

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 13, 2016) - [China Gold International Resources Corp. Ltd.](#) (TSX:CGG)(HKSE:2099) (the "Company" or "China Gold International Resources") is pleased to report financial and operational results for the three months ended March 31, 2016 ("Q1", "first quarter" or "first quarter of 2016").

First Quarter 2016 Financial Highlights

- Consolidated revenue of US\$65.6 million for the first quarter of 2016 decreased by US\$11.8 million or 15%, from US\$77.4 million for the same period in 2015.
- Revenue from the Chang Shan Hao Gold Mine (the "CSH Mine", the "CSH Gold Mine" or "CSH") was US\$41.6 million, a decrease of US\$10.5 million compared to US\$52.1 million for the same period in 2015 due to a 17% decrease in gold sales volume.
- Revenue from the Jiama Copper-Gold Polymetallic Mine (the "Jiama Mine" or "Jiama") was US\$23.9 million compared to US\$25.3 million for the same period in 2015.
- Cost of sales amounted to US\$58 million for the quarter ended March 31, 2016, an increase of US\$1.8 million or 3% from US\$56.2 million for the same period in 2015. Cost of sales as a percentage of revenue for the Company increased to 88% from 73% for the three months ended March 31, 2016 and 2015, respectively.
- Mine operating earnings were US\$7.5 million for the three months ended March 31, 2016, a decrease of 65% or US\$13.7 million, from US\$21.2 million for the same period in 2015. Mine operating earnings as a percentage of revenue decreased from 27% to 12% for the three months ended March 31, 2015 and 2016, respectively. The decrease in mine operating earnings as a percentage of revenue can be attributed to a 15% decrease in the realized average price of copper per pound and a 3% decrease in the realized average price of gold per ounce.
- General and administrative expenses decreased from US\$6 million to US\$5 million for the three months ended March 31, 2015 and 2016, respectively. The 17% decrease is consistent with the Company's implementation of cost reductions programs.
- Loss on Available for Sale Investment of US\$3.8 million was recognized in relation to the equity securities investment listed in Hong Kong during the three months ended March 31, 2016. The fair market value adjustments were recognized as equity reserve in the comparative period in 2015. The loss was recorded due to a 25% decline in the share price of the security as of the December 31, 2015.
- Foreign exchange gain (loss) increased to a gain of US\$1.2 million for the three months ended March 31, 2016 from a loss of US\$0.8 million for the same period in 2015. The 2016 gain 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.
- Net loss/profit of the Company decreased by US\$9.7 million from a profit of US\$6.2 million for the three months ended March 31, 2015 to a net loss of US\$3.5 million for the three months ended March 31, 2016.

Mr. Bing Liu, CEO of the Company, commented, "I am proud of the work of our team. This quarter we have faced several challenges related to production, grade and the loss on Available for Sale Investment. Our team is working on solutions for those challenges. We have managed to reduce our general and administrative costs and continue with expansion at Jiama, which is progressing well. Given the early signs of improvements in the gold market, we are confident about achieving success in 2016 and fulfilling our guidance."

First Quarter 2016 Production and Operating Highlights

- Gold production at the CSH Mine decreased by 11% to 36,703 ounces for the three months ended March 31, 2016 from 41,033 ounces for the three months ended March 31, 2015. The decrease in gold production is attributed to lower volumes and grades of ore mined during the current period.
- The cash production cost and total production cost of gold for the three months ended March 31, 2016 both increased compared with the same period in 2015. The increase is due to higher waste rock removal costs due to higher stripping ratio during the current period and lower grade of ore.

CSH Mine	Three months ended March 31,	
	2016	2015
Total production cost* (US\$) of gold per ounce	1,034	848
Cash production cost* (US\$) of gold per ounce	800	653
* Non-IFRS measure		

- During the three months ended March 31, 2016, the Jiama Mine produced 4,106 tonnes (approximately 9.05 million pounds) of copper in concentrate, compared with the 4,089 tonnes (approximately 9.01 million pounds) for the three months ended March 31, 2015. Consistent levels of production were maintained during the comparative periods.
- The Cash production cost of copper per pound decreased by 6% and total production cost of copper per pound decreased by 8% for the three months ended March 31, 2016 compared to the same period in 2015. The decreases are primarily due to a 12% increase in sales volumes of copper during the three months ended March 31, 2016. Cash production cost of copper per pound after by-products credits decreased by 15% due to a higher volume of by product gold sold in copper concentrate during the current period.

Jiama Mine	Three months ended March 31,	
	2016	2015
Total production cost* (US\$) of copper per pound	2.50	2.72

Cash production cost** (US\$) per pound of copper	2.09	2.22
Cash production cost** (US\$) of copper per pound after by-products credits	1.19	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

2016 Outlook

- Projected gold production of 235,000 ounces in 2016.
- Projected copper production of approximately 38.6 million pounds (18,000 tonnes) in 2016.
- The Jiama Mine's processing plant Phase II expansion is being executed in two stages. Stage I has been completed and is now in the commissioning process. The throughput capacity will be 28,000 tpd, up from the previous capacity of 6,000 tpd after completing the commissioning process. Stage II of the project is under way and is expected to be completed in the second half of 2016. The total processing capacity will increase to 50,000 tpd upon completion of the two-stage expansion program.
- 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. In addition, the Company continues to focus its efforts on increasing production while minimizing costs at both mines.
- To fulfill its growth strategy, the Company is continually working with CNG and other interested parties to identify potential international mining acquisition opportunities, namely projects outside of China, which can be readily and quickly brought into production with the possibility of further expansion through continued exploration.

For a detailed look at the financial statements and MD&A for the quarter ended March 31, 2016, 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-Gold 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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