



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

2013

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

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



Important Notice

This report is the fourth corporate social responsibility report published by China Gold International Resources Corp. Ltd. The Company expects to publish the report on an annual basis in the future. In the report 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 3.0) 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 cover is calendar year 2013, 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 site.

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MESSAGE FROM THE CHAIRMAN



● Mr. Xin Song,
Chairman of China Gold International

In 2013, facing adverse factors such as the complex and various domestic economic environment and large fluctuation of precious metal prices, we still have realized higher output and favorable business performance in the year. In the entire year, the Company realized 148,326 ounces of gold with income of 303 Million USD and profit of 57 Million USD. The performance shows our excellent asset quality and our ability to continuously return to shareholders.

The Phase II construction is completed as scheduled, and the output has been improved effectively. In 2013, through hard work and endeavor, the Company successfully realized the commitment to shareholders, and smoothly finished the phase II expansion of the mine according to the schedule. The Phase II expansion project in Pacific, Inner Mongolia conducted test run on August 1, 2013 as scheduled. At present, the largest heap leaching gold mine in North China with daily ore milling volume of 60,000 ton and annual gold output of over 8 ton has been putted into operation. The site selection and civil construction of Huatailong Expansion Project in Tibet have been completed, and a series of main equipment is installed; the key nodes such as outdoor stripping engineering, tape included shaft development and tailing pond construction keep solving difficulties and improving ceaselessly, which lay foundation for two operation series with ore processing capacity of 50,000 tpd. The completion and overall operation of phase II expansion will bring continuous and abundant return to shareholders.

The Company perseveringly promotes scientific and technological innovation, and actively practices social

responsibilities. Tibet Huatailong Cu-Mo separation achieved full success and smoothly realized industrialization. The average recovery rate of copper is 90.45% and molybdenum is 52.18%. The overall technology reaches international advanced level. Especially, Cu-Mo separation technology in the area with extremely cold climate, high altitude and ecological fragile area is playing a demonstration role to similar mines. In scientific and technological achievements authentication presided over by China Gold Association, eight scientific and technological achievements of Tibet Huatailong passed the authentication, among which one study has reached the international leading level, four studies have reached international advanced level, and three studies have reached domestic leading level. Moreover, Tibet Huatailong has finished multiple national "twelfth five-year" plan science and technology support subject studies, and fully passed the annual acceptance inspection organized by Ministry of Science and Technology. Inner Mongolia Pacific has primarily formed the technology standard system in line with international standards. It promotes new high of processing, metallurgy and recovery rate through actively carrying out technological innovation, solving difficulties of pipeline scaling and blocking, properly disposing acid gas, and ceaselessly perfecting the heap leaching process.

Following the people-oriented principle, the Company elaborately cultivates technical strength of mining construction, and establishes development platform for personnel. The Company, with the support of its major shareholder China Gold Group, transfers technological backbones from inland gold enterprise to support the production and construction of Jiama Mine, implements enterprise talent cultivation plan and mentoring, strengthens skill talent team cultivation. Through personnel vacation system enhancement, remuneration incentive function, well-designed personnel career plan, and emphasis on the bridge role of personnel post promotion mechanism, the Company promotes employment localization progress dramatically and creates a technical team with young personnel. Many technical force and technical talents are reserved for the development of the Company.

The Company knows quite well that winning the respect of communities and government where the Company' s operation locates is crucial to guarantee future success of our business. Therefore, we not only pay attention to profitability, but also lay more emphasis on actively interacting and exchange with local communities by advocating social responsibility and participating in local charity activities. We, all the time, focus on improving the living and working standard of two mining areas of the Company. Since 2010, we entered Tibet area by highest environment management and community relationship standard, and actively offered opinions and contribution to infrastructure construction, school education, greening, landscaping, wastewater treatment, technological innovation as well as local labor training. The Company hires and trains local personnel by the highest standard, so recently, the average household income around Jiama Mine grows about 12 times than before. Besides, Jiama Mine and Jiama Town have also established cooperative enterprises. About 655 households become shareholders of the cooperative enterprises. Many households engage in construction, transportation and other labors. The innovative management method of the Company makes Jiama Project the model of mining projects in Tibetan area and the Company earns many recognition and reward as well.

In the future, we will continue to strive to bring the highest commercial ethics into the areas operated by the Company, integrate this idea with outstanding operation and financial performances, and strive to realize the triple-win situations of community, shareholders and company.

At last, I, on behalf of the Board of Directors, express our best gratitude to our employees and management personnel all over the world. As a profitable and ceaselessly developing company, we realize that we cannot have the continuously powerful financial performance without the support of over 1600 dedicated employees all over the world. While we grow to a successful and respected listed company, we express the deep appreciation for the continuous support of shareholders and all sectors of society.

Mr. Xin Song
Chairman of the Board, Executive Director



MESSAGE FROM THE CEO

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● Mr. Bing Liu,
CEO of China Gold International

The year 2013 is both the successful and the challenging year for the Company. Facing the adverse factors such as the sharp fluctuation of international gold price and copper price, we, through improving capacity, reducing cost and increasing efficiency, guarantee the smooth production and operation, realize favorable operating performance, and continues to provide high return to shareholders.

Even though the industry is under severe circumstances, we still sustainably optimize the operation and management system of the Company, and insist on maintaining high standard health, security, environment, social heritage and cultural protection. The Company has devoted large amount of time and capital to projects of ecological recovery, greening and landscaping, road and bridge construction, environment improvement and education. We also hire local residents and recruit minority personnel. We actively participate in community activities and strive to the construction of harmonious mining area.

Through healthy, safe, environmental and stable operation, the green mine shows its features. In 2013, China International Investment Group continued to insist on the Company lifeline of health, security and environmental protection, further perfect the system, implement responsibilities and improve capacity of essential safety. We greatly carried out the “safety overhaul” and internal “special rectification activity for 100 days” to strength the field safety

management, and enhanced the geological disaster monitoring, prevention and governance. Inner Mongolia Pacific organizes on-site inspection every week, and has rectified nearly 1,000 potential safety hazard, and smoothly passed the acceptance inspection for “first level enterprise of safety production standardization” by State Administration of Work Safety. In addition, the Company also paid high attention to and actively carried out personnel safety training for totally 3,000 employees to create safe production and cultural atmosphere. The Company realized zero work-related death accident and the favorable performance of thousand-person injury rate $\leq 1.5\%$.

In the aspect of mine greening, the Company accumulatively inputted 4.97 Million Yuan in mining area greening beautification in the entire year with greening area of nearly 200,000 square meters. In particular, we greatly reduce the greening cost through independently hiring local workers and organizing volunteer work. While creating favorable production and living conditions for personnel, the Company won extensive praises from all sectors of the society.

Manifesting international image, the Company attracts the attention of capital market and industry. In 2013, the Company further kept close communication and interaction with investor, supervisory institutions and companies in the industry, and transferred the latest news of company’s development, stabilized confidence of investors and improved the investment value of the Company through multilayer and powerful market promotion and consensus propaganda such as website revision, performance road show, conference, forum, and bulletin construction. The Company held China-Canada Business Seminar in Vancouver jointly with Asia Pacific Foundation of Canada, China Council for the Promotion of International Trade and SFU. The China International Investment Group mode with characteristics of “profits, growth, and effective governance structure” is highly approved by all circles in China and Canada, and deeply reported by international and domestic mainstream media. It becomes the classic case of Chinese enterprises investing in Canada. In 2013, the Company was selected in the list of “Top 100 Most Profitable Companies” by Business in Vancouver, ranked No. 28.

The management improvement work is promoted in order. The Company reviews various management activities through three international certifications and internal control mechanism to further optimize management system and framework and improve management efficiency; actively promotes the perfection and implementation of technology system complying with international standards, strengthens field training and supervision power, enhances the training for personnel in industry, profession and language, and establishes learning organization. Meanwhile, the Company enhances the introduction and cultivation of international talents, focuses on creating the talent team with complete profession and open international horizon, creatively implements management and technology standards for mines complying with international standards, and finishes the independent technology report for mines approved by overseas independent institutions and supervisory institutions.

In 2014, the situation in international gold market is still severe. We will inherit the vision of development, highlight two themes of “cost” and “growth”, and continue to cope to market adjustment through strict cost management policy and prudent overseas merger strategies to guarantee the mine phase II construction can be finished as scheduled. On the basis that the annual production and operation object can be reached, we will spare no effort to promote the Company to a new level, and continue to perform the social responsibilities while realizing the value growth of shareholders.

I hereby express deep appreciation for the excellent work attitude and dedication spirit showed by over 1,600 employees and contractors, as well as the attention and support of all shareholders. Under the leadership of the Board of Directors, the management and staff of the Company will make persistent efforts in 2014 to achieve a new chapter in the development of the Company.

Mr. Bing Liu
CEO, Executive Director

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CORPORATE PROFILE

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

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. Phase I of the CSH Gold Mine commenced production in July 2007, Phase II construction has almost completed. At present, it has entered commissioning stage. 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. Phase I of the Jiama Mine commenced production in September 2010, phase II is under construction.

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.

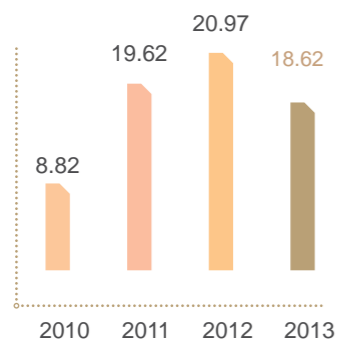


The Company's future development vision is

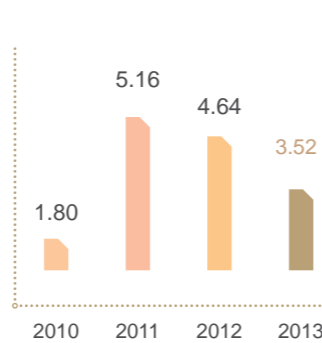
“ harboring a high sense of responsibility, building itself into a large-scale mining company and a significant player in international capital markets and the global mining industry. ”

Key Economic Indicators

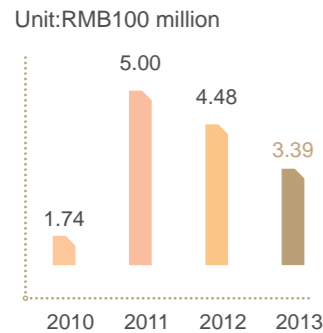
Revenue Unit:RMB100 million



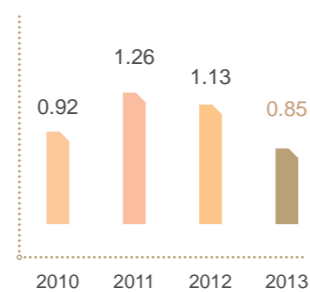
Net profit Unit:RMB100 million



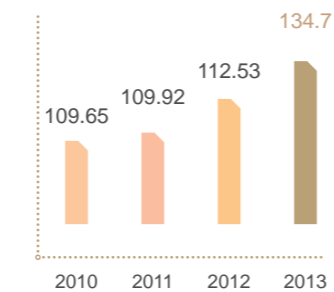
Net profit attributable to shareholders of the Company Unit:RMB100 million



Basic earnings per share Unit:RMB



Total assets at the end of the year Unit:RMB100 million



SOCIAL RESPONSIBILITY PHILOSOPHY

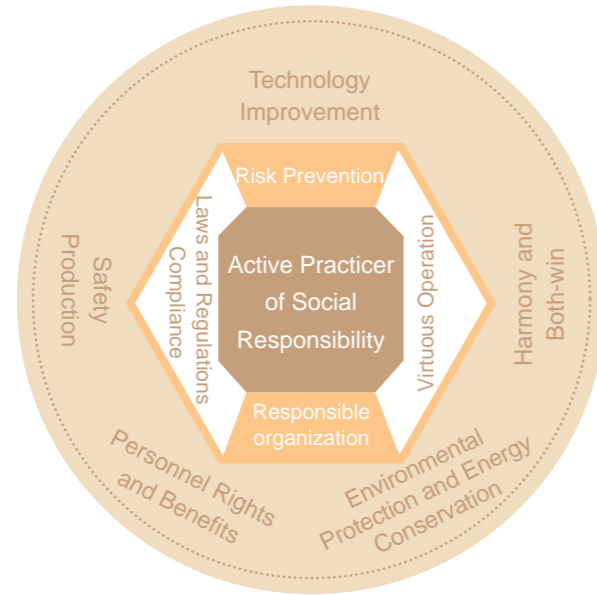
Social Responsibility Vision

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.



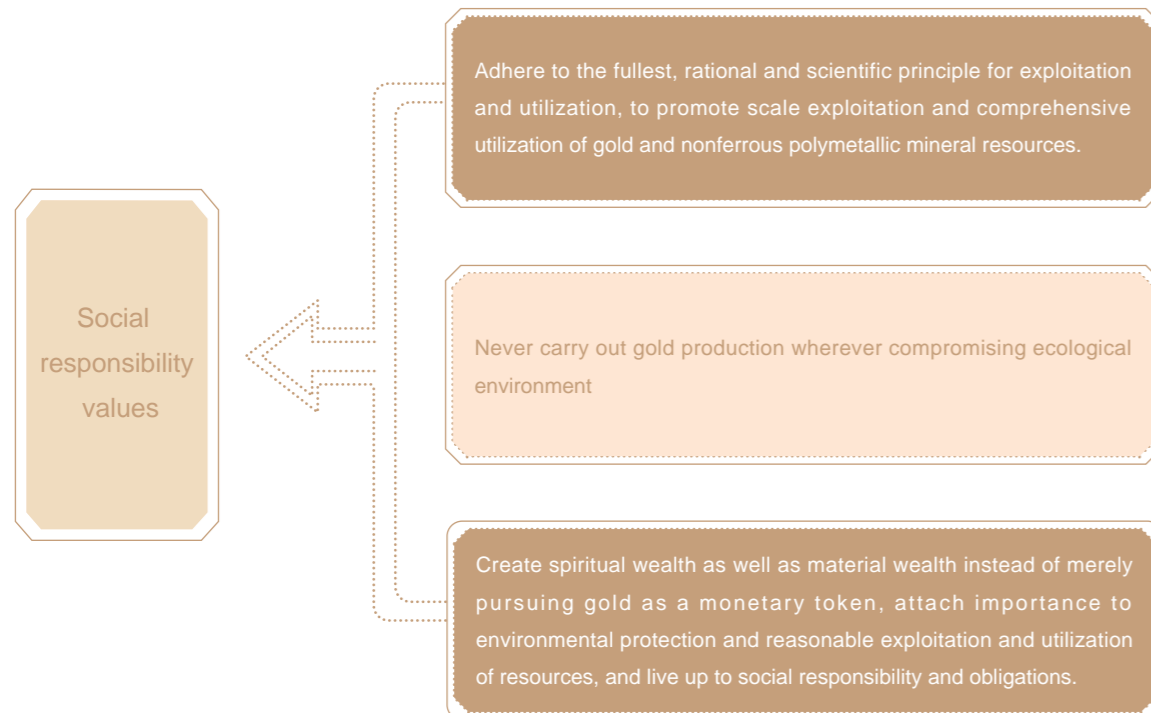
Social Responsibility Model

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



Core responsibilities



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.



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.



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.



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.



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 2013	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
 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
 Safety performance	Enhance the control over premium resources, increase resource acquisition capability and promote capital operation.	B
	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
 Social performance	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
	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
 Social performance	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



RESPONSIBILITY MANAGEMENT

Responsible System

● 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.

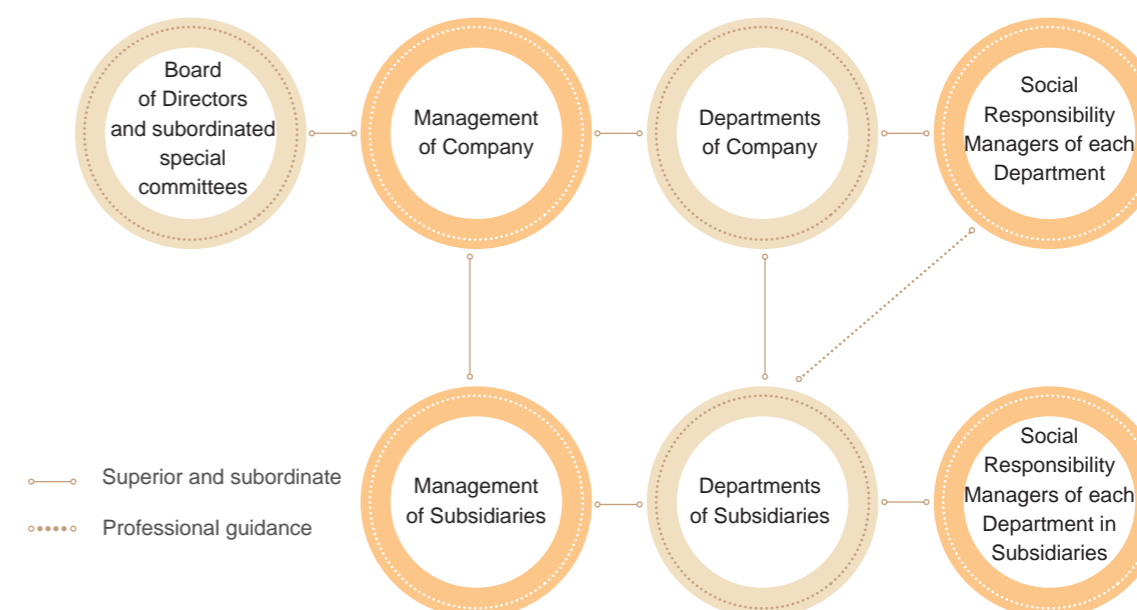
Social responsibility teams are established by key management personnel at the subsidiaries, responsible for decision-making and management of their social responsibility issues.

● Daily management bodies

At relevant departments of the headquarters and the subsidiaries (branches), management bodies, posts and personnel are deployed covering safety management, 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.

● Organization structure



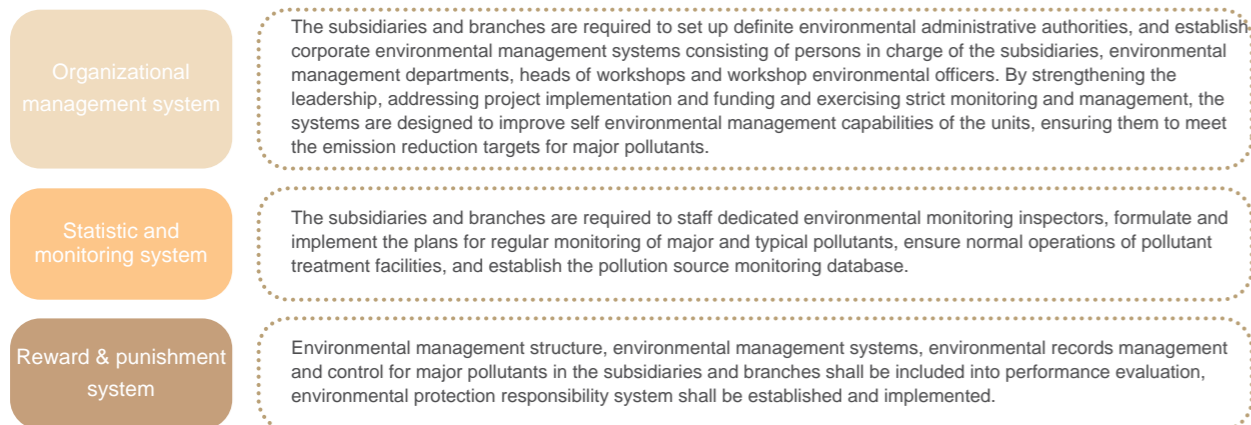
● Specific safety management systems

In 2013, considering that mines are prone to safety accidents, China Gold International further improved the safety management system. On the basis of present contents, including among others target management, inspection & evaluation, reward & punishment and accountability, "production safety education & training", "major safety hazard and major potential risks monitoring & management", "safety accident management" and the like are added, grid management model has been carried out in the Company and construction units. Responsibility unit, reporting lines and persons in charge shall be implemented into every link and a standardized safety management system was gradually shaped and improved, promoting efficiency and effectiveness of safety management.



● Specific environment management systems

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



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.

● Process to identify social responsibility topics



● List of social responsibility topics



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.

● 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.

● Specific training programs

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

● 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.

Communications on Responsibilities

● Participation of the stakeholders

Stakeholder	Description	To the expectation of company	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 criterions, 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
 Customers	Customers that purchase products or services	Keep promise, provide cost-efficient products and quality services, achieve 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	Promotion 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

● 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. Xin Song, Chairman of China Gold International attending CSH's expansion crushing system commissioning test ceremony



Mr. Bing Liu, CEO of China Gold International visiting CSH mine site

● External communication

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



Mr. Zhiqiang Duan, Mayor of Bayannur City visiting CSH's construction site



Mr. Wei Miao, Minister of Ministry of Industry and Information Technology and Mr. Padma Choling, Chairman of the Standing Committee of the Tibet Autonomous Regional People's Congress, visiting Tibet Huatailong



Mr. Xiaogang Deng, deputy secretary-general of the Party Committee and vice chairman of the Tibet Autonomous Region, secretary of Political and Legislative Affairs Committee, visiting Tibet Huatailong



Mr. Qi Zhala, party secretary of Lhasa, visiting Huatailong Company

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 list for China Gold International as of 2013

Winning unit	Year	Honors and recognitions	Granting unit
China Gold International	2013	Top 100 Most Profitable Companies (Ranked No. 28)	Business in Vancouver
China Gold International	2013	Fastest-Growing Companies In British Columbia (Ranked No. 15)	Business in Vancouver
China Gold International	2013	Top 100 public companies in British Columbia (Ranked No. 32)	Business in Vancouver
China Gold International	2013	British Columbia's Top 100 Biggest Public Companies 2013 (Ranked No. 35)	BC Business Magazine
China Gold International	2013	Investor Guide 2013 (Ranked No. 15, in mid cap)	Canadian Business Magazine
China Gold International	2012	Top 1000: Exclusive rankings of Canada's most profitable companies (Ranked No. 182)	Globe and Mail
China Gold International	2012	Top 100 Most Profitable Companies (Ranked No. 20)	Business in Vancouver
China Gold International	2012	Biggest mining companies in British Columbia (Ranked No. 9)	Business in Vancouver
China Gold International	2012	Top 40 Mining Companies (Ranked No. 34)	Canadian Mining Journal
China Gold International	2012	Largest Companies in British Columbia (Ranked No. 84 by revenue)	BC Business Magazine
China Gold International	2012	British Columbia's Top 100 Biggest Public Companies 2012 (Ranking No. 37)	BC Business Magazine
China Gold International	2012	British Columbia's Top 100 Biggest Public Companies 2012 (Ranking No. 37)	BC Business Magazine
China Gold International	2012	Top 100 Fastest-Growing Companies (Ranking No. 1)	Business in Vancouver
China Gold International	2012	Top 100 Fastest-Growing Public Companies in British Columbia	British Columbia, Canada
Tibet Huatailong	2013	Environmental Protection Prize in 2012	County Party Committee and County Government of Mozhuogongka
Tibet Huatailong	2013	Big Tax-Payer Prize in 2012	County Party Committee and County Government of Mozhuogongka
Tibet Huatailong	2013	Advanced Collective in 2012	China National Gold Group Corporation
Tibet Huatailong	2013	Advanced Enterprise of Whole District Safety Production	District Security Committee, Administration of Work Safety, Safety Management Committee
Tibet Huatailong	2013	Annual Advanced Primary Party Organization if Whole District Primary-Level Organization Construction	Tibet Autonomous Regional Committee of the Communist Party of China
Tibet Huatailong	2012	National Unity Advanced Model Group of Tibet Autonomous Region in 2012	Tibet Autonomous Regional Committee of the Communist Party of China, People's Government of Tibet Autonomous Region
Tibet Huatailong	2012	Advanced Primary Party Organization for Creating Excellence of Whole District State-owned Enterprises	Creating excellence leading group of whole district state-owned enterprises

Winning unit	Year	Honors and recognitions	Granting unit
Tibet Huatailong	2012	Advanced Primary Party Organization for Creating Excellence of the Whole Country	Party Committee of SASAC of the State Council
Tibet Huatailong	2012	Demonstration Enterprise of National Unity Progress Creation Activity	Propaganda Department of the CPC, United Front Work Department of CPC Central Committee, State Ethnic Affairs Commission
Tibet Huatailong	2012	Advanced Unit of the Central Enterprise Ideological and Political Work	Party Committee of SASAC of the State Council
Tibet Huatailong	2012	Advanced Collective of Whole District Environmental Protection	People' s Government of Tibet Autonomous Region
Tibet Huatailong	2012	National Unity Advanced Collective of Mozhugongka County	County Party Committee and County Government of Mozhugongka
Tibet Huatailong	2012	Experimental Unit of National Green Mine	Ministry of Land and Resources
Tibet Huatailong	2012	High Quality Main Body Structure	Lhasa Construction Project Quality Supervision Station
Tibet Huatailong	2012	Advanced Collective of comprehensive treatment of social order in 2011	County Party Committee and County Government of Mozhugongka
Tibet Huatailong	2012	No. 4 Leading Group	China National Gold Group Corporation
Tibet Huatailong	2012	Excellent Unit of Trade Union Work in 2011	Mozhugongka Federation of Trade Unions
Tibet Huatailong	2012	Advanced Enterprise of Whole City Industry and Economy Development in 2011	Lhasa Municipal People' s Government
Tibet Huatailong	2012	Advanced Enterprise of Whole District Safety Production in 2011	District Security Committee, District Administration of Work Safety
Tibet Huatailong	2012	Standard Enterprise for Foundational Management	China National Gold Group Corporation
Tibet Huatailong	2012	Excellent Unit of Whole City Trade Union Work in 2011	Lhasa Municipal Federation of Trade Unions
Tibet Huatailong	2012	Model Group of Lhasa National Unity and Progress in 2011	Lhasa Municipal Committee of the CPC, Lhasa Municipal People' s Government
Tibet Huatailong	2012	Lhasa Outstanding Contribution Unit for Building Harmonious Mining Area	Lhasa Working leading Group for constructing harmonious mining area
Tibet Huatailong	2012	Advanced Enterprise of Direct Report Work of One Package Tables of Whole District Enterprises in 2012	District Statistical Bureau, Tibet Survey Office of State Statistics Bureau
Tibet Huatailong	2011	National May 1 Labor Award	All-China Federation of Trade Unions
Tibet Huatailong	2011	Advanced Collective of Autonomous Region Ethnic Group	Office of Autonomous Region Production Safety Committee, Autonomous Region Administration of Safety Production
Tibet Huatailong	2011	Model Enterprise of County Trade Union Work in 2010	Mozhugongka Federation of Trade Unions
Tibet Huatailong	2011	Second Prize of Lhasa Big Tax-payer in 2010	Lhasa Municipal People' s Government
Tibet Huatailong	2011	Advanced Collective of Mozhugongka County National Unity and progress in 2011	Mozhugongka County Committee, County People' s Government
Tibet Huatailong	2011	Excellent Unit of Municipal Trade Union Work in 2010	Lhasa Municipal Federation of Trade Unions
Tibet Huatailong	2011	Spiritual Civilization Award of the 2nd "China Gold Cup" Basketball Match	China National Gold Group Corporation

Winning unit	Year	Honors and recognitions	Granting unit
Tibet Huatailong	2011	Excellent Group of law popularizing in the 5th "Five-Year Plan"	China National Gold Group Corporation
Tibet Huatailong	2011	Advanced Collective in 2011	China National Gold Group Corporation
Tibet Huatailong	2011	Advanced Collective of National Gold Industry during the "11th Five-Year Plan"	China Gold Association, National Committee of China Machine Building Materials Trade Unions
Tibet Huatailong	2011	Advanced Primary Party Organization in the Whole District	Tibet Autonomous Regional Committee of the Communist Party of China
Tibet Huatailong	2011	Advanced Primary Party Organization of Central Enterprises	SASAC of the State Council
Tibet Huatailong	2010	Advanced Collective in 2009	China National Gold Group Corporation
Tibet Huatailong	2010	Youth Civilization	Group Work Committee of Central Enterprises
Tibet Huatailong	2010	National Model Staff Family	All China Federation of Trade Union
Tibet Huatailong	2010	Safety Enterprise	Mozhugongka County People' s Government
Tibet Huatailong	2010	Excellent Primary Party Organization	China National Gold Group Corporation
Tibet Huatailong	2010	Prospection and Reserves Increase Award of Advanced Group of China National Gold Group Corporation During 2007 - 2010	China National Gold Group Corporation
Tibet Huatailong	2010	Red Flag Team Award of Advanced Group of China National Gold Group Corporation during 2007-2010	China National Gold Group Corporation
Tibet Huatailong	2010	Excellent Unit of Target Management of City Trade Union Work in 2009	Lhasa Municipal Federation of Trade Unions
Tibet Huatailong	2009	Advanced Collective in 2008	China National Gold Group Corporation
Tibet Huatailong	2009	Best Development Award	China International Mining Congress and Expo 2009, Ministry of Land and Resources
Tibet Huatailong	2009	Municipal Model Enterprise for Building Harmonious Labor Relations	Lhasa Municipal Federation of Trade Unions, Labor and Social Security Bureau, State-owned Assets Supervision and Administration Commission, Federation of Industry and Commerce, Administration for Industry and Commerce, Administration of Work Safety
Tibet Huatailong	2009	Winning Enterprise of Whole District "Safety & Health Cup" Competition	District Federation of Trade Unions, District Administration of Work Safety
Tibet Huatailong	2009	Worker Vanguard	Lhasa Municipal Federation of Trade Unions
Tibet Huatailong	2009	Title of Whole District Model Staff Family	Tibet Autonomous Region Federation of Trade Unions
Tibet Huatailong	2009	Advanced Unit of News Propaganda Work in National Gold Industry	China's Gold Newspaper
Tibet Huatailong	2009	Model Staff Family"	Mozhugongka Federation of Trade Unions
Tibet Huatailong	2009	10 Major Mining Achievements	Geological Society of China
Tibet Huatailong	2009	One of the first batch of 29 Scientific Study Bases	Ministry of Science and Technology, Ministry of Land and Resources
Tibet Huatailong	2009	Top 10 Progress in Science and Technology of Chinese Academy of Geological Sciences	Chinese Academy of Geological Sciences
Tibet Huatailong	2009	Primary Party Organization	District People' s Government, SASAC

Winning unit	Year	Honors and recognitions	Granting unit
Tibet Huatailong	2008	Second Prize of Staff Art Performance for Commemorating the 30th Anniversary of the Reform and Opening-up Policy	SASAC of Tibet Autonomous Region
Inner Mongolia Pacific	2013	Top 10 Prospecting Achievements of Geological Society of China	Geological Society of China
Inner Mongolia Pacific	2013	Regional Green Model Unit	Inner Mongolia Autonomous Region Afforestation Committee
Inner Mongolia Pacific	2013	Test Unit of National Green Mine	Ministry of Land and Resources
Inner Mongolia Pacific	2012	Outstanding Contributor Supporting Local Economic Development	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2012	Advanced Collective of Primary Trade Union	Wulate Middle Banner Trade Union
Inner Mongolia Pacific	2012	Autonomous Region May 1st Labor Medal	Inner Mongolia Autonomous Region Federation of Labor Unions
Inner Mongolia Pacific	2012	"Pacific Mining Cup" Outstanding Contribution Award in Wulate Middle Banner	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2012	Regional Model Labor Relationship Harmonious Unit	Inner Mongolia Autonomous Region Labor Relation Coordination Tripartite Conference
Inner Mongolia Pacific	2012	Flood-fighting and Emergency Rescues Award	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2012	Bayan Nur Advanced Collective in Flood-fighting and Disaster Relief	Bayan Nur Municipal People' s Government
Inner Mongolia Pacific	2012	Bayan Nur Advanced Collective for National Unity and Improvement	Bayan Nur Municipal People' s Government
Inner Mongolia Pacific	2012	Regional Model Unit for Employee Occupational Ethics Construction	Inner Mongolia Autonomous Region Federation of Trade Unions
Inner Mongolia Pacific	2011	Inner Mongolia Enterprise with Best Social Responsibility	Inner Mongolia Autonomous Region People' s Government
Inner Mongolia Pacific	2011	Outstanding Contributors for Supporting Local Economic Development	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2011	Primary Trade Union Advanced Collective	Wulate Middle Banner Trade Union
Inner Mongolia Pacific	2011	Primary Management Qualification Enterprise	China National Gold Group
Inner Mongolia Pacific	2011	Advanced Collective	CPC China National Gold Group Committee
Inner Mongolia Pacific	2011	Special Contribution Award	China National Gold Group
Inner Mongolia Pacific	2011	Culture-Enterprise Construction Advanced Collective	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2010	Wulate Middle Banner Advanced Collective for Human Resources and Social Security	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2010	Advanced Collective for Safety Standardization Level 3 Enterprise (Mine) Culture-Enterprise Construction	Inner Mongolia Autonomous Region Safety Production Administration
Inner Mongolia Pacific	2010	Top 10 China Gold Production Mines in China Gold Association	China Gold Association
Inner Mongolia Pacific	2010	Wulate Middle Banner Advanced Collective for Human Resources and Social Security	Wulate Middle Banner People' s Government
Inner Mongolia Pacific	2009	Advanced Collective	CPC China National Gold Group Committee
Inner Mongolia Pacific	2008	Wulate Middle Banner Advanced Enterprise for Scientific and Technological Innovation	Wulate Middle Banner People' s Government



Inner Mongolia Pacific selected as Green Advanced Unit in Inner Mongolia Autonomous Region



Tibet Huatailong won Advanced Work Team Stationed at Village in 2013

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 2013, the Company invested a total of RMB 252 million in tailings treatment, dust removal, sewage treatment, environmental monitoring and land reclamation. At new mines, environmental investment accounted for 24.22% of total investment on the average, exceeding the national standard at 3%.

Energy Saving and Emission Reduction

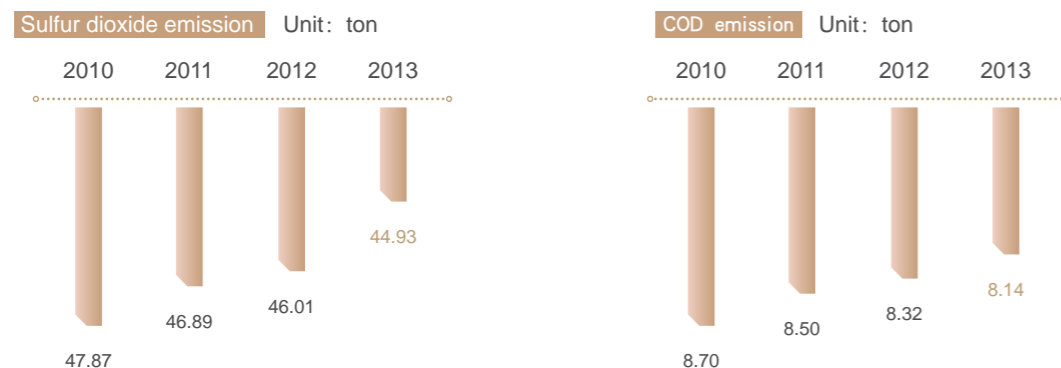
Global climate change has become an important concern worldwide. In its production and business activities, the Company actively responds to the country's calls to fulfill its corporate social responsibility. Targeting "low consumption, low emissions and high efficiency", the Company leverages technological 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.

In 2013, the chemical oxygen demand and sulfur dioxide emission of Company were respectively 8.14 ton and 44.93 ton, decreasing 2.1% and 2.4% respectively compared with that in the previous year. The pollutant discharge control continuous to be in the leading level in the same industry in China.

Illustrative case

Aiming at the climate characteristics of long sunshine duration and intense illumination, the Company invests large amount of fund to install solar heating facilities to nearly 20,000 m² main buildings, which effectively solve the heating and bathing problems of employees in winter, reduce about 2,500 ton carbon dioxide emission and 23 ton sulfur dioxide emission in each year, comprehensively change the negative image of "benefit emphasis, large pollution, people's livelihood negligence, and responsibility despising" of traditional mining enterprises, and realize the promise of "gold and silver mine with clean waters and green mountains". The Company is honored as the benchmarking and model of plateau mining in creating green and environmental mining area, and promoting to realize sustainable development.

Environmental performance of the Company



Extensively adopt advanced equipment and technology

The two mines of the Company are both the new mine developed in recent years, both follow the principle of "high standard, high starting point and strict requirements" during construction, and both adopt the most advanced equipment and technologies nowadays to realize the high efficiency of energy conservation and emission reduction.

Illustrative case

The industrial water used in Pacific Mine in Inner Mongolia is medium hard water, with high content of calcium and magnesium. Before used, the underground water shall be preprocessed. Otherwise, the problems such as pregnant and barren liquid pump blocking and dripping pipe blocking will be caused, seriously impacting on production. Earlier, the Company adopts precipitation in advance in production, and use the underground water by preprocessing with sodium hydroxide. However, the difficulties of halfway treatment and settling pond hardening still exist. In accordance with the actual production conditions in mines and through repeated tests, the Company finally selects the latter method from two methods of resin exchange and chemical scale inhibition. Through the use of chemical scale inhibition method, the Company saves about 2.4 million Yuan cost every year.



Modern multi-stage carbon adsorption system



Modern screening equipment

Awareness 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", to carry forward the Company-wide energy conservation goals. The practical energy conservation technologies were earnestly promoted to materialize the Company's energy conservation and emission reduction resolution.

Illustrative case

Facing the pressure of gold price dropping and raw material price rising, Inner Mongolia Pacific Mine keeps strengthening publicity and improving total involvement awareness, and strives to form the enterprise culture of "everyone cares about the cost and everyone reduces the cost". The Cost Decreasing and Benefit Increasing Office of the Company systematically summarized the effective experiences and methods accumulated in front-line practices, and compiled to Pacific Mining Classic Cases for Cost Decreasing and Benefit Increasing, which is an effective approach for all departments of the Company to learn and exchange with each other. The Company ceaselessly leads the personnel to establish the favorable habit of saving every drop of water and every kilowatt hour of electricity, and establish the idea of saving to make the cost decreasing and benefit increasing work long-acting and systematic, and creates the saving-type mine to guarantee the sustainable, rapid and healthy development of the Company.

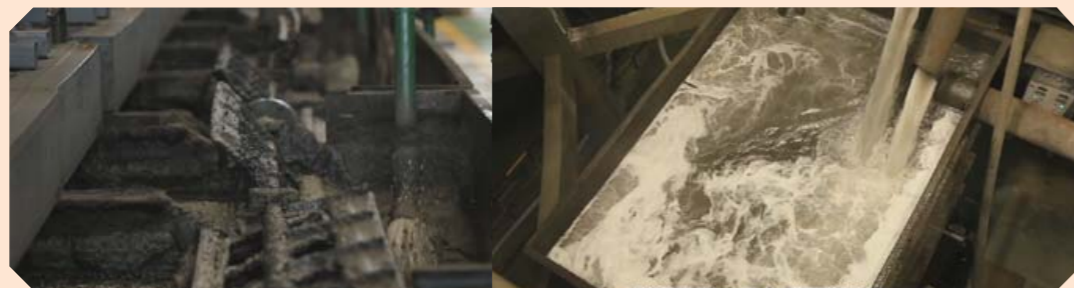
Recycling of Water Resource

In 2013, with the completion and operation of Pacific mine Phase II in Inner Mongolia, the dripping area increased and circulating water volume of the Company increased further.

Indicator		2010	2011	2012	2013
Water consumption	Total consumption (in 10,000 ton)	121.4	154.2	432.4	689.1
	New water (in 10,000 ton)	25.4	23.2	95.4	129.8
	Recycled water (in 10,000 ton)	96.0	131.0	3,232	3,416
Water consumption per RMB10,000 output (Inner Mongolia Pacific)		13.7	10.9	9.5	15.9
Water consumption per ton of ore (ton)		0.16	0.38	0.28	0.13

Illustrative case

The flotation waste water for site selection of Huatailong adopts backwater treatment technology, tailings filter-pressing and dry-heaping technology, supported by water circulation technology, which not only meet the mineral processing flow requirements and stable indicators in beneficiation, but also realize the high efficient utilization of water resource. The backwater is recycled 100%. At present, the daily water consumption is only 2,040 ton, and 24,000 ton water can be saved every day. The zero discharge of industrial wastewater for beneficiation is realized and the technical difficulty for cyclic utilization of multi-metal flotation waste water is solved, and the pollution loopholes caused to the environment by discharging the industrial waste water is also eliminated.



Waste water recycling technology

Huatailong established domestic water treatment station, and adopted unified sewage treatment unit for site selection to treat. The sewage after treatment will be used as non-drinking water in irrigation, washing, environmental sanitation and landscaping in plant area and living area.

During production construction, the Company actively collected natural water of the mine, and further used the water resource by comprehensively using underground operation, exploration, irrigation and road surface dust falling according to the principle of proximity.

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 on environmental problem. 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.



View of Inner Mongolia Pacific

● Implement level-to-level administration for environmental protection

The Company implements level-to-level administration for environmental protection. Safety and Environmental Protection Department of the Company takes charge of environmental protection, and uniformly supervises and manages the environmental protection work. All departments of the Company, according to respective duties, take charge of environmental protection by division of labor. The subsidiaries take charge of the environmental problems in the area. The environmental protection work of the enterprise is managed uniformly.

● Strengthen the environmental awareness

The Company attaches great importance to environmental awareness, formulating and implementing annual environmental initiatives and training programs to publicize environmental knowledge and advocate the environmental culture. Through such initiatives 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.

Illustrative case

Huatailong pays high attention to the environmental protection propaganda. It stipulates and implements annual environmental protection propaganda, popularizes environmental protection knowledge and advocates environmental protection culture. Through propaganda, education and various activities, the Company improves the environmental protection awareness, work idea and methods of the personnel, normalizes company environment governance, implements the main responsibility of company environmental protection, and actively plays the role of the Company in environmental management.



Tibet Huatailong conducting a publicity campaign on World Environment Day

● Environmental technology innovations

Environmental research is always one of the most important working, the environmental innovations and system integration as a technical supports are provided for pollution prevention and environmental management by the Company.





Illustrative case



Laboratory at Inner Mongolia Pacific

Pacific Gold Mine in Inner Mongolia adopts chemical subtraction method. Because of the large processing volume at one time, the nitric oxide generated cannot be treated by the common sodium hydroxide spray tower, easily causing leakage of acid gas and nonconforming environment protection. The Company formally initiated the project in early 2013 to carry out research for that problem. After assessment and test for numerous processing programs, finally the coke burning method is adopted to treat the flue gas. Meanwhile, the Company also adjusted the structure of combustion furnace, and solved the sealing problem of combustion furnace while in use. Through adjustment for equipment and process, the smelting acid gas treatment of the Company has basically reached the requirements of environmental protection. In the future, the benefits of the Company will be improved further through perfecting the fine gold recovery device.

● Green and environmental operations

The Company actively promotes the green office campaign. Given its cross-region operations, internal office system and teleconference system are 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.



Illustrative case

Facing severe current situations of gold market, Inner Mongolia Pacific Mining insists on promoting cost decreasing and benefit increasing, and gains favorable performance. In the aspect of office costs, the Company decomposes all indexes to each department and each employee. The refined management is reached by strict assessment and level-by-level responsibility implementation. In the aspect of logistics guarantee, the Company continuously improves food materials keeping ways, reduces food waste and meanwhile improves the dining mode of employees to completely eradicate wastes. In the meantime, the Company reasonably uses resources such as coal, water and electricity, and supplies heating and hot water by day parting according to changes of temperature.

● 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.

● 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 insists on the basic environmental protection principle of "people-oriented, environmental protection first, clean production, energy saving and emission reduction". The Company adheres to "paralleled mining and reclamation" across the design and mining processes for mineral resource development, seeking to restore vegetation continually, prevent soil erosion and preserve biological diversity.



Illustrative case



Landscaping Project at Tibet Huatailong



Green Operation at Tibet Huatailong

Huatailong independently researched and carried out land reclamation and vegetation greening engineering in Jiama mining area, and has strived to improve the comprehensive research on and application to greening coverage in plateau ecological environment fragile areas. In 2013, the vegetation coverage rage reached the regional leading level by Tibet Autonomous Region Academy of Agriculture and Animal Husbandry. At present, the Company has inputted 180 Million Yuan in aspects of environmental protection, greening, beautification, reclamation and tree, flower and grass plantation. Among the fund invested, 33 Million Yuan is used in water and soil conservation and tree planting and greening in the entire mining area, and the technology of drip irrigation under plastic film is applied to greening and water saving projects, greatly reducing the water and soil loss due to traditional spraying irrigation. In order to avoid damaging vegetation in plateau and reduce the pasture loss of the mass, the transportation program of certain areas of the raw ore is changed to underground footrill transportation from surface narrow gauge transportation. Although the investment is increased, the damage to surface is smaller, and it is in favor of ecological environment protection.

● 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.



Illustrative case

In 2013, Inner Mongolia Pacific Mining totally invested in 4.0366 Million Yuan in greening and beatification project. It plants 2656 arbors with survival rate of 72.74%; 5,942.2 bushes with survival rate of 77.77%; 26,233.3 m² ground cover with survival rate of 63.03%; and 31,341.3 m² clover seed with survival rate of about 95%. It newly built one mushroom pavilion, and set 4000m lawn guardrail inside the camping area, greatly improving ecological environment of the mining area. In the meantime, the Company is granted with an honorable title of Regional Greening Model Unit by Inner Mongolia Autonomous Region Greening Committee, and confirmed by Ministry of Land and Resources as the third batch of national green mine test unit and awarded.



View of CSH Mine Site



Inner Mongolia Pacific named as Pilot Unit of National Green Mines





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.

Inner Mongolia Mining has been actively creating first level safe production standards, and passed the acceptance by State Administration of Work Safety on Jan. 25, 2013. On April 1, it obtained the certificate and plaque issued by the State Administration of Work Safety, reaching the first level enterprise standard for national safe production standardization. Tibet Huatailong is also preparing the acceptance according to the requirements of national first level safety standardization.



Inner Mongolia Pacific awarded Certificate of National Safety Production Standardization Level A Enterprise

Safety Investment and Performance

In 2013, the Company invested a total of RMB 56.57 million in safety, focusing on onsite management and system construction, to ensure its safety production and operation. During 2013, the Company recorded zero fatality rate for million-ton 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.

Fatality rate for million-ton production	2010	2011	2012	2013
China Gold International	0	0	0	0

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.



Management Policy and Operation Regulations at Inner Mongolia Pacific

In 2013, the Company strictly implemented the leader on duty onsite system and the safety deposit system as well as introduced management systems for identification of safety risk sources and analysis of near safety accidents, and in the meantime further perfected the *Outsourcing Engineering Safety and Environmental Protection Assessment Method, Safety and Environmental Protection Method in Each Functional Department (Workshop), Safety Management Personnel Management Assessment Method, and Safety and Environmental Protection Assessment Rules for Employees*, 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.

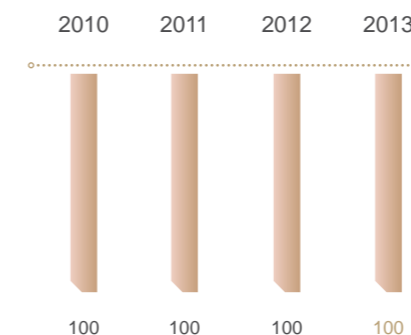
Administrative penalties

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.

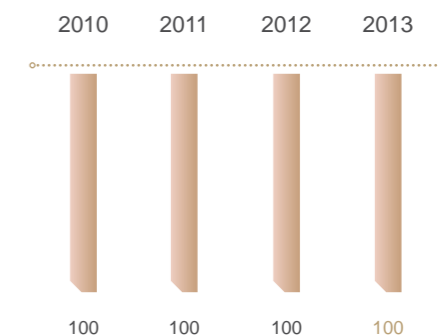
Identification of Potential Hazards

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 2013, our special equipment inspection rate and qualified rate both reached 100%, sustaining the high level of safe operations.

Special equipment inspection rate Unit:%



Special equipment inspection qualified rate Unit:%







Illustrative case

Tibet Huatailong, according to actual situations of the work, stipulates the theme of safe production work in each month, and carries out the work in aspects of occupational health, safety and environmental protection with emphasis. In 2013, Tibet Huatailong accumulatively carried out 285 daily safety inspection, two special inspections for explosives for civil use, one overhaul for electricity security, one overhaul for security before holiday, twice geological disaster security overhauls, nine special inspections for vehicle safety, one special inspection for flood prevention, and 10 monthly safety overhaul in the entire year. There are 315 items of various hidden dangers accumulatively, and 95 pieces of rectification notice are released. The rechecking rate is 100% and the rectification rate is 100%. In 2013, there is no work-related death, major equipment accident, major fire disaster and explosion accident, and major traffic accident.



Tibet Huatailong organizing regular electrical equipment inspection

Contents of safety inspections

-  Inspect on the fulfillment of safety production responsibilities by corporate undertakers.
-  Inspect on major potential hazards, progress of rectifications, issues outstanding and the responses to emergency.
-  Inspect on the investment in safety production and the availability of funding for rectifications to potential hazards.
-  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.

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 2013, the Company recorded no loss or serious spill accident of explosives and hazardous chemicals.



Tibet Huatailong's fire training

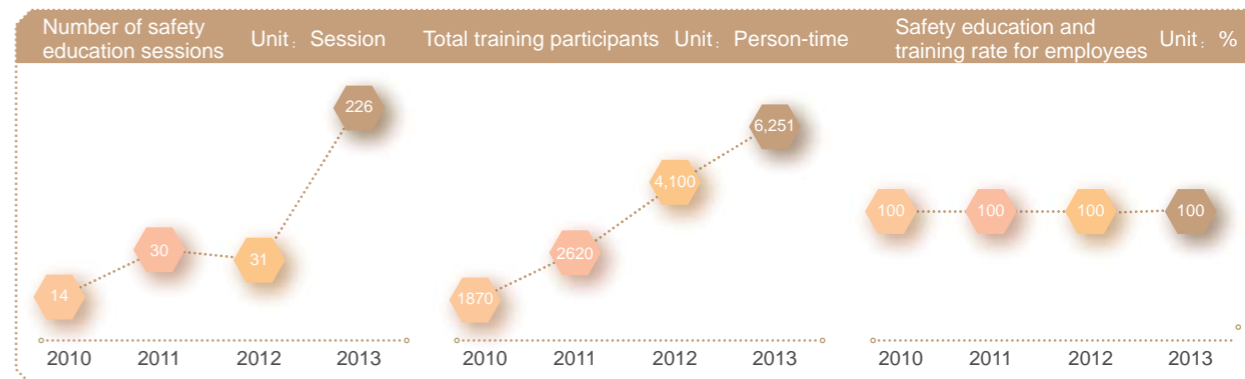
Safety Culture

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.

● 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 (GuoFa [2010] No. 23) and the Provisions on Safety Training of Production and Business Units (State Administration of Work Safety, Order No. 3).

In 2013, the Company and its subsidiaries carried out 226 safety education and training sessions, with total participants of 6,251 person-times. As at the end of 2013, the safety education and training rate for the Company's employees reached 100%.



Illustrative case



Inner Mongolia Pacific organizing safety training in Safety Production Month

The Company pays high attention to the introduction and in-service safety training for new employees and safety production management personnel, and safety technology training for special type operators. In 2013, Inner Mongolia Pacific Mining totally trained 1591 new employees, who are all qualified from the test and took the position; 161 safe production management personnel and special type operators, and the latter all took position with certificate; 1280 persons for full staff safety training and reeducation, who all acquired the safety training certificate after tested qualified. The Company held two accident cases education and propaganda, with over 500 person-time participated in. In addition, the Company also entrusts the sodium cyanide supplier to train the cyanogens-contacting personnel in professional aspects of sodium cyanide characteristics, and emergency disposition. Totally 105 persons participate in the training so that they can master the first-aid method of sodium cyanide poisoning.

● Safe production awareness

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.

Illustrative case

In June, 2013, Inner Mongolia Pacific Mining carefully carried out the activity of "safe production month" to improve and strengthen the safety awareness and safety prevention capacity of full staff by various safety training textbooks, safety training lecture promotion, safety education video watching, themed safety speeches, safety knowledge competition and emergency exercise.



Safety Keynote Speech in "Safety Production Month" at Inner Mongolia Pacific



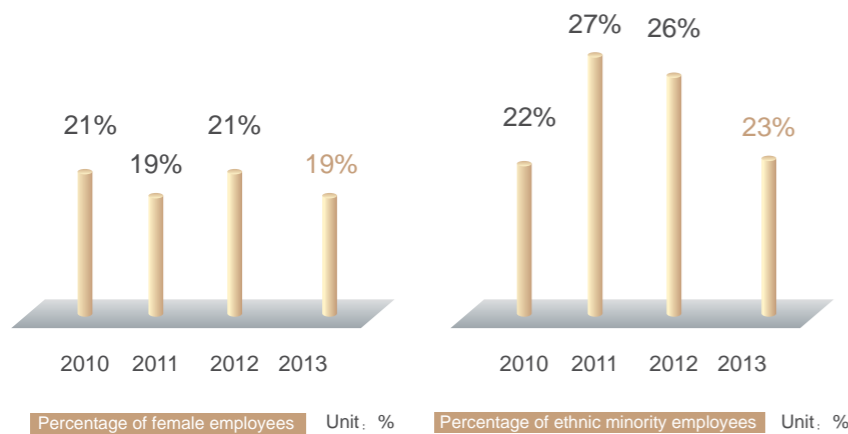
EMPLOYEES' INTERESTS

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.

Employees' interests

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.

● Profile of employees



At the end of 2013, the Company had a total of **1,527** employees, including **327** females and **333** ethnic minority employees. There were **264** employees at primary managerial positions and above, including **40** females.

● Protection of 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 2013, 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.

● 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 2013, 426 persons were recruited by the Company through open recruitment, including 19 hires newly graduated from universities and colleges and 407 experienced hires.

College Graduates 4%



Social employment 96%

Illustrative case

In 2013, Inner Mongolia Pacific Mining further settled the current situations of talent team, deeply analyzed the human resource structure, and stipulated effective improvement program and measures to solve the existing problems. Meanwhile, based on talent team analysis, the Company further confirmed the human resource planning, and stipulated the human resource planning for 2013–2015. Moreover, the second smelting plant is officially putted into operation, the HR Department of the Company, combining the age and knowledge structure of existing personnel and through recruitment for the second smelting plant, adjusts the existing personnel structure so that the manning of the Company is more reasonable, both with experienced old employees and vigorous, knowledgeable young employees.

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 2013, the Company provided training to employees of 1,238 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.



Tibet Huatailong holding a professional training for technology department



Inner Mongolia Pacific holding a business writing training for 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 2013, 87 persons received professional titles at various levels.

Datasheet of professional title appraisals

Year	Engineering series			Social series			Political series		
	Senior	Intermediate	Primary	Senior	Intermediate	Primary	Senior	Intermediate	Primary
2013	8	26	44	1	2	6	0	0	-1
2012	3	4	44	0	0	7	0	1	1
2011	8	36	72	2	11	19	3	0	4
2010	9	79	50	0	1	12	2	0	2

Note: 1 person was left from the primary level of political series in 2013.

Caring for employees

We highly value and care for our employees, especially 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.



Opening ceremony of "Masters and Students" at Tibet Huatailong

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.

Illustrative case

In 2013, the labor union of Tibet Huatailong organized to carry out various types of labor competition such as "work hard for one hundred days, realize double over-half completion", established employee activity center, added cultural and physical activity facilities, held employee performance, basketball game, and employee speech competition, and carried out "Reading Month" and painting, calligraphy and photography shows. Those measures and activities effectively improved the cultural quality of employees in the Company. The Youth League Committee actively led the youth outstanding team and youth volunteers to carry out voluntary labors such as afforestation and mining area beatification, and held the second group wedding and "Youth Party" sodality, which greatly enriched the cultural life of young employees and enhanced the sense of belonging and happiness of young employees.



Mid-Autumn Festival Gala Evening at Tibet Huatailong



Third "Huatailong Cup" Basketball Game

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 2013 the Company recorded zero occupational disease case, a sound track record of no additional occupational disease cases since its inception.

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.

● 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.



Company providing regular health examination for employees

● 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.



Inner Mongolia Pacific providing sudden illness emergency rescue training for employees



TECHNOLOGY INNOVATIONS

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.

Investment in Technological Innovations

With increasing investment in scientific research, the Company obtained a total of 27 scientific and technological achievements and undertook 9 scientific research programs until 2013, laying a technological foundation for sound and rapid corporate development.

Scientific achievements of Huatailong

Project Name	Level of Award	Remarks
Study and Application of Tailings Pasty Fluid Creeping Stockpiling Technology to Groove-Slope-Rainfall Gathering Valley Tailings Pond	Special award	International leading level
Efficient Geological Survey Management Practice in Jiama Copper Polymetallic Ore in Gandise Metallogenic Belt	First prize	International advanced level
Study on Laneway Support Technology of Grike Stratum in Jiama Mining Area	First prize	International advanced level
Study on Metal Mine Steep Slope Stability under Complicated Geological Conditions in Qinghai-Tibet Plateau	First prize	International advanced level
Industrial Test and Application of Key Cu-Mo Separation Technology for Jiama Copper Polymetallic Ore in Tibet	First prize	International advanced level
Innovation and Practice of Plateau Harmonious Mining Area Construction based on "Establishing Enterprise for Public and Gold for Mass"	First prize	International advanced level
Study and Application of Huatailong Preparing Technology Integrated Optimization	Second prize	Domestic leading level
Study and Application of Overproof Bottom Water Treatment Technology for Copper Polymetallic Ore	Second prize	Domestic leading level
Comprehensive Study and Application for Improving Green Coverage Rate in Plateau Ecological Fragile Mining Area	Second prize	Domestic leading level

Through hard work and practices of scientific research team of Tibet Huatailong for years, eight scientific achievements made by intelligence and sweats including *Study and Application of Tailings Pasty Fluid Creeping Stockpiling Technology to Groove-Slope-Rainfall Gathering Valley Tailings Pond*, *Study and Application of Overproof Bottom Water Treatment Technology for Copper Polymetallic Ore* and *Innovation and Practice of Plateau Harmonious Mining Area Construction based on "Establishing Enterprise for Public and Gold for Mass"* passed authentication by experts in the industry on Nov. 8, 2013, among which one reached international leading level, four reached international advanced level and three reached domestic leading level. Through the achievement authentication, achievement commercialization, demonstration and guidance, the capacity level of scientific research team in the industry and influence of the Company is improved.

Achievements in Technological Innovations

● 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.

Illustrative case

In 2013, Inner Mongolia Pacific Mining production technology department improved the secondary delineation method for ore body, and delineated by ordinary kriging method in geostatistics from the common mathematic method according to grade so that the secondary delineation of the ore body will be more reasonable and reliably, and difference between pit sampling results and crushing station samples through comparative analysis reduced to current 1.3% from the formal 10% averagely. Meanwhile, the Company made field explosion displacement accurate, refined mining design, actively explored grade control innovation solution, and strengthened construction management and monitoring to gradually perfect grade control program and reduce loss and dilution ratio.



Researchers at Inner Mongolia Pacific conducting sample tests

● 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. As of the end of 2013, through the hard work of Huatailong scientific and technological researchers, Jiama Phase I cu-mo separation technology has been applied to commercial test and gained significant breakthrough.

Illustrative case



Tibet Huatailong Cu-Mo Separation Technology receiving Science and Technology Awards from China Gold Association

Huatailong started the cu-mo separation work since 2012, and established scientific research group, who overcome the difficulties such as severe coldness, lack of oxygen, complex and variable ore and mineral composition, mutual intervene of six valuable elements, full recycling of backwater, low air pressure in Plateau, difficult separation of six valuable elements, insufficient experiences of young team, and no experience for reference, has started cu-mo separation industrial test and industrial production on April 26, 2013 based on multiple laboratory experiments, and achieved advanced technical indexes, reaching first grade product standard, for industrial production of cu-mo separation on July 20, 2013. Besides, the problems of copper concentrate filtering and full recycling of backwater are solved thoroughly, marking the successful separation of copper and molybdenum. On July 26, the project "Industrial Test and Application of Key Cu-Mo Separation Technology for Jiama Copper Polymetallic Ore in Tibet" finished by Huatailong, has passed the scientific achievement authentication organized by China Gold Association, and been assessed as "overall technology reaches international advanced level, the cu-mo separation technology in cold and high altitude ecological fragile area reaches international leading level, and plays a leading role to similar mines" .

● 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.



Digital Logistics Center at Inner Mongolia Pacific

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.

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 2013, four Board meetings, four Audit Committee meetings, two Nominating and Corporate Governance Committee meeting, two Compensation and Benefits Committee meeting, six Health, Safety and Environmental Committee meetings and five meetings of the Independent Directors were held.



Independent directors visiting CSH Gold Mine

Attendance at the Board and Board committee meetings in the fiscal year	Board Meeting	Audit Committee Meeting	Nomination and Enterprise Management Committee Meeting	Salary and Staff Welfare Committee Meeting	Health, Safety and Environment Committee Meeting	Independent Director Meeting
Attendance/Frequency of Meeting						
Executive Director						
Sun Zhaoxue (Chairman)	3/4	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Song Xin	4/4	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Wu Zhanming	4/4	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Jiang Xiangdong	4/4	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Non-executive directors						
Liu Bing	4/4	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Independent non-executive director						
Hao Yingbin	4/4	4/4	2/2	2/2	6/6	5/5
Chen Yunfei	4/4	4/4	2/2	2/2	6/6	5/5
Gregory Hall	4/4	4/4	2/2	2/2	6/6	5/5
John King Burn	4/4	4/4	2/2	2/2	6/6	5/5

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.

● **Contract management**

Contracts of subsidiaries are vertically managed and reviewed by dedicated officers in a centralized manner under the Methods for Contract Management and the Interim Provisions on Review of Contracts of Subsidiaries and other measures. In 2013, the headquarters recorded a 100% contract execution rate, and the subsidiaries also recorded a 100% major contract execution rate.

● **Legal education**



A circuit court held by the People's Court of Maizhokunggar County, Tibet

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.

● **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 2013, the Company has prepared internal audit reports for six years in a row, all indicating that there is no weakness in all material aspects.



Mr. Xin Song, Chairman of China Gold International, visiting Inner Mongolia Pacific CSH

● **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.



Anti-corruption seminars held at Inner Mongolia Pacific



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.



Conduct the education on compliance, focusing on probity of key personnel in charge of human, financial and physical resources.



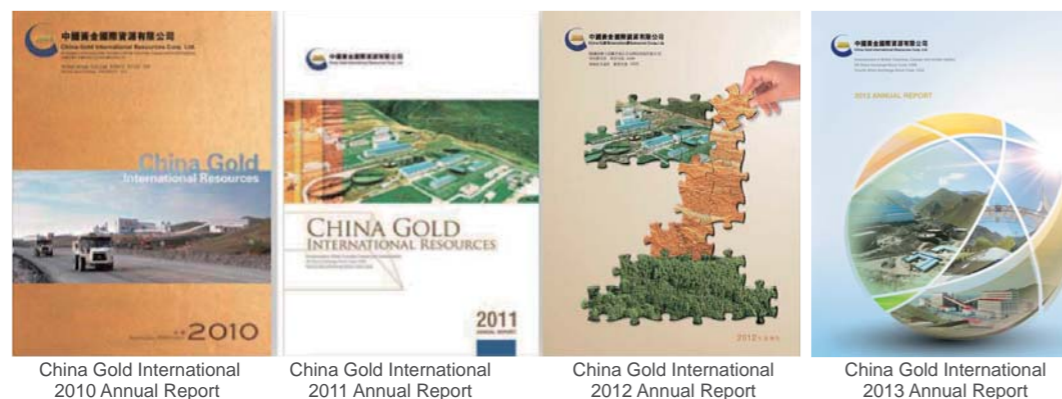
Promote the construction of a probity culture across enterprises.

Investor Relations

● **Information disclosure**

The Company attaches great importance to information disclosure in a timely, accurate and complete manner, addressing different informational needs and habits of investors internationally, specifically 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 2013, the Company completed 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 operation and management issues. The information mainly includes: production & operation and Phase II expansion for CSH Gold Mine and Jiama Mine, updates about 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 2013, the Company issued a total of 50 announcements and press releases.



China Gold International 2010 Annual Report China Gold International 2011 Annual Report China Gold International 2012 Annual Report China Gold International 2013 Annual Report

● Investor relations

The Company kept active and candid communications on an ongoing basis in 2013 with investors and analysts through investor presentations, press conferences, industry conferences, trading and non-trading road shows, seeking to fully showcase its current situation and growth potential to investors. The efforts were positively appreciated by our investors.

● 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 international emerging 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.

Customer Relationship

Adhering to the concept of "business integrity and customer satisfaction" in its operations, the Company views 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 long-term cooperation with customers, seeking to establish longstanding relationship and promote win-win situations with customers and thus uplift the Company's industry position and image. In 2013, sales revenue from the top five customers of the Company totaled RMB 1.901 billion, accounting for 100% of the total revenue.

Supplier Relationship

● Strict management of 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 2013 amounted to RMB 317 million, of which RMB 37.62 million or 12% was procurement under social responsibility.



● 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.

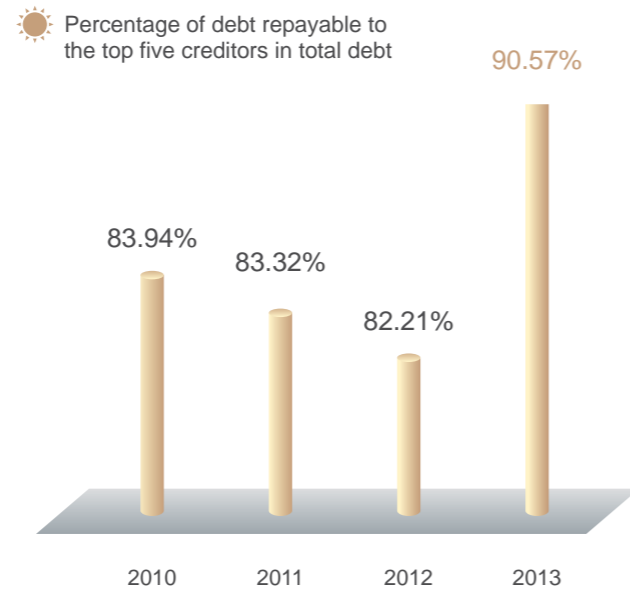
Illustrative case

Huatailong locates in Tibet Plateau with extremely inconvenient traffic. Therefore how to guarantee supplies supply is a very important issue. The Company always strives to cooperate with local supplies, stably promotes the local procurement progress of equipment and supplies, preferentially selects the local supplies and equipment with mature production technology, reliable product quality and obvious price advantage, actively negotiates with suppliers to establish Lhasa transfer warehouse, and while meeting the requirements of reducing internal inventory and procurement cost under normal production, effectively promotes the upgrade of manufacturing industry where the Company locates, and realizes win-win result of the Company.

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 2013, the debt repayable to the top five creditors accounted for 90.57% 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.



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.

Illustrative case

In 2013, Tibet Huatailong totally solved the employment problems for over 100 local people, and assigned over 80 Tibetan employees in Jiama Town to relevant mine secondary technical schools such as Sanmenxia Gold Technical School for three-month skill training so that they can skillfully master the working process and relevant operating skill knowledge. After the trainees entered the Company after passing the test, HR Department would assign technology expert and business backbones as masters for them so that they can master the basic operating procedure of workshop equipment and enrich the employee team. It not only united the local mass, but also made great contribution to its development.



Tibet Huatailong Party branch activity "the Protection of Environment Should Start from Ourselves"

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.

Illustrative case

Tibet Huatailong has always adopting the method combining "expert lecture, experience sharing, field investigation, discussion and exchange" in recent years, employing well-known professors to give lectures and share experiences, organizing professional technicians to survey, discuss and exchange on field of enterprises in the same industry, emphasizing on improving the business capacity of occupational quality of technical backbones in mining, mineral separation, measurement, and electromechanical fields and strengthening skillful talent team construction so as to adapt to the demand of talents by new technology and new equipment introduction in recent years, and connect with the world leading mines.



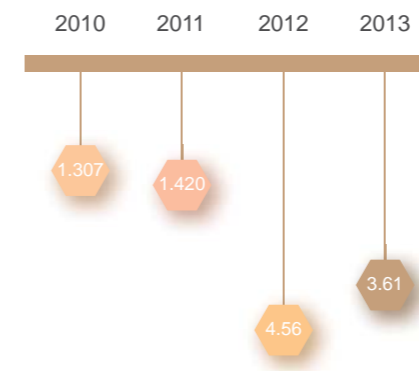
Prof. Jianjun Tian, mineral processing expert from Australia, giving lectures to employees of Tibet Huatailong

Community Welfare

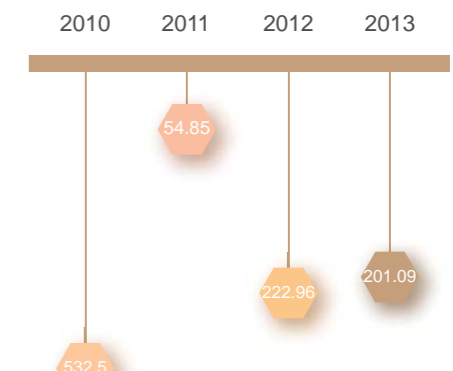
With a commitment to "Harmonious mutual development to benefit the locality", we extend active presence in public welfare undertakings, advocate integrity and impartiality by own actions and root ourselves in the masses for return to the community and the benefit of our offspring, aiming at harmonious 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 2013, the Company donated a total of RMB 2.0109 million, mainly for supporting local infrastructure, helping impoverished families and students and other programs. In 2013, the Company offered assistances to 332 persons from impoverished families and students.

Total tax Unit:RMB 100 million



Total donation Unit:RMB 10,000



 Illustrative case

Just before the 2013 Tibetan New Year, the leaders of Huatailong led the mass work department personnel to visit the 57 key families and 28 poverty-stricken families in Jiama Town, and 13 key families and 8 poverty-stricken families in Zhaxigang Town, and gifted serious wishes for the festival. They totally sent 36 bags of rice, 106 buckets of colza oil, 212 bundles of brick tea and 106 pans, totally valuing over RMB 50,000 Yuan. In addition, since 2011, Huatailong established "one-to-one" assistant with the households enjoying the five guarantees in the village, and in Sep. 2013, extended the assistant activities from senior management to deputy titles of the Company. It strived to actually solve the problem of food and clothing of masses, improve the ability of poverty-stricken masses to achieve prosperity, solve problems of masses truly and work toward common prosperity.



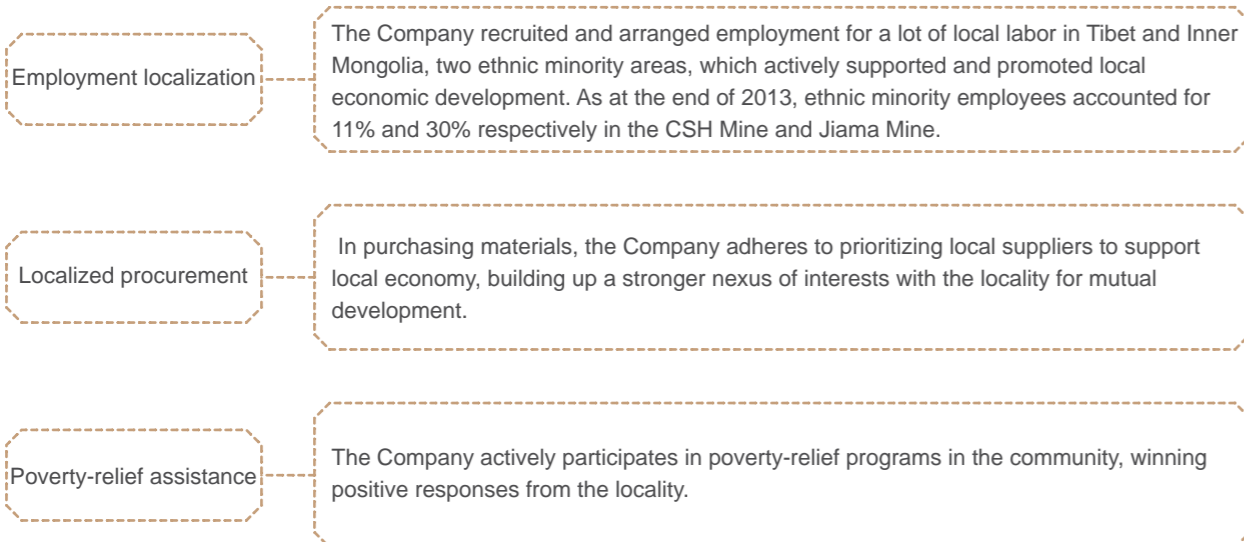
 Tibet Huatailong "Correspondent Support" activity



 Tibet Huatailong' s condolences activity in Tibetan New Year


● 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 2013, the Company paid total tax of RMB 361 million.



 Illustrative case



 Mr. Xin Song, Chairman of China Gold International, visiting household and employees in economic difficulty in Jiama Town

After the water supply system of Qianjin village in the north of Tibet Huatailong was damaged naturally in May, 2013, the Company has paid great attention to the water problem for 36 households totally 196 villagers. After field investigation and research of company leaders and relevant departments, the Company decided to connect the domestic water from Xingfu Apartment to the western entrance of Qianjin Village. The entire construction length is 1,927m, and the water supply pipeline adopts ϕ 75PE hot melting pipes. Meanwhile, to prevent the villagers from being impacted due to the frozen pipelines in winter, the Company built a valve chamber with diameter of 2m on the eastern entrance of Qianjin village. To enable the villagers to use the tap water as soon as possible, the Company only spent 10 days to finish the entire line, costing totally 280,000 Yuan. Through endeavor of the Company, the clean tap water is connected to every household of the village. The Company is spoken highly of by Jiama Township Government and villagers in Qianjin Village.


● Promoting the development in ethnic areas

The Company places great emphasis on maintaining ethnic unity with a goal to "Construct 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.

 Illustrative case

Inner Mongolia Pacific Mining Phase II expansion project is an important project to promote the scientific and sustainable development of China Gold International. The project, with total investment of 933 Million Yuan, was completed in Aug. 2013. After putting into operation, the daily ore processing volume of Pacific Mining is increased to 60,000 ton from former 30,000 ton. The important indexes of capacity, output and profits will be improved greatly by the end of the "twelfth five-year" plan. The completion of Inner Mongolia Pacific Mining Phase II will not only add new power for China Gold International to completely realize the strategic objective of the "twelfth five-year" plan, but also add new power to the local and regional economic development. Meanwhile, it marks that Inner Mongolia Pacific Mining will become the gold mine with largest gold output in North China, and the Company will enter new development stage.



 Panorama of Inner Mongolia Pacific' s newly completed Phase II crushing system

Appendix: China Gold International Social Responsibility Key Performance Indicator

	Unit: RMB	2013	2012	2011	2010
Honest operation					
Head office contract performance rate	%	100	100	100	100
Subsidiary contract performance rate	%	100	100	100	100
Total sales income to top five customers	RMB100 million	19.01	21.61	20.54	10.01
Proportion of total sales income to top five customers to all operating income	%	100	100	100	100
Proportion of debts to top five creditors to total debts of the Company	%	90.57	82.21	83.32	83.94
Environmental protection and energy conservation					
Environmental investment (including tailings treatment, dust removal, sewage treatment, environmental monitoring and land reclamation)	RMB100 million	2.52	0.39	2.03	2.55
Percentage of environmental investment in total investment of newly constructed mines	%	24.22	14.49	35.10	10.55
COD (chemical oxygen demand) emission	ton	8.14	8.32	8.5	8.7
Sulfur dioxide emission	ton	44.93	46.01	46.89	47.87
Comprehensive energy consumption per ton for mineral processing (Huatailong)	kwh	47.97	54.79	38.83	38.83
Total water consumption	10,000 ton	689.1	432.4	154.2	121.4
Including: New water	10,000 ton	129.8	95.4	23.2	25.4
Recycled water	10,000 ton	3,416	3,232	130.9	96.0
Water consumption per RMB10,000 output	ton	15.89	9.53	10.97	13.7
Water consumption per ton of ore	ton	0.13	0.28	0.38	0.163
Accrued expenses for reclamation for reclamation costs	RMB 10,000	120	120	120	120
Number of environmental pollution accidents	Number of times	0	0	0	0
Safety production					
Safety investment	RMB 10,000	5,657	1,724	840	1,211
Death toll of employees in production	Person	0	0	0	0
Fatality rate for million-ton production	Person/million ton	0	0	0	0
Major equipment accidents	Number of times	0	0	0	0



Major fire and explosion accidents	Number of times	0	0	0	0
Major traffic accidents	Number of times	0	0	0	0
Special equipment inspection rate	%	100	100	100	100
Special equipment inspection qualified rate	%	100	100	100	100
Loss accidents of explosives and hazardous chemicals	Number of times	0	0	0	0
Serious spill accidents of explosives and hazardous chemicals	Number of times	0	0	0	0
Safety education and training sessions	Number of times	226	31	30	14
Safety education and training participants	Number of times	6,251	4,100	2,620	1,870
Safety education and training rate for employees	%	100	100	100	100
Employees' interests					
Total employees	Headcount	1,527	1,271	1,148	1,004
Female employees	Headcount	327	239	237	194
Ethnic minority employees	Headcount	333	346	297	231
Employees at primary managerial positions and above	Headcount	264	148	140	111
Including: Female employees	Headcount	40	37	33	31
Employment contract signing ratio	%	100	200	100	100
Employee social insurance coverage ratio	%	100	200	100	100
Annual recruits through open recruitment	Headcount	426	191	251	296
Including: Hires newly graduated from universities and colleges	Headcount	14	72	62	43
Experienced hires	Headcount	313	119	189	253
Total training participants	Headcount	1,238	1,117	1,341	1,483
Annual promotions in professional titles	Headcount	75	68	38	147
Annual promotions to expert-level senior engineers	Headcount	0	2	13	11
Occupational disease cases at year end	Case	0	0	0	0
Additional occupational disease cases in the year	Case	0	0	0	0
Technology progress					
Total input in scientific research	RMB 10,000	6,890	4,425	N/A	N/A
Number of new patents	item	3	0	N/A	N/A
Scientific and technological achievements	item	27	2	1	1
Scientific research programs undertaken	item	9	10	4	4



Harmonious win-win					
Total tax	RMB100 million	3.61	4.56	1.42	1.31
Total procurement of materials	RMB100 million	3.17	2.34	5.61	3.25
Including: Procurement under social responsibility	RMB100 million	0.38	0.29	0.68	0.52
Percentage of procurement under social responsibility	%	10.94	10.57	12	16
Total donation	10,000 RMB	201.09	222.96	54.85	532.5
Assistances to impoverished families and students	Headcount	332	410	198	181



Rating report

Rating Report of Social Responsibility Report 2013 of China Gold International Resources Corp. Ltd

Entrusted by China Gold International Resources Corp. Ltd, Research Center for Corporate Social Responsibility Chinese Academy of Social Sciences (hereinafter referred to as "Center") selected experts from "Rating Expert Committee of China Enterprise Social Responsibility Report" to form rating team to carry out rating to *Social Responsibility Report 2013 of China Gold International Resources Corp. Ltd.* (hereinafter referred to as "Report").

I. Rating Basis

Compilation Guide of China Enterprise Social Responsibility Report (CASS-CSR 3.0) is Rating Standard for China Enterprise Social Responsibility Report (2014).

II. Rating Process

1. Procedural assessment team interviews the staffs of Social Responsibility Department of China Gold International Resources Corp. Ltd.
2. Procedural assessment team examines relevant data of social responsibility report compilation process of China Gold International Resources Corp. Ltd. and its subordinate enterprises on site.
3. Procedural assessment team evaluates the management process of enterprise social responsibility report and the disclosure contents of the Report.

III. Rating conclusions

Procedure (★★★★)

President Secretary Division of Comprehensive Office of the Company takes the lead to establish report compilation group, and the leaders in high management participate in compilation promotion and report approval; the compilation group identifies the interested parties, and defines the substantive issues of major company issues, relevant national policies, industry benchmarking, etc.; it plans to release the report in the official website, and report it in form of printing materials, electronic version, Chinese and English version, etc. with excellent process presentation.

Substantiality (★★★★☆)

Report systematically disclosed critical issues in general mining industry like "digital mine construction", "occupational health management", "safety production", "environmental management system", "R&D and Application of environmental technology and equipment", "emission reduction of three wastes", "mining area conservation, tailing disposal and mining area ecological protection" with leading substantiality presentation.

Integrity (★★★★)

Report disclosed 70.0% core indexes of general mining industry from "responsibility management", "environmental protection and energy saving", "safety production", "employee right and benefit", "scientific and technical innovation", "harmony and win-win" with excellent integrity presentation.

Balance (★★★★)

Report disclosed the negative data information like "work accidents death number", "injured rate of 1000 workers", "occupational disease number", etc., and states the investigation process of safety production hidden danger of subsidiary corporation and its rectification effect. The balance presentation is excellent.

Comparability (★★★★)

Report disclosed the historical data over 3 years of 69 key performance indexes like "total tax payment", "safety investment", "environmental protection input", "total external donation" with excellent comparability presentation.

Readability (★★★★☆)

Report has clear framework, fluent word, full and accurate examples; rich expression methods of figures and tables, complements each other with words presentation; exquisite type-setting, selects gold as the main color which complies with the industry features, increased the readability of the report, and the readability presentation is in leading position.

Innovativeness (★★★★)

Report shows the responsibility practice of subsidiary corporation with adoption of rich examples and figures in form of independent sub-report to supplement the report contents, which is convenient for comprehensively understanding the enterprise responsibility performance by relevant parties, and it has excellent innovation presentation.

Overall ranking (★★★★)

Through assessment by the rating team, Social Responsibility Report 2013 of China Gold International Resources Corp. Ltd. is Four-Star Level and an excellent enterprise social responsibility report.

IV. Suggestions for improvement

1. Increase the disclosure of industry core indexes to improve the report integrity.
2. Increase the disclosure of enterprise negative data information to further enhance the report balance.
3. Strengthen the management of report process to increase the degree of participation of the interested parties.

Rating group

Team leader: Zhong Hongwu, Director of Enterprise Social Responsibility Research Center of Economics Department of Chinese Academy of Social Sciences

Members: Chen Honghui, Professor of Lingnan College, Zhongshan University

Fei Jiahang, Senior Manager of Shenzhen Stock Exchange

Fang Xiaojing, Wang Mengjuan, Procedural Evaluators of the Center

Peng Huagang(Signature)

Chairman of Rating Expert Committee
Standing vice chairman of the Center

Zhong Hongwu (Signature)

Rating Team Leader
Director of the Center





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: _____
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Our contacts

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2013

西藏华泰龙矿业开发有限公司社会责任报告

Tibet Huatailong Mining Development Corp. Ltd.

Social Responsibility Report

Company Profile



As a holding subsidiary of China Gold International Resources Corp. Ltd., Tibet Huatailong Mining Development Co., Ltd. (hereinafter referred to as "Huatailong Company") was incorporated in the Tibet Autonomous Region (TAR) on December 9, 2007, which has been operating the Jiama Copper & Gold Polymetallic Mine in the TAR, and comprehensively developing the mineral resources within and around Tibet thereby. The Jiama Mine is located in the Jiama Village of Medro Gongkar County in Lhasa, which is 68 kilometers away from Lhasa, and output 12,847.00 tons of copper in 2013.

Since its development and construction in Jiama, Tibet, Huatailong Company has been taking the initiative to undertake the political duty, economic and social responsibilities of a central state-owned enterprise, as well as building a good social image of state-owned enterprise through implementing the enterprise tenet of "Building a Mine as a Monument", adhering to the enterprise spirit of "Entrepreneurship, Teamwork, Dedication, Excellence", following the general idea of "Saved Investment, Shortened Construction Duration, Improved Quality, Beautified Environment, Enhanced Efficiency", applying advanced technology, reinforcing precision management, and balancing the mining development and natural environment with hardheaded actions. The Jiama project was ranked among the Top 10 prospecting results by the Geological Society of China, and awarded "Optimal Exploitation Prize of China Mining International Cooperation" by the International Mining Conference in 2009, in addition, the Company was awarded "Annual May 1 Labor Medal" by ACFTU (All-China Federation of Trade Unions) in 2011, and the title of "Model Enterprise of National Comity and Progression" by the People's Government of TAR in 2012. In 2013, Tibet Huatailong was awarded as "Advanced Enterprise in Safety Production" by Tibet Autonomous Region.

Message from the Chairman



As the first holding subsidiary of China Gold International Resources Corp. Ltd. in Qinghai-Tibet Plateau, Tibet Huatailong Mining Development Co., Ltd. is provided with a high-skilled talent team, represented by the business management personnel with great senses of responsibility and dedication as well as the technical experts from all professional fields, contributing to the advanced technology, professional supporting and tremendous strength. Strongly supported by the TRC Party Committee and Government, the Company has undertaken the construction of Jiama Copper & Gold Polymetallic Mine, and been comprehensively developing the mineral resources within and around Tibet thereby based on the strategic idea "Involving Large State-owned Enterprises in the Mineral Resources Integration and Development of Tibet" of the TRC government.

Huatailong Company aims at building a mine as a monument based on the resource development in Jiama. The company has been endeavoring to turn the Jiama Copper & Gold Polymetallic Mine into a large-scale, technical, green, ecological and iconic mine on the roof of the world through adhering to the enterprise spirit of "Entrepreneurship, Teamwork, Dedication, and Excellence", applying advanced technology and reinforcing precision management. Moreover, under the guidance of national industrial policies, Huatailong, the Tibet-based and international-oriented corporation, will try to promote the development, harmony and stability of local economy, society and technology by virtue of developing the mineral resources in Tibet.


Just as the classical Chinese poetry says "A time will come to ride the wind and cleave the waves to cross the sea". We are sincerely willing to cooperate with the industry colleagues and friends, for a mutual benefit and a better future!

Chairman:

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Environmental Protection and Greening

Case

On the basis of its greening work in 2012, Huatailong Company carried out greening and beautifying work through making up for deficiencies as well as reclamation and greening throughout the mine in 2013. The replanting and reclamation in 27 green belts, such as the Tailing Contact Road, the Youth Demonstration Forest, the failure surface between Happy Apartment and Xiaoxuan Factory, the newly built slope protection behind the board house of Jiama Industrial and Trading Company, and the sea-buckthorn planting area of Tailing Contact Road, etc., covered green area of over 160,000 square meters, cost RMB 939,700 (excluding the RMB 21,100 for tools and chemical fertilizers), and eventually changed the mine greatly.

In addition, for guaranteeing a dust concentration in the workshop far below that stipulated in the relevant national standards, Huatailong Company carried out enclosure and efficient recovery against the places producing dust throughout the concentrating plant, which effectively protected the fragile local ecosystem. Besides, multiple watering carts are equipped in the mine, to uninterruptedly do the watering and dust fall towards the mine roads on daily basis, effectively avoiding the dust rose from the traffic, further guaranteeing the physical and mental health of staffs.



● Tibet Huatailong' s Gate "Setting Sail"
● Jiama Town - Songtsen-Gampo's hometown landscape and where Tibet Huatailong locates



● Vegetation at Jiama mine site
● Green Road at Jiama

 Case

In the initial development stage of Jiama project, Huatailong Company detected the overproof heavy metal ions (a cupric ions content of 2000mg/L) and strong water acidity in the Donggou Basin of Niomatang within the Jiama Mine, which has threatened the health of human, animal and plant in the downstream basin. Where upon, Huatailong Company promptly established a project team, focusing on the cause research on acid wastewater containing heavy metal ions in Donggou Mine of Jiama as well as the demonstration project of environmental management, for which RMB27 million was input to govern the wastewater. Based on the repeated demonstration and research trials, the water quality eventually met the national emission standard by virtue of treating the acid wastewater containing heavy metal ions with scrap iron displacement-lime neutralization technology. Furthermore, the following optimization of system processes managed to increase the copper replacement rate to about 96%, while greatly improve the quality of discharged water. Apart from ensuring the standard quality of discharged water, such water treatment system recycled a large amount of copper, which achieved the dual harvest in environmental and economic benefits, and greatly pushed forward the environmental management.

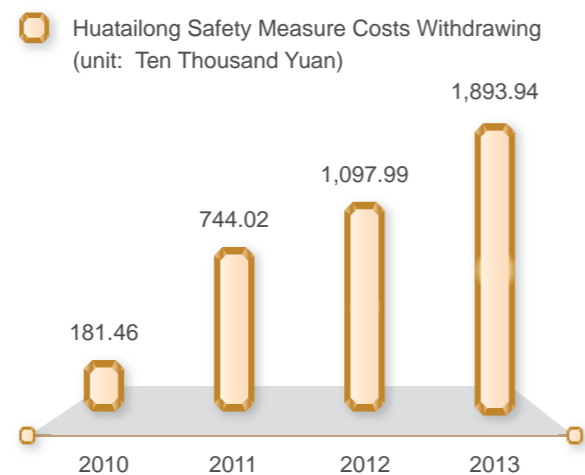


● Heavy metal water pollution control workshop

 Safety Production

 Case

Huatailong Company lays emphasis on the safety investment, of which the safety measure costs are strictly withdrawn in accordance with the national standards, and designedly input to the necessary safety projects on schedule. The safety measure costs withdrawn in and by 2013 were RMB18,939,400 and RMB39,174,100 respectively, of which the use was supervised and urged, whereby, the hardware facilities of safety management was effectively improved, the "Five in Place" of rectification measures, responsibility, funds, time limit and planning were implemented, and the safety production and operation of the company were guaranteed. All the rates of major equipment, fire or explosion and traffic accidents were zero in 2013, realizing a good situation of safe and stable operation.



 Case

For enhancing the safety management level of civil explosive, Huatailong completed and issued the "Overall Process Safety Supervision and Management Measures for Civil Explosives in Tibet Huatailong Mining Development Co., Ltd.", supervising and management the overall safety throughout the storage, outgoing, requisitioning, transport, use and refund of civil explosives in the Company and explosive construction units. Besides, the Company took the initiative to cooperate with the public security department through accessing the monitoring system to the public security bureau and signing "Security Management Agreement on Social Security Items", etc., to involve the public security system to the daily management of initiating explosive devices in the Company. By virtue of the overall process supervision mechanism of civil explosives based on the common effect between both parties and the monitoring effect of public security department as the third party, a mature security management network platform was set up over four consecutive years, none of the steal and loss accident of initiating explosive devices was caused by the owners, and valuable experience in initiating explosive device management was obtained, besides, the district, city and county leaders have repeatedly praised the Company and been leading teams to visit and study in the Company explosive magazine, which lay a solid foundation for the building of demonstration base for civil explosive safety management in the district.



● Fire drill at Tibet Huatailong



● Special operations permit



Case

Huatailong attaches great importance to safety supervision of outer cooperative unit for construction, e.g., they adopt strict security access system, strengthening authenticity affirmation of all kinds of the construction unit's certification to prevent borrowing or illegal use of other's qualifications to participate in contracting projects; they will sign safety production management agreement with the construction unit to clear security responsibilities and obligations, safety investment and financing guarantee, hidden danger checking and governance, accident emergency rescue, the responsibility of the breach of agreement and other matters; meanwhile, they strictly implement the system of production safety risk mortgage capital and collect the production safety risk mortgage capital of the outer construction unit according to a certain proportion of the total amount of the project contract.



● Tibet Huatailong's meeting "strengthening management of construction unit, and building up a harmonious Jiama mine"



● Oath of strengthening safety management from outsourced construction unit



Case

Huatailong carried out many times and kinds of safety education and training throughout the year of 2013; 137 employees participated in the safety management personnel training organized by the Security Bureau of Tibet Autonomous Region, 206 blasting personnel participated in the blasting personnel training of post certification obtaining organized by county public security brigade, 132 employees participated in the trainings of Sanmenxia Gold Technical School for blasting workers, electricians, welders, ventilation workers, winding workers and all workers passed the examinations, and the employee number of "Class 3" security education and training reached to 4,164 person-time. In September 2013, the company invited the lecturer from Sanmenxia safety training center of China National Gold Group Corporation to conduct security training for all the employees, training of special type of work and security training for team leaders and upper management personnel and 1,726 persons took part in the training. The company carried out 8 drill activities in total in the year for food poisoning, fire safety, gun smoke poisoning, etc., 20 safety knowledge lectures for labor protection, occupational disease prevention and control, traffic safety laws and regulations, etc., providing advantageous safeguard for the company to realize normalization, standardization and systematization of safety production and obtaining actual effect in mine safety production.



● Opening ceremony of "Three Level Safety Training" at Tibet Huatailong



Technology Innovations



Case

The company reduces the mining cost by increasing the proportion between the amount of open-pit mining and that of underground mining, as well as raising undressed ore grade and recovery rate and reducing the tailings grade; they control dilution rate and loss rate to realize scientific, reasonable and sustainable exploitation and utilization of mineral resources; strictly rein the undressed ore particle size to reduce use cost of mechanical equipment; optimize the technological process and make technical renovation to reduce material consumption and eliminate leakage and loss; improve equipment operation rate at full capacity to avoid idling as far as possible, strengthen lubrication and maintenance of equipment to save water and electricity energy to the maximum limit; improve production technology index to keep an average daily processing ore quantity of 6,500 tpd, etc. They stabilize production, control and elevate technical indexes of production and business operation, as well as improve technology level stably.



● Technology improvement of flotation process



● Tibet Huatailong's scientific research personnel



Cost Control and Performance Enhancement

Since 2013, Huatailong has been carrying out activities of "income increasing and expenditure reduction and cost decreasing and benefit increasing", combining energy conservation and emissions reduction with cost decreasing and benefit increasing to reduce consumption and increase efficiency to the maximum limit; they actively carry out various featured activities of "energy conservation and emissions reduction starts from me", "six combinations", "golden idea engineering", "five-small activity and energy conservation and emissions reduction activity", etc., expand the publicity of energy conservation and emissions reduction, widely popularize application of energy saving technology and improve employees' saving consciousness to promote saving culture and set up saving concept so as to implement the company's works for energy conservation and emissions reduction and eventually create an economical mine.



Case

In 2013, in order to reduce the consumption of fresh water, big water tanks were manufactured for the fine tail workshop realizing cyclic utilization of 36 and 45 square meters of back washing water, the saved fresh water is 2,700 m³ for each month and 32,400 m³ for each year. Slurry pump shaft seal water is used as diaphragm pump cooling water, realizing reuse of fresh water, and the transformation can save about 3 tons of water for each day and about 12,000 m³ for each year.

 Case



Huatailong set up the dust system of significant effect by adding spray nozzle on the material handling gate in the ore crushing plant, closing the material handling gate and other methods, so the fans with a total installed capacity of 434 kw has been out of use and it is predicted that about RMB2 million energy charge will be saved by the end of this year.

● Spraying system for dust suppression at Jiama mine

 Employees' Interests

As a representative of outstanding enterprises in the minority areas, Huatailong respects employees' ethnic customs and religious beliefs, actively maintains their rights and interests and strengthens the construction of infrastructure of the mining area to create a good working and living environment for employees.

 Case

By constantly optimizing the six modules of human resource management, transferring technology backbone from inland, strengthening labor localization, perfecting vacation system, attaching great importance to the salary incentive, structuring promotion bridge, providing development platform and career planning as well executing Mentoring Program, 30-60-90 Program, 358 Annual Plan, Succession Plan and Reserve Talent Pool Construction Plan, etc., Huatailong has left and cultivated so many excellent technical and management personnel, and provided valuable experience of talent team construction for plateau mining enterprises.

 Case

As the position of Huatailong is at high altitude and the system of centralized vacation is adopted, the shift workers of dressing plant, quality inspection department, production technology department (stope) carry out continuous shifts, the cumulative public holidays are realized by concentrated vacation, one works for 3 months days can have 38 continuous of holiday, and the principle is that working time for each year is no more than 251 days; workers of each organ or department office can rest for 1 day every 2 weeks and the rest day is the second Sunday, the cumulative public holidays are realized by concentrated vacation, one works for 3 months can have 1 month of holidays, and the principle is that working time for each year is no more than 251 days. This vacation system fully cares the inland workers, making them give consideration to responsibilities on work and home, and it resolves the problems that workers' homes are far away from the work place and plateau work has more effects on workers' health in a humanized manner.

 Case

Huatailong has been always strengthening the enterprise cultural construction, sparing no efforts to create favorable work and life environment for the employees by improving their work and life conditions, and actively organizing various enterprise culture activities which are positive, beneficial, healthy and educational so as to increase the enterprise's cohesive force.



● 2013 professional title appointment meeting at Tibet Huatailong



● Business writing training



● Tibet Huatailong's new cafeteria starts operation



● Tibet Huatailong providing training of Tibetan folk customs



● Tibet Huatailong's evening party

Harmonious Win-win

Case

To actively respond to the call to "strengthen foundation and benefit people's livelihood" proposed by the Party Committee of Tibet Autonomous Region, Huatailong assigned 3 work teams, 12 employees in total resident in the countryside, who went to the 3 positions in Jiangzi County of Xigaze area, complying with the work guideline of "creating image and brand, emphasizing behavior and setting up example, do practical job and win the people's heart", implemented so many efforts in construction of primary-level organization, farmland irrigation project, rural public security stability, leading the masses to get rich, etc. By establishing rural book house, photo exhibition of past and new Tibet and activities of sending medicines and diagnosing diseases, the distance between the employees and the farmers and herdsmen is closer and closer; so that they obtain the trust and support of primary-level organizations and the masses, and they have been awarded with the honorary title of "advanced teams resident in the countryside" for 3 consecutive years.



Mr. Liangyou Jiang, Chairman of Tibet Huatailong visiting the Inhabitants around the area



Tibet Huatailong's work team stationed at village opening reading-rooms for local residents

Case

Jiama Industrial and Trade Co., Ltd., jointly established by Huatailong Company and the masses of Jiama Town, takes part in Huatailong's engineering transportation, greening and environment protection, labor employment and greenhouse planting and opens various business cooperation projects in transportation, agriculture and animal husbandry and sand factory as well as diversified economic development model. By the end of 2013, the masses of Jiama Town have received dividend for 5 times with the amount of RMB 5.24 million and the average of RMB 8,000 per household; the average monthly income of all the employees (53 Tibetans in total) of Jiama Industry and Trade Co., Ltd. were RMB4,000 which had ranked in the first place in Tibet area, forging the tripartite-wins pattern of enterprise development, regional economy growth and the masses livelihood improvement.



The fifth dividend payment to Jiama Industrial and Trading Company

Case

Huatailong positively develops party members and chooses employees' representatives in the ethnic minority employees; as a result, there are 33 existing minority party members and 25 activists for joining the party. At the same time, the company pays attention to select talents in the ethnic minority employees and promotes them to the technology and management posts of all levels, with the number of administrative personnel of ethnic minorities as team leaders or above is 16, that of assistant cadres above middle level is 4 (accounting for 8.5% of the company's total number of middle-level cadres), that of senior cadres is 1, and that of intermediate and senior professional and technical personnel is 14, who all play an important role in the technical management positions of the company and organize Tibetan employees to carry out the cultural knowledge learning, ideal and belief education, operation skills training, etc., so that leading and driving the ethnic minority employees to continuously improve their own overall quality and playing a role of main force in the production and construction.

Case

The leading group, party branches and assistants above middle-level of Huatailong form "one to one" help bonding with the needy households in villages of Jiama Town, continuously expand the help region and practice activities of "showing love and sending supplies" by virtue of Spring Festival, Tibetan New Year, Shotun Festival, the National Day, Children's Day, etc. They send the care of the Party and central enterprises to the heart of the masses, engaged in solving the most direct and practical problems that the masses surrounding the mining area most are concerned about, forming a close relationship like that of fish and water between the corporation and the local masses.



Tibet Huatailong's leaders attending International Children's Day activity at Jiama Town



Mr. Yuelin Li, Tibet Huatailong's Deputy General Manager visiting local residents in difficulties

2013

内蒙古太平矿业有限公司社会责任报告

Inner Mongolia Pacific Mining Corp. Ltd.

Social Responsibility Report



Company Profile

Inner Mongolia Pacific Mining Co., Ltd (formerly Ningxia Pacific Mining Co., Ltd) is a Chinese-foreign cooperative enterprise founded in April 2002 by China Gold International Resources Corp. Ltd. (formerly Jinshan Gold Mines Inc.) and Ningxia Nuclear Industry Geological Exploration Institute (formerly 217 Group of Northwest Nuclear Industry Geology Bureau), wherein China Gold International Resources Corp. Ltd. owns 96.5% of the shares while Ningxia Nuclear Industry Geological Exploration Institute occupies 3.5% of the shares. The company registered in Xinhure Sumu, Urad Middle Banner, Inner Mongolia, mainly engages in operating Changshanhao Gold Mine of which the annual gold productivity was 4.23t in 2013 and which is the largest gold heap leaching mine in Northern China.

Inner Mongolia Pacific Mining Co., Ltd. positively and actively undertakes the social responsibilities of promoting social progress, local economic construction, staff development, environmental protection, harmonious development, etc., and meanwhile scientifically and reasonably develops, utilizes and protects resources according to the requirement and arrangement of the governments at all levels so as to convert the resource superiority to the economic advantages and struggle for converting the social responsibilities to the motive force and the long-term interest for the development of the enterprise. Furthermore, Inner Mongolia Pacific Mining Co., Ltd. monitors, operates and manages the mines according to the international standards so as to devote itself to establishing the domestically first-class and internationally advanced green environmental gold mine and further contribute to the harmonious development of the local economy.



Message from the Chairman


In 2013, under the correct guidance of China Gold International Resources Corp. Ltd. and under the strong support of the local governments at all levels, Inner Mongolia Pacific Mining Co., Ltd. inherited the enterprise spirit of "scientific development, environmental protection, pioneering and innovation, excellence pursuit", regarded "developing one mine, beautifying an area of environment and driving the economic development of one place" as the operation concept and accordingly obtained excellent performance in the fields of mining development, resource utilization, safety production, environmental protection, social responsibility, etc., thus highly appreciated by all sectors of the society.

In the future, Inner Mongolia Pacific Mining Co., Ltd. will regard the spirit of "the 18th National Congress of the Communist Party of China" as the guidance, seize the opportunity of mass educational practice activities, undertake the relevant responsibilities and self-pressurized, and continue to root on the scientific development perspective according to the overall strategic deployment of "the Twelfth Five-Year" development program of the group company as well as positively practice the social responsibilities, thus making arduous efforts to achieve both the economic benefit and the social benefit.

Chairman:

A handwritten signature in black ink, appearing to be '林浩' (Lin Hao), the Chairman's name.

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Environmental Protection and Greening

Case

Between 2011 and 2013, the company totally invested RMB 16.2 million to plant 6,184 arbors, 14,409 shrubs, 67,900 m² ground covers and sow 220,000 m² grass seeds for the greening and beautification project, thus making the green area reach over 90% of the total afforestation area. Meanwhile, this company also newly constructed the gate, leisure area, artificial lake, pavilion, gallery, mongolian yurt, sculpture, red flag square of the office building, mushroom pavilion, rigid road, etc. in order to beautify the plant areas. Furthermore, this company also maximally improved the ecological environment of the mine so as to create a civilized, harmonious and beautiful working and living environment. In 2013, this company was officially identified by the Ministry of Land and Resources as the third group of national green mine pilot units and awarded with the plaque. Meanwhile, this company was also awarded with the honorary title of Greening Model Unit in the whole Inner Mongolia Autonomous Region by the Afforestation Committee of the Inner Mongolia Autonomous Region.

In May 2013, the company invested RMB 980,000 to plant vegetations at the southwest waste dump with a 76,400 m³ total amount of covering earth and a 1,000 kg grass seeds occupying for 144,500 m² waste lands.

Till June 2013, the company totally invested RMB 20,284,400 for the environmental protection and the comprehensive treatment of the mine.



① Leisure square at office area

② Reclamation winning initial success

③ Reclamation of waste dump – sowing grass-seeds

④ Green belt along the road

Changshanhao region where the Inner Mongolia Pacific Mining Co., Ltd. is located is drought and has less rainfall all the year around, so it is difficult to supply the production water for the second-stage construction and after the mine is put into production. Facing such severe natural conditions that restrict the local production, this company has coordinated with the local water department to construct two water source wells with the depth of 12m among the reservoirs constructed thereby and meanwhile laid a waterline with the length of 3.5 km in order to connect the water supply for the herdsmen and accordingly solve their domestic water problems. Furthermore, the annual water supply capacity of this project reaches about 3 million m³, thus laying a water source foundation for the sustainable and sound development of this company. Additionally, this company positively and voluntarily dredged the reservoirs, thus not only solving the channel cleaning problems for the local government, but also solving the clay shortage problems for the company through using the dredged sludge as the clay for the heap leaching wad.



① Water source region ② Reservoir and water wells ③ Sunset glow at the reservoir

The leaders of this company pay high attention to the responsibility document signing of occupational health, safety and environmental protection through requiring various departments, carefully organize the staff to participate in the pre-job safety trainings and the safety exercises, execute the hidden danger checking control in the working site and the accident analysis system, implement the positive incentive mechanism for the safety production and carry out various activities such as "safety production month", etc. in order to promote safe development.

June 2013 was the 12th national safety production month, and under the serious preparation and the careful organization of the Safety and Environmental Protection Department, all staff of this company positively participated in the wonderful and multitudinous activities in the safety production month. Various special trainings, emergency exercises and knowledge contests were carried out in order to further strengthen the safety awareness of the staff. Therefore, such activities have become an important part of the safety culture of this company.

The safety culture gallery of this company with a total length of 38m was completed in October 2013, including 17 layouts, such as safety philosophy, safety production policy, safety production objective, employee safety behavior standard, honor roll, employees' works.

Through construction and updating of the safety culture gallery, the advanced collectives and the advanced individuals for the safety production can be timely propagandized and commended, and meanwhile the individual violation behaviors can be also exposed during the safety check for further improvement, thus forming a good safety culture atmosphere for the company.

The purpose of the safety culture construction of this company is to create a good safety humanistic atmosphere and a harmonious man-machine environment through such "soft" strength ---- safety culture construction in order to influence the concept, awareness, attitude, behavior, etc. of human from an intangible way to a tangible way and further control the generation of people's unsafe behaviors as well as accordingly achieve the effect of reducing human error accidents. Furthermore, the safety culture construction also aims at enabling the staff to have the awareness of self-protection, mutual love, buddy aid, human safety and belongingness, and establishing the safe, healthy and efficient individual and collective common endeavor awareness at the deep heart of the staff.



Ankang Cup Competition



Landslide emergency training



Neat mine slope



Safety culture Gallery

 Case

May 6, 2013, Bayannur's fire department was invited to the company, giving a fire protection lecture themed as "Guarding Life Safety and Eliminating Fire Risk" to the staff. The firemen introduced the practical fire safety common sense and guided the staff to participate in the system simulation training. Additionally, the firemen told the staff that in case of discovering fire disaster, the timely alarm is also a necessary rescue method. As for how to correctly alarm, the firemen also guided the staff to learn the specific operations on the fire alarm experience system.



● On-site firefighting training provided by Bayannur city fire department

 Case

In order to strengthen the self and mutual medical aid awareness of the staff, the company carried out the emergency rescue knowledge trainings concerning sudden diseases for the responsible persons of various departments and part of the members thereof on January 30th, 2013.

Such trainings were organized by the General Office and the medical staff of the dispensary site on the medical aid details through dummy man. The medical staff specifically and vividly explained the contents from the emerging mechanism of sudden diseases to the rapid judgment of the patients' vital signs, from such commonly used methods as artificial respiration to the application of such rescue instruments as bandage, stretcher and gauze, from the usage of Quick Acting Heart Reliever, etc. to the self-protection during the rescue process, and the staff also carefully listened to these medical aid contents. In the training, part of the staff experienced the field rescue under the guidance of the medical staff so as to further learn the emergency rescue knowledge concerning sudden diseases and improve their self-qualities thereof.



① Medical training



② First aid training

 Case

From September 11 to September 13, 2013, Beijing Zhongshui Brilliant Certification Co., Ltd. and Guardian Independent Certification (Beijing) Co., Ltd. assigned 4 persons to form an expert audit group to carry out the first supervision and verification for our company according to the GB/T19001:2008idt ISO9001:2008 standard, GB/T24001:2004idt ISO14001:2004 standard, GB/T28001-2011 and other relevant requirements of laws and regulations after our company obtained the domestic and international HSE certificates.

During the three days, the audit group carefully and seriously audited the leaders and the departments of the company according to the audit plan, and afterwards announced that our company passed the audit.

The leaders and the staff of the company focused on the requirements of HSE system and carried out a lot of productive work through the corresponding measures, such as self-inspection, rectification, review, so the company successfully passed the first supervision and verification after obtaining the certificates, thus making the management level of the company reach a new stage and enabling the company to firmly step towards the internationalization development.



● HSE system audit

 Technology Innovations

 Case

The beneficiation technology of Inner Mongolia Pacific Mining Co., Ltd. is the domestic supreme large-scale opencast mining process and the internationally and domestically most advanced heap leaching process. Therein, the large-scale layered stacking mode is adopted for the heap leaching yard to conduct the buried pipe drip, thus not only reducing water evaporation, but also ensuring the production and operation of the mines all the year around in the northern cold region. Meanwhile, the pregnant solution pond coverage technology and the totally closed recirculation recycle utilization process have also filled the gap in our country, thus not only effectively reducing water evaporation and waste, but also achieving the zero discharge of the industrial wastewater and making the company become the model for water resource conservation and environment protection in the mining industry. Furthermore, the advanced gold processing and crushing equipment is the international standard energy-efficient equipment, which can effectively reduce the production cost and improve the production efficiency. Therefore, the company sets a precedent for exploring and utilizing the low-grade gold deposits in our country.



① HP800 gyratory cone crusher



② Distant view of heap leaching pad



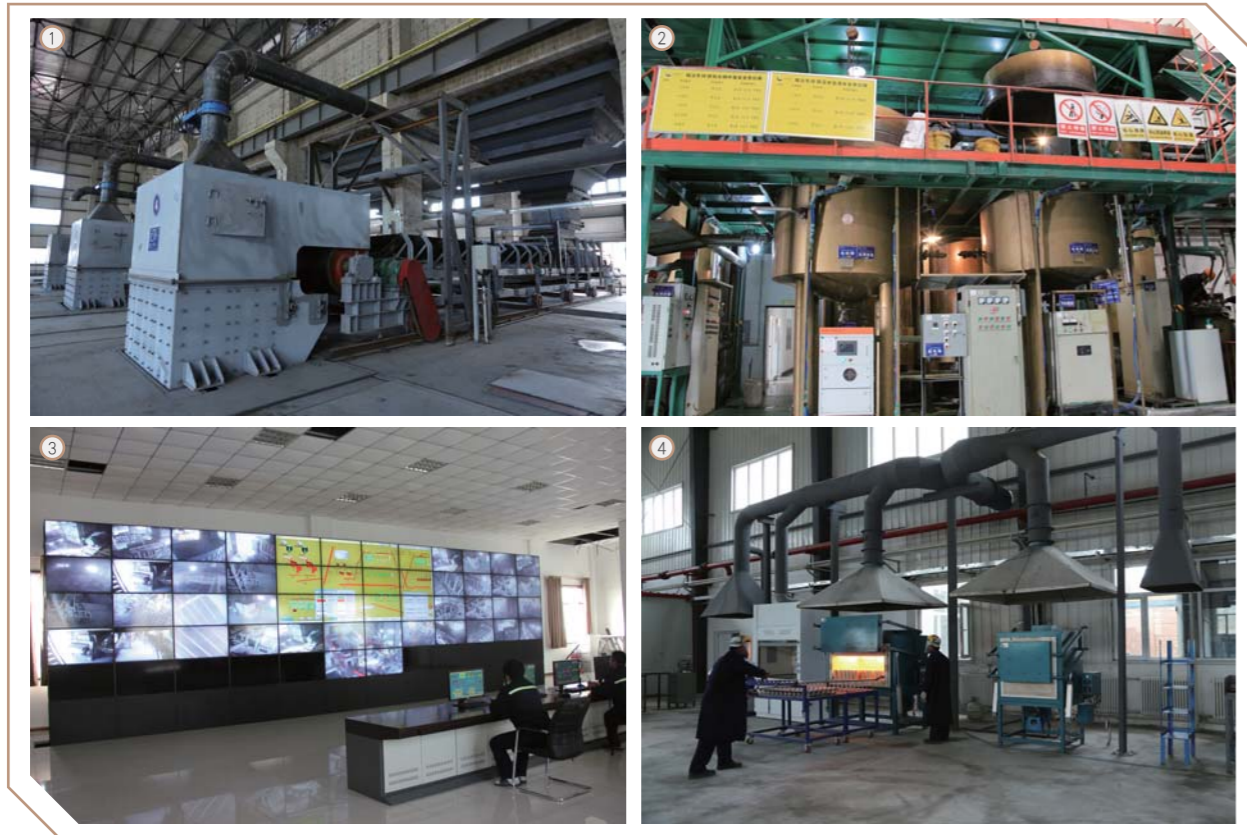
③ Heap leaching pad

In 2013, Inner Mongolia Pacific Mining Co., Ltd. adopted the newly purchased reverse circulation drill rig to drill the heap leaching ores for sampling. In the test, No. 6-01 drip sheet with the level of 60m was selected, and the raw ore sample, the 90-day dripped sample, the 180-day dripped sample were respectively drilled. According to the analytical calculation of the above samples, the leaching efficiency of the 90-day dripped sample was 51.50% while that of the 180-day dripped sample could reach 54.06%.

Activated carbon can generate carbon powder in use. Although most activated carbon powder can be completely recovered, the recovery of the activated carbon powder in the adsorption tank is always the weak spot during the mining process. According to the research findings, the bottleneck of the recovery of the activated carbon powder in the adsorption tank lies in the activated carbon screening operations, because the existing circular vibrating screen doesn't have prescreening effect.

Therefore, the circular vibrating screen was changed into the linear vibrating screen and meanwhile the screen cloth was changed into the screen cloth with 14 meshes. After the technical transformation, the flow rate of the pregnant solution of the beneficiation-metallurgy plant was directly increased to 300m³/h.

The carbon powder from the newly pre-ground carbon in the absorption-metallurgy plant is discharged to the outside through the carbon trough, but such discharge operation can easily pollute the environment and influence the company image and meanwhile part of the carbon powder may enter into the technological process. Therefore, a carbon powder pond was newly constructed in the beneficiation-metallurgy plant in order to collect the carbon powder during the recovering and pre-grinding process and further completely prevent the external flow of the carbon powder, wherein the recovered carbon powder also has certain economic value. Meanwhile, in June 2013, a set of new carbon pre-grinding facility was newly installed in the absorption-metallurgy plant in order to separate the pre-grinding process and the technological process and further completely solve the problem of new carbon entering the technological process.



① Dedusting equipment ② Open and closed electrolyzing cell ③ Dispatch and command center central control room ④ Laboratory at mine site

Inner Mongolia Pacific Mining Co., Ltd. set the theme of 2013 as "Year of Enterprise Management and Cost Reducing and Benefit Increasing", confirmed the objective of cost reducing and benefit increasing for this year, and formulated feasible measures, thus optimizing production index and mining operations, strengthening equipment maintenance, repair and recycling, and control efforts to gain benefits from precision management, vigorously advocating independent maintenance and engineering construction, and paying attention to purchase of large-quantity materials.

The company insists on that "none of the maintenance goes for outsourcing by principle", with each unit being required to provide its own maintenance list to clarify maintenance items and methods. Only part of the maintenance which requires high technology with great risk can be properly outsourced. For example, in term of greening and landscaping, the company implements fragment contracting, assigning all the greening areas to each department for maintenance and management; it needs to communicate with smelting factory, crushing factory and machine repair factory in advance to lay out water-supply pipe in the greening area to ensure timely irrigation and increase survival rate. Meanwhile strengthen the daily monitoring on the greening company to reduce water waste.



① Repair old equipment and make use of waste materials - screen modification ② Maintenance of green area ③ New mixed loading explosives plant

Employees' Interests

Case

In order to better cooperate with the company's development target, increase employee quality, strengthen employees' ability for their own works and their comprehension of enterprise culture, enrich employees' knowledge and skill as planned and develop their potential ability, establish satisfying human connections, and then promote the company's enterprise spirit, the company gradually intensifies employees' training and enriches training contents, having effectively cultivated large amount of talents for the company.

The company conducted security training for 247 person, firefighting training for 247 person and pre-employment training for 195 person in 2013. Meanwhile, the company also arranged for many employees on-the-job training for special equipment, training for mining geology environment treatment, security part-time training teacher, and training for dynamic unemployment monitoring, female employee occupational health training and many other trainings, having greatly enhanced employees' overall quality.



① Professional training for employees from production technology department ② Visiting employees in difficulties ③ Technical skills competition

④ Outdoor activities ⑤ Art performance ⑥ Sports equipment in dormitory corridor ⑦ Activity center ⑧ Vegetable greenhouse at CSH mine

Case

In June every year, the company arranges free physical examination for all the employees, treating timely with help if any patient, and there were more than 600 employees having participated in physical examination in 2013. In order to solve the problem of difficulty in receiving medical treatment for most of the employees, the company signed cooperation agreement with North Hospital in Baotou, and set infirmaries. The North Hospital allocate medical personnel to diagnose and treat employees, and the employees can get free medicine, only for which the company invests more than RMB400,000 every year. The company also buys special disease insurance for each female employee, and when suffering from gynecological diseases, female employees can get certain amount of compensation. Meanwhile, the company also sets a psychological counseling room for employees to eliminate psychological obstacles to ensure the physical and psychological health for employees.



● Lecture of women health

Harmonious Win-win

Case

The company communicates with residents of Sumu and Gacha, researching on the crux of surrounding poor herdsmen to solve practical problems and being dedicated to the cause of poverty alleviation. The company changes the single method of money and goods donation, "teaching them how to fish" and plans wealth-acquiring projects, and strengthens the "blood-making" function of herding families which are incorporated into the company's supporting plan, taking well advantage of each capital, and feasibly help the herdsmen to overcome poverty and achieve prosperity.



● Visiting herdsmen



The day on June 20, 2013, namely May 13 in lunar calendar, was the day for Mongols compatriots in Xinhure Sumu to hold Obo festival, and Inner Mongolia Pacific Mining was invited to attend this grand annual meeting by the resident government.

On the worship site, people burned incenses, and the dressed-up herdsmen arrived before sunrise. The worship ceremony started as the sun rises. Herdsmen participating in the worship walked around Obo, holding burning incenses and strong liquor, and earnestly praying for favorable weather, thriving domestic animals and peace and prosperity.

Recently, Pacific Mining Company friendly and jointly construct with the resident government, supporting construction of local economy and culture. Meanwhile the production and construction of the company also rely on supports of herdsmen, and participation of folk-customs such as Obo Festival is a key part of the company's "joint harmonious construction between enterprise and government", which has great significance to promote emotions between the company and herdsmen and maintain social stability in the community. Nowadays, employees of the company spontaneously come to Obo to celebrate and pray with herdsmen, and, of course, our company becomes a natural participant of the Obo Festival.



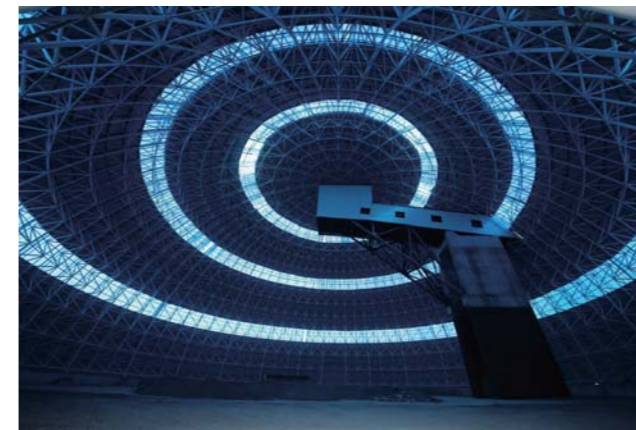
● Obo ritual



● The biggest Obo in Wulate Middle Banner

During the construction of Phase II expansion of Inner Mongolia Pacific Mining, all the construction teams have overcome adverse weather condition, external transportation, material supply and many other difficulties, and launched 100-day-long winter battle in October in the last year, constructing in coldness of -30 degrees. During Spring Festival, construction participants gave up the opportunity to be together with their families, working in wind and sand at the end of spring and the beginning of summer to ensure continuous construction of the project and progress of key project nodes. The company promoted rapid construction of the project and ensured the basic realization of project construction target by optimizing investment and construction. With the struggling of all the company employees and unremitting efforts and arduous struggle of all the construction units, the extension project completed overall investment within only one year, having realized the commissioning target set by China International Capital Corporation in time.

The extension project does not only bring great benefits to the company, but positively promote the economic development of the company-located region: it created local jobs for more than 200 persons during capital construction peak seasons and will pay about RMB 0.4 billion of tax every year after completion.



● Internal view of Phase II expansion ore storage



● No. 1 belt conveyor in Phase II expansion construction



Panorama of screening workshop in Phase II expansion construction