

中国黄金国际资源有限公司社会责任报告

China Gold International Resources Corp. Ltd.

Social Responsibility Report

2011



中国黄金国际资源有限公司
China Gold International Resources Corp Ltd.

Important Notice:

This report is the second corporate social responsibility report published by China Gold International Resources Corp. Ltd. The report will be published on an annual basis in the future. For convenience of presentation and easy to read, China Gold International Resources Corp. Ltd. is also referred to as "China Gold International", the "Company" or "we".

Basis of preparation: This report is prepared based on the Guideline on Fulfillment of Corporate Social Responsibility of Central Enterprises issued by the SASAC of the State Council and the Guide on Preparation of Corporate Social Responsibility Reports of Chinese Enterprises (CASS-CSR 2.0) published by the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences with reference to the practices of the Company.

Time horizon: Mainly covering the calendar year of 2011, with reference to major milestones in our history where appropriate.

Scope of entities: Headquarters and subsidiaries of the Company.

Source: This report is designed to give a true view of our proactive fulfillment of economic, social and environmental responsibilities for the overall, coordinated and sustainable corporate development. All information and data are derived from our official documents, statistics reports and financial statements, as well as the corporate social responsibility practices of the business units that are pooled, summarized and reviewed by our corporate functions. In case of any inconsistency between the financial information and that in the annual report, the annual report shall prevail. Unless otherwise specified, all monetary figures stated in this report are in Renminbi (RMB).

Rating agency: The report has been rated by the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences, being an independent third party. The rating results are set out in the appendix hereto.

Availability: Request for printed copy of this report should be addressed to the Secretary to the Board Office, China Gold International Resources Corp. Ltd. This report is also available in electronic version on our website .

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I: MESSAGE FROM THE CHAIRMAN



Chairman of the Board, Executive Director
Zhaoxue Sun

In 2011, China Gold International adhered to the philosophy of "Never carry out gold production wherever compromising ecologic and social environments" alongside its fast growing business results, sustaining the highest standards to advance health, safety, environment and harmonious mutual development practices to build up a responsible and trustable mining enterprise.

Safety production is our first priority at all times. We keep increasing the investment in safety infrastructure and the control over major hazard sources, while taking efforts in safety education and occupational health activities to improve the staff's safety production awareness. With safety records for consecutive years, our safety production level continuously leads in the PRC and even in the global gold industry.

Employees are always taken as the core value of the Company. With a human-oriented focus on employees' health and life, we push forward the training for employees and talent teambuilding and continue to promote employment localization.

We insist on the environmental concept of "Our environment is priceless to gold", earmarking

enormous financial resources in environment, greening and landscaping, etc. to earnestly protect our ecological environment.

We keep a close eye on protection and development of local social heritage and culture, and extend active presence in local community activities, working closely with local groups where our mines are operated. China Gold International has been taken as an industrial leader in promoting equal employment opportunities and the development in ethnic areas.

In light of the established value of safety-based, green and sustainable development and the commitment to "acting as a keen performer of social responsibility in the global mining sector", China Gold International will promote communications and cooperation with the stakeholders to seek balanced development of the enterprise, the community and environment in the future.

Chairman of the Board, Executive Director
Zhaoxue Sun

II: MESSAGE FROM THE CEO



Chief Executive Officer, Executive Director
Xin Song

Year 2011 saw another significant progress of China Gold International in fulfilling its social responsibility.

With the discipline of "Life prioritized and prevailing over operations" rooted in our mind, we further increased the investment in safety infrastructure and the control over major hazard sources, while taking efforts in safety education and occupational health activities to improve employees' safety production awareness. Throughout the year, the Company recorded no accident of serious injury or above, nor occurrence of major equipment accident, fire, traffic accident, environmental pollution or occupational disease. The Company has maintained the sound safety record of zero fatality rate for million-tonne production since its establishment.

Employees are always taken as the core value in our success. With a human-oriented focus on employees' health and life, we press ahead with talent teambuilding and training especially for young employees. Performance assessment and talent incentive mechanism were also enhanced to provide a sound development platform and growth potential for employees.

We treasure harmonious mutual development to benefit the locality. Proactively funding the local economy, we spent a total of RMB548,500 during 2011 in road and bridge construction, environment improvement and the educational undertakings. Meanwhile, we sought to improve the employment of local residents by promoting employment localization and recruiting ethnic minority employees. As at the end of 2011, ethnic minority employees accounted for 12.37% and 36.03% respectively in the CSH Mine and the Jiama Mine.

We highly value ecology protection, greening and landscaping. Adopting the environmental concept of "building every enterprise into an environment keeper", we invested more than RMB203 million during the year in environment projects including tailings and sewage treatment, environment monitoring, land reclamation, greening and landscaping, thus promoting the positive interaction between corporate development and ecology protection.

We earnestly fulfilled the safety and environment responsibilities under an improving health, safety and environment management framework, while pushing forward the improvement and management of emergency response plan and rescue system. With a new look of the mining area after greening and landscaping, the production and living conditions were further improved. In 2011, the CSH Mine was named as a "second level" enterprise in the national safety standardization certification, and Jiama Mine was named as a pioneering enterprise in safety production by Tibet government and a national "Green Mine" by the Ministry of Land and Resources.

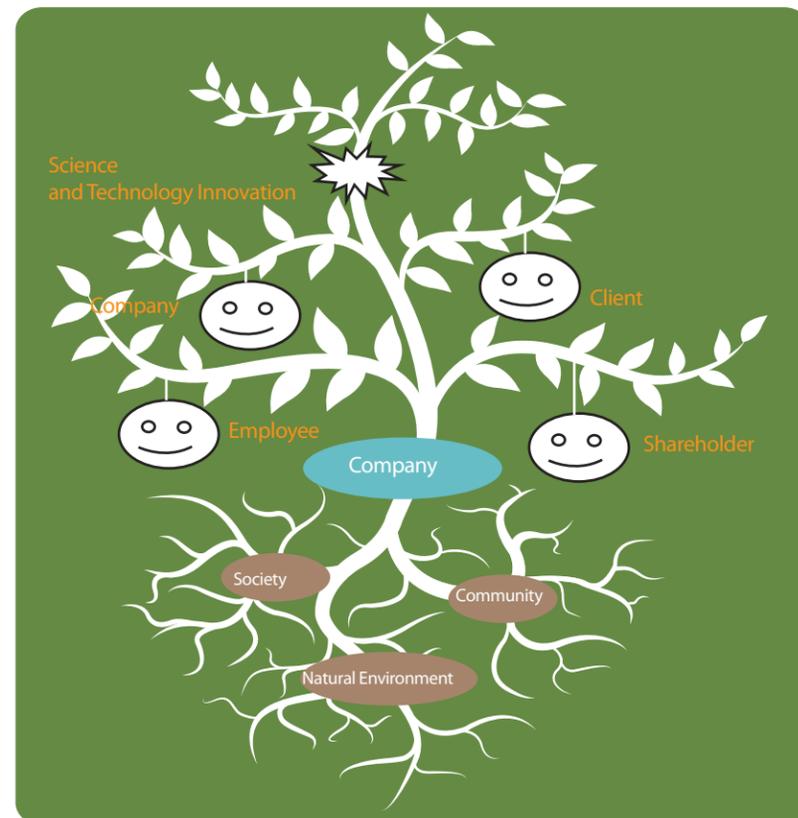
With an unchanged commitment to the social responsibility philosophy of "Never carry out gold production wherever compromising ecologic and social environments", we will strive to foster a harmonious operating environment to deliver both economic and social benefits in the future.

Chief Executive Officer, Executive Director
Xin Song

III: SOCIAL RESPONSIBILITY PHILOSOPHY

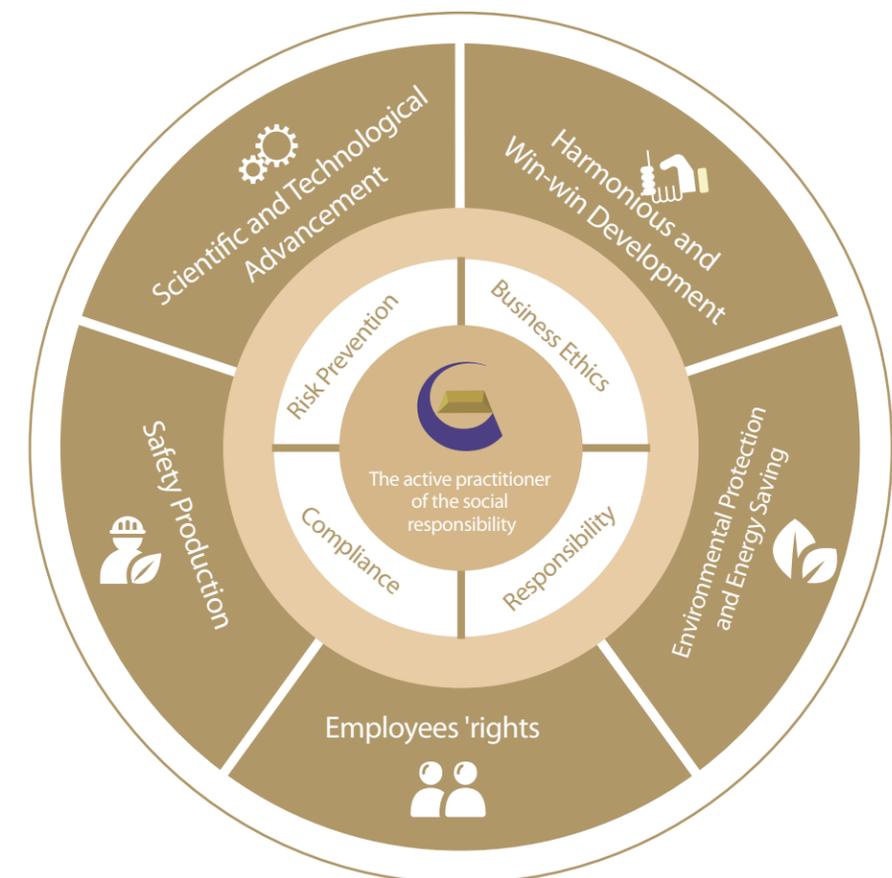
(I) Social Responsibility Vision

Our social responsibility vision: Carry out all businesses in an ethic and sustainable way, protecting and advancing the interests, health, safety, benefit and individual development of all employees directly and indirectly serving China Gold International; operate in an environment responsible manner, seeking to solve the technologic bottlenecks through innovative development; and become a part of the international community and take opportunities to promote the development concept of China Gold International, establishing a sound image as a keen performer of social responsibility in the global mining sector.



(II) Social Responsibility Model

Aiming at "acting as a keen performer of social responsibility in the global mining sector, China Gold International takes initiatives covering accountability, risk resistance, compliance and business ethics to achieve core values such as environmental protection, energy conservation, safety production, employees' interests, technology progress, harmonious win-win and so on. The process is illustrated in the model below:



We keep in mind that an enterprise should effectively manage the impacts of its business on the stakeholders and natural environment in performing its core social function to pursue economic benefit, seeking to maximize corporate, social and environmental benefits as a whole for harmonious mutual development with its stakeholders.

Social responsibility values

Social responsibility values	
1	Adhere to the fullest, rational and scientific principle for exploitation and utilization, to promote scale exploitation and comprehensive utilization of gold and nonferrous polymetallic mineral resources.
2	Never carry out gold production wherever compromising ecological environment
3	Create spiritual wealth as well as material wealth instead of merely pursuing gold as a monetary token, attach importance to environmental protection and reasonable exploitation and utilization of resources, and live up to social responsibility and obligations.

Core responsibilities

Core responsibilities		
1	Environmental protection and energy conservation	Seek to establish a resource conservation and environment-friendly enterprise. Minimize the consumption of natural resources and environmental impact in efficiently exploiting and utilizing mineral resources.
2	Safety production	Seek to create a safe production and operation environment. Incorporate the safety production culture across all production and operation processes, strengthen the management framework and system construction for safety production, and build up a sound and longstanding safety production mechanism.
3	Employees' interests	Adhere to the "human-oriented and grow-to-potential" concept to fully protect employees' interests, provide them a good platform for growth and inspire their enthusiasm and creativity, thus achieving mutual development between the Company and employees.
4	Technology progress	Adhering to the concepts of "Science and technology are primary productive forces" and "Leveraging the leading technologies to serve the country", actively participate in the national researches on the difficulties in processing and refining of gold and complex polymetallic ore; and actively make industrialization attempts to tackle the technologic difficulties in processing and refining low-grade gold ore and increase the utilization efficiency of gold and nonferrous resources.
5	Harmonious win-win	In light of the concept of "business integrity for win-win and multi-win" and the mutual respect and benefit principle, promote extensive cooperation with the stakeholders; continuously improve customer services, strengthen supplier management, and carry forward strategic cooperation with local government, suppliers, creditors, enterprises and public sectors and other entities; consider the interests of local people, create more employment opportunities, and strive to achieve win-win with the stakeholders.

Social responsibility performance scorecard

A: Target achieved (>95%) B: Proceed as scheduled C: Failed

Scope of responsibilities	Social responsibility targets for 2011	Completeness of target
Responsibility management	Set up an internal social responsibility management framework that covers all functions, tier-two business units and major production enterprises, as well as sound communication channels.	A
	Provide multi-level social responsibility training and workshops to improve social responsibility awareness of management personnel and employees.	A
	Publicize legal knowledge, provide anti-corruption training, deepen efficiency monitoring, and nurture the business concept of compliance	A

Scope of responsibilities	Social responsibility targets for 2011	Completeness of target
Economic performance	Benchmark to the domestic best-in-class practices, improve resource reserve system and marketing service system, and strive to achieve the strategic transformation.	A
	Strengthen business management and realize asset preservation and appreciation.	A
	Enhance the control over premium resources, increase resource acquisition capability and promote capital operation.	B
Safety performance	Strengthen safety production, and build up a sound management model of safety production to cater for strategic transformation.	A
	Advance the safety standardization management system construction, effective monitor major hazard sources, and improve the emergency rescue system, aiming at zero fatality in safety production and minimizing the occurrence of other accidents.	A
	Strengthen the safety management information system and the safety education and training framework to continuously improve safety performance.	A
Caring to employees	Accelerate safety-oriented technological renovations in processes and equipment, strengthen R&D, and leverage technological innovations to achieve safety management.	A
	Strictly follow the national laws and regulations to protect legitimate rights and interests of employees.	A
	Provide on-the-job training and reinforce the career ladder for employees.	A
	Build up a sound occupational safety and healthcare system for employees.	A
Environment performance	Fulfill the responsibilities for employees, and gradually improve the compensation packages as planned.	A
	Assist the employees in need to overcome difficulties.	A
	In respect of energy conservation and emission reduction, standardize fundamental management and target management, press forward monitoring, inspection and assessment to meet the preset goal.	A
	Increase environment investment, uplift innovation capability in environmental technologies, promote application of energy conservation technologies, and improve comprehensive utilization of renewable resources, aiming at the domestically leading and internationally advanced performance.	A
Social performance	Develop mineral resources in a scientific way, and improve comprehensive utilization of resources, recycling of remnant ore and reuse of wastes.	A
	Increase the support to public welfare, and help the impoverished areas through multiple means.	A
	Support community education, improve health survey and build up community infrastructure to achieve mutual development of the enterprise and the community.	A
	Increase local procurement and achieve employment localization to promote economic growth of the community.	A
	Observe business ethics and fight against commercial bribery to create a fair competitive market.	A

IV: CORPORATE PROFILE



China Gold International Resources Corp. Ltd., a subsidiary of China National Gold Group Corporation, is a mining company incorporating acquisition, exploration, mining and development of gold and other nonferrous resources. It is headquartered in Vancouver, Canada.

The Company's principal properties are the Chang Shan Hao Gold Mine ("CSH Gold Mine" or "CSH Mine" or "CSH"), located in Inner Mongolia, China and the Jiama Copper-Gold Polymetallic Mine ("Jiama Mine" or "Jiama"), located in Tibet, China. China Gold International holds 96.5% interest in the CSH Gold Mine, which commenced production in July 2007.

On December 1, 2010, the Company acquired 100% interest in the Jiama Mine. Jiama hosts a large scale copper-gold polymetallic deposit consisting of copper,

gold, molybdenum, silver, lead and zinc. The Jiama Mine commenced production in September 2010.

China Gold International is listed on the Toronto Stock Exchange ("TSX") and the Stock Exchange of Hong Kong Limited ("HKSE") under the symbol CGG and the stock code 2099, respectively. Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com as well as Hong Kong Exchange News at www.hkexnews.hk.

The Company's future development vision: harboring a high sense of responsibility, seek to build itself into a large-scale mining company with important influences on international capital market and the global mining industry.

Key Economic Indicators

	Unit	2011	2010
Revenue	RMB100 million	19.62	8.82
Net profit	RMB100 million	5.16	1.80
Net profit attributable to shareholders of the Company	RMB100 million	5.00	1.74
Basic earning per share	RMB	1.26	0.92
Total assets at the end of the year	RMB100 million	109.92	109.65

V: RESPONSIBILITY MANAGEMENT

(I) Responsible System

1. Administrative authorities

The Company gradually builds up a sound corporate social responsibility management system. The social responsibility strategic issues are decided and managed by the Nominating and Corporate Governance Committee, Audit Committee, Compensation and Benefits Committee, and Health, Safety and Environmental Committee of the Board of Directors (the "Board") of the Company and its subsidiaries, and implemented by the management of the Company.

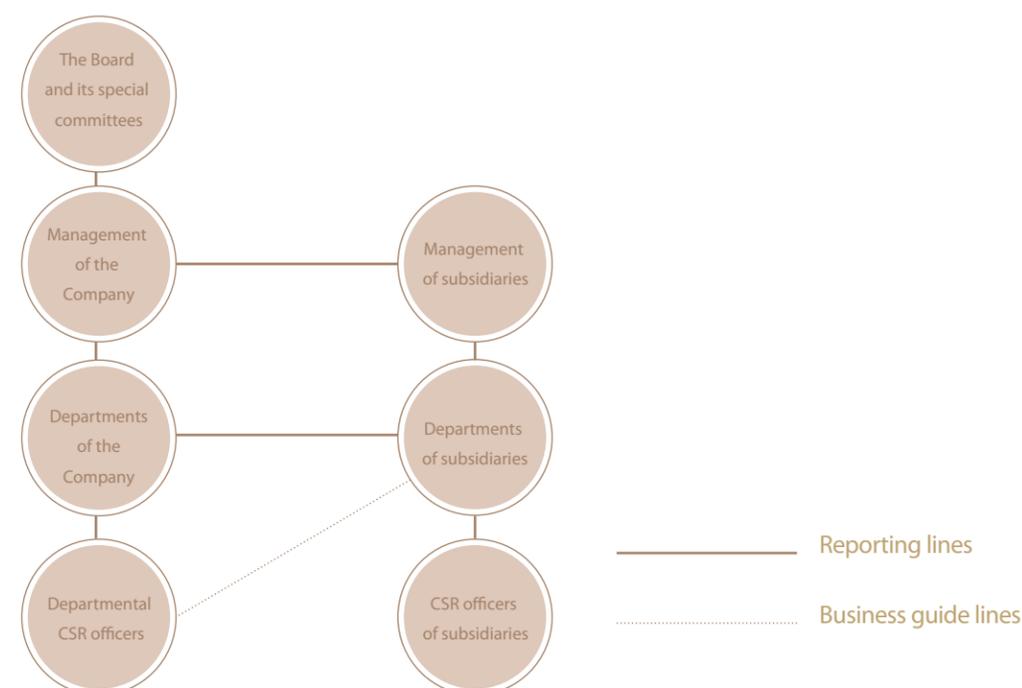
Social responsibility teams are established by key management personnel at the subsidiaries, responsible for decision-making and management of their social responsibility issues.

2. Daily management bodies

At relevant departments of the headquarters and the subsidiaries (branches), management bodies, posts and personnel are deployed covering safety production, energy conservation, emission reduction and environmental protection, compensation and benefits, occupational health, technological innovations and employees' interests, responsible for carrying out social responsibility work.

The Secretary to the Board Office is responsible for disclosure of corporate social responsibility information, as well as responses to enquires of investors, regulatory authorities and other stakeholders on corporate social responsibility issues.

3. Organization structure



4. Specific safety management systems

According to the high exposure to safety accidents for mining enterprises, the Company has established a safety standardization corporate management model incorporating management systems which feature management by objectives, inspection and assessment, awards and penalties and accountability.



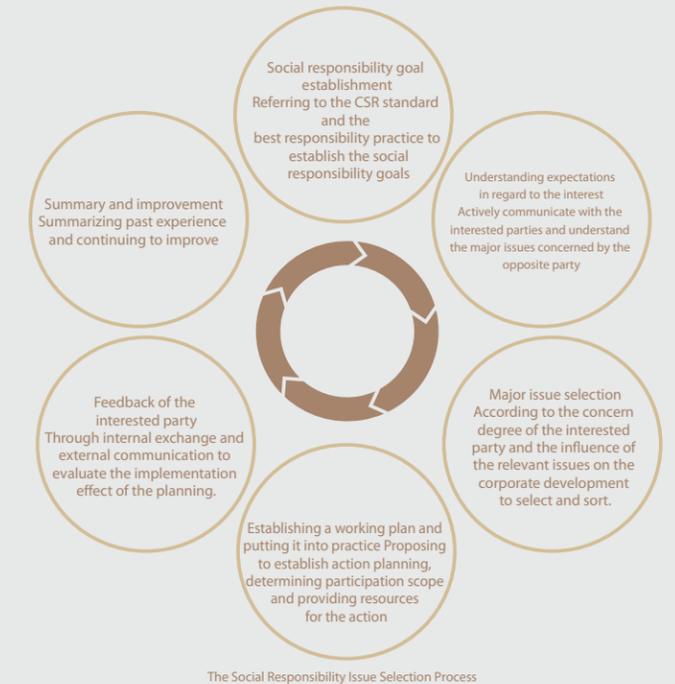
5. Specific environment management systems

Attaching great importance to environment management system, the Company has established the Health, Safety and Environmental Committee with environmental professionals staffed at the headquarters and the subsidiaries under three well-established environment management systems.

- **Organizational management system:** The subsidiaries and branches are required to set up definite environmental administrative authorities, and establish corporate environmental management systems consisting of persons in charge of the subsidiaries, environmental management departments, heads of workshops and workshop environmental officers. By strengthening the leadership, addressing project implementation and funding and exercising strict monitoring and management, the systems are designed to improve self environmental management capabilities of the units, ensuring them to meet the emission reduction targets for major pollutants.
- **Statistic and monitoring system:** The subsidiaries and branches are required to staff dedicated environmental monitoring inspectors, formulate and implement the plans for regular monitoring of major and typical pollutants, ensure normal operations of pollutant treatment facilities, and establish the pollution source monitoring database.
- **Award and penalty system:** Within the subsidiaries and branches, various considerations including environmental management organizations and systems, archive management and treatment of major pollutants are included in performance assessment to build up and implement the environmental protection accountability system.

(II) Responsibility Topics

A focus in fulfilling social responsibility of the Company is to build up a sound participation mechanism for the stakeholders. The Company draws upon the social responsibility standards and the best practices of other enterprises, with reference to its development goal and strategy, industrial characteristics and the expectation and requirements of the stakeholders, to identify the social responsibility topics in a rational manner.



List of social responsibility topics

Category of responsibilities	Social responsibility topics
Responsibility management	Concept establishment, organization setting, strategic planning, the integration of concept into operations, communications and surveys in respect of social responsibility
Market performance	Financial performance, investor relations management, customer relationship management, product quality management, responsibility for procurement, business integrity and fair competition
Social performance	Compliance with laws and regulations, implementation of national policies, protection of employees' interests, equal employment, occupational health management, employee training and development, production safety, localized operations, charity and public welfare, volunteer activities
Environment performance	Environmental management system, responses to climate change, development and application of environmental technologies and equipment, energy and water conservation, development of circular economy, remnant ore recovery, emission reduction of waste gas, water and slag, tailings treatment and ecological protection at mining area, conservation of land resources, reduction of waste emission

(III) Responsibility Enhancement

Effective social responsibility management is a cornerstone for corporate sustainable, steady and harmonious development. To proactively improve its social responsibility enhancement management system, China Gold International communicates with the stakeholders through a range of means to continuously improve its social responsibility performance.

1. Formulation of management system

With the system, regulations and processes for corporate social responsibility management in place, the Company has established a longstanding mechanism for corporate social responsibility management and practices. Preparation and publishing of annual reports on corporate social responsibility have effectively ensured the implementation of our social responsibility work. Through preparing and publishing this report, we deepened our understanding of social responsibility indicator system based on better comparison of information and statistics, and the identification of weakness in social responsibility management will play a vital role in improving our social responsibility management system and capabilities.

2. Specific training programs

The Company continues to enhance the training for employees on safety, legal issues and employees' interests and environmental management, laying a solid foundation for specific social responsibility management.

3. Upgrading of specific work

Pushing ahead its social responsibility management, the Company seeks to focus on thematic practices as a breakthrough, where appropriate, to infiltrate the social responsibility concept into all functions and business units for upgrading and optimization of the existing working model.

(IV) Communications on Responsibilities

1. Participation of the stakeholders

Stakeholder	Description	Expectation	Communication means	Key metrics
Governments	Chinese and local governments	Proactively implement the state's macro control, promote consolidation under the national industrial reviving plan, strengthen supervision on safety production, protect the environment	Plans and proposals, meetings, special reports, statistic statements and visits	Total tax, headcount
SASAC	An investor on behalf of the state	Achieve preservation and addition of state-owned assets, improve corporate governance, focus on principal business, uplift competitiveness, proactively implement the state's energy conservation and emission reduction policies, achieve green operations	Rules and regulations, business targets, assessment criteria, work reports, statistic statements	Principal operating revenue, total profit, return on net assets, preservation and addition ratios of state-owned assets
Employees	All members in the Company's organizational structure	Protect employees' interests, assure stable employment opportunities and compensation, improve career path, provide safe and healthy work environment	Labor unions at various levels, regular employee representative conferences, smooth internal communication channels	Employment contract signing ratio, social insurance coverage ratio, employee loss ratio, training investment, number of proposals at employee representative conferences

Stakeholder	Description	Expectation	Communication means	Key metrics
Customers	Customers that purchase products or services	Keep promise, provide quality and cost-efficient products and services, achieve cooperation for mutual benefits	Close communications with customers, strict execution of contracts, extensive information about products and services	Execution of contracts and agreements
Business partners	Suppliers, contractors, financial institutions, research institutions, consulting agencies, etc.	Observe business ethics and laws and regulations, establish long-term cooperation to achieve mutual benefit and win-win	Negotiations on strategic cooperation, high-level meetings, biddings, day-to-day business relationship, regular visits	Execution of contracts and agreements
Investors and creditors	Holders of shares and bonds of the Company and its subsidiaries	Continuously enhance corporate value, reduce risk, continue as a going concern, satisfy debt service as scheduled, pay dividends	Accurate and timely information disclosure, regular visits, annual reports, general meetings	Credit rating, minority interests
Community and the public	Locality where we operate businesses	Promote sustainable development of community economy, support public welfare, protect the community's environment, achieve common prosperity	Agreement on co-development, participation in community projects, regular communications, joint celebration events	Investment in community development, total donation to community welfare
Non-government organizations	International organizations, industry associations and local groups	Support social groups and organizations, fulfill the charters, improve disclosure of operational information, support environmental and other public welfare undertakings	Active participation in meetings, continuous improvements, advice and suggestions	Attendance to relevant meetings, investment in public welfare

2. Internal communication

To promote internal communication on social responsibility, the Company has identified liaisons in its subsidiaries to keep informed of and provide timely feedbacks to social responsibility progress as an effective bridge for information communication.



Mr. Zhaoxue Sun, Board Chairman, visiting Huatailong for work inspection of the modernized production line



Xin Song (second from left), the CEO of China Gold International, providing on-site working guidance

3.External communication

The Company effectively communicates with its stakeholders through a wide range of means to satisfy their needs for information disclosure.



Shaoshi Xu, Minister of Land and Resources, visiting Jiama Mine in Tibet for work inspection



Staff of Jiama Mine and local herdsmen celebrating the Shoton Festival



Geological exploration team of the Tibet Autonomous Region visiting Jiama Mine for research and study



Staff of Jiama Mine participating in the Staff and Labor Evening Gala held by the SASAC Unit of the Tibet Autonomous Region

(V)Social Recognitions

Rooted in the society to create economic benefit, China Gold International keeps on deepening the understanding of its social responsibility and earnestly fulfills its corporate social responsibility, and has received good recognitions from the public.

Honors and recognitions of China Gold International by 2011

Winning unit	Honors and recognitions	Granting body
China Gold International	100 Fastest Growing Public Companies in British Columbia, Canada	British Columbia, Canada
Huatailong	May 1st Labor Award	China Federation of Trade Unions
Huatailong	Pioneers of Work Labors	China Federation of Trade Unions
Huatailong	Pioneering Unit in the Work of Science and Technology in China Nonferrous Metals Industry	China Nonferrous Metals Industry Association
Huatailong	Pioneering Primary Unit of the Party throughout the Region	Communist Party Committee of the CPC Tibet Autonomous Region
Huatailong	Pioneering Primary Unit of the Party among Central Enterprises	Communist Party Committee of the SASAC of the State Council
Huatailong	Pioneering Collective among the Gold Industry in the PRC during the "11th Five Year Plan" Period	China Gold Association National Committee of the Chinese Machinery, Metallurgical and Building Materials Trade Union
Huatailong	Pioneering Collective 2011 of China National Gold Group	Communist Party Committee of China National Gold Group Corporation
Huatailong	Pioneering Collective 2011 in National Solidarity in Gongka County of Mozhu	Communist Party Committee and County Government of Gongka, Mozhu
Huatailong	Pioneering Enterprise 2011 in Safety Production of the Autonomous Region	Office of the Safety Production Committee of the Autonomous Region, Safety Production Supervision and Administration Bureau of the Autonomous Region
Huatailong	Pioneering Enterprise in the Development of Industry and Economy of the City in 2011	Lhasa City Government
Huatailong	Advanced and Exemplary Collective 2011 in National Solidarity of Lhasa City	Lhasa City Government of the CPC Communist Party Committee of Lhasa City
Huatailong	Pioneering Unit 2011 in Trade Union Work of the City	The Federation of Trade Unions of Lhasa City
Huatailong (Jiama)	Best Development Prize	China International Mining Conference 2009, Ministry of Land and Resources of the PRC
Huatailong	Pioneering Collective 2009	CPC Commission of China National Gold Group Corporation
Huatailong	Exemplary Staff's Home in the Region	Federation of Labor Unions of Tibet Autonomous Region
Huatailong	Pioneering Unit in Labor Union Management by Objectives in the City 2009	Lhasa Municipal Federation of Labor Unions
Huatailong	Pioneering Unit in News and Propaganda in Chinese Gold Industry 2009	China Gold News
Huatailong	Exemplary Staff's Home 2009	Federation of Labor Unions of Mozhugongka County
Huatailong	Top 10 Prospecting Achievements 2009	Geological Society of China
Huatailong	Included into the first batch of 29 scientific research bases	Ministry of Science and Technology, Ministry of Land and Resources
Huatailong	Top 10 Science and Technology Progress of Chinese Academy of Geological Sciences 2009	Chinese Academy of Geological Sciences
Huatailong	Pioneer of Youth Civilization	Communist Youth League Commission for Central Enterprises
Huatailong	Exemplary Staff's Home of the PRC	National Federation of Labor Unions
Huatailong	Safety-assured Enterprise	People's government of Mozhugongka County
Inner Mongolia Pacific	Outstanding Enterprise Contributing to Local Economic Development 2011	People's Government of Wulatezhongqi
Inner Mongolia Pacific	Pioneering Collective of Primary Labor Union 2011	Federation of Labor Unions of Wulatezhongqi
Inner Mongolia Pacific	Standard Enterprise of Fundamental Management	China National Gold Group Corporation
Inner Mongolia Pacific	Pioneering Collective 2011	CPC Commission of China National Gold Group Corporation
Inner Mongolia Pacific	Special Contribution Prize 2011	China National Gold Group Corporation
Inner Mongolia Pacific	Pioneering Collective in Culture and Enterprise Growths	People's Government of Wulatezhongqi
Inner Mongolia Pacific	Pioneering Collective in Human Resources and Social Security Work 2010	People's Government of Wulatezhongqi
Inner Mongolia Pacific	Pioneering Collective in Culture and Enterprise Growths for Safety Standardized Third Level Enterprises (Mines)	Production Safety Supervision and Administration Bureau of Inner Mongolia Autonomous Region
Inner Mongolia Pacific	Top 10 Gold Mines in China 2010	China Gold Association
Inner Mongolia Pacific	Pioneering Collective in Human Resources and Social Security Work 2010	People's Government of Wulatezhongqi
Inner Mongolia Pacific	Pioneering Collective 2009	CPC Commission of China National Gold Group Corporation
Inner Mongolia Pacific	People's Government of Wulatezhongqi	People's Government of Wulatezhongqi

VI: ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION

With a commitment to safety-based, clean, conservation-oriented and harmonious development, the Company insists on pursuing mutual promotion between environmental protection and development. We dedicate ourselves in environmental protection and treatment activities, focusing on treatment of waste gas, water and slag, energy conservation and emission reduction, greening and landscaping. Great efforts have been taken in promoting low-carbon economy under a green development model featuring low energy consumption, pollution and emissions.

In 2011, the Company invested a total of RMB203 million in tailings treatment, dust removal, sewage treatment, environmental monitoring and land reclamation. At new mines, environmental investment accounted for 11% of total investment on the average, exceeding the national standard at 3%.

(I) Energy Saving and Emission Reduction

Global climate change has become an important concern worldwide. In its production and business activities, the Company actively responds to the country's calls to fulfill its corporate social responsibility. Targeting "low consumption, low emissions and high efficiency", the Company leverages technological innovations to vigorously develop circular economy and improve development and utilization of resources in a scientific and efficient manner, seeking to maximize the output from every unit of resource consumption.

The Company's two mines, being newly developed in recent years, both followed the principle of "high standard, high starting point and strict requirements" in mine construction, and adopted the cutting-edge equipment and technologies to achieve high efficiency of energy conservation and emission reduction. In 2011, the Company recorded 4.34 and 40.03 for chemical oxygen demand (COD) and sulfur dioxide emission, securing its leading positions in the domestic industry in terms of control over pollutant emission.

Environmental performance of the Company in 2011

Indicator	2011	2010
Sulfur dioxide emission (tonne)	40.03	42.83
COD emission (tonne)	4.34	4.95

In 2011, Huatailong carried out the assessment on rated consumption, leading to significant decreases in major material consumption in processing and refining as compared with the rated level, as well as month-on-month drops in power consumption. Through improving the management on rated costs, processing costs decreased from the target of RMB14.02 per tonne to RMB12.96 per tonne, saving over RMB4 million.



Modernized processing equipment

1. Widely application of advanced equipment and technologies

The Company's two mines, being newly developed projects, both adopted the cutting-edge equipment and technologies in the principle of "high standard, high starting point and strict requirements" to achieve energy conservation and emission reduction and to control pollutant emission in an environmental-friendly manner.

2. Propaganda campaigns for energy conservation and emission reduction

Responding to the energy conservation calls of the government and its parent, the Company staged the campaigns with the slogan of "Save our energy in a low-carbon lifestyle" in 2011, to carry forward the company-wide energy conservation propaganda. The practical energy conservation technologies including energy saving lamps and solar heating projects were earnestly promoted to materialize the Company's energy conservation and emission reduction resolution.

(II) Recycling of Water Resource

In 2011, recycled water accounted for 84.95% of total water consumed in production, as compared with the level of 79.08% in 2010.

Indicator		2011	2010
Water consumption	Total consumption (in 10,000 tonnes)	154.22	121.4
	New water (in 10,000 tonnes)	23.2	25.4
	Recycled water (in 10,000 tonnes)	131.0	96.0
Water consumption per RMB 10,000 output (Inner Mongolia Pacific)		10.9	13.7
Water consumption per tonne of ore (tonne)		0.38	0.163

(III) Environmental Protection

Given the profound impact from global climate changes on human in recent years, the Company as a responsible corporate citizen has an in-depth understanding of the challenging and urgent issue. To this end, the Company takes initiatives to push forth the environmental propaganda and promote green operations, seeking to minimize the negative environmental impact from its operations.

1. Strengthened environmental propaganda

The Company attaches great importance to environmental propaganda, formulating and implementing annual environmental propaganda and training programs to publicize environmental knowledge and advocate the environmental culture. Through such propaganda and training programs, the Company strives to improve the environmental awareness, work ethic and methodology of the heads of subsidiaries and branches, standardize environmental management, fulfill environmental responsibilities of corporate undertakers, and fully play the leadership role of the Company in the micro environmental management.



Planting demonstration forest with local residents for harmonious mutual development

2.Environmental technology innovations

Taking environmental research as one of the focuses, the Company leverages environmental innovations and system integration to provide technical supports for pollution prevention and environmental management.



Jiama Mine

3.Green and environmental operations

The Company actively promotes the green office campaign. Given its cross-region operations, teleconference system is widely used in the Company's daily work to improve efficiency of green office.

Actively promoting clean production, the Company places emphasis on environmental management across the entire production process, aiming to continuously improving onsite clean production performance.



Theme park in Jiama Mine

4.Green procurement

The Company actively implements the Opinions on Government Procurement of Environmentally Labeled Products of the PRC to prioritize environmentally labeled products in its procurement, and select manufacturers with leading environmental protection and energy conservation technologies as its major equipment suppliers, aiming to minimize pollution from the source.

At Inner Mongolia Pacific, the gold adsorption water recycling system was further optimized on January 1, 2011 to address the problems since its commissioning. At the mixing system (dynamic adsorption) of the original adsorption tanks, the mixers were removed and carbon beds (static adsorption) were installed at the bottom of adsorption tanks. Following 15 work days' close cooperation with external professional construction team, the equipment and process renovation was completed, resulting in better adsorption effect and significant decrease in powder carbon generated.



Energy-conservative and highly-efficient carbon desorption equipment of Inner Mongolia Pacific

At the crushing workshop of the processing and refining plant of Inner Mongolia Pacific, various dust-removing measures were adopted in 2011, mainly including "blocking, dredging, cleaning and adding sprinkler points". In particular, blocking and additional sprinkler points were mainly introduced to the coarse crushing process, feeder carts (conveyors 13#, 18# and 22#), secondary and fine crushing processes and heads of conveyors. In addition, during the maintenance downtime, dust removal devices at main areas were cleaned and dedusting motor #10 was replaced, leading to better dust removal effect.

5.Protection of regional ecological environment

In strict compliance with the Exploitation and Utilization Scheme for Mineral Resources, the Environmental Protection and Restoration Scheme for Geological Environment of Mines and the Land Reclamation Scheme for Mines, the Company adheres to "paralleled mining and reclamation" across the design and mining processes for mineral resource development, seeking to restore vegetation, prevent soil erosion and preserve biological diversity.

The Company strictly complied with the national environmental laws and regulations. The new investment projects recorded 100% fulfillment rate for both "environmental impact assessment" and the "three simultaneous" requirement, thus strengthening environmental management on new projects from the source. In 2011, a provision of RMB140,17,071.12 for reclamation costs was made in total. The Company has recorded no environmental pollution accident since its establishment.

Inner Mongolia Pacific has engaged Bayannur Municipal Environmental Monitoring Station to conduct quarterly sample testing on its domestic sewage, boiler soot, dust and noise of crushing plant, heavy metal content in groundwater and potable water. According to the testing results, all metrics have reached the national standards.



Restoration of reclaimed land in Chang Shan Hao Mine

6.Green business

The Company has firmly established the concept of "building every enterprise into an environment keeper", striving to improve local ecological environment through greening.

In 2011, Huatailong invested RMB5.24 million in greening projects in mining area, including newly planted 514 trees, 880 parcels of shrubs, and 65,664 square meters of grassland, and in landscaping projects, including newly constructed main gate, 28 street lights along sidewalks of main roads, leisure areas, artificial lakes, pavilions, promenade, sheep and deer sculptures and so on. As a result, a civilized, healthy and environmentally friendly site was created for employees' work and life.



Flowers growing along the highway to Jiama Mine

VII: SAFETY PRODUCTION

Fully aware of the long-term, arduous and complex nature of safety production, we adhere to the safety development concepts of "No unavoidable accidents" and "Human-oriented and safety-based development" which are closely aligned with our strategic transformation needs. In accordance with the approach of "safety foremost, prevention first and integrated management", we press ahead with safety management system engineering, starting with employee education, software improvement and hardware upgrading, so as to upgrade the fundamental and intrinsic safety capabilities of the Company as a whole to lay a solid ground for safe and harmonious mines.

(I) Safety Investment and Performance

In 2011, the Company invested a total of RMB8.404 million in safety, focusing on onsite management and system construction, to ensure its safety production and operation. During 2011, the Company recorded zero fatality rate for million-tonne production, zero major equipment accident rate, zero major fire and explosion accident rate, and [zero] major traffic accident rate, demonstrating sound performance of safe and stable operations. Our safety production capability takes the lead in the gold industry in the PRC. Especially, Inner Mongolia Pacific was named as a "second level" enterprise in the national safety standardization certification in 2011.

Fatality rate for million-tonne production	2011	2010
China Gold International	0	0
China National Gold Group	0.15	0.15



Inner Mongolia Pacific's transportation vehicles

(II) Safety Supervision

The Company participated in the development of and strictly complies with the Interim Provisions on Production Safety Accident Accountability of China National Gold Group Corporation, under which a safety responsibility system has been well established to strengthen safety responsibilities and carry out strict accountability.

In 2011, the Company strictly implemented the leader on duty onsite system and the safety deposit system, and introduced management systems for identification of safety risk sources and analysis of near safety accidents, thus improving the Company's safety management framework.

Remuneration-linked	The number of fatal accidents and the death toll are linked to performance-based annual bonus of executives of the enterprises, 20% of which, upon final evaluation, are subject to the results of safety management assessment.
Administrative penalties	The "one vote veto" mechanism is adopted for safety production issues, including safe production accidents, non-compliance with laws or regulations or policies on safety production, delay in safety production activities, weak rectification to significant potential safety hazards. For any business unit being a subject of the veto, all its annual general honorary titles and individual awards will be revoked, and the head, dedicated executive, relevant manager and the person with directly responsibility will lose their qualifications for any recognition, selection and promotion in the year.

(III) Identification of Potential Hazards

Throughout its safety production management process, the Company always gives the highest priority to major hazard sources, key areas and key processes. Under a strengthened framework, the Company reinforces specific inspections, supervisions and rectifications to preclude any accidents. In 2011, our special equipment inspection rate and qualified rate both reached 100%, sustaining the high level of safe operations.

	2011	2010
Special equipment inspection rate	100%	100%
Special equipment inspection qualified rate	100%	100%

Inner Mongolia Pacific earnestly carried out weekly comprehensive examination on safety production, as well as specific inspections in festivals and on fire fighting, flood control, cold proof, etc.. The issues identified in inspection, whenever possible, were solved immediately or otherwise required to be rectified within a time limit according to the countermeasures and the Notice of Rectification to Potential Safety Hazards as made promptly. In 2011, the Safety and Environmental Protection Department carried out 31 weekly general safety inspections and 2 specific inspections on fire fighting. It issued 31 safety general inspection circulars, 3 specific inspection circulars and 36 notices of rectification to potential hazards. The rectification rate to potential hazards reached 100%.

1	Inspect on the fulfillment of safety production responsibilities by corporate undertakers.
2	Inspect on major potential hazards, progress of rectifications, issues outstanding and the responses to emergency.
3	Inspect on the investment in safety production and the availability of funding for rectifications to potential hazards.
4	Inspect on safety management of construction teams. Inspection focuses: blasting operations, open pit mining, safety exits at underground mines, hoisting and transportation systems, power distribution system and electric management, drainage system, ventilation system, gob area management, stope roof management, abandoned mine management, implementation of emergency response plan, tailings pond, hazardous (toxic) chemicals, etc..

(IV) Management of Hazardous Chemicals

The Company's hazardous chemicals mainly include explosives, sodium cyanide, sulfuric acid, arsenic trioxide (arsenic), etc.. To ensure safety, stringent protective measures are developed in the storage, transportation, application and other processes. From its establishment up to the end of 2011, the Company recorded no loss or serious spill accident of explosives and hazardous chemicals.



Company-wide fire-fighting training at Inner Mongolia Pacific

At Inner Mongolia Pacific, the inspectors of the Safety and Environmental Protection Department conduct daily onsite safety inspections, covering major hazard sources (explosive depot, sodium cyanide storage, leach pads, oil tanks), key areas (open pit, slope, waste dump, drilling-blasting operations, road transportation, crushing plant) and key process (the headquarters for the projects undertaken by China Railway No. 19 Bureau Group Corporation). Potential hazards were carefully identified and treated in a timely manner, coupled with follow-ups for rectification progress. In addition, it purchased 2 sets of positive-pressure air breathing apparatuses, 2 sets of A-type heavy-duty fully enclosed chemical splash suits, 2 sets of B-type semi-closed chemical splash suits, and 1 set of hydrogen cyanide gas detector. With the upgraded equipment, the needs for emergency rescue and protection were basically met.

(V) Safety Culture

Safety culture is highly valued in the Company. Through safety education, training and propaganda, we seek to shift the awareness of "safety requirement" to "safety initiative". We take efforts to foster a sound cultural atmosphere featuring "safety production by us", "safety for production and production upon safety" and so on.

1. Safety education and training

The Company proactively carries out safety education and training, conscientiously implementing the Notice on Further Strengthening Safety Production of Enterprises issued by the State Council (Guo Fa [2010] No. 23) and the Provisions on Safety Training of Production and Business Units (State Administration of Work Safety, Order No. 3).



Safety Knowledge Contest

In 2011, the Company and its subsidiaries carried out 30 safety education and training sessions, with total participants of 2,620 person-times. As at the end of 2011, the safety education and training rate for the Company's employees reached 100%.

2. Safety production propaganda

The Company took initiatives to participate in a wide array of activities jointly organized by the State Administration of Work Safety and other authorities, including "Safety Production Month", "Safety Production Year", "Safety Knowledge Contest", and won excellent results and recognitions.



Safety Knowledge Contest

	Unit	2011	2010
Number of safety education sessions	Session	30	14
Total training participants	Person-time	2620	1870
Safety education and training rate for employees	%	100%	100%

At Inner Mongolia Pacific, production safety management on the engaged construction teams was fully integrated into the Company's safety management system in 2011. The new recruits of the engaged construction teams were required to receive company-wide safety education training provided by the Safety and Environmental Protection Department, which provided regular guides to the secondary and third level safety education and training by the construction teams under a strict three-level safety education and training system. All groups and teams of the engaged construction teams were required to observe the assignment meeting and shift handover rules and provide duly completed records, and the safety assurance system was strictly followed for all production and operational locations. The rigorous management measures led to a significant improvement in onsite safety management performance of the engaged construction teams.

At Inner Mongolia Pacific, a proposal for "Safety Production Month" was prepared in 2011 under the Notice on Carrying out the "Safety Production Month" Program in 2011. A series of activities were staged, including the "Safety and Health Cup" safety and environmental knowledge contest, essay competition themed "Focus on Implementation of Safety Responsibilities", selection of pioneers in safety, visual learning of safety knowledge, hanging safety education wall charts, and rescue drills for emergency of sodium cyanide poisoning. The activities helped to strengthen the legal awareness, sense of responsibility and self-protection awareness of all employees in safety production.



"Safe Development" theme group signing ceremony

VIII: EMPLOYEES' INTERESTS

The talent development concept of "Talents are the primary resource" has been firmly established in the Company. We adhere to the human-oriented philosophy, taking employees' growth, provision of equal development opportunities and mutual growths between employees and the Company as an integral part of our corporate social responsibility. We take efforts in improving talent structure, quality of talent and incentives for talents to build harmonious employment relationship, aiming to build up a professional team of talents with integrity and caliber, reasonable structure, team spirit and aspiration and a high sense of responsibilities. The Company adheres to the "human-oriented and grow-to-potential" concept to fully protect employees' interests and provide them a good platform for growth, striving to inspire their enthusiasm and creativity.

(I) Employee development

The Company has been following the "human-oriented" concept for employment, paying respect to employees, safeguarding their interests and seeking to create desirable working and living conditions for them. Increasing financial resources have been put in improving the compensation packages as well as the production and living conditions for employees, with efforts committed in corporate culture development.

1. Profile of employees

As at the end of 2011, the Company had a total of 1,148 employees, including 237 female and 297 ethnic minority employees. There were 140 employees at primary managerial positions and above, including 33 females.

	2011	2010
Percentage of female employees	21%	19%
Percentage of ethnic minority employees	26%	23%



Inner Mongolia Pacific honoured its outstanding staff

2. Protecting employees' interests

In strict compliance with national labor laws and regulations, we adhere to business ethics to strengthen the management on employment contracts, constantly improve the employment system, and pay full attention to the right to know of employees, so as to protect their legitimate rights and interests. In 2011, both the employment contract signing ratio and the social insurance coverage ratio of the Company reached 100%.

We adhere to equal pay for equal work to men and women, decent work, non-discrimination on race, sex, age or any other factors, prohibition of child laborer, and the opposition to forced labor of any forms.

We give full play to the role of employees in democratic management and supervision, setting up labor unions at all levels under the primary democracy system including employee representative conference and transparency of plant affairs. Thus, we have basically built up sound democracy organizations, with various forms for transparency of plant affairs as well as smooth channels for rationalization proposals. The labor unions at all levels vigorously stage employee democratic participation and democratic management activities to seek real benefits for employees.

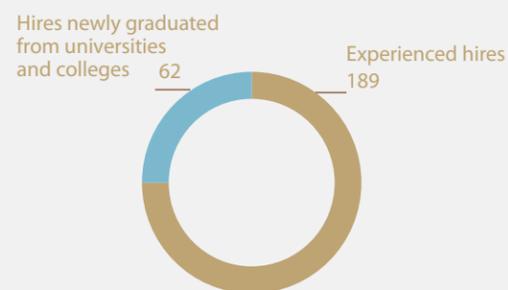
3. Encouraging employee development

We treat new and old employees in an equal manner in light of the route of "recruitment, training, selection, incentives, fostering, promotion". We seek to improve the staff's caliber through multi-dimensional and multi-level training, provide them equity career opportunities and diversified career paths under a well-established talent identification and appointment mechanism, and increase their sense of belonging and cohesion through improving corporate culture development, with an aim at mutual growths between the Company and its employees.

Recruitment

Under a recruitment model of "unified platform, rational authorization, tiered management", we adhere to the open recruitment principle to provide equal opportunities to all candidates. In 2011, 251 persons were recruited by the Company through open recruitment, including 62 hires newly graduated from universities and colleges and 189 experienced hires.

Breakdown of recruits in 2011



Inner Mongolia Pacific took initiatives to introduce talents in 2011. A string of recruiting events, including entering into a long-term service contract with the largest online agency for mining talents in the PRC, posts on websites, recruitment road shows and campus interviews, were carried out to introduce a myriad of talents of with high academic background and proven individual caliber. In 2011, the company introduced 1 foreign expert, 5 senior engineers and 41 college graduates, covering the disciplines of mining, mineral processing, geology, survey, machinery, electrics, financial accounting and human resources, to serve for its development and construction, and thus received good social and economic benefits.

Training for employees

With the rooted concept of "Train to improve the quality for development", the Company has established a clearly stratified and categorized training system supported by competent instructors and effective contents, to proceed with the quality enhancement program for the staff. In 2011, the Company provided training to employees of 1,341 person-times in aggregation.

- For business and management personnel:** We continued to establish the training development mechanism based on the competency model and covering three levels namely leaders, senior executives and talent reserve, while encouraging the executives of regional subsidiaries to participate in training in rotation.
- For technical professionals:** We focused on improving business capabilities and comprehensive quality of key technical professionals mainly in ecology, survey, mining and processing.
- For skilled workers in production:** We proactively carried out pre-service training for skilled workers in newly constructed projects, certification of professional skill levels and rotated training for team and group heads, thus effectively uplifting the overall quality and capability of employees.

Incentive and restraint mechanisms

With a commitment to corporate performance improvement and strategy fulfillment, the Company vigorously presses ahead with performance assessment activities under an assessment framework based on the Management Requirements on Performance of Employees. The performance assessment activities were designed to inspire employees' enthusiasm to think, plan, move and succeed.

According to its characteristics and with an aim to help employees grow to their potential, the Company broke down the posts into three categories namely management personnel, technical professional and workers, for which respective compensation packages have been developed. The clearly defined career paths and smooth promotion channels motivated employees' morale to achieve mutual growths and win-win between the Company and employees.

The Company carries out professional title appraisals

every year. In 2011, 38 persons received professional titles at various levels, including 0 persons who were appointed as expert-level senior engineers entitled to special subsidies.

Year	Engineering Series			Social Series					
	Senior	Intermediate	Junior	Senior	Intermediate	Junior	Senior	Intermediate	Junior
2010	9	79	50	0	1	12	2	0	2
2011	8	36	72	2	11	19	3	0	4



The first session of collective wedding of Huatailong young employees

4.Caring to employees

We highly value the caring to employees, especially to female, youth and retired employees, and actively help the employees in need to overcome difficulties. In Spring Festival holidays each year, we pay wish visits and offer assistance to employees in need, to help them pull through the difficulties. Meanwhile, the Company keeps a close eye on the growth of youth employees, pressing on the training to them and seeking to provide them a development platform and growth potential.



Volleyball Friendship Contest for Inner Mongolia Pacific's employees

At Huatailong, background screening and review were carried out for technical professionals who joined the company in the latest three years. To ensure objective, fair and accurate appraisal on technical professionals for use in a scientific and rational manner, a preliminary appraisal was made by the restructured Competence Committee for Technical Professionals. Through rigorous appraisal procedures, 42 technicians were appointed, thus promoting the enthusiasm of employees and stimulating the technical professionals to pursue technology research amid a strong learning atmosphere.

5.Promoting corporate culture development

The Company actively carried out positive, healthy, entertaining and educational cultural activities to promote corporate culture development, which enriched employees' cultural life and enhanced the cohesion across the Company.

(II)Occupational Health

In light of the firmly established concept of "human-oriented", the Company incorporates the aims to protect employees' health with sound occupational health supports and to pursue sustainable corporate development. As of the end of 2011, the Company recorded zero instance of occupational disease cases, a sound track record of no additional occupational disease cases since its inception.

1.Occupational health management

Occupational safety and health work is included into the production and operation of subsidiaries, where targets and measures are defined including appointing a dedicated executive responsible for their respective efforts in occupational safety and health. Dedicated management functions with professional management personnel are established to, with reference to actual conditions of each enterprise, reinforce the monitoring, inspection and supervision on occupational hazards of the workplace, in order to effectively prevent and reduce occupational hazards. With the gradually increasing insurance coverage, improving working environment and sound labor protection, the enterprises carried out prevention of occupational diseases, healthcare, inspection and treatment activities under the fortified organization and leadership for employees' safety and health.



The opening of Huatailong's employee dormitory

3. Physical examination and health records

Spiritual needs and mental health of employees should be a focus for enterprises and the society as well. The Company vigorously popularizes the knowledge of mental health, with smooth information channels to keep informed of the expectations and dynamics of employees. The psychological team provides mental health counseling to relevant employees in a timely manner, and helps them to adjust their ideas and enhance their mental regulation ability, which mirrors our human-oriented caring and satisfies the multi-level needs of employees. According to its industry characteristics, the Company arranges regular physical examinations and has established health records for employees.

4. Labor protection

The Company has established standard safety management systems, including the management system for labor protection supplies. The subsidiaries are required to follow such rules to provide all workers with work conditions and strict labor protection measures in accordance with national standards. The subsidiaries provide workers with labor protection supplies in strict compliance with the management system for their distribution and use, while superintending and instructing the workers for proper use.



Huatailong's employee dormitory and its surrounding green belt

IX: TECHNOLOGY PROGRESS

Adhering to the concepts of "Science and technology are primary productive forces" and "Leveraging the leading technologies to serve the country", the Company actively participates in the national researches on the difficulties in processing and refining of gold and complex polymetallic ore. The Company actively makes industrialization attempts to secure its leading position in tackling technologic difficulties in processing and refining low-grade gold ore, which helps to increase the utilization efficiency of gold and nonferrous resources.

(I) Investment in Technological Innovations

With increasing investment in scientific research, the Company obtained a total of 1 scientific and technological achievement and undertook 4 scientific research programs in 2011, laying a technological foundation for sound and rapid corporate development.



Carbon absorption system of Inner Mongolia Pacific

Scientific research programs undertaken

No	Undertaker	Name of task in feasibility study	Authorities	Note
1	Huatailong	Research on efficient underground mining technologies for Huatailong's extra-large polymetallic mine in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five-year Plan
2	Huatailong	Research on key technologies of fine processing for the extra-large polymetallic mine in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five-year Plan
3	Huatailong	Research on key technologies of energy conservation and emission reduction in exploitation and utilization of the extra-large polymetallic mine in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five-year Plan
4	Huatailong	Research on safeguarding technologies in exploitation of high altitude mines in Tibet	Ministry of Science and Technology	National key technology support program under the 12th Five-year Plan

Up to now, the Environmental Monitoring Center of Inner Mongolia Pacific has 12 patented technologies. It undertook 2 key technology support programs of the Ministry of Science and Technology during the 11th Five-year Plan period, maintained the domestically leading position in advanced treatment of cyanides, and played an active role of environmental research in pollution prevention and environmental management.



The scientific research staff of Huatailong

In November 2011, the Research on Key Technologies for Efficient Exploitation and Utilization of the Extra-large Polymetallic Mine in Tibet, a program led by Huatailong and jointly proposed to the Department of Science and Technology of Tibet Autonomous Region by Beijing General Research Institute of Mining & Metallurgy, Beijing University of Science and Technology, Northeastern University and Changchun Gold Research Institute, was selected from over 2,000 programs proposed in China and included into the 35 national science and technology program banks. The program was also named by the Ministry of Science and Technology as one of the 18 national key technology support programs under (together with other 17 programs under the "863 Plan").

(II) Achievements in Technological Innovations

1. Exploitation and utilization of low-grade ore

Given the scarcity, small reserve and low yield of global gold resources, the Company leverages technology progress and scale operation to fully tap on limited resources and enhance its sustainable development capacity. We maintain a leading position in tackling technologic difficulties in processing and refining low-grade gold ore, which has greatly increased the exploitable gold resource reserve.

Inner Mongolia Pacific actively stepped up the management on ore loss and dilution. In controlling ore loss and dilution, it started with improving the representativeness and timeliness of samples by changing the samplings in day shifts to 24-hour continuous samplings of blast holes. To strict control blasting displacement, squeezing blasting was applied to reduce ore displacement at the boundaries of ore deposits and the MingSight software was used to for delimitation with lime and red flags, which helped to reduce ore loss and dilution. Meanwhile, 24-hour monitoring and tracking were carried out for ore output management, thus promptly preventing manual ore loss and dilution in the bucketing process.

2. Separation of polymetallic ore

Jiama is a copper polymetallic mine hosting six metals including copper, lead, zinc, gold, silver and molybdenum, with vast resource reserve and a good exploitation outlook. However, the comprehensive recovery of polymetallic ore in the mine is a challenge, with rare success stories even in the international industry. Through the research efforts, Huatailong has achieved major breakthroughs in the program of comprehensive recovery of the six metals from polymetallic ore in Jiama. In particular, milestone achievements have been made in the copper-lead flotation separation and the prioritized copper yield experiments.

Under a scientific development model joining the production-education-research efforts, Huatailong established a special taskforce which attracted participation of youth technical talents. In collaboration with Beijing General Research Institute of Mining & Metallurgy, Beijing General Research Institute for Nonferrous Metals, Beijing University of Science and Technology, Northeastern University, Changchun Gold Design Institute, Changchun Gold Research Institute and Chengdu University of Technology, the company carried out technological researches respectively in disciplines including geology, mining, mineral processing, energy conservation, environmental protection, etc.. Milestone achievements have been made in such programs, including the copper-lead separation program which has yielded acceptable copper concentrates and lead concentrates.



Huatailong's technological innovative tailings dam

3. Construction of digital mines

At each of the Company's mines, a comprehensive data-centered system covering production management and fundamental automation has been established under a production management model for modern enterprises, which incorporates real time data across all production processes and the production management information into the integrated PCS system. According to the production processes, the systems is divided into specific parts including coarse crushing, grinding selection, flotation separation and pressurized filtering, tailings, etc., where data monitoring, data collection, equipment process control and data analysis are completed for the entire mine system. Thus, the automation control is achieved throughout the production process.



Huatailong's modernized thickening pond has realized zero emission of industrial sewage

X: HARMONIOUS WIN-WIN

In light of the concept of "business integrity for win-win and multi-win" and the mutual benefit principle, the Company actively promotes extensive cooperation with the stakeholders. We continuously improve customer services, strengthen supplier management, and carry forward strategic cooperation with local government, suppliers, creditors, enterprises and public sectors and other entities, striving to achieve win-win with the stakeholders.

(I) Corporate Governance

According to the applicable listing rules and its Articles, the Company has established a company governance structure comprising general meeting, the Board and its special committees and senior management which fulfill their respective duties in rational operations. Focusing on system construction and standard decision-making process, the Company strictly follows the procedures to make decisions on its affairs. At the subsidiary level, standard company governance structure is also established in accordance with relevant laws and regulations. The Company has fulfilled its responsibilities as a capital contributor to its subsidiaries according to laws.

Currently, the Company has established the Audit Committee, Nominating and Corporate Governance Committee, Compensation and Benefits Committee, and Health, Safety and Environmental Committee. In 2011, four Board meetings, four Audit Committee meetings, one Nominating and Corporate Governance Committee meeting, one Compensation and Benefits Committee meeting, one Health, Safety and Environmental Committee meeting and one meeting of the Independent Directors were held.

Attendance by the directors at the Board and Board committee meetings in 2011 was as follows:

Attendance record for the Board and Board Committee meetings during the Financial Year	Number of Attendances /Number of Meetings					
	Board meetings	Audit Committee meetings	Nominating and Corporate Governance Committee meeting	Compensation and Benefits Committee meeting	Health, Safety and Environmental Committee meeting	Meeting of the Independent Directors
Executive Directors						
Zhaoxue Sun (Chairman)	3/4	N/A	N/A	N/A	N/A	N/A
Xin Song	3/4	N/A	N/A	N/A	N/A	N/A
Zhanming Wu	4/4	N/A	N/A	N/A	N/A	N/A
Xiangdong Jiang	3/4	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors						
Bing Liu	4/4	N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors						
Ian He	4/4	4/4	1/1	1/1	1/1	1/1
Yunfei Chen	4/4	3/4	1/1	1/1	1/1	1/1
Gregory Hall	4/4	4/4	1/1	1/1	1/1	1/1
John King Burns	4/4	4/4	1/1	1/1	1/1	1/1



The Board of China Gold International

(II) Compliance with Laws and Regulations

In strict compliance with the national policies and laws and the local government requirements in its operations, the Company pushes on anti-corruption education and the audit and supervision to ensure healthy and smooth production and business activities.

1. Contract management

Contracts of subsidiaries are vertically managed and reviewed by dedicated officers in a centralized manner under the Interim Provisions on Review of Contracts of Subsidiaries and other measures. In 2011, the headquarters recorded a 100% contract execution rate, and the subsidiaries also recorded a 100% major contract execution rate.

2. Legal education

With reference to actual conditions of enterprises, the Company focuses on publicizing legal knowledge to employees, including the propaganda and training on the Contract Law, the Company Law, the Mineral Resources Law, the Safety Production Law, etc.. Legal experts and lawyers are engaged to stage law forums, together with knowledge contests, legal essay collection and other means to motivate the enthusiasm of employees to study and apply laws. The training sessions are provided in centralized and decentralized manners to cater for the Company's geographically fragmented business presence.

3. Internal audit

As a company incorporated in British Columbia, Canada and listed on the TSX and the HKSE, the Company has established an effective internal audit system in strict compliance with the laws and regulations governing the jurisdictions where it is listed and its business is operated. Internal audits are carried out rigorously by engaging external auditors to participate in. By the end of 2011, the Company has prepared internal audit reports for four years in a row, all indicating that there is no weakness in all material aspects.

4. Anti-corruption and anti-commercial bribery

In light of the policy of "Addressing symptoms and root causes, comprehensive governance, paralleled punishment and prevention, and focus on prevention", the Company aggressively pushes forth anti-corruption and anti-commercial bribery to lay a cornerstone for its reform and growth.

Probity and self-disciplined education

1	Provide the training on compliance of listed companies to the Company's directors and senior management; provide the training on internal control mechanism at various levels.
2	Conduct the education on compliance, focusing on probity of key personnel in charge of human, financial and physical resources.
3	Promote the construction of a probity culture across enterprises.

(III) Investor Relations

1. Information disclosure

The Company attaches great importance to information disclosure in a timely, accurate and complete manner, addressing the different needs and habits of investors in Canada and Hong Kong in strict accordance with the regulatory requirements at the listing places. A number active means are adopted to improve and ensure the effectiveness of information disclosure on capital market.

In 2011, the Company completed the publishing of its annual report, interim report and quarterly reports as required. In addition to results announcements made pursuant to the rules, the Company takes initiatives to publish announcements and press releases in Toronto and Hong Kong where its shares are listed, covering various aspects such as corporate business and management. The information mainly includes: updates of major exploration projects and key operational data, aiming to help investors keep informed of the Company's production and management dynamics; and the announcements of resolutions passed at Board meetings and general meetings and extraordinary announcements of connected transactions that are published pursuant to regulatory requirements. In 2011, the Company issued a total of 62 announcements and press releases.



2. Investor relations

Based on its successful initial public offering in Hong Kong, the Company made active and candid communications on an ongoing basis in 2011 with investors and analysts through investor presentations, press conferences, trading and non-trading road shows and reverse road shows for investors, seeking to fully showcase its growth potential to investors. The efforts were positively appreciated by our investors.

In September 2011, China Gold International staged a reverse road show for 2011, inviting investors to pay fact-finding visits to the Jiama Mine and the CSH Mine with respect to mine construction, production and business, financial operations, etc.. More than 20 fund managers and analysts from Citibank, Credit Suisse, BOC International, CCB International, China Merchants Fund and other institutions participated in the reverse road show. The investors visited two mine sites, and made detailed inquiries as to mine exploration, production and construction, mining and processing costs, yield and profit and other indicators. The thorough responses by the Company's management onsite deepened the understanding of investors into exceptional results and promising outlook of China Gold International, thus achieving desirable effect.

3.Dividend policy

The Company has not paid any dividends since incorporation and does not currently have a fixed dividend policy. The directors will determine any future dividend policy on the basis of, among others things, the results of operations, cash flows and financial conditions, operating and capital requirements, the amount of distributable profits and other relevant factors.

The Company is incorporated in British Columbia, Canada. Subject to the British Columbia Business Corporations Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable, including the amount thereof and the time and method of payment provided that the record date for the purpose of determining shareholders entitled to receive payment of the dividend must not precede the date on which the dividend is to be paid by more than two months.

As a fast-growing emerging international mining player, the Company will continue to press forward its business and management to achieve rapid and sustainable development and create more value for shareholders.

(IV)Customer Relationship

Adhering to the concept of "business integrity for customer satisfaction" in its operations, the Company takes integrity as a close linkage to its customers and a cornerstone for its development, while keeping on improving its service capabilities to provide quality services to customers. The Company highly values the long-term cooperation with customers, seeking to establish longstanding relationship and promote win-win with customers and thus uplift the Company's industry position and image. In 2011, sales revenue from the top five customers of the Company totaled US\$2,054 million, accounting for 100% of the total revenue.

(V)Supplier Relationship

1.Strict management on suppliers

Corporate social responsibility comprise such elements as the relationship with key stakeholders, values, compliance, respect for people, and the policies and practices of an enterprise relating to the community and environment. Aiming at a harmonious business environment, economic and social benefits, the Company earnestly procures its suppliers to fulfill their social responsibility when purchasing their supplies. The Company actively implements the Opinions on Government Procurement of Environmentally Labeled Products of the PRC to prioritize environmentally labeled products in its procurement, and select manufacturers with leading environmental protection and energy conservation technologies as its major equipment suppliers, aiming to minimize pollution from the source.

Meanwhile, in light of the principle of negotiations on an equal footing for mutual benefits, the Company insists on building up long-term strategic partnership with the suppliers with proven qualifications, reputation and quality products and services.

The Company's total procurement of materials in 2011 amounted to RMB561 million, of which RMB68 million or 12.12% was procurement under social responsibility.

	2011	2010
Total procurement of materials	RMB561 million	RMB325 million
Including: Procurement under social responsibility	RMB68 million	RMB52 million
Percentage of procurement under social responsibility	12%	16%

In entering into equipment and resources procurement and construction contracts, Inner Mongolia Pacific strictly followed standard procedures to select suppliers and contractors. Various means including open bidding, competitive negotiation and price inquiry and comparison were adopted to ensure the democratic, fair and transparent decision making process, which provided a systematic assurance to quality and cost control in relation to equipment, resources and construction projects. In formulating contracts, the terms were repeatedly scrutinized to ensure its rigorouslyness and thoroughness, which provided a legal assurance to smooth execution and dispute resolution of the contracts and thus maintained the solemnity of contracts.

2.Promoting localized equipment procurement

The Company strives to cooperate with local suppliers in its proximity to steadily push forward localized equipment procurement. Materials and equipment featuring mature technologies in local production, reliable product quality and notable price advantages are prioritized. Such policies, while reducing procurement cost, have effectively promoted the manufacturing upgrades where the Company operates and thus achieved win-win for the Company and the locality.

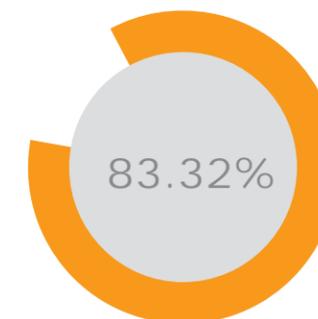
Responding to the supply delay and high prices of original spare parts from certain equipment manufacturers, Inner Mongolia Pacific arranged technicians to cooperate with its business collaborators to measure, conduct material tests and develop reasonable processing techniques for the parts, from the single-piece production to serial production. Domestication and localization were achieved for a matrix of equipment parts, including chain plate of heavy plate feeder, bars of bar feeder, C160 wedge, edge guard and round vibrating screen and the sieve plate of banana sieve, HP800 release cylinder, lock cylinder and copper shaft sleeve of frame pin, liner of jaw crusher imported for laboratory and bearing boxes. According to incomplete statistics, domestication and localization for merely spare parts were able to save RMB1,783,600 for the Company in 2011.

(VI)Creditor Relationship

Based on sound financial structure and adequate cash flows, the Company active employs financial leverage to maximize the value for shareholders. The Company's major creditors are banks. In 2011, the debt repayable to the top five creditors accounted for 83.32% of the total debt.

The Company has been placing emphasis on cooperation with banks, seeking to establish a diversified financing system with competitive advantages. By entering into cooperation agreements and facility-based borrowing contracts with major financial institutions, the Company reinforced the indirect financing channels which secured its production and operation funding at relatively favorable financing costs. Loans were provided by the banks as scheduled, with full confidence in the Company's financial structure and sound operation. Satisfying its debt service on a timely basis, the Company has established long-term friendly cooperation with the banks based on mutual trust.

Percentage of debt repayable to the top five creditors in total debt 2011



(VII) Passion for Excellence

According to the general goal of "Promote scientific development and social harmony, serve the people, and strengthen the building of the Party's primary organizations", the Company focuses on the key task of building a world-class mining company to extend its passion for excellence based on the theme of strengthening the Party's advancement construction.



Uncle A Wang, a Tibetan employee of Huatailong, submitted his application for party membership

The "5300 Party branch" in Huatailong, an enterprise-based branch of the Party with the highest altitude in China, has 23 Party members with average age of 41, including four Tibetans. Comprising five Party groups for production technology, Eagle measurement, geological exploration, safety and environmental protection, and Jiama Industry and Trade, it is a primary unit of the Party with the "most arduous conditions, the strongest will, the most impressive deeds and the most brilliant performance". They overcame dizziness, difficulty breathing, leg and feet fatigue and other symptoms due to extreme frigidness and oxygen deficit as well as other challenges in permafrost and ecological protection, perennially rooting themselves at altitude of 4,400 to 5,300 meters for exploration, surveying, construction, environmental protection and production. They are role models of dedication to the enterprise, boasting of their heroic spirit and tenacity with "higher mental ground than the altitude and stronger resolution than the storms".

(VIII) Communications and Cooperation

In light of the concept of "win-win and multi-win", the Company seeks to balance the interest relationship with the locality and the stakeholders in a legal and rational manner, building up extensive cooperation with local governments, financial institutions, research institutions, large enterprises, international and economic organizations. As a result, the Company has firmly established in the community a sound image as an adept resource integrator which is able to leverage positive factors with strong comprehensive strength.



Celebration of Tibetan New Year with local community

In November 2011, Huatailong and the Fire Brigade of Mozhugongka County jointly held a spectacular fire fighting drill in front of the company's laboratory building. More than 70 persons, including the Safety Officer and employees of Safety and Environmental Protection Department, Quality Control Department and Logistics Security Department of the Company, participated in the fire fighting drill. With the guidance and participation of the officers and crews of the fire brigade, the employees performed 4 drills corresponding to actual conditions of the mine: 1) how to eliminate potential fire hazards; 2) how to conduct emergency self-help at the scene of the fire; 3) how to evacuate personnel onsite; and 4) how to use fire-fighting equipment in emergency. After the half-day coaching by the fire brigade, the employees had a good command of the use of fire-fighting equipment and escape skills, which were expected to play an active role in eliminating potential fire hazards in winter in the Jiama Mine.

(IX) Community Welfare

With a commitment to "Harmonious mutual development to benefit the locality", we extend active presence in public welfare undertakings, advocate integrity and impartiality by own actions and root ourselves in the masses for return to the community and the benefit of our offspring, aiming at harmonious development with multi-win among individuals, the enterprise and the society. In recent years, the Company joined the efforts of local governments for mutual development, actively participating in public welfare undertakings including local economic development, construction of new pastoral areas, environmental improvement, drought relief, poverty-relief assistance, caring for education, medical donations and tackling the difficulties in employment and potable water of herdsmen. The efforts in jointly building up "Harmonious mine area" and "Harmonious society" have been fully recognized by local governments at all levels and the public.

In 2011, the Company donated a total of RMB0.5485 million, mainly for supporting local infrastructure, helping impoverished families and students and other programs. In 2011, the Company offered assistances to 198 persons from impoverished families and students.

1. Fuelling the community development

The Company adheres to the win-win concept for the enterprise and the locality, considering local interests when developing its mines and supporting local economic and social development in terms of environmental protection, employment, taxation, etc.. In 2011, the Company paid total tax of RMB142 million.

Employment localization: The Company recruited and arranged employment for a lot of local labor in Tibet and Inner Mongolia, two ethnic minority areas, which actively supported and promoted local economic development. As at the end of 2011, ethnic minority employees accounted for 12.37% and 36.03% respectively in the CSH Mine and Jiama Mine.

Localized procurement: In purchasing materials, the Company adheres to prioritizing local suppliers to support local economy, building up a stronger nexus of interests with the locality for mutual development.

Poverty-relief assistance: The Company actively participates in poverty-relief programs in the community, winning positive responses from the locality.

	Unit	2011	2010
Total tax	million	1,420	1,307
Total donation	RMB10,000	54.85	532.5



Jiama Industry and Trade distributed bonus to the shareholders who are local herdsmen before the Tibetan New Year,

On June 25, 2011, three young farmers and herdsmen from Jiama Township as recommended by the county, town and village governments joined Huatailong and became members of the mine production and construction team. Nima Ciren, the secretary of the Party commission of Jiama Township expressed his gratitude to Huatailong for its commitment to the "employment localization" principle, recruiting young farmers and herdsmen and providing them training and assistance. He hoped the township, the family and the enterprise to join their efforts in the education for recruits of young farmers and herdsmen, helping them to become qualified employees. He also requested them cherishing the job opportunities, improving skills through study, setting strict demands on themselves, and earnestly complying with the company's labor disciplines and the rules and regulations, with the gratefulness to perform for themselves and contribute to the enterprise and local development.

2.Promoting the development in ethnic areas

The Company places great emphasis on maintaining ethnic unity with an aim to "Construct of a mine to support local economy for local harmony", sparing no efforts in supporting the economy of ethnic areas when carrying out resource development there.

In light of the guideline of "Harmonious mutual development to benefit the locality", Huatailong is committed to constructing harmonious mines jointly by the enterprise and the locality by promoting local economy, improving income of farmers and herdsmen in the proximity of mines, increasing job opportunities and helping the placement of surplus rural labor, and achieving the prosperity of farmers and herdsmen along the exploitation of mineral resources. In late 2009, the company acquired the local fragmented vehicle fleet, and advanced the capital contributions for all 3,850 farmers and herdsmen in 655 households in the township to establish Jiama Industry and Trade Co., Ltd. ("Jiama Industry and Trade"), carrying out extensive cooperation with Huatailong in construction, transportation, greening, environmental protection and labor services and thus building up a platform for the people to become better off. Currently, Jiama Industry and Trade has 52 employees, all being Tibetans, with average monthly income of RMB4,000 per capita. The company has distributed dividends of RMB2.51 million in total, or RMB3,832 for each household of Jiama Township, leading to a substantial increase in per capita income of local people.



The Tibetan employees of Huatailong attended the cattle competition organized by the local community

Appendix: Social Responsibility Indicator Family for China Gold International

	Unit	2011	2010
Environmental protection and energy conservation			
Environmental investment (including tailings treatment, dust removal, sewage treatment, environmental monitoring and land reclamation)	RMB100 million	2.03	2.55
Percentage of environmental investment in total investment of newly constructed mines	%	35.10	10.55
COD (chemical oxygen demand) emission	tonne	4.34	4.95
Sulfur dioxide emission	tonne	40.03	42.83
Comprehensive energy consumption per tonne for mineral processing (Huatailong)??	KWh	38.83	38.83
Total water consumption	10,000 tonnes	154.2	121.4
Including: New water	10,000 tonnes	23.2	25.4
Recycled water	10,000 tonnes	130.9	96.0
Water consumption per RMB10,000 output	tonne	10.97	13.7
Water consumption per tonne of ore	tonne	0.38	0.163
Provision for reclamation costs	RMB10,000	120.00	120
Number of environmental pollution accidents	Number of times	0	0
Safety production			
Safety investment	RMB10,000	840.40	1211
Death toll of employees in production	Person	0	0
Fatality rate for million-tonne production	Person/million tonnes	0	0
Major equipment accidents	Number of times	0	0
Major fire and explosion accidents	Number of times	0	0
Major traffic accidents	Number of times	0	0
Special equipment inspection rate	%	100	100
Special equipment inspection qualified rate	%	100	100
Loss accidents of explosives and hazardous chemicals	Number of times	0	0
Serious spill accidents of explosives and hazardous chemicals	Number of times	0	0
Safety education and training sessions	Session	30	14
Safety education and training participants	Person-time	2,620	1870
Safety education and training rate for employees	%	100	100
Employees' interests			
Total employees	Person	1,148	1004
Female employees	Person	237	194
Ethnic minority employees	Person	297	231
Employees at primary managerial positions and above	Person	140	111
Including: Female employees	Person	33	31
Employment contract signing ratio	%	100	100
Employee social insurance coverage ratio	%	100	100
Annual recruits through open recruitment	Person	251	296
Including: Hires newly graduated from universities and colleges	Person	62	43
Experienced hires	Person	189	253
Total training participants	Person-time	1,341	1483
Annual promotions in professional titles	Person	38	147
Annual promotions to expert-level senior engineers	Person	13	11
Occupational disease cases at year end	Instance	0	0
Additional occupational disease cases in the year	Instance	0	0

Rating Report on Corporate Social Responsibility Report for 2011
 of China Gold International Resources Corp. Ltd.

	Unit	2011	2010
Technology progress			
Scientific and technological achievements	Program	1	1
Scientific research programs undertaken	Program	4	4
Harmonious win-win			
Total tax	RMB10,000	14200	13070
Contract execution rate for the headquarters	%	100	100
Contract execution rate for subsidiaries	%	100	100
Sales revenue from the top five customers	RMB100 million	20.54	10.01
Percentage of sales revenue from the top five customers in total revenue	%	100	100
Total procurement of materials	RMB100 million	5.61	3.25
Including: Procurement under social responsibility	RMB100 million	0.68	0.52
Percentage of procurement under social responsibility	%	12	16
Percentage of debt repayable to the top five creditors in total debt	%	83.32	83.94
Total donation	RMB10,000	54.85	532.5
Assistances to impoverished families and students	Person-time	198	181

We, the Rating Panel for Corporate Social Responsibility Report for 2011 of China Gold International Resources Corp. Ltd. comprising experts from the Chinese Expert Committee on CSR Report Rating, refer to the engagement by China Gold International Resources Corp. Ltd. (the "Company") for rating of the Corporate Social Responsibility Report for 2011 of China Gold International Resources Corp. Ltd. (the "Report") by the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences.

I. Basis of Rating

The Guide on Preparation of Corporate Social Responsibility Reports of Chinese Enterprises (CASS-CSR 2.0), published by the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences in conjunction with China Enterprise Confederation, China Petroleum and Chemical Industry Federation, China National Light Industry Council, Sino-German Corporate Social Responsibility Project, China WTO Tribune, and China Association of Social Workers, Committee of Corporate Citizenship.

II. Rating Conclusion

Completeness (★★★★☆)

VERY GOOD in terms of completeness, as the Report systematically disclosed key indicators in aspects of "Responsibility management", "Market responsibility", "Employees' interests", "Environmental protection and energy conservation" and "Safety production", and covered 68.35% of core indicators for general mining industry.

Relevance (★★★★)

The Report, focusing on the main plotline of responsibility management, highlighted the Company's performance of responsibilities; and systematically disclosed relevant topics for general mining industry such as "Mining area conservation", "Occupational health management", "Safety production", and "R&D and application of environmental technology and equipment".

Balance (★★★★)

GOOD in terms of balance, as the Report disclosed a number of negative operating indicators including "Occupational disease incidence of employees", "Fatality rate for million-tonne production", "Major equipment accident rate" and "Major fire and explosion accident rate".

Comparability (★★★★)

GOOD in terms of vertical comparability, as the Report disclosed historical data of multiple key performance indicators, yet without horizontally comparable data of the peers.

Readability (★★★★)

GOOD in terms of readability, as the Report, clearly structured with concise writing, makes full use of charts, tables and other illustrations and includes many cases with simplistic typesetting.

Innovativeness (★★★★☆)

The Report highlights the Company's achievements in social responsibility management system construction, and employs the form of master report supplemented by responsibility reports of two subsidiaries, thus facilitating information communication and improving the quality of the Report to a certain extent.

Overall rating (★★★★)

Based on its evaluation, the rating panel gives a four-star rating to the Corporate Social Responsibility Report for 2011 of China Gold International Resources Corp. Ltd., confirming its excellence as a corporate social responsibility report.

III. Recommendation on Improvements

1. Add disclosure of key topics in respect of "Resource reservation", "Tailings disposal", etc.
2. Disclose appropriate data of the peers to improve the horizontal comparability.

IV. Rating Panel

Head:

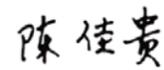
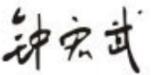
Director, the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences Hongwu Zhong

Members: Senior manager of the Shanghai Stock Exchange Jinzhong Yang

Senior engineer, China National Institute of Standardization Yuanqiao Chen

Vice president, China WTO Tribune Gefei Yin

Executive deputy director, the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences En Zhang

Jiagui Chen Chairman of the Center Member of the NPC Standing Committee Director, Economics Division, Chinese Academy of Social Sciences 	Hongwu Zhong Head of Rating Panel Director, the Research Center for Corporate Social Responsibility, Economics Division, Chinese Academy of Social Sciences 
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FEEDBACK FORM

Dear readers:

Thank you for taking time to read this report. To improve our practices and capabilities in fulfilling corporate social responsibility, we particularly invite you to take some time evaluating this report and providing your valuable comments and suggestions, so as to support its continuous improvements. Please kindly complete the following questionnaire and send the feedback to us.

1. Overall evaluation of the report (please mark "√" in appropriate positions)

(1) Does it give a complete and accurate view of the status of Company's corporate social responsibility work? ()

(2) Does it address and disclose the issues of concern of the stakeholders? ()

(3) Does it disclose clearly organized, accurate and complete information and data? ()

(4) How about its readability, namely the logic of main line, content structuring, wording and layout design? ()

2. In your opinion, which parts/aspects are you most satisfied with?

3. In your opinion, which kind of information in your need is not reflected in this report?

4. Do you have any suggestions on our future work as to social responsibility practices and the corporate social responsibility report?

If convenient, please leave your contact information.

Name: Occupation:

Employer: Contact address:

Postcode: Email:

Tel: Fax:

Our contacts

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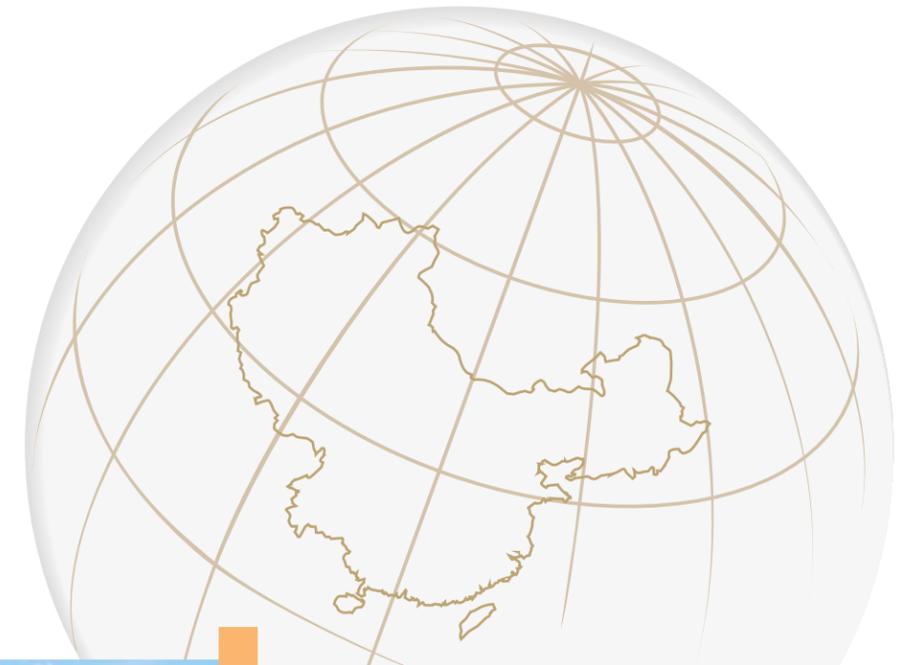
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Email: info-chinagoldintl@chinagoldintl.com

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内蒙古太平矿业有限公司 社会责任报告

Inner Mongolia Pacific Mining Co., Ltd.
Social Responsibility Report



2011



CORPORATE PROFILE

Inner Mongolia Pacific Mining Co., Ltd. (formerly known as Ningxia Pacific Mining Co., Ltd.), is a sino-foreign cooperative joint venture formed by China Gold International Resources Corp. Ltd. (formerly known as Jinshan Gold Mines Inc. of Canada) and Ningxia Nuclear Industry Geological Exploration Institution (formerly known as Brigade 217 of the Nuclear Industry Northwest Geological Bureau of China) on April, 2002. The Company is held as to 96.5% by China Gold International Resources Corp. Ltd. and 3.5% by Ningxia Nuclear Industry Geological Exploration Institution. The place of registration of the company is Xinhure Sumu, Wulate Zhong Banner. The Company is principally engaged in the operation of Chang Shan Hao mine. During 2011, the annual production capacity of gold of the Company was 4.15 tonnes, which is regarded to be the largest heap leaching gold mine in Northern PRC.

Inner Mongolia Pacific Mining Co., Ltd. proactively takes up its social responsibilities through the promotion of the betterment of society, local economic development, staff development, environmental protection and harmonious development, etc. Meanwhile, pursuant to the requirements and arrangements stipulated by government departments at all levels, the Company rationally explores, utilizes and protects natural resources, converts its resource advantages into economic strengths, turns its social responsibilities into motivation and long term interests for corporate development, as well as monitors, operates and manages the mine in accordance with the international standard, with a view to becoming a leading technologically-advanced and eco-friendly gold mine that makes its rightful contributions to the local economy and harmonious development.



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- 0 2 ENVIRONMENTAL PROTECTION AND ENERGY CONSERVATION
- 0 3 SAFETY PRODUCTION
- 0 4 EMPLOYEES' INTERESTS
- 0 5 HARMONIOUS WIN-WIN



Leaders of China National Gold Group Corporation conducting research and study at mining areas

Yonglin He, Mayor of Bayannur City, conducting on-site work inspection

Xin Song, the CEO of China Gold International, providing on-site working guidance



Fumin Lin (first from left), Vice Mayor of Bayannur City, conducting on-site work inspection



Jinbao Qiu (center), Chairman of the Wulatezhong Banner Committee of the Communist Party of China (CPC), conducting on-site work inspection



On-site working conference led by the CEO of China Gold International



The green belt of our Company



Green belt around our employees' dormitory and canteen





World-renowned experts on safety conducting safety training for the management of the Company



Speech contest to address the importance of safety production to family happiness



The Company conducting centralized destruction and landfill of packaged dangerous chemical substances



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- Honor Presentation Ceremony for the Year 2011
- Entering into the 2012 Safety Production Accountability Agreement
- Karaoke Contest
- Volleyball Friendship Contest
- The 1st Chess Contest of the Company





Donation Ceremony to Herdsmen around the Company's Mines



Sending warmth for New Year celebration

In 2011, the Company sponsored the making of the Taiping Totem at the square of Wulatezhong Banner
The celebration ceremony of the local traditional Aobao Festival sponsored by the Company

Honors and recognitions of Inner Mongolia Pacific in 2011

Winning unit	Honors and recognitions	Granting body
Inner Mongolia Pacific	Outstanding Enterprise Contributing to Local Economic Development 2011	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	Pioneering Collective of Primary Labor Union 2011	Federation of Labor Unions of Wulatezhong Banner
Inner Mongolia Pacific	Standard Enterprise of Fundamental Management	China National Gold Group Corporation
Inner Mongolia Pacific	Pioneering Collective 2011	CPC Commission of China National Gold Group Corporation
Inner Mongolia Pacific	Special Contribution Prize 2011	China National Gold Group Corporation
Inner Mongolia Pacific	Pioneering Collective in Culture and Enterprise Growths	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	Pioneering Collective in Human Resources and Social Security Work 2010	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	Pioneering Collective in Culture and Enterprise Growths for Safety Standardized Third Level Enterprises (Mines)	Production Safety Supervision and Administration Bureau of Inner Mongolia Autonomous Region
Inner Mongolia Pacific	Top 10 Gold Mines in China 2010	China Gold Association
Inner Mongolia Pacific	Pioneering Collective in Human Resources and Social Security Work 2010	People's Government of Wulatezhong Banner
Inner Mongolia Pacific	Pioneering Collective 2009	CPC Commission of China National Gold Group Corporation
Inner Mongolia Pacific	Pioneering Enterprise in Technological Innovations 2008	People's Government of Wulatezhong Banner



西藏华泰龙矿业开发有限公司社会责任报告

Tibet Huatailong Mining Development Co., Ltd.
Social Responsibility Report

2011

Company Profile

Tibet Huatailong Mining Development Co. Ltd. (“Huatailong”), a holding subsidiary of China Gold International Resources Corp. Ltd., is incorporated in Tibet Autonomous Region on 9 December 2007. It is principally engaged in the operations of the Jiama Copper-Gold Polymetallic Mine in Tibet Autonomous Region. Based in this mine, the Company is also developing the mineral properties resources of Tibet and its peripheral area in full scale. The Jiama Mine, 68km from Lhasa, is situated in Metrorkongka County and its annual production of copper in 2011 amounted to 9,781 tonnes.

Since the development and establishment of Jiama Mine in Tibet, Huatailong has proactively undertaken the political, economic and social responsibilities of a Chinese state-owned enterprise. With “Build a mine, create a glorious history” as its corporate goal, the Company carries forward the corporate spirit of “pioneering, teamwork, dedication, excellence” and follows the general idea of “less investment, short turnaround time, superior quality, good environment and high efficiency” . It utilizes advanced technology and strengthens meticulous management in order to enhance the harmony between mine development and natural environment with solid actions, thus setting up an excellent social image as a Chinese state-owned enterprise. In 2009, the Jiama project was recognized as one of the Top Ten Prospecting Achievements by the Geological Society of China, awarded the “Best Development Prize” by China International Mining Conference and was honored the “2011 May 1st Labor Award” by China Federation of Trade Unions.



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★ RESPONSIBILITY MANAGEMENT



« Leaders at different levels conducting on-site research and study and providing working guidance

★ ENVIRONMENTAL PROTECTION AND GREENING



The Company's theme park ↗



« Planter in front of the Company's office building

« Flowers growing along the highway to mines



« Flower beds at the theme park of mining regions

» Flower beds at the theme park of mining regions

» Green tourism highway at Jiama Mine



SAFETY PRODUCTION



Modernized Digital Monitoring Centre of the processing plant

Modernized processing equipment

Tailing storage of Jiyama Mine

Safety knowledge competition

Modernized thickening pond has realized zero emission of industrial sewage

Foreign experts carrying out on-site inspection at Jiyama Mine



INTERESTS OF EMPLOYEES



After-work and cultural life of young employees

Building talent pool

Leaders of the Company attending the unveiling ceremony of the "Happy Apartment"

Harmonious Win-Win



↑ Uncle A Wang, a Tibetan employee, submitted his application for party membership to the Secretary of the Party Commission of the Company

↑ Bonus distribution ceremony of Jiama Industry and Trade

← Company staff and local residents attending the opening ceremony of Jiama Mine

← The first session of collective weddings of young Tibetan and Chinese staff

← Happy and romantic atmosphere at Jiama Mine



Honors and recognitions of Huatailong in 2011

Winning unit	Honors and recognitions	Granting body
Huatailong	May 1st Labor Award	China Federation of Trade Unions
Huatailong	Pioneers of Work Labors	China Federation of Trade Unions
Huatailong	Pioneering Unit in the Work of Science and Technology in China Nonferrous Metals Industry	China Nonferrous Metals Industry Association
Huatailong	Pioneering Primary Unit of the Party throughout the Region	Communist Party Committee of the CPC Tibet Autonomous Region
Huatailong	Pioneering Primary Unit of the Party among Central Enterprises	Communist Party Committee of the SASAC of the State Council
Huatailong	Pioneering Collective among the Gold Industry in the PRC during the "11th Five Year Plan" Period	Communist Party Committee of the SASAC of the State Council
Huatailong	Pioneering Collective among the Gold Industry in the PRC during the "11th Five Year Plan" Period	China Gold Association National Committee of the Chinese Machinery, Metallurgical and Building Materials Trade Union
Huatailong	Pioneering Collective 2011 of China National Gold Group	Communist Party Committee of China National Gold Group Corporation
Huatailong	Pioneering Collective 2011 in National Solidarity in Gongka County of Mozhu	Communist Party Committee and County Government of Gongka, Mozhu
Huatailong	Pioneering Enterprise 2011 in Safety Production of the Autonomous Region	Office of the Safety Production Committee of the Autonomous Region, Safety Production Supervision and Administration Bureau of the Autonomous Region
Huatailong	Pioneering Enterprise in the Development of Industry and Economy of the City in 2011	Lhasa City Government
Huatailong	Advanced and Exemplary Collective 2011 in National Solidarity of Lhasa City	Lhasa City Government of the CPC Communist Party Committee of Lhasa City
Huatailong	Pioneering Unit 2011 in Trade Union Work of the City	The Federation of Trade Unions of Lhasa City
Huatailong (Jiama)	Best Development Prize	China International Mining Conference 2009, Ministry of Land and Resources of the PRC
Huatailong	Pioneering Collective 2009	CPC Commission of China National Gold Group Corporation
Huatailong	Exemplary Staff's Home in the Region	Federation of Labor Unions of Tibet Autonomous Region
Huatailong	Pioneering Unit in Labor Union Management by Objectives in the City 2009	Lhasa Municipal Federation of Labor Unions
Huatailong	Pioneering Unit in News and Propaganda in Chinese Gold Industry 2009	China Gold News
Huatailong	Exemplary Staff's Home 2009	Federation of Labor Unions of Mozhu Gongka County
Huatailong	Top 10 Prospecting Achievements 2009	Geological Society of China
Huatailong	Included into the first batch of 29 scientific research bases	Ministry of Science and Technology, Ministry of Land and Resources
Huatailong	Top 10 Science and Technology Progress of Chinese Academy of Geological Sciences 2009	Chinese Academy of Geological Sciences
Huatailong	Pioneer of Youth Civilization	Communist Youth League Commission for Central Enterprises
Huatailong	Exemplary Staff's Home of the PRC	National Federation of Labor Unions
Huatailong	Safety-assured Enterprise	People's government of Mozhu Gongka County