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**China Gold International Reports 2014 Second Quarter and First Half Results and  
Revises 2014 Annual Production Outlook.**

*The Company completes construction of the facilities for stage one of Phase II expansion at Jiama. The Company reduces total and cash production costs at both mines.*

VANCOUVER, August 14, 2014 - China Gold International Resources Corp. Ltd. (TSX: CGG; HKEx: 2099) (the "Company" or "China Gold International Resources") reports financial and operational results for the three months ("Q2", "quarter" or "second quarter 2014") and six months ("first half" or "six months 2014") ended June 30, 2014. The Company revises its 2014 annual production guidance.

***Selected Production and Financial Highlights: Q2 2014 Compared to Q2 2013***

- Consolidated revenues of US\$48.5 million for the second quarter of 2014 decreased by US\$33.1 million, from US\$81.6 million for the same period in 2013.
- Revenues from the Chang Shan Hao Gold Mine (the "CSH Mine", the "CSH Gold Mine" or "CSH") of US\$28.1 million (Q2, 2013: US\$46.2 million) decreased by US\$ 18.1 million due to a 35% decrease in gold sales volume and significantly lower gold prices.
- Revenue from the Jiama Copper-Gold Polymetallic Mine (the "Jiama Mine" or "Jiama") of US\$20.4 million (Q2, 2013: US\$35.4 million) decreased by US\$15 million due to a 27% decrease in copper sales due to changes in market demand. During the three month period, the Company was stockpiling the copper concentrate until market demand improves.
- Net income of the Company of US\$8.4 million for the three months ended June 30, 2014 decreased by US\$11.1 million from US\$19.5 million for the three months ended June 30, 2013.
- Gold production at the CSH Mine decreased to 24,571 ounces for the three months ended June 30, 2014, compared to 32,111 ounces for the three months ended June 30, 2013. Despite the higher grade of ore, gold output decreased due to lower recovery rates which were a result of longer leaching time with an increased height of the leaching heap.
- The cash and total production costs of gold per ounce for the three months ended June 30, 2014 decreased compared with the same period in 2013 due to the lower processing and waste rock removal costs during the current quarter.



CSH Mine	Three months ended June 30,	
	2014	2013
Total production cost (US\$) of gold per ounce	733	877
Total Cash production cost* (US\$) of gold per ounce	446	734

\* Non-IFRS measure

- Copper production from the Jiama Mine amounted to 9.6 million pounds during the three months ended June 30, 2014 compared to 7.7 million pounds during the three months ended June 30, 2013.
- Cash and total production cost of copper per pound decreased in Q2, 2014 compared with the same period in 2013 due to the increase in the grade of ores during the current period.

Jiama Mine	Three months ended June 30,	
	2014	2013
Total production cost* (US\$) of copper per pound after by-products credits	1.78	2.11
Cash production cost** (US\$) of copper per pound after by-products credits	1.09	1.55

\* Production costs include expenditures incurred at the mine sites for the activities related to production including mining, processing, mine site G&A and royalties etc.

\*\* Non-IFRS measure

### ***Selected Financial Highlights: First Half 2014 Compared to First Half 2013***

- Consolidated revenues of US\$85.2 million for the first half of 2014 decreased by US\$73.2 million, from US\$158.4 million for the same period in 2013.
- Revenues from the Chang Shan Hao Gold Mine of US\$59.7 million (first half 2013: US\$93.6 million) decreased by US\$33.9 million due to a 27% decrease in gold sales volume and significantly lower gold prices.
- Gold produced by the CSH Mine amounted to 51,689 ounces, compared to 64,274 ounces for the same period in 2013. The decrease is due to longer recovery periods as a result of the increased height of the leaching heap.
- Revenue from the Jiama Copper-Gold Polymetallic Mine of US\$25.5 million (first half 2013: US\$64.7 million) decreased mostly due to a significant decrease in copper production during the first quarter of 2014, due to a seasonal electricity shortage experienced by the Jiama Mine.
- Net income of the Company of US\$9.7 million for the six months ended June 30, 2014, decreased by US\$24.9 million from US\$34.6 million for the six months ended June 30, 2013.



Mr. Bing Liu, the CEO and Executive Director of the Company, commented, "We have achieved numerous milestones so far in 2014. We have completed the first stage of construction of the Jiama Mine's Phase II expansion on time. We have successfully managed a US\$500 million bond issue. We are reducing costs at both of our mines. At the same time, our company and the rest of the industry are facing challenging market conditions. We believe our superior technical and operating experience and our ability to raise financing will help us weather this downturn in the industry and still deliver profits and growth to our shareholders".

### ***Selected 2014 Operational Achievements***

- Phase II expansion at the Jiama Mine is progressing as planned. The first stage of Phase II expansion facilities construction, including ore storage silo, crusher, mills floatation circuits, thickeners, and power and water supply systems was completed in the second quarter of 2014. This increased the mill processing capacity from 6,000 tpd to 28,000 tpd. The pre-striping for open pits and ore transportation system for the first stage of the Phase II production facility will be completed in the second half of 2014. The new production facility is currently under testing. The output of copper concentrate from the first stage of the production facility is expected during the second half of 2014.
- The Company continues its company-wide cost reduction strategy which has resulted in significant decreases in total and cash operating costs for both mines.

### ***2014 Revised Production and Operating Outlook for CSH and Jiama***

- On May 15, 2014, the Company reported expected 2014 annual gold production guidance to be 208,000 ounces. The Company revises this 2014 annual gold production guidance to 165,000 ounces. This is an 11% increase from the 2013 actual gold output of 148,326 ounces of gold. The revision of the forecast is due to the longer commissioning period of the expansion at CSH, caused by repair and reinforcement of the heap leach pad. In addition, the revision is in consideration of the longer gold recovery period due to the increased heap leach height which resulted in reduced gold production in the first half of 2014. The company has sufficient funding and operational and technical expertise to successfully resolve those challenges.
- In the first half of 2014 the Company had reported that its ongoing initiatives to increase production, productivity and efficiency at the Jiama Mine were expected to enable it to meet its previously mentioned 2014 production guidance of approximately 50 million pounds of copper. The Company revises its 2014 expected copper production guidance to 28.6 million pounds, which is a slight increase from the 2013 actual copper output of 28.3 million pounds. This revision is due to the reduced production in the first quarter of 2014, as Jiama experienced power supply shortages. In addition, the revision is in consideration of expected lower recovery rate from the high oxide ore from the south pit during the second half of 2014,



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uncertainties relating to power supply shortage in the fourth quarter and duration of the commissioning period of the Phase II expansion.

- The Company will continue to leverage the technical and operating experience of the Company's controlling shareholder, China National Gold Group Corporation ("CNG"), to improve operations at its mines, increase production and minimize costs.
- To fulfill its growth strategy, the Company is continually working with CNG and other interested parties to identify potential international mining opportunities, mainly outside of China, which can be readily and quickly brought into production with the possibility of further expansion through continued exploration.

Analysts, investors, media and general public are encouraged to visit the Company's website, [sedar.com](http://sedar.com) or [hkexnews.hk](http://hkexnews.hk) to view the complete set of the financial statements and MD&A or contact the Company with any questions.

## **About China Gold International Resources**

China Gold International Resources Corp. Ltd. is based in Vancouver, BC, Canada and operates both profitable and growing mines, the CSH Gold Mine in Inner Mongolia, and the Jiama Copper-Polymetallic Mine in Tibet Autonomous Region of the People's Republic of China. The Company'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).

For a detailed look at the financial statements and MD&A for the quarter ended March 31, 2013, please visit the Company's website at [www.chinagoldintl.com](http://www.chinagoldintl.com), The Stock Exchange of Hong Kong Limited's website at [www.hkex.com.hk](http://www.hkex.com.hk) or SEDAR at [www.sedar.com](http://www.sedar.com).

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*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.*



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