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China Gold International Resources Corp. Ltd.

Management's Discussion and Analysis of Financial Condition and Results of Operations
Nine months ended September 30, 2013

(Stated in U.S. dollars, except as otherwise noted)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations for the nine months ended September 30, 2013
(Stated in U.S. dollars, except as otherwise noted)

The following Management Discussion and Analysis of financial condition and results of operations ("MD&A") is prepared as of November 14, 2013. It should be read in conjunction with the condensed consolidated interim financial statements and notes thereto of China Gold International Resources Corp. Ltd. (referred to herein as "China Gold International", the "Company", "we" or "our" as the context may require) for the nine months ended September 30, 2013 and the nine months ended September 30, 2012, respectively. Unless the context otherwise provides, references in this MD&A to China Gold International or the Company refer to China Gold International and each of its subsidiaries collectively on a consolidated basis.

The following discussion contains certain forward-looking statements relating to the Company's plans, objectives, expectations and intentions, which are based on the Company's current expectations and are subject to risks, uncertainties and changes in circumstances. Readers should carefully consider all of the information set out in this MD&A, including the risks and uncertainties outlined further in the Company's Annual Information Form ("Annual Information Form" or "AIF") dated August 14, 2013 on SEDAR at www.sedar.com. For further information on risks and other factors that could affect the accuracy of forward-looking statements and the result of operations of the Company, please refer to the sections titled "Forward-Looking Statements" and "Risk Factors" and to discussions elsewhere within this MD&A. China Gold International's business, financial condition or results of operations could be materially and adversely affected by any of these risks.

FORWARD-LOOKING STATEMENTS

Certain statements made herein, other than statements of historical fact relating to the Company, represent forward-looking information. In some cases, this forward-looking information can be identified by words or phrases such as "may", "will", "expect", "anticipate", "contemplates", "aim", "estimate", "intend", "plan", "believe", "potential", "continue", "is/are likely to", "should" or the negative of these terms, or other similar expressions intended to identify forward-looking information. This forward-looking information includes, among other things; China Gold International's production estimates, business strategies and capital expenditure plans; the development and expansion plans and schedules for the CSH Gold Mine and the Jiama Mine; China Gold International's financial condition; the regulatory environment as well as the general industry outlook; general economic trends in China; and statements respecting anticipated business activities, planned expenditures, corporate strategies, participation in projects and financing, and other statements that are not historical facts.

By their nature, forward-looking information involves numerous assumptions, both general and specific, which may cause the actual results, performance or achievements of China Gold International and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward–looking information. Some of the key assumptions include, among others, the absence of any material change in China Gold International's operations or in foreign exchange rates, the prevailing price of gold, copper and other non-ferrous metal products; the absence of lower-than-anticipated mineral recovery or other production problems; effective income and other tax rates and other assumptions underlying China Gold International's financial performance as stated in the Company's technical reports for its CSH Gold Mine and Jiama Mine; China Gold International's ability to obtain regulatory confirmations and approvals on a timely basis; continuing positive labor relations; the absence of any material adverse effects as a result of political instability, terrorism, natural disasters, litigation or arbitration and adverse changes in government regulation; the availability and accessibility of financing to China Gold International; and the performance by counterparties of the terms and conditions of all contracts to which China Gold International and its subsidiaries are a party. The forward-looking information is also based on the assumption that none of the risk factors identified in this MD&A or in the AIF that could cause actual results to differ materially from the forward-looking information actually occurs.

Forward-looking information contained herein as of the date of this MD&A is based on the opinions, estimates and assumptions of management. There are a number of important risks, uncertainties and other factors that could cause actual actions, events or results to differ materially from those described as forward-looking information. China Gold International disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates, opinions or assumptions, future events or results, or otherwise except to the extent required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information in this MD&A is expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on forward-looking information.

THE COMPANY

Overview

China Gold International is a gold and base metal mining company based in Vancouver, Canada. The Company's main business involves the acquisition, development and exploration of gold and base metal properties.

The Company's principal mining operations 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 a 96.5% interest in the CSH Gold Mine, while its Chinese joint venture ("CJV") partner holds the remaining 3.5% interest. China Gold International commenced trial gold production at the CSH Gold Mine in

July 2007 and commercial production on July 1, 2008. The Company acquired a 100% interest in the Jiama Mine on December 1, 2010. Jiama hosts a large scale copper-gold polymetallic deposit consisting of copper, gold, molybdenum, silver, lead and zinc. The Jiama Mine commenced commercial production in September 2010.

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

Performance Highlights

Three months ended September 30, 2013

- Revenue decreased by 11% to US$75.7 million from US$84.9 million for the same period in 2012;
- Net profit after income taxes decreased by 40% to US$15.9 million from US $26.4 million for the same period in 2012.
- Gold production from the CSH Mine increased by 3% to 35,536 ounces from 34,363 ounces for the same period in 2012.
- Copper production from the Jiama Mine decreased slightly, by 1% to 3,809 tonnes (approximately 8.4 million pounds from 3,856 tonnes (approximately 8.5 million pounds) for the same period in 2012.

Nine months ended September 30, 2013

- Revenue decreased by 2% to US$234.1 million from US$ 239.0 million for the same period in 2012;
- Net profit after income taxes decreased by 4% to US$50.5 million from US$ 52.5million for the same period in 2012.
- Gold production from the CSH Mine decreased by 4% to 99,810 ounces from 104,041 ounces for the same period in 2012.
- Copper production from the Jiama Mine increased significantly, by 23% to 10,385 tonnes (approximately 22.9 million pounds) from 8,419 tonnes (approximately 18.6 million pounds) for the same period in 2012.

OUTLOOK

- Budgeted production of 145,000 ounces of gold in 2013.
- Budgeted production of 26.5 million pounds of copper in 2013.
- At CSH, the Company built a new 30,000 tonne per day ("tpd") stand-alone crushing, heap leaching and ADR (Absorption, Desorption and Refining) plant system in addition to the existing 30,000 tpd facility. Expansion construction is expected to be fully completed during the fourth quarter of 2013.
- The Company expects to complete the Jiama Mine's Phase II Independent Feasibility Study and to release an updated NI 43-101 compliant report in the fourth quarter of 2013.
- Jiama's production capacity expansion will be implemented in two stages. Stage one, which is expected to be completed during the first half of 2014, includes completion of a new 20,000 tpd mill. Stage two is expected to be completed by the first half of 2015. By the end of 2015, Jiama anticipates reaching its planned full capacity of 40,000 tpd of ore.
- The Company will continue to leverage the technical and operating experience of the Company's controlling shareholder, China National Gold Group Corporation ("CNG"), to improve operations at its mines. In addition, the Company continues to focus its efforts on increasing production while minimizing costs at both mines.
- To fulfill its growth strategy, the Company is continually working with CNG and other interested parties to identify potential international mining acquisition opportunities, namely projects outside of China, which can be readily and quickly brought into production with the possibility of further expansion through continued exploration.

RESULTS OF OPERATIONS

Selected Quarterly Financial Data

QUARTER ENDED

	2013			**2012**				**2011**
(US$ in thousands except per share)	**30-Sep**	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Revenues	**75,733**	81,622	76,746	93,387	84,938	76,484	77,578	93,544
Cost of sales	**48,478**	53,809	47,456	54,190	51,207	49,896	52,165	61,428
Mine operating earnings	**27,255**	27,813	29,290	39,197	33,731	26,588	25,413	32,114
General and administrative expenses	**7,410**	5,665	7,157	7,880	6,020	5,311	5,838	4,624
Exploration and evaluation expenses	**45**	50	69	149	59	124	58	173
Income from operations	**19,800**	22,098	22,064	31,168	27,652	21,153	19,517	34,250
Foreign exchange gain (loss)	**894**	684	152	(844)	1,976	(1,125)	164	1,596
Finance costs	**2,665**	2,500	2,573	3,230	3,080	3,416	2,823	4,798
Profit before income tax	**19,162**	24,769	20,755	28,545	32,903	18,188	20,041	33,805
Income tax expense	**3,279**	5,208	5,676	7,506	6,508	5,564	6,585	6,597
Net income	**15,883**	19,561	15,079	21,039	26,395	12,624	13,456	27,209
Basic earnings per share (cents)	**3.84**	4.78	3.66	5.13	6.44	3.07	3.27	6.86
Diluted earnings per share (cents)	**3.84**	4.78	3.66	5.13	6.44	3.07	3.27	6.86

Selected Quarterly Production Data and Analysis

CSH Mine	**Three months ended September 30,**		**Nine months ended September 30,**	
	2013	**2012**	**2013**	**2012**
Gold produced (ounces)	**35,536**	34,363	**99,810**	104,041
Gold sold (ounces)	**32,971**	33,474	**97,432**	101,350
Total production cost* (US$) of gold per ounce	**786**	904	**870**	906
Cash production cost* (US$) of gold per ounce	**626**	802	**721**	802

* Non-IFRS measure

Gold production at the CSH Mine increased by 3% from 34,363 ounces for the three months ended September 30, 2012 to 35,536 ounces for the three months ended September 30, 2013. The major reason for the increase in production is the gold recovery rate that has been gradually increasing throughout the period.

The cash production cost of gold per ounce for the three months ended September 30, 2013 decreased compared with the same period in 2012, mainly because of lower waste rock expenditures in 2013, which are included in the cash production cost of gold per ounce. The decreased waste rock expenditure is also the major contributor to the lower total production cost of gold per ounce for the three months ended September 30, 2013 compared with 2012.

Jiama Mine	Three months ended September 30, 2013	2012	Nine months ended September 30, 2013	2012
Copper produced (tonnes)	**3,809**	3,856	**10,385**	8,419
Copper produced (pounds)	**8,398,059**	8,501,526	**22,896,072**	18,561,066
Copper sold (tonnes)	**3,744**	3,392	**10,583**	8,245
Copper sold (pounds)	**8,253,557**	7,477,826	**23,331,328**	18,177,137
Gold produced (ounces)	**4,887**	4,444	**13,016**	10,040
Gold sold (ounces)	**4,780**	4,016	**13,106**	9,874
Silver produced (ounces)	**274,145**	299,434	**813,735**	635,071
Silver sold (ounces)	**281,995**	259,348	**815,442**	614,966
Total production cost* (US$) of copper per pound	**3.48**	3.67	**3.61**	4.29
Total production cost* (US$) of copper per pound after by-products credits***	**2.32**	2.26	**2.27**	2.75
Cash production cost** (US$) per pound of copper	**2.84**	2.55	**2.95**	3.02
Cash production cost** (US$) of copper per pound after by-products credits***	**1.68**	1.14	**1.62**	1.48

* Production costs include expenditures incurred at the mine sites for the activities related to production including mining, processing, mine site G&A and royalties etc.

** Non-IFRS measure

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

During the three months ended September 30, 2013, the Jiama Mine produced 3,809 tonnes (approximately 8.4 million pounds) of copper, which decreased by 1% compared with the three months ended September 30, 2012 (3,856 tonnes, or 8.5 million pounds). The slight decrease in production was mainly due to lower grade of ores mined and processed during the current period.

Cash production cost of copper per pound increased due to an increase in mining and processing costs as a result of lower grade ores during the current period. The decrease in total production cost was due to a lower amortization of mining rights with an increased ore reserve base in Jiama Mine. The Company is closely monitoring production costs at the Jiama Mine and will continue to make efforts to reduce costs.

Review of Quarterly Data

Three months ended September 30, 2013 compared to three months ended September 30, 2012

Revenue of US$75.7 million for the third quarter of 2013 decreased by US$9.2 million, from US$84.9 million for the same period in 2012.

Revenue from the CSH Mine accounted for 57%, or US$43.1 million (2012: US$53.6 million), a decrease of US$10.5 million due to decreased gold sales volume and significantly lower gold prices. Gold produced by the CSH Mine increased from 34,363 ounces (gold sold: 33,474 ounces) in 2012 to 35,536 ounces (gold sold: 32,971) in 2013 due to an increase in the gold recovery rate.

Revenue from the Jiama Mine accounted for 43% of total revenue, or US$32.6 million (2012: US$31.3 million), an increase of US$1.3 million for 2013 compared to 2012. Total copper sold increased by 10% from 3,392 tonnes (7.48 million pounds) for the three months ended September 30, 2012 to 3,744 tonnes (8.25 million pounds) for the same period in 2013, due to the timing of sales and a buildup of inventory resulting from increased production in the previous quarters of 2013.

Cost of sales of US$48.5 million for the quarter ended September 30, 2013, decreased by US$2.7 million, from US$51.2 million for the three months ended September 30, 2012. The decrease in cost of sales was primarily due to CSH's lower sales volume and lower production costs during the three month period in 2013, partially offset by an increase in Jiama's cost of sales due to higher sales volume. Cost of sales as a percentage of revenue for the Company increased to 64% from 60% for the three months ended September 30, 2013 compared to 2012.

Mine operating earnings of US$27.3 million for the three months ended September 30, 2013 decreased by 19%, or US$6.4 million, from US$33.7 million for the comparative 2012 period. Mine operating earnings as a percentage of revenue decreased to 36% from 40% for the three months ended September 30, 2013 compared to 2012.

General and administrative expenses increased by US$1.4 million, from US$6.0 million for the quarter ended September 30, 2012 to US$7.4 million for the quarter ended September 30, 2013. The increase is primarily due to administrative costs and professional fees incurred through the Company's overall continuous growth strategy.

Income from operations for the third quarter of 2013 of US$19.8 million decreased by 28%, or US$7.9 million, from US$27.7 million for 2012.

Finance costs of US$2.7 million for the three months ended September 30, 2013 decreased by 13%, from US$3.1 million for the same period in 2012, primarily due to reduced principal balances for Jiama and CSH's Phase I expansion, in addition to increased interest capitalization for Jiama and CSH's Phase II expansion borrowings. During the three months ended September 30, 2013 US$1.8 million (2012: Nil) of interest payments were capitalized for borrowing costs relating to the Phase II expansion project.

Foreign exchange gain decreased by 55%, to a gain of US$0.9 million for the three months ended September 30, 2013 from a gain of US$2.0 million for the same 2012 period. The 2013 gain is related to the revaluation of monetary items held in Chinese RMB and Hong Kong Dollars, which was based on changes in the RMB/HKD/USD exchange rates.

Interest and other income of US$1.1 million for the three months ended September 30, 2013 decreased from US$6.4 million for the three months ended September 30, 2012. The decrease is due to the accounting as income of a one-time government grant during the third quarter of 2012.

Income tax expense for the third quarter of 2013 decreased by 49%, to US$3.3 million from US$6.5 million for the three months ended September 30, 2012, primarily due to CSH's reduced income tax expense. During the current quarter, the Company had US$1.5 million of deferred income tax credits (2012: US$2.1 million).

Net income of the Company decreased by US$10.5 million from US$26.4 million for the three months ended September 30, 2012 to US$15.9 million for the three months ended September 30, 2013.

Nine months ended September 30, 2013 compared to nine months ended September 30, 2012

Revenue of US$234.1 million for the nine months ended September 30, 2013 decreased by US$4.9 million, from US$239 million for the same period in 2012.

Revenue from the CSH Mine, which was significantly affected by the substantial drop in gold prices and lower production level, accounted for 58%, or US$136.7 million (2012: US$161.4 million), of total revenue for the nine month period. The decrease in CSH's production, due to lower grades of ore mine and longer recovery periods caused by the growing height of the leaching heap, contributed to the 4% decrease in gold sold from 101,350 ounces (gold produced: 104,041 ounces) in 2012 to 97,432 ounces (gold produced: 99,810 ounces) in 2013.

Revenue from the Jiama Mine accounted for 42% of total revenue, or US$97.4 million (2012: US$77.6 million), an increase of US$19.8 million for 2013 compared to 2012. Total copper sold increased by 28% from 8,245 tonnes (18.18 million pounds) for the nine months ended September 30, 2012 to 10,583 tonnes (23.3 million pounds) for the same period in 2013 due to increased volumes of ore mined and processed, and to improved copper recovery rates.

Cost of sales of US$149.7 million for the nine months ended September 30, 2013, decreased by US$3.6 million, from US$153.3 million for the comparative period in 2012. The decrease in cost of sales is primarily attributable to the increase in recovery rates, in addition to operation optimization of the ore processing facilities at both mines. Cost of sales as a percentage of revenue remained consistent at 64% for the nine months ended September 30, 2013 compared to 2012.

Mine operating earnings of US$84.4 million for the nine months ended September 30, 2013 decreased by 2%, or US$1.3 million, from US$85.7 million for the comparative 2012 period. Mine operating earnings as a percentage of revenue remained consistent at 36% for the nine months ended September 30, 2013 compared to 2012.

General and administrative expenses increased by US$3.0 million, from US$17.2 million for the nine months ended September 30, 2012 to US$20.2 million for the nine months ended September 30, 2013. Increased administrative costs, in addition to professional services provided in relation to on-going projects resulted from, and are in line with the Company's overall growth and development strategy.

Income from operations for the first nine months of 2013 of US$63.9 million decreased by 6%, or US$4.4 million, from US$68.3 million for 2012.

Finance costs of US$7.7 million for the nine months ended September 30, 2013 decreased by 17%, from US$9.3 million for the same period in 2012, primarily due to reduced principal balances for Jiama and CSH's Phase I expansion, in addition to increased interest capitalization for Jiama and CSH's Phase II expansion borrowings. During the nine months ended September 30, 2013 US$3.7 million (2012: Nil) of interest payments were capitalized for borrowing costs relating to Jiama's Phase II expansion project.

Foreign exchange gain increased by 70%, to US$1.7 million for the nine months ended September 30, 2013 from a gain of US$1.0 million for the same 2012 period. The 2013 gain is related to the revaluation of monetary items held in Chinese RMB and Hong Kong Dollars, which is based on changes in the RMB/HKD/USD exchange rates.

Interest and other income of US$6.7 million for the nine months ended September 30, 2013 decreased from US$11.1 million for the nine months ended September 30, 2012. The decrease is primarily due to a reduction of interest income earned on term deposits held during the 2012 comparative period. Starting from September 30, 2012, a portion of the term deposits were used to fund phase II expansion costs incurred for Jiama.

Income tax expense decreased by 24%, to US$14.1 million from US$18.7 million for the nine months ended September 30, 2012, primarily due to a decrease in CSH's income tax expense. During the current period, the Company had US$5.5 million of deferred income tax credits. (2012: US$5.5 million)

Net income of the Company decreased by US$2.0 million from US$52.5 million for the nine months ended September 30, 2012 to US$50.5 million for the nine months ended September 30, 2013.

NON-IFRS MEASURES

The following table provides certain unit cost information on a cash cost of production per ounce (non-IFRS) basis for the CSH Gold Mine for the three and nine months ended September 30, 2013 and 2012:

CSH Mine

	Three months ended September 30,		Nine months ended September 30	
	2013	2012	**2013**	2012
	US$	US$	**US$**	US$
Cost of mining per tonne of ore	**1.48**	1.39	**1.44**	1.30
Cost of mining waste per tonne of ore	**1.75**	5.41	**2.12**	4.36
Other mining costs per tonne of ore	**0.47**	0.58	**0.49**	0.49
Total mining costs per tonne of ore	**3.70**	7.38	**4.05**	6.15
Cost of reagents per tonne of ore	**1.32**	1.32	**1.36**	1.04
Other processing costs per tonne of ore	**1.02**	1.12	**1.10**	1.13
Total processing cost per tonne of ore	**2.34**	2.44	**2.46**	2.17

The cash cost of production is a measure that is not in accordance with IFRS.

The Company has included cash production cost per ounce gold data to supplement its condensed consolidated interim financial statements, which are presented in accordance with IFRS. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance, operating results or financial condition prepared in accordance with IFRS. The Company has included cash production cost per ounce data because it understands that certain investors use this information to determine the Company's ability to generate earnings and cash flow. The measure is not necessarily indicative of operating results, cash flow from operations, or financial condition as determined under IFRS. Cash production costs are determined in accordance with the Gold Institute's Production Cost Standard.

The following table provides a reconciliation of cost of sales to the cash costs of production in total dollars and in dollars per gold ounce for the CSH Mine or per copper tonne for the Jiama Mine:

CSH Mine (Gold)

	Three months ended September 30,				Nine months ended September 30,			
	2013		2012		**2013**		2012	
	US$	**US$ Per ounce**	US$	US$ Per ounce	**US$**	**US$ Per ounce**	US$	US$ Per ounce
Total production costs	**25,928,646**	**786**	30,269,039	904	**84,746,136**	**870**	91,802,931	906
Adjustments	**(5,304,557)**	**(161)**	(3,421,001)	(102)	**(14,476,619)**	**(149)**	(10,498,100)	(104)
Total cash production costs	**20,624,088**	**625**	26,848,038	802	**70,269,517**	**721**	81,304,831	802

Jiama Mine (Copper)

	Three months ended September 30,				Nine months ended September 30,			
	2013		2012		**2013**		2012	
	US$	**US$ Per Pound**	US$	US$ Per pound	**US$**	**US$ Per pound**	US$	US$ Per pound
Total production costs	**28,723,693**	**3.48**	27,453,855	3.67	**84,174,917**	**3.61**	77,999,522	4.29
Adjustments	**(5,289,455)**	**(0.64)**	(8,389,393)	(1.12)	**(15,297,951)**	**(0.66)**	(23,084,038)	(1.27)
Total cash production costs	**23,434,238**	**2.84**	19,064,462	2.55	**68,876,966**	**2.95**	54,915,484	3.02

Production costs above include expenditures incurred on the mine sites for activities related to production. The adjustments above include depreciation and depletion, amortization of intangible assets, and selling expenses included in total production costs.

MINERAL PROPERTIES

The CSH Mine

The CSH Mine is located in the Inner Mongolia Autonomous Region of China (Inner Mongolia). The property hosts two low-grade, near surface gold deposits, along with other mineralized prospects. The main deposit is called the Northeast Zone (the "Northeast Zone"), while the second, smaller deposit is called the Southwest Zone (the "Southwest Zone").

The CSH Mine is owned and operated by Inner Mongolia Pacific Mining Co. Limited, a Chinese Joint Venture in which China Gold International holds a 96.5% interest and Ningxia Nuclear Industry Geological Exploration Institution (formerly known as Brigade 217) holds the remaining 3.5%.

CSH Mine Expansion

The CSH Mine is currently operating at a 30,000 tpd capacity, producing over 133,000 ounces of gold per annum. A NI 43-101 compliant Technical Report Expansion Feasibility Study for the CSH Gold Project ("CSH Technical Report") has been completed by a group of Qualified Persons ("QP"). This report was prepared following the 2011 drilling campaign. The CSH Technical Report supports an expansion plan to increase the processing capacity from 30,000 tpd to 60,000 tpd with a mine life of 11 years. The CSH Technical Report delineates the open pit reserves at the CSH Mine at over 213 million tonnes of ore containing about 4.08 million ounces of gold. Gold production will be increased from the current 133,000 ounces per annum to about 260,000 ounces per annum by 2014. The estimated capital expenditure is US$212.9 million. The After-Tax Net Present Value (NPV) is US$642 million using a discount rate of 9% and an assumed gold price of $1,380/oz.

The CSH Technical Report is available at sedar.com and hkexnews.hk.

The expansion construction by the Company is progressing rapidly and is in line with the expected timeline. As of October 31, 2013, the expansion construction for the additional 30,000 tpd three stage closed circuit crushing system, the new heap leach pad and the new ADR plant are all completed. However, the new 80 kilometer long 110Kilovolt ("KV") power line is still in progress, due to a late start by the local Electricity Supply Bureau. It is expected that the new power line will be completed in November 2013. Currently, the existing 36KV power supply line is sufficient for the existing crushing system in addition to performing test runs on the new 30,000 tpd crushing and processing system.

Production Update

CSH Mine

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Ore mined and placed on pad (tonnes)	**3,598,675**	3,034,263	**10,109,669**	8,586,706
Average grade of ore (g/t)	**0.47**	0.45	**0.46**	0.48
Recoverable gold (ounces)	**38,359**	32,452	**109,077**	99,128
Ending ore inventory (ounces)	**48,584**	34,919	**48,584**	34,919
Waste rock mined (tonnes)	**15,221,077**	16,004,823	**59,610,764**	33,200,841

For the three months ended September 30, 2013, the total amount of ore put on the leach pad was 3.6 million tonnes, with total contained gold of 38,359 ounces (1,193 kilograms). The accumulative project-to-date gold recovery rate has increased from approximately 53.72% at the end of June 2013 to 54.39% at the end of September 2013.

Exploration

The Company has no current drilling program at CSH in 2013. The Company continues to conduct surface reconnaissance and exploration for expansion opportunities around CSH Mine.

The Jiama Mine

The Company acquired the Jiama Mine on December 1, 2010. Jiama is a large copper-gold polymetallic deposit containing copper, gold, silver, molybdenum, and other metals located in the Gandise metallogenic belt in Tibet, Autonomous Region of China.

The Jiama Mine has both underground mining and open-pit mining operations. The open–pit mining operation consists of the smaller Tongqianshan Pit and the larger Niumatang Pit. The underground mining operation consists of two shafts which will extend from an initial depth of 355 metres to a final depth of 600 metres.

Phase I of the Jiama Mine commenced mining operations in the latter half of 2010 and reached its design capacity of 6,000 tpd in early 2011.

Phase II Expansion

The Company has retained the engineering firm Minarco-Mine Consult (MMC), part of the Runge Limited Group of Companies, in conjunction with independent consulting engineers and management to complete a prefeasibility study for the Jiama Mine Phase II expansion. On October 25, 2012, MMC completed a project review and, as part of its engagement, produced a NI 43-101 compliant Independent Pre-Feasibility Study Technical Report ("Jiama Technical Report") on the Jiama Mine. The Jiama Technical Report was filed at sedar.com and hkexnews.hk on November 12, 2012. The Company plans to expand the Jiama Mine from its current mining and processing capacity of 6,000 tpd to 40,000 tpd of ore through the expansion of current open-pit operations and the development of new open-pit and underground mining operations. Phase II Expansion will include four open pits, one underground mine, and a new floatation plant with a processing capacity of 34,000 tpd. The annual mill processing capacity will be increased from the current 1.8 million tonnes of ore per year to 12.3 million tonnes of ore per year, producing approximately 176 million pounds of copper, 2,300 tonnes of molybdenum, 35,000 ounces of gold, 2.7 million ounces of silver annually over a 31 year mine life. LOM (Life Of Mine) average head grade will be 0.77% copper, 0.03% molybdenum, 0.22 g/t gold and 12 g/silver, respectively. The estimated capital expenditure is US$705 million. The project has after-tax Net Present Value (NPV) of US$1.2 billion at a discount rate of 9% at metal price assumptions of $2.90/lb copper, $18/lb molybdenum, $1,380/oz gold, and $16.5/oz silver. The project has after-tax Internal Rate of Return (IRR) of 53.7% and payback period of 4.5 years.

The Company is currently preparing an independent feasibility study for the Jiama Mine's Phase II Expansion and expects to complete it in the fourth quarter of 2013.

Since its commencement the advanced preparation, including the completion of some civil engineering and works and the procurement of long lead time items has progressed as scheduled. The first stage of construction to expand mining operations from 6,000 tpd to 20,000 tpd is expected to be completed by the first half of 2014. Stage two construction of an additional 20,000 tpd capacity is expected to be completed by the first half of 2015.

Production Update

Jiama Mine

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Ore mined (tonnes)	**581,697**	492,064	**1,715,708**	1,394,604
Waste mined (tonnes)	**192,872**	1,337,150	**958,453**	4,086,306
Average copper grade of ore	**0.70%**	0.81%	**0.67%**	0.68%
Copper recovery rate	**91%**	89%	**90%**	86%
Average gold grade of ore (g/t)	**0.39**	0.39	**0.35**	0.36
Gold recovery rate	**65%**	66%	**65%**	62%
Average silver grade of ore (g/t)	**20.85**	25.31	**20.96**	21.83
Silver recovery rate	**62%**	63%	**64%**	58%

Exploration

By the end of September 2013, the Jiama Mine completed its 2013 drilling program for the total of 3,434 meters in the existing Tongqianshan open pit. The Company is evaluating the results of this drilling. Drilling results will be available in the first quarter of 2014. The major goals are to further define the main high grade ore body in the current open pit mining area and also to better understand the geological structural on controlling metallogenic regularity.

The following table shows exploration expenditures expensed and capitalized during the three months and nine months ended September 30, 2013 and September 30, 2012.

Jiama Mine

	Three months ended September 30,		Nine months ended September 30	
	2013	2012	**2013**	2012
	US$'000	US$'000	**US$'000**	US$'000
Exploration expensed	**-**	-	-	-
Exploration capitalized	**728**	504	**3,178**	4,433
	728	504	**3,178**	4,433

LIQUIDITY AND CAPITAL RESOURCES

The Company operates in a capital intensive industry. The Company's liquidity requirements arise principally from the need for working capital to finance the expansion of its mining and processing operations, exploration activities and acquisition of exploration and mining rights. The Company's principal sources of funds have been proceeds from borrowing from commercial banks in China, equity financings, and cash generated from operations. The Company's liquidity primarily depends on its ability to generate cash flow from its operations and to obtain external financing to meet its debt obligations as they become due, as well as the Company's future operating and capital expenditure requirements.

At September 30, 2013, the Company had an accumulated surplus of US$155.8 million, working capital deficit of US$89.1 million and bank borrowings of US$405.5 million. The Company's cash balance at September 30, 2013 was US$96.8 million.

Management believes that its forecast operating cash flows are sufficient to cover the next twelve months of the Company's operations including its planned capital expenditures and current debt repayments. Revenue and related expenses should increase as production increases subsequent to the completion of the planned expansions. Some of the Company's available cash will be used to fund capital expenditures planned for Phase II expansion at the Jiama Mine as well as other business expenses. As of September 30, 2013, the Company has an additional RMB197 million (approximately equivalent to US$32 million) of unutilized loan facilities designated for the expansion project. The Company is also in advanced discussions to arrange project debt financing to support expansion of the Jiama Mine. The CSH Mine's expansion is funded by cash generated from its existing operations in addition to borrowing proceeds from commercial banks in China.

Cash flows

The following table sets out selected cash flow data from the Company's condensed consolidated interim cash flow statements for the periods ended September 30, 2013 and September 30, 2012.

	Three months ended September 30,		**Nine months ended September 30,**	
	2013	2012	**2013**	2012
	US$'000	US$'000	**US$'000**	US$'000
Net cash from operating activities	**17,379**	18,286	**50,118**	38,749
Net cash used in investing activities	**(107,717)**	(21,099)	**(325,268)**	(67,574)
Net cash from (used in) financing activities	**89,902**	(4,622)	**187,633**	2,494
Net increase (decrease) in cash and cash equivalents	**(436)**	(7,435)	**(87,517)**	(26,331)
Effect of foreign exchange rate changes on cash and cash equivalents	**946**	3,292	**2,619**	1,764
Cash and cash equivalents, beginning of period	**96,332**	333,889	**181,740**	354,313
Cash and cash equivalents, end of period	**96,842**	329,746	**96,842**	329,746

Operating cash flow

For the three months ended September 30, 2013, the net cash inflow from operating activities was US$17.4 million which is primarily attributable to (i) profit before income tax of US$19.2 million, (ii) depreciation and depletion of US$8.1 million, and (iii) increase in accounts payable and accrued liabilities of US$5.7 million, partially offset by (i) an increase in inventory of US$5.2 million, (ii) income tax paid of US$6.4 million , and (iii) interest paid of US$4.3 million.

For the nine months ended September 30, 2013, the net cash inflow from operating activities was US$ 50.1 million which is primarily attributable to (i) profit before income tax of US$64.7 million, (ii) depreciation and depletion of US$24.3 million and (iii) finance cost of US$ 7.7 million, partially offset by (i) income tax paid of US$ 26.7 million, (ii) decrease in accounts payable and accrued liabilities of US$ 6.9 million, and (iii) interest paid of US $10.9 million.

Investing cash flow

For the three months ended September 30, 2013, the net cash outflow from investing activities was US$107.7 million, which is primarily attributable to (i) the acquisition of property, plant and equipment of US$93.7 million, and (ii) Deposits paid for acquisition of property , plant and equipment of US$14.6 million, partially offset by receipt of a government grant of US$0.57 million.

For the nine months ended September 30, 2013, the net cash outflow from investing activities was US$ 325.3 million, which is primarily attributable to payment for the acquisition of property, plant and equipment of US$324.5 million and deposits paid for acquisition of property, plant and equipment of US$ 17.9 million, partially offset by an entrusted loan repayment from CNG of US$16.1 million and receipt of government grants of US$2.4 million.

Financing cash flow

For the three months ended September 30, 2013, the net cash inflow from financing activities was US$89.9 million, which is primarily attributable to proceeds from a bank loan of US$94.7 million, partially offset by repayments of borrowings of US$4.9 million.

For the nine months ended September 30, 2013, the net cash inflow from financing activities was US$187.6 million, which is primarily attributable to proceeds from a bank loan of US$215.2 million, partially offset by repayments of borrowings of US$27.6 million.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total debt to consolidated total equity. As at September 30, 2013, the Company's total debt was US$624 million and the total equity was US$1,425 million. The Company's gearing ratio was therefore 0.44 as at September 30, 2013 and 0.32 as at September 30, 2012.

Restrictive covenants

The Company is subject to various customary conditions and covenants under the terms of its financing agreements.

Under the loan agreement between the CSH CJV and the Agricultural Bank of China ("ABC"), the CSH CJV is prohibited from distributing dividends before repaying amounts due under the loan agreement in the same fiscal year. In addition, the CSH CJV is required to obtain the lender's consent prior to carrying out certain activities or entering into certain transactions such as a reduction of registered capital, disposal of assets, mergers and acquisitions and provision of guarantee or creating charges over its material assets in favor of third-parties. The ABC loan is secured by the relevant mining rights of the CSH Mine.

Under the loan agreements between Jiama and the Bank of China ("BOC") and between Jiama and the various banks providing the syndicated loan facility, Jiama is prohibited from distributing dividends before offsetting accumulated losses of the prior accounting year, repaying the principal, interest, and other expenses due under the loan agreement in the current fiscal year, and repaying the principal, interest and other expenses due under the loan agreement in the next fiscal year. In addition, Jiama is required to obtain the lender's written approval prior to reducing registered capital, processing one or more transactions or a series of transactions in the form of a sale, lease, transfer or other way leading to the disposal of assets that together total over RMB5.0 million, entering into any merger or acquisition, providing a guarantee or creating charges over its material assets in favor of third parties. The BOC and Syndicate loan facility are secured by the relevant mining rights and assets of the Jiama Mine.

BOC Short-term loan

On July 5, 2013, the Company entered into a loan agreement amounting to RMB400 million (equivalent to US$65 million) with BOC. The loan matures in 36 months and carries interest of 4.17% per annum.

ABC Short-term loan

On July 9, July 10, and September 17, 2013, the Company entered into three one-year loan agreements with ABC, with each agreement being for RMB100 million (equivalent to USD$16 million). The loans carry interest at a floating rate based on the People's Bank of China base rate.

COMMITMENTS AND CONTINGENCIES

Commitments and contingencies include principal payments on the Company's bank loans and syndicated loan facility, material future aggregate minimum operating lease payments required under the operating leases and capital commitments in respect of the future acquisition of property, plant and equipment and construction for both the CSH Mine and the Jiama Mine.

The Company has leased certain properties in China and Canada, which are all under operating lease arrangements and are negotiated for terms of between one and seventeen years. The Company is required to pay a fixed rental amount under the terms of these leases.

The Company's capital commitments relate primarily to the payments for purchase of equipment and machinery for both mines and payments to third-party contractors for the provision of mining and exploration engineering work and mine construction work for both mines. The Company has entered into contracts that prescribe such capital commitments; however, liabilities relating to them have not yet been incurred. Therefore, capital commitments are not included in the Company's consolidated financial statements.

There were no significant changes in capital commitments and operating lease commitments between December 31, 2012 and September 30, 2013. The following table outlines principal payments on bank loans for the periods indicated:

Payment Due by Period

	Total US$'000	Within One year US$'000	Within One to two years US$'000	Within Two to five years US$'000	Over 5 years US$'000
Principal repayment of bank loans	**405,510**	171,926	106,174	127,410	-

In addition to the table set forth above, the Company has entered into service agreements with third-party contractors such as China Railway and China Metallurgical for the provision of mining and exploration engineering work and mine construction work for the CSH Mine. The fees for such work performed and to be performed each year varies depending on the amount of work performed. The Company has similar agreements with third party contractors for the Jiama Mine.

RELATED PARTY TRANSACTIONS

CNG owned 39.3 percent of the outstanding common shares of the Company as at September 30, 2013 and December 31, 2012.

The Company had major related party transactions with the following companies related by way of shareholders and shareholder in common:

On October 24, 2008, the Company's subsidiary, Inner Mongolia Pacific entered into a non-exclusive contract for the purchase and sale of doré with CNG (the "2008 Contract") pursuant to which Inner Mongolia Pacific occasionally sold gold doré bars to CNG through to December 31, 2011. The pricing was based on the daily average price of Au9995 gold ingot as quoted on the Shanghai Gold Exchange and the daily average price of No. 2 silver as quoted on the Shanghai Huatong Platinum & Silver Exchange prevailing at the time of each relevant purchase order during the contract period. On January 27, 2012, Inner Mongolia Pacific entered into a contract with CNG in order to regulate the sale and purchase of gold doré that was to be carried out between them for the three years ending December 31, 2012, 2013 and 2014, for the purpose of keeping the same pricing terms as the 2008 Contract.

On April 26, 2013, Huatailong, an indirectly wholly-owned subsidiary of the Company, entered into the Contract for Purchase and Sale of Copper Concentrate with China National Gold Group International Trading Co. Ltd, which is ultimately controlled by CNG, for the purpose of governing the sale and purchase of copper sulphide concentrates produced at the Jiama Mine for the two years ending December 31, 2013 and 2014, with pricing referenced to the prescribed figures disclosed in the contract, based on the monthly average bench mark prices of copper, gold and silver. The first sales transaction under the contract occurred in July 2013.

Revenue from sales of gold doré bars to CNG decreased from US$158.7 million for the nine months ended September 30, 2012 to US$133.4 million for the nine months ended September 30, 2013.

Revenue from sales of copper and other products to CNG was US$30.3 million for the nine months ended September 30, 2013, compared with nil in the same period in 2012.

For the nine months ended September 30, 2013, construction services of US$165.6 million were provided to the Group by subsidiaries of CNG (US$16.4 million for the nine months ended September 30, 2012).

In addition to the aforementioned major related party transactions, the Company also obtains additional services from related parties in its normal course of business.

PROPOSED TRANSACTIONS

The Board of Directors has given the Company approval to conduct reviews of a number of projects that may qualify as acquisition targets through joint venture, merger and/or outright acquisitions. The Group did not have any material acquisition and disposal of subsidiaries and associated companies in the nine months ended September 30, 2013.

CRITICAL ACCOUNTING ESTIMATES

In the process of applying the Company's accounting policies, the Directors of the Company have identified accounting judgments and key sources of estimation uncertainty that have a significant effect on the amounts recognized in the audited annual consolidated financial statements.

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months are described in Note 4 of the audited annual consolidated financial statements for the year ended December 31, 2012.

CHANGE IN ACCOUNTING POLICIES

A summary of new and revised IFRS standards and interpretations are outlined in Note 2 of the condensed interim consolidated financial statements as at September 30, 2013.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company holds a number of financial instruments, the most significant of which are available-for-sale investments, accounts receivable, accounts payable, cash and loans. The financial instruments are recorded at either fair values or amortized amount on the balance sheet.

The Company did not have any derivatives as at September 30, 2013.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2013, the Company had not entered into any off-balance sheet arrangements.

DIVIDEND AND 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.

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.

A dividend may be paid wholly or partly by the distribution of cash, specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways. No dividend may be declared or paid in money or assets if there are reasonable grounds for believing that the Company is insolvent or the payment of the dividend would render the Company insolvent.

OUTSTANDING SHARES

As of September 30, 2013 the Company had 396,413,753 common shares issued and outstanding.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the Company's DC&P and ICFR as of September 30, 2013 and, in accordance with the requirements established under Canadian National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures were effective as September 30, 2013, and provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

The Company's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the Company's ICFR as of September 30, 2013 and have concluded that these controls and procedures were effective as of September 30, 2013 and provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means design of controls cannot provide absolute assurance that all control issues and instances of fraud will be detected. During the nine months ended September 30, 2013, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISK FACTORS

There are certain risks involved in the Company's operations, some of which are beyond the Company's control. Aside from risks relating to business and industry, the Company's principal operations are located within the People's Republic of China and are governed by a legal and regulatory environment that in some respects differs from that which prevails in other countries. Readers of this MD&A should give careful consideration to the information included in this document and the Company's audited annual consolidated financial statements and related notes. Significant risk factors for the Company are metal prices, government regulations, foreign operations, environmental compliance, the ability to obtain additional financing, risk relating to recent acquisitions, dependence on management, title to the Company's mineral properties, and litigation. China Gold International's business, financial condition or results of operations could be materially and adversely affected by any of these risks. For details of risk factors, please refer to the Company's annual audited consolidated financial statements, and Annual Information Form filed from time to time on SEDAR at www.sedar.com.

QUALIFIED PERSON

Disclosure of a scientific or technical nature in this section of the MD&A in respect of updates at the CSH Gold Project and Jiama project was prepared by or under the supervision of Mr. Songlin Zhang, a qualified person for the purposes of NI 43-101.

November 14, 2013

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

(Incorporated in British Columbia, Canada with limited liability)

Condensed Consolidated Financial Statements

For the Nine Months Ended September 30, 2013

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	NOTES	Three months ended September 30, 2013 US$'000	Three months ended September 30, 2012 US$'000	Nine months ended September 30, 2013 US$'000	Nine months ended September 30, 2012 US$'000
Revenues	14	75,733	84,938	234,101	239,001
Cost of sales		(48,478)	(51,207)	(149,743)	(153,269)
Mine operating earnings		27,255	33,731	84,358	85,732
Expenses					
General and administrative	3	(7,410)	(6,020)	(20,232)	(17,170)
Exploration and evaluation expenditure		(45)	(60)	(164)	(242)
		(7,455)	(6,080)	(20,396)	(17,412)
Income from operations		19,800	27,651	63,962	68,320
Other income (expenses)					
Foreign exchange gain		894	1,977	1,730	1,016
Interest and other income		1,133	6,357	6,732	11,117
Finance costs	4	(2,665)	(3,081)	(7,738)	(9,321)
		(638)	5,253	724	2,812
Profit before income tax		19,162	32,904	64,686	71,132
Income tax expense	5	(3,279)	(6,508)	(14,163)	(18,657)
Profit for the period		15,883	26,396	50,523	52,475
Other comprehensive income for the period					
Items that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation		(383)	1,791	3,549	466
Fair value loss on available-for-sale investment		(1,181)	(905)	3,080	(905)
Income tax relating to the gain on available-for-sale investment		177	-	(425)	-
Total comprehensive income for the period		14,496	27,282	56,727	52,036
Profit for the period attributable to					
Non-controlling interests		647	875	1,845	1,861
Owners of the Company		15,236	25,521	48,678	50,614
		15,883	26,396	50,523	52,475
Total comprehensive income for the period attributable to					
Non-controlling interests		647	879	1,853	1,863
Owners of the Company		13,849	26,403	54,874	50,173
		14,496	27,282	56,727	52,036
Basic earnings per share	6	3.84 cents	6.44 cents	12.28 cents	12.77 cents
Diluted earnings per share	6	3.84 cents	6.44 cents	12.28 cents	12.77 cents
Basic weighted average number of common shares outstanding		396,408,047	396,278,644	396,374,046	396,237,256
Diluted weighted average number of common shares outstanding		396,410,289	396,338,535	396,395,283	396,321,759

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2013

	NOTES	September 30, 2013 US$'000	December 31, 2012 US$'000 (audited)
Current assets			
Cash and cash equivalents		96,842	181,740
Accounts receivable	7	4,865	3,380
Prepaid expenses, deposits and other receivables		10,189	10,270
Entrusted loan receivable		-	16,052
Prepaid lease payments		233	194
Inventory	8	48,469	38,450
		160,598	250,086
Non-current assets			
Prepaid expenses, deposits and other receivables		23,841	45,727
Prepaid lease payments		8,386	6,626
Inventory	8	4,002	10,005
Deferred tax assets		12,057	7,100
Available-for-sale investments		24,467	21,373
Property, plant and equipment	9	870,599	517,115
Mining rights		944,134	948,232
		1,887,486	1,556,178
Total assets		2,048,084	1,806,264
Current liabilities			
Accounts payable and accrued expenses	10	71,958	75,073
Borrowings	11	171,926	72,234
Tax liabilities		5,849	12,193
		249,733	159,500
Net current assets (liabilities)		(89,135)	90,586
Total assets less current liabilities		1,798,350	1,646,764

	NOTES	September 30, 2013 US$'000	December 31, 2012 US$'000 (audited)
Non-current liabilities			
Borrowings	11	233,584	140,695
Deferred tax liabilities		129,900	130,659
Deferred income		2,930	803
Environmental rehabilitation		7,381	6,813
		373,795	278,970
Total liabilities		623,528	438,470
Owners' equity			
Share capital	12	1,229,061	1,228,731
Reserves		29,869	23,761
Retained profits		155,844	107,166
		1,414,774	1,359,658
Non-controlling interests		9,782	8,136
Total owners' equity		1,424,556	1,367,794
Total liabilities and owners' equity		2,048,084	1,806,264

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on November 14, 2013 and are signed on its behalf by:

(Signed by) Xin Song	(Signed by) Zhanming Wu
Xin Song	Zhanming Wu
Director	Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Number of shares	Share capital US$'000	Equity reserve US$'000 (note a)	Investment revaluation reserve US$'000	Exchange reserve US$'000	Statutory reserve US$'000 (note b)	Retained profits US$'000	Subtotal US$'000	Non-controlling interests US$'000	Total owners' equity US$'000
At January 1, 2012 (audited)	396,163,753	1,228,184	11,354	-	5,097	-	40,161	1,284,796	5,736	1,290,532
Profit for the period	-	-	-	-	-	-	50,614	50,614	1,861	52,475
Fair value loss on available-for-sale investment	-	-	-	(905)	-	-	-	(905)	-	(905)
Exchange difference arising on translation	-	-	-	-	464	-	-	464	2	466
Total comprehensive income for the period	-	-	-	(905)	464	-	50,614	50,173	1,863	52,036
Exercise of stock options	155,000	547	(206)	-	-	-	-	342	-	342
Share-based compensation	-	-	86	-	-	-	-	86	-	86
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(185)	(185)
At September 30, 2012 (unaudited)	396,318,753	1,228,731	11,235	(905)	5,561	-	90,775	1,335,397	7,414	1,342,811
At January 1, 2013 (audited)	396,318,753	1,228,731	11,251	559	8,018	3,933	107,166	1,359,658	8,136	1,367,794
Profit for the period	-	-	-		-	-	48,678	48,678	1,845	50,523
Fair value loss on available-for-sale investment	-	-	-	2,655	-	-	-	2,655	-	2,655
Exchange difference arising on translation	-	-	-	-	3,541	-	-	3,541	8	3,549
Total comprehensive income for the period	-	-	-	2,655	3,541	-	48,678	54,874	1,853	56,727
Exercise of stock options	95,000	330	(124)			-	-	206	-	206
Share-based compensation			36	-	-	-	-	36	-	36
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(207)	(207)
At September 30, 2013 (unaudited)	396,413,753	1,229,061	11,163	3,214	11,559	3,933	155,844	1,414,774	9,782	1,424,556

Notes:

(a) Amounts represent equity reserve arising from share-based compensation provided to employees under the stock option plan of the Company and deemed contribution from shareholders in previous years.

(b) Statutory reserve which consists of appropriations from the profit after taxation of the subsidiaries established in the People's Republic of China ("PRC"), forms part of the equity of PRC subsidiaries. In accordance with the PRC Company Law and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate an amount equal to a minimum of 10% of their profits after taxation each year to a statutory reserve until the reserve reaches 50% of the registered capital of the respective subsidiaries.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Net cash flows from operating activities	17,379	18,286	50,118	38,749
Investing activities				
Payment for acquisition of property, plant and equipment	(93,717)	(20,685)	(324,481)	(47,628)
Deposit paid for acquisition of property, plant and equipment	(14,566)	(414)	(17,879)	(662)
Acquisition of available-for-sale investment	-	-	-	(20,011)
Settlement of deferred consideration from disposal of a mining project to a related company	-	-	-	(671)
Receipt of government grant	566	-	2,397	-
Receipt of deferred consideration from disposal of a mining project to a related company	-	-		1,398
Interest received from entrusted loan from a substantial shareholder	-	-	452	-
Repayment of entrusted loan from a substantial shareholder	-	-	16,052	-
Purchase of land use right	-	-	(1,809)	-
Net cash used in investing activities	(107,717)	(21,099)	(325,268)	(67,574)
Financing activities				
Repayments of borrowings	(4,897)	(4,723)	(27,608)	(7,887)
Dividend paid to a non-controlling shareholder	-	-	(209)	(185)
Deemed capital contribution from a shareholder through settlement of listing fee	-	-	-	2,736
Proceeds from borrowing	94,683	-	215,244	7,488
Issuance of common shares upon exercise of stock options	116	101	206	342
Net cash flows (used in) from financing activities	89,902	(4,622)	187,633	2,494
Net (decrease) increase in cash and cash equivalents	(436)	(7,435)	(87,517)	(26,331)
Effect of foreign exchange rate changes on cash and cash equivalents	946	3,292	2,619	1,764
Cash and cash equivalents, beginning of period	96,332	333,889	181,740	354,313
Cash and cash equivalents, end of period	96,842	329,746	96,842	329,746

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting.

The Group had net current liabilities of approximately US$89.1 million as at September 30, 2013, of which current liabilities of approximately US$171.9 million were attributable to bank borrowings due within one year. Taking into account the Group's cash flow projection, including the Group's unutilised banking facilities, the Group's ability to renew or refinance the banking facilities upon maturity and the Group's future capital expenditure in respect of its non-cancellable capital commitments, the Group considers that it has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, the financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended September 30, 2013 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2012.

2. PRINCIPAL ACCOUNTING POLICIES - continued

In the current interim period, the Group has applied the following new and revised standards, interpretation and amendments ("new and revised IFRS") which are mandatorily effective for the current interim period:

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

Under the amendments to IAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income'. In addition, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments have been applied retrospectively. The Group has renamed its condensed consolidated statement of comprehensive income to condensed consolidated statement of profit or loss and other comprehensive income and the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 15.

The application of the other new and revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosure set out in these condensed consolidated financial statements.

3. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	US$'000	US$'000	US$'000	US$'000
Administration and office	3,091	628	8,269	2,474
Professional fees	1,710	694	3,071	2,094
Salaries and benefits	1,961	1,514	6,788	5,677
Depreciation of property, plant and equipment	411	278	1,039	838
Others	237	2,906	1,065	6,087
	7,410	6,020	20,232	17,170

4. FINANCE COSTS

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	US$'000	US$'000	US$'000	US$'000
Effective interest on borrowings	4,294	2,965	10,894	8,881
Accretion on environmental rehabilitation	203	116	564	440
	4,497	3,081	11,458	9,321
Less: Amounts capitalised to property, plant and equipment	(1,832)	-	(3,720)	-
	2,665	3,081	7,738	9,321

5. INCOME TAX EXPENSE

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	US$'000	US$'000	US$'000	US$'000
PRC Enterprise Income Tax	4,789	8,660	19,679	24,166
Deferred tax credits	(1,510)	(2,152)	(5,516)	(5,509)
	3,279	6,508	14,163	18,657

6. EARNINGS PER SHARE

Data used in determining earnings per share are presented below:

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share (US$'000)	15,236	25,521	48,678	50,614
Weighted average number of shares, basic	396,408,047	396,278,644	396,374,046	396,237,256
Dilutive securities - Stock options	2,242	59,891	21,239	84,503
Weighted average number of shares, diluted	396,412,289	396,338,535	396,395,285	396,321,759
Basic earnings per share	3.84 cents	6.44 cents	12.28 cents	12.77 cents
Diluted earnings per share	3.84 cents	6.44 cents	12.28 cents	12.77 cents

7. ACCOUNTS RECEIVABLE

	September 30, 2013 US$'000	December 31, 2012 US$'000
Trade receivables	235	1,234
Less: allowance for doubtful debts	(50)	(50)
	185	1,184
Amounts due from related companies	2,606	1,354
Other receivables	2,074	842
Total accounts receivable	4,865	3,380

The Group allows credit periods of 90 days and 180 days to its trade customers for gold doré bar sales and copper sales respectively.

7. **ACCOUNTS RECEIVABLES** – Continued

Below is an aged analysis of trade receivables presented based on invoice date at the end of the reporting period:

	September 30, 2013	December 31, 2012
	US$'000	US$'000
Less than 30 days	16	372
31 to 90 days	30	343
91 to 180 days	53	249
Over 180 days	86	220
	185	1,184

8. INVENTORY

	September 30, 2013	December 31, 2012
	US$'000	US$'000
Gold in process	30,231	26,192
Gold doré bars	4,946	4,127
Consumables	3,598	7,677
Copper	5,702	5,004
Spare parts	7,994	5,455
Total inventory	52,471	48,455
Less: Amounts expected to be recovered after 12 months (note) (shown under non-current assets)	(4,002)	(10,005)
Amounts shown under current assets	48,469	38,450

Note: Management has taken into consideration the long-term process involved in recovering gold from a heap leaching system and has classified inventory, specifically, the gold in process, that is expected to be recovered more than twelve months after the end of the reporting period into non-current assets.

Inventory totaling US$46.86 million and US$144.87 million for the three and nine months ended September 30, 2013 (US$46.67 million and US$140.52 million for the three and nine months ended September 30, 2012), respectively, was recognised in cost of sales.

9. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended September 30, 2013, the Group incurred approximately US$303.3 million on construction in progress (nine months ended September 30, 2012: approximately US$23.2 million) and approximately US$59.2 million on mineral assets (nine months ended September 30, 2012: approximately US$19.2 million), respectively.

Depreciation of property, plant and equipment was US$8.1 million and US$24.4 million for the three and nine months ended September 30, 2013 (US$7 million and US$19.6 million for the three and nine months ended September 30, 2012), respectively. The depreciation amounts were party recognised in cost of sales and general and administrative expenses and partly capitalised in inventory.

10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payables and accrued expenses comprise the following:

	September 30, 2013	December 31, 2012
	US$'000	US$'000
Accounts payable	15,678	18,837
Construction cost payables	29,325	27,697
Advances from customers	5,828	6,221
Mining cost and other accruals	7,475	3,747
Payroll and benefit accruals	2,979	4,631
Other accruals	2,316	1,643
Other tax payables	5,721	6,803
Other payables	2,636	5,494
	71,958	75,073

The following is an aged analysis of accounts payable presented based on invoice date as at the end of the reporting period:

	September 30, 2013	December 31, 2012
	US$'000	US$'000
Less than 30 days	12,013	9,872
31 to 90 days	626	3,944
91 to 180 days	679	244
Over 180 days	2,360	4,777
Total accounts payable	15,678	18,837

11. BORROWINGS

The borrowings are repayable as follows:

	September 30, 2013 US$'000	December 31, 2012 US$'000
Carrying amount repayable within one year	171,926	72,234
Carrying amount repayable more than one year, but not exceeding two years	106,174	60,345
Carrying amount repayable more than two years, but not exceeding five years	127,410	80,260
	405,510	212,929
Less: Amounts due within one year shown under current liabilities	(171,926)	(72,234)
Amount shown under non-current liabilities	233,584	140,695
Analysed as:		
Secured	168,246	192,623
Unsecured	237,264	20,306
	405,510	212,929

Borrowings carry interest at effective interest rates ranging from 4.0% to 6.1% (December 31, 2012: 4.2% to 6.3%) per annum.

12. SHARE CAPITAL AND OPTIONS

(a) Common shares

Authorized - Unlimited common shares without par value

Issued and outstanding – 396,413,753 (December 31, 2012: 396,318,753) common shares at September 30, 2013.

(b) Stock options

The Group has a stock option plan which permits the Board of Directors of the Company to grant options to directors and employees of the Group to acquire common shares of the Company at the fair market value on the date of approval by the Board of Directors. A portion of the stock options vest immediately on the grant date and the balance vest over a period of up to five years from the grant date.

The stock options have a life of up to six years from the grant date. The fair value of the exercise price is the weighted average price of the common shares for the five days on which they were traded immediately preceding the approval by the board of directors.

12. SHARE CAPITAL AND OPTIONS - continued

The following is a summary of option transactions under the Company's stock option plan:

	January 1, 2013 to September 30, 2013		January 1, 2012 to December 31, 2012	
	Number of options	Weighted average exercise price CAD	Number of options	Weighted average exercise price CAD
Balance at January 1	540,000	4.62	695,000	3.98
Options exercised	(95,000)	2.20	(155,000)	2.18
Options expired	(45,000)	-	-	-
Balance, end of period/year	400,000	5.56	540,000	4.62

No stock options were granted during the nine months ended September 30, 2013 and the year ended December 31, 2012.

The following table summarises information about stock options outstanding and exercisable at September 30, 2013.

	Options outstanding			Options exercisable	
Expiring in	Number outstanding at September 30, 2013	Remaining contractual life (years)	Weighted average exercise price CAD	Number exercisable at September 30, 2013	Weighted average exercise price CAD
2013	-	N/A	N/A	-	N/A
2015	400,000	1.67	5.56	320,000	5.43
	400,000		5.56	320,000	5.43

The following table summarises information about stock options outstanding and exercisable at December 31, 2012:

	Options outstanding			Options exercisable	
Expiring in	Number of stock options	Remaining contractual life (years)	Weighted average exercise price CAD	Number of stock options	Weighted average exercise price CAD
2013	140,000	0.55	2.20	140,000	2.20
2015	400,000	2.42	5.47	240,000	5.21
	540,000		4.62	380,000	4.10

13. RELATED PARTY TRANSACTIONS

The Group operates in an economic environment currently predominated by enterprises directly or indirectly owned or controlled or significantly influenced by the PRC government (hereinafter collectively referred to as "Government-related entities"). In addition, the Group itself is a Government-related entity. CNG, a substantial shareholder with significant influence over the Group, is a state-owned company registered in Beijing, PRC, which is controlled by SASAC of the PRC.

During the period, except as disclosed below, the Group did not have any individually significant transactions with other government-related entities in its ordinary and usual course of business.

Name and relationship with related parties during the period/year is as follows:

CNG owned the following percentages of outstanding common shares of the Company:

	September 30, 2013	December 31, 2012
	%	%
CNG	39.3	39.3

(a) Transactions/balances with Government-related entities in the PRC

(i) Transactions/balances with CNG and its subsidiaries

The Group had the following transactions with CNG and CNG's subsidiaries:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Gold doré bar sales by the Group	43,087	52,462	133,421	158,733
Copper and other products sales by the Group	30,316	-	30,316	-
Provision of transportation services by the Group	358	973	1,872	1,638
Construction services provided to the Group	28,319	930	165,556	16,352

13. RELATED PARTY TRANSACTIONS – continued

(a) Transactions/balances with Government-related entities in the PRC

(i) Transactions/balances with CNG and its subsidiaries

The Group has the following significant balances with CNG and its subsidiaries at the end of each reporting period:

	September 30, 2013	December 31, 2012
	US$'000	US$'000
Assets		
Other receivables	3,827	1,929
Entrusted loan receivable from CNG	-	16,052
Total amounts due from CNG and its subsidiaries	3,827	17,981

The amounts due from CNG and its subsidiaries which are included in accounts receivable, are non-interest bearing, unsecured and have no fixed terms of repayment.

	September 30, 2013	December 31, 2012
	US$'000	US$'000
Liabilities		
Accounts payable to CNG's subsidiaries	1,510	-
Customer advance paid by CNG’s subsidiary	5,413	-
Total amounts due to CNG and its subsidiaries	6,923	-

The amounts due to CNG's subsidiaries which are included in other payables, are non-interest bearing, unsecured and have no fixed terms of repayment.

(ii) Transactions/balances with other Government-related entities in the PRC

Apart from the transactions with CNG and its subsidiaries disclosed above, the Group has also entered into transactions of bank deposits, borrowings and other general banking facilities with other Government-related entities in its ordinary course of business.

13. RELATED PARTY TRANSACTIONS – continued

(b) Transactions/balances with non-government related parties/entities - continued

The Group had the following compensation to other key management personnel during the period:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Salaries and other benefits	334	133	715	373
Post employment benefits	3	-	12	5
	337	133	727	338

14. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker which is responsible for allocating resources and assessing performance of the operating segments, has been defined as the executive directors of the Company. The chief operating decision-maker has identified two operating segments as follows:

(i) The mine-produced gold segment - the production of gold bullion through the Group's integrated operation, i.e., mining, metallurgical processing, production and selling of gold doré bars to external clients.

(ii) The mine-produced copper segment - the production of copper concentrate and other by-products through the Group's integrated operation, i.e., mining, metallurgical processing, production and selling to external clients.

14. SEGMENT INFORMATION - continued

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the nine months ended September 30, 2013

	Mine-produced gold	Mine-produced copper	Segment total and consolidated
	US$'000	US$'000	US$'000
REVENUE - EXTERNAL	136,734	97,367	234,101
SEGMENT PROFIT	51,988	32,370	84,358
General and administrative expenses			(20,232)
Exploration and evaluation expenditure			(164)
Foreign exchange gain			1730
Interest and other income			6732
Finance costs			(7,738)
Profit before income tax			64,686

For the nine months ended September 30, 2012

	Mine-produced gold	Mine-produced copper	Segment total and consolidated
	US$'000	US$'000	US$'000
REVENUE - EXTERNAL	161,374	77,627	239,001
SEGMENT PROFIT	69,572	16,160	85,733
General and administrative expenses			(17,170)
Exploration and evaluation expenditure			(242)
Foreign exchange gain			1,016
Interest and other income			11,117
Finance costs			(9,321)
Profit before income tax			71,133

14. SEGMENT INFORMATION - continued

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the mine operating earnings by each segment representing the revenue less direct cost of sales as shown on the condensed consolidated statement of comprehensive income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

There was no inter-segment sales for the three and nine months ended September 30, 2013 and 2012.

As of September 30, 2013, the total assets of Mine-produced gold and Mine-produced copper reportable segments are approximately US$408.4 million and US$1,571.9 million, respectively (December 31, 2012: US$261.4 million and US$1,335 million, respectively).

As of September 30, 2013, the total liabilities of Mine-produced gold and Mine-produced copper reportable segments are US$97.3 million and US$525.0 million, respectively (December 31, 2012: US$38.2 million and US$54.9 million, respectively).

15. FINANCIAL INSTRUMENTS

As at September 30, 2013 and December 31, 2012, the Group's available-for-sale investment include investment in equity securities listed in Hong Kong and investment in an unlisted company incorporated in the PRC.

Subsequent to initial recognition at fair value, investment in equity securities listed on the Stock Exchange is measured from quoted price (unadjusted) in active market (Level 1 fair value measurement). As at September 30, 2013, US$23,650,231 (December 31, 2012: US$20,570,000) investment in listed equity securities is measured at fair value on a recurring basis. The Group's investment in listed equity securities represent investment in a company engaged in mining, processing and trading of nonferrous metals in the PRC. For the nine months ended September 30, 2013, the fair value increase of US$3,080,231 was recorded in other comprehensive income.

As at September 30, 2013, US$816,727 (December 31, 2012: US$803,000) investment in an unlisted company incorporated in the PRC is measured at cost since the investment in unlisted equity instrument does not have a quoted market price and the fair value cannot be measured reliably.

Fair value hierarchy has been defined in the Group's consolidated financial statements for the year ended December 31, 2012. There was no transfer between Levels 1, 2 and 3 in the current and prior periods.

16. CONTINGENT LIABILITIES

During the year ended December 31, 2012, the Company received a notice from China International Economic and Trade Arbitration Commission (the "Commission") alleging that the Company breached the agreement with one of its construction suppliers. The Company filed a countersuit against the construction suppliers to the Commission for the unsatisfactory result of the construction and the destruction of certain plant, property and equipment. As a result, the Commission assigned a third party expert for evaluation of the validity of the claims made by both parties. As of the date of the report, the evaluation is still in progress, and therefore, the management considers the arbitration to be in a preliminary stage and the potential loss cannot be measured reliably.

17. EVENTS AFTER THE REPORTING PERIOD

The Group has no material subsequent events after the end of the reporting period.