

China Gold International Reports 2018 First Quarter Results

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VANCOUVER, British Columbia, May 15, 2018 (GLOBE NEWSWIRE) -- [China Gold International Resources Corp. Ltd.](#) (TSX:CGG) (HKEx:2099) (the "Company" or "China Gold International Resources") is pleased to report financial and operational results for the three months ended March 31, 2018 ("Q1", "first quarter" or "first quarter of 2018").

2018 First Quarter Highlights

- Revenue increased by 30% to US\$106.7 million from US\$82.1 million for the same period in 2017.
- Mine operating earnings decreased by 66% to US\$6.6 million from US\$19.1 million for the same period in 2017.
- Net profit after income taxes decreased to US\$2.0 million from US\$6.4 million for the same period in 2017.
- Gold production from the CSH Mine increased by 4% to 36,042 ounces from 34,540 ounces for the same period in 2017.
- The total production cost of gold for the three months ended March 31, 2018 decreased to US\$1,028 per ounce compared to US\$1,127 for the three month 2017 period. The cash production cost of gold for the three months ended March 31, 2018 decreased by approximately 22% to US\$578, from US\$741 per ounce for the same period in 2017, mainly due to 29% higher gold grade.

CSH Mine	Three months ended March 31,	
	2018	2017
Total production cost ⁽¹⁾ (US\$ per ounce)	1,028	1,127
Cash production cost ⁽¹⁾ (US\$ per ounce)	578	741

(1) Non-IFRS measure.

- In the first quarter of 2018, both the cash production cost and total production cost of the Jiama Mine increased, mainly due to the use of open-pit ore in Phase II, Series I, and the relatively low ore grade of the open-pit mine. In addition, the Company used the colder winter months to perform equipment maintenance work, resulting in lower equipment utilization rates. Now that the winter months have passed and production has been restored upon completion of equipment maintenance, the Jiama Phase II, Series I production capacity will gradually increase and reach the designed capacity. Therefore, it is expected that production will increase in the second quarter, while cash production cost and total production cost will decrease.

Jiama Mine	Three months ended March 31,	
	2018	2017
Total production cost ⁽¹⁾ (US\$) of copper per pound after by-products credits ⁽²⁾	3.78	1.15
Cash production cost ⁽³⁾ (US\$) of copper per pound after by-products credits ⁽²⁾	2.46	0.80

(1) 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.

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

(3) Non-IFRS measure.

- Copper production from the Jiama Mine decreased by 7% to 7,061 tonnes (approximately 15.6 million pounds) from 7,582 tonnes (approximately 16.7 million pounds) for the same period in 2017. Gold produced was 10,222 ounces compared to 8,160 ounces for the same period in 2017.

Mr. Bing Liu, CEO of the Company, commented, "Overall we are pleased with the performance of the Company in Q1 2018 given the significant year over year increase in revenue. Given the harsh winter conditions we experience at both our mines Q1 is often a challenging quarter from an operations perspective. However, the Company took advantage of this period to complete maintenance work that should realize benefits later in the year, and we continue to make solid progress in managing costs which is also anticipated to realize future benefits."

Outlook

- Projected gold production of 160,000 ounces in 2018.
- Projected copper production of approximately 100 million pounds in 2018.
- The Jiama Mine's Phase II expansion consists of two series, with each series having a mining and mineral processing capacity of 22,000 tonnes per day ("tpd"). The Jiama Mine's Phase II, Series I expansion reached commercial production on December 31, 2017. As a result, throughput capacity has been increased to 28,000 tpd from the previous capacity of 6,000 tpd. Construction of the Jiama Mine's Phase II, Series II is now complete and development and production testing is currently underway. The Company expects Series II, which will add an additional 22,000 tpd, to achieve commercial production in mid-2019.
- The Company will continue to leverage the technical and operating experience of the Company's substantial shareholder, China National Gold Group Co. Ltd. ("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.

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 additional information on [China Gold International Resources Corp. Ltd.](#), please refer to its SEDAR profile at www.sedar.com or contact Tel: 604-609-0598, Email: info@chinagoldintl.com, Website: www.chinagoldintl.com.

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