

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 30, 2016) - [China Gold International Resources Corp. Ltd.](#) (TSX:CGG)(HKSE:2099) (the "Company" or "China Gold International Resources") is pleased to report Year-End 2015 results and provide 2016 Outlook.

2015 Financial, Production and Operating Highlights

- Revenue increased by 22%, or US\$62.1 million, from US\$277.8 million for the year ended December 31, 2014, to US\$339.9 million for the year ended December 31, 2015.
- Revenue from the Chang Shan Hao Gold Mine (the "CSH Mine", the "CSH Gold Mine" or "CSH") was US\$233.8 million (2014: US\$185.9 million), an increase of US\$47.9 million, due to a 36% increase in gold sales volume.
- Gold produced by the CSH Mine was 204,471 ounces (gold sold: 209,285), compared to 163,443 ounces (gold sold: 153,736 ounces) for the same period in 2014. Increased production and sales volumes during 2015 are attributed to the commencement of commercial production of the new heap leaching and processing system in October 2014, which has doubled CSH's processing capacity.
- Revenue from the Jiama Copper-Gold Polymetallic Mine (the "Jiama Mine" or "Jiama") was US\$106.1 million compared to US\$91.9 million for the same period in 2014.
- Total copper sold was 17,859 tonnes (39.4 million pounds) for the year ended December 31, 2015, an increase of 44% from 12,362 tonnes (27.3 million pounds) for the same period in 2014. The increase in revenue is attributed to increased levels of copper production. Total copper produced in 2015 amounted to 38.1 million pounds, an increase of 24% from 30.8 million pounds of copper produced in 2014.
- Cost of sales of US\$277.1 million for the year ended December 31, 2015, increased by US\$98.3 million or 55% from US\$178.8 million for the same period in 2014. The increase in cost of sales is attributable to higher sales volumes of both copper and gold. CSH contributed US\$66.9 million to the overall increase of cost of sales due to a 26% increase in its revenue, resulting from the commencement of commercial production in October 2014. Jiama contributed US\$31.4 million to the overall increase in cost of sales due to a 34% increase in its sales volume. Cost of sales as a percentage of revenue for the Company increased to 82% from 64% for the year ended December 31, 2015 compared to 2014.
- Mine operating earnings of US\$62.8 million for the year ended December 31, 2015 decreased by 36%, or US\$36.2 million, from US\$99 million for the comparative 2014 period. Mine operating earnings as a percentage of revenue decreased from 36% to 18% for the year ended December 31, 2015 compared to 2014. The decrease in mine operating earnings as a percentage of revenue can be attributed to a 20% decrease in the realized average price of copper per pound and an 8% decrease in the realized average price of gold per ounce for the years ended December 31, 2014 and 2015, respectively.
- General and administrative expenses decreased by US\$1.3 million, from US\$25.1 million for the year ended December 31, 2014 to US\$23.8 million for the comparative period in 2015. The decrease is due to the Company's implementation of cost reduction programs and continuous efforts in monitoring spending.
- Income from operations for the year ended December 31, 2015 of US\$38.7 million, decreased by US\$34.7 million from US\$73.4 million for the same period in 2014.
- Finance costs of US\$21.4 million for the year ended December 31, 2015 decreased by US\$2.5 million, from US\$23.9 million for the same period in 2014. The decrease is primarily due to a 20% or US\$233.3 million reduction in total borrowings from US\$1,185.8 million at December 31, 2014 compared to US\$952 million at December 31, 2015. The finance expense decreased during the year ended December 31, 2015, US\$23.9 million (2014: US\$16.4 million) of interest payments were capitalized for borrowing costs related to the Jiama Mine expansion.
- Foreign exchange loss decreased to US\$13.5 million for the year ended December 31, 2015 from a gain of US\$6.3 million for the same 2014 period. The 2015 loss is related to the revaluation of monetary items held in Chinese RMB and Hong Kong Dollars, which was based on changes in the RMB/HKD/USD exchange rates. During August 2015, the RMB depreciated by approximately 3% against the US dollar.
- Interest and other income of US\$12.5 million for the year ended December 31, 2015 increased from US\$7 million for the year ended December 31, 2014, due to increased interest income earned on term deposits and related party loans.
- Loss on Available for sale investment of US\$4.7 million was recognized in relation to the equity securities investment listed in Hong Kong during the year ended December 31, 2015, the fair market value adjustments were recognized as equity reserve in the year ended December 31, 2014. The loss was recorded due to an overall 24% decline in the share price of the investment security since the purchase date.
- Income tax expense of US\$18.4 million for the year ended December 31, 2015 decreased by 12%, from US\$20.8 million for the comparative 2014 period. During the current period, the Company had US\$6.7 million of deferred income tax expense compared to US\$4.8 million in 2014, the change is attributed to the depreciation of the RMB.
- Net loss/profit of the Company decreased by US\$48.7 million from income of US\$41.9 million for the year ended December 31, 2014 to a loss of US\$6.8 million. During the year ended December 31, 2015, the Company's production levels increased by 26% in gold and 24% in copper, sales volumes of gold increased by 36% and 44% for copper, however, were offset by the significant decline in commodity prices in addition to the depreciation of the RMB. A significant portion of the Company's net loss is also attributed to the US\$4.7 million loss realized on the available for sale investment due to a considerable decrease in its market value, in addition to US\$13.5 million of foreign exchange loss primarily due to the depreciation of the RMB.
- The capital expenditure incurred in the CSH Mine for the year ended December 31, 2015 was US\$71.6 million.
- The cash production cost, and total production cost for the CSH Mine are presented in the table below. The cash production cost, and total production cost of gold per ounce both increased in 2015 compared with the same period in 2014. The major reason is higher waste rock removal costs.

CSH Mine	Year ended December 31,	
	2015	2014
Total production cost (US\$) of gold per ounce	884	768
Cash production cost* (US\$) of gold per ounce	702	590

* Non-IFRS measure

- The capital expenditure incurred for the Jiama Mine expansion for the year ended December 31, 2015 was US\$206.0 million.
- The cash production cost, and total production cost for the Jiama Mine are presented in the table below. The cash production cost of copper per pound increased due to the lower grade of ore in 2015. The total production costs of copper per pound slightly decreased due to less depreciation and amortization expenditures per pound included in the production costs, as a result of a higher copper production during the year.

	Year ended December 31,	
Jiama Mine	2015	2014
Total production cost* (US\$) of copper per pound	2.84	2.97
Total production cost* (US\$) of copper per pound after by-products credits***	1.99	2.01
Cash production cost** (US\$) per pound of copper	2.39	2.33
Cash production cost** (US\$) of copper per pound after by-products credits***	1.54	1.37

* 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.

- The expansion program at the Jiama Mine is implemented in two stages, adding 22,000 tpd mineral processing capacity in each stage. Two source pits are ready to provide ore feed. Stage one of the processing plant started the commissioning in October 2015. Stage two of the expansion has been started and construction is expected to be completed in the second half of 2016, along with the completion of the underground development system.
- The Company has not carried out any peripheral mineral exploration at the Jiama Mine as of December 31, 2015 as it has been focusing on the phase II expansion program. The Company plans peripheral prospecting and mineral exploration work in 2016.

Liquidity and Capital Resources:

- At December 31, 2015, the Company had an accumulated surplus of US\$186.3 million, working deficit US\$5.83 million and borrowings of US\$952.4 million. The Company's cash balance at December 31, 2015 was US\$112.4 million.
- The Company's borrowings are comprised of US\$498.5 million of 3.5% unsecured bonds maturing on July 17, 2017 and US\$218.27 million of short term debt facilities with interest rates ranging from 3.62% to 6.00% per annum arranged through various banks in China. In addition, on November 3, 2015, the Company entered into a Loan Facility agreement with a syndicate of banks, led by Bank of China. The lenders agreed to lend to the aggregate principle amount of RMB 3.98 billion, approximately USD 613 million with the interest rate of 2.83% per annum currently.

Mr. Bing Liu, CEO of the Company, commented, "It was my honor again to work with an incredible team of dedicated executives and employees and the directors to bring you another year of successful operations."

We are currently witnessing one of the biggest downturns in the mining industry in recent years. It becomes very critical for any company to adjust its strategy to assure profitability. Our management team has done exactly that this year. In 2015, both our gold and copper production targets were surpassed. We have made significant advancements in technological innovation and cost control and are aiming to prosper despite challenging market conditions."

2016 Production and Operating Outlook:

- 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 2016 copper production for the Company is expected to be approximately 38.6 million pounds.
- The 2016 gold production for the Company is expected to be approximately 235,000 ounces.

Annual Results Investor and Media Presentation

Management will hold its 2015 Annual Results Investor and Media Presentation in Hong Kong on April 7, 2016 at 10 a.m. (Hong Kong time). Year-End 2015 results and performance will be discussed with a question and answer period.

For a detailed look at the financial statements and MD&A for the year ended December 31, 2015, 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 two 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 (HKSE: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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