

VANCOUVER, March 25, 2015 /CNW/ - [China Gold International Resources Corp. Ltd.](#) (TSX: CGG; HKEx: 2099) (the "Company" or "China Gold International Resources") is pleased to report Year-End 2014 results and provide 2015 Outlook.

2014 Financial, Production and Operating Highlights

- Revenues decreased by 8%, or US\$24.8 million, from US\$302.6 million for the year ended December 31, 2013, to US\$277.8 million for the year ended December 31, 2014.
- Revenues from the Chang Shan Hao Gold Mine (the "CSH Mine", the "CSH Gold Mine" or "CSH") accounted for 67%, or US\$185.9 million (2013: US\$178.1 million), of total revenue for the year. The US\$7.8 million increase in CSH's 2014 revenue was due to an 18% increase in gold sales volume.
- Revenue from the Jiama Copper-Gold Polymetallic Mine (the "Jiama Mine" or "Jiama") accounted for 33%, or US\$91.9 million (2013: US\$124.5 million), of total revenue for the year. This revenue decline of US\$32.6 million is attributed to interruption in copper production during the first quarter of 2014 caused by lower copper prices and a seasonal power shortage which has since been restored.
- Cost of sales decreased by 11%, or US\$21.9 million, from US\$200.7 million for the year ended December 31, 2013 to US\$178.8 million for the same period in 2014. The decrease in cost of sales is attributable to Jiama's higher ore grades mined combined with higher equipment utilization rates. Cost of sales as a percentage of revenue for the Company decreased to 64% from 66% for the year ended December 31, 2014 compared to 2013.
- Mine operating earnings for the Company decreased by 3%, or US\$2.9 million, from US\$101.9 million for the year ended December 31, 2013 to US\$99 million for the year ended December 31, 2014. Mine operating earnings as a percentage of revenue increased to 36% from 34% for the year ended December 31, 2014 compared to 2013.
- Net income of the Company decreased by 27%, or US\$15.3 million from US\$57.1 million for the year ended December 31, 2013 to US\$41.9 million for the year ended December 31, 2014.
- Gold produced by the CSH Mine in 2014 increased to 163,443 ounces (gold sold: 153,736), compared to 131,418 ounces (gold sold: 130,772 ounces) for 2013. Increased production and sales volumes during 2014 are attributed to the completion of the phase II expansion which has doubled CSH's processing capacity as of October, in addition to higher grades of ore mined during the year.
- The total production cost of gold per ounce and cash production cost of gold per ounce for the year ended December 31, 2014 both decreased compared with the same period in 2013. The primary reason for this decline is due to the economies of scale and high efficiency achieved through the commercial production of the additional 30,000 tpd heap leaching and processing system.

CSH Mine	Year ended December 31,	
	2014	2013
Total production cost (US\$) of gold per ounce	768	866
Cash production cost* (US\$) of gold per ounce	590	707

*?Non-IFRS measure

- In October 2014, the CSH Mine successfully completed test production on its new additional 30,000 tpd heap leaching and processing system and commenced commercial production. Since the commencement of commercial production, CSH has increased its processing capacity to 60,000 tpd, and produced 63,631 ounces of gold in the fourth quarter of 2014.
- The capital expenditure incurred in the CSH Mine for the year ended December 31, 2014 was US\$25.05 million.
- Copper production from the Jiama Mine increased by 9% from 28,323,626 pounds in 2013 to 30,847,753 pounds in 2014. This fourth full year of increasing production for the Jiama Mine is primarily due to higher grades of ore mined and restored access to the power supply which was temporarily limited during December 2013 and first quarter of 2014.
- In November 2014, a large hydro power plant in Tibet was put into production, and has significantly improved the power supply throughout the region. Several additional hydro power plants in Tibet are also currently under construction and will contribute more power supply in the region.
- Both cash production cost and total production cost of copper per pound decreased in 2014 mainly because of the higher ore grade mined and processed, the higher equipment utilization rates, and restored power supply during the period.

Jiama Mine

	2014
Total production cost* (US\$) of copper per pound	2.97
Total production cost* (US\$) of copper per pound	2.01
after by-products credits***	
Cash production cost** (US\$) per pound of copper	2.33
Cash production cost** (US\$) of copper per pound	1.37

after by-products credits***

* 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

*** By-products credit refers to the sales of gold and silver during the corresponding period.

- On December 20, 2013, in accordance with the schedule, the Phase II expansion NI 43-101 compliant feasibility study for Jiama has been successfully completed by the Changchun Gold Design Institute in conjunction with the independent consulting firm Mining One Pty Ltd. and the Company's management. The Jiama Technical Report proposes to expand the Jiama Mine from its initial mining and processing capacity of 6,000 tpd to 50,000 tpd of ore.
- Jiama's expansion program is implemented in two stages, adding 22,000 tpd mining and mineral processing capacity in each stage. Stage one of the expansion, which is designed to add 22,000 tpd mining and mineral processing capacity, completed a wholistic load-free test run at the end of 2014. After some troubleshooting efforts, stage one is also ready for loaded test run, which is scheduled in the second quarter of 2015. Its two source pits ready to provide ore feed. Stage two of the expansion, which is designed to add an additional 22,000 tpd mining and mineral processing capacity, is expected to be completed in 2016, along with the completion of underground development system.

Liquidity and Capital Resources:

- On July 17, 2014 the Company successfully completed the issuance of bonds in an aggregate principal amount of US\$500 million, at an issue price of 99.634% bearing interest at the rate of 3.5% with a maturity date of July 17, 2017, rated BBB- by Standard & Poor's. The Bonds are unconditionally and irrevocably guaranteed by the Company. The net proceeds of the Offer will be used for working capital, capital expenditures and general corporate purposes of the Company.
- The Company's borrowings are comprised of US\$498.5 million of 3.5% unsecured bonds maturing on July 17, 2017 and US\$497.1 million of short term debt facilities with interests rates ranging from 3.62% to 6.00% per annum arranged through various banks in China. The Company has utilized short term debt facilities to fund part of its expansions for its CSH Mine and Jiama Mine. The Company believes that it has been able to achieve more favourable rates and terms through this strategy, and has not encountered any difficulty in rolling over such debt facilities through its lenders in China. The Company believes that the availability of debt financing in China at favourable rates will continue for the foreseeable future.

Mr. Bing Liu, CEO of the Company, commented, "2014 was another year of growing production and lower costs at both of our mines. We have delivered on our commitment to the shareholders about expansion construction at CSH and Jiama. We found new low-cost funding source and successfully completed a US\$500 million bond issue. We were rated as an investment grade issuer by S&P, which is an extraordinary achievement for a company of our size.

Market conditions remain challenging but our Company remains to be profitable despite that. Our employees, management and board of directors are working relentlessly to assure our long-term growth and profitability".

2015 Production and Operating Outlook:

- Organic growth, cost management and international expansion continue to be the Company's main goals for 2015.

- 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.
- The 2015 gold production from the Company's CSH Mine is expected to be approximately 210,000 ounces.
- As previously announced, gold production is expected to increase from its 2014 level of 163,443 ounces to about 260,000 ounces per annum by 2016.
- The 2015 copper production for the Company is expected to be approximately 53 million pounds.
- The 2015 gold production from the Jiama Mine is expected to be approximately 16,000 ounces.

2014 Annual Results Investor and Media Presentation

Management will hold its 2014 Annual Results Investor and Media Presentation in Hong Kong on March 26, 2015 at 10 a.m. (Hong Kong time). Year-End 2014 results and performance will be discussed and the question and answer period will be held.

For a detailed look at the financial statements and MD&A for the year ended December 31, 2014, please visit the Company's website at www.chinagoldintl.com, The Stock Exchange of Hong Kong Limited's website at www.hkex.com.hk or SEDAR at www.sedar.com.

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).

Cautionary Note About 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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