past ten years.

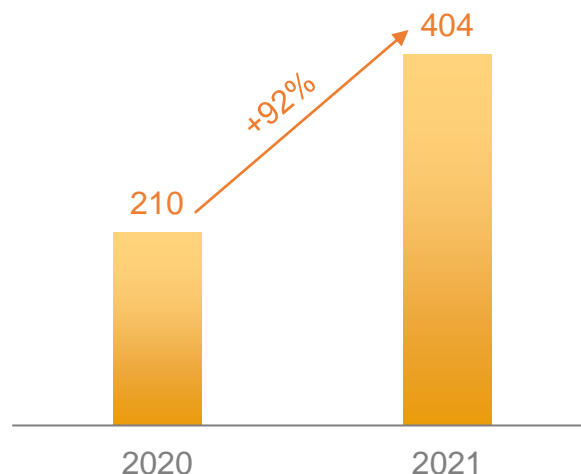
## 2011-2021 Revenue (US\$ MM)



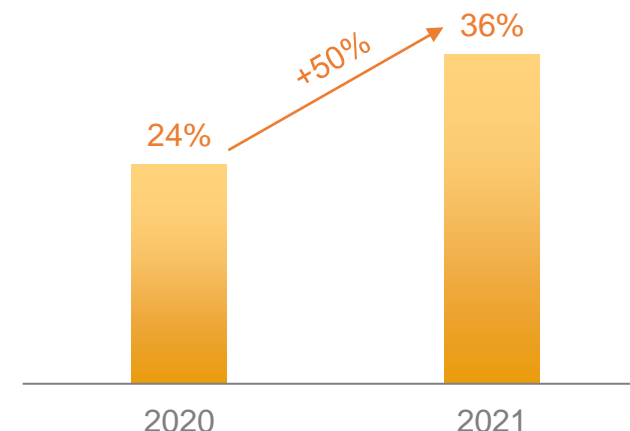
## Earnings Hit Record High

- Net income of US\$ 269 million increased by 136%, representing in significant growth in profitability;
- The net profit margin in 2021 was 24%, one of the highest amongst peer group

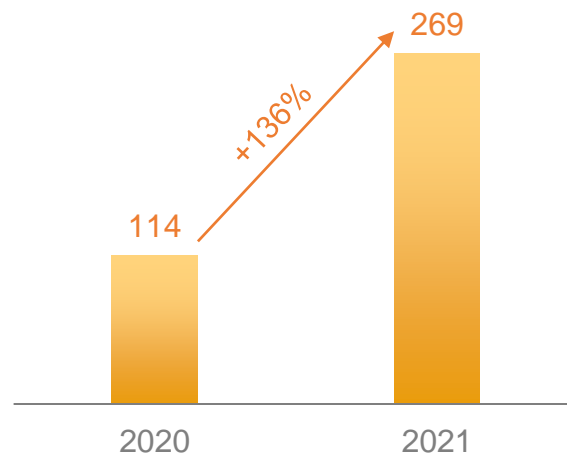
### Mine Operating Earnings (US\$ MM)



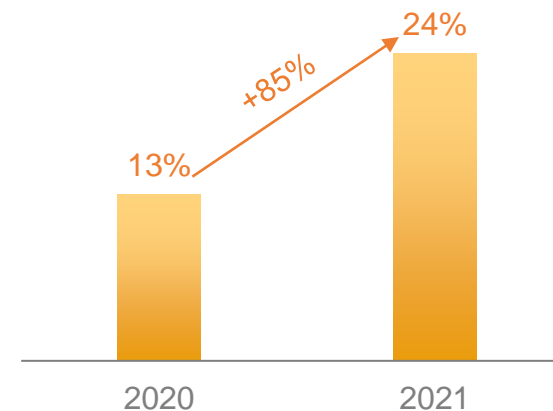
### Gross Profit Margin



### Net Income (US\$ MM)

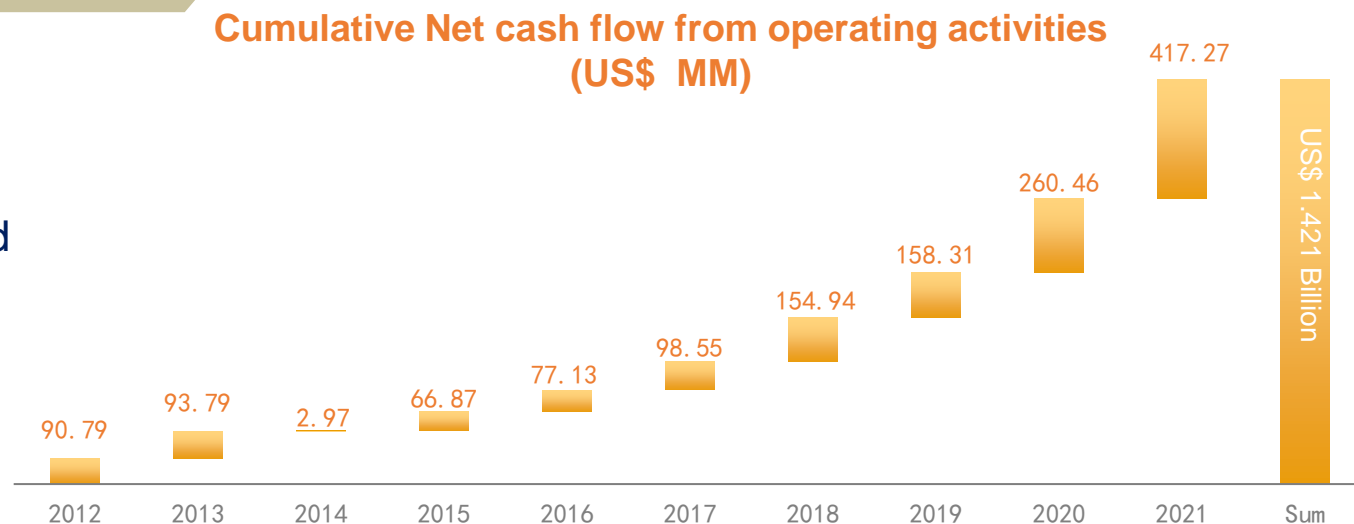


### Net Profit Margin

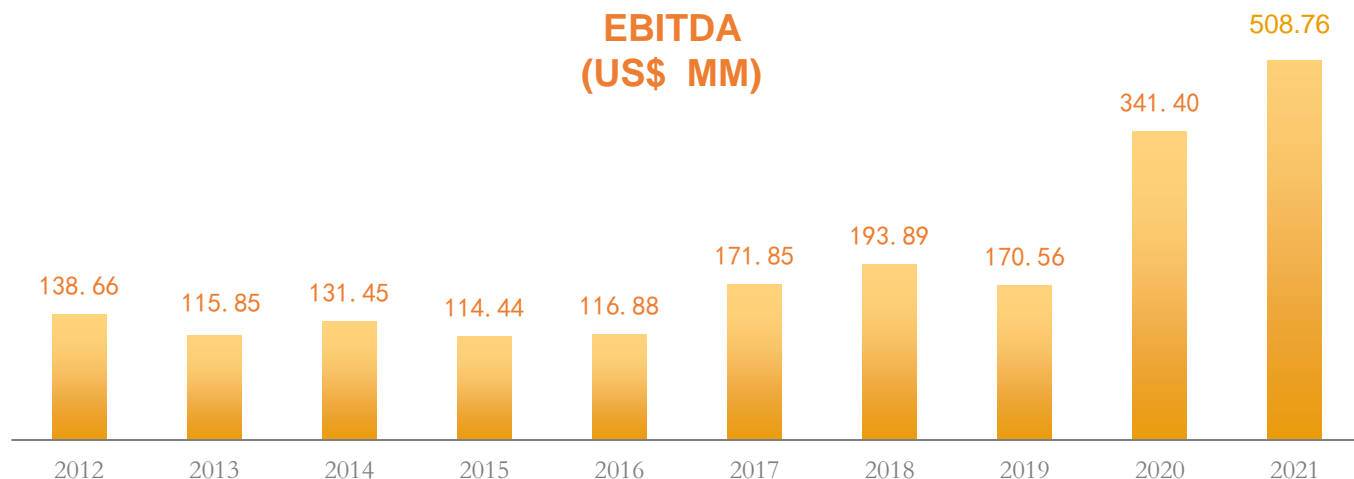


## Strong Operational Cash Flow

- Cumulative operation cash flow has increased to US\$1.42 billion since 2012, and US\$ 417 million in 2021.



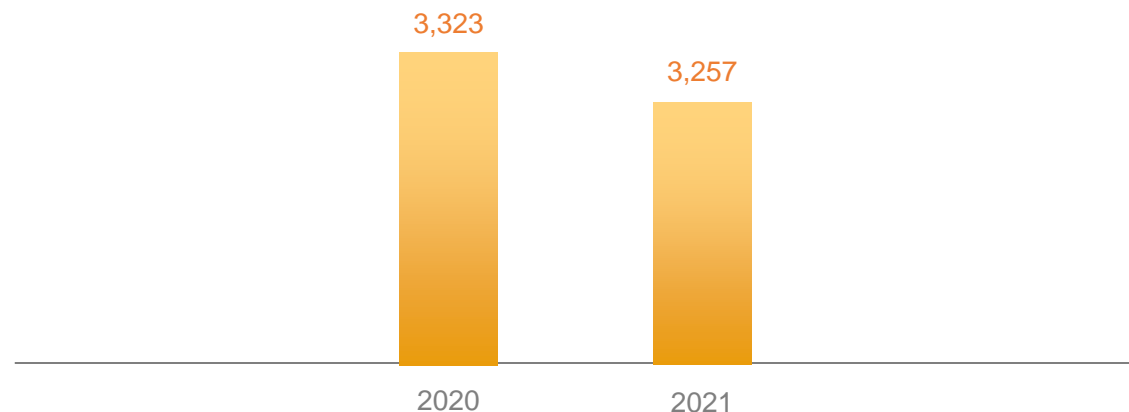
- EBITDA reached record high of US\$ 509 million in 2021.



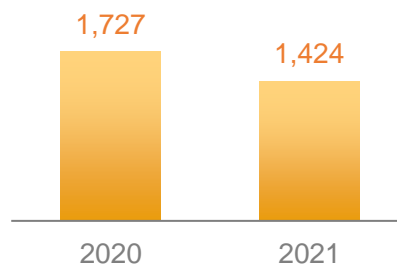
## Excellence in Financial Structure

- Cash Balance at December 31, 2021 was US\$ 208 million; There repayment of borrowings was US\$ 228 million in 2021;
- The debt to asset ratio reduced by 8% to 44% for the same year of 2020, the ratio was relatively healthy in the industry.
- Company plans to balance repayment of debt/liabilities versus returning cash to shareholders and developing potentials

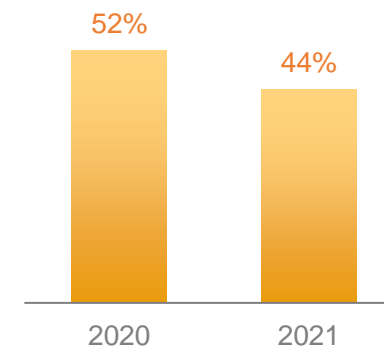
Total Assets (US\$ MM)



Total Liabilities (US\$ MM)



Debt Asset Ratio





Company Overview



2021 Annual Results



**Key Operational Metrics**



Company Advantages

# Jiama Copper-Gold Polymetallic Mine





# Jiama Copper-Gold Polymetallic Mine (Cont'd)

Abundant Resource Reserves Support Long-term And Large-scale Production



## COMMODITIES

Copper, Gold, Silver, Zinc,  
Lead and Molybdenum



## LOCATION

68 km NE of  
Lhasa, Tibet



## MINE OPERATION

Open pit and  
underground



## PROCESSING

### CAPACITY

50,000tpd



## MINE LIFE

Over 30 years

## JIAMA RESOURCES

Resources	Ore (Mt)	Grade						Contained Metal					
		Cu (%)	Mo (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Mo (kt)	Pb (kt)	Zn (kt)	Au (Moz)	Ag (Moz)
Measured	92.99	0.38	0.04	0.04	0.02	0.07	5.10	356.9	34.0	33.5	16.8	0.224	15.236
Indicated	1330.44	0.40	0.03	0.05	0.03	0.10	5.53	5306.6	456.0	613.1	380.0	4.315	236.515
<b>Total M&amp;I</b>	<b>1423.43</b>	<b>0.40</b>	<b>0.03</b>	<b>0.05</b>	<b>0.03</b>	<b>0.10</b>	<b>5.50</b>	<b>5663.5</b>	<b>489.0</b>	<b>646.6</b>	<b>396.8</b>	<b>4.539</b>	<b>251.752</b>
Inferred	406.1	0.31	0.03	0.08	0.04	0.10	5.13	1247.0	123.0	311.0	175.0	1.317	66.926

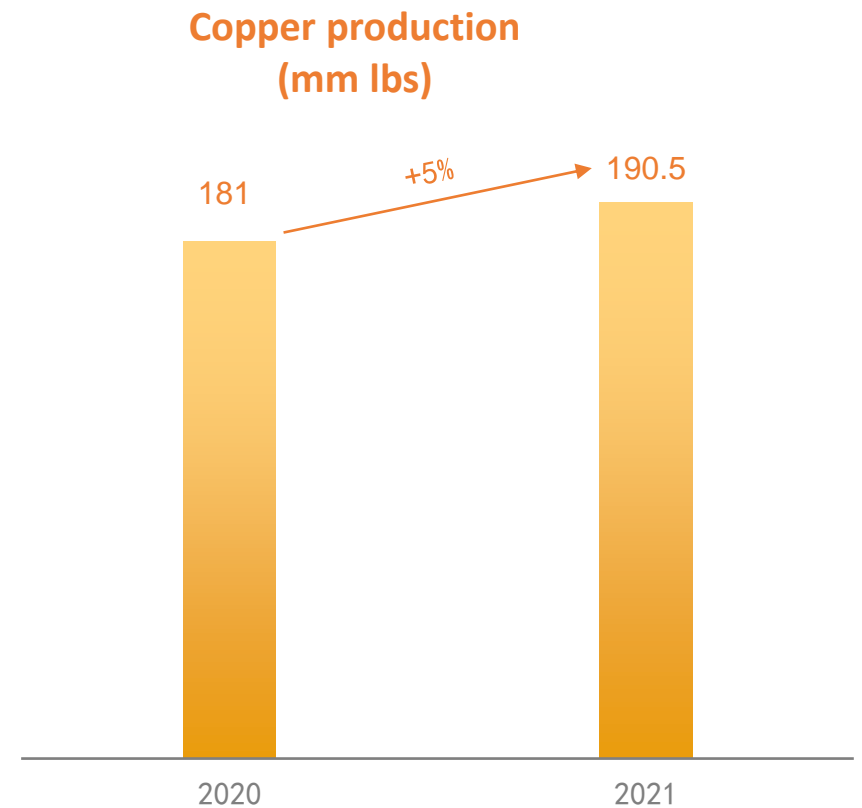
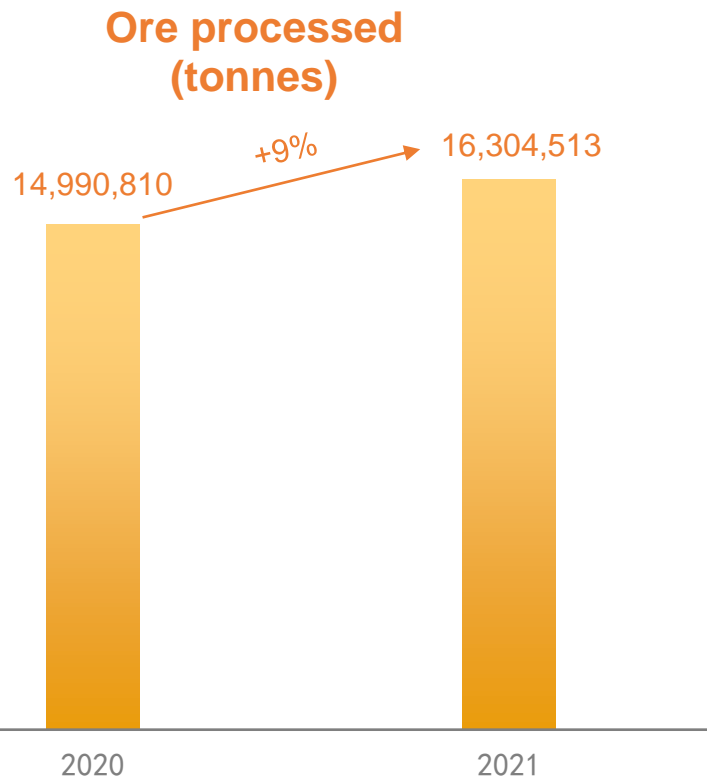
## JIAMA RESERVES

Reserves	Ore (Mt)	Grade						Contained Metal					
		Cu (%)	Mo (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Mo (kt)	Pb (kt)	Zn (kt)	Au (Moz)	Ag (Moz)
Proved	18.48	0.60	0.05	0.02	0.01	0.19	7.76	110.5	9.1	4.0	2.7	0.114	4.559
Probable	356.44	0.60	0.03	0.12	0.07	0.16	10.25	2127.3	121.1	427.7	236.2	1.844	117.524
<b>Total</b>	<b>374.92</b>	<b>0.60</b>	<b>0.03</b>	<b>0.12</b>	<b>0.06</b>	<b>0.16</b>	<b>10.13</b>	<b>2237.8</b>	<b>130.3</b>	<b>431.7</b>	<b>238.9</b>	<b>1.958</b>	<b>122.083</b>

Note: The Mineral Resources and Reserve data was modified as of December 31, 2021, under NI 43 101 rules

# Jiama Copper -Gold Polymetallic Mine (Cont'd)

Reached its Design Capacity And Maintained Stable Production

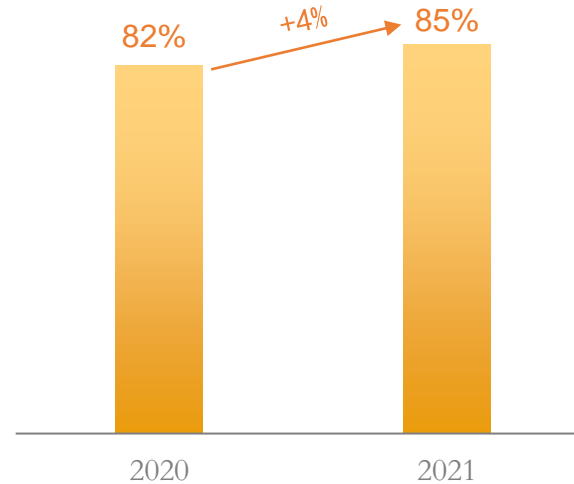


# Jiama Copper-Gold Polymetallic Mine (Cont'd)

## Optimization And Enhancement Of Recovery Rate

- In 2021 , copper recovery rate continue to improve, and increased by 4% to 85% comparing with 2020;
- Other metals recovery rates also improved.

### Copper Recovery Rate



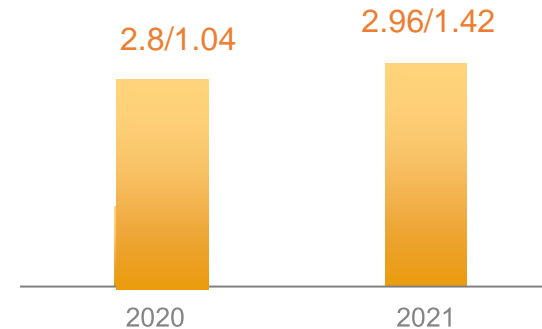
Recovery rate %	2021	2020	Increase/ decrease
Gold	66	70	-6%↓
Silver	65	61	+7%↑
lead	82	69	+19%↑
Zinc	72	63	+14%↑
Moly	28	39	-28%↓



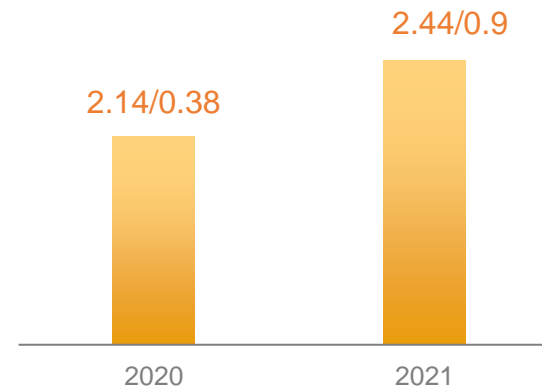
## Copper Cost

- 2021 Jiama production cost slightly raised in comparison with previous year, mainly due to adjustment of the production plan, boosting utilization of low-grade ores, improve the utilization of overall resources to prevent market uncertainty;
- The increase in the copper cost per pound was caused by variation of the exchange rate and decrease in by-product production;
- Excluding the exchange rate factors, the copper cost per ton was steadily progress in comparison with pervious year; indicating that Jiama mine took effective actions on cost control.

Total Production Cost & Cost after by-product credit (US\$/lb)



Cash Costs & Cost after by-product credit (US\$/ lb)



# Jiama Copper-Gold Polymetallic Mine (Cont'd)

## Taking Advantages Of High Metal Price, Jiama Increase The Utilization Of Low Grade Ores

- As second half of 2021, Jiama mined low grade hornfels in the open pit;
- Jiama underground level 4,300 and South pit mining operation are capable of supplying high grade ores ; the flexible production plan is resilient to market and price volatility.

Selected grade	2021	2020	Increase/ decrease
Copper(%)	0.63	0.67	-6%↓
Gold(g/t)	0.28	0.27	+4%↑
Silver(g/t)	15.24	24.94	-39%↓
Lead(%)	1.41	1.78	-21%↓
Zinc(%)	0.77	0.93	-17%↓
Moly(%)	0.022	0.025	-12%↓



Overview of processing plant II



Gardening Site

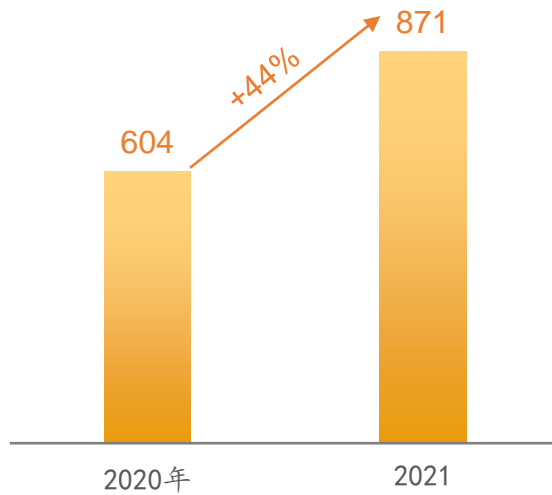


Overview of Mine Site

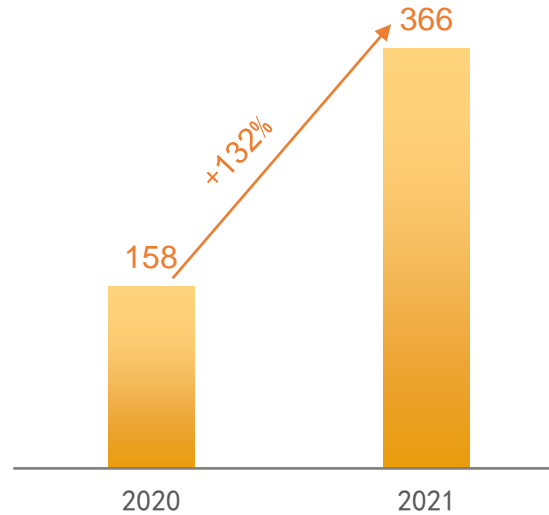
# Jiama Copper-Gold Polymetallic Mine (Cont'd)

Continuously To Surpass Capacity , Significantly Contributed Profitability

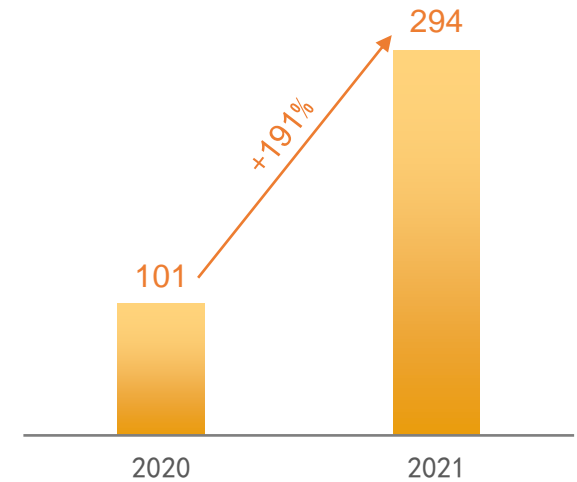
Revenue  
(US\$ MM)



Mine operation earnings  
(US\$ MM)



Earning before tax  
(US\$ MM)



## Drilling Updates

- The 2021 exploration program for Jiama Mine planned for 12 drill holes totaling 17,418 meters;
- As of the fourth quarter of 2021, a total portion of three drill holes for 2,811.72 meters have been completed, with completed assay of 971 samples;
- The remaining nine holes are pending the leasing approval of land to serve as temporary exploration access roads .



# Chang Shan Hao Gold Mine





# CSH Gold Mine (Cont'd)

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

## CSH MINE RESOURCES

Resources	Quantity (Mt)	Grade (Au g/t)	Metal (Au t)	Metal (Au Moz)
Measured	0.93	0.43	0.40	0.01
Indicated	94.62	0.62	58.52	1.88
<b>Total M&amp;I</b>	<b>95.55</b>	<b>0.62</b>	<b>58.92</b>	<b>1.89</b>
Inferred	80.24	0.52	41.52	1.33

## CSH MINE RESERVES

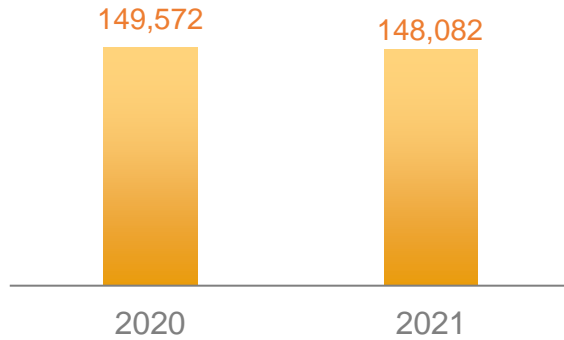
Reserves	Quantity (Mt)	Grade (Au g/t)	Metal (Au t)	Metal (Au Moz)
Proven	0.35	0.47	0.16	0.01
Probable	42.32	0.67	28.29	0.91
<b>Total</b>	<b>42.67</b>	<b>0.67</b>	<b>28.45</b>	<b>0.91</b>

Note: Northeast and Southwest pits combined data was modified as of December 31, 2021, under NI 43-101 rules

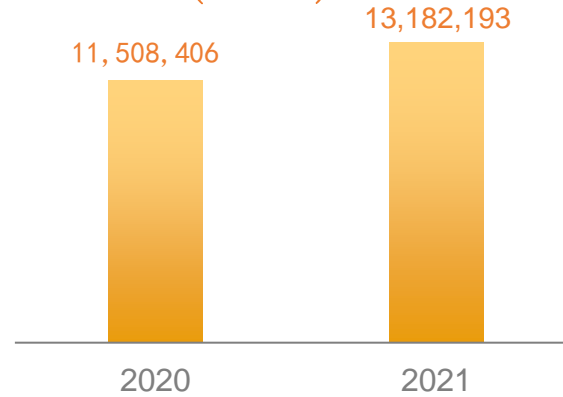
# CSH Gold Mine (Cont'd)

## 2021 Production Indicators

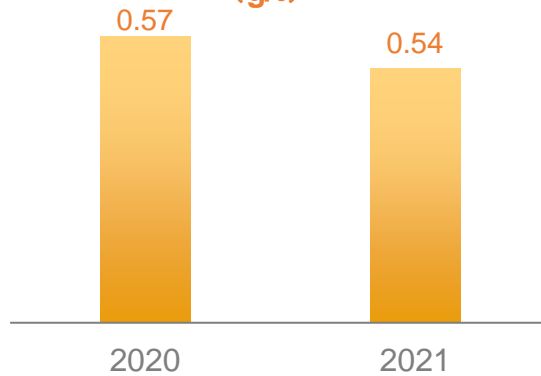
Gold Production  
(ounces)



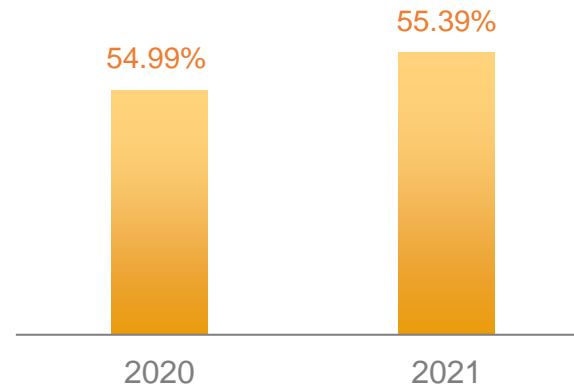
Ore mined  
(tonnes)



Gold Grade  
(g/t)

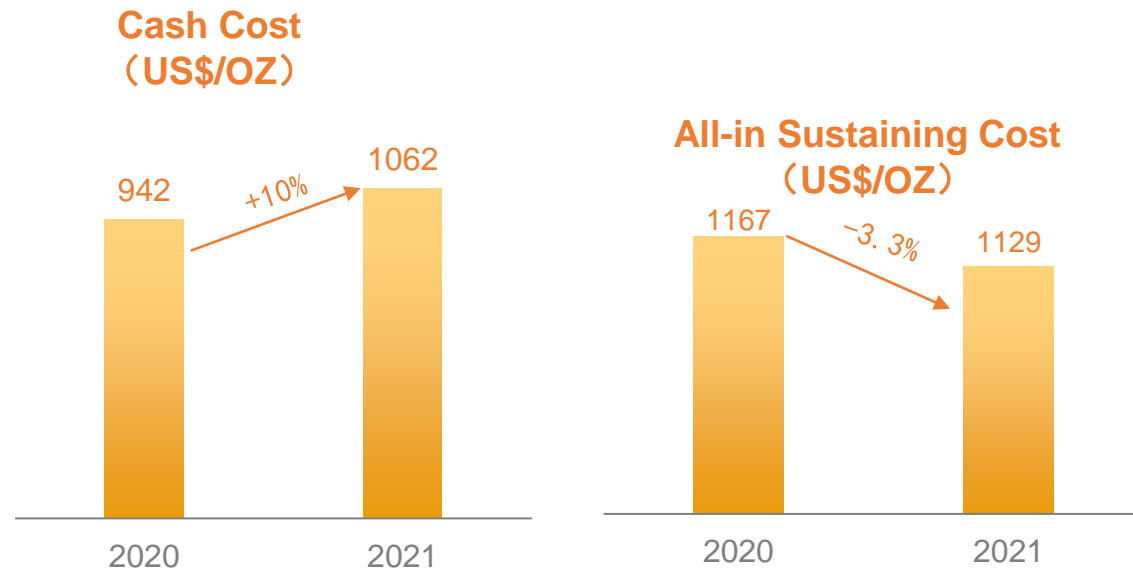


Accumulated recovery rate



## Cost Analysis

- In 2021, CSH mine mitigated the effect of low grade ores by improving the gold recovery rate and increasing tonnage processed;
- The fluctuation of exchange rate change push up the cost that is denominated in US\$;
- In 2021, the All-in Sustaining Cost is decreased by 3.3%.



# CSH Gold Mine (Cont'd)

## Exploration Success in 2021, Potential to Expand Mine Life + Mineral Resources in 2022

in the first quarter of 2021, a total of 7 drill holes with **4,654.35 meters** were completed at the southwest zone;  
A total of 26 drill holes with **17,167.50 meters** were completed at the northeast zone.  
**Total drilling was amounting to 21,821.85 meters.**

Data processing, interpretation and modelling ,exploration work for the Southwest and Northeast belts  
**Drilling in Q1 2021 were completed as planned**

**Exploration of potential  
down deep mineral  
resources will effectively  
extend mine life  
=  
Increase value of CGG**

**NI 43-10 Independent  
Technical Report update  
underway**

An exploration report on zones along boundary and at depth was reviewed by the Evaluation Centre for Mineral Resources and Mineral Reserves of the Ministry of Natural Resources (PRC) in November 2021 and awaiting **integration into new NI 43-101 resources report**



Company Overview



2021 Annual Results



Key Operational Metrics



Company Advantages

## China Gold International Well Positioned

Jiama mine has abundant reserve of 30+ years, with production at full capacity;

CSH gold mine focus on the development of potential down-deep mineral resources; both ongoing cashflow and expansion sure to add value to CGG

Keep improving recovery rate and operation efficiency with strong R&D capabilities and expertise in workforce



Strong cashflow, low cost of capital, continual reduction of debt.

In a post COVID world with global money printing, Gold, copper, and commodities sure to expected to rise price

## Ability to Raise Sizable Financing at Low Cost with Investment Grade Rating

In 2015, the Group received a syndicated credit of RMB3.98 billion (US\$613 million) led by Bank of China, with the interest rate of 2.83% per annum.

Annual Interest Rate: 2.83%



# BBB-

Outlook: Stable

In 2020, a loan of aggregate principal amount of RMB 400 million from China Development Bank was obtained.

Annual Interest Rate: 1.2%

### June 2020 - US\$300 MM Bond Issue

Credit Rating	BBB-
Amount	US\$300 MM
Coupon	2.80% per annum
Credit Rating	BBB-
Use of Proceeds	Repaying existing indebtedness & general corporate purposes
Coordinators	China International Capital Corporation, Bank of China (Hong Kong), China Construction Bank (Asia), Citigroup, Guotai Junan International, Shanghai Pudong Development Bank Hong Kong Branch, Silk Road International, Standard Chartered Bank

### April 2020 – RMB 1.4 Billion Facility Loan

Date	April 28, 2020
Rate of Interest	2.65% per annum (at time of issue) National Interbank Funding Center's 5 year s LPR - 200bp
Repayment	April 28, 2034
Use of Proceeds	Jiama Mine
Syndicated banks	Bank of China, Agricultural Bank of China

Strong R&D system



The technical standard of drip leaching of buried pipes in alpine areas established by CSH is the standard that approved by the Ministry of Industry and Information Technology.

Great expertise in the work force



Jiama started underground operation of unmanned electric locomotive transportation system.

ESG compliance



Jiama reduced manual on-site operation through 70 large-scale mechanizations and intelligence to improve efficiency and safety.

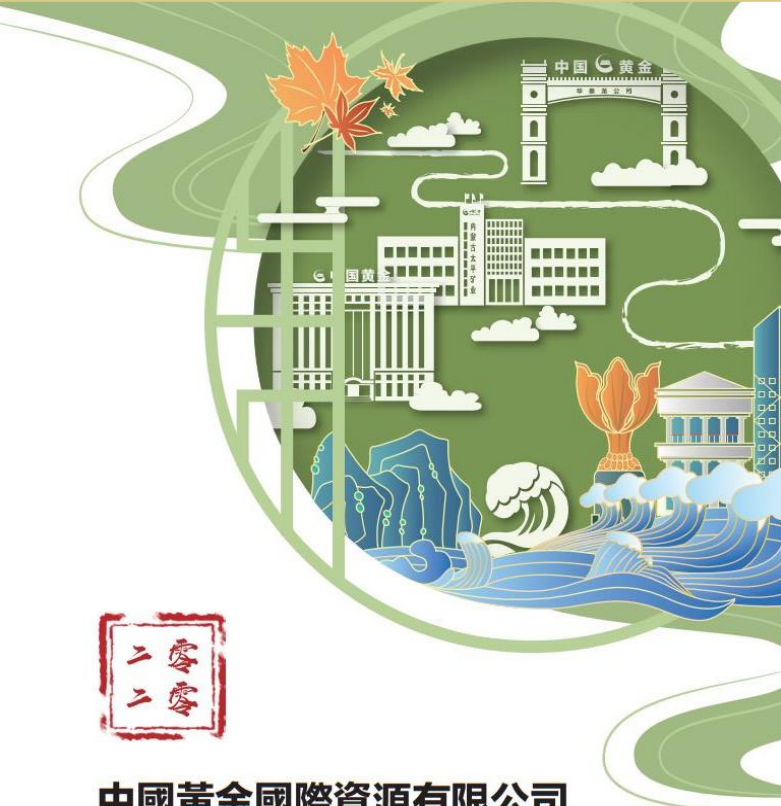


Jiama introduced blind Lift drilling rigs to greatly improve efficiency of excavation and cutting areas.





# Company Advantages (Cont'd)

More responsible and sustainable mining company



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*China Gold International Resources Corp. Ltd.  
Environmental, Social and Governance Report*



## Target Selection With Strong Support From Major Shareholder

- The Major shareholder is committed to assets injection into China Gold International;
- Capability of obtaining sufficient financing, implementing entire EPCC and operation efficiently, and maximizing the value of M&A





## Contact Information

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