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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(a company incorporated under the laws of British Columbia, Canada with limited liability)
(Hong Kong Stock code: 2099)
(Toronto Stock code: CGG)

China Gold International Announces Pre-Feasibility Study for Expansion of the Jiama Project with IRR of 53.7% and Project Update

Vancouver -Oct. 25, 2012 - China Gold International Resources Co. Ltd. (TSX: CGG, HK: 2099) (the "Company") is pleased to announce the results of an updated NI 43-101 compliant, Independent Pre-Feasibility Study for the Phase II Expansion of its Jiama Copper-Polymetallic Mine, (the "Project") in Tibet Autonomous Region, China. The Pre-Feasibility Study was completed by Minarco-MineConsult (MMC), part of the Runge Limited Group of Companies, in conjunction with independent consulting engineers and management.

Please see the attached announcement for more details.

By order of the Board
China Gold International Resources Corp. Ltd.
Mr. Sun, Zhaoxue
Chairman

Hong Kong, 25 October 2012

As of the date of this announcement, the executive Directors are Mr. Sun, Zhaoxue, Mr. Song, Xin, Mr. Wu, Zhanming and Mr. Jiang, Xiangdong, the non-executive Director is Mr. Liu, Bing and the independent non-executive Directors are Mr. He, Ying Bin lan, Mr. Chen, Yunfei, Mr. Hall, Gregory Clifton and Mr. Burns, John King.



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(All amounts in US dollars unless otherwise stated)

Highlights

- Copper (Cu) Measured and Indicated Mineral Resources increased to 10.2 billion pounds of metal at 0.44% Cu;
- Copper Proved and Probable Mineral Reserves Increased to 6.2 billion pounds of metal at 0.77% Cu;
- Production from open-pit and underground operations is expected to produce 6.3 million tonnes and 6 million tonnes (Mt) of run-of-mine ("ROM") ore per annum respectively;
- Ramp up to an annual processing capacity of 12.3 Mt of ROM ore, over a 31 year period, producing approximately:
 - 176 million pounds of copper per annum
 - 35 thousand ounces of gold (Au) per annum
 - 2.7 million ounces of silver (Ag) per annum
 - 2.3 thousand tonnes of molybdenum (Mo) per annum
- Estimated capital expenditures of \$705 million;
- After-tax Net Present Value (NPV) of \$1.2 billion with a discount rate of 9% at metal price assumptions of: \$2.90/lb Cu, \$18/lb Mo, \$1,380/oz Au, \$16.5/oz Ag
- After-tax Internal Rate of Return (IRR) of 53.7% and payback period of 4.5 years
- Pre-tax NPV of \$1.5 billion with IRR of 60.4%;
- Life of Mine (LOM) projected average cash cost \$1.76/lb Cu equivalent, or \$1.52/lb Cu with other metals credited ;
- Average annual net cash flow of \$120 million for 31 year LOM;
- Contribution of Cu, Mo, Au and Ag to gross revenues are 75%, 11%, 7% and 6% respectively. Lead (Pb) and Zinc (Zn) contributes less than 1% of overall revenue; and
- Undiscounted, cumulative net cash flow, is approximately \$3.8 billion

Dr. Xin Song, CEO of the Company, commented, "With a potential increase in the processing capacity from 6,000 to 40,000 tonnes per day (tpd), along with a longer mine life of close to 31 years, we are very pleased with the future outlook of the operation."



Highlights of the study show a payback period of less than 5 years, an internal rate of return of 53.7% and an after-tax NPV of approximately \$1.2 billion, indicating solid economics and strong annual net cash flow of \$120 million over the mine life. During 2012, we continued to increase our reserve and resource base, and we work to achieve the expansion of this strategic asset."

Overview

The Jiama Project is a large scale polymetallic (Cu, Mo, Au, Ag, Pb, Zn) deposit located about 60 kilometers east of Lhasa City along the Sichuan-Tibet Highway within the Gangdise Copper Metallogeny Belt in Central Tibet, China.

The Company plans to expand the Project from its current processing capacity of 6,000 to 40,000 tpd of ore through the expansion of current open-pit operations and the development of new open-pit and underground mining operations. The Phase II Expansion will include four open pits, one underground, and a new floatation plant with a processing capacity of 34,000 tpd of ore. The total Project processing capacity will be increased from its current production rate of 1.8 Mt of ore per year to 12.3 Mt of ore per year, producing approximately 176 Mlb of Cu, 2.3 Kt of Mo, 35 Koz of Au, 2.7 Moz of Ag, per annum over a period of 31 years. LOM average head grade will be 0.77%, 0.03%, 0.22 g/t and 12 g/t for Cu, Mo, Au and Ag respectively.

Geology

The Project is located in the central-south portion of the Gangdise-Nianqing Tanggula Terrane. Stratigraphy outcropping in the Project area is dominated by passive epicontinental clastic-carbonate rocks. Three types of copper-polymetallic mineralization are observed within the Project. These include Skarn, Hornfels and porphyry hosted mineralization. All three styles of mineralization are structurally controlled with concentrations occurring along shear/structure zones and mineralization offset by thrust and detachment faults as well as associated with anticlines and synclines.

Mining

The Phase II Expansion Project will include the addition of four open pits and one underground mine.

The four open pits are designed to mine all three types of mineralization, producing approximately 6.3 Mt of ROM ore and removing about 19 Mt of waste rock per annum with a LOM stripping ratio of 3.01. The underground mine is designed to mine the high grade portion of the skarn type mineralization and will produce approximately 6 Mt of ROM ore per annum.

Processing and Products



The Company plans to expand the Project's processing capacity from its current 1.8 Mt of ore per year to 12 Mt of ore per year, producing approximately 176 Mlb of Cu, 2.3 Kt of Mo, 35 Koz of Au, 2.7 Moz of Ag, per annum over a period of 31 years. The end products include copper, moly, lead, and zinc concentrates, with other metals as by-products, which will be sold to smelters within China.

The processing recovery estimates are based on the current processing test work completed by a number of leading Chinese research institutes and two years of actual production data. The processing recoveries estimated for the different rock types are shown in **Table 1**.

Table 1: Jiama Copper-Polymetallic Project –Recovery Factors

Ore (Rock) Type	Product	Element	Recovery (%)
Cu-Mo Ore (Skarn)	Cu Concentrate	Cu	88
		Au	45
		Ag	65
Cu-Mo Ore (Hornfels & Porphyry)	Mo Concentrate	Mo	70
	Cu Concentrate	Cu	84
Cu-Mo Ore (Hornfels & Porphyry)	Mo Concentrate	Mo	48
	Cu-Pb-Zn Ore (Skarn)	Cu Concentrate	Cu
Au			45
Ag			60
Pb Concentrate			Pb
	Zn Concentrate	Zn	75

Source: MMC Derived based on Testwork Reports

Life of Mine Operating Costs

The LOM average operating costs are listed in **Table 2**.

Table 2: Jiama Copper-Polymetallic Project – Life of Mine Operating Costs (USD/ t processed)

Cost Centre	USD/t waste	USD/t processed
Overburden Removal	2.60	7.36
Open Cut Mining		2.81
Underground Mining		18.08
Support		1.45
Processing		11.43(Cu/Mo)/13.33(Cu/Pb/Zn)
Admin & Other Overheads		4.37
Total Mine Operating Costs/t processed		45.5/47.43
Metal Selling and Transport		2.22
Average royalty per ROM tonne		4.10
Total Project Operating Costs/t processed		51.82/53.75

Capex and Cash Flow Analysis



Estimated capital expenditures for the Phase II Expansion of the Project will be approximately \$705 million, including, \$221 million for new floatation plant, \$355 million for mining, \$76 million for engineering, \$28 million for loan interest and \$24 million mining camp.

The long term metal prices used for the Pre-Feasibility Study are \$2.90/lb, \$1,380/oz, \$16.5/oz and \$18/lb for Cu, Au, Ag and Mo respectively, the long term price for both zinc (Zn) and lead (Pb) is at \$2,000/tonne.

The after-tax net present value ("NPV") is \$1.2 billion with a discount rate of 9%, giving the capital expenditure payback period of 4.5 years, LOM average cash cost of Cu equivalent of \$1.76/lb, or \$1.52/lb Cu with other metals credited, and the after-tax IRR of 53.7%. The undiscounted, cumulative net cash flow is approximately \$3.8 billion. The indicated contribution of Cu, Mo, Au and Ag to gross revenues are 75%, 11%, 7% and 6% respectively. Zn and Pb account for less than 1% of overall revenue.

Table 3: Jiama Copper-Polymetallic Project – NPV and IRR Summary

Long Term Metal Price					NPV (\$ Million)				IRR
Cu (\$/lb)	Mo (\$/lb)	Au (\$/oz)	Ag (\$/oz)		@0%	@7%	@9% Base Case	@11%	
\$2.90	\$18	\$1,380	\$16.50	Pre-Tax	\$4,480	\$1,820	\$1,470	\$1,204	60.4%
				After-Tax	\$3,841	\$1,542	\$1,239	\$1,010	53.7%

Mineral Resources Estimate

A Mineral Resource estimate, dated April 28, 2012, has been independently completed by MMC in accordance with the CIM Definitions Standards under NI 43-101. The updated Mineral Resource is based on 22 infill drill holes totaling 10,720m completed in late 2011. These holes were drilled within the proposed pit locations which enabled detailed mine planning to be undertaken. Further drilling has recently been completed over the South Pit area to upgrade the classification of the existing Inferred Mineral Resources within the pit areas with sampling and assaying ongoing.

During the review of the data MMC noted that whilst the mineralisation occurs all within a single mineralised body, Au and Ag mineralisation within the orebody had a significantly higher spatial variability than the other elements. As a result MMC has classified the Au and Ag resource presented in **Table 5** separately; this classification takes into account the proposed large scale mining techniques where Au and Ag will only be credits to the overall products from the operations. MMC has assumed that Au and Ag will not be used as a single cut-off grade for a selected mining block and will be mined in conjunction with the other elements.



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The Mineral Resources are summarized in **Tables 4 and 5**. The Mineral Resources presented in **Table 5** for Au and Ag are inclusive and not in addition to the Mineral Resources in **Table 4** and occur within the same mineralised body.



**Table 4: Jiama Project - Cu, Mo, Pb and Zn Mineral Resources
Reported at a 0.3 % Cu Equivalent Cut Off Grade*, as of April 28, 2012**

Rock Type	Class	Quantity Mt	Cu %	Mo %	Pb %	Zn %	Cu Metal (kt)	Mo Metal (kt)	Pb Metal (kt)	Zn Metal (kt)
Skarn	Measured	35.6	0.71	0.048	0.11	0.07	252	17	38	25
	Indicated	293.2	0.73	0.043	0.07	0.06	2,135	127	201	163
	M+I	328.8	0.73	0.044	0.07	0.06	2,388	144	239	187
	Inferred	174	0.6	0.045	0.16	0.08	1,036	79	286	146
Hornfels	Measured	38.4	0.28	0.035	0.04	0.01	107	14	14	5
	Indicated	626.1	0.31	0.031	0.01	0.01	1,952	196	66	64
	M+I	664.5	0.31	0.032	0.01	0.01	2,059	210	80	69
	Inferred	219	0.29	0.034	0.03	0.01	633	74	72	32
Porphyry	Measured	2.1	0.22	0.056	0.01	0.01	5	1	0	0
	Indicated	57.7	0.33	0.043	0.01	0.01	188	25	4	6
	M+I	59.8	0.32	0.043	0.01	0.01	193	26	4	6
	Inferred	2.9	0.23	0.099	0.02	0.04	7	3	0	1
Total	Measured	76	0.48	0.042	0.07	0.04	364	32	52	30
	Indicated	977.1	0.44	0.036	0.03	0.02	4,275	348	271	232
	M+I	1,053.1	0.44	0.036	0.03	0.02	4,640	380	323	262
	Inferred	395.9	0.42	0.039	0.09	0.05	1,676	156	359	179

**Table 5: Jiama Project – Au and Ag Mineral Resources
Reported at a 0.3% Cu Equivalent Cut Off Grade* (>0.02 Au g/t), as of April 28, 2012**

Rock Type	Class	Quantity (Mt)	Au g/t	Ag g/t	Au Moz	Ag Moz
Skarn	Indicated	256.5	0.31	17.01	2.537	140.290
	Inferred	117.0	0.39	16.50	1.472	62.077
Hornfels	Indicated	178.6	0.06	2.52	0.337	14.486
	Inferred	68.9	0.08	5.06	0.186	11.195
Porphyry	Indicated	15.7	0.24	8.22	0.121	4.145
	Inferred	0.4	0.11	10.79	0.001	0.128
Total	Indicated	450.8	0.21	10.97	2.995	158.921
	Inferred	186.2	0.28	12.26	1.659	73.400

Note: Figures reported are rounded which may result in small tabulation errors.

Cu Equivalent is based on associated component grades, process recoveries and bank consensus forecast metal pricing as at May 2012 (before tax). The key inputs are outlined in **Table 6** below:



Table 6: Jiama Copper-Polymetallic Project – Copper Equivalence Parameters Mineral Reserves

Process Recoveries	Skarn	Skarn (Cu/Pb/Zn Ore)	Hornfels/Porphyry
Copper	88.00%	88.00%	84.00%
Molybdenum	70.00%	-	48.00%
Gold	45.00%	45.00%	
Silver	65.00%	60.00%	
Lead		75.00%	
Zinc		88.00%	
Product Prices			
Copper USD per lb	2.90	2.90	2.90
Molybdenum USD per lb	15.50	-	15.50
Gold USD per Troy ounce	1,300	1,300	
Silver USD per Troy ounce	20.00	20.00	
Lead USD per tonne		2,150	
Zinc USD per tonne		2,100	
Copper Equivalence Ratio			
Copper	1	1	1
Molybdenum	2.5540	-	1.7513
Gold	0.2478	0.2478	
Silver	0.0051	0.0051	
Zinc		0.2023	
Lead		0.1884	



Mineral Reserves Estimate

A Mineral Reserve estimate, dated April 28, 2012, has been independently completed by MMC in accordance with the CIM Definitions Standards under NI 43-101.

Table 7 presents the Mineral Reserves estimate for the Project reported at a 0.35% Cu-equivalent cut-off grade for the ore extracted via open cut methods and 0.5% to 0.65% Cu-equivalent cut-off grade for the ore extracted via underground methods. The Mineral Reserves is inclusive of, and not additional to the Mineral Resources in **Tables 4 and 5**.

Table 7: Jiama Project Statement of NI 43-101 Mineral Reserve Estimate as of April 28, 2012

Type	Ore kt	Grade						Metals					
		Cu %	Mo %	Au g/t	Ag g/t	Pb %	Zn %	Cu kt	Mo kt	Au t	Ag t	Pb kt	Zn kt
Tongqianshan													
Proved	-	-	-	-	-	-	-	-	-	-	-	-	-
Probable	2,632	0.57	0.014	0.15	8.05	-	-	15.0	0.37	0.39	21.2	-	-
Subtotal	2,632	0.57	0.014	0.15	8.05	-	-	15.0	0.37	0.39	21.2	-	-
Waste	7,770	-	-	-	-	-	-	-	-	-	-	-	-
Strip Ratio*	2.95	-	-	-	-	-	-	-	-	-	-	-	-
Niumatang													
Proved	-	-	-	-	-	-	-	-	-	-	-	-	-
Probable	15,328	1.24	0.044	0.57	25.77	-	-	189.5	6.74	8.78	394.9	-	-
Subtotal	15,328	1.24	0.044	0.57	25.77	-	-	189.5	6.74	8.78	394.9	-	-
Waste	141,919	-	-	-	-	-	-	-	-	-	-	-	-
Strip Ratio*	9.26	-	-	-	-	-	-	-	-	-	-	-	-
South Pit													
Proved	-	-	-	-	-	-	-	-	-	-	-	-	-
Probable	38,231	0.93	0.021	0.22	20.90	-	-	354.0	8.03	8.53	799.0	-	-
Subtotal	38,231	0.93	0.021	0.22	20.90	-	-	354.0	8.03	8.53	799.0	-	-
Waste	233,346	-	-	-	-	-	-	-	-	-	-	-	-
Strip Ratio*	6.10	-	-	-	-	-	-	-	-	-	-	-	-
Jiaoyan													
Proved	-	-	-	-	-	-	-	-	-	-	-	-	-
Probable	146,017	0.42	0.016	0.03	1.11	-	-	611.8	23.36	4.53	161.6	-	-
Subtotal	146,017	0.42	0.016	0.03	1.11	-	-	611.8	23.36	4.53	161.6	-	-
Waste	224,620	-	-	-	-	-	-	-	-	-	-	-	-
Strip Ratio*	1.54	-	-	-	-	-	-	-	-	-	-	-	-
Underground (north)													
Proved	16,241	1.14	0.073	0.38	21.69	0.108	0.058	185.6	11.90	6.15	352.3	17.5	9.5
Probable	113,158	1.10	0.049	0.42	20.61	0.039	0.033	1,241.9	55.30	47.60	2,332.1	44.5	37.0
Subtotal	129,399	1.10	0.052	0.42	20.74	0.048	0.036	1,427.5	67.20	53.75	2,684.4	62.0	46.5
Underground (south)													
Proved	8,673	0.63	0.014	0.29	0.38	0.116	10.855	54.8	1.26	2.48	3.3	10.1	941.5
Probable	23,190	0.67	0.016	0.09	10.82	0.094	0.125	155.1	3.76	2.05	251.0	21.8	28.9
Subtotal	31,864	0.66	0.016	0.14	7.98	0.100	3.046	209.9	5.02	4.53	254.3	31.9	970.4
Total Reserves Open Cut + Underground													
Proved	24,914	0.96	0.053	0.35	14.27	0.111	3.817	240.4	13.15	8.63	355.6	27.6	950.9
Probable	338,556	0.76	0.029	0.21	11.70	0.020	0.019	2,567.3	97.57	71.88	3,959.8	66.4	65.9
Total	363,470	0.77	0.030	0.22	11.87	0.026	0.280	2,807.7	110.72	80.50	4,315.4	94.0	1,016.9

-Note: Figures reported are rounded which may result in small tabulation errors

-Information on the Cu Equivalent Cut-off grade calculation are outlined in the Mineral Resource section of this release.



**Strip ratio units are waste tonne: ore tonne*

An NI 43-101 Pre-Feasibility Study Technical Report is being prepared by MMC to support the Statement of Mineral Resources and Mineral Reserves and this will be available on SEDAR and on the Company's website within the next forty-five days.

Project Update

As of October 7, 2012, the Company has completed a further infill drilling program to upgrade the resource confidence and help further optimize the mine design and reserves of the Jiama deposit. The program consisted of 90 drill holes for a total of 40,496 meters, including: 71 regular in-fill resource drill holes (31,489 m), 13 geo-technical drill holes (4,835 m), and 6 geo-hydrological holes (4,172 m). Assaying and geological logging and testing of the core from this program is ongoing and this information will be included in future updates of the Mineral Resources and Mineral Reserves.

The Company is currently completing further metallurgical testing of both skarn and hornfels ores to further optimize the molybdenum and precious metal recoveries especially in lower grade ores. Further testing underway in the hornfels mostly located in the Jiaoyan pit area, will be focused on further refining the Cu-Mo separation.

Based on the above infill drilling and metallurgical program the Company aims to release an update of the Mineral Resources and Mineral Reserves in the first half of 2013.

About China Gold International Resources

China Gold International Resources Corp Ltd is based in Vancouver, BC, Canada and operates both the CSH Gold Mine in Inner Mongolia, and the Jiama Copper-Polymetallic Mine in Tibet Autonomous Region of China. CGG'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).

QUALIFIED PERSON

An Independent Pre-Feasibility Study Technical Report titled "Jiama Copper-Polymetallic Project, Metrorkongka County, Tibet Autonomous Region People's Republic of China" with an effective date of October 25, 2012 has been prepared by MMC. The report will be available on SEDAR (www.sedar.com) within 45 days of this release.

Mr. Jeremy Lee Clark, a full time Principal Geologist for MMC, and a Qualified Person as defined by NI-43-101, has reviewed the data underlying the Mineral Resource and



supervised the estimation of the Mineral Resource as well as reviewed the entire Pre-Feasibility Technical Report. Jeremy has approved the technical and scientific information pertaining to the Jiama Project's Mineral Resources and Geology contained in this release.

Mr. Anthony Robert Cameron, a part time Associate Mining Engineer engaged by MMC, and a Qualified Person as defined by NI-43-101, has reviewed the data underlying the Mineral Reserve and supervised the estimation of the Mineral Reserve as well as reviewed the reserve sections of the Pre-Feasibility Technical Report. Anthony has approved the technical and scientific information pertaining to the Jiama Project's Mineral Reserves, Life of Mine Operating Costs and Capex and Cashflow Analysis contained in this release.

Mr. Andrew James Haigh Newell, a full time Executive Processing Consultant Engineer for MMC, and a Qualified Person as defined by NI-43-101, has reviewed the data underlying the Processing aspects of the project and sections of the Pre-Feasibility Technical Report. Andrew has approved the technical and scientific information pertaining to the Jiama Project's Processing and Products contained in this release.

For additional information:

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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.



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